

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
SAUSALITO-MARIN CITY SANITARY DISTRICT**

May 2, 2011

The regular meeting of the Sausalito-Marin City Sanitary District was held on May 2, 2011 at 7:30p.m., 420 Litho Street, City Council Chambers Sausalito, California.

I. ROLL CALL

Directors Present: Arnott, Beers, Gergus, Ring

Directors Absent: Wohlschlaeger

Staff Present: General Manager Bob Simmons, Temporary Assistant Patty Swisshelm

Staff Also Present: Lab Director Omar Arias, Operation Superintendent Craig Justice, O & M Tech II Kevin Beneda, O&M Tech II Jeff Waters

Also Present: District Counsel Kent Alm, TCSD General Manager Jon Elam, Chuck McDonald, Somil Gandhi

II. TCSD AND CITY OF SAUSALITO REPORTS – NONE

III. CONSENT CALENDAR

A. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF APRIL 4, 2011 AS MODIFIED:

M/S/C- Gergus, Beers

VOTE: Arnott, Beers, Gergus, Ring

B. APPROVAL OF MINUTES OF THE PERSONNEL COMMITTEE MEETING OF APRIL 12, 2011 AS MODIFIED:

M/S/C- Ring, Gergus

VOTE: Arnott, Beers, Gergus, Ring

C. APPROVAL OF MINUTES OF THE CAPITAL AND CONSTRUCTION COMMITTEE MEETING OF APRIL 26, 2011 AS PRESENTED:

M/S/C- Ring, Gergus

VOTE: Arnott, Beers, Gergus, Ring

D. APPROVAL OF BILLS AND EXPENDITURES AS PRESENTED:

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

IV. **GENERAL PUBLIC.** John Elam suggested that changes to meeting minutes should be made prior to Regular Board Meetings. Chuck McDonald asked that the Board consider holding meetings with the public to consider such factors as installing underground utilities in lieu of above ground utilities in future improvement projects.

V. **UNFINISHED BUSINESS.** NONE

VI. **NEW BUSINESS**

A. CONSIDER REQUEST FROM SOMIL GANDHI, OWNER OF THE SHELL GAS STATION AND CAR WASH FOR PARTIAL RELIEF FROM ASSESSED SEWER SERVICE CHARGES FOR FY 2010/11

Somil Gandhi, owner of the Shell Gas Station and Car Wash, requested that the Board consider providing partial relief from the sewer service charges that were levied on his parcel, identified as APN 063-151-06. Mr. Gandhi asserts that the summer 2009 water consumption data is incorrect. Mr. Gandhi asserts that the car wash volume had been decreasing and quite possibly a new water meter is the reason for the incorrect usage figures.

General Manager Bob Simmons stated that he spoke with representatives of Marin Municipal Water District (MMWD) regarding Mr. Gandhi's summer 2009 water usage, which measured 1215 ccf. MMWD advised General Manager Simmons that Mr. Gandhi's water meter was checked by a MMWD technician and found to be in proper working order.

General Manager Simmons reviewed Mr. Gandhi's summer two month water consumption data for 2008 (750 ccf), 2009 (1215 ccf), and 2010 (586 ccf), and stated that it does appear that his 2009 water consumption is unusually high. The District's methodology of calculating sewer service charges for commercial customers is to average the summer and winter, two month water consumption data and then annualize it. Because the 2009 summer water usage was unusually high, the annualized consumption is skewed and turns out to be significantly greater than Mr. Gandhi's actual metered water consumption over the 12 month period.

Director Arnott stated that the District currently has a few commercial customers whose sewer service charges are based on actual 12 month water consumption and suggested that staff review the Shell station account, consider basing its annual sewer services charges on actual water consumption for the year and report back to the Board.

MOTION: Authorize adjustment of Shell Gas Station and Car Wash service charges for FY 2010/2011 from \$22,999.76 to \$17,727.49 and refund \$5,272.72 to Shell Gas Station owner, Somil Ghandhi.

M/S/C- Beers, Ring

VOTE: Arnott, Beers, Gergus, Ring

B. TEMPORARY TREATMENT PLANT PUMPING SYSTEM PROJECT – DECLARE PROJECT A CONTINUING EMERGENCY, AFFIRM EXCEPTION TO PUBLIC CONTRACT CODE BIDDING REQUIREMENTS AND AUTHORIZE EXECUTION OF A PURCHASE ORDER WITH CALCON SYSTEMS, INC. FOR FABRICATION, INSTALLATION, PROGRAMMING AND RELATED SERVICES TO PROVIDE A FULLY OPERATIONAL PUMPING SYSTEM CONTROL PANEL

General Manager Simmons stated that the Primary Effluent Box and FFR Pump Station Rehabilitation Project requires the construction of a temporary pump station to provide flow to Fixed Film Reactors (FFR) during construction. He advised the Board that the conditions on which the Board had declared the Temporary Treatment Plant Pumping System Project an emergency project and exempt from Public Contracting Code requirements have not changed and continue to date.

The Calcon Systems Inc.'s proposal was solicited on a sole source basis to provide a control panel and SCADA System programming for the temporary pump station based on their intimate knowledge of existing plant controls and operational requirements and based on their proven ability. The work involves specialized knowledge, which limits the bidding field. Calcon Systems submitted a bid in the amount of \$87,582 to provide all material, equipment and programming required for the completion and startup of the temporary pump station and associated instrumentation. The bid also includes operator training and technical support for the length of its operation. General Manager Simmons stated that after review of Calcon Systems proposal, he found the proposed cost to be reasonable and Calcon Systems, Inc. to be a reliable company. General Manager Simmons reported that Calcon Systems has special knowledge of the District's treatment plant's control and SCADA programming and is experienced with the required work. Council Alm asked if there was sufficient time to go to open bid and Simmons stated that the schedule would be negatively impacted in educating another company about the intricacies of the plant's control logic and the control wiring. Monterey Mechanical is presently working on the structural, mechanical and piping systems for the temporary pump station and the contract completion is July 7, 2011 Simmons reported that there is not sufficient time to prepare the detailed plans and specifications that would be required to publicly bid the project. The overall project is required to be completed before the rainy season in November.

Director Beers inquired if Calcon Systems is aware of the completion date and the General Manager confirmed that they are aware and have scheduled their work to be completed by July 1st to allow one week of control system testing prior to the time when full reliance on the temporary pumping facilities will be required to meet other project time requirements.

MOTION: Continue the emergency status of the project as outlined in Resolution No. 945 and Authorize execution of a purchase order contract in the amount of \$87,582 with Calcon System Inc. to fabricate, supply, install and program a control panel for the Temporary Pumping System project and related work as described in their proposal dated April 25, 2011.

M/S/C- Gergus, Beers

VOTE: Arnott, Beers, Gergus, Ring

C. PRIMARY EFFLUENT BOX, RECYCLE BOX, DIGESTER GAS PIPE AND VALVE REHABILITATION PROJECT – ADOPT RESOLUTION NO. 947 MAKING FINDINGS AND DIRECTING FILING OF NOTICE OF EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENT QUALITY ACT

1) ADOPT RESOLUTION No. 947 MAKING FINDINGS

MOTION: Authorize the adoption of Resolution No. 947 Making Findings and Directing Filing of Notice of Exemption Pursuant to the California Environment Quality Act, for the Primary Effluent Box, Recycle Box, Pipe and Valve Rehabilitation Project.

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

2) AUTHORIZE ADVERTISEMENT OF THE NOTICE INVITING BIDS:

General Manager Simmons reported that Kennedy/Jenks Consultants was retained to provide design services for the Primary Effluent Box, Recycle Box, Pipe and Valve Rehabilitation Project. Project contract documents are currently 95% complete with the delivery of final contract documents is expected by mid-May. General Manager Simmons reviewed the four main components of work to be accomplished on the Primary Effluent Box, Recycle Box, Pipe and Valve Rehabilitation Project.

Simmons stated that the engineer's estimated cost for construction of all work described, as provided by Kennedy/Jenks Consultants, is \$807,000.

Simmons also stated that the bid opening for the project is to be early June. Construction activities shall commence upon completion of emergency pipe gallery plug valve replacement, scheduled for July 15th, 2011. Primary Effluent Box and Secondary Valve Rehabilitation work shall be completed by September 30th, 2011 to ensure wet weather operations are not impacted. Recycle Box and miscellaneous pipe rehabilitation work shall be completed by December 1st, 2011. This work should not be impacted by wet weather.

General Manager Simmons stated that the funding source for the temporary pumping system project and this project will be the remaining proceeds from the 2008 City National Bank loan, estimated at \$1,130,000 and capital reserves estimated to be \$650,000. Additional bank loan or other financing is anticipated to be needed to fund future capital projects.

MOTION: Authorize the advertisement of the notice inviting bids for subject project upon receipt of completed design documents.

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

3) AUTHORIZE AMENDMENT OF PROFESSIONAL SERVICE AGREEMENT WITH KENNEDY/JENKS CONSULTANTS FOR ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION IN THE AMOUNT OF \$104,400

General Manager Simmons reported that additional budget is required for engineering support services during construction of the Primary Effluent Box, Recycle Box, Pipe and Valve Rehabilitation Project. Kennedy/Jenks Consultants' scope of services provide for engineering support services during the 7-month construction period, periodic site observations of the work, including final inspection. The budget is based on an estimated number of submittals, requests for information and clarifications, field changes, site visits, and an estimated number of hours for preparation of record drawings. Kennedy/ Jenks will track time spent against the estimate and keep the District informed on a monthly basis on the hours expended versus the number of task items completed. Also included in the cost proposal is additional budget for bidding services that exceeded the originally estimated level of effort. The estimated cost of the engineering support services and additional budget request is \$104,400.

MOTION: Authorize the General Manager to execute Amendment No. 1 to the professional service agreement with the Kennedy/Jenks Consultants for support services during construction, raising the cost ceiling from \$125,300 to \$229,700.

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

D. LOCUST STREET PUMP STATION IMPROVEMENT PROJECT – 1) AWARD CONSTRUCTION CONTRACT TO MAGGIORA & GHILOTTI AND 2) AUTHORIZE AMENDMENT OF PROFESSIONAL SERVICE AGREEMENT WITH NUTE ENGINEERING, INC. FOR ENGINEERING SUPPORT AND INSPECTION SERVICES DURING CONSTRUCTION IN THE AMOUNT OF \$114,700

Bids for the project were opened on March 30, 2011, and Maggiora & Ghilotti was the low bidder. The District has 120 days to award the contract following the opening of the bids. However, staff is not certain when the State of California will issue the final funding commitment pursuant to the District's State Revolving Loan Fund application.

MOTION: Table the authorization of award of a contract to Maggiora & Ghilotti and the amendment of the professional service agreement with Nute Engineering, Inc.

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

E. MARIN CITY COLLECTION SYSTEM REHABILITATION PROJECT - ADOPT RESOLUTION NO. 948 MAKING FINDINGS AND DIRECTING FILING OF NOTICE OF EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENT QUALITY ACT

General Manager Simmons recommended that the Board adopt Resolution No. 948 finding that the project is exempt from CEQA as a Class 2 exemption because it involves the repair of an existing public facility and involves no expansion of the facility beyond that existing at the time of the Board's determination.

MOTION: Authorize the adoption of Resolution No. 948 Making Findings and Directing Filing of Notice of Exemption Pursuant to the California Environment Quality Act.

M/S/C- Gergus, Beers

VOTE: Arnott, Beers, Gergus, Ring

F. AUTHORIZE PROFESSIONAL SERVICES AGREEMENT WITH HILTON, FARNKOPF AND HOBSON TO DEVELOP A SEWER SERVICE CHARGE DATABASE IN MICROSOFT EXCEL, PROVIDE TRAINING TO STAFF AND ASSIST IN THE PREPARATION OF THE FY 2011/12 SEWER SERVICE ASSESSMENTS

General Manager Simmons reported that staff needs assistance in the preparation of an Excel database in order to prepare and levy FY 2011/12 sewer service charges.

MOTION: Authorize the execution of a professional services agreement with Hilton, Farnkopf and Hobson (HF&H) Consultants to develop a sewer service charge database and provide assistance in levying FY 2011/12 sewer service charges at a cost not to exceed \$10,500.

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

G. AUTHORIZE THE GENERAL MANAGER TO RECRUIT FOR AND HIRE TWO SUMMER INTERNS TO ASSIST OPERATION AND MAINTENANCE STAFF WITH THE MAINTENANCE OF DISTRICT FACILITIES.

Operations Superintendent Justice reported that he has experience with summer internship programs while employed at other agencies and has found them to be a benefit to both the interns and the employer. He requested that the Board consider establishing an internship program at the District. The interns would be employed as temporary employees and would provide assistance to O&M personnel in the maintenance of District facilities. Operations Superintendent Justice suggested that a selection preference might be given to high school and college students that reside within the District's service area. He would like this program to encourage students to consider a career in wastewater operations and other related fields. The program would run nine to ten weeks in the summer and students would be paid about \$10 per hour.

MOTION: Authorize the General Manager to recruit for and hire two summer interns to assist staff in the maintenance of District facilities.

M/S/C- Beers, Ring

VOTE: Arnott, Beers, Gergus, Ring

H. CONSIDER REQUEST OF OPERATIONS SUPERINTENDENT FOR ASSISTANCE IN PAYING RELOCATION EXPENSES.

General Manager Simmons requested the Board consider reimbursing Operations Superintendent Craig Justice for relocation expense with regard to his relocation from Huntington Beach to Marin County.

The Board directed that a policy on moving expenses be formulated for future requests.

MOTION: Authorize an expense reimbursement to Operations Superintendent Craig Justice of relocation expenses up to the amount of \$2,500 for airfare and up to the amount of \$3,000 for moving.

M/S/C- Beers, Gergus

VOTE: Arnott, Beers, Gergus, Ring

I. CONSIDER APPROVAL OF STIPEND FOR BOARD PRESIDENT RELATING TO MAINTAINING FINANCIAL ADMINISTRATION - NO ACTION WAS TAKEN.

VII. STAFF REPORTS

A. GENERAL MANAGER

1. Operations Report: Operations Superintendent Craig Justice reported that there were no discharge permit violation in April. There were no significant rains or blending events in April.

Novato Disposal Service has begun hauling dewatered biosolids from the plant to Redwood landfill. Staff has started work preparing for the start-up of the temporary pumping system and FFR valve replacement work.

There was a sewer manhole overflow on April 14, 2011 at 268 Bay Vista Circle in Marin City as reported by a resident that lives nearby. The manhole was located in a off road easement area. Resident said a small amount of flow had been leaking from the manhole for about three weeks. He thought it was a storm drain at first until it did not stop. The total amount of leakage was 5,050 gallons. The spill was contained in the hillside and did not reach San Francisco Bay. Warning placards were set out warning residents of the hazardous condition. Clean-up of the spill and repair of the sewer line were completed.

Maintenance activities during the month included the installation of fiber optic communication cable to connect end users with the new computer server and the testing of two District underground fuel storage tanks.

2. Safety Program: Operations Superintendent Craig Justice reported that there were no lost time workplace injuries in March. The Plant Safety Committee met on April 6th and facility safety walk through was conducted on April 18th with Safety Director Dale Thrasher in attendance. Operations Superintendent Justice stated that there were a number of corrective items noted, which are currently being worked on. The District completed a safety training session on plant chemical deliveries.

3. EEO Report/Harassment Report: No Reports, investigating report from previous month.

4. Odor Report: There was one odor complaint on April 29, 2011 reported by resident Bob Maloy while he and several bicycle riders were on Fort Baker Road near the chemical storage building. The District researched the various possibilities of odor but could not find a source.

5. Pump Station Reliability Project – Main Street Pump Station: General Manager Simmons reported that the City's Planning Director had advised him that the District would need to apply for an encroachment agreement to construct Pump Station Reliability improvements in City right of way at the Main Street Pump Station. Project plans will need to be submitted under the City's Design Review process and reviewed and approved by the City Planning Commission. General Manager Simmons presented several siting plans to the Board, which showed the location and positioning of the portable pump on the north and west sides of the pump station. He noted that the turning radius of the portable pump trailer limits the options for placement of the equipment. He noted that the west side option would require modification of the existing landscaping buffer that was installed by the owners of the Portifino Apartment Building. A landscape architect will be retained to consider landscaping improvements and to prepare exhibits showing the visual impacts of the portable pump.

General Manager Simmons will provide the Planning Commission an estimate of the frequency and duration of the placement of the portable pump at Main Street and of the times needed to operate this pump based on flow amount. Because of the additional review time that will be required, Manager Simmons reported that he is uncertain whether the Main street reliability improvements will be able to be constructed prior to wet weather.

6. Headworks Project: General Manager Simmons presented a preliminary plan to the Board showing a second primary clarifier constructed alongside the existing clarifier. The plant access road would need to be relocated further uphill to allow room for the new primary clarifier.

A turntable could be installed to facilitate truck delivery and bin pickup (estimated cost \$600,000) or the hillside could be excavated to provide a backup area for a truck turn-around (estimated cost \$300,000). A 500,000 gallon equalization storage basin could be constructed underneath the Headworks facility, which would provide sufficient storage for the plant to handle the estimated peak wet weather design flow of 12.5 MGD without blending. Without the equalization storage basin, the plant could only handle 9.0 MGD of peak wet weather flow. The plant would have to blend, albeit very infrequently, compared to the seven times per year the plant currently blends. The equalization storage basin could be constructed within the overall project budget of \$8.5 million.

7. Report on Marin City Sewer Rehabilitation Presentation to Marin City Community Services District (MCCSD) Board of Directors: General Manager Simmons, Project Manager Associate Engineer Kevin Rahman, and John Goodwin presented a report on the Marin City Collection System Rehabilitation Project to MCCSD with good results. Questions about rate increases were answered. A future community meeting to further discuss the project will be scheduled.

8. Beach Force Main Abandonment: The Capital Committee met to discuss the abandonment of the beach force main that was originally constructed in the 1950's along the shoreline of the bay between Main Street and the treatment plant. A new sewer is being proposed to be installed near the Cote D'Azur apartments to provide

service to the eighteen homes presently connected to the old force main. These homes need to be removed from the force main in order for the force main to be abandoned. The beach force main is in poor condition and poses a liability to the District.

Sausalito Resident Maurice Myers plans to construct a retaining wall and boat dock on his property and the construction of the new sewer pipeline and manhole in conjunction with the retaining wall is being discussed with City and Mr. Myers' representatives. The sewer pipeline would need to be constructed through the Cote D'Azur apartment property to a City owned manhole and sewer line.

9. TCSD/SMCSD Wastewater Services Agreement – Status of Amendment : The Committees from both Districts met and agreed to conceptual modifications to the Agreement and referred the drafting of the changes to both agencies' legal counsels.

10. Minimum Mandatory Penalties for the Period 2007 through 2010: In the three year period between 2007 and 2010, two discharge violations occurred, which are subject to state minimum mandatory penalties. One of the violations was classified as a non-serious violation and the District will not be assessed a fine for it. The other violation was classified as a serious violation because it exceeded the discharge limit by more than twenty percent. The District will be assessed a minimum penalty in the amount of \$3,000 for it. General Manager Simmons reported that he consented to a conditional offer to participate in an accelerated payment program with the Regional Water Board and accepted the assessment of the minimum mandatory penalty. The conditional offer has been posted for public review and comment.

11. Report on Coordination Meeting with City of Sausalito: New Operations Superintendent Craig Justice was introduced to City representative. There was discussion of vehicle maintenance assistance, hydro-cleaning of the Marin City sewers, and a possible joint study of services provided by the City and the District. More discussion to follow.

12. Marin City Pump Station Property Transfer Request from Owner of the Marin Gateway Shopping Center: The District owns property on which the Marin City Pump Station is located. The Marin City shopping complex access road passes through the property without the benefit of an ingress/egress easement. Also the rear corner of the Best Buy store is located on District property. The owners of the shopping center want to gain ownership rights to the pump station property in exchange for providing easements to the District for the existing pump station and future improvements. District Counsel will be asked to review and assist in working out the details for the necessary easement .

B. FINANCES

The Board reviewed the LAIF and District Financial reports through April 2011.

VIII. BOARD OF DIRECTORS

Director Arnott stated that in the past, the City of Sausalito sent the District a list of Building Permits each month and she asked if that policy is still in force. The list helps the SMCS D collect its connection fees.

VI CLOSED SESSION

The President recessed the meeting at 10:23 p.m. and the Board went into a closed session.

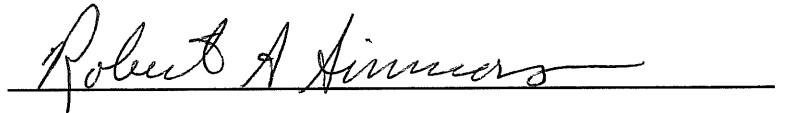
- A. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6)
Labor Negotiations – Unrepresented Employees
District Negotiator – District Manager/Personnel Committee

- B. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6)
Labor Negotiations – Management Employees
District Negotiator – Personnel Committee

The Board came out of Closed Session at 10:58 and it was noted that no formal action was taken.

IX. ADJOURNMENT

The President adjourned the meeting at 11:02 p.m., to the regular meeting to be held on June 6, 2011 at 7:30 p.m., City Council Chambers, 420 Litho Street, Sausalito, California.

A handwritten signature in cursive script, reading "Robert A. Simmons", is written over a horizontal line.

Board Secretary