

Catharine Benediktsson, President
Richard Snyder, Vice President
Roy Fedotoff, Secretary

Maureen Johnson, Director
Michael Lasky, Director

**Sanitary District No. 5 of Marin County
Minutes of a Regular Board Meeting
at Tiburon Fire Protection District Meeting Room
1679 Tiburon Blvd., Tiburon, California
Tuesday, February 19, 2013, 6:30 p.m.**

CALL TO ORDER by Pres. Benediktsson at 6:33 p.m.

ROLL CALL:

Directors present:	Catharine Benediktsson, President Richard Snyder, Vice President Roy Fedotoff, Secretary Maureen Johnson Michael Lasky
Staff present:	Samantha Miller, District Manager Tony Rubio, Wastewater Facilities Manager Lynn Henriksen, Executive Assistant
Others present:	Robert Simmons Deirdre McCrohan, <i>The Ark Newspaper</i>

PUBLIC OPEN TIME: No public comments were made.

CLOSED SESSION at 6:38 p.m.

Pursuant to Government Code § 54957(b)(1):
Public Employee Performance Evaluation
Title: District Manager

OPEN SESSION at 7:12 p.m.

Pres. Benediktsson reported that the District Manager's annual appraisal is to occur at the annual contract date of June 21, 2013. This will also give the Personnel Committee ample time to revise the District Manager performance evaluation template that was put together two years ago.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS

Pres. Benediktsson requested a report on the District's side fund be made at the March 19, 2013, Board meeting. Sec. Fedotoff would like to see a draft from Mr. Brent Ives, BHI, of the Five-Year

Strategic/Tactical Plan at that time, as well. In addition, Sec. Fedotoff would like Mr. Ives to be asked to be more prepared at his next meeting with the Board than he was for the Board's Strategic/Tactical Planning Workshop of January 11, 2013. Mgr. Miller replied that she will be discussing both of these items in the District Management report for tonight's meeting, and that she would make known to Mr. Ives the Boards disappointment in services provided by him to date.

CONSENT CALENDAR

1. Approval of January 11, 2013, Special Board Meeting Minutes (Henriksen) (attached)
2. Approval of January 15, 2013, Regular Board Meeting Minutes (Henriksen) (attached)
3. Approval of All Warrants for January 2013, #5855 through #5928, in the amount of \$937,085.47, and Main Plant Rehabilitation Project Warrants for February 1-15, 2013, #5940, 5941, and 5942, in the amount of \$1,016,619.41 (Miller) (attached)
4. Receipt of Financial Reports for January 2013 (Miller) (attached)

Motion (Johnson/Snyder) to approve the Consent Calendar. Passed, all present.

MANAGEMENT REPORTS

5. District Management Summary Report and Operations/Maintenance Report (Miller/Rubio) (attached)

Mgr. Miller reviewed and discussed the significant events of the past 30 days with the Board, including fiscal status, year-end accounting, FY 2011-12 audit prep, updating of the 10-year CIP plan in preparation for the FY 2013-14 budget, regulatory compliance, human resources and personnel, business administration issues, continuing education and safety training, as well as updates on the collection system, treatment plant performance, and capital improvement projects.

Sec. Fedotoff asked if Mr. Terry Krieg, CPA, does an internal audit of the District's financial accounts. Mgr. Miller said the District employs Mr. Krieg annually to conduct an independent audit. She also reviewed Government Accounting Standards Board (GASB) 68 reporting with the Board. Pres. Benediktsson directed that Mr. Krieg be prepared to answer questions and give a verbal report on the District's side fund liability (GASB 68) at the time he presents the FY 2011-12 audit to the Board. A discussion ensued as to alternatives to pay off or pay down the side fund to reduce the District's CalPERS employer contribution rate which covers funding employee past and future pensions. One idea to pay off the side fund would be to use the District's reserve accounts; however, Belvedere's reserve account is minimal, and to use the Tiburon account would put updating the collection system in jeopardy. A second idea would be to take out a low interest rate loan to pay off the side fund with CalPERS, since they are currently charging the District interest rates in excess of 7%. Pres. Benediktsson informed the Board of the Finance Committee's recommendation that an attorney and an independent actuary, specializing in all matters CalPERS, be hired due to the fact that CalPERS has been

unresponsive to the District's repeated requests for vital account information. Doing so should also provide much needed answers to the predicament in which the District has been placed regarding retiree Robert Lynch's pension and unresolved Replacement Benefit Program issues. To assess the situation, Mgr. Miller will soon be requesting proposals from attorneys and actuaries for this work.

Mgr. Miller reported that she reviewed the recently received CalPERS June 30, 2011, Annual Actuarial Valuation Report with the Finance Committee at their meeting on February 13, 2013. The salient details of which were discussed with the Board and included in the February 13, 2013, Finance Committee meeting minutes. She is working on establishing an IRS Section 125 Cafeteria Plan and Health Reimbursement Arrangement to implement reduced health care benefits for future employees and retirees, as agreed to in MOU negotiations.

A full-time Treatment Plant/Collection System Maintenance Worker, slated to begin work on March 4, 2013, and a part-time Administrative/Finance Specialist, whose start date is planned for February 27, 2013, have been given conditional job offers by the District, after being screened and tested by independent means. Sec. Fedotoff asked if the new employees were previously in CalPERS. Mgr. Miller said neither were, much to the Board's appreciation; therefore, their retirement benefits will follow the 2% @ 62 plan and will be 50% self-funded in compliance with PEPRA (AB 340, California Public Employees' Pension Reform Act of 2013) which went into effect January 1, 2013. Mgr. Miller is interviewing tax attorneys with whom the District may contract to deal with tax rules around the District's new employee benefit plans. In addition, Mr. Robert Simmons, a recent retiree from Sausalito-Marín City Sanitary District, has been selected as the part-time Temporary Assistant District Manager to serve while Mgr. Miller is out on maternity leave; his start date is expected April 2, 2013.

Pres. Benediktsson would like a special Board meeting held without the presence of Sec. Fedotoff, due to potential conflict of interest, to determine where the District stands on the issue of potential acceptance of Point Tiburon sewer line and pump station facilities, as researched by attorney Paul Smith.

Dir. Johnson commended Mgr. Miller on an excellent, timely and informative report to the Board regarding the sanitary sewer overflow (SSO) on February 15, 2013. Dir. Johnson would like reports of this type also sent to the City of Belvedere, Town of Tiburon, and other associations and public forums at the time the Board is alerted. Mgr. Miller noted potential liability issues in doing so, and will contact the District's attorney Riley Hurd, for his counsel, since incident memos of this type, written for the sole purpose to alert the Board are done quickly and without time to gain full knowledge and/or ascertain facts pertinent to the specific incident. The Regional Water Quality Control Board requirements clearly state and direct to whom, the type of information, and the precise timing required when reporting SSOs. The Board was impressed with District staff's overall administrative and operational response to the SSO on San Rafael Avenue on February 15, 2013.

Mgr. Rubio reported on collection system performance. Regarding the broken force main on San Rafael Avenue on February 15, 2013, he said a pipe fitting became displaced, causing the

pipe to leak, and the repair was completed that same evening. The Belvedere Corp yard is under consideration as a potential site for an emergency generator to be used as backup power for District pump stations located on Lagoon Road. Pres. Benediktsson asked how things stand on this matter with the City of Belvedere. Mgr. Miller said she is currently working on it with Mr. Hurd. Pres. Benediktsson said it could be a win-win situation for the City of Belvedere and the District. Management is currently working on the 10-year CIP plan for both the Tiburon and Belvedere zones; Mgr. Miller will then work with Mgr. Rubio to align the proposed plan with the 20-year financial projection model and Harris Report results, after which, it will be brought to the CIP Committee for review and recommendations before going to the full Board at the Board Budget Workshop.

Mgr. Rubio reported on treatment plant performance; operations are at normal standards, with preventative maintenance tasks having been performed in all zones. Pres. Benediktsson asked of what Larry Walker Associates (LWA) is doing to assist with obtaining permits to operate. It was explained that LWA was hired to do the engineering analysis of 5 years' data, prepare the application, and negotiate with the water board. Pres. Benediktsson would like a manager from the District to be present during negotiations with the regulators.

The District successfully passed this month's 96 hour flow through bioassay. Three sanitary sewer overflows (SSOs) occurred, one in Tiburon, two in Belvedere, but no odor complaints were reported during this time period.

6. Main Plant Rehabilitation Project Progress Report (Wing/Reported by Rubio) (attached)

The Board did not request the attendance of Mr. Doug Wing, Carollo Engineers, at tonight's meeting; therefore, Mgr. Rubio reviewed the Main Plant Rehabilitation (MPR) Monthly Progress Report regarding jobs completed or underway by Auburn Constructors Inc (ACI) during January 2013. The majority of the rehab work during January was the installation of pumps in the dry weather primary and wet weather primary, aeration basin blowers, chemical room preparation, new exhaust and supply fans in the chemical and blower room. Regarding electrical installations, the first programmer coordination meeting was held. Equipment procurement is ongoing, including submittal preparation, review, and approval, as is contract administration to include issuing work change directives and finalizing change orders. Carollo Engineers provided on-site construction management/resident inspector services for 14 days in January.

Pres. Benediktsson wants to take a final look at the ADA route, providing access to the office area of the main plant, prior to meeting with the Town of Tiburon. The District contracted with architect Gilda Puente-Peters, a certified access specialist, to work with Carollo Engineers on accessibility requirements and to meet with the Town of Tiburon.

NEW BUSINESS

7. Consideration of Annual Salary Increase for District Manager in Conjunction with Performance Evaluation (Benediktsson) – Action

The Board of Directors tabled this item to June 21, 2013.

8. Consideration of Appointment of Committee Members (Benediktsson) – Action (attached)

After discussion amongst the Board members regarding Committee member appointments, Pres. Benediktsson announced the following appointments of Directors to the Standing Committees of the Board of Directors for the 2013 term. She also removed the Ad Hoc Labor Advisory Committee.

Finance & Fiscal Oversight Committee:	Catharine Benediktsson (Chair) Richard Snyder Roy Fedotoff (Alternate)
Capital Improvement Program Committee:	Roy Fedotoff (Chair) Michael Lasky Richard Snyder (Alternate)
Governance Committee:	Richard Snyder (Chair) Maureen Johnson Michael Lasky (Alternate)
Main Plant Rehabilitation Oversight Committee:	Roy Fedotoff (Chair) Michael Lasky Catharine Benediktsson (Alternate)
Communication Committee:	Michael Lasky (Chair) Maureen Johnson Roy Fedotoff (Alternate)
Personnel Committee:	Richard Snyder (Chair) Michael Lasky Maureen Johnson (Alternate)
Ad Hoc Point Tiburon Committee:	Catharine Benediktsson (Chair) Richard Snyder

9. Consideration of Adopting Resolution No. 2013-03: “A Resolution of the Board of Directors of Sanitary District No. 5 of Marin County Authorizing the Establishment of Certain Health and Welfare Plans for the Benefit of the District’s Retirees and Active Employees” (Miller) – Action (attached)

Mgr. Miller reviewed the fairly straightforward resolution with the Board.

Motion (Snyder/Johnson) to adopt Resolution No. 2013-03: "A Resolution of the Board of Directors of Sanitary District No. 5 of Marin County Authorizing the Establishment of Certain Health and Welfare Plans for the Benefit of the District's Retirees and Active Employees." Passed, all present.

10. Consideration of Adopting Resolution No. 2013-04: "A Resolution of the Board of Directors of Sanitary District No. 5 of Marin County Certifying the Need for the Appointment of Robert Simmons Prior to the Passage of 180 Days Following His Retirement from Sausalito-Marín City Sanitary District," and Authorizing the District Manager to Execute the Agreement for Employment as Temporary Assistant District Manager between Sanitary District No. 5 of Marin County and Robert Simmons (Miller) – Action (attached)

Mgr. Miller noted that sending the adopted resolution is mandated by CalPERS to satisfy the legal requirements for retired annuitants to work within the CalPERS system so soon after their retirement date. The Personnel Committee reviewed Mr. Robert Simmons' resume and qualifications, as well as this proposed employment agreement, at their meeting of February 12, 2013, and recommended he be employed by the District under these terms. Mr. Simmons will begin his temporary position as part-time Assistant District Manager on April 2, 2013.

Motion (Snyder/Johnson) to adopt Resolution No. 2013-04: "A Resolution of the Board of Directors of Sanitary District No. 5 of Marin County Certifying the Need for the Appointment of Robert Simmons Prior to the Passage of 180 Days Following His Retirement from Sausalito-Marín City Sanitary District," and Authorizing the District Manager to Execute the Agreement for Employment as Temporary Assistant District Manager between Sanitary District No. 5 of Marin County and Robert Simmons." Passed, all present.

UNFINISHED BUSINESS: None

COMMITTEE REPORTS

11. Capital Improvement Program Committee (Fedotoff/Lasky)
12. Governance Committee (Benediktsson/Snyder)
13. Main Plant Rehabilitation Oversight Committee (Fedotoff/Lasky) (attached)
14. Finance & Fiscal Oversight Committee (Benediktsson/Snyder) – Minutes of the February 11 and 13, 2013, meetings (attached)
15. Communication Committee (Lasky/Snyder)
16. Personnel Committee (Snyder/Lasky)
17. Ad Hoc Point Tiburon Committee (Benediktsson/Snyder)
18. Ad Hoc Labor Advisory Committee (Snyder/Lasky)

The Capital Improvement Program (CIP) and the Governance Committees did not meet.

The reports of the Main Plant Rehabilitation (MPR) Committee meeting of February 12, 2013, were reviewed and discussed.

The minutes of the February 13, 2013, Finance & Fiscal Oversight Committee meeting were reviewed and discussed.

The Communications Committee did not meet.

Personnel Committee met on February 12, 2013, as noted in Item No. 10.

The Ad Hoc Labor Advisory Committee did not meet; moreover, it was removed at tonight's meeting.

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

INFORMATIONAL ITEMS: None

ADJOURNMENT

The Board adjourned at 8:38 p.m. to a Regular Board Meeting at 6:30 p.m. on March 19, 2013, at the Tiburon Fire Protection District Meeting Room at 1679 Tiburon, Blvd., Tiburon, California.

Approved:

Attest:

Catharine Benediktsson
President, Board of Directors

Roy Fedotoff
Secretary, Board of Directors