

Catharine Benediktsson, President
Michael Lasky, Vice President
John Carapiet, Secretary

Tod Moody, Director
Richard Snyder, 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
Wednesday, May 28, 2014**

Regular Board Meeting

CALL TO ORDER by President Benediktsson at 5:00 P.M.

ROLL CALL

Directors present: Catharine Benediktsson, President
Michael Lasky, Vice President
John Carapiet, Acting Secretary
Tod Moody, Director
Richard Snyder, Director

Staff present: Tony Rubio, Interim District Manager
Robin Dohrmann, Administrative/Finance Asst.

Consultants present: David Kahn, Renne, Sloan, Holtzman, Sakai, LLP
Rhoma Young, Young & Associates

Others present: Shari Dunn, Gallagher & Co.
Cho Chan, of Chan Chan Accounting
Ahmed Badawi, Badawi & Associates
Deirdre McChrohan, *The Ark Newspaper*

1. Administering of Oath of Office to New Board Member (Lasky)

President Benediktsson administered Oath of Office to new Board Member, Tod Moody.

PUBLIC COMMENTS: The public is invited to address the Board on items that do not appear on the agenda and that are within the subject matter jurisdiction of the Board. The Brown Act does not allow the Board to take action on any public comment. Please limit public comments to no more than three minutes.

No public comments were made.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS

- Dir. Carapiet commented on the degree of apathy within this community (both Tiburon and Belvedere) regarding their sewer rate increases. Belvedere has the highest sewer rates in all of Marin County; moreover, the tenants of the Belvedere Land Company are paying a \$160/month surcharge, regardless of how much water they use.
- Dir. Carapiet commented on prior SD5 discussions scapegoating CalPERS and talk of dropping out of the CalPERS system, based on CalPERS "doing [SD5] wrong." It occurred to Dir. Carapiet, that it has not always been CalPERS, but the Board who has been less than diligent in accountability, by awarding retirement benefits greater than the CalPERS guidelines, so the difference comes out of SD5's operating funds. Dir. Carapiet suggests that all future contracts have a provision included, stating that retirement benefits shall not exceed CalPERS or IRS limits or guidelines, so that we (SD5) can protect ourselves, as a responsible District.
- Dir. Carapiet commented that no entity within the jurisdiction of SD5 should receive free sanitary service.
- Dir. Carapiet commented that SD5 has had many issues in the recent past requiring legal advice, however the legal expenses of the District must be controlled. Litigation should be the last option considered before we proceed with the Pt. Tiburon matter, which has been on-going over the last 30 years.
- V. Pres. Lasky commented on SD5's consistent efforts to work with CalPERS, stating that the Board has done everything possible to mitigate our future with CalPERS. Based on the recent new hires, SD5 has reduced the District's costs to a fraction of what it was paying only a year or two ago.
- V. Pres. Lasky commented on the under-funded situation with CalPERS to clarify that the problem has to do with CalPERS' rules and regulations, not SD5's. Dir. Snyder asked to review a summary of the last two months of District overtime.

CONSENT CALENDAR

2. Approval of April 22, 2014, Special & Regular Board Meeting Minutes (Dohrmann)
3. Approval of all Warrants for April 16, through May 13, 2014, Check No. 6994 through No. 7060, in the sum of amount of \$440,228.06, including Main Plant Rehabilitation Project Warrants in the sum of \$123,457.77 (Dohrmann)
4. Receipt of Financial Reports for April, 2014 (Dohrmann)

Discussion by the Board. Motion (Snyder/Carapiet) to accept Consent Calendar Items No. 2 and No. 3, and receive and acknowledge Consent Calendar Item No. 4, for review. Ayes: Benediktsson, Lasky, Carapiet, Snyder. Abstains: Moody. Passed, (4-0-1-0), all present.

DISTRICT COUNSEL REPORT

5. District Counsel Report (Kahn)

District Counsel, David Kahn, presented a report on the status of pending legal issues and responded to questions from the Board. Discussion by the Board.

Pres. Benediktsson moved to Agenda Item No. 8, as described on the agenda, to this time.

8. Consideration and Approval of the MPR Project Completion Labor and Budget Estimate, at a Cost Not to Exceed \$39,543.00, with Carollo Engineering, and Authorization for Acting District Manager to Proceed With the Work (Rubio) – Action

Discussion by the Board. Motion (Snyder/Carapiet) to approve the MPR Completion Labor and Budget Estimate, at a cost not to exceed \$39,543.00, with Carollo Engineering, and authorization for Acting District Manager to proceed with work. Ayes: Benediktsson, Lasky, Carapiet, Snyder. Abstains: Moody. Passed, (4-0-1-0), all present.

9. Presentation of Arthur J. Gallagher & Co.'s Proposal to Conduct Classification and Compensation Study for Sanitary District No. 5 of Marin County (S. Dunn)

Rhoma Young introduced Shari Dunn, with Gallagher & Co., to discuss the benefits of having a specialist conduct a classification and compensation study for SD5. Shari Dunn provided written and verbal reports on the goals of such a study. After discussion by the Board, Director Snyder and S. Dunn will review and revise the current proposal for the consideration of the Personnel Committee at a later date.

Pres. Benediktsson moved to Agenda Item No. 11, as described on the agenda, to this time.

11. Consideration of Adoption of Resolution No. 2014-02: A Resolution Providing for the Collection by the County of Marin of a Sewer Service Charge in the Amount of \$1,034.00 for Each EDU, plus a \$2.00 Collection Fee per Parcel for the Tiburon Zone of Sanitary District No. 5 of Marin County for the Fiscal Year 2014-2015 (Rubio/Dohrmann) – Action

Discussion by the Board. Motion (Snyder/Lasky) to adopt Resolution No. 2014-02: A Resolution Providing for the Collection by the County of Marin of a Sewer Service Charge in the Amount of \$1,034.00 for Each EDU, plus a \$2.00 Collection Fee per Parcel for the Tiburon Zone of Sanitary District No. 5 of Marin County for the Fiscal Year 2014-2015. Ayes: Benediktsson, Lasky, Moody, Snyder. Noes: Carapiet. Passed, (4-1-0-0), all present.

12. Consideration of Adoption of Resolution No. 2014-03: A Resolution Providing for the Collection by the County of Marin of a Sewer Service Charge in the Amount of \$1,985.00 for Each EDU, plus a \$2.00 Collection Fee per Parcel for the Belvedere Zone of Sanitary District No. 5 of Marin County for the Fiscal Year 2014-2015 (Rubio/Dohrmann) – Action

Discussion by the Board. Motion (Snyder/Lasky) to adopt Resolution No. 2014-03: A Resolution Providing for the Collection by the County of Marin of a Sewer Service Charge in the Amount of \$1,985.00 for Each EDU, plus a \$2.00 Collection Fee per Parcel for the Belvedere Zone of Sanitary District No. 5 of Marin County for the Fiscal Year 2014-2015. Ayes: Benediktsson, Lasky, Moody, Snyder. Noes: Carapiet. Passed, (4-1-0-0), all present.

Pres. Benediktsson moved to Management Reports, as described on the agenda, to this time.

MANAGEMENT REPORTS

6. District Management Summary Report (Rubio)

Acting District Manager, Tony Rubio, presented a written and verbal report of current District issues, including a status report on the Main Plant Entryway & ADA Access Improvements Project, and responded to questions from the Board. Discussion by the Board.

NEW BUSINESS

7. Appointment of Tony Rubio to Interim District Manager and Authorization of Salary, Not to Exceed \$12,089.99 per Month, in the District Manager Salary Range (Benediktsson) - Action

Discussion by the Board. Motion (Snyder/Carapiet) to appoint Tony Rubio to Interim District Manager and authorize a salary, not to exceed \$12,089.99 per month, within the District Manager salary range. Ayes: Benediktsson, Carapiet, Moody, Snyder. Absent: Lasky. Passed (4-0-0-1).

Pres. Benediktsson moved to Item No. 13, as described on the agenda, to this time.

13. Presentation and Acceptance of FY 2012-2013 District Audit (A. Badawi) – Action

Auditor Ahmed Badawi, of Badawi & Associates, presented a written and verbal report on the current findings of the FY2012-2013 Audit. In discussion, Auditor Badawi stated past practices did not include the removal of depreciated items. Auditor Badawi also stated that SD5 is not in the position to take responsibility of assuring the FY2012-2013 Audit numbers, neither individual staff members, nor the Board as a governing body. No action taken. Direction given to District Counsel to work with Badawi & Associates, to assist with the finalization of the FY2012-2013 Audit.

Pres. Benediktsson moved to Item No. 10, as described on the agenda, to this time.

10. Consideration of and Authorization to Draft a Professional Services Agreement with Cho Chan to Determine the Necessary Financial Close-Out Documents for FY2013-2014 (C. Chan) - Action

CPA Cho Chan, of Cho Chan Accounting, introduced himself, providing background and history of his expertise, and initiated a discussion with the Board to clarify the financial needs of SD5, pertaining to FY2013-2014 close-out documentation. No action taken. Direction provided to CPA Chan, to provide a Proposal for Professional Services to District Counsel for consideration.

UNFINISHED BUSINESS: None

COMMITTEE REPORTS

- 14. Capital Improvement Program/MPR Close-Out Committee (Lasky/Benediktsson)
- 15. Governance Committee (Snyder/Benediktsson)
- 16. Finance & Fiscal Oversight Committee (Benediktsson/Carapiet) – Action Log Provided
- 17. Personnel Committee (Snyder/Carapiet)
- 18. Ad Hoc Point Tiburon Committee (Benediktsson/Lasky)
- 19. Ad Hoc Tiburon Pump Station #4 Committee (Benediktsson/Carapiet)

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

INFORMATIONAL ITEMS:

- Official Dates for Items Due to the County, per Department of Finance, County of Marin

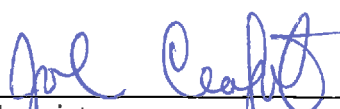
ADJOURNMENT

The Board adjourned at 8:05 p.m., to a Special Board Meeting on June 5th, 2014, at 10:00 a.m., at the Tiburon Fire Protection District Meeting Room at 1679 Tiburon Blvd., Tiburon, California.

Approved:

Attest:


Catharine Benediktsson
President, Board of Directors


John Carapiet
Secretary, Board of Directors