

Catharine Benediktsson, President
William Teiser, Vice President
Roy Fedotoff, Secretary

Michael Lasky, Director
Richard Snyder, Director

**Sanitary District No. 5 of Marin County
Minutes of a Regular Board Meeting
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Tuesday, February 21, 2012, 7:00 p.m.**

CALL TO ORDER by Pres. Benediktsson at 7:00 p.m.

ROLL CALL: Directors present:

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

Directors absent:

Michael Lasky

Staff present:

Robert L. Lynch, District Manager
Samantha Miller, Office/Finance Manager
Tony Rubio, Wastewater Facilities Manager
Lynn Henriksen, Administrative Assistant

Consultants present:

Riley Hurd, District Legal Counsel
Doug Wing, Carollo Engineers

Others present:

Deirdre McCrohan, *The Ark Newspaper*

CLOSED SESSION at 7:01 p.m.

PUBLIC EMPLOYMENT
Government Code 54957(b)
Title: Administrative Assistant

OPEN SESSION at 7:22 p.m.

Pres. Benediktsson announced that no reportable action was taken during Closed Session.

PUBLIC OPEN TIME

No public comments were made.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS

No comments or agenda requests were made by the Board.

CONSENT CALENDAR

1. Approval of January 17, 2012, Regular Board Meeting Minutes (Henriksen) (attached)
2. Approval of Warrants for December 2011 (Miller) (attached)
3. Receipt of Financial Reports for January 2012 (Miller) (attached)

The Board discussed the warrants and financial reports with Mgr. Miller to their satisfaction.

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

MANAGEMENT REPORTS

4. Main Plant Rehabilitation Project Progress Report (Carollo Engineers)

Mr. Doug Wing, Carollo Engineers, updated the Board as to his delivery of the 100% Final Design submittal to the Main Plant Rehabilitation (MPR) Committee on February 7, 2012, and the ensuing discussion of the changes suggested by Board members and approved by Mr. Riley Hurd, District legal counsel, which were incorporated into the final three volumes. He stated that the next step is to take the construction aspect of the MPR Project out to bid; approval of which is Item #9 on tonight's agenda for Board consideration.

Mr. Wing noted that his research into current construction bid awards for sewer rehabilitation projects in the area over the past six to nine months have been coming in at 5-15% below engineers' estimates. He plans to speak with all of the District's pre-qualified contractors over the next few days, in anticipation of the bidding process. Carollo Engineers' latest MPR Project construction cost projection is \$9 million. Mr. Wing is pleased that the MPR Project is now ready to go out to bid, and that Carollo Engineers are on schedule and budget, although they have spent more time than expected to date. Pres. Benediktsson appreciates that Carollo Engineers is on time with the MPR Project.

Board members discussed the request by the District for lump-sum bids from contractors, and that the Invitation to Bid will be sent out tomorrow by Carollo Engineers provided Agenda Item #9, under consideration by the Board this evening, is approved. Pres. Benediktsson inquired as to whether Mr. Wing will do a final recheck of the contractors' references, and Dir. Snyder asked if Mr. Wing had done research to see if the contractors are involved in litigation. Mr. Wing replied that neither are requirements to bid, since these elements were defined in the pre-qualification process that all contractors were required to undergo, which has been thoroughly reviewed by Carollo Engineers. However, prior to

awarding the bid, Carollo Engineers will recheck the pre-qualification information provided by the contractors to make sure their information is still valid.

5. Operations Report (Rubio) (attached)
 - a. Tiburon/Belvedere Compliance Report & Public Complaint Report December 2011

Mgr. Rubio reviewed the Operations Report for December 2011 with the Board. He reported the District met all NPDES permit requirements. There were no sanitary sewer overflows (SSOs) and no odor complaints in the month of December.

Pres. Benediktsson asked if staff had rechecked the restaurant's grease traps at the Tiburon Lodge, since a blockage from their lateral sewer line contributed to the sanitary sewer overflow of November 2011. Mgr. Rubio said he would see to it that staff performed this check.

Mgr. Rubio noted that the District has received approximately \$6,000 for recycling salvageable copper and other metals from the main plant due to staff's clean-up operations prior to the construction for the Main Plant Rehabilitation Project, which is scheduled to begin May 1, 2012. Pres. Benediktsson commended Mgr. Rubio for a good report.

6. District Manager's Summary Report of January 2012 (Lynch) (attached)

Mgr. Lynch reviewed with the Board the District Manager's report and said he would discuss elements of the Main Plant Rehabilitation Project later on in tonight's agenda during the discussions regarding Item #9 and Item #18.

The 2011 Sewer Rehabilitation project is still awaiting final completion as W. R. Forde has yet to finish the repaving on San Rafael Ave. and Acacia Ave. in Belvedere.

Mgr. Lynch has begun to work on certain items that he believes should be included in the FY 2012-13 Capital Budget and Operating Budget. He recognizes the need to identify projects now to provide the incoming District Manager with the appropriate information to perform the capital projects vital to the welfare of the District. Mgr. Lynch will supply information to the incoming District Manager regarding the sewer line cleaning program, sewer line rehabilitation, pump station rehabilitation, and the continuance of the Inflow and Infiltration (I&I) study and smoke testing.

NEW BUSINESS

7. Consideration of Adoption of Position Description and Salary Step Range for Special Consultant to the Board of Directors Regarding Main Plant Rehabilitation Project (Benediktsson) – Action (attached)

Pres. Benediktsson explained that she believed Mgr. Lynch's 32 years' experience is valuable to the District in light of the Main Plant Rehabilitation (MPR) Project, and it would be a great loss to the District should the Board decide not to offer him the position of Special Consultant to the Board of Directors for the MPR Project. The, yet to be hired, new District Manager may not have the depth and breadth, nor the institutional knowledge, to guide the MPR Project, which will be starting the construction phase May 1, 2012.

Mr. Riley Hurd, District legal counsel, clarified that agenda Item #7 is not about appointing Mgr. Lynch to this proposed position, but rather to adopt the position description and salary step range for the Special Consultant to the Board of Directors Regarding the MPR Project.

V.P. Teiser explained that this position would be a part-time temporary employee position (max 950 hours per fiscal year), requiring special skills, and that no benefits would be provided by the District. The Board discussed several pertinent aspects of the Special Consultant position with Mr. Hurd, and he explained that their concerns were addressed in this position description draft before the Board this evening awaiting their consideration.

Motion (Fedotoff/Teiser) to adopt the position description for Special Consultant to the Board of Directors Regarding the Main Plant Rehabilitation Project at a salary step of 36.5 (currently \$100.36 per hour). Passed, all present.

8. Consideration of Appointment of Special Consultant to the Board of Directors Regarding Main Plant Rehabilitation Project (Benediktsson) – Action

Pres. Benediktsson explained that the appointment of a Special Consultant to the Board of Directors Regarding the Main Plant Rehabilitation Project will fill the position adopted in Item #7 above.

Robert L. Lynch stated he agrees to accept the position of Special Consultant upon official offer by the Board. He proposed to sit down with the Main Plant Rehabilitation (MPR) Committee to discuss the details of his position, and he will submit a daily log of the hours he works on the MPR Project.

Motion (Teiser/Fedotoff) to appoint Robert L. Lynch as Special Consultant to the Board of Directors Regarding the Main Plant Rehabilitation Project effective April 17, 2012, the day after the separation date of Mgr. Lynch's retirement. Passed, all present.

9. Consideration of Authorization and Approval for District Manager to Issue Letter to Carollo Engineers to Proceed with Advertising Invitation to Bid for Main Plant Rehabilitation Project (Lynch) – Action (see attached Notes of Explanation)

Mgr. Lynch related to the Board the background of Carollo Engineers' work with the District regarding the Main Plant Rehabilitation (MPR) Project. Specifically noting important sequencing dates: invitation to bid on 2/22/12; pre-bid meeting at the main plant on 3/6/12; bids due at the District office on 4/4/12; contract to be awarded by SD5 Board of

Directors on 4/17/12; construction to begin 5/1/12. Mgr. Lynch then asked the Board for authorization to invite bids from prequalified contractors for the construction phase of the MPR Project.

Motion (Fedotoff/Snyder) to authorize and approve the District Manager to issue a letter to Carollo Engineers to proceed with advertising and issuing the invitation to bid for the Main Plant Rehabilitation Project. Passed, all present.

10. Consideration of Setting Date, Time, and Location of Special Board Meeting for March 5, 2012, at 9 a.m. at the Tiburon Fire Protection District Conference Room at 1679 Tiburon Blvd., Tiburon, California (Lynch) – Action

Motion (Snyder/Fedotoff) to set the date, time, and location of a Special Board Meeting for March 5, 2012, at 9 a.m. at the Tiburon Fire Protection District conference room at 1679 Tiburon Blvd., Tiburon, California. Passed, all present.

11. Consideration of Setting Date, Time, and Location of Special Board Meeting for March 7, 2012, at 10 a.m. at the Tiburon Fire Protection District Conference Room at 1679 Tiburon Blvd., Tiburon, California (Lynch) – Action (attached)

Motion (Teiser/Snyder) to set the date, time, and location of a Special Board Meeting for March 7, 2012, at 10 a.m. at the Tiburon Fire Protection District conference room at 1679 Tiburon Blvd., Tiburon, California. Passed, all present.

12. Consideration of Creation of Ad Hoc Committee to Consider Point Tiburon's Request for District Acceptance of Point Tiburon Facilities (Benediktsson) – Action (see attached Notes of Explanation)

V.P. Teiser recused himself from Agenda Item #12, since he is a member of the board of directors of the Point Tiburon Homeowners' Association.

Motion (Snyder/Fedotoff) to create a Point Tiburon Ad Hoc Committee to consider Point Tiburon's request for District acceptance of Point Tiburon facilities. Ayes: Pres. Benediktsson, Sec. Fedotoff, and Dir. Snyder. Abstain: V.P. Teiser. Absent: Dir. Lasky. Passed, 3-1-1.

Pres. Benediktsson appointed Dir. Snyder and herself (she has historical background in regards to this matter) to the Point Tiburon Ad Hoc Committee.

13. Consideration of Acceptance of Valuation of Retiree Health Benefits: Report of GASB 45 Actuarial Valuation as of July 1, 2011, Prepared by Nick Franceschine, F.S.A. of North Bay Pensions (Miller) – Action (see attached Notes of Explanation)

Mgr. Miller explained to the Board that the GASB 45 Actuarial Valuation Report, prepared for the District by Mr. Nick Franceschine, is required to be completed once every two years

in order to update the actuarial valuation of the District's Other Post Employment Benefits (OPEB), which includes retiree health benefits. The District began prefunding these liabilities in FY 2009-10 and continues to budget for fully prefunding them on a yearly basis. By prefunding the OPEB liabilities each fiscal year, the District does not have to record any unfunded OPEB liabilities on its books. Pres. Benediktsson thanked Mgr. Miller for her informative report.

No motion necessary for Item #13. The Board accepted the Valuation of Retiree Health Benefits: Report of GASB 45 Actuarial Valuation as of July 1, 2011, prepared by Nick Franceschine, F.S.A. of North Bay Pensions.

14. Consideration of Authorization and Approval for District Staff to Purchase Office Equipment (Multi-Purpose Copier/Printer) for an Amount Not to Exceed \$6,500.00 (Miller) – Action (see attached Notes of Explanation)

Mgr. Miller presented the comparative items on the spreadsheet prepared by Admin. Asst. Henriksen regarding consideration to purchase a multi-purpose copier/printer/scanner/fax, since the current office printer no longer works, and the current 10-year-old copier does not copy in color, nor is it a multi-function machine. Dir. Snyder said he has found that multi-use machines are too fragile. Mr. Hurd said he has noticed the fragility of home office multi-purpose machines, but that workplace machines function well, and Dir. Snyder noted that District staff is in the best position to determine which machines best fit the needs of the administrative office.

Motion (Snyder/Teiser) to authorize and approve District staff to purchase office equipment for copying/printing/scanning/faxing needs, for an amount not to exceed \$6,500.00. Passed, all present.

Pres. Benediktsson moved Items #23 and #24, as described on the agenda, to this time.

CORRESPONDENCE

23. Letter to District Manager from Lorena Haynes Dated February 6, 2012 (attached)

Mr. Riley Hurd, District legal counsel, reviewed the letter written by Mrs. Lorena Haynes to Mgr. Lynch, dated February 6, 2012. He explained that issues referred to in Mrs. Haynes' letter were explored at length at the time the District adopted Resolution No. 2011-01. Mgr. Lynch discussed the Rabin and Jansheski sewer lines that relate to the mandatory sewer connections for property owners in the Paradise Cove area. He suggested taking this matter to the Governance or the Finance Committee for further consideration; the Board agreed.

INFORMATIONAL ITEMS

24. Letter to Paradise Cove Residents Dated January 23, 2012, Regarding Resolution No. 2011-01 (attached)

Mgr. Lynch noted that another six-month reminder letter regarding Resolution No. 2011-01 was mailed to Paradise Cove property owners on January 23, 2012. Mr. Hurd, District legal counsel, reviewed the letter with the Board, noting that the District is papering the record with these informational letters, and that the District is going above and beyond requirements to inform residents of necessary compliance with Resolution No. 2011-01. The Board discussed ideas regarding how to further clarify correspondence sent to Paradise Cove property owners and enforcement options, where upon Mr. Hurd reviewed the background of the issue for the sake of new Board members. The Board requested District staff to include a new, updated letter regarding these issues in the May 15, 2012, Board meeting packet for their input.

UNFINISHED BUSINESS

15. Main Plant Rehabilitation Project Bond Issue Progress Report (Miller) (see attached Notes of Explanation)

Mgr. Miller described the progress and financial implications of the Main Plant Rehabilitation (MPR) Project bond issuance to the Board. She summarized the salient points to the satisfaction of the Board. She explained, now that the bonds have been entirely sold, with the bond closing occurring February 16, 2012, the \$11,806,000 in net revenue (\$10,035,000 in bond proceeds, plus \$1,076,031.05 in premiums, less \$205,031.05 in costs of issuance) was immediately transferred to the District's Local Agency Investment Fund account to be reserved for the MPR Project. The District's "all-in" true interest cost for the bond issue is 3.303%. She also noted the annual reporting requirements that the District will have to adhere to.

Pres. Benediktsson thanked Mgr. Miller for making this complex issue understandable and clear. Dir. Snyder congratulated Mgr. Miller for a job well done; her attention and diligence, with regard to the underwriting and the preparation over the course of the entire MPR bond issuance, are appreciated.

COMMITTEE REPORTS

16. Capital Improvement Program Committee (Fedotoff/Lasky)
17. Governance Committee (Benediktsson/Snyder)
18. Main Plant Rehabilitation Oversight Committee (Teiser/Fedotoff) (attached)
19. Finance & Fiscal Oversight Committee (Benediktsson/Wiley) – Minutes of the February 14, 2012, Meeting (attached)

20. Communication Committee (Lasky/Snyder)
21. Personnel Committee (Snyder/Lasky)
22. Ad Hoc Search Committee (Benediktsson/Teiser)

The Capital Improvement Program Committee and the Governance Committee did not meet.

V. P. Teiser and Sec. Fedotoff reviewed the updated open items on the Main Plain Rehabilitation (MPR) Action Item Log. Pres. Benediktsson thanked V.P. Teiser and Sec. Fedotoff for being good guardians of SD5; she feels confident the MPR Project is being carefully examined by these committee members.

The Finance & Fiscal Oversight Committee reviewed the minutes of their February 14, 2012, meeting.

The Communication Committee and the Personnel Committee did not meet. The Ad Hoc Search Committee did not formally meet.

OTHER BUSINESS: None

ENVIRONMENTAL: None

ADJOURNMENT

Motion (Teiser/Snyder) to adjourn at 9:09 p.m. to a Special Board Meeting on March 5, 2012, at 9:00 a.m. at the Tiburon Fire Protection District meeting room at 1679 Tiburon Blvd., Tiburon, California. Passed, all present.

Approved:

Attest:

Catharine Benediktsson
President, Board of Directors

Roy Fedotoff
Secretary, Board of Directors