

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

Richard Snyder, Director
Michael Lasky, 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, December 13, 2011, 7:00 p.m.**

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

ROLL CALL: Directors present:

Corinne W. Wiley, President (outgoing)
Catharine Benediktsson, Vice President
Roy Fedotoff, Secretary
Claire McAuliffe (outgoing)
William Teiser (incumbent)

Staff present:

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

Others present:

Michael Lasky (incoming Board member)
Richard Snyder (incoming Board member)
Riley Hurd, District Legal Counsel
Doug Wing, Carollo Engineers
Mark Pressman, Wulff, Hansen & Co.
Scott Ferguson, Jones Hall
Josh Anzel, Jones Hall
Deirdre McCrohan, *The Ark Newspaper*
Paul Garbarini
David Becker

1. Administering of Oaths of Office to New Board Members (Fedotoff)

Prior to the administering of the Oaths of Office to the new Board members, outgoing Pres. Wiley thanked Mgr. Lynch for 32 years of service to the District; Mgr. Miller for cleaning up the books and making sense out of financial chaos; maintenance staff and Admin. Asst. Henriksen for work well done; and fellow Board members for four years of support. Dir. McAuliffe echoed Pres. Wiley's remarks and added that she has appreciated learning so much about the importance of running the business properly. She is pleased that SD5 is seen as one District, rather than Tiburon and Belvedere as separate entities. Dir. McAuliffe values Sec. Fedotoff's and Dir. Teiser's expertise; V.P. Benediktsson's wisdom and historical knowledge of the District having been on the Board for over 10 years; Mr. Riley

Hurd, District legal counsel, for his wonderful, wise words; and Mr. Paul Garbarini for his friendship and consultation. V. P. Benediktsson expressed appreciation toward Pres. Wiley and Dir. McAuliffe for their service on the Board over the past four years and welcomed the new directors.

Sec. Fedotoff administered the Oaths of Office to Dir. William Teiser, Mr. Michael Lasky, and Mr. Richard Snyder, the newly appointed Board members.

2. Election of Officers of the Board – Action

Motion (Fedotoff/Lasky) to nominate V. P. Benediktsson as the President of the Board of Directors of Sanitary District No. 5 of Marin County for the 2012 term. Passed, all present.

Motion (Benediktsson/Fedotoff) to nominate Dir. Teiser as the Vice President of the Board of Directors of Sanitary District No. 5 of Marin County for the 2012 term. Passed, all present.

Motion (Teiser/Snyder) to nominate Sec. Fedotoff as the Secretary of the Board of Directors of Sanitary District No. 5 of Marin County for the 2012 term. Passed, all present.

Pres. Benediktsson noted that the new members of the Board of Directors, Dir. Lasky and Dir. Snyder, will have the opportunity to take part in several Board committees over the next year, which will deepen their involvement and grasp of details in regards to governing Sanitary District No. 5.

PUBLIC OPEN TIME

Mr. Paul Garbarini thanked Pres. Benediktsson for accepting the position as President of the Board of Directors.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS

Sec. Fedotoff also appreciates Pres. Benediktsson for taking on the Board presidency. He would like the written procedures from staff for the handling of the Main Plant Rehabilitation Project bond proceeds and project payments on the agenda for the January 17, 2012, Board meeting. Mgr. Miller agreed.

Sec. Fedotoff remarked that Board members are required to complete an ethics training course. Mgr. Miller will provide information to the Board members regarding free online ethics training from CSDA (California Special Districts Association). She said an ethics training course is required bi-annually for all Board members by AB 1234; only Dir. Lasky and Dir. Snyder will need to take the course early next year, since the other three Board members completed it last year.

Pres. Benediktsson, in consideration of the presenter's schedule, moved Item No. 6, as described on the agenda, to this time.

MANAGEMENT REPORT

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

For the benefit of the new Board members, Mr. Doug Wing, Main Plant Rehabilitation (MPR) project manager for Carollo Engineers, gave a short history of the main treatment facility and briefly reviewed the central elements of the current MPR Project, including aspects of condition assessment, pre-design, final design, and redundancy and reliability evaluation. Carollo Engineers are in the process of double checking the 90% submittal of the Final Design for the MPR Project, which is due to the District on December 23, 2011. Mr. Wing noted that he reports to the Board on a monthly basis regarding MPR progress, attends MPR Committee meetings, and maintains consistent contact with District staff, more often than not, on a daily basis. He appreciates the good relationship he has with the District Board and staff.

Last month, the pre-qualification package for the MPR Project was circulated statewide to general and electrical contractors who have experience with wastewater facilities, and two pre-qualification meetings were held at the District office. On December 6, 2011, he received sealed pre-qualification packages from 10 general contractors and 9 electrical contractors; a final report will be ready and sent to Mgr. Lynch by the end of the week. He indicated that the contractors are hungry for work, and that many of them look very good. Sec. Fedotoff asked if other contractors could submit pre-qualification packages at this point in time. Mr. Hurd, District legal counsel, replied that it is too late since the pre-qualification package submittal deadline has already passed. Mr. Wing said this \$10 to \$12 million MPR Project consists of many complex elements. Those contractors who submitted their pre-qualification packages were predominately Bay Area firms, although several are located in the central valley and one is based in San Diego.

V.P. Teiser discussed details of the Intermediate Submittal that was reviewed at the end of October by the Main Plant Rehabilitation Committee. The submittal included construction cost estimates; the MPR Committee requested Carollo review whether the contingency factor is reasonable. When Dir. Snyder inquired about the potential contractors' bonding capacity, Mr. Wing said that each of them is fully qualified to bid. He also noted that at least four of the general contractors have in-house electrical capability, which will bode well for the District. Dir. Lasky asked if the MPR Project required operational and procedural manuals to be delivered at the end of the project; Mgr. Lynch stated that is an absolute and prearranged given. Mgr. Lynch also noted that currently the District functions primarily (95%) by manual operation, but, after the MPR Project is completed, functionality will change to 5% manual and 95% automated. To this, Dir. Lasky questioned whether the same amount of operations staff would be required when the plant is 95% automated. Mgr. Lynch replied that the District conducts business with a very small staff as it is and that cutting staff is not an option, since the District is in operation 24/7. The Board discussed the disposition

of the equipment that will be replaced throughout the plant. Mr. Wing said most of the equipment being replaced has nominal value, but that the general contractor will be required to salvage and recycle.

Pres. Benediktsson, in consideration of presenters' schedules, moved Item No. 10, as described on the agenda, to this time.

UNFINISHED BUSINESS

10. Main Plant Rehabilitation Project Bond Issue Progress Report by Wulff, Hansen & Co. & Jones Hall

Mgr. Miller summarized, for the benefit of the two new Board members, the progress of the \$12 million bond issue the District is in the process of securing to cover the overall costs of the Mail Plant Rehabilitation Project; construction costs are projected to be approximately \$10 million. The Board discussed various issues that need to be addressed and understood prior to the scheduled bond funding date of February 16, 2012. Both V.P. Teiser and Sec. Fedotoff suggested having a Board workshop. Mr. Mark Pressman of Wulff, Hansen & Co. replied that he will supply documentation well in advance of the date of bond issuance to get the Board up to speed; moreover, the Board should appreciate that Mgr. Miller is a talented financial manager and Mgr. Lynch a skilled administrator, who are fully capable of handling the details going forward, since the Board already approved the bond as a source of funding over other options; furthermore, the legal documents cannot be fundamentally altered in any case. The preliminary documents will be completed in 1 ½ weeks, and then an application will be submitted requesting a credit rating for the District on December 28, 2011. Mr. Pressman expects the District to hear back before the next Board meeting as to the credit rating given to Sanitary District No. 5.

Mr. Pressman noted that the Board raised the bond amount from \$10 million to the current \$12 million; therefore, the cost of issuance has risen from \$195,000 to \$215,000; interest rates have held over the past few months, hovering at a blended rate of 3.96% to 4%; and national economics are in the District's favor, since investors are in flight mode to safety and liquidity. Wulff, Hansen & Co. will advertise the bonds in *The Ark Newspaper* for the benefit of local clientele. Pres. Benediktsson asked if there is a conflict of interest for Board members to purchase SD5 bonds. Mr. Hurd replied that it is a disclosure item.

At the January 17, 2012, Board meeting, there will be two resolutions for the Board to consider for adoption: to approve the basic underlying bond and to delegate the individual(s) who will sign the documents (most likely the President or the Secretary of the Board of Directors). Mr. Hurd, District legal counsel, noted that there is no personal liability for any Board member who is a signatory on the bond documents. This all being said, Pres. Benediktsson decided that it would be best to review the bond documents and then make a decision as to whether a Board workshop was necessary.

CONSENT CALENDAR

3. Approval of November 15, 2011, Regular Board Meeting Minutes (Henriksen) (attached)
4. Approval of Warrants for November 2011, #4952 through 5007, in the amount of \$393,375.63 (Miller) (attached)
5. Receipt of Financial Reports for November 2011 (Miller) (attached)

Sec. Fedotoff requested replacing the word “legitimacy” with the word “legality” on page 1 of the November 15, 2011, Regular Board Meeting Minutes. The Board agreed with this change.

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

MANAGEMENT REPORT

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

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

Annual hearing tests were administered in November to the maintenance staff. Mgr. Miller noted that the audio test results also provide a baseline for insurance purposes for the District.

During this reporting period, it was noted that two maintenance staff employees attended a disaster preparedness training course, and one operator attended a CWEA safety day event. Regarding public education, staff worked the senior fair at the Marin County Civic Center, and 14 students from the SF State Romberg Center toured the main plant.

V.P. Teiser revisited the work order statistics regarding possible discrepancies in tracking progression as work is ordered, backlogged, left open, or completed. Mgr. Lynch said he would have Mgr. Rubio get back to the Board on work order issues.

8. District Manager’s Summary Report of November 2011 (Lynch) (attached)

Mgr. Lynch reviewed the District Manager’s Summary Report of November 2011 with the Board. Of the top seven candidates for the Maintenance Internship Program, two were offered positions that will begin December 19, 2011. The applicants were interviewed by Mgr. Rubio, Mgr. Miller, and lead maintenance staff. Mgr. Lynch toured each applicant through the main plant rather than take part in the sit-down interview process, since he finds

a tour to be a very productive, revealing method regarding an applicant's interests and knowledge. The maintenance interns will receive \$15.00 per hour, Worker's Compensation Insurance, uniforms, boots, and safety equipment. The maximum amount of time that each intern may work during a fiscal year is set at 975 hours; they will work 32 hours per week that includes Mondays and Fridays, since those are the days the District is short on employees. The maintenance interns' primary areas of work will be in rodding and collections.

Mgr. Lynch announced his decision to add on-call duty for all full-time maintenance staff, so maintenance staff will be available for standby response in the event emergency incidents occur during non-business hours. The financial impact will be minimal, amounting to an annual cost to the District of approximately \$14,000 for the standby pay. Mgr. Lynch circulated a spreadsheet providing an overview of the issue. Mr. Hurd, District legal counsel, noted that the back-end cost of not responding to incidents is much more expensive than having reliable coverage by on-call staff on a nominal annual basis. V.P. Teiser asked if this decision required Board approval, to which Mgr. Lynch replied that this type of action is solely at the District Manager's discretion.

The Board discussed, in detail, the smoke testing report from Mr. Jeff Blum, E2 Engineering, received on November 29, 2011. The overall consensus was that Mr. Blum did a terrific job identifying properties with problems on Peninsula Rd. in Belvedere and Solano St., Paradise Dr., Spanish Trail Rd., and Vistazo St. in Tiburon. The report was complete with color pictures and corrective actions for each property owner to take. District staff has begun checking each location identified in the report and contacting property owners. Mgr. Lynch suggests more smoke testing in the future rather than additional Inflow & Infiltration studies, since the results from smoke testing proved most useful and less costly for the District.

The 2011 Sewer Rehabilitation Project is nearing the end as pipe bursting has been completed in the Owlswood subdivision; San Rafael Ave. has only the final paving left to be completed; and W. R. Forde is in the process of installing the new sewer main on Acacia Ave.

NEW BUSINESS

9. Consideration and Possible Adoption of Updated District Manager Job Description, Updated District Manager Salary Step Range, and Ad Hoc Search Committee's Recommendations for Recruitment of District Manager (Benediktsson) (attached)

Pres. Benediktsson reviewed, for the benefit of the new Board members, details regarding the Board's approach to finding and hiring a District Manager to replace retiring Mgr. Lynch. At the November 15, 2011, Board meeting, Pres. Wiley appointed V.P. Benediktsson and Dir. Teiser to the Ad Hoc Search Committee for matters relating to District Manager job description, job announcement, salary step range, and how to best go

about the job search. Sec. Fedotoff and Dir. Snyder provided notes covering several recommendations and proposed changes to the scope, duties and responsibilities, qualifications, and education and experience of Sanitary District No. 5's District Manager Job Description, which were thoroughly discussed by all Board members and assessed by Mr. Hurd, District legal counsel, as he provided additional thoughtful suggestions. He also noted that the Board could vote to modify the language in the proposed new job description and job announcement as reflected in the minutes and the notes furnished by Sec. Fedotoff and Dir. Snyder that will be made part of tonight's official Board packet.

The salary step range that the Ad Hoc Search Committee recommended for the position of District Manager was also reviewed and thoroughly discussed. With the intent to save the District money, the Ad Hoc Search Committee suggested monthly salary steps ranging from 23-27; however, this is considerably lower than competing wastewater districts. Mr. Hurd asked if the District thought that a low salary range would attract a good manager. V.P. Teiser suggested it would be a good move to broaden the step range, and Dir. Snyder said that, if you pay a good manager a good salary, he will save you money. Mr. Garbarini questioned why the District would want fewer people responding to the job opening by adopting such a low salary range. Upon consideration, the Board agreed to adopt a monthly salary step range of 25-33 for the position of District Manager in order to attract high caliber applicants.

The Board agreed that the best recruitment method for the District would not be to employ professional headhunters, but to use the Ad Hoc Search Committee to finalize the job description and job announcement for the position of District Manager. They will look within the ranks of SD5, as well as have Admin. Asst. Henriksen place advertisements for the District Manager position in Bay Area trade journals, e.g., CASA, CSDA, and CWEA. The deadline for applications was agreed on as being February 15, 2012.

Motion (Snyder/Teiser) to authorize and approve the Ad Hoc Search Committee to finalize the District Manager job description as reflected in the minutes of this meeting, to adopt a salary step range of 25-33 for the District Manager position, and to adopt the Ad Hoc Search Committee's recommendations for recruitment. Passed, all present.

COMMITTEE REPORTS

11. Capital Improvement Program Committee (Wiley/Fedotoff)
12. Governance Committee (Wiley/Teiser)
13. Main Plant Rehabilitation Oversight Committee (McAuliffe/Teiser)
14. Finance & Fiscal Oversight Committee (Benediktsson/Wiley) – Minutes of the November 8, 2011, Meeting (attached)
15. Ad Hoc Search Committee (Benediktsson/Teiser)

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

Regarding the Main Plant Rehabilitation (MPR) Oversight Committee report, several issues recently taken up by the Committee were discussed during tonight's Agenda Item No. 6: Main Plant Rehabilitation Project Progress Report (Carollo Engineers). V.P. Teiser reviewed an email from Mr. Doug Wing of Carollo Engineers that Admin. Asst. Henriksen distributed during the Board meeting. The email dealt with Carollo granting a request from the MPR Committee to credit the District \$1,166.90 for out-of-state travel costs incurred by a Carollo employee. V.P. Teiser also discussed tracking the total cost of the project per a spreadsheet he prepared and circulated; his calculations detailed a total cost of \$12,160,000 for the MPR Project.

The Finance & Fiscal Oversight Committee reviewed the minutes of the November 8, 2011, meeting.

The Ad Hoc Search Committee provided leadership and input throughout the lengthy discussion by the Board of Agenda Item No. 9: Consideration and Possible Adoption of Updated District Manager Job Description, Updated District Manager Salary Step Range, and Ad Hoc Search Committee's Recommendations for Recruitment of District Manager.

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

INFORMATIONAL ITEMS

16. Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies

This item was included for informational purposes; there was no discussion.

ADJOURNMENT

Motion (Teiser/Snyder) to adjourn at 9:20 p.m. to a Regular Board Meeting on January 17, 2012, at 7:00 p.m. at the Sanitary District No. 5 of Marin County Meeting Room at 2001 Paradise Drive, Tiburon, California. Passed, all present.

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Approved:

Attest:

Catherine Benediktsson
President, Board of Directors

Roy Fedotoff
Secretary, Board of Directors