

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

Michael Lasky, Director
Richard Snyder, Director

**Sanitary District No. 5 of Marin County
Tiburon/Belvedere Wastewater Financing Authority
Minutes of a Regular Board Meeting
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Tuesday, January 17, 2012, 7:00 p.m.**

CONVENE AS THE SANITARY DISTRICT NO. 5 OF MARIN COUNTY BOARD OF DIRECTORS at 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
Michael Lasky
Richard Snyder

Staff present:

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

Consultants present:

Riley Hurd, District Legal Counsel
Doug Wing, Carollo Engineers
Mark Pressman, Wulff, Hansen & Co.
Scott Ferguson, Jones Hall
Josh Anzel, Jones Hall

Others present:

Deirdre McCrohan, *The Ark Newspaper*

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 December 13, 2011, Regular Board Meeting Minutes (Henriksen)
2. Approval of January 10, 2012, Special Board Meeting Minutes (Henriksen)
3. Approval of Warrants for December 2011 (Miller)
4. Receipt of Financial Reports for December 2011 (Miller)

The Board discussed and clarified several warrants, including a question from Sec. Fedotoff regarding why the District continues to pay Roy's Sewer Service to clean sewer lines now that the District has purchased a rodder truck. Pres. Benediktsson said staff hires Roy's to work in areas with difficult topography, easements, and for cleaning up spills after staff is no longer on duty. Mgr. Lynch also noted that Roy's uses a vactor truck when suction is required; the District does not own vacuum equipment.

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

Pres. Benediktsson moved Item No. 17, as described on the agenda, to this time in consideration that Item No. 17 leads into the discussion of Item No. 5.

COMMITTEE REPORT

17. Main Plant Rehabilitation Oversight Committee (Teiser/Benediktsson)

V.P. Teiser thoroughly reviewed with the Board the Decision/Action Item Log maintained by the Main Plant Rehabilitation (MPR) Committee (attached), noting items that have been completed and pointing out the party(ies) responsible to complete the outstanding items. He went on to cover important ground assessing significant details of several items enclosed in the Board packet, including the Contractor Prequalification Results and the Prequalification Summary and Tabulation, in addition to the 90% Submittal Summary of Construction Costs and the Comparison of Construction Costs provided by Carollo Engineers. (It was established that the District is not exempt for CA state and local sales tax.) The Board took particular interest in the Project Estimated Costs sheet rev. 7.1, prepared by V.P. Teiser, as it encompasses the total MPR Project costs, as opposed to construction costs only. The assessment included risk factors and contingencies that could be seen as "worst case scenario," which the Board feels is advantageous when considering a public project of this size and scope.

Carollo Engineers' 11 page schedule of construction activities and timing was discussed to familiarize Board members with the details, while Mgr. Lynch mentioned the complex sequencing issues that must be dealt with in dry weather and wet weather work in an operating sewage plant. Mgr. Lynch said staff will maintain consistent operation of the sewage treatment plant and the pumps and lines throughout the District at all times during the MPR Project, and the District will continue to meet all discharge requirements.

MANAGEMENT REPORTS

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

Mr. Doug Wing, Carollo Engineers, appreciated the overview of the Main Plant Rehabilitation (MPR) Project given by V.P. Teiser, and he enjoys working with the MPR Committee since the engineers on the committee understand a great deal. He noted that V.P. Teiser's development of project costs is very good, and something that other companies doing significant rehabilitation projects often fail to do.

Mr. Wing discussed with the Board two critical occurrences that will take place during the construction phase, the chlorine contact basin shut down and the electrical shut down. He agrees with Mgr. Lynch that an 18 month construction time frame is necessary to encompass the dry and wet weather seasons.

The 100% submittal of the Final Design of the MPR Project by Carollo Engineers will be completed by the end of the month and delivered to the District by February 1, 2012. The final construction bid documents will be available for the February 21, 2012, Board meeting. The construction bid date will be set for early April.

Pres. Benediktsson requested a test run be incorporated in the MPR Project schedule regarding operating the main sewage treatment plant in a completely manual mode. The Board directed Mr. Wing to design a one page visual schematic of the project to illustrate plant operations, and another one page overview/summary of how the \$12 million will be spent for the MPR Project and the resulting efficiencies, cost savings, and enhanced redundancy and reliability. Both documents will be useful tools for public information.

Sec. Fedotoff voiced the Board's appreciation for the excellent job Mr. Wing has, and is, doing to answer all the questions they have in regards to the MPR Project. Mr. Wing reiterated his appreciation for the working relationship he has with them, as well as staff. It was noted that the project schedule is an important tool for the District Manager to use when reporting to the Regional Water Quality Control Board so that they will have knowledge of the complexity of the project and how thoroughly it is being planned. V.P. Teiser stated that the most important reason why the District is moving forward with the MPR Project is to avoid environmental incidents; fines for which would be a heavy burden for District rate payers.

6. Operations Report (Rubio)

a. Tiburon/Belvedere Compliance Report & Public Complaint Report November 2011

Mgr. Lynch reviewed the Operations Report for November 2011 with the Board in Mgr. Rubio's absence. He reported the District met all NPDES permit requirements. There were two sanitary sewer overflows (SSOs) and no odor complaints in the month of November. The Tiburon Blvd. (near the Tiburon Lodge) and the San Rafael Avenue (near Beach Road)

overflows were discussed during last month's Board meeting, and Mgr. Lynch noted that sewer line backups are inevitable due to roots, FOG (fats, oil, and grease), and debris making their way into the system. Dir. Snyder requested that at a future meeting the Board review the liability for sewer system overflows.

To alleviate the Board's concerns regarding manual operation of the plant, Mgr. Lynch took this opportunity to explain to the Board that the entire sewage treatment plant can be operated manually.

7. District Manager's Summary Report of December 2011 (Lynch)

Mgr. Lynch reviewed with the Board the District Manager's report in addition to the 90% Final Design submittal and construction schedule provided by Carollo Engineers. He discussed the elements staff will need to accomplish prior to sequentially handing over areas of the main plant to contractors, and how staff will ensure that the treatment of wastewater and sludge removal stays in strict accordance with the District's NPDES Permit, as well as remaining in compliance with all other permits.

The 2011 Sewer Rehabilitation project is complete; however, W.R. Forde Construction has been directed to repave San Rafael Ave. and Acacia Ave. in Belvedere due to the uneven, and unacceptable, surface of the asphalt they applied.

RECESS AS THE SANITARY DISTRICT NO. 5 OF MARIN COUNTY BOARD OF DIRECTORS at 8:03 p.m.

CONVENE AS THE TIBURON/BELVEDERE WASTEWATER FINANCING AUTHORITY BOARD OF DIRECTORS at 8:03 p.m.

CALL TO ORDER by Pres. Benediktsson at 8:03 p.m.

ROLL CALL: Directors present:

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

Staff present:

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

Consultants present:

Riley Hurd, District Legal Counsel
Mark Pressman, Wulff, Hansen & Co.

Scott Ferguson, Jones Hall
Josh Anzel, Jones Hall

Others present: Deirdre McCrohan, *The Ark Newspaper*

PUBLIC OPEN TIME

No public comments were made.

NEW BUSINESS

8. Consideration of Adoption of Resolution No. PFA 2012-01: Resolution of the Tiburon/Belvedere Wastewater Financing Authority Authorizing the Issuance of Wastewater Revenue Bonds in an Initial Aggregate Principal Amount Not to Exceed \$12,000,000 in Connection with Financing Certain Wastewater System Improvements, Authorizing and Directing Execution of an Indenture of Trust, an Installment Sale Agreement, and Certain Other Documents, Authorizing the Negotiation for the Sale of Bonds, Approving an Official Statement, and Authorizing Other Related Actions (Miller) – Action

During the Special Board meeting of January 10, 2012, Mr. Scott Ferguson, Jones Hall bond counsel, described the bond documents in general terms. On January 11, 2012, the documents and disclosures, including the Installment Sale Agreement, Indenture of Trust, Preliminary Official Statement (POS), Bond Purchase Agreement (BPA), District resolution (SD5 Resolution No. 2012-01), Authority resolution (JPA Resolution No. PFA 2012-01) were distributed by staff to members of the Board per their requests. Tonight Mr. Ferguson would like to answer questions the Board may have, now that they have had time to carefully review the documents required to complete the bond funding. Mr. Ferguson also discussed the timing of the bond issuance, with the pricing date preliminarily set for February 7, 2012.

Dir. Snyder said he was pleased with what he saw in his review of the bond documents. The Board agreed they were pleased they had attended a Board workshop devoted to reviewing and understanding these documents the week prior.

Motion (Teiser/Snyder) to adopt Resolution No. PFA 2012-01: Resolution of the Tiburon/Belvedere Wastewater Financing Authority Authorizing the Issuance of Wastewater Revenue Bonds in an Initial Aggregate Principal Amount Not to Exceed \$12,000,000 in Connection with Financing Certain Wastewater System Improvements, Authorizing and Directing Execution of an Indenture of Trust, an Installment Sale Agreement, and Certain Other Documents, Authorizing the Negotiation for the Sale of Bonds, Approving an Official Statement, and Authorizing Other Related Actions. Passed, all present.

Mr. Mark Pressman, Wulff, Hansen & Co., noted that he may want to work with District staff to price the bonds earlier (possibly one week earlier) than the February 7th timeline, if they are successful in getting aggressive bids and selling the bonds earlier than anticipated.

**ADJOURN AS THE TIBURON/BELVEDERE WASTEWATER FINANCING
AUTHORITY BOARD OF DIRECTORS** at 8:09 p.m.

**RECONVENE AS THE SANITARY DISTRICT NO. 5 OF MARIN COUNTY BOARD OF
DIRECTORS** at 8:09 p.m.

NEW BUSINESS

9. Consideration of Adoption of Resolution No. 2012-01: Resolution of Sanitary District No. 5 of Marin County Approving, Authorizing, and Directing Execution of Certain Financing Documents and Directing Certain Related Actions in Connection with Financing Certain Improvements to the District's Wastewater System (Miller) – Action

Mr. Scott Ferguson stated that Resolution No. 2012-01 is very similar to Resolution No. PFA 2012-01 (above, in agenda Item No. 8) that the Tiburon/Belvedere Wastewater Financing Authority Board of Directors voted to adopt this evening.

Motion (Teiser/Snyder) to adopt Resolution No. 2012-01: Resolution of Sanitary District No. 5 of Marin County Approving, Authorizing, and Directing Execution of Certain Financing Documents and Directing Certain Related Actions in Connection with Financing Certain Improvements to the District's Wastewater System. Passed, all present.

Mr. Mark Pressman announced that the District received a Standard and Poor's AA+ rating. A summary of the comments from S&P shows the District's strengths as: stable area and revenue source; wealthy area; multi-year sewer rate increase already in place; revenues collected on property tax gives steady reliable source; Teeter Plan benefits of 100% receipt of revenues due; cash position is strong. One weakness mentioned: relatively high sewer rates compared to other jurisdictions (offset by wealth and ability to pay).

10. Consideration of Authorization and Approval of Written Procedures for Main Plant Rehabilitation Project Progress Payments and Fund Transfers (Miller) – Action

Mgr. Miller walked Board members through the draft she designed regarding the "Procedures for MPR Project Progress Payments and Fund Transfers," which include detailed steps for the Review & Approval Process, Transfer & Payment Process, and Financial Reporting. In addition, an example of the proposed Balance Sheet for financial reporting was presented and reviewed. Mgr. Miller informed the Board that she reviewed

these proposed procedures with Mr. Scott Ferguson, bond counsel, and he was very pleased with them, noting that her planned financial reporting is very thorough and goes well above what most other agencies do with bond financing. The Board praised Mgr. Miller on the plan she devised and the precise work she has done regarding the financial reporting system.

Motion (Fedotoff/Snyder) to approve the proposed Written Procedures for Main Plant Rehabilitation Project Progress Payments and Fund Transfers. Passed, all present.

11. Consideration of Adoption of Administrative Assistant Salary Step Range (Lynch) – Action

On September 20, 2011, the Board of Directors adopted a new Job Description for the Administrative Assistant position, but did not adopt a salary step range, pending further salary survey research. At the December 13, 2011, Board meeting, Pres. Benediktsson asked staff to provide a comparison study of salary step ranges for Administrative Assistants in sanitary districts in the surrounding area for the January 17, 2012, Board meeting. The salary survey for Administrative Assistant positions, taken from the State Controller's Office, is attached. The average salary steps detailed on the survey are from step 11 to step 15. At the Board's request, Mgr. Lynch recommended steps 10-14 for this position at SD5. V.P. Teiser said steps 10-14 were also consistent with the local community, i.e. Tiburon Fire Protection District, and deemed them appropriate.

Motion (Fedotoff/Snyder) to adopt the Administrative Assistant Salary Step Range from Steps 10-14. Passed, all present.

12. Consideration of Adoption of Classifications (Levels I and II) of Office/Finance Manager Position and Approval of Commensurate Salary Step Ranges for Levels I and II (proposed "Distinguishing Characteristics" for each level included herein to be integrated into job description if approved) (Lynch) – Action

Mgr. Lynch reviewed the history of the Office/Finance Manager position and Job Description at the District. An addendum to the current Job Description, reviewed by Sarah Leger, District legal counsel, establishes a position comprised of two levels of proficiency with corresponding step ranges. Mgr. Lynch discussed with the Board the distinguishing characteristics the two levels encompass, as well as the attached management salary survey; the average for Office/Finance Manager being steps 22-26.5. He said that Mgr. Miller's performance over the past 3 1/2 years has qualified her as Level II; moreover, due to her considerable skill in financial areas and in-depth knowledge of the District, in particular, the District no longer has to pay for the accounting services of an outside CPA (previously David Bennett). When asked by the Board, Mgr. Lynch recommended steps 16-20 for Level I and steps 21-25 for Level II. Mr. Riley Hurd, District legal counsel, noted that the job consideration for Level II is comparable to the duties of Assistant District Manager. V.P. Teiser said Level II was appropriate for Mgr. Miller as she consistently demonstrates high level competency, in fact, she qualifies as way above Level I; the step range recommendation is consistent with the local community. Sec. Fedotoff and Dir. Snyder voiced their agreement with V.P. Teiser's comments, while commending Mgr. Miller for

outstanding management of the District's finances and financing issues, among other strengths.

Motion (Fedotoff/Snyder) to adopt classifications (Levels I and II) of the Office/Finance Manager position and to approve commensurate salary step ranges for Level I (steps 16-20) and Level II (steps 21-25). Passed, all present.

13. Consideration of Authorization and Approval for District Staff to Secure Temporary Office Space during Main Plant Rehabilitation Project Construction (Lynch) – Action

Mgr. Lynch reviewed the temporary relocation of the District's administrative office, during the 2005 main plant update, with the Board. For the Main Plant Rehabilitation (MPR) Project, staff foresees the office will need to be maintained off-site for approximately 18 months to two years. The rent the District paid for temporary office space in 2005 was \$2,500 per month. This is not a budgeted item for this fiscal year, but it will be necessary for the administrative office to be moved off-site beginning in March or April of 2012.

Motion (Teiser/Snyder) to authorize and approve District staff to secure temporary office space during the Main Plant Rehabilitation Project. Passed, all present.

14. Appointment of Committee Members (Benediktsson) – Action

Pres. Benediktsson handed out a draft of potential appointments of Directors to the Committees of the Board of Directors for the 2012 term. She explained her thought process and rationale in the selection of members to serve on specific committees. She directed that the Chair of each committee meet with her to plan each upcoming meeting. An amicable discussion ensued prior to Pres. Benediktsson making final appointments.

Pres. Benediktsson announced the following appointments of Directors to the Standing Committees of the Board of Directors for the 2012 term:

Finance & Fiscal Oversight Committee:	Catharine Benediktsson (Chair) William Teiser Richard Snyder (Alternate)
Capital Improvement Program Committee:	Roy Fedotoff (Chair) Michael Lasky Richard Snyder (Alternate)
Governance Committee:	Catharine Benediktsson (Chair) Richard Snyder Michael Lasky (Alternate)
Main Plant Rehabilitation Oversight Committee:	William Teiser (Chair) Roy Fedotoff

	Michael Lasky (Alternate)
Communication Committee:	Michael Lasky (Chair) Richard Snyder Roy Fedotoff (Alternate)
Personnel Committee:	Richard Snyder (Chair) Michael Lasky Roy Fedotoff (Alternate)
Ad Hoc Search Committee:	Catharine Benediktsson (Chair) William Teiser

UNFINISHED BUSINESS: None

COMMITTEE REPORTS

15. Capital Improvement Program Committee (Fedotoff/Wiley)
16. Governance Committee (Wiley/Teiser)
18. Finance & Fiscal Oversight Committee (Benediktsson/Wiley) – Minutes of the January 10, 2012, Meeting (attached)
19. Ad Hoc Search Committee (Benediktsson/Teiser)

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

The Finance & Fiscal Oversight Committee reviewed the minutes of their January 10, 2012, meeting.

The Ad Hoc Search Committee did not formally meet.

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

INFORMATIONAL ITEMS: None

Minutes
Regular Meeting of the Board of Directors
January 17, 2012
Page 10 of 10

ADJOURN AS THE SANITARY DISTRICT NO. 5 OF MARIN COUNTY BOARD OF DIRECTORS

Motion (Teiser/Fedotoff) to adjourn at 9:06 p.m. to a Regular Board Meeting on February 21, 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.

Approved:

Attest:

Catharine Benediktsson
President, Board of Directors

Roy Fedotoff
Secretary, Board of Directors