

Item #2

**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, December 18, 2012, 7:00 p.m.**

CALL TO ORDER by Pres. Benediktsson at 7:04 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, Administrative Assistant
Others present:	Deirdre McCrohan, <i>The Ark Newspaper</i>

PUBLIC OPEN TIME: No public comments were made.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS

No comments were made by the Board.

CONSENT CALENDAR

1. Approval of November 20, 2012, Regular Board Meeting Minutes (Henriksen) (attached)
2. Approval of December 7, 2012, Special Board Meeting Minutes (Henriksen) (attached)
3. Approval of All Warrants for November 2012, #5724 through 5774 in the amount of \$653,686.00, and Main Plant Rehabilitation Project Warrants for December 2012, #5814 through 5816, in the amount of \$407,034.26 (Miller) (attached)
4. Receipt of Financial Reports for November 2012 (Miller) (attached)
5. Approval of Change Order No. 9 for Main Plant Rehabilitation Project (Miller) (attached)

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

MANAGEMENT REPORTS

6. District Management Summary Report (Miller/Rubio) (attached)

Mgr. Miller reviewed the significant events of the past 30 days with the Board, including fiscal status, regulatory compliance, financial, personnel, and administration issues, continuing education and safety training, as well as updates on the collection system, treatment plant performance, and capital improvement projects.

Mgr. Miller announced that the District received \$2,715,700.70 from the County of Marin for FY 2012-13, which is 55% of the annual sewer service charge revenue for the Tiburon and Belvedere zones, as well as 55% of the property tax revenue for the Tiburon zone (the District does not receive property tax revenue from Belvedere property owners); an additional 40% is expected in April 2013, with the final 5% due in June 2013. Mgr. Miller has begun the work of FY 2011-2012 year-end accounting, cash to accrual conversion, and reconciliations for the annual audit by independent auditor Mr. Terry Krieg, CPA, planned for early 2013.

The District and Employees of Sanitary District No. 5 of Marin County completed successful successor MOU (Memorandum of Understanding) negotiations, agreeing upon the terms for a period from December 18, 2012, through June 30, 2017; the terms of which were impacted by PEPR (AB340, California Public Employees' Pension Reform Act of 2012). An amendment to the CalPERS contract will include a second tier to the District's retirement benefit formula, 2% @ 60 for future hires, and establish an IRS Section 125 Cafeteria Plan and Health Reimbursement Arrangement to reduce health care benefits for future hires, as agreed upon during MOU negotiations. The amended CalPERS contract will be completed by year's end pending Board approval. Revised Personnel Policies and Procedures have also been adopted, as agreed to during MOU negotiations.

Mgr. Miller continues to wait for a response from CalPERS' actuary regarding numerous requests asking them to investigate the District's high employer contribution rate, side fund, and replacement benefit program requirements, including the unresolved underpayment of benefits to retired district manager Robert Lynch; CalPERS' only answer has been that they are backlogged due to pension reforms and will respond some weeks in the future. Dir. Johnson suggested that it may best serve the District to hire an attorney to address CalPERS' problems in answering many questions significant to the District.

Concerning current understaffing at the District, Mgr. Miller is in the process of defining specific administrative and finance support needs; after her appointment as District Manager in April 2012, Mgr. Miller has personally fulfilled her previous position as Office/Finance Manager as well as taking on the role of District Manager, while constructively moving the business of the District forward in several areas and also completing administrative process upgrades and tasks that have required attention for some time. During the first several weeks of 2013, she also foresees hiring another Maintenance Intern and an Operator-In-

Training/Maintenance Trainee, as well as a seasoned Treatment Plant/Collection System Maintenance Worker to fill the position of retiring Randy Armbruster.

The semi-annual reminder letter to Paradise Cove property owners to connect to the sanitary sewer line will be mailed out in January; the grace period for mandatory connection ends December 1, 2013. Roy's Sewer Service began work in the Tiburon zone for the Annual Gravity Sanitary Sewer Line Small Machine Cleaning Program, and Roto-Rooter will begin work in the Belvedere zone in early January 2013.

Mgr. Rubio reported on the collection system and treatment plant performance. Operations are at normal standards, with preventative maintenance tasks having been performed in all zones. The portable stand-by generator for the pump stations was tested and found to be in good operating condition prior to the wet-weather season. Staff was commended for working long hours to ensure safe operations at the District during the storm events over the past 30 days, and for doing a remarkable job in maintenance and operations within the main plant, while space continues to be taken up by the Main Plant Rehabilitation (MPR) Project construction process. Sec. Fedotoff asked if communication with Auburn Constructors is still good; Mgr. Rubio replied in the affirmative. Pres. Benediktsson voiced continuing concern regarding a number of items that Carollo Engineers appears to have missed in their MPR design report to the District. Mgr. Miller noted that the District reached agreement with the Town of Tiburon regarding their building requirements for the MPR Project, and staff is working with Carollo Engineers and Burks Toma Architects on office accessibility improvement design modifications.

Mgr. Rubio reviewed the operations & maintenance report with the Board. The October NPDES permit testing showed the District in compliance with all permit limits, and the District successfully passed this period's 96 hour flow through bioassay. No sanitary sewer overflows (SSOs) or odor complaints were reported during this time period.

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

Mr. Doug Wing, Carollo Engineers, will now only be attending Board meetings at certain times when the Board requests his personal appearance; however, he will provide a Main Plant Rehabilitation Project Monthly Progress Report each month for inclusion in the Board packet, and Mgr. Rubio will review the contents of the report in Mr. Wing's absence. The modification of the main plant water piping is underway, which serves to bring the pipes above grade while replacing old metal pipes with PVC. The current blowers for the aeration basins are being replaced by blowers that will run much more efficiently. The rehabilitation of the primary digester at the treatment plant has been completed and is now back on line, and the methane gas, a by-product of sewage treatment, is being utilized by the plant to save energy, as well. Last week the upgraded computerized control panel and circuit board on the screw press went down, which took the screw press out of service until replacement parts were received and installed; Mgr. Miller said problems like these are precisely why the District must (and will) have manual back-up alternatives in place for all key operations throughout the plant by the end of the MPR Project. The procurement of equipment is

ongoing with the contractor submitting 126 first time submittals and 40 re-submittals to date.

NEW BUSINESS

8. Consideration of Adopting Resolution No. 2012-15: A Resolution of the Board of Directors of Sanitary District No. 5 of Marin County Adopting the Memorandum of Understanding with the Employees of Sanitary District No. 5 of Marin County Covering the Period from December 18, 2012 through June 30, 2017 (Miller) – Action (see attached Notes of Explanation)

Mgr. Miller reviewed the communications between the representatives for the Employees of Sanitary District No. 5 of Marin County and the District to successfully negotiate a new Memorandum of Understanding that will be in effect when this resolution is adopted and signed and will run through June 30, 2017. She presented her staff report, which clearly outlines the significant changes in the new MOU and the financial consequences, including the numerous significant future cost savings for the District. Sec. Fedotoff commended Mgr. Miller for doing a great job for the District in updating the MOU efficiently and effectively.

Motion (Snyder/Johnson) to adopt Resolution No. 2012-15: A Resolution of the Board of Directors of Sanitary District No. 5 of Marin County Adopting the Memorandum of Understanding with the Employees of Sanitary District No. 5 of Marin County Covering the Period from December 18, 2012 through June 30, 2017. Passed, all present.

9. Consideration of Changing the Time of Regular Board Meetings from 7:00 p.m. to 6:00 p.m. on the Third Tuesday of Every Month (Miller) – Action

Sec. Fedotoff suggested a compromise of 6:30 p.m. for the time of regular Board meetings to begin in the future, since it is difficult for some members to be on time for a 6:00 p.m. roll call due to work constraints and commute time travel.

Motion (Fedotoff/Snyder) to change the time of regular Board Meetings from 7:00 p.m. to 6:30 p.m. on the third Tuesday of every month. Passed, all present.

UNFINISHED BUSINESS: None

COMMITTEE REPORTS

10. Capital Improvement Program Committee (Fedotoff/Lasky)
11. Governance Committee (Benediktsson/Snyder)
12. Main Plant Rehabilitation Oversight Committee (Fedotoff/Lasky) (attached)

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13. Finance & Fiscal Oversight Committee (Benediktsson/Snyder) – Minutes of the December 11, 2012, meeting (attached)
14. Communication Committee (Lasky/Snyder)
15. Personnel Committee (Snyder/Lasky)
16. Ad Hoc Point Tiburon Committee (Benediktsson/Snyder)
17. Ad Hoc Labor Advisory Committee (Snyder/Lasky)

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

The Main Plant Rehabilitation (MPR) Committee reports were reviewed and discussed. Sec. Fedotoff appreciates the timely information and on-site inspection of the plant that management provides to the members of the MPR Committee on an on-going basis regarding MPR progress to date and rehabilitation matters coming up in the near future.

The minutes of the December 11, 2012, Finance & Fiscal Oversight Committee meeting were reviewed. Admin. Asst. Henriksen briefly reviewed the report she presented to the Finance Committee on December 11, which outlined what she calls unsatisfactory responses resulting from communication with the management representatives of PG&E and Marin Clean Energy Authority (MCE). The District did not opt-out of MCE in the spring of 2012, and, since that time, billing for our electric energy use has been significantly higher than in corresponding months throughout the past three years, although power usage has remained the same, often times less. These representatives of PG&E and MCE have agreed to come to the Finance Committee meeting in February 2013 to answer questions and concerns posed by the District.

The Ad Hoc Point Tiburon Committee met on December 18, 2012, to discuss recent correspondence the District received from the attorney hired by the Point Tiburon Bayside HOA.

The Communications Committee, Personnel Committee, and Ad Hoc Labor Advisory Committee did not meet.

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

INFORMATIONAL ITEMS: None

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ADJOURNMENT

The Board adjourned at 8:29 p.m. to a Special Board Meeting at 12:00 p.m. on December 27, 2012, 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