

**SANITARY DISTRICT NO. 1 OF MARIN COUNTY
REGULAR BOARD MEETING MINUTES**

Wednesday, January 20, 2010
6:45 p.m.

School District Board Meeting Room
750 College Avenue
Kentfield, CA

Members Present Patrick Guasco, President
 Marcia Johnson, Secretary
 Sue Brown
 Steven Vanni
 Peter Sullivan

Members Absent: None

Staff Present: Brett Richards, General Manager
 Bridget Wilson, Interim Business Manager
 Michelle Kenyon, District Counsel
 Elena Hastings, Administrative Assistant
 Eva Waskell, Recording Secretary
 ADSI Security Guard

Public Present: The names reflected are those who signed in on the attendance sheet:
 John Carapet; an illegible signature; Rick Holland. There were no
 additional members of the public present.

Item #1-ORDER The meeting was called to order by President Guasco at 6:50 p.m.
President Guasco then led the Pledge of Allegiance. Roll call was taken and a quorum was
present.

Item #2-APPROVAL OF AGENDA General Manager Richards requested that Item #7 be
pulled from the agenda and brought back in February.

M/S Vanni/Johnson to approve the Agenda as amended. The motion carried unanimously.

Item #3-OPEN TIME FOR COMMENTS FROM THE PUBLIC There were no comments
from the public.

Item #4-CONSENT CALENDAR The Board reviewed the Consent Calendar:

- a) Approve the Regular Meeting Minutes of November 18, 2009
- b) December 2009 Financial Statements: Accept Report
- c) Approve Variance Request for 401 Redwood Road, San Anselmo
- d) Approve Variance Request for 305 Oak Avenue, San Anselmo
- e) Authorize General Manager's Attendance at 2010 Special District & Local Government Institute's Governance Seminar, Huntington Beach, CA
- f) Site Grading and Improvements Project Phase II, Progress Billing No. 3 in the amount of \$3,780, Ghilotti Construction
- g) 2009 Kerner Roof Rehabilitation Project, Progress Billing No. 2 in the amount of \$57,260.70, Waterproofing Associates
- h) Fencing Project 2960 Kerner Blvd., San Rafael: Authorize General Manager to Call

for Bids

Director Johnson requested that Items 4b and 4e be pulled from the Consent Calendar.

M/S Brown/Johnson to approve the Consent Calendar minus Items 4b and 4e. The motion carried unanimously.

Regarding Item 4b, Director Johnson wanted to make a general comment rather than anything specific about a line item in the December 2009 Financial Statements. She noted that in prior years, because of the nature of when the District receives the property tax payments, there had been cash flow issues in the fall around making it until December when we got that first installment for the state's next fiscal year tax payment. But now there has been better oversight of how the District's cash and payments have been managed and better overall financial management so the District no longer has that issue.

Regarding Item 4e, Director Johnson said that she wanted to attend that seminar. General Manager Richards stated that the motion would have to be approved to specifically include her.

President Guasco said that he had attended all of the past seminars of the Special District & Local Government Institute and found them to be invaluable. He has PowerPoint presentations and literature from these seminars that he would like to make available to Board members and staff who might not have had the opportunity to attend.

Mr. Richards noted that CSDA was closer to the core of what the District does than other events that occur. They had three modules, i.e. governance, finance and administration. If an entire board takes all three modules, the board receives special recognition for doing so; an individual who takes all three modules, will receive a certificate. However, if a board member can take only one module, the one on governance is the one to take.

President Guasco noted that he had a certificate for taking all three modules.

M/S Brown/Johnson to authorize the General Manager's and key staff's, as well as a Board member's attendance at the 2010 Special District & Local Government Institute's Governance Seminar, Huntington Beach, CA; and to have the General Manager and Board member report back to the Board. The motion carried unanimously.

M/S Johnson/Guasco to approve Item 4b of the Consent Calendar. The motion carried unanimously.

Item #5-ACCEPT AND APPROVE CHANGE TO AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

General Manager Richards reviewed the staff report and noted that at the last meeting the Board approved the audited financials for the year. Unfortunately, the auditors had a glitch in their software. They had been working with the proper numbers and that's what was approved by the Board. And when they sent us the final document for us to print, there were some errors on a total of two pages. The auditors notified us of these errors *after* the Board had approved the financials. So this agenda item was just to take those specific numbers which were in error in the last report,

and correct them. Mr. Richards also noted that totally unrelated to this incident, CAFR extended its own deadline due to internal issues. The District should know whether or not it won the CAFR award in the February to March timeframe.

Director Vanni said that he hadn't voted on this last month because he didn't receive this. He did receive it when he went back to his office at 12:57 on Tuesday, not on Monday as Bridget had reported. He didn't vote on it because he didn't have a chance to read it. He understood that all of the rest of the Board had read it and was all good with it.

Director Vanni stated that there were comments made from the public that suggested that because he didn't receive email, he shouldn't be on the Board. He said he took this to task and was sorry that person wasn't here today to know that that doesn't have anything to do with when you're sworn in as an elected official that you need to accept email. Director Vanni wanted this on the record.

Rick Holland of Fairfax said it's one of the difficulties of the meeting space when Davidson or Kentfield has a meeting. And since I was late looking for a parking space, I'll mention about receiving documents. Today for the first time I went over to the new offices. I had public information requests for a couple documents, and one was the audited financial statements for 2009.

President Guasco asked Mr. Holland to try and stay on just this budget. Mr. Holland said it is this item because what he wanted to do was compare the 2008 audited financial statements with the 2009. And the two documents are readily available. President Guasco said he realized the importance of following instructions for a freedom of information request, and he asked Mr. Holland again to speak to this particular audited financial statement, without all of the other stuff.

President Guasco thanked Mr. Holland for trying to follow the Board's policy on decorum. I would appreciate it if you would too, replied Mr. Holland.

In consideration of Mr. Holland's comments, Mr. Richards said that the requirement for the Board was to have the agenda available 72 hours in advance. The District's agenda was available 72 hours before last month's meeting. And Mr. Richards believed that the agenda had been available at least 72 hours in advance for every month he's been working for the District. He pointed out that Mr. Holland receives special privileges that he has asked for and he gets a package delivered to him. But Mr. Richards said he would appreciate having Mr. Holland recognize 1) that what the District gives him was above and beyond what was required, 2) that there were 15 months that the District did it right, and 3) that the one month where there were issues that arose that put the District in a position that made it challenging, it involved operational problems.

Director Johnson commented that if Mr. Holland wanted to do a comparison between FY2008 and FY2009, he didn't have to have the 2008 numbers in front of him. She pointed out that the comparative numbers were already there in the 2009 document in a comparative column. It's a standard format in all audit reports to have a comparison with the prior year's numbers.

With respect to the Public Records Act request Mr. Holland made today, Mr. Richards said that there was an official response time and the District had a policy in this regard and it honors that policy. The policy does not say that staff stops everything they're doing on the spot and runs to get certain information. The District policy says that we honor the Public Records Act request policy and we fulfill it under the terms of the law consistent with the policies this Board has set. So Mr. Holland will get whatever public document he asked for within the timeframe set. Mr. Richards said that if his understanding of the documents Mr. Holland requested was true, then a couple of the things he asked for were already public documents in the public domain that have been delivered to his house.

After a brief discussion, M/S Johnson/Guasco to accept the corrections made to pages 13 and 14 of the Audited Financial Statements for the fiscal year ending June 30, 2009.

Director Vanni asked District Counsel Kenyon if the Board just had to approve the changes and not the entire document. Ms. Kenyon said that the Board was accepting and approving the modified and amended financial statements. Technically that's what you're doing by accepting the changes.

Director Johnson accepted the amendment to the motion, i.e. to accept the entire document as modified. The motion carried unanimously.

Item #6-AUTHORIZING THE GENERAL MANAGER TO (1) CONTRACT WITH A SOFTWARE ENGINEERING CONSULTANT FOR AN AMOUNT NOT TO EXCEED \$40,000 TO PREPARE A REQUEST FOR QUALIFICATIONS ("RFQ") AND SUBSEQUENT REQUEST FOR PROPOSALS ("RFP") FOR A ROSS VALLEY SANITARY DISTRICT SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM DESIGN, INCLUDING MAKING RECOMMENDATIONS TO THE DISTRICT BASED ON THE QUALIFICATIONS AND BIDS RECEIVED; AND (2) ISSUE THE RFQ AND SUBSEQUENT RFP FOR THE DESIGN General Manager Richards reviewed the staff report and said the staff is ready to do a RFQ for SCADA development services. This item authorizes staff to move forward and get this done.

Director Vanni said that he would be voting no on this item, which would be consistent with how he's voted in the past, because he thought that the District should be working with CMSA which already had a SCADA system in place.

In response to questions from Director Johnson and President Guasco, Mr. Richards explained how polling worked and clarified how the various communication technologies used for polling would impact the reliability of the results.

Director Sullivan arrived at 7:15 p.m.

Director Brown asked Mr. Richards to explain again why it was in the District's best interests to go with the District's SCADA program rather than align with or take advantage of what SACDA exists at CMSA. Mr. Richards said that from a purely operational point of view, CMSA was a different business with different priorities and different mandates. The District maintains a collection system in the communities, and CMSA maintains treatment. As we saw in 2005 when *CMSA was monitoring the lift station* that spilled into the creek, District

staff was not notified for almost two hours, according to District staff. Mr. Richards said he's seen the photos of the 100-year event where water was running over the side, and if he were running the plant and we had a 100-year event, his concerns would be at the plant. That's just normal.

Rick Holland of Fairfax said that Director Vanni then Director Brown, and he thanked Sue for bringing up the point and Brett rehashed his explanation from before.

After a brief discussion, M/S Johnson/Sullivan to authorize the General Manager to (1) contract with a Software Engineering Consultant for an amount not to exceed \$40,000 to prepare a Request For Qualifications ("RFQ") and subsequent Request For Proposals ("RFP") for a Ross Valley Sanitary District Supervisory Control And Data Acquisition (SCADA) System Design, including making recommendations to the District based on the Qualifications and Bids received; and (2) issue the RFQ and subsequent RFP for the design. The motion carried. Director Vanni voted no.

Mr. Holland laughed out loud and called out from his seat in the audience to say, more stupidity.

Item #7-AUTHORIZE THE BOARD PRESIDENT AND SECRETARY TO EXECUTE CONTRACT FOR CONSULTING SERVICES WITH GOVERNMENT AFFAIRS CONSULTING This item was pulled from the agenda.

Item #8-AUTHORIZE BUDGET AMENDMENT FOR THE COST OF THE KERNER BUILDING ROOF REHABILITATION General Manager Richards reviewed the staff report and noted that this was a housekeeping item and nothing was really changing. Initially, we were going to do the roof on the Kerner building, he said, but at that time we made the decision *not* to do it. Then we identified the funds from Larkspur that we were going to use to move the manhole from underneath the refrigerator inside the Elks Lodge. At that point we decided to use that money to replace our roof sooner than later. The roof *did* need to be replaced or it needed major maintenance within something like the next two to three years. All this item was doing was taking the \$125,000 that the Board approved in capital for the Elks Lodge repair and moving it officially on paper in the budget over to the roof project. We're not spending any more than what's been approved.

Director Vanni wanted to know where the \$125,000 came from to move the manhole at the Elks Lodge. Mr. Richards said that when the issues with Larkspur and the de-annexation were resolved, we'll put that project back into our capital CIP program. He would need an analysis from the District Engineer before he could say exactly how that would fall out. Director Vanni stated that he would be voting no on this because there is no de-annexation as of right now and we still have a contract with Larkspur to do certain work.

Director Johnson noted that the Board and the General Manager set the priorities on the projects. Since the District started the 10-year Capital Improvement Program a few years ago, hundreds of thousands of dollars have been spent in Larkspur and so the District was not slighting them in the least. In addition, Phase I of the Kentfield Forcemain Project was located in Larkspur and that was worth \$3-4 million. Thus, she didn't think the District was shirking any of its responsibility toward Larkspur for whatever reason.

Mr. Richards clarified that the District has spent all of the money they gave to us, plus somewhere around \$8 million in addition to that that *Larkspur had not funded out of their ratepayers*. President Guasco said that the District now had a good handle on the state of Larkspur's underground sewer system and some of the flow issues regarding the wastewater system there as a result of the upgrades to the Doherty Pump Station and the larger diameter pipes that are in the Sequoia area. It would be nice to spend some of that money elsewhere in the District, which we've been doing.

Mr. Richards clarified that none of the money that was borrowed under a loan was being used for either the Elks Lodge or the roof. The loan money was separate and was being accounted for separately.

After a brief discussion, M/S Johnson/Sullivan to authorize budget amendment for the Kerner Roof Rehabilitation Project. The motion carried. Director Vanni voted no.

Mr. Holland called out loudly from his seat in the audience and asked President Guasco to please say opposed so we know at least how a meeting operates. You ask who's in favor, who's against. Learn how to run a meeting please! President Guasco thanked Mr. Holland for his comments and then cautioned him regarding following the policies of this Board meeting. President Guasco noted that Mr. Holland had his time to speak in the period allotted for public comments for each item. If Mr. Holland wanted to blurt out comments, President Guasco said he would have to enforce the Board's policy which provides for proper decorum at a Board meeting. Mr. Holland said he would still like to see the policy. President Guasco said he was sure the policy was available at the District office, and perhaps Mr. Holland could look at it on one of his visits to the office.

Item #9-GENERAL MANAGER'S VERBAL REPORT General Manager Richards called the Board's attention to a letter from Marin General Hospital thanking the Board and staff for their assistance and continued support regarding the Hospital's fiscal year 2009-10 billing issues. Mr. Richards then commented that the first testing results from the Healthy Waterways Study were very optimistic and have given the District a baseline. Staff will likely return to the Board and propose that this program with Friends of Corte Madera Creek Watershed continue and that it include both dry and wet weather testing. This may a little more expensive, but it will produce a great product that will only help the District.

Mr. Richards gave an update of the lateral grant program that has so far funded a little over \$65,000, has approximately \$184,000 left, and has resulted in about 1,062 feet of new pipe in the ground. The goal was to have a press release out by the end of the rainy season. He concluded by saying that staff was ready to present a report and a presentation to the Board regarding an alternative method of doing some of the District's capital replacement work. Staff was presently evaluating whether or not to have a special meeting to focus exclusively on this issue.

Item #10-BOARD OPEN TIME Director Brown said she was very pleased with the Healthy Waterways Study and the collaboration among the different parties involved. The District has waited a long time before getting a program together that would really make a difference in actually determining how healthy the waters are. She was thrilled that the collaboration will be

ongoing and we will truly be able to understand what's going on in the creeks. In the past there were so many different reasons for why there may have been problems. But through our collaboration, we can now truly find out what's happening. She strongly supports continuing the Healthy Waterways Program. It's great for the community, especially now that the District was going out into the community with its lateral grant program. It's a wonderful preventative and monitoring situation. She was also very grateful for the lateral grant program and that there was still money left because she has been personally spreading the word about the program.

Mr. Richards noted that the lateral grant program was catching fire. Staff was receiving more and more phone calls, and better than 75% of the people he speaks with, ask him about the program. Director Brown said that her experience when talking with people was that they had *absolutely no idea* how their lateral was contributing to the overflows. She saw the lateral grant program as an opportunity to assist people in this area and therefore it was something that can make a *big* difference. Mr. Richards clarified that *private laterals account for roughly 50% of the number of incidents but not 50% of the volume of overflows.*

In response to a question from Director Johnson, District Engineer Randell Ishii explained that the main reason why some applicants who apply for a grant are turned down was that their pipes do not have enough defects to qualify for the program. Mr. Richards observed that the grant program was working and suggested waiting a year and see what the program statistics say.

Director Sullivan noted that the most recent issue of the Creek's Chronicles from the Friends of Corte Madera Creek Watershed ran a nice article about the Kentfield Forcemain and the District's working with them on that. Mr. Richards commented that Sandy Guldman from Friends had asked the District if we would be willing to have their circulating Ross Valley Water Flow Model hung in the District's lobby for a few months, and he agreed to let them do that. He said that educational models like that one and the cartoon on the lobby wall depicting private laterals are great tools that enable people to immediately understand what's going on underground. This was a good example of teamwork and cooperation and the other kinds of things the District was building with Friends.

President Guasco said he was personally quite proud of the genuine progress the District had made with the lateral grant program, which has now moved ahead of all others in the area.

Director Johnson noted for the record that the most critical statement in the staff report on the Healthy Waterways Study was, "It appears likely that the two positive results were caused by a human source that is different and apart from the public sewer system." She wanted to know if there was something that the organization will do now to try to track that down that human source, or if there were some other liable party.

Mr. Richards said that was a difficult question to answer, i.e. who was the polluter? That's the problem. The issue was that when you're seeking fecal markers, there were a number of contributors, like everything upstream of the affected area, including farmland, human development, and wild animals. Another big issue which was true here was, was there a significant use of septic systems used at some point in the past prior to a public sewer system? The answer was yes. So the question was where does it come from? The

suggestion was that prior to the testing, there were the heavy wet weather flows and the infiltration in and the leaking out. So was it the public sewer system that was causing positive fecal markers, when it could be a number of other things? So the locations that were chosen for testing were chosen specifically because those locations were where the public sewer system was either absolutely the closest or the most vulnerable to affecting the creek. The results were overwhelmingly positive, preliminarily, that it's probably not the public sewer system. It's probably the farmland, the old septic systems and wildlife. But we'll need years of looking at that; this is *not* conclusive. It's optimistic but it's not conclusive.

Director Brown observed that this was the question that Friends and the District have been trying to answer.

Item #11-CLOSED SESSION The Board adjourned to Closed Session at 7:47 p.m. for LABOR NEGOTIATIONS pursuant to Government Code Section 54957.6. Agency Negotiator: Brett N. Richards; Employee Organizations: A.F.S.C.M.E., Felix Huerta; Unrepresented Employees: Mid-Management Group.

The Board reconvened to Open Session at ##### p.m.

There was no reportable action taken during Closed Session.

OR

Reportable action taken during Closed Session:

Item #12-ADJOURN The Board adjourned at ## p.m.

Marcia Johnson
Secretary of the Board

