

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

Tuesday, March 6, 2007
6:45 p.m.

CMSA Board Meeting Room
1301 Andersen Drive
San Rafael, CA

Members Present: Sue Brown, President
Patty Burke, Secretary
Patrick Guasco
Steve Vanni

Members Absent: Brian Oliva

Staff Present: Joseph Remley, Acting District Manager
Paul Causey, Project Manager
Heidi Lang, Business Manager
Ben Stock, Assistant District Counsel
Eva Waskell, Recording Secretary

Public Present: The names reflected are those who sign in on the attendance sheet: Lenny McBride; Rafael Zarco; Eric Stassevitch; Marcia Johnson; Keith Lester; however, there were ten (10) additional members of the public present.

Item #1-ORDER The meeting was called to order by President Brown at 6:45 p.m. President Brown then led the Pledge of Allegiance. Roll call was taken and a quorum was present.

Item #2-APPROVAL OF AGENDA M/S Guasco/Burke to approve the Agenda, as submitted. The motion carried unanimously.

Item #3-OPEN TIME FOR PUBLIC Marcia Johnson, 153 Meernaa Avenue, Fairfax, asked the Board not to schedule meetings during the day when people are working. Project Manager Causey replied that the last meeting was a special case and now the every other Tuesday meetings will be held at 5:30 p.m.

Lenny McBride, a representative of the RVSD workers, said there are outstanding grievances that still need to be resolved and wanted to know what's happening at the District. Acting District Manager Remley replied that there will be meetings with the employees and management will look into the grievances.

Bruce Baum, 1165 Butterfield Road, San Anselmo, wanted to know the status of consolidation activities and the time schedule for the regionalization meetings. Project Manager Causey said that these issues would be addressed later in the meeting.

Item #4-APPROVE REGULAR MEETING MINUTES OF FEBRUARY 6, 2007

President Brown requested that the words "low interest" be deleted from Item 14 on page 8. M/S Guasco/Vanni to approve the Regular Meeting Minutes of February 6, 2007, as amended. The motion carried unanimously.

Item #5-CONSENT CALENDAR The Board reviewed the Consent Calendar:

- a) Approve February 2007 disbursements totaling \$544,109.24
- b) Approve District Treasurer's Financial Report for February 2007
 - i) Bank and Investment Accounts Summary Statement
 - ii) Income Statement
 - iii) LAIF Investment Statement
 - iv) Transfer Authorizations
 - v) LAIF Statement for January 2007
 - vi) Monthly Disbursements for February 2007
 - vii) Board Fees Paid (Monthly & YTD Summary)
- c) Approve Accountant's Report for January 2007
- d) Approve Progress Payments for Capital Improvement Projects:
 - i) Larkspur Landing B (PS10), Anderson Pacific, Inc., progress billing no. 8 in the amount of \$86,877.00
 - ii) Site Demolition Project, RV Stich Construction, progress billing no. 2 in the amount of \$84,985.20
 - iii) Slide Repair and Sewer Protection-Ellsworth, Fairfax, Tioga, Greenbrae, Sewer Relocation Vista, Ross, Bay Pacific Pipelines, progress billing no. 2 (2nd revision) in the amount of \$64,368.09
- e) Reject Claims from 747-751 Sir Francis Drake Blvd., San Anselmo
- f) Accept Bon Air Trunk Sewer Inversion Lining Project, Resolution No. 1280 and Notice of Completion
- g) Authorization to Execute Agreements for Consultant Services
 - i) Professional Software Design Services with Open Spatial
 - ii) Environmental Testing Services with Questa Engineering

M/S Guasco/Vanni to approve Consent Calendar, as submitted. The motion carried unanimously.

Item #6-CONSIDERATION OF ECUMENICAL HOUSING REQUEST TO WAIVE SEWER CONNECTION PERMIT FEES – 61 WOODLAND AVENUE, SAN ANSELMO

Acting District Manager Remley reviewed the staff report and recommended that the fee be waived. Jack Barrows, a board member of the Ross Valley Ecumenical Housing Association, said he would answer any questions the Board had. Director Burke thanked Mr. Barrows for coming to the Board meeting and noted that this kind of project is needed.

M/S Guasco/Burke to approve the request from the Ross Valley Ecumenical Housing Association to waive permit fees for 61 Woodland Avenue, San Anselmo. The motion carried unanimously.

Item #7- REQUEST FOR PROPOSALS – PROFESSIONAL AUDIT SERVICES AND DIRECTION TO STAFF Project Manager Causey reviewed the staff report and discussed the RFP for professional auditing services. Although he recommended that the Board approve the RFP, he requested input from the Board on Section VI. A. 1. I, Separate Proposal for Review of Prior Year Audits, regarding whether or not to leave this item in the RFP. He also recommended that the Board consider a 3-5 year term of engagement rather than a 6-7 year term from the past.

Marcia Johnson, 153 Meernaa Avenue, Fairfax, pointed out a typo on the bottom of page 2 (200 should read 2000), suggested that the field work start no later than August to give the auditors more time, and asked that the auditors consider a software upgrade or get new software.

Bruce Baum, 1165 Butterfield Road, San Anselmo, said that Heidi Lang did an outstanding job on the RFP and recommended that it be sent to all six firms identified.

Marcia Johnson, 153 Meernaa Avenue, Fairfax, wanted to be sure that the statement of cash flow is included under the scope of work. Project Manager Causey replied that normal audit requirements would include these items.

President Brown asked if Bartle Wells could make recommendations that would enhance the financials if the District is required to seek long-term financing. Project Manager Causey said this was an excellent idea and he will talk with Bartle Wells about other things the District should have in place, and ask them if they see any concerns in the last three audits.

President Brown agreed that the RFP should be sent to six firms. There was Board consensus to let the staff review and make a recommendation on the Auditor selection, rather than using a subcommittee.

M/S Brown/Vanni to approve the RFP without Section VI. A. 1. I and send it to all six firms indicated, and give direction to staff to review the proposals and bring back a recommendation to the Board. The motion carried unanimously.

Item #8-CONSIDERATION OF OPTIONS FOR REPLACEMENT OF DISTRICT MANAGER POSITION AND DIRECTION TO STAFF Project Manager Causey reviewed the staff report, answered questions from the Board, and discussed in detail the options for replacement of the District Manger position, including the costs involved

and the timeline for implementation. Project Manager Causey stated that this is the single most important decision the Board is to take regarding the operation of RVSD.

Project Manager Causey answered questions from the Board and the public regarding potential partners for consolidation and the pros and cons of each case. Jason Dow of CMSA was asked about contract management and said that they would have to thoroughly assess their current workload, but they are certainly willing to have discussions with RVSD.

Bruce Baum, 1165 Butterfield Road, San Anselmo, agreed with Director Vanni about the need for continuity and urged the Board to renew the contracts of Acting District Manager Remley and Project Manager Causey.

Marcia Johnson, 153 Meernaa Avenue, Fairfax, emphasized that there are too many changes being made too fast at RVSD during the past year and we need to slow things down.

Board members discussed the terms of the current contracts of Acting District Manager Remley and Project Manager Causey and its impact on the operations of RVSD. President Brown suggested letting them work until July 2007 because at that time the Board will know more about where RVSD is headed. Director Vanni recommended letting the two managers do investigative work on consolidation with CMSA between now and July 2007. He said he would only vote for this if the Board includes the July 2007 date, which can always be extended if it has to.

After extended discussion, M/S Brown/Burke to give direction to staff to prepare an agreement for Option 2(a), changing July 1, 2007 to July, 2007, which would leave in place Joe Remley's contract, and modify and provide a contract with Mr. Causey to be the Assistant District Manger until July 2007, at which time the Board can expand, amend or extend a new contract. The motion carried unanimously.

Item #9-CONSIDERATION AND APPROVAL OF MODIFICATIONS TO BOARD TREASURER'S REPORT AND DIRECTION TO STAFF

Project Manager Causey reviewed the staff report and said that there are no material changes. He noted that the Monthly Financial Report is just a snapshot of the District on a cash basis; it's not on an accrual basis and should be considered a work in progress. He recommended that individual payroll payments be removed due to privacy concerns and that the Board approve the modifications.

Marcia Johnson, 153 Meernaa Avenue, Fairfax, said that public agencies and their employees don't have a right to privacy. The paychecks show the net amount, and not the gross. She added that two items in the Monthly Financial Report were in the wrong category and that the income statement format was incomplete.

Acting District Manager Remley stated that the salary range of public employees is public, but the amount of withholding and other details of an individual's deductions are not public.

Lenny McBride agreed with Mr. Remley and said that individual salaries are not public, only the salary range is public.

President Brown said she appreciated the new format and congratulated Business Manager Lang on doing such a good job of preparing the Monthly Financial Statement.

After a brief discussion, M/S Guasco/Vanni to authorize the proposed revisions to the Treasurer's Report, including the addition of a Monthly Financial Report and the removal of individual payroll payments. The motion carried unanimously.

Item #10-CONSIDERATION OF NORTH BAY WATERSHED ASSOCIATION INFLOW/INFILTRATION REDUCTION PROGRAM Acting District Manager Remley reviewed the staff report and stated that the agencies working on the infiltration/inflow for the private laterals want to do public outreach and assist people in fixing the problem.

President Brown said she supports this approach to the problem and noted that this has never been done before. Project Manager Causey said that the Board would be addressing how to deal with private laterals in the April and May meetings. He invited Keith Lester to participate in this program.

Item #11-DISCUSSION OF DISTRICT POSITION ON REGIONALIZATION AND RESCINDING OF RESOLUTION NO. 1062 Acting District Manager Remley reviewed the staff report and encouraged people to attend the Regionalization Workshops. He asked the Board to appoint people for Thursday's meeting.

Project Manager Causey said that small groups are very important in getting all issues for regionalization identified. President Brown asked any Board members who couldn't attend the meeting to give their comments to staff to be included in the report. Jason Dow said he would work with Mr. Remley to have a separate meeting.

After a brief discussion, M/S Guasco/Vanni to adopt Resolution No. 1281 rescinding Resolution No. 1062. The motion carried unanimously.

Project Manager Causey reminded Board members that attendance at these meetings would not be compensated without formal Board approval.

Item #12-REVIEW OF CHANGE ORDER POLICY, APPROVAL OF CHANGE ORDER NOS. 13-16, LARKSPUR LANDING B (PS 10) PUMP STATION IMPROVEMENTS AND FORCE MAIN VALVES Acting District Manager Remley reviewed the staff report and asked for authorization to make the changes.

After a brief discussion, M/S Brown/Burke to reaffirm the policy and approve Change Order Nos. 13, 14, 15 and 16, as recommended by staff. The motion carried unanimously.

Item #13-STAFF'S VERBAL REPORT The Project Manager gave a brief update of progress made on RVSD site removal and activities at the CMSA site where the fire permit is pending due to unexpected work required for the fire service lines. The Canyon Road meeting was much more positive than anticipated. Project Manager Causey will get back to the residents with proposed solutions in the next three to four weeks.

Acting District Manager Remley gave a brief update of employee promotions, maintenance, improvements, and upcoming projects, including slide repairs and the capital improvement strategic plan.

President Brown asked Project Manager Causey for his advice regarding a March 16 workshop on strategic planning given by the California Special District and he said it would be of value to attend.

Bruce Baum, 1165 Butterfield Road, San Anselmo, inquired about the status of contaminated soil, including PCBs, at the RVSD site and the associated costs of removal. Project Manager Causey replied that the soil with petroleum products has been removed and the PCBs are now being evaluated. He doesn't know all of the costs yet.

Marcia Johnson, 153 Meernaa Avenue, Fairfax, wanted to know what the net profit from the entire land deal is.

President Brown asked if the Board needs to approve compensation for Board members who attend the meeting on Thursday. Project Manager Causey said that training is included in the compensation, but we need to check the policy.

Item #14-BOARD OPEN TIME Director Guasco attended the February 13 CMSA meeting which discussed the regionalization planning study, an update of the RVSD relocation, and the FOG program.

Director Vanni wanted the Board to check the policy regarding approval of attorney expenditures to make sure that any expenditure is approved by the Board before the attorney takes any action, even if it's something that should be done.

President Brown attended the North Bay Watershed Association meeting where Bruce Wolf talked about setting up compliance protocols to provide some protection against third party litigation. The Regional Water Quality Board wants to explore requiring lateral policies instead of having local districts do this. She attended the Canyon Road meeting in Fairfax and appreciates the quality of professionalism she saw and Project Manager Causey's willingness to engage in conversation with the residents. She reminded everyone that there would be a special Board meeting on March 20 at 5:30 p.m.

Item #15-ADJOURNMENT The Board adjourned at 9:10 p.m.

Patty Burke
Secretary of the Board