

March 8, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, March 8, 2010, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Michael Di Giorgio, Members James D. Fritz, William C. Long and Dennis Welsh. Member George C. Quesada arrived at 6:35 p.m.

BOARD MEMBERS ABSENT: None.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Administrative Secretary Julie Borda and Attorney Sky Woodruff of Meyers Nave.

ALSO PRESENT: Delyn Kies, Novato resident
Brant Miller, Novato resident
Tom Pierce, Novato resident
Deanna Pierce, Novato resident
Dean Heffelfinger, Novato resident
Leon Calker, Novato resident
Colleen Rose, Novato resident
Suzanne Crow, Novato resident
Tony Silva, Novato resident
Steve McCaffrey, Director of Governmental Affairs, Novato Disposal Service

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

On motion of Member Fritz, seconded by Member Long, and carried unanimously by those members present, the agenda was approved as mailed.

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS:

Member Long commented on the court hearing for the election contest litigation and happily reported the case was dismissed. He reported briefly on his recent trip to Washington D.C. for the North Bay Water Reuse Authority (NBWRA) Recycled Water Project.

Member Welsh commented on a letter which was authored by four Novato Sanitary District employees and was sent to all Board members regarding a personnel issue. He

expressed his concern that the District was not resolving the issue brought forth in the letter.

The Manager pointed out that personnel issues with Teamsters Union Local 315 employees are procedurally discussed with Local 315 representatives. She stated that she had brought the matter to Union representatives and that they were agreeable to following the appropriate resolution process as outlined in the Memo of Understanding (MOU). She stated personnel issues are not discussed in open sessions.

Member Welsh requested this matter be added to the Closed Session Board Meeting that was scheduled for March 9th.

The Manager reported that the March 9th Closed Session Agenda was already posted as per requirements of the Brown Act and no other agenda items could be added.

Sky Woodruff, Meyers Nave, clarified that discussion on this matter may not be allowed in a closed session, based on requirements of the Brown Act.

Member Long suggested that this personnel issue be reviewed by the Ad Hoc Personnel Committee and the Manager-Engineer prior to the next Board meeting on March 22nd to determine if this issue could be brought before the Board during a regular Board meeting.

The Manager stated she would be happy to meet with the Ad Hoc Personnel Committee on this issue.

REVIEW OF MINUTES:

Consider approval of minutes of the January 11, 2010 meeting.

Member Quesada made a motion to approve the minutes of the January 11th Board meeting and Member Long seconded the motion.

Member Welsh requested the Board not approve the Minutes pending his review of the audio tape.

After Member Welsh's comment, Member Long withdrew his second to Member Quesada's motion. The motion did not move forward and the following motion was made:

On motion of Member Welsh, seconded by Member Long, and carried with the following vote, the Board moved to postpone approval of the January 11, 2010 Board meeting minutes. Ayes: Di Giorgio, Fritz, Long, Welsh. Abstain: Quesada.

CONSENT CALENDAR:

On motion of Member Quesada, seconded by Member Long and carried unanimously, the following Consent Calendar item was approved:

- a. Approval of regular disbursements in the amount of \$310,588.48, project account disbursements in the amount of \$1,206,633.52, and Board member disbursements in the amount of \$5,129.97.

SOLID WASTE:

- Receive report on solid waste rates for 2010: The Manager introduced Steve McCaffrey of Novato Disposal. Mr. McCaffrey stated that R3 Consulting had completed a rate review for solid waste collection and had determined that a .68% rate increase would be appropriate. He stated that due to the economic conditions and other circumstances, Novato Disposal has decided not to raise their disposal rates. He referenced a document which was presented to the Board and to the public which showed Novato Disposal having the lowest rates when compared to surrounding communities.

President Di Giorgio expressed his appreciation for Novato Disposal's decision to not raise garbage rates.

Member Long complimented Novato Disposal on their progressive efforts in green waste and food waste composting programs.

CONTINUATION OF DISCUSSION OF ITEM 2.A. FROM THE REGULAR BOARD OF DIRECTORS' ADJOURNED MEETING OF MARCH 8, 2010:

- Consider approval of a Resolution requesting the Board of Supervisors of the County of Marin to conduct said election; authorizing the District Manager-Engineer to carry out all the necessary procedures for said election; and submitting to the voters a referendum measure to repeal a contract service agreement: President Di Giorgio read versions of the ballot wording as prepared by the District Ad Hoc Ballot Language Committee, and alternate versions prepared by Member Quesada and by Member Welsh.

Sky Woodruff, Meyers Nave, stated that the ballot wording as prepared by the District's Ad Hoc Committee had been reviewed by District Counsel Kent Alm, however the ballot language suggestions prepared by Member Quesada and Member Welsh had not been reviewed.

Member Welsh stated he felt both the Ad Hoc Committee and Member Quesada's statements were prejudicial because of use of the word "unanimous". The Board members discussed the ballot language options being presented.

Member Fritz requested the words “unanimous approval” and “September 21, 2009” be deleted from the Ad Hoc Committee’s ballot wording so the ballot would read: “Shall Novato Sanitary District’s approval of the contract entitled “Novato Sanitary District Contract Service Agreement for Operation, Maintenance, and Management of Wastewater Treatment Facilities,” be adopted?”

Sky Woodruff stated that an impartial analysis of the ballot language for the measure must be submitted to the Registrar of Voters and that this analysis would be prepared by the District’s Counsel, Meyers Nave.

Suzanne Brown Crow, Novato resident, commented on the grammar used in the ballot wording, stating some of the grammar was not correct.

Sky Woodruff explained that under these circumstances, the grammatical requirements are being balanced with the formal legislative requirements.

Brant Miller, Novato resident, discussed the referendum language and agreed with Member Fritz’s comments, stating that a minimalist statement is preferred.

Deanna Pierce, Novato resident, stated she feels Director Welsh’s proposition is the most accurate and clarifies what people are voting for or against.

President Di Giorgio closed public comment.

President Di Giorgio discussed the ballot language, agreeing with Member Fritz’s deletions and requested the ballot language for the measure read as follows: “Shall Novato Sanitary District’s approval of the contract entitled “Novato Sanitary District Contract Service Agreement for Operation, Maintenance, and Management of Wastewater Treatment Facilities” be adopted?”

Member Quesada discussed the wording with the Board, stating he felt Member Welsh’s ballot language was more concise.

Member Long and President Di Giorgio felt using the words “Veolia West Operating Systems” in the ballot language was prejudicial.

Sky Woodruff stated the wording as proposed by President Di Giorgio met the legal requirements.

On motion of Member Long, seconded by Member Fritz, and carried with the following vote, the Board approved the following ballot language: “Shall Novato Sanitary District’s approval of the contract entitled “Novato Sanitary District Contract Service Agreement for Operation, Maintenance, and Management of Wastewater Treatment Facilities” be adopted?” Ayes: Di Giorgio, Fritz, Long, Quesada. Noes: Welsh.

President Di Giorgio and Sky Woodruff discussed in detail who would be authorized to prepare the election argument and the rebuttal argument. President Di Giorgio stated that the Ad Hoc Committee met and determined that the two individuals who would be writing the rebuttal to the election argument would be Member Jim Fritz and Phil Brown.

The Manager discussed with the Board the preparation of the ballot language and Resolution No. 3022, noting number 5.g. of the resolution would read as follows:

(g) The District Board hereby selects Jim Fritz and Phil Brown to prepare a written argument in favor of the proposed measure, not to exceed 300 words, on behalf of the Board. The two persons listed above may also authorize up to three additional persons to sign the ballot argument. These may be members of the District Board or bona fide associations or individual voters who are eligible to vote. In the event that an argument is filed against the measure, Jim Fritz is also authorized to prepare a rebuttal argument on behalf of the Board, which may also be signed by up to four other individuals representing bona fide associations or by individual voters who are eligible to vote.

On motion of Member Long, seconded by Member Fritz and carried with the following vote, the Board passed Resolution No. 3022, A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF MARIN TO CONDUCT SAID ELECTION; AUTHORIZING THE DISTRICT MANAGER-ENGINEER TO CARRY OUT ALL THE NECESSARY PROCEDURES FOR SAID ELECTION; AND SUBMITTING TO THE VOTERS A REFERENDUM MEASURE TO ADOPT APPROVAL OF A CONTRACT SERVICE AGREEMENT with the language change to 5.g. as noted above. Ayes: Di Giorgio, Fritz, Long, Quesada. Noes: Welsh.

PERSONNEL:

- Receive Ad Hoc Personnel Committee recommendations for 2009-10 salary adjustments for represented, management and confidential employees.

- Consider approval of Memorandum of Understanding (MOU) between Novato Sanitary District and Teamsters Local 315 for the period July 1, 2009 through December 31, 2010.

- Consider approval of 2009-10 salaries for management and confidential employees, effective July 1, 2009.

The Manager gave an overview of the employee compensation rates as determined by the Ad Hoc Personnel Committee. She stated that on February 24, 2010, the represented employees ratified their Memorandum of Understanding (MOU) which extends from July 1, 2009 to December 31, 2010.

- She discussed the proposed across the board Cost of Living wage increase of 3.5% for the represented group and noted it would cover the period between July 1, 2009 and June 2010.
- She discussed the across the board wage increase determined by the movement of the CPI SF-Bay Area from April 2009 to April 2010 with a minimum increase of two percent and up to a maximum increase of five percent effective July 2010.
- She discussed the one-time payment of \$500 for each employee on payroll as of the Board of Directors approval date of the MOU.
- She noted there is also a commitment to complete a Salary Survey by September 1, 2010 and begin new contract negotiations with the Union by October 1, 2010.

The Manager stated that the Personnel Committee recommended a pay adjustment to the Management and Confidential employees of 0.3% retroactive to July 1, 2009 and a matching \$500 one-time payment to equal the pay adjustment offered to the represented employees.

President Di Giorgio stated he was glad to see a current Memorandum of Understanding in place and was glad to see the employees getting a well deserved pay raise.

On motion of Member Fritz, seconded by Member Long and carried unanimously, the Board approved the Memorandum of Understanding between Novato Sanitary District and Teamsters Local 315 for the period July 1, 2009 through December 31, 2010.

On Motion of Member Fritz, seconded by Member Welsh and carried unanimously, the Board approved the 2009-10 salaries for management and confidential employees, effective July 1, 2009.

ADMINISTRATIVE:

- Consider adoption of revised 2009-10 annual District budget. The Manager stated that the Draft Revised Budget was originally presented to the Board at the February 22nd board meeting. She discussed the major issues that have affected the Revised Budget: transition of the treatment facilities from contract operations; increased legal fees; election expense; and projected revenue being substantially lower than anticipated due to plummeting interest rates.

The Manager stated that the Revised 2009-10 Expenditure budget is \$1,395,385 (15.36%) more than the 2009-10 budget adopted in September 2009. She stated this revised budget shows the District will be operating at a deficit; however, she noted that the District does have sufficient working capital reserves to cover the shortfall this year. In addition she also stated the District has a rate stabilization reserve that will cover a portion of the deficit. She stated this deficit will potentially impact next year's rates. She reported that Tom Gaffney with Bartle Wells Associates will be doing a revenue program analysis to determine future sewer service charge rates based on the two scenarios the District is working with: using an outside contract operator or not using an outside contract operator.

Member Welsh disputed the Eisenhardt Report and stated it was not appropriate for the Manager to provide the financial numbers from this report as a basis for the Bartle Wells analysis.

The Board discussed the details of the Budget with the Manager.

President Di Giorgio requested the Board not approve the Revised Budget at this time and stated he would like to review the budget in more detail. He advised his fellow Board members to review the Budget in detail and requested this item be brought before the Board at their March 22nd regular meeting.

MANAGER'S REPORT:

- The Manager stated she spoke at the CA Foundation for Energy and the Environment.
- The Deputy Manager-Engineer spoke at the Ignacio Rotary Club meeting regarding recycled water.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 8:00 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording