

July 11, 2008

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 11:00 a.m., Friday, July 11, 2008, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Michael Di Giorgio, Members James D. Fritz, , William C. Long, George C. Quesada and Art Knutson.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, and Administrative Assistant Julie Borda. Attorney Eddie Kreisberg was also present.

ALSO PRESENT: Tim O'Connor, Novato Sanitary District
Angel Medina, Novato Sanitary District
Don E Garcia, Teamsters Local 490
Carlos Borba, President Teamsters Local 315
Jim Lynch, Novato Sanitary District
Larry Foged, Novato Sanitary District
Tony Silva, Novato Sanitary District
Ken Besnia, Novato Sanitary District
Teri Edington, spouse of District employee
Kevin Craig, Novato Sanitary District
Dasse de longh, Novato Sanitary District
Curtis McAbee, Novato Sanitary District
Tim Omarzu, Novato Advance

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: Member Quesada requested the Agenda be amended as follows: "A Regular Meeting according the Brown Act; a Special Meeting according to the Novato Sanitary District Bylaws."

On motion of Member Quesada, seconded by Member Long, and carried unanimously, the Agenda was approved as amended.

CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code 54957.6, President DiGiorgio announced that the Board would meet in closed session for the item listed on the Closed Session agenda. Closed session began at 11:05 a.m.

CLOSED SESSION REPORT: No reportable action was taken in closed session and the meeting reconvened in open session at 11:15 a.m.

PUBLIC COMMENT: None

PUBLIC HEARING: CONSIDER THE DISTRICT'S AND TEAMSTERS LOCAL 490'S LAST, BEST AND FINAL OFFERS AND IN THE ALTERNATIVE, IMPOSITION OF TERMS AND CONDITIONS.

President Di Giorgio opened the Public Hearing at 11:20 a.m. The Manager-Engineer gave a Power Point presentation outlining the District's Last, Best, and Final Offers. She discussed the following points: Compensation History from 2002 through 2007; Retiree Medical Costs and GASB 45;

Negotiation Summary; The Tentative Agreement of June 2, 2008; The District's Last, Best, and Final Offer; and Alternative Imposition of Terms and Conditions.

Eddie Kreisberg outlined the discussions and meetings he was involved with on behalf of the District during the Labor Negotiations. He discussed in detail the Tentative Package agreement dated June 2, 2008, which was subsequently rejected by Teamsters Local 490 group of represented employees. He also discussed the Alternative Imposition of Terms and Conditions and noted, if imposed, it would be in effect through June 30, 2009.

- Public comment:

Angel Medina, NSD employee, expressed his disappointment with the current Board's decision to not negotiate and agree with demands as outlined by Teamsters Local 490.

Don E. Garcia, Teamsters Local 490, outlined the past meetings and negotiation sessions that took place leading up to the current circumstances. He provided the Board with copies of various emails that took place between the Union Negotiators and the Manager-Engineer.

Carlos Borba, President of Teamsters Local 315, discussed the differences between the District proposed agreement and the represented group's needs for retiree medical. He stressed the importance of a good benefit package for the retired employees.

Jim Lynch, NSD employee, discussed issues that were important to him as an employee and stated employee morale has suffered because of the District's inability to reach an agreement with the represented group's negotiators. He stated the morale is very low among the employees.

Larry Foged, NSD employee, noted that he has enjoyed the personal, family type of atmosphere as an employee at the Novato Sanitary District but noted that that atmosphere has unraveled. In spite of the current situation, he continues to represent the District in a professional and courteous manner.

Tony Silva, NSD employee, discussed the excessive amount of overtime he has been required to work due to the aging equipment and declining facilities at the District. He stated he is currently on medical leave due to a hernia that developed while he was working during a storm. He stated that retirement medical coverage is very important for all current and future employees due to the various health issues they are exposed to. He noted that without a good retirement package, it will be more difficult to attract qualified and experienced wastewater workers.

Ken Besnia, NSD employee, stated that his future retiree health benefits are very important.

Terri Edington, Novato resident and spouse of NSD employee Mark Edington, noted she was present at the meeting on behalf of her husband, Mark. She stated he was not able to attend the meeting due to management's requirement that employees use vacation time to attend the board meeting. She stated that it was not fair for retiree medical to be changed at this time as her husband is very close to retirement. She discussed the overtime that Mark was required to work, often times being required to come in several times in the same night. In addition, she expressed her gratitude to the employees for all of their hard work and stated the Board should show their appreciation to the employees.

Kevin Craig, NSD employee, expressed his frustration with the labor negotiations and the failure of the Board to reach an agreement. He asked the Board to be respectful of the employees.

Carlos Borba, President of Teamsters Local 315, asked the Board why the Cost of Living Adjustment (COLA) was not going to be implemented wondering if withholding the COLA was meant to be a punitive action.

President Di Giorgio stated in response that the employees Union Contract had expired and a mutual agreement was not able to be reached between the Board and the Union. He stated that since the COLA was included in this agreement, the COLA was unable to be implemented.

Dasse de longh, NSD employee, noted for the Board his health related issues which were due to working for extensive periods during intense storms. He expressed his hope that the Board and the Union would soon come to a mutual agreement and end the negotiations.

Curtis McAbee, NSD employee, expressed his disappointment that the Board did not agree to the labor unions latest contract and was saddened that the COLA was being withheld.

Carlos Borba, President of Teamsters Local 315, stated that the Board, in their last offer presented, never conveyed a willingness to give the employees retiree medical benefits.

There being no further commentary to come before the Board, President DiGiorgio closed Public Comment at 12:39 p.m.

- Board Comments:

Member Fritz discussed the District's new equipment that is being implemented and the current upgrades/construction to the plant. He pointed out that our upgraded operations were designed to stay ahead of industry standards. The new equipment should mean fewer breakdowns and less overtime and call outs for NSD employees.

Member Long expressed his gratitude to all the employees for their dedication and continual hard work to keep the District running properly. He discussed the past negotiations and expressed his concern over the negotiation process, stating that he wanted to ensure the employees were receiving accurate information as it was presented by the Board and the Manager-Engineer.

Member Knutson noted that he feels negotiations are close to being resolved.

Member Quesada commended Member Knutson for his service as a Board Member for over 33 years. He asked for clarification of the Union's vote from the June 2 tentative agreement labor negotiation contract.

President Di Giorgio asked for all to come to a better agreement that will meet the interests of all employees. He stated the Board has been interested in meeting the employee's desires but must remain mindful of finances in regards to the retirement package the Union desires. He noted it would not be possible for the District to agree to a retirement package that would create a larger unfunded liability.

There being no further Board comment, President Di Giorgio declared the meeting would adjourn for a five-minute break.

The Board meeting reconvened at 12:56 p.m. Closed Session followed immediately thereafter.

CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code 54957.6, President Fritz announced that the Board would meet in closed session for the item listed on the Closed Session agenda. Closed session began at 12:57 p.m.

CLOSED SESSION REPORT: The Board meeting reconvened in open session at 1:40 p.m.

President DiGiorgio reopened the Public Hearing at 1:44 p.m.

CONTINUATION OF PUBLIC HEARING: CONSIDER THE DISTRICT'S AND TEAMSTERS LOCAL 490'S LAST, BEST AND FINAL OFFERS OR THE IMPOSITION OF TERMS AND CONDITIONS.

President DiGiorgio reported that the Board had come to a decision regarding the labor negotiations between Teamsters Local 490 and the Novato Sanitary District.

On motion of Member Long, seconded by Member Knutson, and carried unanimously, the following motion was passed: Impose for Fiscal Year 2008-09 the terms and conditions set forth in the District's "Imposition Through June 30, 2009" provided to the Union with the District's June 23, 2008 last, best and final proposal, but enhanced by a cost of living adjustment increase of 3.1% retroactive to July 1, 2007 and applicable to represented employees employed with the District on July 1, 2008.

ADJOURNMENT: There being no further business to come before the Board, President Fritz adjourned the meeting at 1:46 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording