

Corinne W. Wiley, President
Catharine Benediktsson, Vice President
Roy Fedotoff, Secretary

Claire McAuliffe, Director
William Teiser, Director

**Sanitary District No. 5 of Marin County
Minutes of a Regular Board Meeting
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Tuesday, July 19, 2011, 7:00 p.m.**

CALL TO ORDER by Pres. Wiley at 7:02 p.m.

ROLL CALL: Directors present:

Corinne W. Wiley, President
Catharine Benediktsson, Vice President
Roy Fedotoff, Secretary
Claire McAuliffe
William Teiser

Staff present:

Robert L. Lynch, District Manager
Samantha Miller, Office/Finance Manager
Lynn Henriksen, Administrative Assistant

Others present:

Deirdre McCrohan, *The Ark Newspaper*

PUBLIC OPEN TIME:

No public comments were made.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

V. P. Benediktsson brought numerous newspaper clippings pertaining to sewerage issues in southern Marin to the attention of the Board and staff, directing Admin. Assist. Henriksen to scan them into the District files as reference material. She also introduced reference material for an article slated for the next issue of the District's newsletter, which will highlight the roles and responsibilities homeowners have for maintaining lateral sewer lines on their property, as well as educating property owners about illegal storm water drainage into the sanitary sewer system.

CONSENT CALENDAR:

1. Approval of June 21, 2011, Regular Board Meeting Minutes (Henriksen) (attached)
2. Approval of Warrants for June 2011, #4641 through 4729, in the amount of \$311,823.49 (Miller) (attached)
3. Receipt of Preliminary Financial Reports for June 2011 (Miller) (attached)

Motion (McAuliffe/Benediktsson) to approve the Consent Calendar. Passed, all present.

Pres. Wiley moved Item No. 12, as described on the agenda, to this time.

COMMITTEE REPORTS:

12. Dir. McAuliffe discussed the Main Plant Rehabilitation (MPR) Oversight Committee meeting findings and subsequent recommendations with the Board. The MPR Committee has met twice since the June 21, 2011, Board meeting, including conferring with Carollo Engineers and Sanitary District No. 5 staff, for in depth review of the repair and replacement of critical infrastructure and equipment proposed for the main sewage treatment plant, the construction cost estimates, and the overall schedule for the MPR project. Dir. McAuliffe greatly appreciates Sec. Fedotoff's input on these key items. Dir. McAuliffe reported the total estimated cost for the Main Plant Rehabilitation Project as is follows:

Construction Costs with Increased Amounts	\$10,190,000.00
Recommended Contingency included in Revised Construction Costs	
Final Design Engineering Services	\$ 837,418.00
Engineering Services During Bidding	\$ 16,124.00
Office Services During Construction	\$ 613,061.00
Resident Engineer/CM Services During Construction	\$ 247,500.00
Environment Consulting Services	\$ 66,660.00
Startup and Training	\$ 11,136.00
Financing	\$ 190,220.00
Total	\$ 12,172,119.00
Deduction for alternatives:	(572,000.00)
Total after deductions for alternatives:	\$ 11,600,119.00
On contingency,	
Total contingency: \$1,700,000.00	

The table above reflects the total estimated cost of the Main Plant Rehabilitation Project after Carollo Engineers revised the numbers upwards approximately 10% based on the recommendation of the District's independent, expert consultant, Mr. Bruce Hubal.

Mgr. Lynch, when asked if he concurred with these numbers as the District's project manager for the Main Plant Rehabilitation (MPR) Project, said he was reasonably comfortable with the numbers in this current cost estimate at this point in time. He noted, however, with only the Carollo MPR Pre-Design report completed to date that these numbers have a lot of flexibility in them. After Carollo Engineers completes the Final Design review and report for the MPR Project, accuracy of the construction costs should be within $\pm 5\%$ of the actual cost and the contingency figures will be reduced. Mgr. Lynch

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brought it to the Board's attention that the best way to look at the overall MPR Project is to view the project without the bid alternatives and then add in alternative items if the construction bids come in low. Mgr. Lynch intends to have the bid alternatives included in the bid process. Sec. Fedotoff agreed that this makes sense in order to contain costs.

Pres. Wiley asked if refinancing the existing Westamerica loan held solely by the Belvedere zone is reflected in this total cost projection for the Main Plant Rehabilitation Project. Mgr. Miller stated this was not the case, since the Belvedere loan is not a part of the Main Plant Rehabilitation Project.

Dir. McAuliffe put forth the following schedule as recognized by the Main Plant Rehabilitation (MPR) Committee as workable for the MPR Project, noting that the environmental work is on a tight, but achievable time frame:

- Project Financing: June – November 2011
- Environmental: July – September 2011
- Permits: June – November 2011
- Final Design: July 2011 – February 2012
- Bid Period: February 2012 – April 2012
- Construction: May 2012 – August 2013

The Main Plant Rehabilitation (MPR) Committee recommends that the Board approve both the Carollo Engineer, Inc. Pre-Design Report and the Final Design Scope of Service documents, which are up for consideration this evening. Upon approval by the Board of the Final Design and Scope of Work, the MPR Committee will meet in the future for progress payment review, document submittal review, and for change orders as deemed necessary and appropriate at dates and times requested by District staff. Mgr. Lynch explained to the Board that when Carollo Engineers begins the Final Design they will meet with the Board and staff on a once-a-month basis as delineated in their contract with the District. Dir. Teiser noted that the specified progress reporting schedule in the Carollo Final Design contract will be delivered to the Board in any format requested for ease of review. The MPR Committee also reviewed the MPR Decision/Action Item Log with the Board; it was noted that all items are being dealt with appropriately. Dir. Teiser announced that, while Mr. Paul Garbarini is no longer participating on the MPR Committee, he has agreed to be available upon request. The MPR Committee voiced their appreciation of his excellent contributions.

Regarding progress schedules, V.P. Benediktsson requested that the Main Plant Rehabilitation Project schedule be included each and every month in the Board packet. Carollo Engineers will be directed by staff to provide, throughout the life of the project, a progress schedule comparison report at each of their monthly meetings with the Board, whereby the initial, baseline schedule will be used as a comparison for the updated and modified progress schedules. The Board directed that more details be added into the overall project schedule, and they discussed their desire to compress the time frame of the project as

currently scheduled, if possible. The notice to proceed (NTP) for construction is now scheduled for May 1, 2012. Due to the desire to compress the project time schedule, the Board would like to see that the request for proposals (RFP) be pushed to January 2012 from February 2012. Mgr. Lynch responded that staff has already been working to compress the schedule. Sec. Fedotoff and Dir. Teiser noted that during the MPR Final Design Carollo Engineers will provide a much more detailed project schedule and that the contractors will be contractually required to provide well defined schedules. Mgr. Lynch said the District staff will look carefully at contractors' proposed schedules to determine if the District can meet contractors' expectations, since the main plant must operate effectively at all times during the Main Plant Rehabilitation Project.

MANAGEMENT REPORT:

4. Operations Report (Rubio) (attached)
 - a. Tiburon/Belvedere Compliance Report & Public Complaint Report May 2011

Mgr. Lynch reviewed the Operations Report for May 2011 with the Board, due to Mgr. Rubio's absence, reporting that the District met all NPDES permit requirements and there were no odor complaints. The plant also passed the month of May's 96-hour, flow-through bioassay.

Regarding activity in the collection system, there was one Sewer System Overflow (SSO) during May, at 9 Tara Hill, Tiburon, caused by a break in the sewer line with root complications. The Paradise Cove Operational Switch, which amounts to moving all wastewater from the hill side package plant to the bay side package plant, was successful.

Dir. Teiser inquired as to whether Mgr. Lynch was satisfied with the flow of work orders in operations, and he also wondered if the new SCADA system will improve the flow of work orders after the Main Plant Rehabilitation Project is completed. Mgr. Lynch said the flow of work orders is acceptable, and he added that the SCADA system has nothing directly to do with work orders. However, he will be attending the 84th Annual Water Environment Federation Technical Exhibition and Conference (WEFTEC) in Los Angeles on October 14-19, 2011; he is very interested to learn about the various new software applications for maintenance programs, among other things.

Dir. Benediktsson inquired as to when District staff performs FOG (fats, oils, & grease) inspections of food service establishments in Tiburon and Belvedere, and if the District has an Ordinance that specifically applies. Mgr. Lynch said the grease traps of all restaurants in the District are inspected on a regular schedule, but that he would check with Mgr. Rubio to determine the frequency.

5. District Manager's Summary Report of June 2011 (Lynch) (attached)

Mgr. Lynch reviewed the District Manager's Summary Report of June 2011 with the Board.

The arrival of the rodder truck has once again been delayed by WECO Industries; however, this is still within the contractual delivery period. The new delivery date is July 27, 2011.

Mr. Jeff Blum of E2 Engineering is in the process of putting together a MS PowerPoint presentation summarizing the very long and detailed Inflow and Infiltration Flow Study. During a Board workshop, date of which is yet to be determined, the presentation will highlight the two areas with particularly high flow during heavy rains: Paradise Drive, near Solano Street, in Tiburon; and Peninsula Road in Belvedere. Dir. Teiser questioned as to whether it could be that the storm sewer itself was going into the sanitary sewer. Mgr. Lynch said that this scenario is possible, and that it would be up to District staff to find the source, if and where this may be occurring.

Mgr. Lynch updated the Board regarding the Main Plant Rehabilitation Project environmental review saying that Carollo Engineers delivered the requested information to Mr. Scott Hochstrasser of IPA, Inc. on July 15, 2011, as agreed. He went on to discuss the ongoing operational sewer line cleaning and rehabilitation programs with the Board. On July 13, 2011, Mgr. Lynch sent out a Request for Proposals (RFPs) for the annual small machine cleaning program, which includes approximately 4.5 miles of easements to be cleaned throughout the District. The proposals are due back to the District by August 9, 2011. V.P. Benediktsson asked if all of the easements are documented, to which Mgr. Lynch replied that that is a difficult question to answer due to the fact that not all of the easements are clearly written; therefore, it would be a very complicated process to match up numerous old drawings to corresponding current parcels maps. Dir. McAuliffe inquired as to the cost of cleaning easements; Mgr. Lynch replied that the costs range from \$1.10 to \$1.40 per foot, and that this cleaning is a discretionary budgeted item. Mgr. Lynch noted that there is a full write up in this evening's packet, Item No. 9, regarding the Board's consideration of a notice to proceed (NTP) for Nute Engineers to move forward with the 2011 Sewer Rehabilitation Project.

Mgr. Lynch let it be known that the District has still not received a long awaited reply from the Tiburon Fire Protection District (TFPD) regarding the agreement for installation and maintenance of the warning siren that TFPD requested be placed at the Paradise Cove Treatment facility as an integral part of the TFPD's Siren Notification Alerting the Peninsula Program (SNAP). Since Sanitary District No. 5 (SD5) has paid the legal fees incurred to date for the License and Indemnity Agreement between TFPD and SD5, which were agreed upon as the responsibility of TFPD, Mgr. Lynch stated his displeasure and said that in the future he would like the money to cover legal costs to be collected upfront from the liable party(ies).

In response to V.P. Benediktsson's question about who will be charge at the District for the next few days while Mgr. Lynch is on vacation, Mgr. Lynch replied that Mgr. Rubio will cover operations and Mgr. Miller will cover the business and financial areas.

NEW BUSINESS

6. PUBLIC HEARING: Fiscal Year 2011-2012 Final Budget

a. Public Comment

No comments were made by any members of the public.

b. Consideration of Adoption of FY 2011-2012 Final Budget by Resolution No. 2011-12: A Resolution Approving and Adopting the Fiscal Year 2011-2012 Final Budget and Fixing the District's Tax Allocation for the Fiscal Year 2011-2012 (Miller) – Action (attached)

The Board commended Mgr. Miller for a truly exceptional job preparing the FY 2011-2012 Budget. Dir. Teiser commented that he felt the Board Budget Workshop held on June 3, 2011, was a remarkably successful process whereby the Board, along with staff, had the opportunity to review and make recommendations on all budget items line-by-line in preparation for Mgr. Miller to compile a comprehensive final budget.

Motion (Benediktsson/McAuliffe) to adopt the FY 2011-2012 Final Budget by Resolution No. 2011-12: A Resolution Approving and Adopting the Fiscal Year 2011-2012 Final Budget and Fixing the District's Tax Allocation for the Fiscal Year 2011-2012. Passed, all present.

7. Consideration of Acceptance of Main Plant Rehabilitation Preliminary Design Report Technical Memoranda and Construction Cost Estimate by Carollo Engineers (Lynch) – Action (see attached Notes of Explanation)

The Board discussed the recommendations by the Main Plant Rehabilitation Oversight Committee and District staff regarding the Technical Memoranda and Construction Cost Estimate by Carollo Engineers. V.P. Benediktsson questioned if the Carollo report had actually been updated to reflect the increase in profit factors and contractor overhead based on recommendations from the District's cost consultant, Mr. Bruce Hubal. Mgr. Lynch answered in the affirmative, whereupon V.P. Benediktsson strongly voiced her objection to the District increasing contractor overhead and profit factors in any case. Mgr. Lynch said he felt confident that these numbers would be used as preliminary numbers only. The Board agreed with Mgr. Lynch's suggestion to move forward with the Preliminary Design Report Technical Memoranda and Construction Cost Estimate as included in the Board packet, and see to it that the escalation factors are removed in Carollo Engineers' Cost Estimate in the Final Design Report, if, in their professional opinion, they see justification to do so, thus reducing cost estimates down to the original calculations prior to being influenced by the District's outside cost consultant.

Regarding progress reports on the Main Plant Rehabilitation Project, there was consensus among the Board that meeting with Carollo Engineers' project manager, Mr. Doug Wing, and his appropriate staff during regular Board meetings would suffice, since Mgr. Lynch is

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the District's project manager and the Board does not intend to micro-manage the MPR Project. In addition, there will be two Board workshops scheduled, the first one at the 50% stage of the Final Design Report, the second at 90% completion. The workshops and monthly meetings will give the entire Board ample opportunity to review all aspects of the MPR Project in depth and make recommendations as the project progresses.

Motion (Teiser/McAuliffe) to accept the Main Plant Rehabilitation Preliminary Design Report Technical Memoranda and Construction Cost Estimate by Carollo Engineers.

Passed, all present.

8. Consideration of Authorization and Approval for District Manager to Execute Professional Services Agreement with Carollo Engineers, Inc. for Main Plant Rehabilitation Project Final Design Report for an Amount Not to Exceed \$964,233.00 (Lynch) – Action (see attached Notes of Explanation)

The Board discussed authorizing the execution of the Professional Services Agreement with Carollo Engineers for the Main Plant Rehabilitation Project Final Design Report. V.P. Benediktsson noted that the contract does not include performance standards per se that Carollo Engineers would have to meet. The Board directed Mgr. Lynch to specifically include both electrical and effluent reliability and efficiency standards in the Notice to Proceed (NTP) letter to Carollo Engineers, Inc. Mgr. Lynch said he would include it in the Carollo Engineer's Final Design Scope of Work for the Main Plant Rehabilitation (MPR) Project instead of the NTP letter, and he will work on the wording to see that it relates to a reduction in electrical power usage measured in cost per kilowatt hour and meets or better the District's current effluent standards.

Sec. Fedotoff suggested that perhaps the District should consider not committing to the entire \$964,233.00 at this time in an effort to protect the District's interests. Although Mgr. Lynch appreciated Sec. Fedotoff's idea, he felt this tactic would be unnecessary due to the fact that the contract with Carollo Engineers states that the District has the option to suspend or annul the contract at any time, in which case the District's liability would be only for work completed to date.

Motion (Benediktsson/Fedotoff) to authorize and approve the District Manager to execute a Professional Services Agreement with Carollo Engineers, Inc. for the Main Plant Rehabilitation Project Final Design Report for an amount not to exceed \$964,233.00.

Passed, all present.

9. Consideration of Authorization and Approval for District Manager to Issue Letter to Nute Engineers to Proceed with Advertising Invitation to Bid 2011 Sewer Rehabilitation Project (Lynch) – Action (see attached Notes of Explanation)

Regarding the 2011 Sewer Rehabilitation Project, Mgr. Lynch reviewed with the Board several sewer lines in critical need of rehabilitation, specifically identifying San Rafael Avenue and Acacia Avenue in the Belvedere zone and Owlswood Lane in the Tiburon zone

as areas of primary concern. Mgr. Lynch made note of the current, undersized 4-inch sewer main on Acacia Avenue that will be replaced with a proposed 6-inch sewer line. Mgr. Lynch has been working closely with Mr. Bob Branz, engineer for the City of Belvedere, to determine the exact timing for the District to begin the 2011 Sewer Rehabilitation Project in Belvedere, since the City of Belvedere is currently engaged in a utilities undergrounding project in this area. It looks like September will be the best time for the District to begin work; therefore, the bidding process must start soon so that the contract can be awarded and all paper work signed prior to September. Sec. Fedotoff said he was impressed with the work Nute Engineers produced for the District at an excellent cost.

Mgr. Lynch explained that the District is looking into replacing and/or repairing all of the sewer lines located in easements, including those in hard-to-get-to or difficult slope areas. Once this is accomplished, staff will be able to clean all of the lines within the District twice a year with the new rodder without concern over the condition of the lines in the easements.

Motion (Fedotoff/Teiser) to authorize and approve the District Manager to issue a letter to Nute Engineers to proceed with advertising the invitation to bid on the 2011 Sewer Rehabilitation Project. Passed, all present.

UNFINISHED BUSINESS: None

COMMITTEE REPORTS

10. Capital Improvement Program Committee (Fedotoff/Wiley)
11. Governance Committee (Wiley/Teiser)
13. Finance & Fiscal Oversight Committee (Benediktsson/Wiley) – Minutes of the July 12, 2011, Meeting (attached)

The Governance Committee did not meet.

Sec. Fedotoff, Chair of the Capital Improvement Program Committee, discussed the next step stemming from the excellent Inflow & Infiltration Study conducted by Mr. Jeff Blum of E2 Engineering. The initial study used ten flow monitors and two rain gauges installed at various locations within the Tiburon and Belvedere zones at the direction of Mgr. Lynch. This exercise produced scientific data pin-pointing only two troublesome areas (Paradise Drive, near Solano Street, in Tiburon and Peninsula Road in Belvedere), in addition to helping the Board and staff make more informed decisions on the District's future capital projects and policies. The Committee feels this was money well spent and supports expanding the study into other areas throughout the District during Fiscal Year 2011-2012. Sec. Fedotoff applauded Mgr. Lynch for the considerable work he is doing to study the District's collection system, noting how impressive this type of review and future planning is for a District of our size.

The Finance and Fiscal Oversight Committee asked Mgr. Miller to explain to the Board the Rate Structure Evaluation Study that it has been reviewing in draft form during its recent committee meetings. She defined it as an evaluation of how the District currently calculates the sewer service charges for both residential and commercial properties in the Tiburon and Belvedere zones, with an analysis of how this compares to the rate structures in place at other sanitary districts. The final Rate Structure Evaluation Study Report from Mr. John Farnkopf of HF&F Consultants will be presented to the Board at the August 16, 2011, Board meeting.

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

INFORMATIONAL ITEMS: None

ADJOURNMENT

Motion (Benediktsson/McAuliffe) to adjourn at 8:25 p.m. to a Regular Board Meeting on August 16, 2011, at 7:00 p.m. at the Sanitary District No. 5 of Marin County Meeting Room at 2001 Paradise Drive, Tiburon, California. Passed, all present.

Approved:

Attest:

Corinne W. Wiley
President, Board of Directors

Roy Fedotoff
Secretary, Board of Directors