

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHARDSON BAY SANITARY DISTRICT

April 20, 2016

The Richardson Bay Sanitary District Board of Directors met in Regular session on Wednesday, April 20, 2016. The place of meeting was the Richardson Bay Sanitary District office at 500 Tiburon Boulevard, Tiburon, California.

The meeting was called to order by Secretary Slavitz at 3:00 p.m.

1. CALL TO ORDER AND ROLL CALL

Board Members present: Jeff Slavitz, Sue Benvenuti, Ron Kosciusko, David Eklund

Board Members absent: None

District Staff present: Johnny Tucker, District Manager
Paula Pfeffer, Recording Secretary

District Staff absent: None

Guests present: Tom Gould, HDR Engineering

2. ROTATION OF OFFICERS

Due to the departure of Board President Renton Rolph the Board of Directors needed to appoint new officer positions.

Director Kosciusko nominated David Eklund to assume the Presidency, M/S Kosciusko, Slavitz, the motion was approved unanimously. The position of Secretary remained with Jeff Slavitz. The Board agreed to postpone the nomination of the SASM Alternate commissioner to the next regular schedule meeting on May 17, 2016.

Newly appointed President Eklund was immediately seated.

3. APPROVAL OF AGENDA ORDER

Secretary Slavitz suggested that Item 7, Interview Applicants for Board member Vacancy and Item 8, Appoint New Board Member be move up to Item 4 and 5 in the agenda order.

The motion to accept the agenda order change passed unanimously, M/S Slavitz,

Kosciusko.

7. INTERVIEW APPLICANTS FOR BOARD MEMBER VACANCY

The District received 3 applications for the Board member vacancy, Sid Dura, Alannah Kinser and Frank Trushiem. Sid Dura and Alannah Kinser were present to be interviewed. Frank Trushiem was unable to make the meeting date. The Board interviewed Sid Dura and Alannah Kinser.

The Board unanimously agreed that since Frank Trushiem was unable to attend the meeting to be interviewed that they would continue the interview process at the May 17, 2016 meeting, M/S Kosciusko, Slavitz.

8. APPOINT NEW BOARD MEMBER

The appointment was unanimously postponed until the May 17, 2016 meeting, M/S Slavitz, Benvenuti.

4. ORAL COMMUNICATIONS FROM THE PUBLIC ON ITEMS NOT ON THE AGENDA

Sid Dura and Alannah Kinser were present to be interviewed for the board member vacancy and Deirdre McCrohan from The Ark Newspaper was present to observe. No other members of the public were present.

5. SEWER RATE STUDY REVIEW WITH HDR ENGINEERING

Tom Gould of HDR Engineering presented the revised Sewer Rate Study Review to the Board. Mr. Gould explained the overview of the presentation was to review the discussion from the prior meeting and review additional scenarios, discuss the Proposition 218 rate to be publish and set a date, time and location for a public hearing.

The Board voted unanimously, M/S Kosciusko, Slavitz, to proceed with the Proposition 218 Public Hearing Notice and to use the "Revised Original Analysis" figures which will increase the rates over 5 years. The percentage of increase to the sewer rates will be as follows; 2016/17 45%, 2017/18 35%, 2018/19 25%, 2019/20 12% and 2020/21 12%. The public hearing will be held on June 21, 2016 at the regularly scheduled meeting at the District Office at 4:00 p.m.

6. OLD BUSINESS

1. PRELIMINARY DRAFT AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2015 – PRESENTED BY PEROTTI & CARRADE, CPA FIRM

Manager Tucker explained that Perotti & Carrade had finally received the final figures from the SASM Audit that were needed to complete the RBSD Audit. Manger Tucker explained that the SASM figures did not change the RBSD Audited Financials. Manager Tucker recommended approval.

The Board unanimously approved the Audited Financial Statements, M/S Slavitz, Eklund.

9. REVIEW POLICY MANUAL – I. POLICY MATERS – SECTION A. GENERAL

Director Kosciusko requested that the Board consider changing the policy of how the policy manual is reviewed. Director Kosciusko motioned to remove the majority approval needed to review the policy manual, the motion did not receive a second.

After much discussion, Manager Tucker suggested that the Board consider appointing a committee to review the entire policy manual. Manager Tucker also requested that the Board postpone a review until later in the year to allow the Board time to complete the Prop. 218 rate increase and approve the District budget. The Board unanimously agreed to postpone the policy manual review. No motion was required.

10. CONSENT CALENDAR

The Consent Calendar was approved, M/S Slavitz, Benvenuti, the motion passed unanimously.

11. FINANCIAL MATTERS

The financial matters were accepted, M/S Slavitz, Eklund the motion passed unanimously.

12. SASM REPORT

Director Kosciusko reported on the March 17, 2016, SASM meeting:

“1. There were a number of very complete manager reports concerning various agency requirements. There were no violations reported or missed reports. Two interesting reports were: SASM Annual 2015 Biosolids Report to EPA;

SASM Annual 2015 Pollution Prevention Report.

2. The projected overall cost for the SASM Capital Improvements over the next twenty years was \$89.5 million. Corollo Engineers provided a ten year projection. The total for SASM members was \$92,243,592 and the RBSD portion was \$30,940,325. This means we will have another rate increase (Prop 218 process) for the following 5 years.

3. The discussion that took up most of the meeting was the Proposed Agency Rate increases provided by Corollo Engineers. They provided a report that detailed how they figured out the rate per EDU and RBSD’s portion of the debt service and provided two options for the board to consider for years 2016/17 to 2025/26.

A. A ramp up of Debt Service and

B. A Level Debt Service.

4. Eric Erickson, City of Mill Valley Finance, was at the meeting and basically took over the discussion regarding the bond financing. The bottom line, after the discussion, was that the SASM Board voted to use the Level Debt Service because of Prop 218 prohibitions on increases that might come up as SASM was implementing the Capital Improvement Program.

The RBSD numbers and percentages by years, according to Corollo, follow (bolded numbers are for Prop 218 process);

2016/17 28% \$1,853,130 2017/18 28% \$2,371,324 2018/19 8% \$2,560,915 2019/20 8% \$2,765,668

2020/21 6% \$2,931,548 2021/22 5% \$3,078,097 2022/23 5% \$3,231,973 2023/24 5% \$3,393,972 2024/25 5% \$3,563,639 2025/26 5% \$3,741,788

5. Eric advised that these numbers were only projections and could change based on bond negotiations and rates. He also advised that the payment wouldn't start until December.

6. When asked about the audited financial statement for SASM, Eric said that the audited financial statement would be provided before the next meeting, as he had the information he had been waiting for.

7. There being no time to discuss other agenda items, they were put off until the next meeting."

13. MANAGER'S REPORT

A. District Collection System Operations

1. Pump Stations

a) All District Pump Stations are operating smoothly.

2. Line Maintenance

a) There is one SSO to report this period, 6 Southridge East had a reported overflow of approximately 120 gallons.

B. General District Operations

1) All other district operations are running smoothly.

2) Marin County Civil Grand Jury Report on Web Transparency will be placed on the agenda for discussion at the May 17, 2016 meeting.

14. APPOINT AD HOC BUDGET COMMITTEE

The Board unanimously agreed to appoint President Eklund and Secretary Slavitz to the committee, M/S Slavitz, Kosciusko.

15. NEW BUSINESS/INFORMATIONAL ITEMS

1. Over objections, Richardson Bay Sanitary District board votes to cut back on meeting stipends – The Ark Newspaper

2. Agencies work to improve transparency online after mostly dismal grades – The Ark Newspaper

16. ADJOURNMENT

The motion to adjourn the meeting at 5:28 p.m. was approved unanimously, M/S Kosciusko, Slavitz.

Reviewed by _____

APPROVED _____
President

Secretary