

ITEM 10.a.

ROSS VALLEY SANITARY DISTRICT REGULAR BOARD MEETING MINUTES

Wednesday, February 13, 2019
5:00 PM

Ross Valley Sanitary District
2960 Kerner Blvd., San Rafael, CA

Directors Present: Michael Boorstein
Thomas Gaffney
Doug Kelly
Pam Meigs
Mary Sylla

Directors Absent: None

Staff/Consultants Present: Steve Moore, General Manager
Julia McEntee, Clerk of the Board
Felicia Newhouse, Assistant General Manager
Andrea Clark, District Counsel (via teleconference)
Stephen Miksis, Operations and Maintenance Manager
Katherine Hayden, Infrastructure Asset Manager
Haden Ongaro, Newmark Knight Frank
Joe McCallum, Newmark Knight Frank
Martha Vujovich, Sperry Capital
Jim Gibbs, Sperry Capital
Sean Tierney, Hawkins Delafield & Wood LLP

Public Present: No names were added to sign in sheet

Note: These minutes do not represent a transcript of the meeting and are intended to be a summary of the most important points. For a complete record, please refer to the video recording of the meeting, which will be available on the District's website at www.rvsvd.org.

Item # 1 – Call Meeting to Order and Roll Call

The meeting was called to order by President Gaffney at 5:02 p.m. The Clerk of the Board called roll. The Board recited the Pledge of Allegiance.

Item # 2—Adjourn to Closed Session

The Board adjourned to Closed Session at 5:03 p.m.

Item # 3 Closed Session

- a) Conference with Real Property Negotiators (Govt. Code 54956.8)
Property: 1111 Andersen Drive, San Rafael, CA, 94901
Agency negotiator: Haden Ongaro, Steve Moore
Under negotiation: Price and terms of payment

Item # 4 Reconvene to Open Session

The Board reconvened to Open Session at 5:47 p.m.

Item # 5—Report on Action Taken by the Board During Closed Session, If Any, Pursuant to California Government Code Section 54957.1

There was nothing to report from Closed Session.

Item # 6—Approval of Agenda

Motion: M/s Boorstein/Kelly to Approve the Agenda
Vote: Ayes: Gaffney, Boorstein, Kelly, Meigs, Sylla Noes: None. Absent: None
The motion passed.

The motion as stated above carried unanimously.

Item # 7 – Open Time for Public to Raise Items Not on Agenda or for Future Agendas

There were no comments made in public time.

Item # 8—Standing Committees Report Out

Finance Committee – Director Kelly reported that the Finance Committee discussed the interim financial statements. The Committee requested that Board member payroll and reimbursements be listed on future check registers. Director Kelly reported that the Committee received a presentation by Ira Summer on the GovInvest module. They went through different timelines to fully vest the District’s Other Post Employment Benefit (OPEB) liability.

Central Marin Sanitation Agency (CMSA) – Director Boorstein reported that the CMSA Commission discussed a bid package that was previously split because the original bids were rejected due to cost. The Board discussed CMSA projects and potential sources of grant funding. Director Kelly also reported that the Commission discussed San Quentin State Prison paying for CMSA to regularly service manholes on the prison grounds.

North Bay Watershed Association (NBWA) – Director Meigs reported that NBWA hosted a speaker from the San Francisco Public Utilities Commission (SFPUC) to discuss integrated regional water management. Also, Director Meigs reported that they toured the Casa Grande Fish Hatchery. President Gaffney added that it is the only high school run fish hatchery in the nation.

Ad Hoc Education and Outreach Committee – Director Meigs reported that the Committee spearheaded a project for door hangers for specific outreach efforts with homeowners. GM Moore reported that the District approved a simple public service announcement on local Comcast cable channels. Staff collaborated with Gold Street Designs for a flyer to assist the redirection of sump pumps.

Ad Hoc Committee for Facility Search Activities – Director Boorstein reported that the District operated at multiple temporary locations for many years. The District has found a suitable facility to consolidate that meets their needs for workspace and parking at 1111 Andersen Drive in San Rafael. He reported that staff submitted a letter of intent to purchase this building the previous week.

President Gaffney added that it was imperative to find a new space that was commercially zoned.

Item # 9 – Verbal Report by Board Members and Staff, and Requests for Future Items

GM Moore reported to the Board that staff submitted annual reports to the California Water Control Board. The District has met or exceeded all the NPDES requirements for the year. He reported that the District replaced six miles of pipe through repair last year. President Gaffney asked if GM Moore would be able to discuss the cease and desist order. He responded that he plans to engage with the State in April. GM Moore reported there are integrating items coming before the Board culminating with the end of the fiscal year.

GM Moore thanked the Board members who attended the winter CASA conference for their time and participation. He reported that items being implemented at the District, like Competency Based Training (CBT), are also being discussed at the State level. President Gaffney said that the benefit of conferences like these is the opportunity to collaborate and learn from other districts. Director Meigs said that she sat in interesting round table discussions about pesticides in wastewater and emergency response planning. Director Kelly added that CASA decided to work with state legislators to draft a bill regarding the labelling of flushable wipes.

Director Kelly told the Board that he met with a representative from Sanitary District No. 2 regarding the lateral grant program.

GM Moore reported that Board Members have until end of the following day, February 14, to provide letters of support for one of three candidates for the public seat on the seven-member Marin Local Agency Formation Commission (LAFCo). If an individual Board Member is interested in weighing in on behalf of any of the three candidates, they may do so by contacting LAFCo directly before tomorrow evening.

Item # 10 –Consent Calendar

Motion: M/s Boorstein/Kelly to Accept Items in the Consent Calendar
Vote: Ayes: Gaffney, Meigs, Boorstein, Kelly, Sylla Noes: None. Absent: None
The motion passed.

Director Kelly asked to briefly discuss Item 10.h. on the Consent Calendar. Director Meigs asked to discuss Items 10.e. and 10.h.

Director Meigs asked for clarification on the legal budget on the interim financials. She also asked for confirmation that legal fees beyond District Counsel are included in the legal services budget. AGM Newhouse confirmed that statement.

Director Kelly said that he had no issue with the easement for Item 10.h. but he wanted to confirm that the District can access the property in an emergency. Katherine Hayden said yes, the District has that authority. Director Meigs asked clarifying questions about the lateral. The homeowner, Paul Foley, said this is a straightforward project with a four-inch lateral pipe. Andrea Clark confirmed for Director Meigs that this variance request is appropriate, and no resolution of findings are required.

The motion to accept the Consent Calendar carried unanimously.

Item # 11 – Consideration of Authorizing the General Manager to Execute Contracts for Financial Advisor and Bond Counsel Services for the Fiscal Year (FY) 2018/19 Bond Sale

Motion: M/s Kelly/Sylla to Authorize the General Manager to Execute Contracts for Financial Advisor and Bond Counsel Services for the Fiscal Year (FY) 2018/19 Bond Sale

Vote: Ayes: Gaffney, Meigs, Boorstein, Kelly, Sylla Noes: None. Absent: None

The motion passed.

GM Moore introduced this item telling the Board that the District is moving forward with twenty to thirty million dollars in projects, including soil remediation at Larkspur Landing, capital improvement and the potential purchase of property. Therefore, the District will need to proceed with a bond sale in 2019 to cover the short-term costs. He said they will be the same as the 2018 and 2014 bond series. GM Moore said that contracts with financial and bond counsel consultants are the next step in the process. The Board discussed the merits of different types of bonds. Director Kelly said that the Finance Committee discussed this item, and the District is in a great position to improve its credit rating. Jim Gibbs of Sperry Capital said it is important to include repayment flexibility for this bond.

President Gaffney said that this financial consultant and bond counsel were chosen in a competitive process. He said that the underwriter from the previous bond agreed to work at the same rate.

Director Meigs said that she felt uncomfortable proceeding with the bond before the rate study is finalized because she wanted to know the effect of the bond to the ratepayer. Mr. Gibbs responded the District has a good repayment history and a past of enacting scheduled rate increases. Director Kelly said that he hopes to align the bond sale when the District has the best package possible.

Director Meigs stated that she was uncomfortable with having the grant program as part of the capital budget. The Board discussed making the previous finance policy, and Director Kelly said he is proud of the lateral program which is a leader in the region. The Board discussed potential fees in the upcoming rate study.

The motion as stated above carried unanimously.

Item # 12 – Consideration of Temporarily Suspending Operations and Maintenance Fund Balance Policy

Motion: M/s Kelly/Meigs to Temporarily Suspend Operations and Maintenance Fund Balance Policy
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Vote: Ayes: Gaffney, Boorstein, Kelly, Meigs, Sylla Noes: None. Absent: None

The motion passed.

GM Moore reported on this item saying that current projects and plans for the real estate purchase require use of the District’s unrestricted cash balance. The suspension is temporary in order to secure the transaction, and it does not reflect a permanent suspension of this policy.

Director Kelly suggested that editing the policy would be helpful if this situation ever arose in the future. AGM Newhouse suggested that staff bring forward the full set of financial policies for updates later this year to address Board suggestions. Director Sylla said that she does not want this to be a common practice but understands the need for it in this situation.

The motion as stated above carried unanimously.

Item # 13 – Discussion and Direction on the Status Update of the 2018/19 Business Plan

GM Moore introduced this item by reviewing the previous iterations of the Annual Business Plan, which organizes and track different District activities. This document is linked to the strategic plan as well as certain budget items. He asked the Board for discussion and direction about the need for continuing this practice. Director Meigs said she likes the document and appreciates that it is easy to process. President Gaffney agreed and said that the plan makes it easy to review the status of particular items.

This item was for discussion and direction only. No Board action was taken.

Minutetaker’s Note: Director Sylla left the meeting at 7:30 p.m.

Item # 14 – Informational Items

Director Meigs clarified a couple of questions regarding the metrics report. Director Kelly requested that the 45-day technical report be put on the District website.

The Board discussed the quarterly lateral report, and President Gaffney noted that approximately two miles of lateral pipe were replaced in a quarter. Director Kelly asked staff about the ability to enact enforcement for those who do not comply with Ordinance 66. Staff said that they would review the specific language and investigate potential action for a future agenda.

Minutetaker’s Note: Director Meigs left the meeting at 7:53 p.m.

Director Kelly discussed the GovInvest presentation from the Finance Committee, and he reported the many ways to make changes toward financing the Other Post-Employment Benefits (OPEB) liability.

Adjourn: The Board adjourned at 7:54 p.m.



Mary Sylla
Secretary of the Board

Submitted by: 
Clerk of the Board