

VENTURA REGIONAL SANITATION DISTRICT
Minutes of the regular meeting of June 2, 2011
1001 Partridge Drive, Ventura, California

1. Roll Call (9 present) – Chairman Monahan called the meeting to order at 8:31 a.m.
Dennis Gillette City of Thousand Oaks
Robert Gonzales City of Santa Paula
Thomas Holden City of Oxnard
Sue Horgan City of Ojai
Kevin Kildee City of Camarillo
James Monahan City of San Buenaventura
Janna Orkney Special Districts
Jonathan Sharkey City of Port Hueneme
Patti Walker City of Fillmore

Executive staff present: Mark Lawler, General Manager; Sally Coleman, Director of Operations; Vickie Dragan, Director of Finance and Administration; Mark Zirbel, Legal Counsel; and Josie Guzmán, Clerk of the Board.

William Murphy, Alternate Director representing the Special Districts Committee, was present in the audience.

2. Pledge of Allegiance – Led by Director Holden.
3. Amendments to the Agenda – Director Orkney asked that Item 6 be moved to Action Items.
4. Approval of Minutes – It was moved by Director Walker, seconded by Director Sharkey, and unanimously carried by the Board, to approve the May 19, 2011 meeting minutes.
5. Public Comments – None.

CONSENT ITEMS – (Item 6 moved to Action Items)

REPORTS (Item 7 only)

7. Biosolids Update

Mr. Lawler reported that all six microturbines were running and exporting 90 percent or better and that staff was continuing to address the siloxanes issue. He noted that the specialized vendor would visit the site on June 6 and would install a small cartridge on a trial basis for gas treatment separation. He also reported that the biosolids facility had not been running for four weeks due to the flame arrestor cage and insulation having burned through. He noted that crews would return on June 6 to reinstall equipment.

ACTION ITEMS (Moved from Consent Items)

Item 4-1

6. VRSD Annual Service Contract Amendments – It was moved by Director Orkney to postpone approval of the contract amendments pending verification of the vendors' addresses. Motion died for lack of a second.

It was moved by Director Sharkey, seconded by Director Horgan, to authorize the Chairman to sign the VRSD service contracts.

The Board discussed the two contract amendments with Richard Baldwin, budget constraints, absorbing the costs to meet the air emissions permit, and having staff bring these two contracts back with additional information at the next meeting.

Director Sharkey amended his motion, seconded by Director Horgan, and duly carried by the Board, with Director Orkney dissenting, that with the exception of Contract No. 10-030-1 with Richard Baldwin and Contract No. 10-040-1 with Richard Baldwin, to authorize the Chairman to sign the following VRSD service contracts: Contract No. 10-001-2 with The PRD Group; Contract No. 10-027-1 with DeKreek Technical Services; Contract No. 10-038-1 with Accountemps; Contract No. 10-10-3 with Debi Anderson; Contract No. 09-037-3 with A-Mehr, Incorporated; Contract No. 10-026-1 with Cintas Corporation; Contract No. 07-045-1 with Reliance Cleaning; Contract No. 07-014-4 with RP Barricade; Contract No. 08-022-3 with Weck Labs; Contract No. 08-046-3 with Fruit Growers Labs; Contract No. 08-055-3 with RC Foster Corporation; Contract No. 09-011-2 with Sam Hill and Sons; Contract No. 09-025-2 with Pat Chem Labs; Contract No. 10-029-2 with Kemp Welding; and Contract No. 10-034-1 with Instrument Control Systems.

CLOSED SESSION (Item 8 only)

Mr. Zirbel announced that the Board would recess to a Closed Session to discuss:

8. Closed Session – Conduct a Closed Session pursuant to Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATOR – Agency Negotiator: Mark Lawler; Employee Organizations: Service Employees International Union Local 721, International Union of Operating Engineers Local 501, and Independently Represented Employees.

The Board recessed to a Closed Session at 8:47 a.m. and reconvened into Open Session at 9:19 a.m.

No reportable action.

ACTION ITEMS – (Items 9 and 10)

10. Adoption of Proposed Fiscal Year 2011-12 Final Budget – Mr. Lawler presented the staff report and PowerPoint presentation. Director Gonzales departed from the meeting at 9:34 a.m. Director Walker noted for the record that the Reserve Policy was revised due to new regulations.

Director Orkney expressed concern with how reduction in staffing would affect the Triunfo Sanitation District (TSD) and that although Mr. Lawler was an engineer that his time was spent primarily on solid waste issues. She requested that Mr. Lawler make a presentation before the TSD Board. Mr. Lawler responded that he would be available to make a presentation. He noted that The PRD Group was still available to assist TSD with engineering services and that The PRD Group was actively engaged with TSD. Director Orkney inquired whether an engineer would be needed in case of a wastewater emergency. Mr. Lawler responded that engineering was rarely involved on a day to day basis and that vendors were available for maintenance and repairs.

Director Horgan inquired regarding the biosolids and microturbine budget summary and inquired how it was estimated that revenues would exceed the Fiscal Year 11 budget as the facilities were was not running as expected. Mr. Zirbel responded that the contracts with the cities contained a provision that instead of placing the material in the biosolids facility the District may determine that the material may be placed in the pit, and that the reason that the cities agreed to this provision was due to the major capital investment that was made and because it was anticipated that there would be some disruption in the beginning.

Lori Peterson, Management Specialist/Contracts & Purchasing, expressed concern that Mr. Lawler had informed staff during a meeting that it was anticipated that staff would need to pay towards retirement benefits and that he assured staff there would be no reduction in force. She also expressed concern that the employees affected by the reduction in force were not notified in advance. She suggested that the Board consider providing a severance package to the affected employees.

Al Duran, Information Technology Manager, distributed a handout of the proposed work force reduction. He stated that the Managers met and brought forth suggestions to address the structural deficit. He further stated that employees were not given the opportunity to consider salary reduction or paying toward retirement benefits. He suggested that the Board consider nullifying the General Manager's proposal for a reduction in force or to consider removing the Information Technology Department from the reduction in force.

Mr. Lawler responded to a question regarding Mr. Duran's proposal by stating that the Personnel & Finance Committee directed him to work with the Division Managers to review the budget and that through that process staff made recommendations for cuts that could not be implemented due to mandated permitting obligations. He stated that these types of items were placed back into the budget. He noted that he was advised by labor counsel regarding the process for the reduction in force. He also noted that union negotiations involving pay cuts were currently underway and that his goal would be that everyone employed at the District would receive the same cut.

Director Gillette departed from the meeting at 10:40 a.m.

Matt Grieger, Water/Wastewater Division Manager, distributed a handout with a proposal for salary cuts. He noted that TSD was the District's largest client and that 60 percent of his salary was paid by TSD. He also noted that the Conifer Tank Replacement project was the District's largest capital project in the Water/Wastewater Division's history and that the District hired a Construction Manager as opposed to a Project Manager. He suggested that it was not prudent to make changes in the middle of the project and that he be assigned as a Project Engineer rather than Water/Wastewater Division Manager.

Danny Carrillo, representing SEIU Local 721, stated that during employee negotiations held the previous day he was informed by the District's Chief Negotiator that the proposed budget contained proposed employee concessions. He further stated that this was premature as any proposed concessions needed to be brought as negotiated items. He noted that SEIU presented several alternatives during negotiations that showed that the represented employees were willing to do their part and that SEIU was asking that any and all outcomes from the negotiations be done with fairness, equity, and parity. Mr. Lawler responded to Mr. Carrillo's comments by stating that the District's labor negotiator incorrectly indicated that the budget incorporated salary reductions.

Director Orkney stated that in regard the Triunfo Sanitation District that she did not feel prepared to vote that day.

Director Sharkey inquired how large a salary cut would need to be placed in order to meet the budget. Mr. Lawler responded that if the District were to replace dollar for dollar for the employees the salary cut would need to be 14 to 15 percent, and if it included capital it would need to be up to 30 percent.

Chairman Monahan noted that Director Gonzales mentioned before departing from the meeting that he did not support the proposed budget.

Director Kildee inquired whether any salary cut would need to be negotiated. Mr. Lawler responded that this was correct and noted that efforts were made over the past two years to make cuts throughout the District's budget.

Chairman Monahan inquired regarding the possibility of issuing severance pay to the affected employees. Mr. Lawler responded that this would be the Board's decision and suggested keeping the affected employees on administrative leave until July 1, 2011 in order for their medical benefits to continue in July and August. Chairman Monahan expressed his support for issuing a severance package.

Director Holden expressed support with considering a severance package for the affected employees due to the unique circumstances.

Director Horgan suggested that the Board explore issuing a severance package to the affected employees. She noted that for the last several years the budget had been presented with overestimated revenues and expenses. She expressed that the Board needed to be very conservative in looking at the budget because she was not certain whether the estimated revenue would be realized.

Director Walker expressed her concern with how a severance package would affect the budget. She inquired whether it would be based on salary or years of service. Director Holden noted that any severance package would be a one time cost versus an ongoing cost. Director Kildee expressed his support for bringing back the issue of a severance package.

It was moved by Director Sharkey, seconded by Director Kildee, to: a) eliminate the following six positions from the FY 11-12 budget: 1) Management Specialist/Contracts & Purchasing, 2) Fiscal Manager, 3) Information Technology Manager, 4) Information Technology Specialist, 5) Solid Waste Division Manager, and 6) Water/Wastewater Division Manager; b) add a Management Analyst position to the FY 11-12 budget; c) authorize the General Manager to negotiate and execute a contract for Information Technology Services for a not-to-exceed amount of \$150,000; and d) adopt the Fiscal Year 2011-2012 budget.

Director Sharkey amended his motion, seconded by Director Kildee, that staff bring back at the next meeting suggestions regarding a severance package.

Roll call vote:

AYES: Walker, Holden, Sharkey, Horgan, Kildee, Monahan
NOES: None
ABSENT: Gillette, Gonzales
ABSTAIN: Orkney

Motion duly carried.

Director Kildee departed from the meeting at 11:14 a.m.

9. Ordinance No. VRSD-109 – Providing For Fees and Charges Malibu Bay Club – Chairman Monahan opened the Public Hearing at 11:14 a.m. to receive oral and written comments regarding the proposed fees and charges for the Malibu Bay Club Onsite Wastewater Treatment System, Ordinance No. VRSD-109. Ms. Coleman presented the staff report. No protests received. No Public Comment. Chairman Monahan closed the Public Hearing at 11:18 a.m.

It was moved by Director Holden, seconded by Director Sharkey, to: a) conduct the second reading, by title only, of Ordinance No. VRSD-109 Regulating the Use of Malibu Bay Club Onsite Wastewater Treatment System and Adopting Sewer Service Fees and Charges; b) adopt Ordinance No. VRSD-109 Regulating the Use of Malibu Bay Club Onsite Wastewater Treatment System and Adopting Sewer Service Fees and Charges to become effective July 2, 2011; and c) adopt VRSD

4-5

Resolution No. 11-01, Collection of Malibu Bay Club Sewer Service Charges by the County of Ventura.

Roll call vote:

AYES: Walker, Orkney, Holden, Sharkey, Horgan, Monahan
NOES: None
ABSENT: Gillette, Gonzales, Kildee
ABSTAIN: None

Motion duly carried. Ms. Guzmán read Ordinance No. VRSD-109 in title only.

INFORMATION ITEMS – (Items 11 through 14)

Director Holden departed from the meeting at 11:18 a.m.

It was moved by Director Sharkey, seconded by Director Horgan, and duly carried by the Board, with Directors Gillette, Gonzales, Holden, and Kildee absent, to receive and file the Information Items.

11. Investment Report – April 2011
12. Revenues & Expenses – April 2011
13. Violations – Solid Waste none; Water & Wastewater none
14. Future Meetings, Seminars and Conferences
 - Personnel & Finance Committee, June 7 & July 5, 2011, 9:00 a.m.
 - Board of Directors, June 16, July 7 & 21, 2011, 8:30 a.m. (**Dark in August**)
 - CASA 56th Annual Conference August 10 – 13, 2011, San Diego
 - League of California Cities Conference September 21 – 23, 2011, San Francisco

NEW BUSINESS – (Items 15 and 16)

15. Discussion
 - a. Audience – None.
 - b. Board – Director Sharkey mentioned that he spoke with Mr. Lawler regarding the objective to look for a future facility and noted that Gold Coast Transit was seeking property. He asked Mr. Lawler to contact Steve Brown from Gold Coast Transit.
 - c. General Manager – None.
 - d. Legal Counsel – None.
16. Pending Agenda Items – Future Solid Waste Facilities and Executive Committee Develop Communication Plan to Educate Legislators on VRSD Business.

17. Adjournment – The meeting was adjourned at 11:19 a.m.

James L. Monahan, Chairman

Josie Guzmán, CMC, Clerk of the Board