



COMMISSION MEETING AGENDA

Tuesday, February 14, 2012

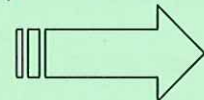
at the Agency Office

7:00 p.m.

Members of the public may directly address the Board on any item appearing on the Agenda. They may address the Board when the item is called by the Board Chair and he/she indicates that it is the time for the public to speak to the agenda item.

1. Call Meeting to Order/Pledge of Allegiance
2. Roll Call
3. Open Period for Public Participation
Open time for public expression, up to two minutes per speaker, on items within CMSA's jurisdiction and not on the Board of Commissioners' agenda. The Board will not discuss or take action during open time.
4. Consent Calendar: Matters listed under this item are considered routine and will be enacted by one motion. The consent calendar may include resolutions; therefore, the motion, second, and vote will also be applicable to the resolution and recorded accordingly. There will be no separate discussion of these items unless requested by a member of the board or the public prior to the time the board votes on the motion to adopt.
 - a. Minutes of January 10, 2012
 - b. Treasurer's Report—Operating Account—January 2012
 - c. Treasurer's Report—Revenue Bond—January 2012
 - d. Schedule of Investments—January 2012
 - e. Performance Metric Report—January 2012
 - f. NPDES and Process Report—January 2012
 - g. Revised Sanitary District #2 Pump Station and Forcemain Operation and Maintenance Agreement
5. Interim Wastewater Service Agreement Request for San Quentin
Recommendation: Consider the California Department of Corrections' request to develop an interim wastewater service agreement for the San Quentin State Prison property.

OVER



6. Greenhouse Gas (GHG) Emissions Study Agreement with CH2MHill
Recommendation: Approve the Professional Services Agreement with CH2MHill to conduct a GHG Emissions Study, and authorize the General Manager to sign the Agreement.
7. FY12 Debt Service Payment Option
Recommendation: Provide direction to staff on the Board's preferred option to address the FY12 debt service payment shortfall.
8. CMSA/RVSD Settlement Agreement Status
Recommendation: Receive the CMSA/RVSD Settlement Agreement update, review possible changes and amendments to the Agreement made by RVSD, and provide direction to staff or take action, as appropriate.
9. North Bay Watershed Association (NBWA) Report*
10. Verbal Report by Commissioners/General Manager*
11. Reconvene in Open Session (report on action taken during closed session, if any)
12. Next Scheduled Meeting (March 13th at 7:00pm)

* Information not furnished with agenda

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Central Marin Sanitation Agency at 415-459-1455. For auxiliary aids or services or other reasonable accommodations to be provided by the Agency at or before the meeting, please notify the Agency at least 3 business days in advance of the meeting date (meeting is the second Tuesday of each month). If the Agency does not receive timely notification of your reasonable request, the Agency may not be able to make the necessary arrangements by the time of the meeting.

**THE COMMISSIONERS OF THE
CENTRAL MARIN SANITATION AGENCY
HELD A REGULAR MEETING AT THE AGENCY OFFICE**

**Minutes of Tuesday, January 10, 2012
7:00 P.M.**

CALL MEETING TO ORDER Chair Dupar called the meeting to order at 7:01 p.m. A quorum was present.

Members Present: Boro, Dupar, Guasco, Hartzell, Heller, Johnson

Members Absent: None

Staff Present: Jason R. Dow, General Manager; Mary J. Brown, Recording Secretary; Rob Cole, Environmental Services Manager; Chris Finton, Treatment Plant Manager; Hank Jen, Finance Manager; Mike Cadreau, Asset Manager/Maintenance Supervisor

Public Present: Jack F. Govi, County Counsel's Office, Donna Bjorn

OPEN PERIOD There were no comments made in public open time.

CONSENT CALENDAR Commissioner Johnson asked questions related to Item 4.h. Second Quarter Budget Status Report for Fiscal Year 2011-12 and Item 4.i. Chemical Supply Contract Cost Adjustment Index. GM Dow answered questions and there was a brief discussion on each item.

Action M/s Hartzell/Heller to approve the consent calendar:

- a. Minutes of December 9, 2011
- b. Treasurer's Report—Operating Account—December 2011
- c. Treasurer's Report—Revenue Bond— December 2011
- d. Schedule of Investments— December 2011
- e. Performance Metric Report—December 2011
- f. NPDES and Process Report—December 2011
- g. Resolution of Appreciation for Tom Asdell
- h. Second Quarter Budget Status Report for Fiscal Year 2011-2012
- i. Chemical Supply Contract Cost Adjustment Index

The motion carried with the following vote:
 AYES: Boro, Dupar, Hartzell, Heller
 NAYS: Guasco, Johnson
 ABSTAIN: None

ANNUAL ASSET MANAGEMENT PROGRAM PRESENTATION GM Dow referred to the staff report and explained that on an annual basis, the Board is presented an update on the Agency's progress with its implementation of the asset management program, which is a result of one of the goals of the Agency's first Strategic Business Plan and is a continued priority in the current Strategic Business

Plan. He introduced Mr. Mike Cadreau, CMSA's Asset Manager/Maintenance Supervisor.

Mr. Cadreau gave a PowerPoint presentation which went over what asset management is and why the Agency has made it a priority. He explained the elements that make up the asset management program and spoke about the how the program utilizes cost and risk control to guide staff in making informed decisions about whether equipment should be repaired or replaced. Mr. Cadreau highlighted how the use of mobile computer devices, such as the Galaxy tablets, have been used to collect, share, and store data, and how these devices have made the asset management program extremely beneficial and efficient throughout the Agency.

The Commissioners asked many questions and Mr. Cadreau answered them, and the Board thanked Mr. Cadreau for a very informative presentation.

This item was informational and there was no action taken.

2011 PERFORMANCE METRIC REPORT

GM Dow reviewed the staff report and explained that a Performance Metric Report is provided monthly in the Board meeting consent calendar and presented annually to inform the Board and stakeholders of the Agency's performance in our core business areas.

GM Dow went through the staff report, and spoke of the highlights listed in it. He reviewed the Agency's treatment performance metrics, reviewed Agency data related to operations and maintenance, and talked about performance related to the Agency's environmental compliance. Further, he spoke of the Agency's treatment, financial, safety, engineering, and individual awards that were garnered in 2011.

Commissioner Johnson asked what the number of blending events were for 2011, and GM Dow said he would email the answer to the Board.

Action

M/s Boro/Heller to receive and accept the Agency's 2011 Performance Metric Report. The vote carried with the following vote:
AYES: Boro, Dupar, Hartzell, Heller
NAYS: Guasco, Johnson
ABSTAIN: None

CMSA REGIONAL CHARGE ALTERNATIVES

GM Dow referred to the staff report and gave a brief background summary of the history of this item. He also referred to the final version of the Regional Charge Alternative Study, which includes many of the suggestions made at the last meeting, and to correspondence between himself and RVSD's General Manager. He explained that, as directed at the last meeting, he collected comments on the Study by the JPA managers, which are summarized in his staff report.

The Board discussed this item at length, discussing the benefits and challenges of each of the methods, and the relative timeline for

implementation of a method, which could be for the next fiscal year, or further out (FY 13/14).

Commissioner Johnson expressed her concern that there would have to be a "true up" of the numbers at the end of the year. GM Dow said that one possibility would be for the Finance Committee to base allocations on flow from the year before, so that a "true up" is not necessary; the allocations are accurate based upon the prior year's flow from each agency.

Commissioner Boro said that a lot of effort has been put into studying this and it should not be abandoned, and that the Agency should continue to look at it. He also suggested possibly having the meeting begin earlier when topics requiring considerable analysis or discussion are on the agenda

Commissioner Guasco referred to a request from RVSD's General Manager, asking CMSA staff to present HDR's study at an RVSD Board meeting. GM Dow explained that staff or HDR would do so should the CMSA Board provide him with such direction. The Board members discussed the request, however, no direction was given.

After much discussion, Chair Dupar asked GM Dow to begin collecting strength data for each agency for alternative three (flow/strength) and to build a database for this information, and to begin to develop procedures for alternatives one (flow) and two (3-year flow average), through the Finance Committee. The Board concurred.

NORTH BAY WATERSHED ASSOCIATION (NBWA) REPORT

Commissioner Hartzell stated that she went to the NBWA meeting last week and learned about legacy land use impacts on San Anselmo and Corte Madera creeks. Commissioner Hartzell spoke about the unrecognized history of the rerouting of the creekpath as a result of construction of the railroads. She explained the impacts and patterns that have developed because of the railroads.

VERBAL REPORT BY COMMISSIONERS

GM Dow reviewed his handout highlighting Agency business, including:

- CMSA is now eligible for its seventh consecutive Platinum Award from NACWA.
- CMSA has applied for a free energy audit from the EPA for wastewater treatment facilities. The audit will likely occur in 2013.
- He and Commissioner Hartzell attended the Larkspur City Council meeting to discuss the RVSD underpayment situation and the responsive actions CMSA is considering.
- CMSA defended Corte Madera and SD2 from the lawsuit brought against them by SD1, and the CSRMA is now considering how much they will reimburse CMSA for the legal fees it paid in that suit.

GM Dow also reported that CMSA has rolled out a mercury thermometer exchange program and will exchange old mercury thermometers with new digital thermometers.

GM Dow referred to the recent RVSD newsletter that suggests to its customers that they look at public/private "contract operations"

model for CMSA. He thought this was a surprising suggestion given CMSA's excellent environmental compliance record and the level of recognition the Agency receives from industry groups.

BREAK

Chair Dupar called a break.

CLOSED SESSION

The Board convened in Closed Session (Government Code Section 54954.5) at 9:34 p.m.

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

California Government Code Section 54956.9(a).
Name of Case: *CMSA v. Sanitary District No. 1 of Marin County*, Matter Pending before potential Arbitrator or Arbitration Panel

OPEN SESSION

The Board reconvened in Open Session at 10:25 p.m.

The Board reported that they met in closed session to discuss "CMSA v. SD No. 1 of Marin County" and 1) approved a settlement agreement with RVSD, as amended; 2) directed staff to send the agreement and cover letter to RVSD's attorney and Board members; and 3) report of RVSD action/ratify the agreement at the February 14, 2012 meeting.

DATE OF NEXT MEETING

The next commission meeting is scheduled for February 14, 2012 at 7:00 pm.

ADJOURN

The meeting was adjourned at 10:27 p.m.



Recording Secretary

Secretary

Note: The minutes are an official record of the Board meeting. There is also an official audio record, available on the Agency's website at www.cmsa.org, and an official video record. Please contact CMSA at 415-459-1455 for information about receiving a copy of these records.

Central Marin Sanitation Agency
Treasurer's Report - Operating Account
For the Month of January 2012

I. Accounts Summary: Bank & Investment Accounts

Summary of Bank & Money Market Accounts

Westamerica Bank - Account Activity shown below	\$ 1,184,717.11
Local Agency Investment Fund (LAIF) - Refer to Schedule of Investments	7,365,899.22
California Asset Management Program (CAMP) - Refer to Schedule of Investments	6,030,033.03
Total Bank & Investment Accounts: Ending Balance on January 31, 2012	\$ 14,580,649.36

II. Account Activity for Westamerica Bank

Beginning Balance on January 1, 2012	\$ 272,239.10
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Cash Receipts (Deposits into Westamerica):

Transfers from LAIF	400,000.00
JPA Service Charges (Q3: SRSD & SD#2)	1,076,830.57
Debt Service charges (SD#2)	186,226.21
Permit and Inspection fees	411.52
Revenue from Haulers	12,707.60
SD 2 Operations & Maintenance Contract (Nov)	25,905.00
COBRA Health Benefit Payments from separated employees/retirees	134.06
Miscellaneous Reimbursements (Employee travel per diem, NSD & SMCSO Hearing Tests)	1,637.57
Total cash receipts	\$ 1,703,852.53

Cash Disbursements (Withdrawals from WestAmerica):

January 2012 Operating account disbursements register (see attached)	443,829.27
Regular Payroll paid 01/13/12	117,868.10
Regular Payroll paid 01/27/12	119,088.99
Transfers to EFTPS Federal Payroll Taxes (01/04, 01/12, 01/18)	73,213.09
Merit Pay (4), Vacation Cash-Out (1), Final Separation Pay (1)	37,304.46
Bank Fee	70.61
Total cash disbursements	\$ 791,374.52
Ending Balance on January 31, 2012	\$ 1,184,717.11

Prepared by:


Hank Jen, Finance Manager/Treasurer

Reviewed by:


Jason Dow, General Manager

Central Marin Sanitation Agency
Operating Account Disbursements Register
For the Month of January 2012

Check Number	Check Date	Vendor/Payee	Amount	Description
43736				Last check # from prior month's register
43737				to
43756	01/03/12	Payments to 20 Retirees	7,604.80	Agency Reimb for Retiree Health Benefits (CalPERS PEMCHA)
43757	01/03/12	Allied Packing & Supply	158.25	Maintenance Parts & Supplies
43758	01/03/12	AT&T	281.27	Data Plan Service, 11/02-12/01/2011
43759	01/03/12	Automation Direct Co., Inc.	437.25	Electrical Supplies
43760	01/03/12	Bay Area Air Quality	11,316.00	Annual Permit: Bay Area Air Quality Management District 02/01/12-02/01/13
43761	01/03/12	E & M Electric	508.64	SD2 Pump Station Maint: Spare Level Transducer (Note B)
43762	01/03/12	David Ernst	250.00	Employee Expense Reimb: SWRCB Grade V Exam Fee
43763	01/03/12	Federal Express	202.13	Delivery Expense, November & December 2011
43764	01/03/12	Fluid Gauge Company	421.88	Electrical Supplies
43765	01/03/12	Golden Gate Petroleum	612.21	Oil & Lubricant
43766	01/03/12	Grainger	1,174.37	Maintenance Parts & Supplies (6 invoices) (Note B)
43767	01/03/12	HDR Engineering, Inc.	15,500.00	Prof Svcs: Regional Charge Alternative Study, November 2011
43768	01/03/12	IKON Office Solutions	74.71	Office Supplies
43769	01/03/12	Ikon Office Solutions	602.18	Copier Rental, 11/29-12/28/11
43770	01/03/12	Hank Jen	122.99	Flexible Spending Account (IRS125) Plan Reimbursement (Note A)
43771	01/03/12	Jensen Instrument Co. No. Ca.	401.73	Electrical Supplies
43772	01/03/12	Heidi Lang	572.00	Flexible Spending Account (IRS125) Plan Reimbursement (Note A)
43773	01/03/12	Lubrication Engineers, Inc.	376.28	Lubricant
43774	01/03/12	McInerney & Dillon, P.C.	315.00	Legal Services: Construction/Contract Law, November 2011
43775	01/03/12	Marin Municipal Water District	510.60	Water Service, 10/08-12/07/11 (5 invoices)
43776	01/03/12	NorthBay Reprographics	54.25	Office supplies
43777	01/03/12	Orchard Supply Hardware	352.86	Maintenance Parts & Supplies (6 invoices) (Note B)
43778	01/03/12	Peterson	4,024.08	Control Panels and Air Cleaner Bonnets for Engines
43779	01/03/12	Power Industries Co.	311.87	Grit System Repair
43780	01/03/12	Redwood Coast Petroleum	3,702.03	Unleaded Gasoline (1,130.00 gallons)
43781	01/03/12	Shamrock Materials, Inc.	29.12	Propane
43782	01/03/12	Vavrinek, Trine, Day & Co.	6,600.00	Audit Services for FY10-11 Financial Statements, November 2011
43783	01/03/12	Verizon Wireless	79.77	Phone Service, 11/11-12/10/11
43784	01/03/12	Water and Wastewater	11,500.00	Tuition for 2012 Water & Wastewater Leadership Program For Senior Engineer
43785	01/03/12	WESCO Distribution, Inc.	307.91	Maintenance Parts & Supplies
43786	01/03/12	Wiley Price & Radulovich	102.50	Legal Svcs: Labor & Employment Law, November 2011
43787	01/03/12	Steve Zappetini & Co., Inc.	53.38	Maintenance Parts & Supplies
43788	01/06/12	Amazing Solutions, Inc.	450.00	Prof Svcs: Financial System Support, December 2011
43789	01/06/12	American Sentry Systems, Inc.	96.00	Alarm Service, 1/1-3/31/12
43790	01/06/12	Cal Public Employee Retirement	45,698.77	Medical Insurance, January 2012
43791	01/06/12	Delta Dental Plan of Calif.	6,269.03	Dental Insurance, January 2012
43792	01/06/12	Empire Elevator Co Inc	108.16	Elevator Maintenance Service, January 2012
43793	01/06/12	IEDA, Inc.	669.00	Prof Services: Labor Relations Consulting, January 2012
43794	01/06/12	Intec Solutions, Inc.	1,127.00	SD2 Pump Station: Maint Replacement Parts for Fan and Filter at Paradise PS
43795	01/06/12	Kemira Water Solutions, Inc	7,517.42	Ferric Chlorine (1 delivery)
43796	01/06/12	Marin Office Supply	833.67	Office Supplies December 2011
43797	01/06/12	Ben Northcroft	142.64	Employee Expense Reimb: Mileage to Pre-employment Medical Evaluation & Copy of DMV Record
43798	01/06/12	Olin Corp - Chlor Alkali	17,025.98	Sodium Hypochlorite (4 deliveries)
43799	01/06/12	P.G.& E.	8,231.28	Electricity Service, 11/20-12/30/11
43800	01/06/12	Pitney Bowes	1,000.00	Postage
43801	01/06/12	Mike Silva	1,000.00	Employee Expenses Eligible for Agency Dental Reimbursement
43802	01/06/12	Sprint	256.96	Phone Service, 11/24-12/23/11
43803	01/06/12	SPURR	11,147.42	Natural Gas Usage, November 2011

Central Marin Sanitation Agency
Operating Account Disbursements Register
For the Month of January 2012

Check Number	Check Date	Vendor/Payee	Amount	Description
43804	01/06/12	Standard Insurance Co. RB	3,441.30	Life Insurance, January 2012
43805	01/06/12	Dale Thrasher	311.00	Employee Expenses Eligible for Agency Dental Reimbursement
43806	01/06/12	Univar USA Inc	9,355.72	Sodium Bisulfite (2 deliveries)
43807	01/06/12	U.S. Peroxide, LLC	13,859.27	Hydrogen Peroxide (1 delivery)
43808	01/06/12	Vision Service Plan -(CA)	770.24	Vision Insurance, January 2012
43809	01/06/12	Wine Country Balance	595.00	Lab Supplies
43810	01/10/12	Alliant Insurance Services	350.00	Public Official Bond Renewal
43811	01/10/12	Bob Bally	704.00	Employee Expenses Eligible for Agency Dental Reimbursement
43812	01/10/12	CalPERS Long-Term care Program	173.55	Employee Supplemental Insurance (Note A)
43813	01/10/12	EDD	4,534.81	State & SDI Taxes, PPE 01/07/12
43814	01/10/12	Kentfield Occupational	42.00	Employee Fitness for Duty Assessment
43815	01/10/12	State Water Resources Control	190.00	Operator Grade V Certificate Fee
43816	01/12/12	Jason Dow	211.50	Per Diem for CASA Conference
43817	01/17/12	Albert Boro	100.00	Commissioner Fee 01/10/2012
43818	01/17/12	John Dupar	100.00	Commissioner Fee 01/10/2012
43819	01/17/12	Patrick Guasco	100.00	Commissioner Fee 01/10/2012
43820	01/17/12	Kathleen Ohlson Hartzell	200.00	Commissioner Fee for 01/10/12 Meeting & NBWA Meeting
43821	01/17/12	Barbara Heller	100.00	Commissioner Fee 01/10/2012
43822	01/17/12	Marcia Johnson	100.00	Commissioner Fee 01/10/2012
43823	01/17/12	CalPERS	51,285.80	Retirement contributions PPE 01/07/12
43824	01/17/12	California Public Employee	20,000.00	January 2012 Contribution to Retiree Health Benefits Trust Fund
43825	01/17/12	EDD	10,404.24	State & SDI Taxes, PPE 01/07/12
43826	01/17/12	Franchise Tax Board	50.00	Employee Garnishment, PPE 01/07/12 (Note A)
43827	01/17/12	ICMA Retirement Trust-457	5,177.84	Deferred Compensation Contributions, PPE 01/07/12 (Note A)
43828	01/17/12	Nationwide Retirement	2,906.80	Deferred Compensation Contributions, PPE 01/07/12 (Note A)
43829	01/17/12	Operating Engineers Local 3	256.39	Contribution to MARA Benefit, PPE 01/07/12
43830	01/17/12	SEIU Local 1021	958.38	Union Dues, PPE 01/07/12 (Note A)
43831	01/17/12	AireSpring	654.41	Phone Service, December 2011
43832	01/17/12	Jeff Boehm	250.00	Employee Expense Reimb: Continuing Education for Electric License Renewal
43833	01/17/12	Brandon Tire	210.61	Tire Repairs
43834	01/17/12	Mike Cadreau	1,000.00	Flexible Spending Account (IRS125) Plan Reimbursement (Note A)
43835	01/17/12	City Electric Supply	388.43	Electrical Supplies (2 invoices)
43836	01/17/12	Center For Hearing Health Inc.	2,748.50	Annual Hearing Test (Note B)
43837	01/17/12	FedEx Office	10.79	Office Supplies
43838	01/17/12	Alan Fiore	104.00	Employee Expenses Eligible for Agency Dental Reimbursement
43839	01/17/12	Grainger	884.42	Maintenance Parts & Supplies (5 invoices) (Note B)
43840	01/17/12	Hagel Supply Co.	306.66	Utility Supplies (2 invoices)
43841	01/17/12	Home Depot Credit Services	193.08	Maintenance Parts & Electrical Supplies (3 invoices)
43842	01/17/12	Horizon	114.57	Groundskeeping
43843	01/17/12	Jackson's Hardware	628.04	Small Tools & Supplies (2 invoices)
43844	01/17/12	Marin Color Service	446.81	Paint Supplies (3 invoices)
43845	01/17/12	Marin Sanitary Service	2,658.41	Garbage and Grit Disposal December 2011
43846	01/17/12	Marin Resource Recovery Center	50.00	Scale Charges December 2011
43847	01/17/12	McMaster-Carr Supply Co.	151.78	Electrical Supplies (3 invoices)
43848	01/17/12	Miller Pacific	1,812.00	Prof Svcs: Geotechnical Construction Services Digester Improvements/FOG Facility Project
43849	01/17/12	Orchard Supply Hardware	432.03	Maintenance Parts & Supplies (5 invoices)
43850	01/17/12	P.G.& E.	164.15	Natural Gas Usage, 11/30-12/31/11
43851	01/17/12	Pitney Bowes	208.32	Postage Meter Rental
43852	01/17/12	Quenvold's Safety Shoes	3,439.04	Safety Shoes (21 employees)
43853	01/17/12	Rafael Lumber	592.49	Maintenance Parts & Electrical Supplies (11 invoices) (Note B)
43854	01/17/12	Shamrock Materials, Inc.	19.40	Propane
43855	01/17/12	Sherwin-Williams	15.47	Paint Supplies

Central Marin Sanitation Agency
Operating Account Disbursements Register
For the Month of January 2012

Check Number	Check Date	Vendor/Payee	Amount	Description
43856	01/17/12	Western Exterminator Co.,Inc.	137.00	Pest Control, December 2011
43857	01/17/12	Woodland Center Auto Supply	337.33	Auto Parts (2 invoices)
43858	01/17/12	Wiley Price & Radulovich	368.00	Legal Svcs: Labor & Employment Law, December 2011
43859	01/17/12	Aramark	2,384.45	Uniform Service, November & December 2011
43860	01/17/12	Downtown Ford Sales	24,080.93	Agency Vehicle (pickup) for Environmental Services Dept.
43861	01/25/12	AT&T	719.58	Phone Service, 1/7-2/6/12 (2 invoices)
43862	01/25/12	Sandra L. Batis	286.83	Employee Expense Reimb: Safety Shoes
43863	01/25/12	Jenny Bender	911.70	Employee Expenses Eligible for Agency Dental Reimbursement
43864	01/25/12	TRICOR	391.95	Safety Parts
43865	01/25/12	David Ernst	168.13	Employee Expense Reimb: Rain Gear
43866	01/25/12	FactoryMation	104.41	Electrical Supplies
43867	01/25/12	Chris Finton	492.00	1) Flexible Spending Account (IRS125) Plan Reimbursement (Note A), 2) Per Diem Utility Management Conference
43868	01/25/12	Marin Sanitary Service	885.18	Garbage, December 2011
43869	01/25/12	McInerney & Dillon, P.C.	210.00	Legal Svcs: Labor & Employment Law December 2011
43870	01/25/12	McMaster-Carr Supply Co.	149.70	Electrical Supplies
43871	01/25/12	Ryan Herco Fluid Flow Sol	248.28	Lab Supplies
43872	01/25/12	Siemens	522.00	Tank Rental 1/1-3/31/12
43873	01/25/12	San Rafael Sanitation District	743.15	CMSA Share Sewer Service Charge Refund to District Rate Payer
43874	01/25/12	Thomas Fish Company	128.25	Lab Supplies
43875	01/25/12	United Parcel Service	23.63	Delivery Expense, January 2012
43876	01/25/12	Jacky Wong	41.90	Employee Expenses Eligible for Agency Dental Reimbursement
43877	01/26/12	AFLAC	76.72	Employee Supplemental Insurance (Note A)
43878	01/26/12	CalPERS	46,860.19	Retirement contributions PPE 01/23/12
43879	01/26/12	EDD	10,413.91	State & SDI Taxes, PPE 01/23/12
43880	01/26/12	Franchise Tax Board	50.00	Employee Garnishment, PPE 01/23/12 (Note A)
43881	01/26/12	ICMA Retirement Trust-457	5,310.37	Deferred Compensation Contributions, PPE 01/23/12 (Note A)
43882	01/26/12	Nationwide Retirement	2,906.80	Deferred Compensation Contributions, PPE 01/23/12 (Note A)
43883	01/26/12	Operating Engineers Local 3	274.70	Contribution to MARA Benefit, PPE 01/23/12
43884	01/26/12	SEIU Local 1021	958.97	Union Dues, PPE 01/23/12 (Note A)
43885	01/26/12	Allied Packing & Supply	8,904.66	Pumps (2) for Digester and other Parts (4 invoices)
43886	01/26/12	CAL-CARD	5,696.02	State of California Purchase Card, November & December 2011
43887	01/26/12	Caltest Analytical Laboratory	5,992.29	Lab Analyses (20 invoices)
43888	01/26/12	CWEA TCP	150.00	CWEA Meeting Registration Fee January 2012 (5 employees)
43889	01/26/12	East Bay Muni Utility District	650.00	Lab Analysis for Chlorinated Biphenyl
43890	01/26/12	Fisher Scientific	1,350.11	Lab Supplies (4 invoices)
43891	01/26/12	Interstate Batteries	125.97	Battery
43892	01/26/12	Lawson Products Co., Inc.	436.38	Maintenance Parts & Electrical Supplies (2 invoices)
43893	01/26/12	Ryan Herco Fluid Flow Sol	246.84	Lab Supplies (3 invoices)
43894	01/26/12	Jean St.Louis	151.00	Employee Expenses Eligible for Agency Dental Reimbursement
43895	01/26/12	State Water Resources Ctrl Brd	1,359.00	Annual Stormwater Permit Fee
43896	01/26/12	Total Waste Systems, Inc.	4,686.30	Biosolids Hauling Fees, December 2011

Grand Total 443,829.27

Notes:

A: Not an Agency Expense. Expense funded through Payroll deduction.

B: Not an Agency Expense. CMSA will be reimbursed for this expense.

Central Marin Sanitation Agency
Treasurer's Report - Revenue Bond Series 2006
For the Month of January 2012

4.c

I. Summary of Bond Accounts and Cumulative Activities Since Inception of Bond Program

Accounts Summary	Starting Balance Oct. 19, 2006	Total Activities Since Inception	Ending Balance January 31, 2012
1. Bond Project Fund (CAMP 120-00)	\$ 65,123,107.94	\$ (56,313,151.62)	\$ 8,809,956.32
2. Bond Reserve Fund (CAMP 120-02)	4,754,281.26	\$ 4,046.92	\$ 4,758,328.18
Total	\$ 69,877,389.20	\$ (56,309,104.70)	\$ 13,568,284.50

II. Account Details for the Month of January 2012

1. Bond Project Fund - Monthly Account Activity

Beginning Balance on January 1, 2012 \$ 8,989,548.98

Cash Receipts:

Income Dividends (CAMP approximately @ 0.2%) 1,574.76

Total cash receipts \$ 1,574.76

Cash Disbursements:

Payment to Carollo Engineers: Aeration Blower Replacement Project, October 2011 4,954.75

Payment to Carollo Engineers: Aeration Blower Replacement Project, November 2011 5,171.67

Payment to GSE: Progress Payment #6 Digester Improvement & FOG Facility Project, December 2011 153,936.90

Payment to GSE c/o Escrow Account: 10% Retention for Progress #6 Digester Improvement & FOG Facility 17,104.10

Total cash disbursements \$ 181,167.42

Ending Project Fund Balance on January 31, 2012 \$ 8,809,956.32

2. Bond Reserve Fund - Monthly Account Activity

Beginning Balance on January 1, 2012 \$ 4,757,489.13

Cash Receipts:

Income Dividends (CAMP approximately @ 0.2%) 839.05

Total cash receipts \$ 839.05

There are no disbursements from this fund at this time. This fund represents the final debt service payment to the bond holders when the bonds reach maturity in 2031.

Ending Reserve Fund Balance on January 31, 2012 \$ 4,758,328.18

Prepared by: 
Hank Jen, Finance Manager/Treasurer

Reviewed by: 
Jason Dow, General Manager

Central Marin Sanitation Agency
 Schedule of Investments
 As of Month Ending January 31, 2012

Date Purch (1)	Face Value (2)	Description (3)	Maturity Date (4)	Original Cost (5)	Accum Amort Disc (Prem) (6)	Book Value (7)	Unrealized Appreciation (Depreciation) (8)	Market Value (9)	Agency Reserve Target for June 30, 2012
I. Investments managed by California Asset Management Program (CAMP)									
Money Market Funds (< 1 year in maturity)									
		CAMP Cash Reserve Pool, 0.2% (est)		\$ 6,030,033.03	\$ -	\$ 6,030,033.03	\$ -	\$ 6,030,033.03	
		Total with CAMP		\$ 6,030,033.03	\$ -	\$ 6,030,033.03	\$ -	\$ 6,030,033.03	
Consists of funds designated for the Restricted and Unrestricted Capital Reserves to fund the Capital Improvement Program									
II. Investments managed by Local Agency Investment Fund (LAIF)									
Money Market Funds (< 1 year in maturity)									
		Local Agency Investment Fund (LAIF), 0.4% (est)							
		a. Current Year Operating		\$ 726,571.21		\$ 726,571.21		\$ 726,571.21	\$ 2,356,606
		b1. Agency Unrestricted Reserve: Operating		\$ 2,356,606.00		\$ 2,356,606.00		\$ 2,356,606.00	\$ 250,000
		b2. Agency Unrestricted Reserve: Emergency		\$ 250,000.00		\$ 250,000.00		\$ 250,000.00	\$ 100,000
		b3. Agency Unrestricted Reserve: Insurance		\$ 100,000.00		\$ 100,000.00		\$ 100,000.00	\$ 100,000
		c. Unrestricted Capital Reserves		\$ 3,932,722.01		\$ 3,932,722.01		\$ 3,932,722.01	\$ 2,706,606
		Total with LAIF		\$ 7,365,899.22	\$ -	\$ 7,365,899.22	\$ -	\$ 7,365,899.22	
TOTAL INVESTMENTS									
		Short-term Investments (< 1 year in maturity)		\$ 13,395,932.25	\$ -	\$ 13,395,932.25	\$ -	\$ 13,395,932.25	
		Long-term Investments (> 1 year in maturity)		\$ -	\$ -	\$ -	\$ -	\$ -	
		Total		\$ 13,395,932.25	\$ -	\$ 13,395,932.25	\$ -	\$ 13,395,932.25	
Amount designated for Capital Reserves									
		1. CAMP		\$ 6,030,033.03		\$ 6,030,033.03		\$ 6,030,033.03	\$ 3,605,968
		2. LAIF		\$ 3,932,722.01		\$ 3,932,722.01		\$ 3,932,722.01	\$ 7,618,859
		Total		\$ 9,962,755.04		\$ 9,962,755.04		\$ 9,962,755.04	\$ 11,224,827

The Agency has shifted a portion of the CAMP balance into LAIF to maximize interest earnings.

COLUMN DEFINITIONS:

- (1) Date Purchased - the date funds and securities were exchanged
- (2) Face Value - the stated maturity value of a security
- (3) Description - the issuer, type of security and interest rate
- (4) Maturity Date - the date the issuer has promised to pay the face value of the security
- (5) Original Cost - the amount paid for the face value of the security
- (6) Accumulated Amortization Discount (Premium) - the accumulated amount of any discount received or premium paid, from the purchase date until the date of the report
- (7) Book Value - The sum of Original Cost and Accumulated Amortization
- (8) Unrealized Appreciation (Depreciation) - the difference between the Market Value and the Book Value
- (9) Market Value - An estimate of the value at which the principal would be sold from a willing buyer as-of the close of the last business day of the month.

NOTES:

- (A) Interest is paid semi-annually for bonds with a maturity period of greater than one year
- (B) Consists of funds designated for the Agency Restricted and Unrestricted Capital Reserves.

Statement of Compliance

The above portfolio of investments is in compliance with the Agency's investment policy, adopted at the September 13, 2005 Commission meeting, and California Government Code Section 53600. In addition, the Agency does have the financial ability to meet its cash flow requirements for the next six months.



BOARD MEMORANDUM

February 9, 2012

To: CMSA Commissioners & Alternates
From: Jason Dow, General Manager 
Subject: January 2012 Performance Metric Report

Recommendation: Accept the January 2012 Performance Metric Report.

Summary: The Agency's performance in facility operations and maintenance, regulatory and environmental compliance, and public education and outreach in January met our metric goals/targets and NPDES permit and other regulatory requirements. Noteworthy metrics or variances are described below.

Table 1 - Operational Metrics

There were no process disruptions or treatment performance issues over the past month. Biosolids disposal at Redwood Landfill was outside the normal range due to increased solids loading caused by the higher influent flows between January 20th – 25th.

The elevated flows flushed settled solids from the sewer collection system pipelines that had accumulated during the extended dry weather season, requiring additional treatment, dewatering and hauling for beneficial reuse. The elevated solids loading also resulted in additional biogas generation and energy production.

Table 2 - Environmental Compliance and Regulatory Metrics

There were not any NPDES permit exceedances in January. The first round of FOG inspections is underway and the annual dental office compliance inspections are near completion.

Table 3 - Public Outreach

Three odor alerts were posted on the Agency website for taking process tanks out of service after the large January 21st storm event, and the routine cleaning of the chorine contact tanks prior to the monthly acute toxicity testing.

The Marin County public education program staffed an outreach booth at the annual Bay Area Environmental Education Resource (BAEER) Fair, and 159 attendees took the education quiz. The "Go With The Flow" juggler show was performed at Wade Thomas Elementary School in San Anselmo (1/10) to 165 students, and at Strawberry Point Elementary School in Mill Valley (1/27) to 149 students.

CMISA PERFORMANCE METRICS – January 2012

TABLE I. OPERATIONAL METRICS

Metric	Definition	Measurement	Target/Goal
1) Wastewater Treated	Volume of wastewater influent treated and disposed, in million gallons	392.0	174 - 687
2) Biosolids Production	Biosolids reused as ADC at the Redwood Landfill, in wet tons Biosolids reused at Land Application site, in wet tons	620.2	360 - 585
3) Conventional Pollutant Removal	Removal of the conventional NPDES pollutants - Total Suspended Solids (TSS) and Biological Oxygen Demand (BOD) a. tons of TSS removed b. % removal of solids c. tons of organics removed (BOD) d. % removal of organics	578.7 98% 421.1 97%	> 85% > 85%
4) Priority Pollutants Removal	Diversion of priority NPDES metals from discharge to the S.F. Bay: a. % Mercury b. % Copper	98.4% 95.1%	variable
5) Biogas Production	Biogas generated in our anaerobic digesters - in cubic feet Natural gas (methane) equivalent of the biogas - in cubic feet	5,272,597 3,163,559	3.5 to 5.5 million ft ³ 2.1 to 3.3 million ft ³
6) Energy Produced	Energy produced from cogeneration of generated biogas and purchased natural gas - in kilowatt hours Biogas value (natural gas cost equivalent)	465,430 kWh \$13,952	380 to 460,000 kWh \$12,000 to \$24,000
7) Efficiency	The cost to operate and maintain the treatment plant per million gallons of wastewater treated - in dollars per million gallons Energy used, kilowatt hours, per million gallons treated	\$918/MG 1,187 kWh/MG	\$451-\$1,830/MG (wet - dry) 670 - 2,400 kWh/MG
8) Preventative Work Orders	# of preventative work orders completed by O&M	61	50 - 80
9) Corrective Work Orders	# of corrective work orders completed by O&M	15	done as-needed
10) Overtime Worked	Monthly hours of OT worked; Year to date hours of OT (YTD) % of normal hours worked; % Year to date (YTD)	260.5; (260.5) 2.7%; (2.7%)	< 5%
11) Employee Training	Hours of internal and external employee training	Internal = 44 External = 108	variable

CMSA PERFORMANCE METRICS – January 2012

Table II – ENVIRONMENTAL COMPLIANCE AND REGULATORY METRICS

Metric	Definition	Measurement	Target/Goal
1) Permit Exceedances	# of NPDES permit exceedances	0	0
2) NPDES Analyses	# samples analyzed by the CMSA laboratory for NPDES compliance monitoring	439	411 - 445
3) Process Analyses	# samples analyzed by the CMSA laboratory for process control reporting and monitoring	998	687 - 1099
4) Quality Control Testing	# of CMSA performed laboratory analyses for QA/QC purposes. Accuracy of QA/QC tests	421 100%	347 - 453 > 95%
5) Water Quality Sample Analyses	# of ammonia, coliform (total and fecal), and/or sulfide analyses performed for the CMSA member agencies (SSOs, etc)	14	as-needed
6) Pollution Prevention Inspections	Inspections of industrial and commercial businesses in the Agency's pretreatment and pollution prevention programs	41	variable
7) FOG Program Inspections	Inspections of food service establishments in the TCSD, SD2, RVSD, SRSD, and LGVSD service areas	63	variable
8) Permits Issued/Renewed	Permits issued for the pretreatment, pollution prevention, and FOG source control programs, and for groundwater discharge	3	variable

Table III – Public Outreach

Metric	Definition	Measurement	Target/Goal
1) Public Education Events	Attendance at public education outreach events; (YTD)	159; (159)	3,500 yr
2) School Events	Participation or sponsorship in school outreach events; attendees; (YTD)	314; (314)	variable
3) Odor Alerts	# of odor alerts posted to the Agency website due to process or operational changes.	3	1-10
4) Odor Complaints	# of odor complaints filed by the public.	0	0

BOARD MEMORANDUM

February 7, 2012

To: CMSA Commissioners and Alternates

From: Chris Finton, Treatment Plant Manager 
 Robert Cole, Environmental Services Manager

Approved: Jason Dow, General Manager

Subject: January 2012 NPDES and Process Report

Recommendation: Accept the January 2012 NPDES and Process Report.

I. NPDES Compliance

Our NPDES permit testing for January showed that the CMSA plant effluent was in compliance with all permit limits. The Monthly Compliance Summary Table shows the results by permitted parameter, the sample's frequency, the sample results, and the permit limit. We successfully passed the January 96-hour flow through bioassay test.

II. Flow

In January, five rain events produced 6.5" of rain as recorded at the Headworks rain gauge. The biggest storm event was on January 20th with 3.97" of rain over a 24-hour period. CMSA's maximum daily influent flow for the month was 35.7 MGD on January 23rd. The plant exceeded the maximum secondary capacity of 30 MGD and recorded four blending events during the month. The plant's average daily influent flow was 12.7 MGD. The CMSA treatment plant and each satellite collection agency's daily average and total monthly influent flows are shown in the table below:

December Monthly Flows	San Rafael (SRSD)	Ross Valley (SD#1)	San Quentin	Corte Madera (SD#2)	CMSA Plant
Average Daily Million Gallons/ Day	4.7 MGD	6.1 MGD	0.47 MGD(2)	1.4 MGD	12.6 MGD
Total for Month Million Gallons	146.5 MG	189.1 MG	14.6 MG(2)	41.8 MG	392.0 MG
Percent of Flow	37.4 %	48.2 %	3.7 %	10.7 %	100 %

The following table shows the CMSA treatment plant and each satellite collection agency's peak wet weather flows:

Wet Weather Peak Flows(1)	San Rafael (SRSD)	Ross Valley (SD#1)	San Quentin (SQPS)	Corte Madera (SD#2)	CMSA
01/23 Total Day's Flow	14.5 MG	17.1 MG	.47 MG(2)	3.7 MG	35.7 MG
Peak Flow Rate	36.6 MGD	39.2 MGD(3)		11.3 MGD	87.1 MGD

(1) The time for Peak flows and Maximum Day's flow varies depending on an area's rainfall during the storm.

(2) San Quentin pump station flow based on historical flow averaging. Flow information was not transmitted to CMSA between January 04 and January 29 due to telemetry problems.

(3) Peak flow includes the flow from SD#1 and SQPS.

III. Process

In January, the plant processes were aligned for wet weather flow. Graph #3 shows the TSS (total suspended solids), which is a good indicator of the effluent quality. A TSS single sample of 37 mg/l, well below our weekly permit limit of 45 mg/l, was measured on January 21st which coincided with a significant storm event. The TSS monthly average was 7.4 mg/l, which is just under half of our Key Performance Indicator (KPI) of 15 mg/l, and is 25% of our permit's monthly average limit of 30 mg/l.

Graph #4 shows the coliform Most Probable Number (MPN), which represents the effectiveness of the disinfection process. One of the sixteen samples collected this month was over our KPI of 80 MPN, (1/3 = 110 MPN); but less than our daily limit of 10,000 MPN. This month's maximum five-day moving median was 50 MPN, which is higher than our median KPI of 30 MPN, but well below our five sample median permit limit of 240 MPN.

The Waukesha cogenerator produced 89% of the Agency's power this month as depicted on Graph #8, and was shut down on three days for maintenance. On January 18th, staff electricians tested the compatibility of spare voltage regulators purchased from separate vendors. The voltage regulator we utilize can be configured for more than one application and must be set-up with our engine specifications programmed into the component memory. On January 23rd, the air fuel modulator (AFM) required tuning. The air fuel modulator is similar to a carburetor on a car with the added ability to automatically adjust the air to fuel ratio to accommodate more than one fuel type. On January 26th, the engine generator was secured for a preventive maintenance assessment, which was conducted by our current Waukesha vendor representative. The assessment consisted of gathering and verifying engine and generator data for parts and service references.

CMSA TREATMENT PLANT PROCESS REPORT

January 2012



Biotower #1 Distribution Arm Condition Assessment. Odor control equipment operating on the tower wall in the background.



Biotower #1 Center Column Condition Assessment. Algal growth forms on the center column from the distribution of aerated primary effluent.

Monthly Compliance Summary Table

Central Marin Sanitation Agency

January 2012

Final Effluent Monitoring

Parameter	Frequency	Units	Results	Limit
Carbonaceous BOD Highest Weekly Average	Weekly	mg/L	8	Maximum 40
Carbonaceous BOD Monthly Average	Monthly	mg/L	7	Maximum 25
Carbonaceous BOD Monthly Removal Rate	Monthly	%	97	Minimum 85
Total Suspended Solids Highest Weekly Average	Weekly	mg/L	9.9	Maximum 45
Total Suspended Solids Monthly Average	Monthly	mg/L	7.4	Maximum 30
Total Suspended Solids Monthly Removal Rate	Monthly	%	98	Minimum 85
Chlorine Residual Instant Limit	Instant	mg/L	<0.1	Maximum 0.0
pH Lower Limit	Continuous		7.0	Minimum 6
pH Upper Limit	Continuous		7.8	Maximum 9
Bacteriological Analysis				
Total Coliform 5 Sample Median	3 X Week	MPN/100mL	50	Maximum 240
Total Coliform Daily Maximum	3 X Week	MPN/100mL	110	Maximum 10,000
Flow Through Bioassay				
Acute Toxicity 11 Sample 90th Percentile	Monthly	% survival	100	Minimum 70
Acute Toxicity 11 Sample Median	Monthly	% survival	100	Minimum 90
Metals Analysis				
Copper Daily Limit	Monthly	ug/L	3.6	Maximum 21.8
Copper Monthly Average	Monthly	ug/L	3.6	Maximum 13.1
Cyanide Daily Limit	Monthly	ug/L	1.4	Maximum 41
Cyanide Monthly Average	Monthly	ug/L	1.4	Maximum 21
Mercury Weekly Average	Weekly	ug/L	0.0028	Maximum 0.072
Mercury Monthly Average	Monthly	ug/L	0.0028	Maximum 0.066
Mercury Monthly Loading	Monthly	kg/mo	0.0018	
Mercury Annual Loading (watershed permit)	Jan-Dec	kg/yr	0.0018	Maximum 0.18
Semi-Annual Analysis				
Dioxin - Total Equivalents (TEQ) Daily Maximum	every 6 mos	ug/L	*	Maximum 2.8E-08
Dioxin - Total Equivalents (TEQ) Monthly Average	every 6 mos	ug/L	*	Maximum 1.4E-08
Chronic Bioassay Toxicity	every 6 mos	toxicity units	*	Maximum 20
Chronic Bioassay Toxicity (3 sample median)	every 6 mos	toxicity units	*	Maximum 10
Polychlorinated Biphenyls (PCBs) Daily Limit	every 6 mos	ug/L	*	Maximum 0.017
Polychlorinated Biphenyls (PCBs) Monthly Limit	every 6 mos	ug/L	*	Maximum 0.012
Quarterly Analysis				
Oil and Grease Daily Limit	Quarterly	mg/L	*	Maximum 20
Oil and Grease Monthly Average	Quarterly	mg/L	*	Maximum 10
Flow Analysis				
Effluent Flow	Daily Max	Hourly Max	5 minute Max	Monthly Average
	34.3	83.9	86.3	10.2
Influent Flow	35.7	85.1	87.2	12.6
# Days Blended	4			

* Monitoring not required this month

ND = None Detected

Glossary of Terms

Monthly Compliance Summary Table

- **Biochemical Oxygen Demand (BOD):** Measurement of the effluent's capacity to consume dissolved oxygen to stabilize all remaining organic matter. The permit limits for our effluent for discharge into San Francisco Bay require that we remove 85% influent BOD and meet a weekly average of less than 40 mg/L and a monthly average of less than 25 mg/L BOD.
- **Total Suspended Solids (TSS):** Measurement of suspended solids in the effluent. Our permit requires that we remove at least 85% of the influent TSS and that the effluent limit is less than 45 mg/L as a weekly average and less than 30 mg/L as a monthly average.
- **Chlorine Residual:** The plant effluent is disinfected with hypochlorite (chlorine "bleach") and then the residual chlorine is neutralized with sodium bisulfite to protect the Bay. The effluent chlorine residual limit is 0.0 mg/l, which we monitor continuously.
- **pH:** pH is a measurement of acidity, with pH 7.0 being neutral and higher pH values being basic and lower pH values being acidic. Our permit effluent pH must stay within the range of 6.0 to 9.0, which we monitor continuously.
- **Coliform:** Coliform bacteria is the indicator organism for determination of the effectiveness of the disinfection process. The lab cultures samples of our effluent and the presence of coliform is an indication that pathogenic organisms may be present. This is reported as MPN/100ml (number of coliform bacteria in 100 milliliters of sample).
- **Flow Through Bioassay:** A 96-hour test in which we test the toxicity of our effluent to young rainbow trout (15-30 days old) in a flow through tank to determine the survivability under continuously exposure to our effluent. Our permit requires that we maintain a 90th percentile survival of at least 70% and an 11 sample median survival of at least 90%. In layman's terms, this means that out of the last 11 samples only one bioassay may fall below 70% survival and the middle value when all 11 samples are placed in numerical order must be at least 90%.
- **Metals Analysis:** Our permit requires that we analyze our effluent for many different metals on a monthly basis. We have permit limits for three of the metals. The limits are stated as a maximum daily limit and a monthly average limit. The maximum daily limit is the number we cannot exceed on any sample and the monthly average applies to all samples collected in any month (although usually we only are required to take one).
- **Dioxin - Total Equivalent**s - These are 17 dioxin like compounds that have a permit limit that will take effect in 2017. The current permit requirement is to analyze and report these compounds twice a year.
- **Oil and Grease** - Quarterly we are required to monitor our effluent for Fats, Oils, and Grease.

Executive Summary Process Performance Data

January 2012

The removal efficiencies shown are based on the monthly average of the following treatment processes that were in service.

Primary Clarifier Performance

The average Total Suspended Solids (TSS) in	<u>361</u>	mg/l
Average TSS out	<u>135</u>	mg/l
Average Percent Removal Achieved	<u>62.6</u>	%
Average Total Biochemical Oxygen Demand (BOD) in	<u>264</u>	mg/l
Average BOD out	<u>159</u>	mg/l
Average Percent Removal Achieved	<u>39.8</u>	%
Average Plant Influent Flows	<u>12.6</u>	MGD

Expected removal efficiencies as outlined in Metcalf & Eddy Wastewater Engineering Manual

Design 50-70% Removal

Design 25-40% Removal

Biotower Performance

Average TSS out	<u>122</u>	mg/l
Average BOD out	<u>97</u>	mg/l
Average Percent BOD Removal Achieved	<u>39.0</u>	%

Design 25-30% Removal

Aeration Tanks/Activated sludge

Dissolved Oxygen set point	<u>1.8</u>	mg/l
Average MLSS	<u>1465</u>	mg/l
Average MCRT	<u>5.3</u>	Days
Average SVI	<u>157</u>	

Secondary Clarifiers

Average WAS concentration	<u>8129</u>	mg/l
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Final Effluent

The average Effluent TSS for the month was	<u>7.4</u>	mg/l	(Maximum Limit: 30mg/l)
Week #1 weekly average	<u>7.6</u>		(Maximum Limit: 45mg/l)
Week #2 weekly average	<u>6.7</u>		"
Week #3 weekly average	<u>9.9</u>		"
Week #4 weekly average	<u>7.0</u>		"
The monthly average TSS removal efficiency through the plant was	<u>98</u>	%	(Minimum Limit: 85%)
The average Effluent BOD was	<u>7</u>	mg/l	(Maximum Limit: 25mg/l)
Week #1 weekly average	<u>7</u>		(Maximum Limit: 40mg/l)
Week #2 weekly average	<u>8</u>		"
Week #3 weekly average	<u>7</u>		"
Week #4 weekly average	<u>7</u>		"
The monthly average BOD removal efficiency through the plant was	<u>97</u>	%	(Minimum Limit: 85%)
Total Coliform 5 Sample Median	<u>50</u>	MPN	(Maximum 240)
The Daily Maximum Total Coliform Count for the month was	<u>110</u>		(Maximum 10,000)
Effluent pH for the month was:	Min	<u>7.0</u>	(Min 6.0)
	Max	<u>7.8</u>	(Max 9.0)

Digester Treatment

The average Thickened Waste Concentration from the DAF was	<u>4.14</u>	%	
The average percent of Volatile Solids destroyed was	<u>57.68</u>	%	
The cubic feet of biogas produced was	<u>5,272,597</u>	(Total)	<u>170,084</u> (Daily Average)
The average temperature of the digester was	<u>100.00</u>	degrees Fahrenheit	

Executive Summary Process Performance Data
January 2012

The removal efficiencies shown are based on the monthly average of the following treatment processes that were in service.

Dewatering

The average Centrifuge Feed concentration was	<u>2.57</u>	%
The average Biosolids concentration was	<u>26.36</u>	%
The average TSS of the Centrate was	<u>0.024</u>	%
The solids capture of the Centrifuge was	<u>99.02</u>	%
Polymer use per Dry ton of biosolids was	<u>17.44</u>	#/dry ton
The average polymer feed rate per run was	<u>4.71</u>	gpm
The average concentration of the polymer batches was	<u>0.33</u>	%
The average sludge feed rate per run was	<u>71.7</u>	gpm

Comments:

The plant has been running well, and the final effluent quality in January has remained first-rate.

Graph #1:

Depicts the total influent flow (from all collection agencies) entering the treatment plant. The January rain event mirrors the inflow from the collection systems. The Y-axis is in the Wet Weather flow range of 0 - 80 MGD.

Graph #2:

Depicts individual collection agency flows. Increased flows from January 19th thru the 25th are due to wet weather events.

The Y-axis is in the Wet Weather flow range of 0-40 MGD.

Graph #3:

Depicts the total suspended solids in the effluent. Elevated total suspended solids from the 20th thru the 25th is the result of the scouring of collection system piping during these wet weather events.

Our monthly TSS average was 7.5 mg/l vs our KPI of 15 and Permit monthly average limit of 30.

Graph #4:

Depicts the coliform most probable number (MPN) results which are an indication of the performance of the disinfection system. The elevated coliform samples we caused by taking additional plant processes down due to extended dry weather.

The monthly 5 day median sample was 50 MPN, well below our limit of 240 MPN.

Graph #5:

Depicts the effluent BOD which is measuring the oxygen demand of the wastewater.

The January Effluent BOD average was 7 mg/l, well below our NPDES limits of 40 mg/l weekly and 25 mg/l for the month.

Graph #6:

Depicts the degree to which the biosolids have been dewatered. The Agency dewatered biosolids every day this month. Our biosolids met or exceeded our KPI of 25% 22 days this month. Continued low flows for the first half of the month have contributed to lower digester solids loading concentrations. Dewatering operations were adjusted to account for the lower than normal solids loadings.

Graph #7:

Depicts the amount of biogas that is produced in the digesters, and then used to produce electricity.

The average volume of digester gas produced in January was 170,084 cubic feet per day

Graph #8:

This graph depicts the amount of energy produced through co-generation vs. the energy consumed through PG&E at the plant.

The cogenerator produced 89% of the Agency's power for the month. The lower than average power generation percentage is due to the cogenerator being offline this month for maintenance, tuning of the air fuel modulator, and testing the voltage regulator configuration.

Glossary of Terms

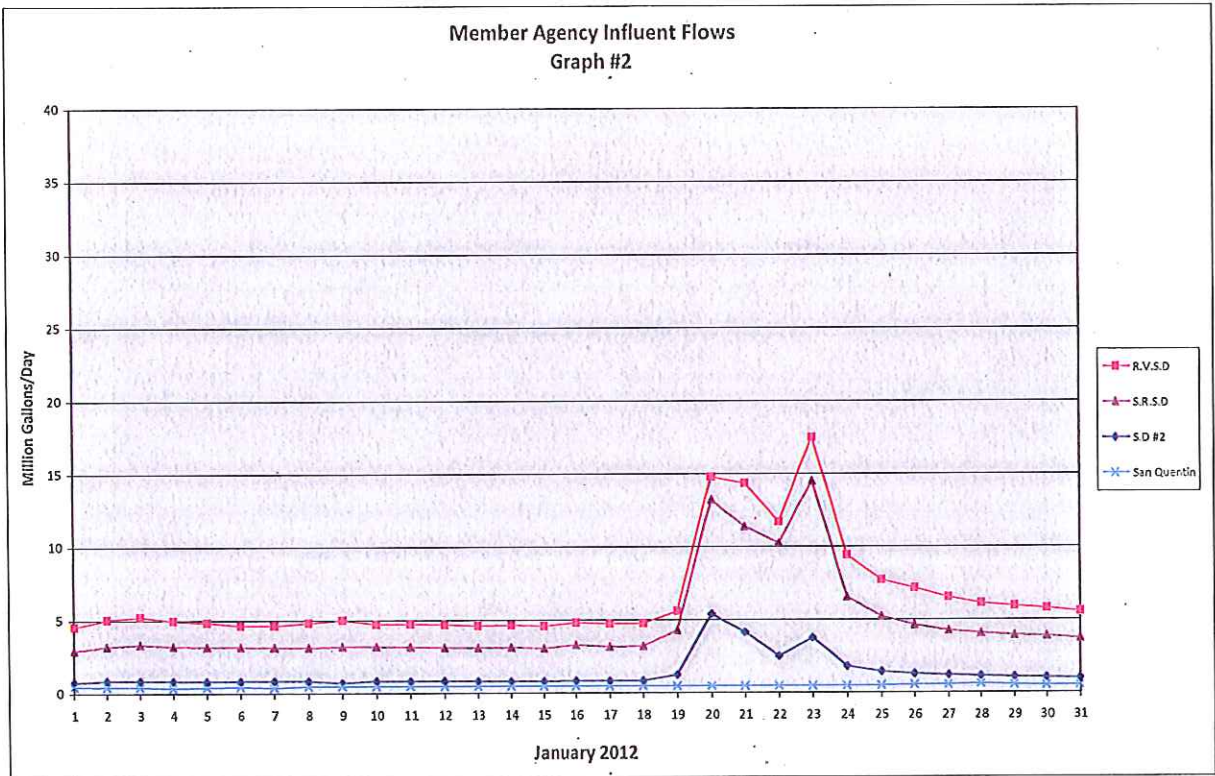
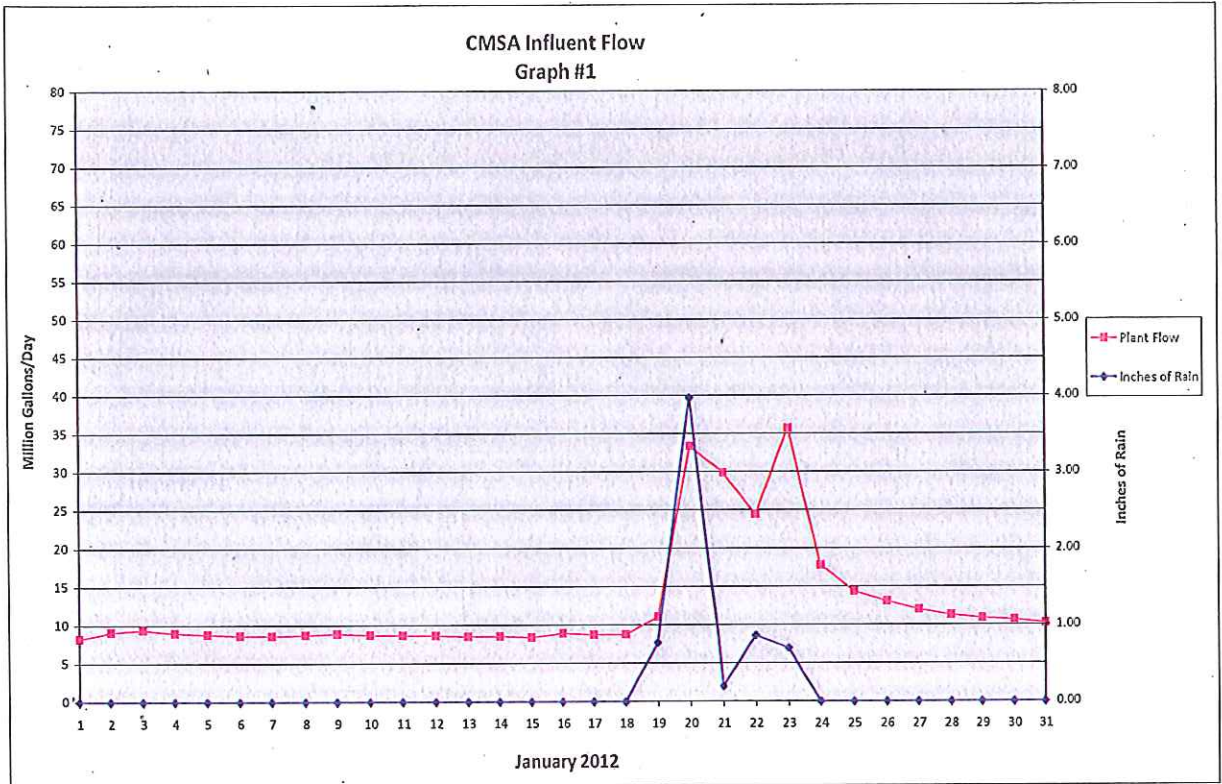
Executive Summary

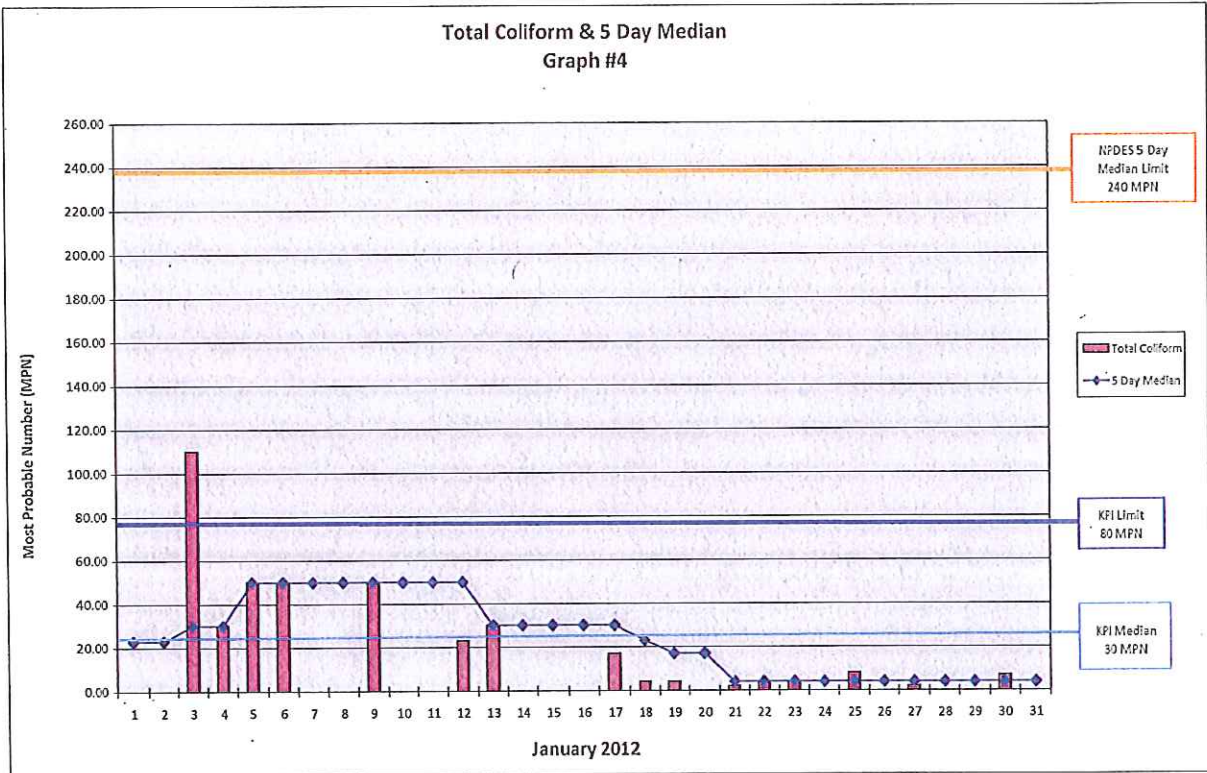
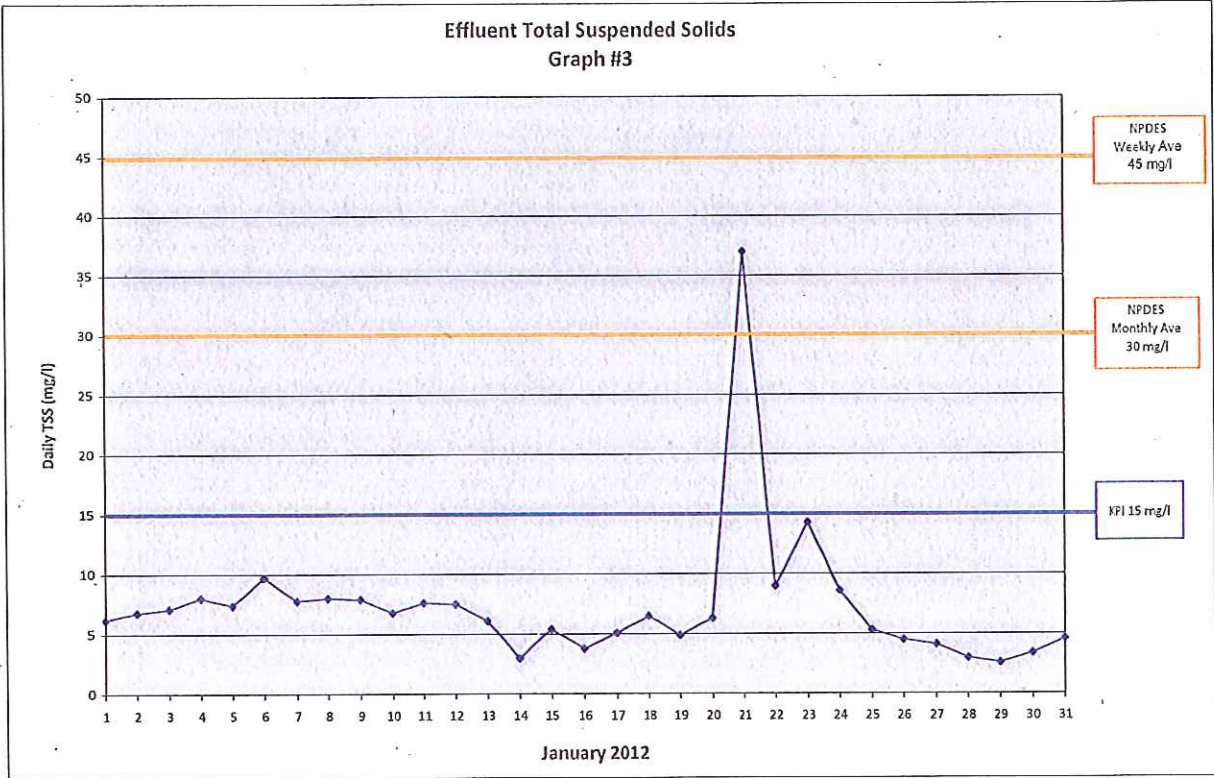
- **Primary Clarifier:** A physical (as opposed to biological) treatment process where solids that settle or float are removed and sent to the digesters for further processing.
- **Biotower:** The next treatment process, that is biological, in which the wastewater trickles over a biomass covered media. The biomass feeds on the dissolved and suspended solids in the wastewater.
- **Aeration Tanks:** Next are the aeration tanks, a biological process like the biotowers but the biomass is pumped back from the secondary clarifiers to mix with the wastewater and feed on any remaining solids. Air and mixing are provided by the aeration blowers to allow the biomass to feed on the rest of the dissolved and suspended solids in the wastewater.
- **Secondary Clarifiers:** Provides settling for the biomass after aeration, most of the settled mass is returned to the aeration tank as return activated sludge (RAS) and some is sent to the DAF unit as waste activated sludge (WAS).
- **Chlorine Contact Tanks (CCTs):** The final treatment process. These basins allow contact time for chlorine solution to disinfect the wastewater. Sodium bisulfite is introduced at the end of the CCTs to neutralize any residual chlorine to protect the Bay.
- **Final Effluent:** After all treatment processes are completed, we discharge the final effluent to San Francisco Bay through our deep water outfall.
- **Dissolved Air Flotation (DAF):** The dissolved air flotation process uses air bubbles to thicken the WAS, solids removed from the secondary process, by floating solids to the tank surface, where they are removed and sent to the digesters for final processing.
- **Anaerobic Digesters:** In the anaerobic digestion process, all the organic material removed in the primary sedimentation tanks and DAFs are digested by anaerobic bacteria. The end products are methane, carbon dioxide, water and neutralized organic matter.
- **Centrifuge (Dewatering):** Processed solids are removed from the digester and centrifuged to remove most of the water. The dewatered biosolids are then disposed at the Redwood Landfill in winter, as alternate daily cover (ADC), or to a land application site in summer as soil amendment.
- **Waukesha Engine Cogenerator:** A dual fuel engine generator provides most of the plant's electricity. The methane "biogas" produced by anaerobic digesters powers the engine 42% of the time and when biogas is not available, natural gas is used. As well as generating electricity the engine supplies heat for plant processes and building heating.
- **Mixed Liquor Suspended Solids (MLSS):** Suspended solids in the mixed liquor of an aeration tank measured in milligrams per liter (mg/l).

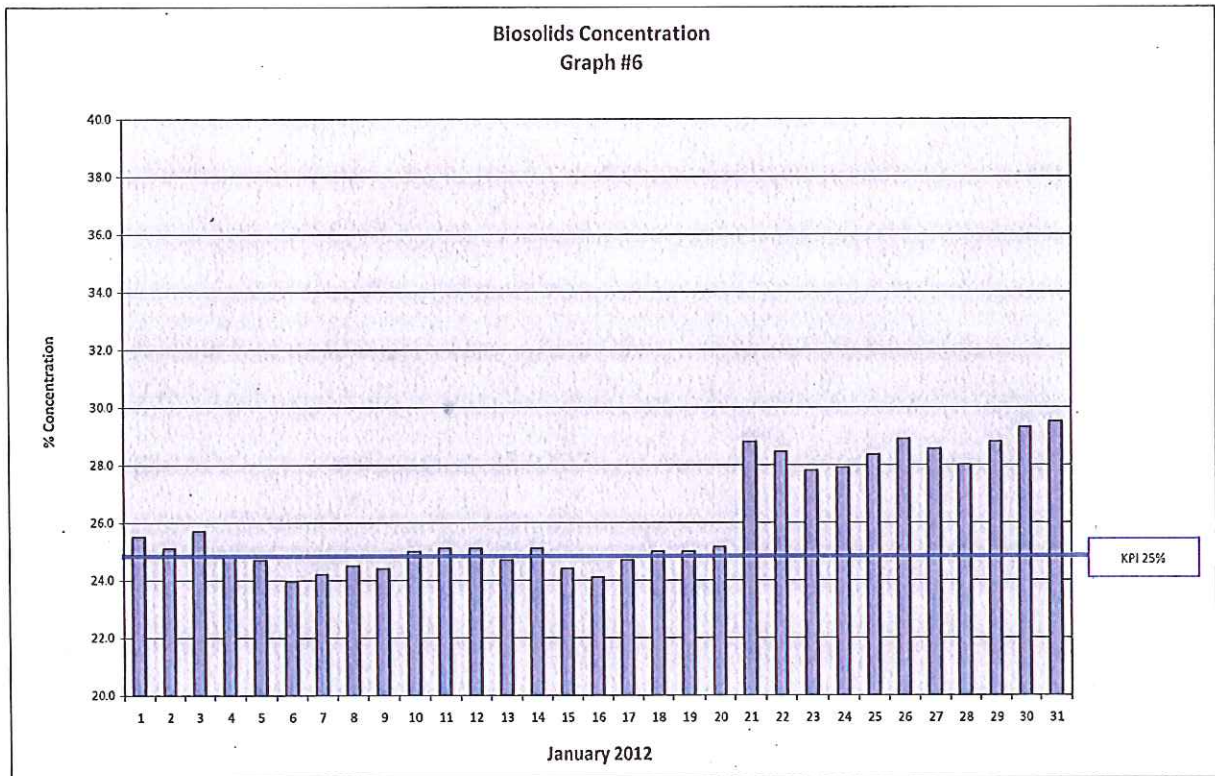
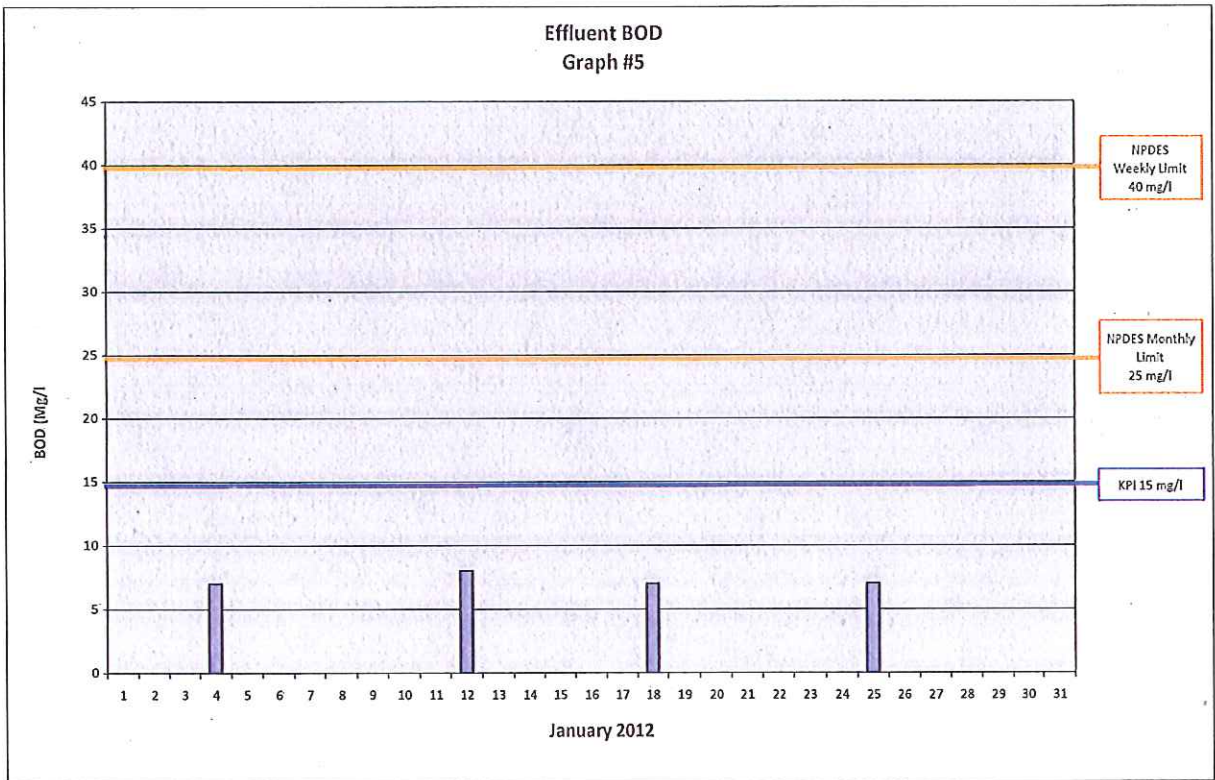
- **Mean Cell Residence Time (MCRT):** An expression of the average time that a microorganism will spend in the activated sludge process.
- **Sludge Volume Index (SVI):** This is a calculation used to indicate the settling ability of activated sludge in the secondary clarifier.
- **Return Activated Sludge (RAS):** The purpose of returning activated sludge, is to maintain a sufficient concentration of activated sludge in the aeration tanks.
- **Waste Activated Sludge (WAS):** To maintain a stable process, the amount of solids added each day to the activated sludge process are removed as WAS. We track this by our MCRT 3.8 days (for June).
- **Thickened Waste Activated Sludge (TWAS):** the WAS is thickened in the DAF and the thickened sludge is sent to the digester.
- **Most Probable Number (MPN):** Concentrations of total coliform bacteria are reported as the "most probable number". The MPN is not the absolute count of the bacteria but a statistical estimate of their concentration.
- **Volatile Solids:** Organic content of the suspended solids
- **Biosolids Cake:** Anaerobically digested biosolids are pumped to a centrifuge where excess water is removed to reduce the volume (and weight).
- **Polymer:** Organic polymers are added to settled effluent to bring about the formation of larger particles by bridging to improve processing.

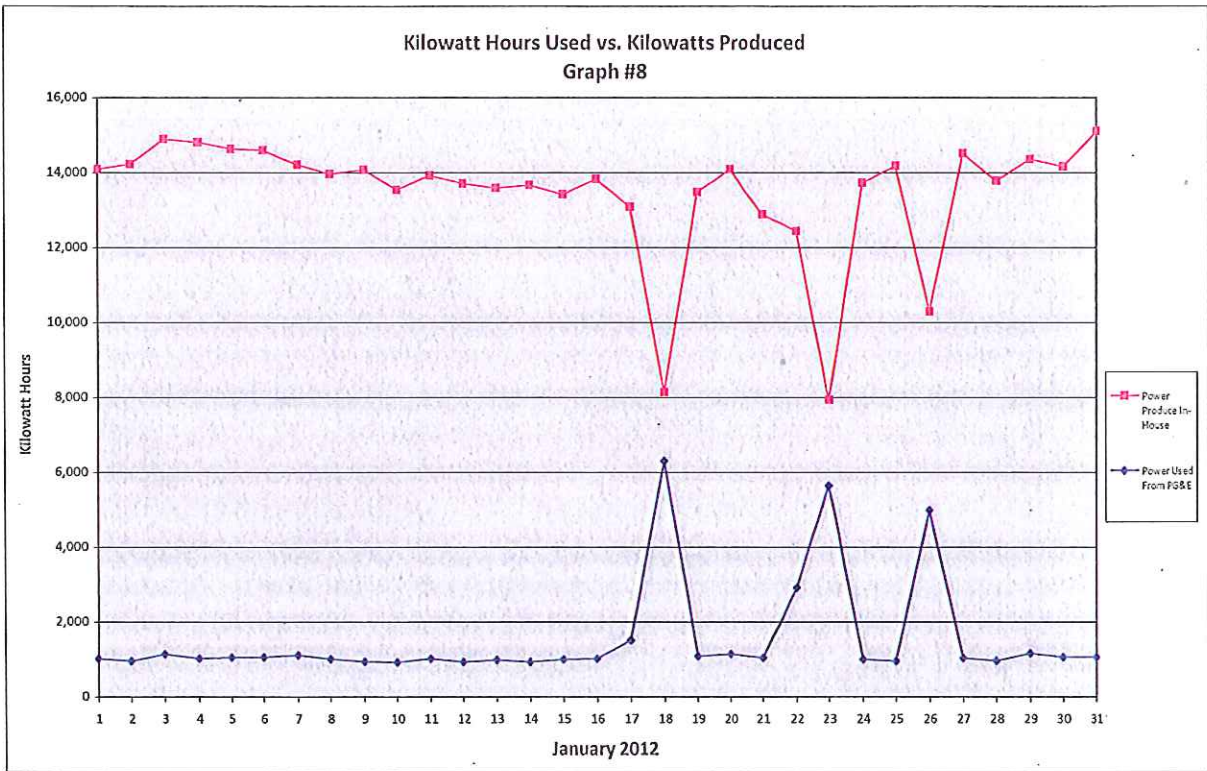
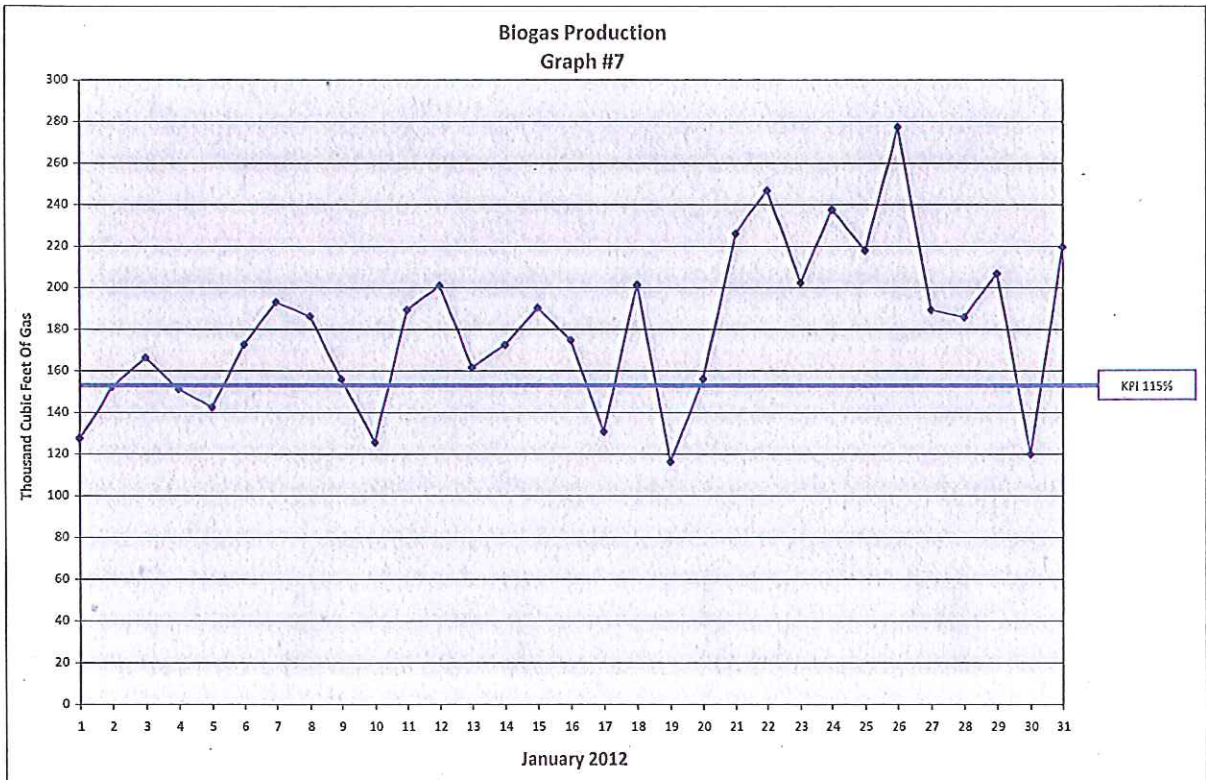
Units of Measurement

- **mg/L Milligrams per Liter:** A measure of the concentration by weight of a substance per unit volume. For practical purposes, one mg/L is equal to one part per million (ppm).
- **Percent by Volume (% by vol):** A measure of the volume of a solution.
- **Percent by Mass (% by mass):** A measure of the combined mass of a solute + solvent.
- **MPN/100mL Most Probable Number per 100 milliliters:** Statistical estimate of the number of bacteria per 100 milliliters of a given solution.
- **ug/L Micrograms per Liter of Solution:** Mass per unit volume.
- **kg/month Kilograms per Month:** 1 kilogram = 2.205 lbs.
- **Kwh Kilowatt hours:** A unit of electric power equal to using 1 Kw for 1 hour.
- **KPI Key Performance Indicators:** are our performance goals.











BOARD MEMORANDUM

February 9, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager *JD*

Subject: Revised Sanitary District #2 Pump Station and Forcemain Operation and Maintenance Agreement

Recommendation: Approve the revised Sanitary District #2 Pump Station and Forcemain Operations and Maintenance Agreement.

Summary: CMSA has had a service agreement (Agreement) with Sanitary District #2 for the operation and maintenance of its wastewater pump stations and their respective forcemains since 1985. The contract has been revised several times since that time, most recently in 2004, to accurately reflect the then current scope of services and make other revisions as needed to clarify the Agreement's provisions. SD2 and CMSA staff recently completed the process to review and revise the Agreement, which is attached and whose revisions are summarized below. The Agreement was approved by the Sanitary District #2 Board of Directors at their February 7th meeting, and has been approved as to form by legal counsel Jack Govi.

The Agency budgeted approximately \$342,000 in revenues in FY12 to operate and maintain the SD2 pump stations and perform other services detailed in the Agreement and approved by SD2 in the FY12 Agreement budget. The revenue reimburses the Agency for all labor, at each employee's weighted hourly labor rate, materials, supplies, equipment, and contract services to perform the Agreement's work. The Agency also receives an overhead fee to cover all incidental expenses associated with administering the Agreement and preparing the monthly invoices.

Details: CMSA began the process to revise the Agreement in early 2010, and has worked with SD2 staff to modify and update the Agreement's provisions and exhibits. Shortly after the revision process began, RVSD filed a lawsuit against SD2, the town of Corte Madera, and other entities to recover repair costs associated with an April 2009 drilling incident that punctured a fitting on the 54" Ross Valley Interceptor. Due to the lawsuit and its potential relationship to the Agreement services, CMSA and SD2 staff decided to postpone the revision process until the lawsuit was concluded. In late October 2010, CMSA, SD2, and RVSD settled the lawsuit, and staff reinitiated the discussion with SD2 to revise the Agreement. Numerous minor edits and revisions were made to the Agreement's terms, conditions, and exhibits, to improve their overall accuracy, clarity, and completeness, and provide some flexibility with administering some of the provisions.

Noteworthy revisions made to the Agreement are summarized by section and exhibit below.

- Section 4: Notification of emergency events and actions taken with 24 hours of the event.
- Section 5b: When CMSA employee regular and weighted hourly labor rates change during the fiscal year, the Agency will provide SD2 with a revised Exhibit C to replace the current exhibit.
- Section 6: CMSA will prepare and submit weekly reports in addition to monthly reports, and all hard copy pump station activity logs will be kept at the Paradise pump station.
- Section 8: Various minor clarifications and the addition of sub-sections a1 and d. The new Section 8.a.1 states that CMSA will not be held responsible for damages associated with pump station and forcemain failures and/or overflows resulting from events outside CMSA's control. Section 8.d allows CMSA to hire certain service providers, if approved by SD2, without requiring them to provide the same level of insurance and indemnification requirements as construction contractors and consultants.
- Section 9: Revised to indicate current regulatory entities and requirements for sanitary sewer overflow reporting.
- Noticing section and signature page revised with each agency's current representatives.
- Exhibit A: Maintenance of the new Golden Hind pump station was added and many of the pump station addresses were corrected.
- Exhibit B: Specific maintenance and electrical tasks removed and placed in the Attachment 1.
- Attachment 1: A new document that contains the specific routine and periodic tasks to be performed by CMSA. The tasks were removed from the Exhibit B – Routine Pump Station Maintenance, to allow staff to revise and update the tasks without having to amend the Agreement.

Attachment

Revised Agreement to Operate and Maintain the Sanitary District #2 Pump Stations and Forcemains

**AGREEMENT FOR OPERATION AND MAINTENANCE OF PUMP STATIONS
AND FORCEMAINS BETWEEN CENTRAL MARIN SANITATION AGENCY AND
SANITARY DISTRICT NO.2 OF MARIN COUNTY**

This Agreement dated February , 2012, is between the CENTRAL MARIN SANITATION AGENCY (hereinafter referred to as CMSA), and SANITARY DISTRICT NO. 2 OF MARIN COUNTY, A SUBSIDIARY DISTRICT TO THE TOWN OF CORTE MADERA (hereinafter referred to as DISTRICT), which for the purposes of this Agreement shall include the Town of Corte Madera.

WHEREAS, On October 15, 1979, DISTRICT entered into an agreement with Sanitary District No. 1 of Marin County, San Rafael Sanitation District and the City of Larkspur to jointly exercise their powers and form CMSA for the purpose of planning, administering and coordinating sewage treatment and disposal services throughout the CMSA service area; and

WHEREAS, CMSA was duly formed, a regional treatment plant was constructed and has been operating since January 1985; and

WHEREAS, DISTRICT is a member of CMSA and has been using the regional plant facilities for the treatment and disposal of sewage; and

WHEREAS, DISTRICT and CMSA have had an Agreement, since April 1985 and amended in 1989 and 2004, under which CMSA provides operation and maintenance service to DISTRICT's pump stations, and limited maintenance to the District's forcemains; and

WHEREAS, DISTRICT and CMSA now desire to enter into a revised agreement to accurately reflect the services provided by CMSA and more clearly define the contract terms and each entity's responsibilities:

NOW, THEREFORE, it is agreed as follows:

1. **System:** The DISTRICT owns its sewerage system consisting of public gravity sewer lines, forcemains, meter vault, and nineteen pump or lift stations. The stations are shown in the attached "Exhibit A".
2. **Scope of Services:** CMSA hereby agrees to provide the DISTRICT with the scope of services specified in "Exhibit B" which is attached hereto and incorporated herein. Specific pump station maintenance tasks are detailed in Attachment 1 (which is incorporated by reference into Exhibit "B"), which may be modified as needed by written agreement between the Managers for CMSA and the District. CMSA shall provide all of the labor and materials necessary to perform those services in a professional and competent manner. DISTRICT has relied upon the professional ability and training of CMSA as a material inducement to enter into this Agreement. CMSA

shall perform in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that payment for acceptance of CMSA's work by DISTRICT shall not operate as a waiver or release by DISTRICT or TOWN of any claims that may have arisen or may arise from the performance of CMSA's work that has been paid for by DISTRICT.

CMSA is not responsible for the maintenance of private or public gravity sewer lines within the DISTRICT. CMSA is responsible twenty-four (24) hours a day, 7 days a week, for the scope of services included within Exhibit "B".

DISTRICT shall keep CMSA informed of improvement plans to DISTRICT pump stations and forcemains, and provide operation & maintenance information and engineering drawings to CMSA at the time such improvements are made.

3. **Work Outside the Scope of Services:** CMSA agrees to do maintenance and repair work outside the scope of services included within Exhibit "B" that can be reasonably done within CMSA staff's expertise. CMSA shall notify the DISTRICT of any necessary or recommended work which should be performed. If the DISTRICT desires CMSA to perform the work, the DISTRICT shall authorize CMSA to perform the recommended work using the following procedures:

- A. CMSA obtains a quote for the labor and materials to complete the work, unless CMSA is performing the work using its own forces.
- B. District provides authorization, verbal or written, to CMSA to begin the work. If verbal, DISTRICT shall follow-up the authorization in writing or email.
- C. CMSA performs the work and notifies DISTRICT, via email or letter, that the work has been completed.
- D. All costs associated with the work will be included in the monthly invoice to DISTRICT for reimbursement per Section 5.

Notwithstanding any of the above provisions of this section, the DISTRICT reserves the right to do any and all work not included in Exhibit B, Scope of Services, to the DISTRICT's pump stations listed in Exhibit "A" and related equipment through the utilization of its own forces or outside contractors. Nothing in this section shall be interpreted to require DISTRICT to hire CMSA to perform work without complying with any public construction bidding requirements that may be applicable to the work, contained within the Public Contracts Code or as may be required by the Town of Corte Madera Municipal Code (specifically including Title 21). However, DISTRICT shall promptly notify CMSA of any work that will be performed in advance of the work being commenced and will notify CMSA of the work that is actually performed within a reasonable period of time of the completion of the work.

4. **Emergency Services:** CMSA shall respond to pump station alarms and emergencies 24 hours a day, seven days week. In the event of a pump station or forcemain emergency during regular business hours, CMSA shall notify the DISTRICT of the emergency and work cooperatively with the DISTRICT to resolve the situation.

In the event that DISTRICT staff are unavailable, or if the emergency occurs during non-business hours, CMSA shall take all necessary actions to prevent or minimize adverse effects upon DISTRICT or others' property or to public health and safety resulting from the emergency, and restore normal operations as soon as reasonably possible. The DISTRICT authorizes CMSA to retain outside consultants and contractors, as needed, to respond to and address the emergency situation prior to having adequate opportunity to receive authorization from the DISTRICT.

CMSA will notify the DISTRICT, verbally and in writing, of: 1) the emergency action as soon as practicable thereafter, but in no event later than 24 hours after CMSA becomes knowledgeable of the emergency event; and 2) whether additional work will be needed. DISTRICT shall compensate CMSA in accordance with Section 5 below for all work necessary to be performed under this section: 1) prior to DISTRICT'S receipt of notice of the work to be performed; or 2) pursuant to oral or written authorization given by DISTRICT to CMSA to proceed with the work described by CMSA's notice under this section .

5. **Compensation:** The DISTRICT shall reimburse CMSA monthly for work performed by CMSA pursuant to: 1) the Scope of Services, Exhibit B; 2) for extra work authorized by the DISTRICT pursuant to Section 3 above; and 3) for extra work performed in compliance with Section 4 above. During regular work hours weighted hourly rates shall apply. If the need for work occurs at a time other than regular work hours, then overtime rates shall apply.

The hourly rate, weighted hourly rate, and overtime rate for CMSA employees is attached hereto as "Exhibit C" and incorporated herein and may be revised from time to time as set forth below. Materials, parts and outside services shall be invoiced based upon actual costs (no mark-up). CMSA shall invoice the DISTRICT monthly and the DISTRICT shall pay such invoices upon 30 days of receipt.

- a. The DISTRICT shall compensate CMSA for a portion, approximately 1/3, of the current actual cost to administer the CMSA Maintenance dry weather (May-October) On-Call program and 1/2 of the wet weather (November-April) On-Call program. These programs ensure that CMSA staff that are qualified to maintain the DISTRICT's pump stations will be available and fit for duty after normal business hours, on weekends, and holidays to meet the response provisions of this agreement.

- b. The DISTRICT will allow CMSA to adjust weighted hourly rates within a budget year to account for CMSA cost of living (COLA) and equity salary adjustments. CMSA shall provide the DISTRICT an updated copy of Exhibit C whenever it is revised. Any revisions to Exhibit "C" that CMSA provides to the DISTRICT shall become effective upon the date that the revision takes effect and the revised Exhibit "C" shall replace the last Exhibit "C" and be incorporated by reference herein as of the date that the revised Exhibit "C" takes effect.
 - c. DISTRICT shall compensate CMSA at the rates set forth by Exhibit "C" as it may be revised from time to time in accordance with the procedures described by this section for all extra work that it authorizes under Section 9 and any other work it authorizes CMSA to perform that is not included within Exhibit "B".
6. **Monthly Report & Logs:** CMSA shall keep and maintain records of expenditures, records of emergencies, and logs of the routine maintenance activities performed at each of the DISTRICT's pump stations, per the frequency in Exhibit B. CMSA shall provide the DISTRICT with weekly and monthly reports of known activities associated with the operation and maintenance of the DISTRICT's pump stations listed within Exhibit "A" and related equipment. All the stations' log sheets shall be filed and stored at the Paradise Pump Station.
7. **Budget Estimate:** CMSA shall develop an annual budget for the routine maintenance work needed to comply with the Exhibit B provisions. The draft budget will include adjustments to CMSA staff hours and weighted rates, and actual On-Call program costs. The draft budget shall be submitted to the DISTRICT by April 1 for review and comment. An approved final budget will be prepared for inclusion in the DISTRICT's budget by June 1.

CMSA will include a separate letter identifying recommended pump station improvements for maintenance and capital projects for the DISTRICT'S consideration.

8. **Indemnification:**
- a) CMSA agrees to hold the DISTRICT and Town of Corte Madera (hereafter referred to as "TOWN") free and harmless and to indemnify the DISTRICT and TOWN, and their officers, officials, employees, and agents from all claims, demands, damages, liabilities, losses and costs of whatever nature for negligent acts or omissions arising from, connected with, or related to CMSA's performance of services and/or work under this Agreement, with the exception of services and/or work performed by CMSA contractors or consultants as provided below and sole or active negligence or intentional acts of DISTRICT or TOWN. As used in this paragraph, "negligent acts or omissions" shall

include but not be limited to any work performed under this Agreement that is: 1) a substantial factor of damage caused to public or private property which is the subject of an inverse condemnation claim made against the DISTRICT or TOWN; 2) in violation of any applicable federal, state or local laws; and 3) set forth by Section 8(d).

(1) Nothing in section 8(a) above shall require CMSA to indemnify, hold harmless or defend the DISTRICT and TOWN if a force main or pump station fails, overflows, or otherwise causes damages or costs, provided that the failure, overflow, or other cause of the damage was not connected with, related to, or the result of work performed under this Agreement. The intention of this subsection is to allow CMSA to be free of liability to the TOWN and DISTRICT where the failure, overflow, or other problem is due to a cause that is outside CMSA's scope of services under this Agreement. Notwithstanding the above, in the event that concurring causes described by section 8(a) and this section 8(a)(1) result in damage, CMSA shall be responsible for that portion of the damage attributable to its negligent acts or omissions as that term is used in section 8(a).

- b) The DISTRICT agrees to hold CMSA free and harmless and to indemnify CMSA and its officers, officials, employees and agents from all claims, demands, damages, liabilities, losses and costs of whatever nature arising from, connected with, or related to DISTRICT's performance of work which is not included within the scope of this Agreement, with the exception of CMSA's sole or active negligence or intentional acts of CMSA.
- c) In the event CMSA utilizes outside construction contractors or consultants in connection with the work provided for through this Agreement, CMSA shall require the outside construction contractor or consultant to execute a written contract which shall include a provision indemnifying and holding harmless to the fullest extent permitted by law the DISTRICT and TOWN, their officers, officials, agents and employees from all claims arising from the acts or omissions of the outside contractor or consultant. In addition, CMSA shall require the outside construction contractor or consultant to take out and maintain general liability insurance in an amount of not less than \$1 million or other amount as approved by the DISTRICT. CMSA shall further require that the DISTRICT, its officers, agents and employees be added as an additional insured under this general liability insurance policy. CMSA shall also require that every outside construction contractor or consultant possess workers compensation insurance, and, if relevant, errors and omissions insurance. All indemnification, hold harmless and insurance provisions and forms required by this section shall be subject to prior approval of the DISTRICT. If CMSA fails to comply with the terms and conditions of this paragraph, CMSA shall be responsible for all claims, damages, injuries and costs

incurred by the DISTRICT and/or TOWN in connection with the services performed by the outside construction contractor or consultant. Compliance by CMSA with the requirements of this paragraph shall relieve CMSA from any liability or hold harmless obligations to the DISTRICT and/or TOWN arising out of the acts or omissions of the work by the outside construction contractor or consultant except that CMSA shall hold the DISTRICT and TOWN free and harmless, and shall indemnify the DISTRICT and TOWN, for all claims arising from CMSA's own intentional acts, negligence or errors and omissions in connection with the work performed by such outside construction contractors or consultants.

- d) CMSA need not require the indemnification, hold harmless, and insurance provisions detailed in Section 8(c) when hiring material and equipment vendors, or septage haulers or similar service providers. In this event, CMSA will provide the service provider's standard insurance certificate to DISTRICT for review and consideration of approval. If District does not approve of the insurance certificate, CMSA will require the service provider to comply with all of the requirements set forth by Section 8(c) before it may hire the service provider.

The obligations contained in this indemnification provision shall survive the termination of this Agreement

9. **Reporting:** The DISTRICT shall be responsible for meeting the State Water Resources Control Board and San Francisco Bay Regional Water Quality Control Board's (RWQCB) sanitary sewer overflow (SSO) reporting requirements. CMSA shall report any observed discharge incidents to the DISTRICT as soon as practicably possible, but in no event later than 24 hours after the incident has been observed and/or addressed. CMSA will verbally report overflows, if District staff are unavailable, to the County of Marin Environmental Health Services, the Office of Emergency Services, and other required regulatory agencies to meet the two- hour notification requirement. CMSA personnel shall follow reporting procedures in the CMSA Emergency Response Plan (ERP). Follow-up reporting shall be done by District.

At the DISTRICT's request and based on CMSA's staff availability, CMSA will assist with investigating the causes of the SSO, calculating the volume of sewage released from the collection system, and preparing written reports to the RWQCB appropriate regulatory agencies as needed. Investigation efforts by CMSA will be considered extra work for the purposes of compensation provisions under this Agreement.

10. **Breach of Agreement:** Should either party fail to perform any of its obligations hereunder, within the time and in the manner provided, or otherwise violate any of the terms of this Agreement, the non-breaching party may provide the breaching party with a ten days written notice specifying the facts in support of the breach and proposed

actions to be undertaken by the breaching party. Within ten days of the receipt of such notice by the breaching party, CMSA and the DISTRICT shall meet to resolve the issues raised in the written notice. If CMSA and the DISTRICT are unable to resolve the issues, either party may give the other a thirty day written notice and the Agreement shall terminate at the conclusion of this thirty day period. This section shall not state the exclusive remedy for breach of this Agreement and shall be in addition to all other legal and/or equitable remedies available to the non-breaching party.

11. **Term:** This Agreement shall take effect on the date recorded on Page 1 of the document and shall remain in full force and effect from year to year unless the Agreement is terminated by either party by providing the other party a 90 days written notice of the intention to terminate the Agreement. In the event either party delivers to the other a 90 day written notice, this Agreement shall terminate 90 days after the date of the written notice unless the parties agree to a longer or shorter termination period.

12. **Notices:** All written notices permitted or required under the terms of this Agreement shall be addressed as follows:

If to the CMSA: Jason Dow, General Manager
Central Marin Sanitation Agency
1301 Andersen Drive
San Rafael, CA 94901

If to the DISTRICT: Barry Hogue, Director of Public Works
Town of Corte Madera/
Sanitary District #2 of Marin County
223 Tamalpais Drive
Corte Madera, CA. 94925

Cc: David Bracken, Town Manager
Kevin Kramer, Director of Field Maintenance and
Operations

13. **Modification:** No substantial modification hereof shall be effective unless and until such modification is evidenced by a writing signed by all parties to this Agreement.

14. **Independent Contractor:** The status of CMSA is that of independent contractor having control of its work and the manner in which it is performed. CMSA, its employees and agents are not considered to be officers, employees, or agents of the DISTRICT.

15. **Reports, Plans and Documents:** All reports, drawings, calculations, plans, specifications, and other documents prepared or obtained pursuant to the terms of this Agreement shall be the joint property of the DISTRICT and CMSA. In addition, data prepared or obtained under this Agreement shall be made available, upon request, to the DISTRICT.

This Agreement shall neither affect the Joint Powers Agreement forming CMSA on October 15, 1979, nor any of the amendments to that Agreement, and shall supercede any prior Agreements for operation and maintenance of pump stations and/or forcemains between DISTRICT and CMSA, including but not necessarily limited to those described by the Recitals to this Agreement.

Each of the parties hereto have caused this Agreement to be executed by their officers, duly authorized, the day and year first above written.

SANITARY DISTRICT NO. 2

CENTRAL MARIN SANITATION AGENCY

Bob Ravasio, SD#2 Board President

John Dupar, Commission Chair

Christine Green, SD#2 Secretary

Kathy Hartzell, Commission Secretary

John Abaci, SD#2 Counsel

Jack Govi, County Counsel

EXHIBIT A - SANITARY DISTRICT NO. 2 PUMP STATION LOCATIONS

	<u>STATION</u>	<u>LOCATION</u>
#401	CAMPBELL BISHOP	Next to 5839 Paradise Drive, Corte Madera 94925
#402	FIFER	245 Tamal Vista Blvd., Corte Madera 94925 Behind Beverly's crafts.
#403.01	BOARDWALK A	46 Greenbrae Boardwalk, Larkspur 94939
#403.02	BOARDWALK B	130 Greenbrae Boardwalk, Larkspur 94939
#404	LUCKY DRIVE	Between 44 & 46 Lucky Drive, Larkspur 94939
#405	LAKESIDE	54 Lakeside Drive, Corte Madera 94925 Behind house, next to bike path.
#406	PARADISE	5710 Paradise Drive, Corte Madera 94925
#407	INDUSTRIAL	47 Industrial Way, Greenbrae 94904
#408	TRAILER COURT	2136 Redwood Highway, Larkspur 94939
#409	SABA	Between 5 and 7 Saba Lane, Tiburon 94920
#410	TAMALPIAS	524 Tamalpias Drive, Corte Madera 94925 Behind house, next to bike path.
#411	TRINIDAD I	275 Trinidad Drive, Tiburon 94920
#412	TRINIDAD 2	Between 127 & 129 Trinidad Drive, Tiburon 94920
#413	SEAWOLF	48 Seawolf Passage, Corte Madera 94925
#414	VILLAGE	Village Shopping Center, Corte Madera 94925 Backside of shopping center, next to FWY.
#415	SAUSALITO	Next to 445 Sausalito Street, Corte Madera
#416	OLD LANDING ROAD	Between 33 & 36 Old Landing Road, Tiburon 94920
#417	PIXLEY	Across Pixley Ave from the Twin Cities Fire Dept.
#418	GOLDEN HIND	289 Golden Hind Passage, Corte Madera 94925
#420	CM METER VAULT	HW 101 North off-ramp @ Sir Francis Drake

EXHIBIT B - ROUTINE PUMP STATION MAINTENANCE

1. Daily inspection of the Paradise, Trinidad #1, and Fifer pump stations and routine inspection, at least twice per week, of the DISTRICT'S other stations.
2. Routine servicing of each pump station on each day inspected, including timely reporting of any deficiencies not corrected the same day.
3. 24-hour/7 day-a-week availability of CMSA personnel to address emergencies, problems, or make repairs as needed.
4. Assist DISTRICT staff with identifying gravity sewer leaks at the Boardwalk station.
5. Complete pump and lift station equipment maintenance, details on Attachment 1, which is attached hereto and incorporated by reference herein as it may be modified from time to time in accordance with Section 2 of the Agreement between CMSA and DISTRICT (hereafter referred to as "Attachment 1").
6. H₂S monitoring as requested by DISTRICT.
7. Complete maintenance of pump station electrical, communication and alarm systems, details on Attachment 1.
8. Complete facility maintenance, including but not limited to interior and exterior painting, wet well maintenance and deodorizing, lights and gates, etc., but not including landscape or fencing maintenance.
9. Maintenance of forcemain air relief (semi-annual) and check valves (quarterly).
10. Response to Underground Service Alert notifications in vicinity of forcemains from the pump stations listed on Exhibit A. Mark forcemain locations as accurately as possible utilizing existing or new drawings provided by DISTRICT. As used in this paragraph, "forcemain" shall include any "subsurface installation" as that term is defined by Article 2 of Division 5 of Title 1 (Section 4216) of the Government Code.

ATTACHMENT 1 - PUMP STATION MAINTENANCE TASKS

Mechanical Maintenance Tasks

1. Daily inspection shall be Monday through Friday for Paradise, Trinidad #1, and Fifer pump stations. Routine inspection for all other stations shall be at least twice per week.
2. During routine servicing of each pump stations, if any deficiencies that cannot be immediately corrected will affect the station's ability for compliant operation, CMSA will report same to SD#2.
3. Perform pump and check valve repairs as needed.
4. Periodic removal all the lift station pumps for cleaning, inspection of volutes and impellers for clearance and wear. For submersible pumps, check for water contamination of the motor oil.
5. Check the level control floats for proper operation.
6. Degrease wet wells monthly and clean monthly for odor control.
7. Monthly exercise valves, check the generator fluid levels, and exercise the standby generator (for diesels record all runtime in log book, note hours run as maintenance or power failure).
8. Annually change the oil, filter, spark plugs (if applicable) on the standby engines.
9. General housekeeping and painting as need.

Electrical, Communication and Alarm System Tasks

1. Inspect and clean MCCs and control boxes.
2. Check the amps and tighten electrical connections.
3. Check non-sealed motor contacts, clean as needed.
4. Calibrate flow meters and pressure transducers.
5. Check and maintain wet well level control systems.
6. Maintain Supervisory Control and Data Acquisition (SCADA) system.
7. Repair and maintain phone and radio telemetry.
8. Test alarms as needed.
9. Complete electrical or instrumentation repairs that develop during the contract.

**BOARD MEMORANDUM**

February 9, 2012

To: CMSA Commissioners & Alternates**From:** Jason Dow, General Manager JD**Subject:** Interim Wastewater Service Agreement for San Quentin State Prison

Recommendation: Consider the California Department of Corrections' request to develop an interim wastewater service agreement for the San Quentin State Prison property.

Summary: The California Department of Corrections (CDCR) has had a wastewater service agreement with the Ross Valley Sanitary District (RVSD) since 1981 for services at the San Quentin facility. Under the agreement, RVSD operates and maintains the equipment side of the main San Quentin pump station and its forcemain, and CMSA provides the wastewater and biosolids treatment and disposal. In September 2011, CDCR requested a proposal from CMSA to provide wastewater services to San Quentin, including maintenance of the wet well side of the pump station, for CDCR to evaluate and then compare to similar services provided at other CDCR prison facilities. The Board discussed the CDCR request at its September 13, 2011 meeting, and authorized staff to meet with CDCR staff to discuss the scope of work, and prepare a service proposal and submit it to CDCR for review and consideration.

Since September, staff has met with the key CDCR and San Quentin staff members, prepared and delivered to CDCR a conceptual level service proposal, and met with CDCR staff to visit the San Quentin pump station and discuss elements of a service agreement. CDCR has notified RVSD that it intends to terminate the 1981 wastewater service agreement, and has sent the attached letter requesting CMSA work with CDCR staff to prepare an interim wastewater service agreement.

The term of the interim agreement would be approximately one year, and services would commence after the 1981 agreement with RVSD was terminated. Over the initial term, CDCR and CMSA will develop a comprehensive multi-year service agreement and CDCR will likely engage CMSA to provide technical support to 1) perform a comprehensive pump station asset condition assessment; 2) prepare a long-term capital improvement program; 3) establish a sampling protocol to determine the property's wastewater strength factor; and 4) develop optional methods of determining the wastewater service fee.

Attachments

- February 8th, 2012, letter of request from Deborah Hysen, Deputy Director of the Department of Correction's Facility Planning, Construction, and Management division.

FACILITY PLANNING, CONSTRUCTION AND MANAGEMENT

P.O. Box 942883
Sacramento, CA 94283-0001



February 8, 2012

Jason Dow, General Manager
Central Marin Sanitation Agency
1301 Andersen Drive
San Rafael, CA 94901

Dear Mr. Dow:

SAN QUENTIN STATE PRISON REQUEST – CDCR/CMSA 12-MONTH WASTEWATER AGREEMENT

On September 2, 2011, the California Department of Corrections and Rehabilitation (CDCR) provided the Central Marin Sanitation Agency (CMSA) a letter formally requesting a comprehensive wastewater service proposal for the treatment of San Quentin State Prison (SQ) wastewater and operation of its main pump station. The purpose of the request was to allow CDCR to evaluate current and future wastewater service costs at SQ in comparison to similar service costs at other CDCR facilities. A conceptual estimation of services was then provided. CDCR has completed an evaluation of our existing service contract, its historic costs and your service proposal, and has determined that contracting directly with CMSA will result in reduced service fee at a similar level of service and that such contract is in the best interests of the state of California and CDCR.

CDCR notified the Ross Valley Sanitary District (RVSD) on December 5, 2011, of our intention to terminate the CDCR/RVSD 1981 wastewater service contract, and we intend to terminate the 1981 agreement in the near future. As such, I would like to formally request CMSA collaborate with CDCR staff, Todd Poston, on the development of a one-year interim service contract for each of our agencies' approval prior to the termination date of the CDCR/RVSD agreement.

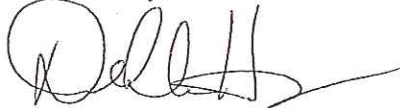
This one-year interim agreement will provide CDCR adequate time to prepare and analyze a detailed plan for pump station capital improvements, appropriate sampling methodology to determine the wastewater strength, potential alternatives of the service fee structure, and other service contract provisions for incorporation into a longer term contract.

With receipt of this letter the CDCR would like to formally request that CMSA enter into negotiations with CDCR for maintenance, transport and wastewater treatment services at San Quentin State Prison and San Quentin Village for a 12-month term.

Jason Dow, General Manager
Page 2

Representatives from CDCR will contact your facility to discuss this request in greater detail. You can also contact Todd Poston at (916) 255-3384, or via email at Todd.Poston@cdcr.ca.gov, to arrange a time and place where we could meet to discuss this partnership opportunity.

Sincerely,



DEBORAH HYSEN

Deputy Director

Facility Planning, Construction and Management


cc: Chris Meyer, Director, Facility Planning, Construction and Management
R.J. Subia, Director (A), Division of Adult Institutions
Kevin Chappell, Warden, SQ
Mike Davis, Senior Staff Counsel, CDCR
Fred Cordano, Associate Director, Facility Operations Branch (FOB)
Jeff Lawson, Associate Warden Business Services, SQ
Todd Poston, Departmental Construction Maintenance Supervisor, FOB



BOARD MEMORANDUM

February 9, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager 

Subject: Greenhouse Gas (GHG) Emissions Study Agreement with CH2MHill

Recommendation: Approve the Professional Services Agreement with CH2MHill to conduct a GHG Emissions Study, and authorize the General Manager to sign the Agreement.

Summary: The Agency's FY12 workplan includes a study to determine the greenhouse gas emissions from the wastewater treatment plant's operations, and the Agency's Strategic Business Plan (SBP) includes a strategic action to perform a greenhouse gas audit to support the goal of "CMSA will incorporate green business principles in its short and long term planning." The initiative was suggested by Commissioner Guasco at the June 2011 Board meeting and subsequently incorporated into the FY12 workplan that was approved by the Board in July 2011. The SBP was adopted by the Board at its September 2011 meeting.

Staff recently requested and received a GHG emission study proposal from CH2MHill, a global engineering firm that has significant experience in performing GHG studies and developed the *Local Government Operations Protocol (LGOP) for the Quantification & Reporting of GHG Inventories*. The LGOP has been adopted by the CA Air Resources Board and the CA Climate Action Registry, and is the international standard for voluntary reporting of GHG emissions.

The GHG Emissions Study Professional Services Agreement has been prepared, based on the CH2MHill Study proposal, and uses the Agency's standard form. The service fee is \$19,860, and if the Agreement is approved by the Board, the Study should be completed in the April timeframe. The scope of work includes:

- Site walk and inspection of CMSA's treatment plant
- Preparation of data collection list and review of CMSA submitted information
- 2011 GHG emission calculations for stationary and mobile combustion sources, purchased electricity, wastewater treatment processes, and biosolids hauling
- Preparation of a technical memorandum with a brief overview of the regulations, the Study results, and areas for potential GHG reductions
- Board presentation at either the April or May meeting

Attachments

GHG Emissions Study Professional Service Agreement
Agreement Exhibits – Scope of Work, Service Fee, and Study Scedule
Partial list of CH2MHill references

CENTRAL MARIN SANITATION AGENCY

Greenhouse Gas Emissions Study

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of February, 2012 by and between the CENTRAL MARIN SANITATION AGENCY, hereinafter referred to as "Agency" and CH2M HILL Engineers, Inc, hereinafter referred to as "Consultant."

RECITALS:

WHEREAS, Agency desires to retain a firm to provide the following services: Conduct a Greenhouse Gas (GHG) Emissions Study to establish the current baseline GHG emission levels for the Agency's wastewater treatment facility located in San Rafael, and prepare a technical memorandum outlining the study findings; and

WHEREAS, Consultant warrants that it is qualified and competent to render the aforesaid services;

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by Agency, the parties agree to the following:

1. SCOPE OF SERVICES:

Consultant agrees to provide all of the services described in "Exhibit A – Scope of Services" attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES:

The Agency agrees to:

- A. Guarantee access to and make provisions for the Consultant to enter Agency facilities as required to perform their work.
- B. Make available all pertinent policies and procedures, influent and effluent wastewater data, treatment process reports and records, and other information needed by consultant.
- C. Schedule meetings and the Board presentation, and provide comments on draft deliverables on agreed upon dates.

3. **FEES:**

The fees for furnishing services under this Agreement shall be based on the milestone based fee schedule, which is attached hereto as "Exhibit B – Professional Services Fee" and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement.

4. **MAXIMUM COST TO AGENCY:**

In no event will the cost to Agency for the services, to be provided herein, not including optional tasks, exceed the maximum sum of \$19,860, including direct non-salary expenses.

5. **PAYMENT:**

The fees for services under this Agreement shall be due as set forth in Exhibit "B" within thirty (30) calendar days after receipt by Agency of an invoice covering the service(s) rendered.

6. **AGREEMENT PERFORMANCE TIME:**

All the work required by this Agreement shall be completed in accordance with the project schedule which is attached hereto as "Exhibit C – Professional Services Schedule," and ready for acceptance no later than June 30, 2012. Modifications to the schedule must be agreed to by both parties.

7. **INSURANCE:**

Consultant shall maintain the following insurance policies with limits no less than:

- (1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- (2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- (3) Employer's Liability: \$1,000,000 per accident for bodily injury or disease. See Item 8 below.
- (4) Errors and omissions liability: \$1,000,000 per claim and aggregate.

Said policies shall remain in force through the life of this Agreement. The insurer shall supply a certificate of insurance with endorsements signed by the insurer evidencing such insurance to Agency prior to commencement of work, and said certificate with endorsement shall provide for thirty (30) day advance notice to Agency of any termination or reduction in coverage.

 By initialing in the space provided, Consultant warrants that the services to be provided under this Agreement do not require the use of any type of vehicle by Consultant.

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(1) The Agency, its members including San Rafael Sanitation District, City of Larkspur, Sanitary District No. 1 of Marin County, Sanitary District No. 2 of Marin County, the City of San Rafael, the Town of Corte Madera, their officers, officials, and employees are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

- (2) For any claims related to this project, the Consultants insurance coverage shall be primary insurance as respects the Agency, its members including San Rafael Sanitation District, City of Larkspur, Sanitary District No. 1 of Marin County, Sanitary District No. 2 of Marin County, the City of San Rafael, the Town of Corte Madera, their officers, officials, and employees. Any insurance or self-insurance maintained by the Agency, its members including San Rafael Sanitation District, City of Larkspur, Sanitary District No. 1 of Marin County, Sanitary District No. 2 of Marin County, the City of San Rafael, the Town of Corte Madera, their officers, officials, and employees shall be excess of the Consultant's insurance and shall not contribute with it.
- (3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Agency, its members including San Rafael Sanitation District, City of Larkspur, Sanitary District No. 1 of Marin County, Sanitary District No. 2 of Marin County, the City of San Rafael, the Town of Corte Madera, their officers, officials, and employees.
- (4) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days' prior written notice by certified mail, returned receipt requested, has been given to

the Agency. Consultant agrees to provide notification to the Agency in the event the insurance policies are suspended, voided, or reduced in coverage or limits.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the agreement. In addition to any other available remedies, Agency may suspend payment to the Consultant for any services provided during any time that insurance was not in effect and until such time as the Consultant provides adequate evidence that Consultant has obtained the required coverage.

CMSA, at its discretion, may waive insurance requirements or reduce the above stated coverage limits based on the consultants scope of work and complexity of the associated tasks.

8. WORKER'S COMPENSATION:

The Consultant acknowledges that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that Code, and it certifies that it will comply with such provisions before commencing the performance of the work of this Agreement. If Consultant has employees, a copy of the certificates evidencing such insurance shall be provided to Agency prior to commencement of work.

___ By initialing in the space provided, Consultant warrants that no employees will be used in providing the services under this Agreement.

9. NONDISCRIMINATORY EMPLOYMENT:

Consultant and/or any permitted sub-consultant, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Consultant and/or any permitted sub-consultant understands and agrees that Consultant and/or any permitted sub-consultant is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

10. SUBCONTRACTING:

The Consultant shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of the Agency except for any subcontract work identified herein.

11. ASSIGNMENT:

The rights, responsibilities and duties under this Agreement are personal to the Consultant and may not be transferred or assigned without the express prior written consent of the Agency.

12. LICENSING AND PERMITS:

The Consultant shall maintain the appropriate licenses throughout the life of this Agreement. Consultant shall also obtain any and all permits which might be required by the work to be performed herein.

13. BOOKS OF RECORD AND AUDIT PROVISION:

Consultant shall maintain on a current basis complete books and records relating to this Agreement. Such records shall include, but not be limited to, documents supporting all bids, all income and all expenditures. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work on this Agreement. In addition, Consultant shall maintain detailed payroll records including all subsistence, travel and field expenses, and canceled checks, receipts and invoices for all items. These documents and records shall be retained for at least two (2) years from the completion of this Agreement. Consultant will permit Agency to audit all books, accounts or records relating to this Agreement or all books, accounts or records of any business entities controlled by Consultant who participated in this Agreement in any way. Any audit may be conducted on Consultant's premises or, at Agency's option, Consultant shall provide all books and records within a maximum of fifteen (15) days upon receipt of written notice from Agency. Consultant shall refund any moneys erroneously charged.

14. TIME OF AGREEMENT:

This Agreement shall commence upon the execution date of this Agreement, and shall terminate on June 30, 2012.

15. TITLE:

It is understood that any and all documents, information and reports concerning this project prepared by and/or submitted to the Consultant, shall be the property of the Agency. The Consultant may retain reproducible copies of drawings and copies of other documents. In the event of the termination of this Agreement, for any reason whatever, Consultant shall promptly turn over all information, writing and documents to Agency without exception or reservation.

16. TERMINATION:

- A. If the Consultant fails to provide in any manner the services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, the Agency may terminate this Agreement by giving five (5) calendar days written notice to the party involved.
- B. The Consultant shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Consultant has no control.
- C. Either party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.
- D. In the event of termination not the fault of the Consultant, the Consultant shall be paid for services performed to the date of termination in accordance with the terms of this Agreement.

17. RELATIONSHIP BETWEEN THE PARTIES:

It is expressly understood that in the performances of the services herein, the Consultant, and the agents and employees thereof, shall act in an independent capacity and as an independent

Consultant and not as officers, employees or agents of the Agency. Consultant shall be solely responsible to pay all required taxes, including but not limited to, all withholding social security, and worker's compensation.

18. AMENDMENT:

This Agreement may be amended or modified only by written agreement of all parties.

19. ASSIGNMENT OF PERSONNEL:

The Consultant shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to Agency, as is evidenced in writing.

20. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in a court of competent jurisdiction encompassing MARIN County, California.

21. INDEMNIFICATION:

Consultant shall indemnify, defend and hold harmless the Agency, its members including San Rafael Sanitation District, the City of Larkspur, Sanitary District No. 1 of Marin County, Sanitary District No. 2 of Marin County, the City of San Rafael, the Town of Corte Madera, and their officers, officials, and employees from any and all liabilities including, but not limited to, litigation costs and reasonable attorney's fees arising from any and all claims and losses to anyone who may be by reason of Consultant's negligence, recklessness, and willful misconduct in the performance of this contract, except where caused by the negligence of the Agency, its members including San Rafael Sanitation District, the City of Larkspur, Sanitary District No. 1 of Marin County, Sanitary District No. 2 of Marin County, the City of San Rafael, the Town of Corte Madera, or their officers, officials, and employees.

21.1 LIMITATION OF LIABILITY:

CONSULTANT'S liability for AGENCY'S damages will, in the aggregate, not exceed the value of this contract or the individual Task Orders. This Provision takes precedence over any conflicting Provision of this AGREEMENT or any document incorporated into it or referenced by it. In no event shall CONSULTANT its affiliated corporations, officers, employees, or any of its subcontractors be liable for any incidental, indirect, special, punitive, economic or consequential damages, including but not limited to loss of revenue or profits, suffered or incurred by AGENCY or any of its agents, including other contractors engaged at the project site, as a result of this Agreement or CONSULTANT'S performance or non-performance of services pursuant to this Agreement.

22. COMPLIANCE WITH APPLICABLE LAWS:

The Consultant shall comply with any and all federal, state and local affecting the services covered by this Agreement.

23. NOTICES AND DESIGNATED REPRESENTATIVES:

Jason Dow is the Agency's designated representative and will administer this Agreement for the Agency. Vijay Kumar is the authorized representative for Consultant. Changes in designated representatives shall occur only by advance written notice to the other party.

All invoices shall be submitted and approved by the designated Agency representative and all notices shall be given to Agency at the following location:

1301 Andersen Drive
San Rafael, CA. 94901

Notices shall be given to Consultant at the following address:

CH2M HILL Engineers, Inc.
Attention: Vijay Kumar
155 Grand Avenue Suite 800
Oakland, CA 94612

IN WITNESS WHEREOF, the parties hereunto have executed this Agreement on the date first above written.

APPROVED BY:

Central Marin Sanitation Agency:

By: _____
Jason R. Dow, General Manager

CH2MHill Engineers, Inc:

By: _____
Vijay Kumar, Vice President

Tax Federal ID No. 32-0100027

Telephone: (510) 587-7577

EXHIBIT A

Greenhouse Gases (GHG) Emissions Study Scope of Work

This scope of work outlines the work CH2M HILL will conduct for the Central Marin Sanitation Agency (CMSA) to prepare a GHG Emissions Study within the boundary of the wastewater treatment plant (WWTP) in San Rafael for GHG emissions produced in calendar year 2011.

CH2M HILL will implement a facility-wide GHG emission inventory that is based on the voluntary General Reporting Protocol (GRP) of The Climate Registry (TCR) and the Wastewater Treatment Facilities-Chapter 10 of the Local Government Operations Protocol (LGOP) developed by CH2M HILL, on behalf of the California Wastewater Climate Change Group, for the California Climate Action Registry. The emissions inventory will include direct emissions (i.e., Scope 1) from stationary and mobile combustion and wastewater treatment process emissions, and indirect emissions (i.e., Scope 2) from electricity use. The SOW for this phase includes the following tasks:

1. Treatment Plant Inspection
2. Data Gathering
3. GHG Emissions Estimate Calculations
4. Summary Technical Memorandum
5. CMSA Board of Directors Presentation
6. Project Management
7. Optional Tasks

Task 1 – Treatment Plant Inspection

This task will encompass one site visit to the WWTP to review the facility for known and potential combustion and wastewater treatment process GHG emissions sources and draft a written summary of current and possible future GHG regulations requirements that may be triggered. The site visit will also include review of facility documents that may have relevant data or background information. It is assumed that no field work or data collection will be necessary for the work defined herein.

Task Deliverables:

- ◆ Written summary of findings of the WWTP inspection, delivered electronically, and including a summary of known and potential GHG emissions sources and the potential future regulatory impacts to these sources. This written summary will be included in the Technical Memorandum of Task 4 below.

Task 2 - Data Gathering

CH2M HILL will prepare a data requirements list and provide assistance in data collection which could involve telephone and email coordination. Required data to develop the emission inventory will include a list of stationary emission sources such as boilers, generators, flares, pumps, or cogeneration units, and mobile equipment. It will also include the following:

TABLE A- 1. DATA FOR GHG EMISSION INVENTORY

Source Type	Examples of Year 2011 Data Needed
Direct Emissions from Stationary Combustion (e.g. engines, boilers, process heaters)	The natural gas and digester gas throughput in 2011 (units of therms or standard cubic feet [scf]) Fraction of CH4 in biogas Annual Fuel Purchased (e.g. gallons of diesel) The annual average natural gas heat content (units of Btu/scf). This value should be provided on the utility bill/invoice The annual average digester gas heat content (units of Btu/scf), if measured Inventory of Stationary Combustion Facilities/Sources
Direct Emissions from Mobile Combustion	Annual Fuel Purchased (e.g. gallons of gasoline) Annual Vehicle Miles Traveled Inventory of Vehicles
Indirect Emissions from Electricity Purchase	Annual Electricity Purchase (units of kWh or MWh)
Direct Emissions from Wastewater Treatment Process Emissions	Population Data Measured digester gas (SCF/day) & Fraction of CH4 in biogas Measured average total ammonia discharged per day

Task Deliverables:

- ◆ Data requirements list, delivered electronically.

Task Assumptions:

- ◆ CMSA staff will provide the data required to CH2M HILL within one week of receipt of the data request
- ◆ CH2M HILL will not travel to the WWTP site to collect data

Task 3 - GHG Emissions Estimate Calculations

GHG emissions will be estimated for the year 2011. CH2M HILL will prepare a GHG emissions inventory in accordance with the TCR GRP and Chapter 10 of the LGOP. To align with California's regulatory methodologies for cogeneration GHG inventories, CH2M HILL may utilize formulas and data from the pre-2011 version of *Subchapter 10, Article 2, Sections 95100 to 95133, Title 17, California Code of Regulations*. CH2M HILL will review the available City of San Rafael and Marin County GHG policies and guidelines. The GHG inventory will

include activity data provided by the WWTP, an emission factor for each source or source groupings, and an estimate of emissions.

The inventory will estimate GHG emissions from the following sources.

- ◆ Stationary combustion sources within the CMSA (Scope 1)
- ◆ Mobile combustion for vehicles owned by CMSA (Scope 1)
- ◆ Purchased electricity for the WWTP (Scope 2)
- ◆ Mobile combustion for the hauling of biosolids to their end-use location (Scope 1 or 3)
- ◆ Wastewater treatment process emissions estimated using the LGOP (Scope 1)

Task Deliverables

- ◆ GHG emissions results, delivered electronically.
- ◆ GHG emissions results on a copy of CH2M HILL spreadsheet tool

Task Assumptions:

- ◆ The GHG emissions inventory will be prepared to meet the TCR GRP's and the LGOP's minimum requirements for the reporting of 2011 emissions data
- ◆ The inventory for biosolids end-use will only include transportation to the land application site (the end-use emissions are assumed to be outside CMSA's carbon footprint)
- ◆ Emissions inventory will utilize existing data from one calendar year (e.g., 2011)

Task 4 - Summary Technical Memorandum

A technical memorandum (TM) will be prepared to document the basis and outcome of the GHG inventory. It will also identify potential areas for further evaluation, under a separate SOW, to reduce GHG emission.

The TM will also include a brief overview of regulations and the relevance of the GHG accountability for the public agencies as it relates to climate change adaptation and facility optimization. Available City of San Rafael and Marin County GHG policies and guidelines will also be summarized in relationship to this GHG emissions study.

A draft TM will be provided for comment by CMSA staff as a Microsoft Word document. The final TM will be prepared incorporating comments.

Task Deliverables

- ◆ Draft and Final TM, delivered electronically.

Task Assumptions:

- ◆ CMSA staff comments will be provided utilizing Word's Track Changes and Comment Insertion tools

Task 5 – Board Presentation

CH2M HILL will prepare a presentation summarizing the GHG Emissions Study scope and findings for presentation to the CMSA Board. CH2M HILL staff will be available to attend or make the presentation, upon request from CMSA.

Task Deliverables

- ◆ MS PowerPoint presentation.

Task 6 – Project Management

The project will be managed by Ms. Priya Sathyanarayan. Senior Technology Consultant (STC) for the project will be Ms. Zeynep Erdal. Project management and STC tasks will include coordinating project activities, client interface, meetings, telephone calls, project accounting, quality control and quality assurance (QA/QC) and contract management.

Task 7 – Optional Services (Not Included)

As an optional and separate service, CH2M HILL is prepared to implement the following services, if authorized by CMSA:

1. Enter GHG Data into TCR's Online Tool
2. Verification Assistance

Task 7a - Enter GHG Data into TCR's Online Tool

Should the CMSA desire to become a member of TCR and voluntarily report its annual GHG emissions, then it would need to enter its facility emissions into TCR's web-based tool – CRIS.

Reporting of GHG emissions to TCR would be conducted by CH2M HILL using CRIS. CH2M HILL will provide support entering data from the GHG emissions inventory into this tool.

Task Deliverables

- ◆ Data entry into CRIS web-based tool
- ◆ Emission Summary Report from the tool, documenting the data entered

Task Assumptions:

- ◆ Services in Task 6 will not be performed unless requested by CMSA staff in writing
- ◆ CMSA staff will provide CH2M HILL with a username and password (provided by TCR) for data entry into CRIS
- ◆ CH2M HILL will enter data into CRIS for review by CMSA staff no later than June 15, 2012. CMSA staff will "submit" the emissions inventory into the tool for verification no later than TCR's deadline of June 30, 2012.
- ◆ The verification process under TCR's guidelines requires third party review. While every effort will be made to prepare an emission inventory that complies with TCR's requirements, CH2M HILL cannot guarantee that the inventories will be verified

without a request from the third party verifier for additional information and/or clarification.

Task 7b - Verification Assistance

If the CMSA becomes a TCR member, then its GHG emissions inventory will require verification from a verifier certified by TCR. During the verification process, it is anticipated that the CMSA may require assistance in responding to questions from the verifying company. This task includes up to 24 hours of Project Manager or Engineer time to assist CMSA staff with responding to questions. Additional effort can be provided at the request of the CMSA for an additional fee.

Task Deliverables

- ◆ None.

Task Assumptions:

- ◆ CH2M HILL will provide assistance via telephone or email.
- ◆ CH2M HILL's STC or GHG Engineer will be available to meet with the verifier at the WWTP for an assumed four hour meeting (eight hour work day), if necessary.

Project Cost and Terms

CH2M HILL proposes to complete the above SOW for the milestone payments for a total not to exceed lump sum fee of \$19,860. For other services that may be requested by CMSA, such as the optional tasks, or services found to be necessary during the course of this work, the level of effort and schedule requirements will be defined at that time.

EXHIBIT B

Professional Services Fee CMSA GHG Emissions Study

Service	
Facility Emissions Inventory	
TCR GRP and LGOP Chapter 10	Fee Breakdown
Tasks	
1 - WWTP Inspection	\$4,270
2 - Data Gathering	\$1,800
3 - GHG Emissions Estimate Calculations	\$2,810
4 - Summary Technical Memorandum	\$4,790
5 - Board Presentation	\$3,150
6 - Project Management	\$3,040
Total Fee	\$19,860

Milestone Payment Schedule	Corresponding Fee
Percent Complete	
Completion of Tasks 1 and 2 (36%)	\$7,167
Completion of Task 3 and Draft TM (42%)	\$8,408
Completion of Task 5 and Final TM (22%)	\$4,285

EXHIBIT C

Professional Services Schedule CMSA GHG Emissions Study

Work Item	Completion Date
CMSA provides notice to proceed to CH2M HILL	2/16/2012
Tasks 1 & 2 - WWTP Inspection and Data Gathering	3/2/2012
Task 3 - GHG Emissions Estimate Calculations	3/23/2012
Conference Call with CMSA	3/26/2012
Task 4 - Draft Summary Technical Memo	3/30/2012
CMSA Review and Comments	4/13/2012
Task 5 - Board Presentation	4/10/2012
Task 4 - Final Summary Technical Memo	4/27/2012 or 2 weeks after CMSA comments

CMSA GHG Study

Brief List of Related CH2M HILL Projects & References

City of Santa Cruz WWTF. AB 32 & MBUAPCD Mandatory Reporting of GHG Emissions & Wastewater Enterprise Carbon Footprinting. Contact: Dan Seidel - 831-420-6044

City of Santa Rosa WWTP. AB 32 Mandatory Reporting of GHG Emissions and CARB GHG Webtool Training. Contact: Martin St. George - 707-543-3409

Monterey Regional Water Pollution Control Agency. AB 32 and MBUAPCD Mandatory Reporting of GHG Emissions. Contact: Garrett Haertel - 831-883-6176

Monterey Regional Water Pollution Control Agency. Analysis of CO2 Reduction Options and Regulatory Overview Report. Contact: Garrett Haertel - 831-883-6176

City of Eugene, Oregon. GHG emissions inventory for the City's WWTP processes and operations utilizing The Climate Registry General Reporting Protocol and Chapter 10 of the Local Government Operations Protocol. Contact: Peter Ruffier - 541-682-8606

Dublin-San Ramon Services District; Current; Pleasanton, CA. GHG emissions inventory for the District's WWTP processes and operations utilizing the CCAR General Reporting Protocol. Contact: Mona Lisa Ballesteros - 925-875-2392

San Jose/Santa Clara WPCP. AB 32 Mandatory Reporting Technical Support. Contact: Kevin-Win Maung - 408-945-5135

California Wastewater Climate Change Group (CWCCG). Developed Chapter 10--Wastewater Treatment Facilities of the *Local Government Operations Protocol (LGOP) for the Quantification & Reporting of GHG Inventories*, which in 2008 was adopted by the California Climate Action Registry, Local Governments for Sustainability, and the CA Air Resources Board. Work included advocacy on behalf of 40 California POTWs as climate change programs of the AB 32 Scoping Plan undergo public review. Contact: Randy Schmidt/CCCSD - 925-229-7333

California Climate Action Registry, Los Angeles, CA. Provided technical support to CCAR to finalize the wastewater chapter of the LGOP, which provides a methodology for estimating GHG emissions from wastewater treatment processes. Contact: Rachel Tornek - 213-891-1444 x109

Bay Area Clean Water Agencies, Oakland, CA. Managing regulatory and professional engineering services to BACWA's Air Committee, which includes many of the 59 member agencies that combined serve over 5 million people, which own and operate publicly owned treatment works (POTWs) in the San Francisco Bay Area. Services include keeping member agencies updated on local, state and federal climate change and air quality regulations and issues, and lobbying on their behalf to the California Air Resources Board, Bay Area Air Quality Management District and other regulatory agencies. Contact: Randy Schmidt/CCCSD - 925-229-7333

Bay Area Clean Water Agencies, Bay Area Regional Solids Processing Facility (AKA: Bay Area Biosolids to Energy), Oakland, CA. Developed air permitting and carbon footprint study for a

proposed regional biosolids processing facility that would utilize organic waste as fuel to generate renewable energy at four potential sites in the San Francisco Bay Area. The scope included stakeholder meetings, development of an air pollution emissions inventory for the facility, risk analyses for each site, and identification of appropriate best available control technology (BACT) and toxic BACT (TBACT) that may be required to permit the facility. The scope also included an analysis of greenhouse gas (GHG) emissions from a variety of biosolids processing options and an estimation of revenue from potential Renewable Energy Credits. Contact: Gary Darling - 925-756-1920



BOARD MEMORANDUM

February 9, 2012

To: CMSA Commissioners & Alternates
From: Jason Dow, General Manager *JD*
Subject: **FY 2012 Debt Service Payment Options**

Recommendation: Provide direction to staff on the Board's preferred option to address the FY12 debt service payment shortfall.

Background: At the December 2011 meeting, staff presented three options for the Board's discussion and consideration to address the FY12 debt service revenue shortfall caused by the Ross Valley Sanitary District's underpayment of the Agency's first semi-annual debt service invoice, and their anticipated underpayment of the second invoice. The Board considered not taking an action on the item (do nothing alternative), filing a Notice of Default against RVSD, or invoicing SRSD and SD2 for their proportionate shares of the debt service underpayment amount. Commissioner Heller proposed a fourth option, which was to File the Notice of Default and invoice SRSD and SD2. The Board voted on the fourth option with a 3-2-1 outcome; Commissioner Hartzell abstained stating she wanted to brief the Larkspur City Council on the matter and receive their direction or comments. Staff informed the Board that the action didn't pass due to the JPA requirement that four affirmative votes are needed to pass any measure. The December 13th staff report is attached.

As reported to the Board last month, Commissioner Hartzell and I attended the January 4th Larkspur City Council meeting, delivered the briefing, and received the council member thoughts on the RVSD underpayment situation. Also in early January, I briefed the Agency's Bond Counsel, Sean Tierney of Hawkins Delafield Wood, on the December meeting board vote and we discussed further options for the Board to consider given the Agency's FY12 debt service coverage ratio.

The RVSD also underpaid its second semi-annual debt service payment to CMSA on February 8th, resulting in an actual FY12 debt service revenue shortfall of \$250,916.

The Bond's Rate Covenant requires the Agency to derive enough revenue net of expenses each fiscal year to exceed a coverage ratio of 1.25. Staff recently calculated the FY12 debt service coverage ratio using the FY12 budgeted revenues minus the projected \$800,000 operating revenue shortfall caused by the RVSD underpayment of the Agency's operating service charge invoices. The coverage ratio is 1.33, which is greater than the 1.25 Rate Covenant requirement under the Bond Indenture. Mr. Tierney advised that the Board should make a decision in how to handle the FY12 debt service underpayment situation in the near future. Even though the JPA agencies are not currently meeting the amounts requested by CMSA under the 2006 Payment

Agreement for Treatment Services, the CMSA Board has some flexibility in deciding how to handle the underpayment this year due to the Agency's coverage being 1.33. However, Mr. Tierney has advised that the CMSA Board should decide promptly whether to enforce the requested payments and notify RVSD that they are in default under the Payment Agreement or decide that the reduced payment is acceptable under the Bond Payment Agreement.

FY12 Debt Service Payment Options: Staff has collaborated with Mr. Tierney in preparing the below options for the Board's review and consideration, and staff is seeking Board direction on how to address the FY12 underpayment situation.

1) Waive RVSD's FY12 Underpayment – the Agency will absorb the FY12 debt service revenue loss, and accept and waive the underpayment by RVSD due to the lower EDU count for the San Quentin property. Since the Agency's FY12 coverage ratio is 1.33, the Agency will not be in default of the bond indenture or rate covenant. CMSA's requested payment from RVSD under the Payment Agreement would be adjusted downward and there would not be any default since the revised payment request would have been met.

2) File Notice of Default against RVSD – the Agency will absorb the FY 12 debt service revenue loss and will direct Bond Counsel to prepare and file a Notice of Default against RVSD. According to Mr. Tierney, CMSA could determine that RVSD was in default when it did not pay the full July 2011 invoice amount or pay the August supplemental invoice.

The Notice would be sent to the bond trustee, the bond investors, bond insurers, and other stakeholders. The default could affect RVSD's current loans. Bond counsel advises that investors and the bond insurer, MBIA, are likely to be concerned and ask for explanations and CMSA's plans to remedy this situation. While CMSA would be able to report that its coverage was above the 1.25 overall coverage requirement, the failure of a Member to pay requested amounts per the Bond Payment Agreement would not be a positive disclosure.

3) File Notice of Default against RVSD and Waive RVSD's FY12 Underpayment – Follow Option 1 and in addition file the Notice of Default against RVSD in accordance with Option 2.

4) Invoice SRSD and SD2 for the FY11/12 debt service payment balance – Follow Option 1 and in addition the Agency will send SRSD and SD2 supplemental invoices for their share of the FY12 debt service shortfall, using the revised RVSD and total FY12 EDU counts, as shown below.

Agency	FY 2011-12 Budgeted EDU	% of Total EDU	July 29, 2011 Payment to CMSA	Jan 31, 2012 Payment to CMSA	Total
SRSD	-	3.296%	\$ 135,471.24	\$ 56,364.37	\$ 191,835.61
SD #1 (RVSD)	(4,678)	-4.311%	\$ (177,192.84)	\$ (73,723.12)	\$ (250,915.95)
SD #2	-	1.015%	\$ 41,721.59	\$ 17,358.75	\$ 59,080.34
Total	(4,678)	0.000%	\$ 0.00	\$ 0.00	\$ 0.00

5) File Notice of Default and Invoice SRSD and SD2 – Follow Option 2 and in addition invoice SRSD and SD2 for the underpayment amount per the figures in the above table.



BOARD MEMORANDUM

December 8, 2011

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager

Subject: FY 2012 Debt Service Payments

Recommendation: Provide direction to staff on the Board's preferred method to address a projected FY12 debt service payment shortfall from the JPA member agencies.

Background: CMSA sent the JPA member agencies the first FY12 semi-annual debt service invoice in July 2011, and intends to send the second FY12 debt service invoice in early January 2012. Each member agency's payment amount on the first invoice, and planned for the second invoice, was based on their reported actual FY11 EDU count - the number of EDUs at the time the CMSA budget was developed and adopted. The agencies paid their invoices by the August payment date, but the Ross Valley Sanitary District (RVSD) used their *estimated* FY12 EDU count to calculate an adjusted debt service payment that resulted in an underpayment to CMSA of approximately \$177,192. If RVSD uses the same estimated EDU count to pay their second invoice, the underpayment amount will be \$73,723, for a total FY12 debt service underpayment of \$250,915.

The Agency sent RVSD a supplemental invoice for the balance in late August. The CMSA Board has discussed this underpayment situation over the past few months, and the Agency has requested that RVSD pay the supplemental invoices on several occasions. As of December 8th, the supplemental invoice payment remains outstanding. Bond Counsel Sean Tierney with Hawkins Delafield Wood has informed the Agency that the RVSD underpayment is technically a default on the 2006 Payment for Treatment Service Agreement (Debt Service Agreement) that was executed by the JPA agencies prior to CMSA issuing the 2006 Revenue Bonds. Mr. Tierney has strongly advised the Agency to pursue obtaining the full FY12 debt service payments to avoid filing a Notice of Default.

FY11 Debt Service Payment Options: Staff is seeking Board direction on how to address the FY12 underpayment situation given that RVSD has not paid their supplemental invoice, and has prepared the below options for Board consideration, which have been reviewed by Mr. Tierney.

1) *Do nothing* – the Agency will absorb the FY12 debt service revenue loss, and will be in default on the 2006 Bond Master and Supplemental Indenture documents. This option is not recommended as it will impact the Agency's reputation and future ability to borrow money.

Further, the Debt Service Payment Agreement provides that the Agency is under an obligation to enforce the Agreement terms and report defaults to the bond trustee and bond insurer.

2) File Notice of Default – the Agency will absorb the FY 11/12 debt service revenue loss and will direct Bond Counsel to prepare and file a Notice of Default against RVSD. The Notice would be sent to the bond trustee, the bond investors, bond insurers, and other stakeholders. The default could affect RVSD’s current loans, and will likely impact CMSA’s future borrowing. Bond counsel advises that investors and the bond insurer, MBIA, are likely to be concerned and ask for explanations and CMSA’s plans to remedy this situation.

3) Invoice SRSD and SD2 for the FY11/12 debt service payment balance – The Agency will send SRSD and SD2 supplemental invoices for their share of the FY12 debt service shortfall, using the revised RVSD and total FY12 EDU counts. Additionally, Mr. Tierney has advised that we disclose the underpayment situation to the investors and inform them it has been resolved. This alternative solves the default situation.

Staff also considered a fourth option in which the Agency would deduct the FY12 total underpayment amount from the RVSD 3rd quarter sewer service charge invoice, hoping the transfer of funds would avoid the default situation, from a debt service accounting and reporting perspective. Upon discussion with Mr. Tierney, he advised that this option would not satisfy the bond covenants or comply with the payment terms in the Debt Service Agreement.

The FY13 debt service invoices will be based on a lower total EDU count for the CMSA service area, to reflect RVSD’s recently reported lower FY12 actual count.

FY12 Debt Service Payment Details: The Agency’s annual debt service revenue is collected twice a year, with the first payment including the principal, about half the interest, and a portion of the coverage. The second payment is comprised of the remaining interest and coverage. The bond documents and the Debt Service Agreement require CMSA to annually collect from the member agencies debt service coverage of 25% of the debt service payment to the bond holders. CMSA places the coverage funds in a restricted reserve account to fund future capital initiatives. Table 1 shows the details of the budgeted FY12 debt service invoices and the equivalent EDU rate using the FY11 actual EDU count (54,864).

Table 1 - FY12 Debt Service Charges – Budgeted

	Principal	Interest	Total Debt Service Payment	25% Coverage	Total JPA Payment	Rate per EDU
Sept 1, 2011 Debt Service	\$1,880,000.00	\$ 1,407,931.88	\$ 3,287,931.88	\$ 821,982.97	\$ 4,109,914.85	\$ 74.91
Mar 1, 2012 Debt Service	\$ -	\$ 1,367,981.88	\$ 1,367,981.88	\$ 341,995.47	\$ 1,709,977.35	\$ 31.17
Total for FY 2011-12	\$1,880,000.00	\$ 2,775,913.76	\$ 4,655,913.76	\$ 1,163,978.44	\$ 5,819,892.20	\$106.08

The first semi-annual debt service invoice and the second invoice amounts are allocated to each JPA agency based on their reported FY11 actual EDU counts. Table 2 shows each agency's FY11 EDU count and the July 2011 and January 2012 invoice amounts, and does not include any debt service shortfall adjustments.

Table 2 – Member Agency FY12 Debt Services Charges - Budgeted

Agency	FY 11 actual EDU counts	% of Total EDU	July 2011 Invoice	Jan 2012 I Invoice	Total
SRSD	19,401	35.362%	\$ 1,453,347.51	\$ 604,681.95	\$ 2,058,029.47
SD #1 (RVSD)	29,488	53.747%	\$ 2,208,974.36	\$ 919,069.19	\$ 3,128,043.55
SD #2	5,975	10.891%	\$ 447,592.98	\$ 186,226.21	\$ 633,819.19
Total	54,864	100.000%	\$ 4,109,914.85	\$1,709,977.35	\$ 5,819,892.21

The Agency makes allocation adjustments to the first semi-annual debt service invoices to reflect any changes in an agency's EDU count over the prior fiscal year. Table 3 shows the adjustments made to the July 2011 invoices.

Table 3 - FY11 Debt Service Charges Adjustments for July 2011 invoices

Agency	July 2011 Invoices	FY11 Adjustments	Adjusted Invoices
San Rafael Sanitation District	\$ 1,453,347.51	\$ 22,750.86	\$ 1,476,098.38
Sanitary District #1 (RVSD)	\$ 2,208,974.36	\$ (22,334.47)	\$ 2,186,639.88
Sanitary District #2	\$ 447,592.98	\$ (416.39)	\$ 447,176.59
Total	\$ 4,109,914.85	-	\$ 4,109,914.85

RVSD recalculated its July 2011 debt service invoice using its FY12 *estimated* EDU count (24,810) and the resulting lower CMSA service area EDU count of 50,186. The recalculation using the debt service charge allocation amongst the JPA member agencies is shown in Table 4 – the RVSD debt service contribution is reduced from 54.7% to 49.4%, and the SRSD and SD2 contributions increase proportionally. The equivalent debt service charge per EDU increases from \$106.08 to \$115.97 using the lower total EDU count figure.

Table 4 - FY12 Debt Service Charges – Revised to reflect RVSD payment based on 24,810 EDU

Agency	FY 2011-12 Budgeted EDU	% of Total EDU	July 29, 2011 Payment to CMSA	Jan 31, 2012 Payment to CMSA	Total
SRSD	19,401	38.658%	\$ 1,588,818.75	\$ 661,046.32	\$ 2,249,865.07
SD #1 (RVSD)	24,810	49.436%	\$ 2,031,781.52	\$ 845,346.07	\$ 2,877,127.59
SD #2	5,975	11.906%	\$ 489,314.57	\$ 203,584.96	\$ 692,899.53
Total	50,186	100.000%	\$4,109,914.85	\$ 1,709,977.35	\$5,819,892.20

The third line in Table 5 shows the debt service shortfall caused by the RVSD payment recalculation, first invoice underpayment, and anticipated 2nd invoice underpayment. To make up the FY12 underpayment situation, CMSA will need to receive \$250,915 in revenue from SRSD and SD2.


Table 5 - FY12 Debt Service Charges to Member Agencies – Impact of revised RVSD EDU count of 24,810 EDU on SRSD and SD2

Agency	FY 2011-12 Budgeted EDU	% of Total EDU	July 29, 2011 Payment to CMSA	Jan 31, 2012 Payment to CMSA	Total
SRSD	-	3.296%	\$ 135,471.24	\$ 56,364.37	\$ 191,835.61
SD #1 (RVSD)	(4,678)	-4.311%	\$ (177,192.84)	\$ (73,723.12)	\$ (250,915.95)
SD #2	-	1.015%	\$ 41,721.59	\$ 17,358.75	\$ 59,080.34
Total	(4,678)	0.000%	\$ 0.00	\$ 0.00	\$ 0.00



BOARD MEMORANDUM

February 9, 2012

To: CMSA Commissioners & Alternates
From: Jason Dow, General Manager 
Subject: CMSA/RVSD Settlement Agreement Status

Recommendation: Receive the CMSA/RVSD Settlement Agreement update, review possible changes and amendments to the Agreement made by RVSD, and provide direction to staff or take action, as appropriate.

Summary: The CMSA Board approved, at its January 10th Board meeting, a proposed CMSA/RVSD settlement agreement to resolve the RVSD underpayment of the Agency's FY12 sewer service and debt service invoices, and to avoid the binding arbitration expense and the public attention associated with two disputing JPA agencies. The Board directed staff to send the proposed amended agreement to the RVSD with the request that the item be considered at their January 25th Board meeting. The day after the CMSA Board meeting, staff emailed the proposed agreement and its cover letter from legal counsel Jack Govi to RVSD's legal counsel, Board members, and manager. The Agency did not receive any questions or comments from an RVSD representative prior to the January 25th RVSD meeting, and were not informed if the item would be discussed at that meeting.

The Marin Independent Journal (IJ) had an article on the CMSA/RVSD arbitration issue on Saturday, January 28th, and reported that the CMSA Board approved a proposed settlement agreement, and that RVSD Board President Marcia Johnson stated to the IJ that the issue must be arbitrated. Counsel Govi requested clarification from the RVSD legal counsel on February 1st, who responded that the RVSD Board directed staff to revise the agreement and return it to CMSA prior to our February 14th meeting. As of the date of this staff report, the Agency has not received a revised agreement, or information on the extent or nature of the specific revisions.

If RVSD delivers a revised agreement prior to the CMSA Board meeting, staff will email it to the Board and provide handouts for the Board and public at the meeting. The Board could consider taking one of the following actions.

- 1) Do not accept the revised agreement
- 2) Approve the revised agreement
- 3) Propose additional revisions and direct staff to transmit them to the RVSD Board for consideration

The 1/11 transmittal email to the RVSD representatives, amended agreement and its cover letter, and the 2/1 email from the RVSD legal counsel are attached.

Subject: Proposed CMSA/RVSD Settlement Agreement

From: Jason Dow <jdow@cmsa.us>

Date: 1/11/2012 12:41 PM

To: "Houston, Jolie" <jolie.houston@berliner.com>

CC: "Dupar, John" <DUPARJG@aol.com>, "Guasco, Pat" <guasco@pacbell.net>, "Egger, Frank" <fegger@pacbell.net>, "Meigs, Pam" <pamelameigs@sbcglobal.net>, "Sullivan, Peter, M. D." <SullivP@sutterhealth.org>, "Johnson, Marcia (Home)" <mjlink99@comcast.net>, "Govi, Jack" <jgov@co.marin.ca.us>, "Richards, Brett" <brichards@rvsd.org>

Dear Ms. Houston,

At the CMSA Board meeting yesterday evening, the Board approved a Settlement Agreement between CMSA and RVSD and directed staff to send the agreement and its cover letter to you, with the request that the Agreement be included on the RVSD January 25th Board meeting agenda for discussion and consideration. The CMSA Board is hopeful that the RVSD Board approves the agreement, to avoid arbitrating the dispute. If approved, the CMSA Board intends to ratify the agreement at its February 14th meeting.

Regards,
Jason

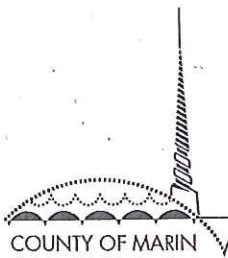
—Attachments:—

January 2012 Settlement Agreement Cover Letter.docx

1.0 MB

Proposed RVSD-CMSA Settlement Agreement.doc

198 KB



Patrick K. Faulkner
COUNTY COUNSEL

January 11, 2012

Jack F. Govi
ASSISTANT COUNTY COUNSEL

Ms. Jolie Houston
Attorney at Law

Dorothy R. Jones
Mari-Ann G. Rivers
Renee Giacomini Brewer
David L. Zaltsman
Michele Keno
Nancy Stuart Grisham
Jennifer M. W. Vuillermet
Patrick M. K. Richardson
Thomas F. Lyons
Stephen R. Raab
James G. Flageollet
Steven M. Perl
Sheila Shah Lichtblau
Edward J. Kiernan
Jessica Mills Sutherland
DEPUTIES

Re: Settlement of Arbitration Issue

Dear Jolie,

As you know, our agencies are on the brink of going to Arbitration on the issue of RVSD's payment of the operating expense and debt service invoices that were based on the actual RVSD EDU's from the 4th quarter of fiscal year 2010/2011. Should RVSD make this payment, then CMSA would be obligated to refund the difference between that payment and the actual EDU's for fiscal year 2011/2012. That refund would normally occur no later than the 4th quarter of this fiscal year.

The cost of the proposed Arbitration (panel of three Arbitrators plus the legal expenses of CMSA and RVSD) will undoubtedly exceed \$50,000.00.

The attached **proposed** Settlement Agreement was approved by the CMSA Board at its January 10, 2012, meeting. Should the RVSD approve the settlement at its January 25, 2012 meeting, it will obviate the need for the Arbitration and move these agencies forward in a positive manner. Essentially, the Agreement provides: (1) RVSD pays the outstanding invoices based on the actual 4th quarter (fiscal year 2010/2011) EDU's of RVSD prior to the February 14th CMSA Board Meeting; (2) RVSD provides the confirmation documents of the EDU numbers to CMSA simultaneous with the payment; (3) CMSA agrees to refund any overpayment to RVSD within five business days of the 2/14 CMSA Board meeting; (4) RVSD agrees to abide by CMSA policies in the future; and (5) Should RVSD have a future issue with any CMSA policy, it will request that the issue be Arbitrated following sit-down talks between the respective General Managers and legal counsel to attempt to resolve the issue; and (5) should there be significant (< or > 500 EDUs) EDU reductions in the future, RVSD agrees to provide six months notice to CMSA of the change.

I sincerely believe that this entire issue (Arbitration issue – EDU's) could have been avoided by more effective communication. More effective communication between and by all the member agencies is essential. The approximate 15% reduction of the EDU rate by RVSD had enormous repercussions on two other CMSA member agencies and their budgets. While the reduction is clearly RVSD's decision, I believe that clear communication of

Jeanine Michaels
ADMINISTRATIVE ASSISTANT

Marin County Civic Center
3501 Civic Center Drive
Suite 275
San Rafael, CA 94903
415 473 6117 T
415 473 3796 F
415 473 2226 TTY

the planned reduction in early 2011 to all member agencies would have mitigated the impact.

Notwithstanding the causes of this issue, the opportunity to resolve this dispute is before us and will save the ratepayers the needless expense of \$50,000 to arbitrate a needless dispute. I urge the RVSD Board to take advantage of this opportunity and along with the CMSA Board move our agencies forward in a very positive manner.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

Jack F. Govi
Assistant County Counsel

AGREEMENT

This Agreement made this ____ day of February, 2012, is by and between the Central Marin Sanitation Agency, hereinafter referred to as **CMSA**, and the Ross Valley Sanitary District (also known as Sanitary District No. 1 of Marin County), hereinafter referred to as **RVSD**.

Section I: The subject matter of this Agreement is the resolution of a dispute between CMSA and RVSD concerning the payment of the operating revenue charges and the debt service charges that RVSD was invoiced in the July of 2011 concerning these charges for fiscal year 2011/2012.

Section II: The background of this dispute is as follows: CMSA revised its Revenue Management financial policy regarding payment of the annual operating charges in April 2011 and adopted a budget indicating the proper debt service and operating charges to member agencies in June 2011. The method of payment of these charges was changed from CMSA using the estimated EDU count of the member agencies (pre-2011 method) to the new method where CMSA would bill member agencies based on the actual EDU count of each member agency at the time the budget was being developed (the 4th quarter). If the actual EDU count of a member agency changed during the fiscal year, then CMSA would adjust the member's 4th quarter invoice charges and either refund any overpayment or invoice any underpayment.

For example, if RVSD has 20,000 actual EDU's in FY11, then CMSA would bill RVSD for 20,000 EDU's in FY12 and quarterly payments would be expected by the due dates. If the FY12 actual EDU count for RVSD was 21,000, then CMSA would invoice RVSD for the 1,000 increase in the EDU count and payment would be expected by the 4th quarter due date. If, on the other hand, RVSD's actual FY12 EDU count was 18,000, then CMSA would be obligated to refund an amount equal to the 2000 EDU reduction and that refund would occur no later than the 4th quarter of the-fiscal year.

In July 2011, CMSA billed each member agency including RVSD for its actual EDU's as of the 4th quarter of fiscal year 2010/2011. In the case of RVSD, CMSA billed for 29,488 EDU's, which reflected the actual EDU count for 2010/2011. RVSD paid CMSA an amount based upon 24,810 EDU's, claiming that this was their estimated EDU count for the next fiscal year. CMSA has made repeated attempts to obtain the full payment from RVSD, which led to a request to arbitrate the dispute. It should be noted that CMSA is aware that the actual EDU count from RVSD for fiscal year 2011/2012 may be approximately 15% lower and has assured RVSD that it will be refunded the difference by the 4th quarter of fiscal year 2011/2012 or sooner.

Section III: CMSA and RVSD hereby agree to the following settlement of this dispute:

- A. RVSD agrees to pay the FY12 invoices prepared by CMSA regarding the operating and debt service charges on or before February 14, 2012.
- B. CMSA agrees to refund the difference between the invoiced payment and the amount actually owed based on the actual EDU count from RVSD for fiscal year 2011/2012, on the condition that RVSD provides the documentation that confirms this actual EDU count. The refund will be processed within 5 business days of the payment after CMSA Board approval of this agreement on February 14th.
- C. RVSD agrees to follow the JPA, 2006 Payment for Treatment Services Agreement, and CMSA's financial policies and procedures. If RVSD disagrees with a financial policy of CMSA, it shall comply with the policy, but retains the right to arbitrate any disagreement pursuant to the CMSA Joint Powers Agreement. CMSA and RVSD also agree that in the event of a disagreement and before any Arbitration, the General Managers, legal counsel and a member of each Board shall meet to attempt to resolve the dispute in an amicable manner.
- D. RVSD agrees that if there will be any future significant change in its EDU count (+/- 500 EDU), it will notify CMSA six months in advance of the change with supporting documentation to confirm or explain the change so that CMSA and member agencies affected by the change are aware of the possible change and can plan for any of their own budget adjustments to account for the change.
- E. CMSA will request that SRSD and SD2 abide by a policy to notify CMSA six months in advance of a projected future EDU count change of +/- 500 EDU in their service areas, and to provide supporting documentation or an explanation of the projected change.

Section IV: This Agreement constitutes the entire agreement between the parties. Any modification to this Agreement shall be executed by both parties.

Ross Valley Sanitary District

Dated:

Marcia Johnson, RVSD Board President

Central Marin Sanitation Agency

Dated:

John Dupar, CMSA Board Chair

From: Houston, Jolie [mailto:Jolie.Houston@berliner.com]
Sent: Wednesday, February 01, 2012 4:41 PM
To: Govi, Jack
Subject: RE: Settlement Status

Hi Jack-

Be careful what you read in the newspaper! We are certainly still proceeding with the hope of a settlement. The General Manager and I were given direction to revise the Settlement Agreement so that it would be ready to be returned to the other CMSA Members at its next meeting. I am currently working on this.

In addition, we were all to meet face-to-face in January to discuss the other outstanding JPA Default issues raised in our letter dated December 7th. Please let us know when you and Jason are available. I will find some dates and times that work for Brett.

Thank you,

Jolie

Jolie Houston
Partner



San Jose | Merced

10 Almaden Blvd., Eleventh Floor | San Jose, California 95113 | 408.286.5800 | F 408.998.5388 | www.berliner.com | http://berliner.com/attorney/jolie_houston

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To ensure compliance w/ requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (including any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Please consider the environment before printing this email.

From: Govi, Jack [mailto:JGovi@marincounty.org]
Sent: Wednesday, February 01, 2012 1:29 PM
To: Houston, Jolie
Subject: Settlement Status

Hi Jolie,

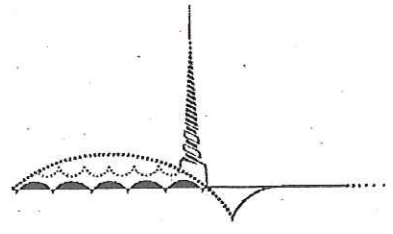
As you know, we propounded a settlement offer to RVSD regarding the issues surrounding the pending Arbitration. I am aware that the RVSD Board considered the settlement offer at their Board meeting last week. I read in the Marin Independent Journal, quoting Marcia Johnson, that the matter was proceeding to Arbitration. Would you confirm the status of the settlement offer with me and confirm that RVSD rejected the settlement offer? Please note that both Marcia and Pat Guasco were in favor of this settlement at the CMSA Board meeting on January 10th. I am not sure what is going on but I really did think that this was a unique opportunity to move these agencies in a positive direction. At any rate, please let me know as soon as possible. Thank you, Jack

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Central Marin Sanitation Agency
INFORMATIONAL ITEMS
for the Board of Commissioners Meeting of February 14, 2012

- I-1 Letter dated January 17, 2012 from Marin County Civil Grand Jury Re: Survey of Special Districts
- I-2 Letter dated January 24, 2012 to the California Regional Water Quality Control Board Re: Monthly Self-Monitoring Report (SMR) – December 2011
- I-3 Letter dated January 24, 2012 to Regional Water Quality Control Board Re: Wastewater Facilities Review and Evaluation, and Status Reports
- I-4 Letter dated January 25, 2012 to Regional Water Quality Control Board Re: Contingency Plan Review and Status Report
- I-5 Letter dated January 28, 2012 to San Francisco Regional Water Board Re: 2011 CMSA JPA I/I Reduction Report
- I-6 Letter dated January 28, 2012 to Regional Water Quality Control Board Re: Operations and Maintenance Manual Review and Status Report
- I-7 Letter dated January 30, 2012 to California Regional Water Quality Control Board Re: 2011 Self-Monitoring Annual Report
- I-8 Letter dated February 3, 2012 to the Marin Civil Grand Jury Survey of Special Districts
- I-9 Letter dated February 5, 2012 to SRSD, SD1, and SD2 Re: FY 2011-12 EDU Counts
- I-10 Letter dated February 6, 2012 from IEDA Re: Annual Meeting

Marin County Civil Grand Jury



JAN 17 2012

January 13, 2012

Jason Dow
Central Marin Sanitary Agency
1301 Andersen Drive
San Rafael, CA 94901

Dear Mr. Dow:

The 2011-2012 Marin Civil Grand Jury is conducting a survey of all of the special districts in Marin County.

Enclosed is a survey questionnaire that we would appreciate your completing, and returning, in the enclosed stamped and self-addressed envelope no later than February 7th.

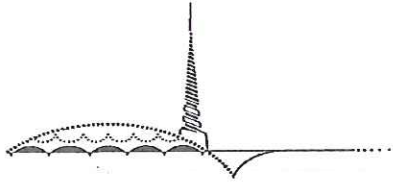
If you have any questions pertaining to the survey, please contact Ms. Patti Baseheart, liaison to the Grand Jury for the Marin County Superior Court, at 415-499-6132. One of the members of the Grand Jury's Finance Committee will return your call as soon as possible.

Thank you for your assistance in providing background information for this Grand Jury report on Marin County's special districts.

Sincerely yours,

Michael Chernock

Michael Chernock
Foreperson for the Civil Grand Jury



Survey of Special Districts in Marin County

Please respond to this survey on your organization's letterhead.

1. Please provide your districts most recent financial statement.
2. If the source of funds are not clearly shown, please provide the source of funds that comprise the gross revenue.
3. What is the annual budget for your District for 2012?
4. State the amount of cash reserves that the District currently holds.
5. How is this amount allocated among future expenses?
6. Does the district utilize specific criteria for determining the size of their reserves?
7. If any of your revenue comes from service charges, please provide your schedule of service charge(s) paid by your customers for the years 2005 through 2010.
8. State the name, title and phone number of the person completing this questionnaire.

Any information provided in this survey, not already available to the public, will be treated confidentially. Please return the completed survey no later than February 7, 2012

Thank you for your participation in this Grand Jury Survey



CENTRAL MARIN SANITATION AGENCY

I-2

Jason R. Dow, P.E.
General Manager

1301 Andersen Drive, San Rafael, CA 94901-5339 Phone (415) 459-1455 Fax (415) 459-3971 Web www.cmsa.us

January 24, 2011

California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, CA 94612

Attention: Vince Christian

RE: Monthly Self-Monitoring Report (SMR) - December 2011

Enclosed please find the monthly report for the Central Marin Sanitation Agency (CMSA) treatment plant for December 2011. There were no NPDES Permit violations in December.

Effluent results for Arsenic, Chromium, Cyanide, Lead, Selenium, Silver, and Methyl Mercury have been "J-flagged" by Caltest Analytical Laboratory. This means these constituents were detected and the concentrations that were reported are Estimated Concentrations. J-flagged values will be reported and commented as DNQ (Do Not Quantitate). The Final Effluent result for Cadmium and Oil and Grease were reported as "ND" by Caltest Analytical Laboratory. This means that these constituents were not detected at or above the listed Method Detection Limit (MDL). Note that in the electronic reporting, constituents reported as ND will be reported as less than (<) the value listed as the MDL.

Quarterly Effluent results for Sampling Analysis and Reporting Protocols Using EPA Method 1668C for Final Order No. R2-2011-0012, NPDES Permit No. CA0038849, that was effective April 1, 2011 are enclosed. We received these results on December 27, 2011 for samples that were collected and submitted on September 14, 2011 to East Bay Municipal Utility District Laboratory Services Division for analysis. This report replaces the one that was submitted in the November 2011 SMR. The outside laboratory that we contract with to perform the analysis had a laboratory reporting error that resulted in not reporting six of the required PCB congeners in the original report that was submitted last month.

Page 1 of 2



We have submitted the December SMR to the statewide eSMR/CIWQS system as required in the December 7, 2010 letter from the Regional Water Board. We will also be submitting paper copies of our SMRs to the Regional Water Board as specified in the December 7 letter and May 18, 2011 email from Johnson Lam. We have always submitted paper copies of our SMR to the Regional Water Board in conjunction with the electronic reporting system as required in our NPDES permit.

EPA Forms 3320-1 that reflect CMSA's NPDES Permit, Order #R2-2007-007 that went into effect on April 1, 2007 have been completed. The 2011 forms were emailed on January 4, 2011 and will be used for reporting for calendar year 2011. There is currently one error on the 3320-1 forms we received. The error is for the reporting of Chromium. The only two choices available on the forms we received are Hexavalent and Trivalent Chromium. Total Chromium is specified as a monitoring requirement in our NPDES permit. We will continue to manually cross out Trivalent and hand write "Total Chromium" in the box on the forms until the error is corrected and new forms are sent.

If there are any questions please contact me at (415) 459-1455, ext 142. Quality assurance data are available for all test results cited in this report. Values reported are measured values and are each subject to analytical variability. CMSA reserves the right to question data in an enforcement proceeding.

I certify under penalty of law that this document and all attachments are prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who managed the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations (40 CFR 122.22(d)).



Robert N. Cole
Environmental Services Manager

enclosures:

Caltest data, EBMUD laboratory data
Routine DMR data (map, spreadsheets, forms, graphs)

cc: EPA Forms 3320-1
Division of Water Quality
c/o DMR Processing Center
1001 I Street, 15th Floor
Sacramento, CA 95814





January 24, 2012

Regional Water Quality Control Board
1515 Clay Street
Suite 1400
Oakland, CA 94612

Attention: Vince Christian

Subject: Wastewater Facilities Review and Evaluation, and Status Reports

As required in NPDES Permit No. CA0038628, Central Marin Sanitation Agency (CMSA) has performed a review and evaluation of its wastewater treatment facility to ensure it is adequately staffed, supervised, financed, operated, maintained, repaired, and upgraded as necessary. The status of specific components of the facility review and evaluation follow.

I. Staffing and Supervision

Operations Department: The CMSA treatment plant is classified as a Class V facility according to CCR Title 23. Agency staff reviewed the staffing and supervision certification requirements in Title 23 and determined that CMSA meets or exceeds minimum standards. Additionally, CMSA staff has determined internal human resource requirements based on work load and safety, and CMSA actual staffing levels meet those requirements. The plant is continuously staffed using three shifts: day, swing, and graveyard. There are currently 13 staff members in the Operations Department, including two working supervisors and four lead operators. The Operations Department is managed by the Treatment Plant Manager.

Maintenance Department: The Maintenance department provides reliable corrective, preventive, and predictive maintenance for the Agency's assets and facilities. This determination is based on work order back log, equipment and facility condition, equipment reliability, and emergency repair frequency. The department also operates and maintains nineteen wastewater pump stations and their forcemains for Sanitary District #2 of Marin (a subsidiary district of the Town of Corte Madera).

The department consists of one maintenance supervisor, one electrical/instrumentation supervisor, eight CWEA certified technicians, and three support personnel with various job functions. The Maintenance Department is managed by the Treatment Plant Manager.

Environmental Services: The Environmental Services department provides laboratory analysis of NPDES and process samples, environmental compliance and source control services, public outreach and education, and commercial and industrial waste monitoring. The department also provides outside contract services to other local wastewater agencies.

The department administers the pretreatment, pollution prevention, public education, and NPDES permit compliance and reporting programs.



The department has five staff members: one Environmental Services Manager, an Environmental Laboratory Administrator (a lead-level position), and three Environmental Services Analysts. All personnel in the department have college degrees in the sciences. CWEA certifications are required for each position in laboratory or environmental compliance. The laboratory and environmental compliance staff are cross-trained and can fulfill the full range of duties for all functional areas in the department.

The public education program is a collaborative effort through a Memorandum of Understanding (MOU) between CMSA, Las Gallinas Valley Sanitary District (LGVSD), Novato Sanitary District (NSD), Sewerage Agency of Southern Marin (SASM), Sausalito-Marín City Sanitation District (SMCSD), and Tiburon Sanitary District #5 (SD5). CMSA is the lead agency for the program.

CMSA has an agreement with LGVSD to administer and enforce its Pollution Prevention Program and Fats Oils and Grease Program. CMSA also has agreements with San Rafael Sanitation District (SRSD), Ross Valley Sanitary District (RVSD), Sanitary District #2 (SD2), and Tamalpais Community Services District (TCSD) to administer and enforce their Fats, Oils, and Grease Program.

Administration/Finance: Staffing within the Administrative Finance group is sufficient to support the business operations and related activities of the Agency. This department consists of a General Manager, Finance Manager, Treatment Plant Manager, Administrative Assistant, Personnel and Accounting Technician, and Financial Analyst. The General Manager oversees and is ultimately responsible for all staff, facilities, and Agency programs and initiatives. The Treatment Plant Manager oversees the day-to-day operations of the treatment plant and the Agency's Asset Management Program, and administers the pump station service contract for Sanitary District #2. The Administrative Assistant provides confidential secretarial and office administrative support for the General Manager and management team.

The Finance Manager oversees all financial affairs for the Agency. The Personnel and Accountant Technician and Financial Analyst have the responsibility of processing all routine functions of accounts receivable, accounts payable, and payroll. In addition, the finance group is responsible for financial reporting, cash management, risk management, and budgeting.

All the Administrative personnel are trained in communicating with the public and in handling emergency alarm notifications.

Engineering: The Engineering department coordinates planning, design, and construction of improvements for the Agency and provides technical support to each Agency department and work group. Their efforts are supplemented by private outside engineering service providers who are selected based on their qualifications on an as-needed basis. The department develops project scopes and schedules, administers consultant contracts, and manages construction contracts. Engineering consists of the Engineering Manager, who is a California registered Professional Civil Engineer, and an Assistant Engineer.

II. Maintenance and Repair

The Maintenance Department staff utilizes a Computerized Maintenance Management System (CMMS) program to schedule and track all maintenance activities. The supervisors review and update preventive maintenance (PM) tasks based on the condition and criticality of the asset. In 2011, Maintenance made excellent progress on improving the CMMS' functionality and 75% of our active maintenance procedures have been updated to include condition assessment data collection. Staff has made significant progress in identifying and purchasing critical spare parts for Agency assets. This year as well, staff began utilizing

the Projects Module within our CMMS system. This module allows the end user the ability to track specific maintenance projects for cost accounting and billing purposes.

III. Facility Operation

The Operations staff regularly reviews their department PM tasks and standard operating procedures for the Agency's processes, systems, and equipment. The tasks are evaluated for appropriate frequency, effectiveness, and optimization. In this review process, tasks are added, deleted, or modified based on criticality and asset condition. Shift round sheets, information and task logs, and record keeping practices are also reviewed and updated annually. All new Operators are provided with training to ensure they are familiar with the procedures for each assignment.

IV. Capital Improvements Program

The Agency develops a 10-year schedule for its capital improvement program that includes asset repair and replacement activities and capital projects. During FY11, the Agency engaged Kennedy/Jenks Engineers to review its existing 10-year capital improvement and asset management schedules and assist in developing a comprehensive 10-year Agency Capital Master Plan. Concurrently, the Agency formed a Capital Improvement Program (CIP) team consisting of managers and supervisors from Engineering, Operations, Maintenance, and Electrical and Instrumentation to implement recommendations of the Capital Master Planning Report, manage the annual CIP development process, determine the most appropriate manner to deliver Agency projects, and monitor each project's budget.

For the FY12 CIP, the team reformatted the CIP 10-yr schedule, prepared project descriptions, and developed a descriptive one-page summary for each large capital project that includes the project cost elements, its schedule with milestones, and illustrative photographs. A brief summary of a couple capital projects that were under construction and several equipment rehabilitation and replacement projects are presented below.

1) Administration Building Modification Project:

The interior floor plans of the Administration Building and the Maintenance Building have been unaltered since they were constructed in 1985. In 2008 an internal project team conducted a needs assessment for all the buildings in light of current staffing and building uses, and identified needed areas of improvement. Several needs were identified for the Administration Building (the Maintenance Building needs will be addressed in a separate project): expansion of the women's locker room to accommodate a larger number of uniformed female staff members, men's locker room accessibility improvements to comply with the American's with Disabilities Act, expansion of office and storage space for Environmental Services department to accommodate the changes in departmental responsibilities in the area of environmental compliance and public education, relocation of the existing chemical store rooms and the bioassay lab to accommodate the expansion in other areas, and upgrading the building's aging Heating, Ventilation, and Air Conditioning (HVAC) system.

The final design plans and specifications were accepted by the CMSA Board and in May 2010. The construction contract was awarded in July 2010, and construction was completed in the fall 2011.

2) Digester Improvements and Fats Oils and Grease (FOG) Facility Project:

The treatment plant has two digesters that process the solid materials that are removed from the wastewater treatment process. The digesters were constructed over 25 years ago and are in good condition; however, the supporting equipment has exceeded or is approaching the end of its useful service life. In 2009, the Agency selected and hired an engineering consulting firm to perform predesign level activities for a capital project to replace the digester equipment. The predesign findings that were incorporated into a design contract were to replace the digester floating covers with membrane covers, replace the gas mixing system with a more effective pump mixing system, replace the biogas treatment equipment with purification systems that utilize a safer media, and to make the necessary electrical, mechanical, and control system improvements to support the new equipment. Included in the project is the construction of a new facility that will receive and process FOG and commercial food waste for treatment in the digesters. The project's final design plans and specifications were accepted by the CMSA Board in the spring of 2011. The construction contract was awarded in April 2011 with work commencing in May. Construction is well underway with one digester under rehabilitation, the FOG facility structure built, and the project equipment submittals under review. Construction is anticipated to take about two years.

3) Asset Management Projects:

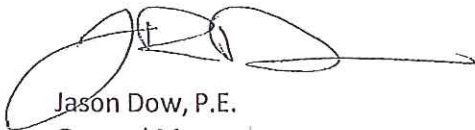
Major asset maintenance and replacement projects completed in FY 2011 were:

- ▶ Chemical Tanks: CMSA has seventeen chemical storage tanks containing various chemicals used for treatment and odor control. Tanks are inspected annually and replaced as required. Staff performed a condition assessment of the solids handling facility's ferric chloride storage tank that was installed in 1993, and determined that it was at the end of its useful life. The tank was replaced with the project scope including removing and demolishing the existing tank, installing the new tank, and reconnecting the seismic restrain system and process piping.
- ▶ Primary Clarifier #5 Rehabilitation: The Agency has seven primary clarifiers that require routine seasonal preventive maintenance, five were built during the original plant construction and two were recently constructed to provide additional treatment during peak wet weather events. The Agency has a multi-year plan to rehabilitate the original clarifiers and recently completed the work on clarifier #5. The scope of work was based on a condition assessment of the system that revealed that the main wearing track needed to be replaced, the main drive shaft was badly worn, the main drive sprockets needed replacement, and the idler sprocket was worn to the point that it no longer made contact with the chain and its adjustment mechanism was non-functional.
- ▶ Secondary Clarifier Sluice Gate Replacement: The treatment plant has four secondary clarifiers that allow microorganisms from the aeration basins to settle. The clarified water travels over a weir and through a sluice gate, to a channel that leads to the disinfection process area. The original sluice gates were becoming hard to operate and would not seal properly. A condition assessment performed in 2010 revealed that three of the gates' sealing surfaces had become dislodged due to corrosion of their mounting channels, and were determined to be not-repairable. The fourth gate was in good condition and only required minor rehabilitation. The project scope involved draining the clarifiers and replacing the gates with the original manufacturer's replacement gates that would attach to the existing concrete embedded wall anchors.

- ▶ Secondary Clarifier #2 Main Drive Replacement: The Agency's secondary clarifiers and their main drive assemblies are scheduled for periodic condition assessments, then rehabilitation and replacement work is budgeted and scheduled. The main drive rotates the underwater rake arms that collect and remove settled solids. Staff completed the assessment for clarifier #2 and determined that the main drive's gear seal had failed and found that the gear box was contaminated with sand. The drive was replaced during the summer and the clarifier is back in service.
- ▶ Return Activated Sludge (RAS) Flow Meter Replacement: A portion of the solids that settle in the secondary clarifiers are recycled back to the aeration tanks to maintain a population of microorganisms to remove bio-chemical oxygen demanding (BOD) substances from the wastewater. The recycling flow rate varies with the wastewater flow into the secondary system and is measured by the RAS flow meter. The meter that was installed as part of the original plant construction recently failed and the electrical/instrumentation staff determined it was beyond repair. The project scope involved a plant wide flow diversion to isolate the secondary process area, and replacing the flow meter with the original manufacturer's replacement flow meter that would fit into the existing space without modifications to the RAS piping system.
- ▶ Cogeneration Engine Top End Rebuild Project: The Waukesha engine generator cogeneration unit operates 24/7 on biogas or natural gas to provide power and heat for the plant operations. Besides regularly scheduled preventive maintenance, the cogeneration unit is taken out of service for major maintenance once it has completed specified hours of continuous operations. Since the unit went into operation in 2005, it has received two complete "top end" rebuilds and one "minor" overhaul. In December of 2010, runtime hours reached 14,000 since the last top end rebuild. This put the cogenerator within 2000 hours of the next scheduled "top end" and 4000 hours from a factory recommended "major" overhaul. After performing a condition assessment, staff's recommendation was to perform a top end rebuild prior to the 2011 peak power demand period. The work started in February and was completed the second week of March ahead of the summer electric demand rates charged by the local electric utility.
- ▶ Other Equipment Replacement Projects: Smaller Asset Management projects completed during FY 2011 included:
 - ✓ Replaced and recoated biosolids storage hopper slide gates in the solids handling load bay.
 - ✓ Refurbished and upgraded the ignition system on one of the two waste gas burners.
 - ✓ Installed algae controlling weir brush systems on two of the four secondary clarifiers.
 - ✓ Upgraded the final secondary clarifier drive unit to a variable frequency controlled drive.

If you have any questions regarding this status report, please contact me at 415-459-1455 x 145, or Chris Finton, Treatment Plant Manager at 415-459-1455 x 101.

Sincerely,



Jason Dow, P.E.
General Manager



CENTRAL MARIN SANITATION AGENCY

Jason R. Dow, P.E.
General Manager

1301 Andersen Drive, San Rafael, CA 94901-5339 Phone (415) 459-1455 Fax (415) 459-3971 Web www.cmsa.us

January 25, 2012

Regional Water Quality Control Board
1515 Clay Street
Suite 1400
Oakland, CA 94612

Attention Vince Christian

Subject: Contingency Plan Review and Status Report

As required in NPDES Permit No. CA0038628, Central Marin Sanitation Agency (CMSA) has performed a review of the facility's Contingency Plan/ Emergency Response Plan. CMSA reviewed and updated its plan in May 2011 to ensure the plan's conformance with Board Resolution 74-10, which addresses waste dischargers' responsibilities to develop and implement contingency plans assuring continuous operation of facilities for the collection, treatment, and disposal of waste.

The Agency participates in the Marin County Office of Emergency Services conference calls for countywide preparation and follow-up on emergency events. Incidents may include: earthquakes, fires, extreme storms, and tides that could cause flooding, landslides, and power outages.

Twelve Agency employees are trained in the Incident Command system (ICS), and we intend to send two additional staff members to ICS training this year.

In early 2011, CMSA partnered with Novato Sanitary District (NSD), Las Gallinas Valley Sanitary District (LGVSD), Sewer Authority of Southern Marin (SASM), Sanitary District #5 of Marin (SD5), and Sausalito Marin City Sanitary District (SMCSD) to develop a Wastewater Agency Mutual Aid and Assistance Agreement. This agreement provides mutual aid and assistance in times of need and to provide reimbursement of equipment, supplies and personnel. This agreement was approved by each Agency's governing body in the Spring of 2011.

If you have any questions, please contact Chris Finton, Treatment Plant Manager, at 415-459-1455 extension 101.

Sincerely,



Jason Dow, P.E.
General Manager





MEMORANDUM

January 28, 2011

To: San Francisco Regional Water Board

From: Central Marin Sanitation Agency

Subject: **2011 CMSA JPA I/I Reduction Report**

The Agency's 2007 NPDES Permit requires CMSA to report on efforts with satellite collection systems to reduce infiltration and inflow (I/I), and also to consider options for expanding legal authority to reduce I/I from the satellite collection systems (Section VI Provisions, part C5c).

In the 2008 SMR, we informed the Regional Water Board that our satellite collection system agencies own and operate the wastewater collection systems tributary to the CMSA treatment facilities and that CMSA has no legal authority over their collection system operations. We also reported that CMSA's manager and the managers of the three collection agencies – San Rafael Sanitation (SRSD), Ross Valley Sanitary (RVSD), Sanitary District #2 (SD2) – had recently formed a managers' group that planned to meet routinely to share information, plan and implement regional activities, develop a regional transport system model, and prepare an annual report on the collection system rehabilitation projects to reduce I/I and SSOs. We stated that the annual I/I reduction report would be provided to the RWB in the Agency's annual SMR.

While the Ross Valley Sanitary District's manager did not attend the monthly meetings since January, 2009, the managers from CMSA, SRSD, and SD2 have met monthly since December 2008. Over the past year, they:

1. Shared district project-related information including technical specifications, design drawings, ordinances, bid proposal costs, etc.
2. Prepared the annual collection agency capital project report for SRSD and SD2 which shows the amount, in linear feet, of public sewers and private laterals that were replaced through FY11, and the status of projects initiated or continuing in FY12. The SRSD and SD2 capital project reports are attached.
3. Participated in the planning, scoping, and completion of a blending alternative reduction assessment with Kennedy/Jenks Consultants that identified feasible methods to reduce the volume and frequency of blending events at the CMSA treatment plant. The assessment was a component of a larger capital master planning initiative that was presented to the CMSA Board in March 2011. The blending reduction assessment findings were incorporated into the Agency's Report of Waste Discharge that was submitted to the Regional Water Board in October 2011.

SANITARY DISTRICT No. 2 of MARIN COUNTY FY08/09 through FY11/12 CAPITAL PROJECTS

FY 08/09

Project	Description	Estimated Cost	Project Status	SS Main Footage	Lateral Footage
Lucky Drive Pump Station Improvements	Complete final portion of \$800,000 project	\$260,000	Complete		
Sewer Master Plan	40 Year Capital Improvement Plan for Gravity, Force Main, and Pump Station Systems, includes capacity study and initiates asset management approach.	\$250,000	Complete		
S. Madera Gardens Sewer Rehabilitation	Project design modifications	\$50,000	Complete		
Parallel Force Main Pre-Design	Investigation/report on project alternatives	\$75,000	Complete		
	TOTAL COST	\$635,000	TOTAL FOOTAGE	0	0

FY 09/10

Project	Description	Estimated Cost	Project Status	SS Main Footage	Lateral Footage
S. Madera Gardens Sewer Rehabilitation	Main/Lateral Rehabilitation (of 6% of SD2 sewer mains and laterals)	\$500,000	Started construction	4,289	3,250
Parallel Force Main Project Design	Design of est. \$1.6M reliability and redundancy project	\$100,000	Final design substantially complete		
CCTV Condition Assessment of Sewer System	20% of District gravity system televised and assessed	\$233,000	Complete		
	TOTAL COST	\$833,000	TOTAL FOOTAGE	4,289	3,250

FY 10/11

Project	Description	Estimated Cost	Project Status	SS Main Footage	Lateral Footage
S. Madera Gardens Sewer Rehabilitation	Main/Lateral Rehabilitation (of 6% of SD2 sewer mains and laterals)	\$2,000,000	Complete	10,000	10,000
Parallel Force Main	Reliability and redundancy FM installation project	\$1,302,000	Construction underway		
Sea Wolf Pump Station and Force Main Improvements	Various pump station and force main improvements	\$99,500	Design		
Trinidad Pump Station Improvements	Various pump station improvements	\$2,000	Design		
Tamalpais Pump Station Improvements	Various pump station improvements	\$23,000	Design		
CCTV Condition Assessment of Sewer System	20% of District gravity system televised and assessed	\$260,000	Complete		
	TOTAL COST	\$3,686,500	TOTAL FOOTAGE	10,000	10,000

FY 11/12

Project	Description	Estimated Cost*	Project Status	SS Main Footage	Lateral Footage
San Clente Dr./Paradise Dr. Trunk Sewer Improvements	Replacement/Rehabilitation of 3643' of 12"-24" trunk sewer pipe lines upstream from Paradise pump station.	\$1,800,000	90% Design	3,643	
Parallel Force Main	Reliability and redundancy FM installation project	\$1,160,000	Complete	4,220	
Sea Wolf Pump Station and Force Main Improvements	Various pump station and force main improvements	\$790,000	Out to bid		
Trinidad Pump Station Improvements	Various pump station improvements	\$10,000	Out to bid		
Tamalpais Pump Station Improvements	Various pump station improvements	\$120,000	Out to bid		
CCTV Condition Assessment of Sewer System	20% of District gravity system televised and assessed	\$270,000	Preparing contract		
	TOTAL COST	\$4,150,000	TOTAL FOOTAGE	7,863	0

*Estimated Cost is the cost for the Fiscal Year 11/12

SAN RAFAEL SANITATION DISTRICT FY08/09 thru FY11/12 CAPITAL PROJECTS

FY 08/09

Project	Description	Estimated Cost	Project Status	SS Main Footage	Lateral Footage
Courtright Rd. Sewer Replacement	Replace 4"-6" VCP and lower laterals	\$70,000	Completed	525	30
2008 Sewer Improvement Proj	Replace 6"-15" CMP and lower laterals in the Canal Area	\$1,100,000	Completed	3,000	1,000
Loch Lomond Pump Station Improvements	Replace pump station with 4 - 88HP submersible pumps, including 1 pump in auxiliary pump pit as back-up, new structures, piping and MCC	\$2,220,000	Completed	-	-
Capacity Assessment of Selected Sewer Mains	Calc. hydraulic capacity for 4 sewer mains	\$45,000	Completed	-	-
	TOTAL COST	\$3,435,000	TOTAL FOOTAGE	3,525	1,030

FY 09/10

Project	Description	Estimated Cost	Project Status	SS Main Footage	Lateral Footage
Pt San Pedro Rd. Corrugated Metal Pipe Sewer Replacement Project	Replace 12" CMP and lower laterals	\$230,000	Design Completed.	-	-
Fifth Ave Sewer Improvement Project	Replace 10" sewer main and lower laterals	\$110,000	Design Completed.	-	-
Magnolia & Accacia Sewer Improvement	Replace 6" VCP and lower laterals	\$100,000	Design Completed.	-	-
Stand Pipes at Pump Stations, Phase 1	Instal'l stand pipes at valve pits for emergency by-pass. Performed by District crew.	\$10,000	Completed	-	-
Capacity Assessment of Selected Sewer Mains	Calc. hydraulic capacity for 4 sewer mains	\$60,000	Completed	-	-
	TOTAL COST	\$510,000	TOTAL FOOTAGE	0	0

FY 10/11

Project	Description	Estimated Cost	Project Status	SS Main Footage	Lateral Footage
Pt San Pedro Rd. Corrugated Metal Pipe Sewer Replacement Project	Replace 12" CMP and lower laterals	\$3,400,000	Completed	7,000	1,500
Fifth Ave Sewer Improvement Project	Replace 10" sewer main and lower laterals	\$1,160,000	Completed	2,500	1,740
Magnolia & Accacia Sewer Improvement	Replace 6" VCP and lower laterals	\$390,000	Construct - Summer 2011	335	180
Woodland Ave Sewer Improvement	Replace 6" VCP and lower laterals Total Estimated Cost = \$1.3 million	\$20,000	Postponed to FY 2012-13	-	-
Peacock No. 2 Pump Station Improvements & Force Main Replacement	Replace pump station with 3 submersible pumps, including 1 pump in auxiliary pump pit as backup, new structures, piping, MCC, and force main.	\$638,000	Construct - April 2011	-	-
	TOTAL COST	\$5,608,000	TOTAL FOOTAGE	9,835	3,420

FY 11/12

Project	Description	Estimated Cost*	Project Status	SS Main Footage	Lateral Footage
Magnolia & Accacia Sewer Improvement	Replace 6" VCP and lower laterals	\$871,000	Completed	3,730	600
Peacock No. 2 Pump Station Improvements & Force Main Replacement	Replace pump station with 3 submersible pumps, including 1 pump in auxiliary pump pit as backup, new structures, piping, MCC, and force main.	\$600,000	Construction Underway	-	-
B Street Sewer Improvement	Replace 10" VCP and lower laterals	\$100,000	Construction Underway	365	180
G Street Sewer Improvement	Replace 6" VCP and lower laterals.	\$200,000	Construct - April 2012	420	120
Lincoln Ave Sewer Improvement	Replace 8" VCP and lower laterals. Total Estimated Cost = \$800,000	\$80,000	Construct - Summer 2012	1,350	600
Upper Fremont Sewer Improvement	Replace 4" & 6" VCP and lower laterals.	\$180,000	Construct - Spring 2012	700	50
Miramar and Miraflores Sewer Improvement	Replace 6" VCP and lower laterals	\$100,000	Construct - Spring 2012	300	30
Irwin Street Sewer Improvement	Replace 6" VCP and lower laterals. Total Estimated Cost = \$500,000	\$200,000	Design Underway; Construct - Summer 2012	850	300
Alpine, Solano, Humboldt Sewer Improvement	Replace 6" VCP and lower laterals. Total Estimated Cost = \$2,324,000	\$200,000	Design Underway; Construct - Spring 2013	4,970	4,400
#22 El Cerrito to Stewart Sewer Improvement	Replace 6" VCP and lower laterals.	\$210,000	Construct - Spring 2012	1,150	500
#34 Valley View Sewer Improvement	Replace 6" VCP and lower laterals.	\$155,000	Construct - Spring 2012	700	20
CCTV Condition Assessment of Sewer System	Televise and assess condition of gravity sewer mains.	\$200,000	Televise - Spring 2012	-	-
	TOTAL COST	\$3,096,000	TOTAL FOOTAGE	14,535	6,800

01/28/11, dwt *Estimated Cost is the cost for the Fiscal Year 11/12



January 28, 2011.

Regional Water Quality Control Board
1515 Clay Street
Suite 1400
Oakland, CA 94612

Attention: Vince Christian

Subject: **Operations and Maintenance Manual Review and Status Report**

As required by NPDES Permit No. CA0038628, Central Marin Sanitation Agency (CMSA) has performed a review of the facility's Operations and Maintenance Manual (O&M Manual). The review assessed the O&M Manual's usability and availability, usefulness, and relevance to current industry standards and practices. Additionally, CMSA staff reviewed the completion of applicable revisions to the O&M Manual resulting from changes in the treatment facility equipment or operational practices.

Agency operations and maintenance staff periodically review the treatment facilities' Standard Operating Procedures (SOP's). In 2011, several procedures were created (table 1) and updated (table 2) as necessary to reflect current operational practices. Additionally, the Agency annually reviews its Wet Weather Standard Operating Procedure - SOP 01-17, and updates it based on actual operating experiences. These wet weather procedures are implemented whenever forecasted wet weather events may cause an increase in plant influent flow above 30 million gallons per day (mgd).

Table 1. New SOP's Developed in 2011

Operating Procedure Number	Procedure Purpose
01.18	Phone Service Disruption Notification and Restoration Procedure
05.01	Flow Equalization - Utilizing Secondary Flow Control Valves to Manage Process Flows
08.06	Draining and Flushing RAS Sumps - Cleaning Procedure for Return Activated Sludge System
09.09	Chemical Induction Mixer Operations - Mixers In and Out of Service
13.49	Iron Scrubber Media - Safe Handling and Disposal of Sulfide Scrubber Media



Table 2. Revised SOP's in 2011

Operating Procedure Number	Procedure Purpose
01.01	Lone Operator Radio Protocol - Utilizing Plant Radio's as Telephones if Necessary
01.02	UST Responding to Alarms - Responding to Underground Storage Tank Alarms
01.03	Major Storm Event Preparedness - Plant Preparedness Checklist when Storm Warnings are Issued by County OES
01.05	Wet Weather Operations - Process Decisions/Assumptions as Equipment is Brought into Service
01.15	Wet Weather Monitoring - Flows Greater than 50 MGD Through the Plant
05.01	Operating Primary Clarifiers 1 thru 7 - Flow Equalization Utilizing Influent Gates
05.03	Channel Diffuser Operations - Chemical Diffuser Operations During Storm Events
06.07	Biotower In/Out of Service - Preparing towers for seasonal usage
08.04	Secondary Clarifier In/Out of Service - Options for Filing or Draining Clarifiers

If you have any questions regarding our maintenance manual review process, please feel free to contact Chris Finton, Treatment Plant Manager, at 415-459-1455 extension 101.

Sincerely,



Jason Dow, P.E.
General Manager



January 30, 2011

California Regional Water
Quality Control Board
San Francisco Bay Region
1515 Clay St., Suite 1400
Oakland, CA 94612

Attention: Vince Christian

2011 Self Monitoring Program Annual Report

Central Marin Sanitation Agency (CMSA) plant performance in 2011 was excellent. Total Suspended Solids (TSS) in the final effluent averaged 5.9 mg/L and the Carbonaceous Biochemical Oxygen Demand (CBOD) averaged 6 mg/L. Both are well under the NPDES requirements of 30 mg/L and 25 mg/L, respectively. Average Percent Removal for TSS was 98% and CBOD 97%, well above our 85% limit. Mercury in the final effluent averaged 0.0045 ug/L, substantially below the 0.066 ug/L Average Monthly Effluent Limit (AMEL) included in the March 1, 2008 Mercury Watershed Permit; CMSA has always had one of the lowest mercury levels among secondary treatment plants in the Bay Area.

No permit limits were exceeded in 2011.

We began submitting our June monitoring data and SMR to the statewide eSMR/CIWQS system as required in the December 7, 2010 letter from the Regional Water Board. An annual summary of ERS and an overall tabular summary of our monitoring data submitted from 2011 is enclosed. Our laboratory certification is enclosed, and we are also enclosing a sample report for the analyses we receive from our outside certified contract laboratory.

Participation for the required Mercury reporting specified in the Mercury Watershed Permit will be through the BACWA group reporting program. We understand the group reporting forms are due to the BACWA representative on or before February 15, 2012.

In response to the RWQCB letter dated July 28, 1989, enclosed is information summarizing our biosolids production. Dewatered biosolids are either hauled to Redwood Landfill in Novato or are land applied in Sonoma County. Redwood Landfill is a Class III landfill where the biosolids may be used for alternative daily cover or co-composting; these are regulated by 40 CFR Part 258 and by 40 CFR Part 503, respectively. We sent a total of 3904 wet tons to Redwood Landfill; required reporting will be done by Redwood Landfill. In addition, 2412 wet tons of biosolids were land-applied and covered by the 503 regulations. A copy of the letter of transmittal for the Biosolids Annual Report to the USEPA, as required by the 503 regulations, is enclosed.



The NPDES Permit requires that CMSA submit in this annual report an update to document progress made on source control and pollutant minimization measures. CMSA's annual Pretreatment Report, which is due by February 28, 2012, gives details of our source control program. CMSA's annual Pollution Prevention Report, due on February 28, 2012, will discuss pollutant minimization.

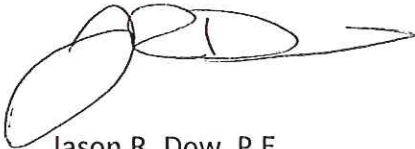
CMSA is an Associate Member of BACWA, which has signed an MOU with the RWQCB for TMDL and SSO development. Support for ambient receiving water monitoring through the RMP, and support for TMDL and SSO development through BACWA and the Water Quality Attainment Strategy is achieved through membership dues. I am including a copy of the two January 17, 2012 letters from BACWA that were sent to Bruce Wolfe to meet NPDES permit requirements for ambient water quality monitoring, TMDL/SSO support, mercury special studies, and implementation of copper and cyanide action plans. The January 3, 2010 SFEI letter that was sent to Amy Chastain, BACWA Executive Director, that indicates CMSA's RMP support is also included. In addition, CMSA is a member of the North Bay Watershed Association, which has performed work on pollution prevention activities for mercury and has completed a lateral I/I reduction program report for Marin County.

The Agency's 2007 NPDES Permit requires CMSA to report on efforts with satellite collection systems and the measures they are implementing to reduce inflow and infiltration, and also to consider options for expanding legal authority to reduce I/I from the satellite collection systems. In CMSA's 2009 Annual SMR, we informed the RWB that the CMSA manager and managers of the CMSA satellite collection system agencies would begin routinely meeting in 2008 to explore regional solutions to I/I reduction, and would begin preparing annual reports that detail the capital improvement work initiated or completed by each collection system agency for the prior year. The 2011 JPA I/I Reduction Report is attached.

The Review, Evaluation, and Status Reports on our Wastewater Facilities, Operations and Maintenance Manual, and Contingency Plan are enclosed. In our current permit, that was adopted on January 23 and became effective April 1, 2007, these reports are required to be submitted with the annual report.

The 1,076 foot diffuser section at the offshore end of our Marine Outfall has 176 six inch diffuser risers and Tideflex (TM) check valves on each riser that extend above the bay floor. The bay floor sediments shift seasonally year-to-year, and those shifts have become greater and more rapid over the past several years. These shifts can block one or more diffusers, and, occasionally, a check valve assembly is missing, presumably due being snagged by recreational fishing boats' anchors. CMSA engages diving contractors for annual diffuser inspections and provides materials for the raising and/or replacement of check valves as needed. This year the inspection was carried out in November and we are currently in the process of replacing three missing check valves and extending those risers that are below the mudline.

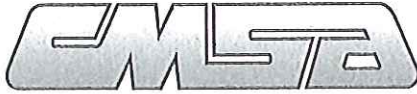
A copy of this report will not be mailed to U.S. EPA Region IX, as has been done in the past. It will only be submitted to the State Water Resources Control Board San Francisco Bay Region as requested in the letter sent out by USEPA Region 9, Alexis Strauss, dated October 7, 2004. It stated as of January 1, 2005 the SWRCB will manage all aspects of the California NPDES data system, including permit and compliance data entry, permit limits, pre-printed DMR paper flow, permit facility information, and data inquiries.



Jason R. Dow, P.E.
General Manager



Robert N. Cole
Environmental Services Manager



CENTRAL MARIN SANITATION AGENCY

I-8

Jason R. Dow, P.E.
General Manager

1301 Andersen Drive, San Rafael, CA 94901-5339 Phone (415) 459-1455 Fax (415) 459-3971 Web www.cmsa.us

February 3, 2012

Michael Chernock
Foreperson for the Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903

Subject: CMSA Response to Marin Civil Grand Jury Survey of Special Districts

Dear Mr. Chernock:

The Central Marin Sanitation Agency (CMSA) received your January 13th letter requesting completion of the survey on Marin County special districts by February 7th. CMSA's responses to each survey question are below, and the requested and other supporting documentation is enclosed for the Grand Jury Finance Committee's review and use.

1) Please provide you district's most recent financial statement.

A - CMSA submitted to the Government Finance Officers Association (GFOA) its Fiscal Year 2010/2011 Comprehensive Annual Financial Report (CAFR) at the end of December 2011. The CAFR document contains the Agency's FY11 audited financial statements that were accepted by the CMSA Board of Commissioners at their November 2011 Board meeting. The FY11 CAFR is enclosed for your information.

2) If the source of funds are not clearly shown, please provide the source of funds that comprise the gross revenue.

A - The CAFR document, on page 28, shows the Agency's major funding sources for Fiscal Year 2010/2011. The table below shows the funding sources for the current fiscal year (FY12) from the Agency's adopted FY12 budget. The budget can be viewed or downloaded from the Agency's website: www.cmsa.us, under the Finance tab.

Revenue Source	Budgeted Amount
Operating Revenues	
- Service charges	\$9,312,615
- Contract Services	403,632
- Program Services	179,971
- Interest Income	55,000
- Hauler, Inspection and Permit Fees	49,623
- Other Misc Revenue	20,000
Total Operating Revenues	\$10,020,061
Total Debt Service Revenue	\$5,819,892



The primary source of operating revenues is from wastewater service charges to the CMSA joint powers agreement (JPA) member agencies – San Rafael Sanitation District, Ross Valley Sanitary District, and Sanitary District #2 – and from San Quentin State Prison. The breakdown of each agency’s contribution to the CMSA service and debt service charges, as well as the details of the other revenues sources can be found on page 42 of the CMSA FY12 budget.

3) What is the annual budget for your District for 2012?

A - The Agency’s FY12 budget is comprised of the following revenues and expenses:

Operating Revenue:	\$10,020,061
Debt Service Revenue:	<u>\$ 5,819,892</u>
Total FY12 Revenues:	\$15,839,953
Operating Expense:	\$ 9,426,423
Debt Service Expense:	\$ 5,819.892
Capital Expense:	<u>\$ 7,573,274</u>
Total FY12 Expenses:	\$22,819,589

The FY12 capital expenses are being funded by proceeds from a 2006 revenue bond issuance.

4) State the amount of cash reserves that the District currently holds.

A - The Agency, as of January 31, has \$12,674,486 in cash reserves held in several reserve accounts.

5) How is the amount allocated among future expenses?

A - The Agency utilizes a set of Board adopted financial policies to guide staff in all aspects of financial management and reporting. One of the policies pertains to Agency reserve designations and their uses, which is enclosed for your information. The Agency’s current reserves are allocated as shown below.

Reserve Designation	Current Amount	Use
Unrestricted Operating	\$2,356,606	Emergency funds for operating expenses or cash flow
Unrestricted Emergency	\$250,000	General emergency funds
Unrestricted insurance	\$100,000	Insurance claim deductible funds
Unrestricted Capital	\$6,710,493	Funding for future capital work
Restricted Capital	\$3,251,386	Funding for future capital work

The Agency has a 10-year capital improvement program that has been primarily funded by the proceeds from the 2006 Revenue Bond issuance. We are projecting that those proceeds will be exhausted in FY13. The CIP beyond FY13 is funded from the above unrestricted and restricted capital reserve accounts. A copy of the 10-year CIP and Revenue Bond Program are enclosed.



6) Does the district utilize specific criteria for determining the size of their reserves?

A - The operating reserve is set by policy at ¼ of the annual operating expenses, and the emergency and insurance reserve accounts are set at \$250,000 and \$100,000, respectively. The capital reserves are funded by operating revenues and debt service coverage revenues, and the reserve levels are set to provide adequate funding for future capital with the annual funding level being approved by the CMSA board during the budget review and adoption process.

7) If any of your revenue comes from service charges, please provide your schedule of service charges paid by your customers for the years 2005 through 2010.

A - The CMSA operating and debt service rates and the total service charge revenues for the specified fiscal years are shown below. The service charge revenue is calculated by multiplying the total rate by the number of equivalent dwelling units in the central Marin service area.

Fiscal Year	Operating Rate	Debt Service Rate	Total Rate	Service Charge Revenue
2005	119.24		119.24	6,277,719
2006	128.77		128.77	7,145,692
2007	135.45	33.15	168.60	9,375,490
2008	142.22	71.63	213.85	11,343,061
2009	149.33	104.17	253.50	14,216,948
2010	156.80	103.44	260.24	14,587,726
2011	164.64	103.95	268.59	14,851,193
2012	169.74	106.08	275.82	15,132,507*

*budgeted for FY12

8) State the name, title, and phone number of the person completing the questionnaire.

A - Jason Dow, CMSA General Manager, 415-459-1455, extension 145.

Please call or email me, at jdow@cmsa.us, if you have any questions about the survey answers or the enclosed information.

Best Regards,



Jason Dow, P.E.
General Manager





CENTRAL MARIN SANITATION AGENCY

I-9

Jason R. Dow, P.E.
General Manager

1301 Andersen Drive, San Rafael, CA 94901-5339 Phone (415) 459-1455 Fax (415) 459-3971 Web www.cmsa.us

February 05, 2012

Ms. Doris Toy
District Administrator
San Rafael Sanitation District
P.O. Box 151560
San Rafael, CA 94915-1560

Mr. Brett Richards
General Manager
Sanitary District No. 1
2960 Kerner Blvd.
San Rafael, CA 94901

Mr. George T. Warman, Jr.
Director of Administrative Services
Sanitary District No. 2
300 Tamalpais Drive
Corte Madera, CA 94925

Dear Doris, Brett, and George;

I am seeking your assistance and cooperation with providing the Agency the FY 2011-12 actual EDU counts for your respective districts so that CMSA can complete the invoicing of sewer and debt service charges for FY 2011-12 and develop the Agency's FY 2012-13 Budget.

Please complete the attached form and supply the following supporting documentation:

- 1 Reports from the Marin County Auditor-Controller which summarize the number of EDU (sanitary units) that your District has placed on the property tax roll for FY 2011-12.
- 2 Listing of EDUs for governmental or other entities that each district bills directly for sewer services charges. Typically, these are entities that are not on the County's property tax rolls.
- 3 Any variances between the reported actual EDU and the sum of EDU count from items 1 and 2. These could be EDU adjustments that the District granted to its ratepayers after the sanitary units were placed on the property tax rolls.

Once CMSA has received your district's actual EDU data for FY 2011-12, we will prepare an invoice for the FY 2011-12 Fourth Quarter Member Agency Service Charge that reconciles the actual EDU counts to the quarterly charges received for the first three quarters. The reconciliation for the FY 2011-12 Debt Service payments will be reflected on the September 1, 2012 debt service payment which will be invoiced in July 2012.

Please contact me or Hank Jen, Finance Manager at (415) 459-1455 should you have any questions. Thank you very much for your assistance and cooperation.

Sincerely,



Jason Dow, P. E.
General Manager



FY 2011-12 EDU Count Report for _____

Name of District

Please complete the form and supply the following supporting documentation:

- 1 Reports from the Marin County Auditor-Controller which summarize the number of EDU (sanitary units) that your District has placed on the property tax roll for FY 2011-12:
- 2 Listing of EDUs for governmental or other entities that each district bills directly for sewer services charges. Typically, these are entities that are not on the County's property tax rolls.
- 3 Any variances between the reported actual EDU and the sum of EDU count from items 1 and 2. These could be EDU adjustments that the District granted to its ratepayers after the sanitary units were placed on the property tax rolls.

Agency	Budgeted FY 2011-12 EDU Count (a)	Actual FY 2011-12 EDU Count (b)
San Rafael Sanitation District	19,401	
Sanitary District No. 1	19,261	
City of Larkspur	3,021	
San Quentin State Prison	7,209	
Sanitary District No. 2	5,975	
Total	54,864	

- a. EDU Count reported by Member Districts in March 2011 for the CMSA FY 2011-12 Budget. CMSA quarterly service and semi-annual debt service charges to the JPA members for FY 2011-12 are based on these counts.
- b. For Final FY 2011-12 sewer and debt service charges and FY 2012-13 Budget development.

The District has made every effort to comply with Central Marin Sanitation Agency's request for the EDU count for the District and has provided the supporting documents. The District understands that CMSA will use these figures for 1) determining Fiscal Year 2011-12 sewer service and debt service payments for all its Joint Powers Agreement Member Agencies and 2) developing the Agency's FY 2012-13 Budget.

 Person Completing Form for District

 Title

 Date

Please contact Hank Jen, CMSA Finance Manager at (415) 459-1455 x 129 should you have any questions. Please send the completed form along with supporting documentation to;

Hank Jen, Finance Manager
 Central Marin Sanitation Agency
 1301 Andersen Drive
 San Rafael, CA 94901





IEDA

2200 Powell Street, Suite 1000, Emeryville, California 94608

JD 2/6/12
I-10

February 6, 2012

TO: THE IEDA BOARD OF DIRECTOR NOMINEE ADDRESSED

RE: ANNUAL MEETING

IEDA's regular annual meeting will be held on Thursday, February 16, 2012, at 2:00P.M., in IEDA's offices at 2200 Powell Street, Suite 1000, Emeryville, California.

The purpose of the meeting is to elect Directors for the ensuing year; to approve all acts and proceedings of the Board of Directors, the Executive Committee and the officers of the Corporation since the last annual meeting on February 17, 2011; and to consider such other business as may come before the meeting.

Enclosed is a list of nominees for the Board of Directors as selected by the Directors' Selection Committee. As you will note, the list includes a broad cross section of the employers we represent.

As a nominee for the Board of Directors, we encourage your attendance. Kindly RSVP to Jenny Johnson at jjohnson@ieda.com or 510-653-6765.

Very truly yours,

Bruce Heid
President

BH:jj

Enclosure

P.S. IEDA's By-Laws (Article XII) provide for a Board of Directors meeting to be held immediately following the Annual Meeting.

Board of Directors Nominees
for
IEDA's February 16, 2012 Annual Meeting

William Albanese	President	Central Concrete Supply Co., Inc.
Jim Backman	Chief Operating Officer	Consolidated Engineering Laboratories
Dennis Bartels	Executive Director	The Exploratorium
Mark Dehl	General Manager	Feralloy Corporation
Michael J. Doherty	Vice President	Cummins West, Inc.
Jason Dow	General Manager	Central Marin Sanitation District
Keith E. Fleming	Chairman of the Board	IEDA
Gary Guittard	President	Guittard Chocolate Company
Stephen T. Hayashi	Consultant	Arcadis
Bruce Heid	President	IEDA
Jeff Maltbie	City Manager	City of San Carlos
Janet Mammini	Operations Manager	Gallo Sales Co., Inc.
Susan S. Muranishi	County Administrator	County of Alameda
Robin Petravic	President	Heath Ceramics, Inc.
Richard Price	Fire Chief	San Ramon Valley Fire Protection District
Norma Smith	Depot Manager	CNH
Christine Stoner-Mertz	President & CEO	Lincoln Child Center
Jim Triplett	Sr. VP Operations, West	AMPORTS-APS West Coast, Inc.
Ron Triche	Director	Trucker and Huss, APC
Joseph Villarreal	Executive Director	Housing Auth of County of Contra Costa
George J. Vukasin	President	Peerless Coffee Company, Inc.

Bold indicates new nominee/s