



COMMISSION MEETING AGENDA

Tuesday, January 10, 2012

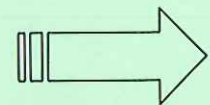
at the Agency Office

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 November 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 2011-12
 - i. Chemical Supply Contract Cost Adjustment Index
5. Annual Asset Management Program Presentation
Recommendation: Informational, provide comments or direction to the General Manager, as appropriate.

OVER



6. 2011 Performance Metric Report
Recommendation: Receive and accept the Agency's 2011 Performance Metric Report, and provide any comments or direction to the General Manager.
7. CMSA Regional Charge Alternatives
Recommendation: Discuss the Agency's Regional Charge alternatives, and provide direction to staff or take action, as appropriate.
8. North Bay Watershed Association (NBWA) Report*
9. Verbal Report by Commissioners/General Manager*
10. Closed Session (Government Code Section 54954.5)

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

11. Reconvene in Open Session (report on action taken during closed session, if any)
12. Next Scheduled Meeting (February 14th 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, December 13, 2011
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: Mary J. Brown, Recording Secretary; Rob Cole, Environmental Services Manager; Chris Finton, Treatment Plant Manager; Hank Jen, Finance Manager

Public Present: Jack F. Govi, County Counsel's Office; Holly Kennedy, HDR Engineering; Pete Talbot, HDR Engineering

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

CONSENT CALENDAR Commissioner Guasco asked questions related to Item 4.e. Performance Metric Report and there was a brief discussion. Commissioner Johnson asked questions related to Item 4.i. Process Control Professional Services Agreement and there was a brief discussion.

Chair Dupar and Commissioner Hartzell asked for corrections to Item 4.a. Minutes of November 9, 2011.

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

- a. Minutes of November 9, 2011
- b. Treasurer's Report—Operating Account—November 2011
- c. Treasurer's Report—Revenue Bond— November 2011
- d. Schedule of Investments— November 2011
- e. Performance Metric Report—November 2011
- f. NPDES and Process Report—November 2011
- g. Resolution of Appreciation for Linda Bodwin
- h. Modification of Cost Adjustment Index, Sodium Hypochlorite Supply Contract
- i. Process Control Professional Services Agreement
- j. 2012 CASA Mid-Year Conference

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

**FISCAL YEAR 2010-2011
COMPREHENSIVE ANNUAL
FINANCIAL REPORT (CAFR)
AND POPULAR ANNUAL
FINANCIAL REPORT (PAFR)**

GM Dow referred to the staff report and to the final draft version of the Comprehensive Annual Financial Report and the first draft of the Popular Annual Financial Report, both of which were prepared after the Board approved the Agency's financial statements at the November Board meeting. He said the final versions of these documents will be submitted to the Government Finance Officers' Association at the end of the calendar year.

Commissioners Hartzell and Johnson both gave their comments regarding suggested edits to the documents. GM Dow thanked the Board for their comments and edits.

**2011 CALIFORNIA WATER
ENVIRONMENT ASSOCIATION
AWARDS**

GM Dow reviewed the staff report and the many awards that the Agency and individual Agency staff garnered in the Redwood Empire Section from the California Water Environment Association.

The Board thanked staff for a job well done.

Action

M/s Heller/Johnson to adopt the Resolution of Appreciation (No. 290) to Agency staff for receiving the organizational, regional, and personal awards from the Redwood Empire Section of the California Water Environment Association, and recognize the employees pursuant to the Board's employee recognition award policy. The motion carried unanimously.

**REGIONAL CHARGE
ALTERNATIVE STUDY
PRESENTATION**

GM Dow referred to the staff report and explained that the JPA allows for various ways to allocate the Agency's Regional Charge to the JPA member agencies. He reviewed the recent history of this item, explaining that a Study agreement was approved in October for HDR Engineering to study and evaluate the different ways that the Agency could allocate the Regional Charge. He introduced Holly Kennedy of HDR Engineering.

Ms. Kennedy gave a PowerPoint presentation and summarized the purpose of the study and the various allocation methods for the Regional Charge. She explained that some of the presentation materials were prepared using what data was available, and that some of the data was hypothetical. She explained that HDR's study focused on four alternatives, which are flow-based, 3-year average flow-based, wet weather allocation, and influent flow and strength. She reviewed the basic advantages and disadvantages of the four different methodologies.

The commissioners asked several questions regarding each of the various alternatives and how the study results were found, and Ms. Kennedy answered the questions.

Commissioner Johnson asked why there were separate columns for the data related to San Quentin and SD1. GM Dow answered that the Board has made the decision to have San Quentin and SD1 show separately in its budget documents and that this segregation is in keeping with that past decision.

Commissioners briefly discussed how their respective agencies establish their individual EDU rates. Commissioner Boro agreed that there are equity issues regarding EDU rates at the individual

collection agency level but pointed out that this is not relevant to CMSA's Regional Charge allocation.

Commissioner Dupar asked GM Dow to ask the JPA managers to provide their comments and feedback regarding the various alternatives. GM Dow said he would send the draft study to the managers and ask for their comments, and noted the managers' December meeting was scheduled for December 16, and will request the study be added to the meeting agenda. Commissioner Boro asked the SD1 representatives to ask their General Manager to participate and provide his comments regarding the study.

The Board thanked HDR Engineering for the presentation.

BREAK

Chair Dupar called a break at 8:25 p.m. The Board resumed the meeting at 8:34 p.m.

FY 2012 DEBT SERVICE PAYMENTS

GM Dow referred to the staff report regarding the underpayment of the FY11 Debt Service invoice and supplemental invoices issued by CMSA to Ross Valley Sanitary District. He said that RVSD has not made the supplemental invoice payment, and CMSA has apprised Bond Counsel Sean Tierney of Hawkins Delafield Wood of the debt service underpayments. He explained that the underpayment has caused a shortfall in funds and that if RVSD underpays the FY12 debt service, CMSA will face a total underpayment by RVSD of \$250,915.

GM Dow explained that staff worked on crafting various options to address the FY11 Debt Service shortfall and reviewed them with Chair Dupar and Mr. Tierney, who provided comments and helped frame the payment options presented in the staff report. GM Dow reviewed debt service payment details and went through the three options in the staff report, which are 1) Do nothing; 2) File Notice of Default; and 3) Invoice SRSD and SD2 for the FY11/12 debt service payment balance. He explained Bond Counsel's view of the three alternatives and the impacts of each. He referred to tables in the staff report that provide data on the calculations and impacts related to the RVSD underpayment.

The Board discussed the difference between the allocation of the debt service and the regional charge. Board members discussed at length the various alternatives, and their effects, including the ramifications for the respective agencies if there is a default. Commissioner Boro stated that the Board has asked for information regarding why the EDU count was raised in 2006 and that CMSA has not received any comprehensive information explaining that raise in EDU count. He stated for the record that he has not seen any written record, justification or procedures about the EDU rate increase in 2006. Commissioner Guasco said he would try to see if there are any more documents that could be provided.

Chair Dupar asked if RVSD has revised its Sewer Use Ordinance for San Quentin to reflect the reduction of the factor from 2.34 to 1. Commissioner Guasco stated that he would find out and let GM Dow know.

Commissioner Hartzell stated that since she has not talked with her counsel regarding this item, she would abstain from the vote.

Action

M/s Heller/Boro to File Notice of Default and send supplemental invoices to SRSD and SD2 for their share of the FY12 debt service. The motion failed to pass based on the following vote:
AYES: Boro, Dupar, Heller
NAYS: Guasco, Johnson
ABSTAIN: Hartzell

Staff reported that the JPA required four affirmative votes to pass any measure.

Commissioner Hartzell asked GM Dow to ask the Bond Counsel if this item can come back at the January meeting for reconsideration, so that she will have time to speak with her agency's counsel.

NORTH BAY WATERSHED ASSOCIATION (NBWA) REPORT

Commissioner Hartzell stated that she was not able to attend the December meeting but said she asked GM Dow to email the Board members the minutes from the meeting that she had received. GM Dow reported that he emailed the minutes in the late afternoon.

VERBAL REPORT BY COMMISSIONERS

GM Dow reviewed his handout highlighting Agency business, including:

- PG&E is now including a "standby" charge of approximately \$1000 on the monthly invoices.
- New Operators-in-Training have been hired and are starting soon.
- An internal recruitment for Lead Operators is completed; the vacancies were created by retiring operators.
- The NBWA is having a conference on April 13, 2012.

Chair Dupar asked the RVSD representatives if they are conducting a consolidation study and if CMSA would be asked to participate in the study. Commissioner Johnson stated that the detailed parameters of the study have not been outlined yet. Chair Dupar asked GM Dow to keep the CMSA Board apprised of requests from RVSD for CMSA to participate in their study.

CLOSED SESSION

The Board convened in Closed Session (Government Code Section 54954.5) at 9:50 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 10:10 p.m.

Action

M/s Hartzell/Heller to select Kent Alms as the Arbitrator in the matter of *CMSA v. Sanitary District No. 1 of Marin County*. The motion carried with the following vote:
AYES: Boro, Dupar, Hartzell, Heller
NAYS: Guasco, Johnson
ABSTAIN: None

The Board also indicated that if Counsel Govi felt that the RVSD-selected Arbitrator was an appropriate Arbitrator, then he would request GM Dow to calendar the matter for the January 10, 2012 Board meeting. Additionally, the Board indicated that RVSD should select its nominee for Arbitrator by December 20th and the two selected Arbitrators (Kent Alm and the RVSD-selected Arbitrator) should select a 3rd Arbitrator by January 5, 2012.

DATE OF NEXT MEETING

The next commission meeting is scheduled for January 10, 2012 at 7:00 pm.

ADJOURN

The meeting was adjourned at 10:12 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 December 2011**

I. Accounts Summary: Bank & Investment Accounts

Summary of Bank & Money Market Accounts

Westamerica Bank - Account Activity shown below	\$ 272,239.10
Local Agency Investment Fund (LAIF) - Refer to Schedule of Investments	7,758,563.95
California Asset Management Program (CAMP) - Refer to Schedule of Investments	<u>6,029,157.21</u>
Total Bank & Investment Accounts: Ending Balance on December 31, 2011	<u>\$ 14,059,960.26</u>

II. Account Activity for Westamerica Bank

Beginning Balance on December 1, 2011 \$ 554,839.88

Cash Receipts (Deposits into Westamerica):

Transfers from LAIF	600,000.00
Permit and Inspection fees	1,175.00
Revenue from Haulers	11,471.80
County-wide Public Education Program Reimbursement (Q1: LGVSD, NSD, SASM, SMCSO)	17,222.14
SD 2 Operations & Maintenance Contract (Oct)	26,556.92
Misc Revenue: CalCARD Incentive Payment	234.06
COBRA Health Benefit Payments from separated employees/retirees	78.63
Expense Reimbursements for CIP (from Revenue Bond)	22,151.45
Miscellaneous Reimbursement (PG&E Energy Efficiency Program Rebate)	<u>1,768.35</u>
Total cash receipts	<u>\$ 680,658.35</u>

Cash Disbursements (Withdrawals from WestAmerica):

December 2011 Operating account disbursements register (see attached)	525,304.34
Regular Payroll paid 12/02/11	121,656.85
Regular Payroll paid 12/16/11	117,118.74
Regular Payroll paid 12/30/11	119,271.04
Transfers to EFTPS Federal Payroll Taxes (12/02, 12/07, 12/21)	65,436.79
Merit Pay (3), Admin Leave Cash-Out (1)	<u>14,471.37</u>
Total cash disbursements	<u>\$ 963,259.13</u>
Ending Balance on December 31, 2011	<u>\$ 272,239.10</u>

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 December 2011

Check Number	Check Date	Vendor/Payee	Amount	Description
43570				Last check # from prior month's register
43571 to				
43590	12/01/11	Payments to 20 Retirees	7,242.83	Agency Reimb for Retiree Health Benefits (CalPERS PEMCHA)
43591	12/02/11	Allied Packing & Supply	414.62	Maintenance Parts & Supplies
43592	12/02/11	City Electric Supply	45.93	Electrical Supplies
43593	12/02/11	FactoryMation	83.46	Electrical Supplies
43594	12/02/11	Kaman Industrial Technologies	1,017.34	Biotower Pump Parts
43595	12/02/11	Kemira Water Solutions, Inc.	7,671.00	Ferric Chloride (1 delivery)
43596	12/02/11	Marin Sanitary Service	1,033.00	Garbage (2 sponge removal)
43597	12/02/11	MCI	3.51	Phone Service, 10/18-11/17/11
43598	12/02/11	Miller Pacific	2,325.30	Concrete Strength Testing; Digester/FOG Project
43599	12/02/11	NorthBay Reprographics	416.10	Office Supplies
43600	12/02/11	Olin Corp - Chlor Alkali	16,725.04	Sodium Hypochlorite (4 deliveries)
43601	12/02/11	Redwood Shore Diving, Inc.	4,830.00	Survey Outfall Diffuser Risers
43602	12/02/11	Siemens Industry, Inc	23,539.59	Calcium Nitrate (2 deliveries)
43603	12/02/11	Sprint	256.95	Phone Service, 10/24-11/23/11
43604	12/02/11	Univar USA Inc	13,960.01	Sodium Bisulfite (3 deliveries)
43605	12/02/11	U.S. Peroxide, LLC	26,562.12	Hydrogen Peroxide (2 deliveries)
43606	12/05/11	AFLAC	38.36	Employee Supplemental Insurance (Note A)
43607	12/05/11	CalPERS Long-Term care Program	173.55	Employee Supplemental Insurance (Note A)
43608	12/05/11	CalPERS	51,057.88	Retirement contributions PPE 11/26/11
43609	12/05/11	California Public Employee	20,000.00	December 2011 Contribution to Retiree Health Benefits Trust Fund
43610	12/05/11	Cal Public Employee Retirement	47,138.89	Medical Insurance, December 2011
43611	12/05/11	Delta Dental Plan of Calif.	6,390.90	Dental Insurance, December 2011
43612	12/05/11	EDD	10,752.59	State & SDI Taxes, PPE 11/26/11
43613	12/05/11	Franchise Tax Board	50.00	Employee Garnishment, PPE 11/26/11 (Note A)
43614	12/05/11	ICMA Retirement Trust-457	13,596.61	Deferred Compensation Contributions, PPE 11/26/11 (Note A)
43615	12/05/11	Komline Sanderson Corp.	2,083.02	Maint Supplies: DAF Parts
43616	12/05/11	Nationwide Retirement	2,424.11	Deferred Compensation Contributions, PPE 11/26/11 (Note A)
43617	12/05/11	Operating Engineers Local 3	183.16	Contribution to MARA Benefit, PPE 11/26/11
43618	12/05/11	SEIU Local 1021	930.64	Union Dues, PPE 11/26/11 (Note A)
43619	12/05/11	Vision Service Plan -(CA)	797.76	Vision Insurance, December 2011
43620	12/06/11	Aramark	1,980.05	Uniform Service, November 2011
43621	12/06/11	CASA	12,000.00	Annual Membership Dues, 01/01-12/31/12
43622	12/06/11	CSRMA	2,589.96	Auto Insurance Settlement
43623	12/06/11	IEDA, Inc.	669.00	Prof Services: Labor Relations Consulting, December 2011
43624	12/06/11	Marin Office Supply	739.73	Office Supplies November 2011
43625	12/06/11	P.G.& E.	14,246.74	Electricity Service, 10/21-11/19/11
43626	12/06/11	State Water Resources Control	95.00	Operator Certificate Renewal (1 employee)
43627	12/06/11	Amazing Solutions, Inc.	37.50	Prof Svcs: Financial System Support, November 2011
43628	12/06/11	Analysts, Inc.	78.00	Oil Sample
43629	12/06/11	Centrisys	16,650.00	Centrifuge Maint: Rotating Assembly Repair & Balancing
43630	12/12/11	City Electric Supply	15.21	Electrical Supplies
43631	12/12/11	ChemStation of Northern Cal.	2,953.92	Odor Control Chemicals
43632	12/12/11	Empire Elevator Co Inc	108.16	Elevator Maintenance Service, December 2011
43633	12/12/11	Grainger	104.15	Electrical Supplies (2 invoices)
43634	12/12/11	Hagel Supply Co.	610.32	Utility Supplies (5 invoices)
43635	12/12/11	Home Depot Credit Services	146.43	Groundskeeping & Electrical Supplies (3 invoices)
43636	12/12/11	Interstate Batteries	816.03	Batteries for Electric Carts
43637	12/12/11	Jackson's Hardware	130.17	Maintenance Parts & Supplies (2 invoices)
43638	12/12/11	Kaman Industrial Technologies	6,758.96	Centrifuge Bearings and Biotower Pump Parts (4 invoices)
43639	12/12/11	Koff & Associates, Inc.	1,000.00	Prof Svcs: Background Checks for 5 Operator Applicants
43640	12/12/11	Lawson Products Co., Inc.	248.47	Maintenance Parts & Supplies
43641	12/12/11	Marin Color Service	597.53	Paint Supplies (5 invoices)
43642	12/12/11	Marin County Tax Collector	9,378.75	Legal Counsel July - September 2011

Central Marin Sanitation Agency
Operating Account Disbursements Register
For the Month of December 2011

Check Number	Check Date	Vendor/Payee	Amount	Description
43643	12/12/11	McMaster-Carr Supply Co.	150.87	Electrical Supplies (2 invoices)
43644	12/12/11	North Bay Watershed Assoc.	1,500.00	NBWA Membership FY12
43645	12/12/11	Praxair Distribution, Inc.	141.34	Compressed Oxygen (2 invoices)
43646	12/12/11	R2 Engineering, Inc	3,314.20	Maint Supplies: Moyno Pump Parts (2 invoices)
43647	12/12/11	Rafael Lumber	140.43	Maintenance Parts & Supplies (7 invoices)
43648	12/12/11	Water Components & Bldg. Supp.	165.71	Maintenance Parts & Supplies (5 invoices) (Note B)
43649	12/12/11	Western Exterminator Co.,Inc.	137.00	Pest Control, November 2011
43650	12/15/11	Albert Boro	100.00	Commissioner Fee 12/13/11
43651	12/15/11	John Dupar	100.00	Commissioner Fee 12/13/11
43652	12/15/11	Patrick Guasco	100.00	Commissioner Fee 12/13/11
43653	12/15/11	Kathleen Ohlson Hartzell	100.00	Commissioner Fee 12/13/11
43654	12/15/11	Barbara Heller	100.00	Commissioner Fee 12/13/11
43655	12/15/11	Marcia Johnson	100.00	Commissioner Fee 12/13/11
43656	12/15/11	3E MSDS Holdings ULC	2,460.55	Annual Subscription for Material Safety Data Sheets
43657	12/15/11	AireSpring	663.22	Phone Service, November 2011
43658	12/15/11	AT&T	686.92	Phone Service, 12/07-01/06/11
43659	12/15/11	Bob Bally	300.00	Employee Expense Reimb: Safety Glasses
43660	12/15/11	CAL-CARD	5,479.43	State of California Purchase Card, October and November 2011
43661	12/15/11	Caltest Analytical Laboratory	54.30	Lab Analyses (1 invoice)
43662	12/15/11	Centek Laboratories LLC	195.00	Biogas Siloxane Testing
43663	12/15/11	Donlee Pump Company	482.70	Testing and Repair of Above Ground Diesel Tank Monitoring System
43664	12/15/11	EPIC Compliance Systems, Inc.	1,957.36	Annual Compliance of Underground Gas Tanks (2 invoices)
43665	12/15/11	Fisher Scientific	982.51	Lab Supplies (3 invoices)
43666	12/15/11	Nicholas Gaunt	324.29	Employee Expense Reimb: Safety Shoes, Mileage reimb for Pre-employment Medical Evaluation & Copy of DMV Record
43667	12/15/11	Marin Independent Journal	500.59	Public Notice: Bidder List
43668	12/15/11	Marin Sanitary Service	3,229.56	Natural Gas Usage, November 2011
43669	12/15/11	Marin Resource Recovery Center	50.00	Scale Charges November 2011
43670	12/15/11	Mennekes	1,306.93	Centrifuge Connector
43671	12/15/11	OCCUMetric Inc.	660.00	Pre-employment medical Evaluations (3 operator applicants)
43672	12/15/11	P.G.& E.	153.54	Natural Gas Usage, November 2011
43673	12/15/11	Rock Steady Juggling	500.00	Public Ed: Outreach at one Elementary School (Note B)
43674	12/15/11	Service Station Systems, Inc.	1,800.00	Secondary Containment Testing of Underground Gas Tank
43675	12/15/11	State Water Resources Control	190.00	Operator Certificate Renewal (2 employees)
43676	12/15/11	Thomas Fish Company	128.25	Lab Supplies
43677	12/15/11	TNT Enterprises	3,150.00	Safety Prog: First Aid/CPR Training (Note B)
43678	12/15/11	Total Waste Systems, Inc.	4,779.67	Biosolids Hauling Fees, November 2011
43679	12/15/11	Waste Management	18,741.75	Biosolids Disposal, November 2011
43680	12/15/11	Matt Weekley	281.32	Employee Expense Reimb: Safety Shoes, Mileage reimb for Pre-employment Medical Evaluation & Copy of DMV Record
43681	12/15/11	Wine Country Balance	495.00	Lab Supplies
43682	12/15/11	Steve Zappetini & Co., Inc.	73.97	Maintenance Parts & Supplies
43683	to		8,700.00	Board Award to Eligible Employees for 2011 CWEA Awards
43719	12/15/11	39 CMSA Employees		
43720	12/16/11	CalPERS Long-Term care Program	173.55	Employee Supplemental Insurance (Note A)
43721	12/16/11	CalPERS	47,225.69	Retirement contributions PPE 12/10/11
43722	12/16/11	EDD	8,589.47	State & SDI Taxes, PPE 12/10/11
43723	12/16/11	Franchise Tax Board	50.00	Employee Garnishment, PPE 12/10/11 (Note A)
43724	12/16/11	ICMA Retirement Trust-457	1,946.61	Deferred Compensation Contributions, PPE 12/10/11 (Note A)
43725	12/16/11	Nationwide Retirement	2,424.11	Deferred Compensation Contributions, PPE 12/10/11 (Note A)
43726	12/16/11	Operating Engineers Local 3	183.16	Contribution to MARA Benefit, PPE 12/10/11
43727	12/16/11	SEIU Local 1021	889.71	Union Dues, PPE 12/10/11 (Note A)
43728	12/16/11	Standard Insurance Co. RB	3,513.42	Life Insurance, December 2011
43729	12/29/11	AFLAC	76.72	Employee Supplemental Insurance (Note A)
43730	12/29/11	CalPERS	46,959.78	Retirement contributions PPE 12/24/11

Central Marin Sanitation Agency
 Operating Account Disbursements Register
 For the Month of December 2011

Check Number	Check Date	Vendor/Payee	Amount	Description
43731	12/29/11	EDD	9,496.97	State & SDI Taxes, PPE 12/24/11
43732	12/29/11	Franchise Tax Board	50.00	Employee Garnishment, PPE 12/24/11 (Note A)
43733	12/29/11	ICMA Retirement Trust-457	1,946.61	Deferred Compensation Contributions, PPE 12/24/11 (Note A)
43734	12/29/11	Nationwide Retirement	2,424.11	Deferred Compensation Contributions, PPE 12/24/11 (Note A)
43735	12/29/11	Operating Engineers Local 3	244.18	Contribution to MARA Benefit, PPE 12/24/11
43736	12/29/11	SEIU Local 1021	935.49	Union Dues, PPE 12/24/11 (Note A)
Grand Total			525,304.34	

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 December 2011

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 December 31, 2011
1. Bond Project Fund (CAMP 120-00)	\$ 65,123,107.94	\$ (56,133,558.96)	\$ 8,989,548.98
2. Bond Reserve Fund (CAMP 120-02)	4,754,281.26	\$ 3,207.87	\$ 4,757,489.13
Total	\$ 69,877,389.20	\$ (56,130,351.09)	\$ 13,747,038.11

II. Account Details for the Month of December 2011

1. Bond Project Fund - Monthly Account Activity

Beginning Balance on December 1, 2011 \$ 9,298,819.78

Cash Receipts:

Income Dividends (CAMP approximately @ 0.14%) 1,258.56

Total cash receipts \$ 1,258.56

Cash Disbursements:

Payment to Kennedy/Jenks: ESDC Digester Improvements & FOG Facility, September & October 2011 71,387.75

Payment to Carollo Engineers: Aeration Blower Replacement Project, October 2011 2,892.36

Payment to DL Falk Construction: Progress Payment #10 Admin Building Modification Project 3,123.73

Payment DLF c/o Escrow Agent: 10% Retention Progress #10 Admin Building Modification Project 347.07

Payment to Deutsche Bank: Administrative & Investment Services Nov 2010-Oct 2012 1,400.00

Payment to GSE: Progress Payment #5 Digester Improvement & FOG Facility Project, November 2011 184,911.30

Payment to GSE c/o Escrow Account: 10% Retention for Progress #5 Digester Improvement & FOG Facility 20,545.70

Payment to Harris Associates: CM Digester Improvements & FOG Facility, November 2011 3,770.00

Reimbursement to CMSA: Salary & Benefit Expenses, 10/30/11-11/26/11 22,151.45

Total cash disbursements \$ 310,529.36

Ending Project Fund Balance on December 31, 2011 \$ 8,989,548.98

2. Bond Reserve Fund - Monthly Account Activity

Beginning Balance on December 1, 2011 \$ 4,756,842.69

Cash Receipts:

Income Dividends (CAMP approximately @ 0.14%) 646.44

Total cash receipts \$ 646.44

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 December 31, 2011 \$ 4,757,489.13

Prepared by: 
Hank Jen, Finance Manager/Treasurer

Reviewed by: 
Jason Dow, General Manager

Central Marin Sanitation Agency
 Schedule of Investments
 As of Month Ending December 31, 2011

Date Purchase (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, 0.1% (est)		\$ 6,029,157.21	\$ -	\$ 6,029,157.21	\$ -	\$ 6,029,157.21	
		Total with CAMP		\$ 6,029,157.21	\$ -	\$ 6,029,157.21	\$ -	\$ 6,029,157.21	
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		\$ 1,119,235.94		\$ 1,119,235.94		\$ 1,119,235.94	\$ 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		\$ 7,758,563.95	\$ -	\$ 7,758,563.95	\$ -	\$ 7,758,563.95	
TOTAL INVESTMENTS									
		Short-term Investments (< 1 year in maturity)		\$ 13,787,721.16	\$ -	\$ 13,787,721.16	\$ -	\$ 13,787,721.16	
		Long-term Investments (> 1 year in maturity)		\$ -	\$ -	\$ -	\$ -	\$ -	
		Total		\$ 13,787,721.16	\$ -	\$ 13,787,721.16	\$ -	\$ 13,787,721.16	
Amount designated for Capital Reserves									
		1. CAMP		\$ 6,029,157.21		\$ 6,029,157.21		\$ 6,029,157.21	\$ 3,605,968
		2. LAIF		\$ 3,932,722.01		\$ 3,932,722.01		\$ 3,932,722.01	\$ 7,618,859
		Total		\$ 9,961,879.22		\$ 9,961,879.22		\$ 9,961,879.22	\$ 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.
- Market values are per the fiscal agent's respective monthly statements.

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.

4.d



BOARD MEMORANDUM

January 4, 2012

To: CMSA Commissioners & Alternates
From: Jason Dow, General Manager JD
Subject: December 2011 Performance Metric Report

Recommendation: Accept the December 2011 Performance Metric Report.

Summary: The Agency's performance in facility operations and maintenance, regulatory and environmental compliance, and public education and outreach in December 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, and most operational metrics are within their respective performance ranges. The cogeneration system's generator failed this month due to a defective voltage regulator; the system was off-line for 10 days, resulting in the lower energy production amount shown in row six. The digesters produced over five million cubic feet of biogas, with 2.8 million cubic feet used in the cogeneration engine and the balance being used in boilers and flared off when the cogeneration system was off-line.

Table 2 - Environmental Compliance and Regulatory Metrics

There were not any NPDES permit exceedances in December, or in calendar year 2011; the Agency is eligible to receive a 7-year Platinum Peak Performance award for 100% compliance with the requirements and permit limits in our NPDES permit for the past seven consecutive years.

Environmental Services completed the annual pretreatment, pollution prevention, FOG, and dental office inspections. The Agency's environmental laboratory was recently recertified by the Department of Public Health's Environmental Laboratory Accreditation Program.

Table 3 - Public Outreach

Two odor alerts were posted on the Agency website for taking a primary clarifier out-of-service due to the low monthly influent flows (no rain), and for draining and cleaning the chlorine contact tanks prior to the monthly acute toxicity testing. One odor complaint was made by Marin Honda on December 16th. Staff performed an odor investigation and visited the Marin Honda manager to report our findings, who appreciated our responsiveness to his complaint and the site visit.

CMISA PERFORMANCE METRICS - December 2011

TABLE I. OPERATIONAL METRICS

Metric	Definition	Measurement	Target/Goal
1) Wastewater Treated	Volume of wastewater influent treated and disposed; in million gallons	282.5	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	546.9	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	501.2 99% 353.7 98%	> 85% > 85%
4) Priority Pollutants Removal	Diversion of priority NPDES metals from discharge to the S.F. Bay: a. % Mercury b. % Copper	96.7% 99.2%	variable
5) Biogas Production	Biogas generated in our anaerobic digesters - in cubic feet Natural gas (methane) equivalent of the biogas - in cubic feet	5,074,989 3,044,993	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)	248,779 kWh \$6,954	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	\$1,218/MG 1,628 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	66	50 - 80
9) Corrective Work Orders	# of corrective work orders completed by O&M	25	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)	153.5; (1,817) 2.4%; (2.3%)	< 5%
11) Employee Training	Hours of internal and external employee training	Internal = 16 External = 0	variable

CMSA PERFORMANCE METRICS - December 2011

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	423	411 - 445
3) Process Analyses	# samples analyzed by the CMSA laboratory for process control reporting and monitoring	984	687 - 1099
4) Quality Control Testing	# of CMSA performed laboratory analyses for QA/QC purposes. Accuracy of QA/QC tests	436 100%	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)	26	as-needed
6) Pollution Prevention Inspections	Inspections of industrial and commercial businesses in the Agency's pretreatment and pollution prevention programs	30	variable
7) FOG Program Inspections	Inspections of food service establishments in the TCSD, SD2, RVSD, SRSD, and LGVSD service areas	51	variable
8) Permits Issued/Renewed	Permits issued for the pretreatment, pollution prevention, and FOG source control programs, and for groundwater discharge	4	variable

Table III - Public Outreach

Metric	Definition	Measurement	Target/Goal
1) Public Education Events	Attendance at public education outreach events; (YTD)	0; (3,995)	3,500 yr
2) School Events	Participation or sponsorship in school outreach events; attendees; (YTD)	0; (3,656)	variable
3) Odor Alerts	# of odor alerts posted to the Agency website due to process or operational changes.	2	1-10
4) Odor Complaints	# of odor complaints filed by the public.	1	0



BOARD MEMORANDUM

January 4, 2012

To: CMSA Commissioners and Alternates

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

Approved: Jason Dow, General Manager

Subject: **December 2011 NPDES and Process Report****Recommendation:** Accept the December 2011 NPDES and Process Report.**I. NPDES Compliance**

Our NPDES permit testing for December 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 December 96-hour flow through bioassay test.

II. Flow

It was a very dry December; no measurable precipitation was recorded at the Headworks rain gauge. The plant's average daily influent flow was 9.1 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	3.5 MGD	4.3 MGD	0.46 MGD	0.88 MGD	9.1 MGD
Total for Month Million Gallons	107.4 MG	133.6 MG	14.3 MG	27.2 MG	282.5 MG
Percent of Flow	38.1 %	47.3 %	5.0 %	9.6 %	100 %

III. Process

In December, the plant processes were aligned for wet weather flow, but with a lack of substantial rain events or elevated flows, the processes performed similarly to an average dry weather flow month. Graph #3 shows the TSS (total suspended solids), which is a good indicator of the effluent quality. The TSS monthly average was 4.5 mg/l, which is 30% of our Key Performance Indicator (KPI) of 15 mg/l, and is 15% 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. All 12 samples collected this month were below our KPI of 80 MPN. This month's maximum five-day moving median was 23 MPN, which is less than our median KPI of 30 MPN, and well below our five sample median permit limit of 240 MPN.

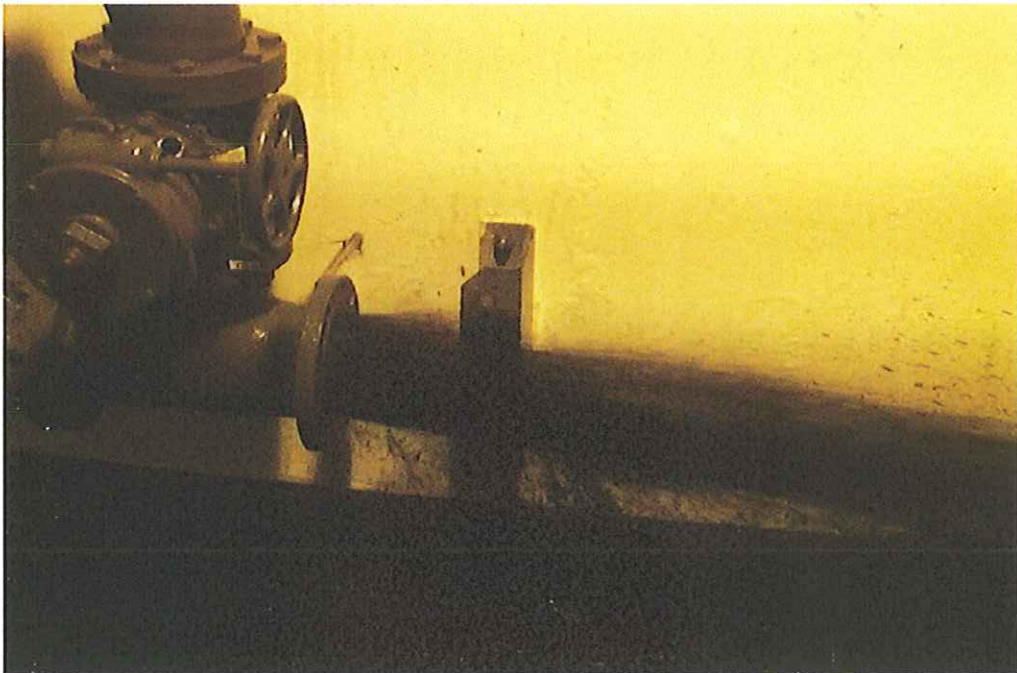
The Waukesha cogenerator produced 54 % of the Agency's power this month as depicted on Graph #8. On December 16th, the engine generator shutdown due to a power surge. Staff believed that the generator's voltage regulator was the root cause of the problem. An attempt to restart the cogenerator later in the day with a spare voltage regulator produced the same failure alarms at start-up. Staff contacted a local generator service provider to examine the generator on December 19th and confirmed our initial assessment that the voltage regulator was the cause of the failure. Trying to secure a spare regulator less than five days before Christmas was a challenge. Staff did manage to find a spare regulator on the 20th, and air freight delivery from China would take 7days. The spare regulator arrived and was installed by our Electrical staff on December 27th, and the engine generator immediately returned to service. The two failed voltage regulators were shipped to an industrial electronics company so they could be tested and the cause of the failure determined.

CMSA TREATMENT PLANT PROCESS REPORT

December 2011



Staff unplugging a line into Digester #1



Unplugged, now the clean-up!

Monthly Compliance Summary Table

Central Marin Sanitation Agency

December 2011

Final Effluent Monitoring

Parameter	Frequency	Units	Results	Limit
Carbonaceous BOD Highest Weekly Average	Weekly	mg/L	5	Maximum 40
Carbonaceous BOD Monthly Average	Monthly	mg/L	5	Maximum 25
Carbonaceous BOD Monthly Removal Rate	Monthly	%	98	Minimum 85
Total Suspended Solids Highest Weekly Average	Weekly	mg/L	5.8	Maximum 45
Total Suspended Solids Monthly Average	Monthly	mg/L	4.5	Maximum 30
Total Suspended Solids Monthly Removal Rate	Monthly	%	99	Minimum 85
Chlorine Residual Instant Limit	Instant	mg/L	<0.1	Maximum 0.0
pH Lower Limit	Continuous		7.3	Minimum 6
pH Upper Limit	Continuous		7.6	Maximum 9
Bacteriological Analysis				
Total Coliform 5 Sample Median	3 X Week	MPN/100mL	23	Maximum 240
Total Coliform Daily Maximum	3 X Week	MPN/100mL	50	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	2.6	Maximum 21.8
Copper Monthly Average	Monthly	ug/L	2.6	Maximum 13.1
Cyanide Daily Limit	Monthly	ug/L	2.2	Maximum 41
Cyanide Monthly Average	Monthly	ug/L	2.2	Maximum 21
Mercury Weekly Average	Weekly	ug/L	0.0014	Maximum 0.072
Mercury Monthly Average	Monthly	ug/L	0.0014	Maximum 0.066
Mercury Monthly Loading	Monthly	kg/mo	0.0010	
Mercury Annual Loading (watershed permit)	Jan-Dec	kg/yr	0.0726	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	ND	Maximum 20
Oil and Grease Monthly Average	Quarterly	mg/L	ND	Maximum 10

Flow Analysis	Daily Max	Hourly Max	5 minute Max	Monthly Average
Effluent Flow	7.1	13.8	14.9	6.4
Influent Flow	9.5	14.6	18.1	9.1
# Days Blended	0			

* 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 Equivalentents** - 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,
December 2011

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>429</u>	mg/l	Expected removal efficiencies as outlined in Metcalf & Eddy Wastewater Engineering Manual
Average TSS out	<u>232</u>	mg/l	
Average Percent Removal Achieved	<u>45.9</u>	%	Design 50-70% Removal
Average Total Biochemical Oxygen Demand (BOD) in	<u>304</u>	mg/l	Design 25-40% Removal
Average BOD out	<u>177</u>	mg/l	
Average Percent Removal Achieved	<u>41.8</u>	%	
Average Plant Influent Flows	<u>9.1</u>	MGD	

Biotower Performance

Average TSS out	<u>138</u>	mg/l	Design 25-30% Removal
Average BOD out	<u>101</u>	mg/l	
Average Percent BOD Removal Achieved	<u>44.8</u>	%	

Aeration Tanks/Activated sludge

Dissolved Oxygen set point	<u>1.8</u>	mg/l
Average MLSS	<u>1554</u>	mg/l
Average MCRT	<u>6.1</u>	Days
Average SVI	<u>178</u>	

Secondary Clarifiers

Average WAS concentration	<u>7367</u>	mg/l
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Final Effluent

The average Effluent TSS for the month was	<u>4.5</u>	mg/l	(Maximum Limit: 30mg/l)
Week #1 weekly average	<u>3.9</u>		(Maximum Limit: 45mg/l)
Week #2 weekly average	<u>3.7</u>		"
Week #3 weekly average	<u>4.1</u>		"
Week #4 weekly average	<u>5.8</u>		"
The monthly average TSS removal efficiency through the plant was	<u>99</u>	%	(Minimum Limit: 85%)
The average Effluent BOD was	<u>5</u>	mg/l	(Maximum Limit: 25mg/l)
Week #1 weekly average	<u>5</u>		(Maximum Limit: 40mg/l)
Week #2 weekly average	<u>4</u>		"
Week #3 weekly average	<u>5</u>		"
Week #4 weekly average	<u>5</u>		"
The monthly average BOD removal efficiency through the plant was	<u>98</u>	%	(Minimum Limit: 85%)
Total Coliform 5 Sample Median	<u>23</u>	MPN	(Maximum 240)
The Daily Maximum Total Coliform Count for the month was	<u>50</u>		(Maximum 10,000)
Effluent pH for the month was:	Min	<u>7.3</u>	(Min 6.0)
	Max	<u>7.6</u>	(Max 9.0)

Digester Treatment

The average Thickened Waste Concentration from the DAF was	<u>4.06</u>	%	
The average percent of Volatile Solids destroyed was	<u>60.96</u>	%	
The cubic feet of biogas produced was	<u>5,074,989</u>	(Total)	<u>163,709</u> (Daily Average)
The average temperature of the digester was	<u>100.13</u>	degrees Fahrenheit	

Executive Summary Process Performance Data

December 2011

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>2.32</u>	%
The average Biosolids concentration was	<u>25.54</u>	%
The average TSS of the Centrate was	<u>0.033</u>	%
The solids capture of the Centrifuge was	<u>98.51</u>	%
Polymer use per Dry ton of biosolids was	<u>18.37</u>	#/dry ton
The average polymer feed rate per run was	<u>4.61</u>	gpm
The average concentration of the polymer batches was	<u>0.33</u>	%
The average sludge feed rate per run was	<u>71.9</u>	gpm

Comments:

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

Graph #1:

Depicts the total influent flow (from all collection agencies) entering the treatment plant.
The Y-axis is in the Dry Weather flow range of 0-40 MGD.

Graph #2:

Depicts individual collection member agency flows.
The Y-axis is in the Dry Weather flow range of 0-20 MGD.

Graph #3:

Depicts the total suspended solids in the effluent.
Our monthly average was 4.5 mg/l vs our KPI of 15 mg/l and Permit monthly average limit of 30 mg/l.

Graph #4:

Depicts the coliform most probable number (MPN) results which are an indication of the performance of the disinfection system.
The monthly median sample was 23 MPN, which is below or KPI of 30 MPN and well below our NPDES limit of 240 MPN.

Graph #5:

Depicts the effluent BOD which is measuring the oxygen demand of the wastewater.
Our December Effluent BOD average was 5 mg/l, well below our NPDES limits are 40 mg/l week and 25 mg/l for the month.

Graph #6:

Depicts the degree to which the biosolids have been dewatered. The Agency dewatered biosolids 28 of 31 days this month. Our biosolids concentration met or exceeded our KPI of 25% 24 of 28 days this month.

Graph #7:

Depicts the amount of biogas that is generated in the digesters, and then used for producing electricity.
Biogas production met KPI of 115 thousand cubic of gas per day for 30 of 31 days in December.

Graph #8:

This graph depicts the amount of energy produced through cogeneration vs. the energy purchased from PG&E for agency operations.
On December 16th, the engine generator shutdown on overspeed, as depicted on the graph and was returned to service on the 27th with the installation of a new voltage regulator. See staff report for a summary of events.

Glossary of Terms

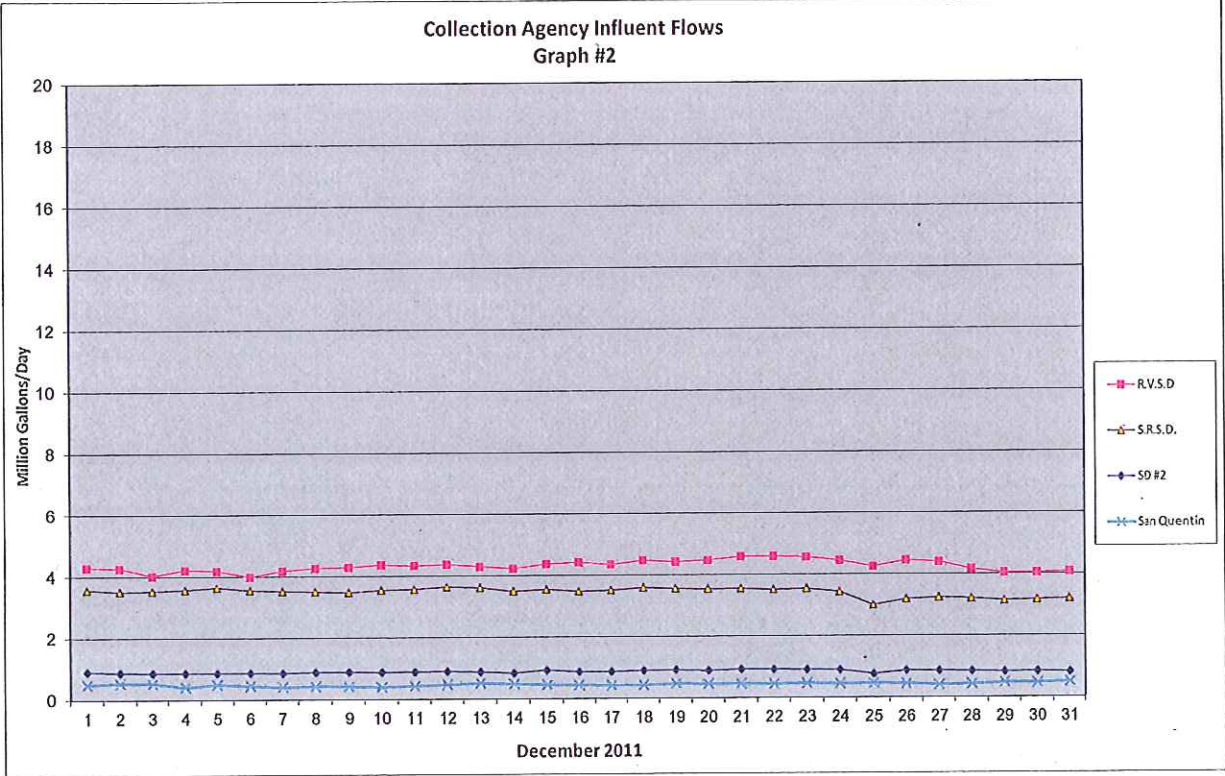
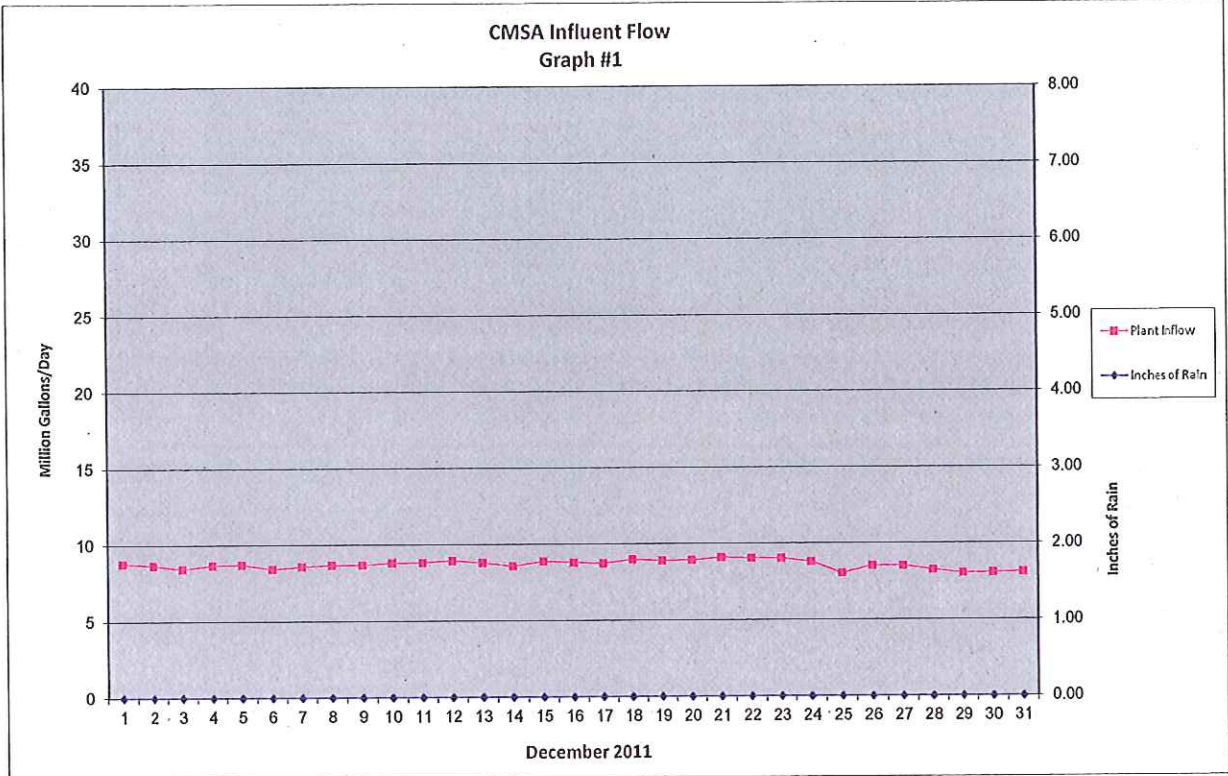
Executive Summary

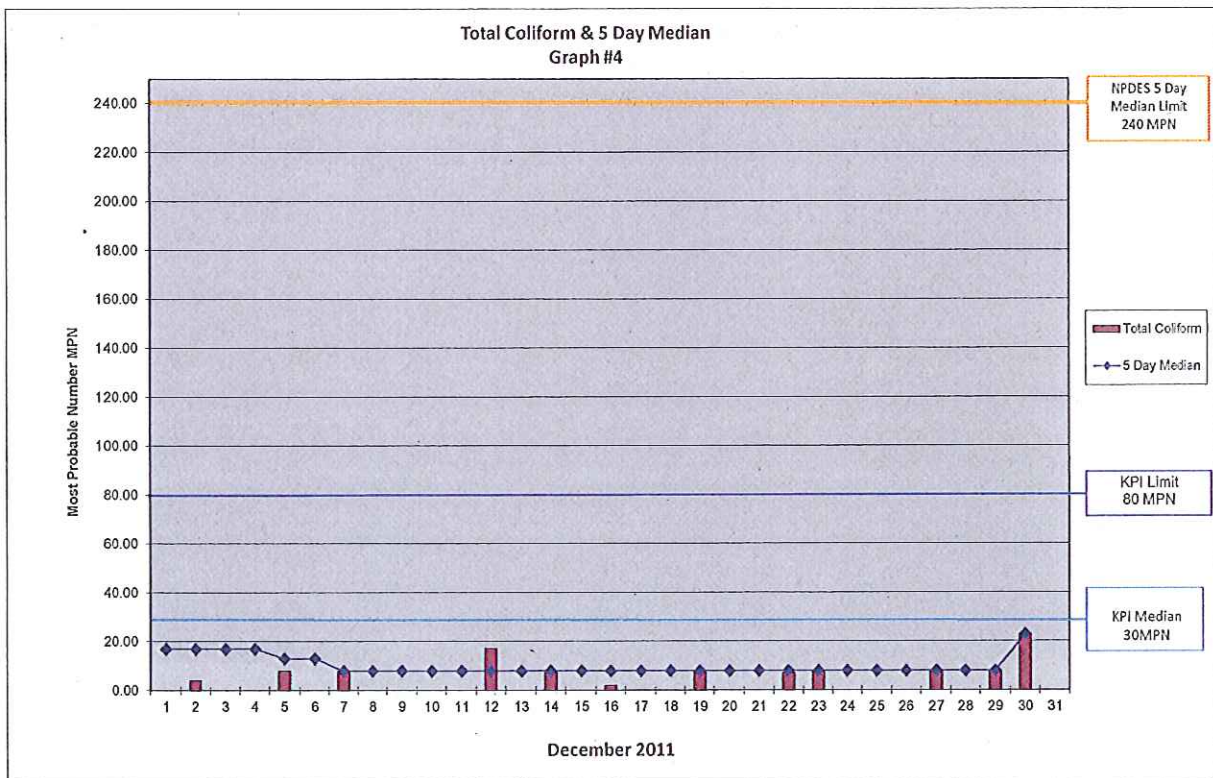
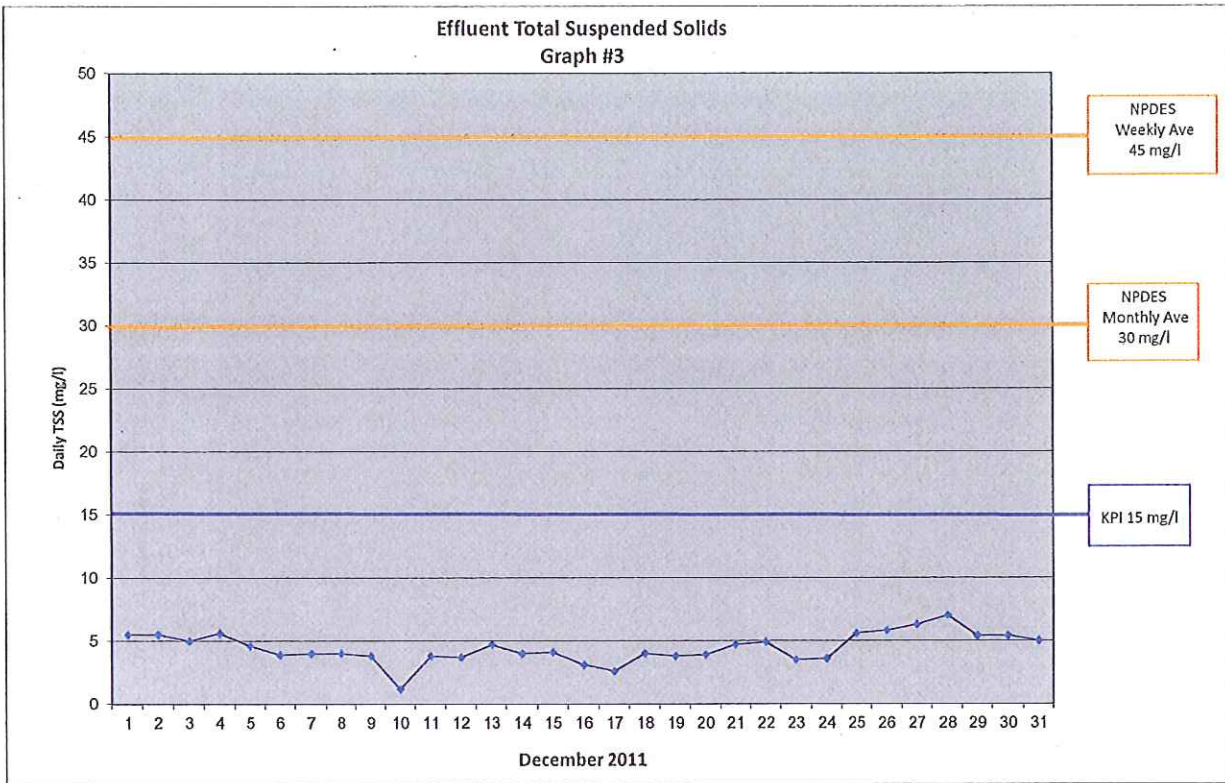
- **Primary Clarifier:** A physical (as opposed to biological) treatment process where solids that settle or float are removed and sent to the digesters for further processing.
- **Biotower:** The next treatment process, that is biological, in which the wastewater trickles over a biomass covered media. 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).

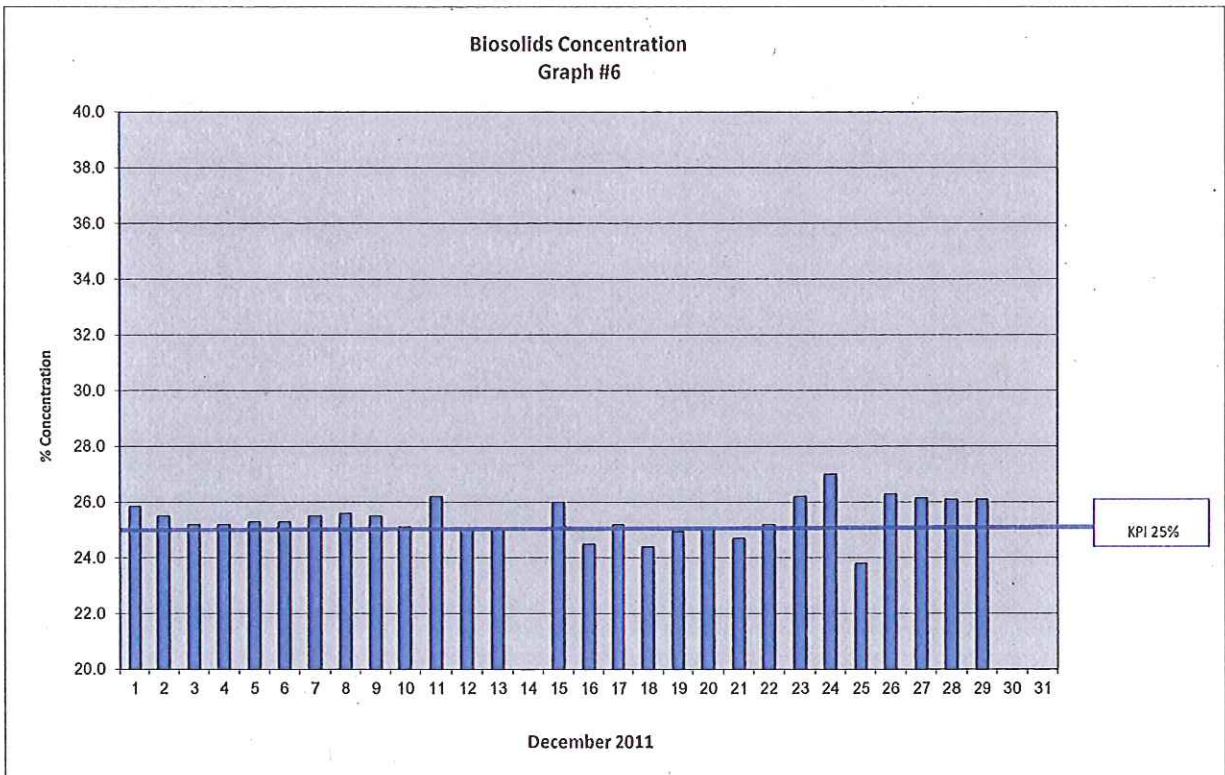
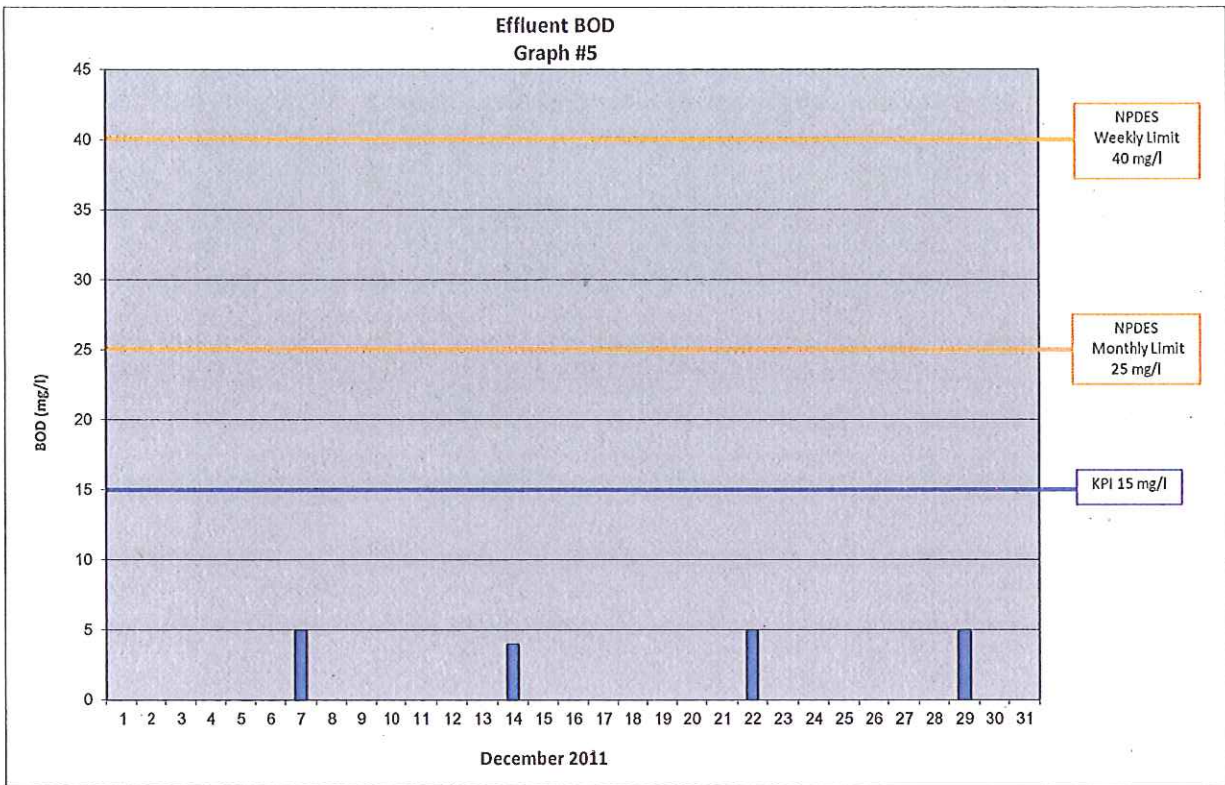
- **Mean Cell Residence Time (MCRT):** An expression of the average time that a microorganism will spend in the activated sludge process.
- **Sludge Volume Index (SVI):** This is a calculation used to indicate the settling ability of activated sludge in the secondary clarifier.
- **Return Activated Sludge (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.

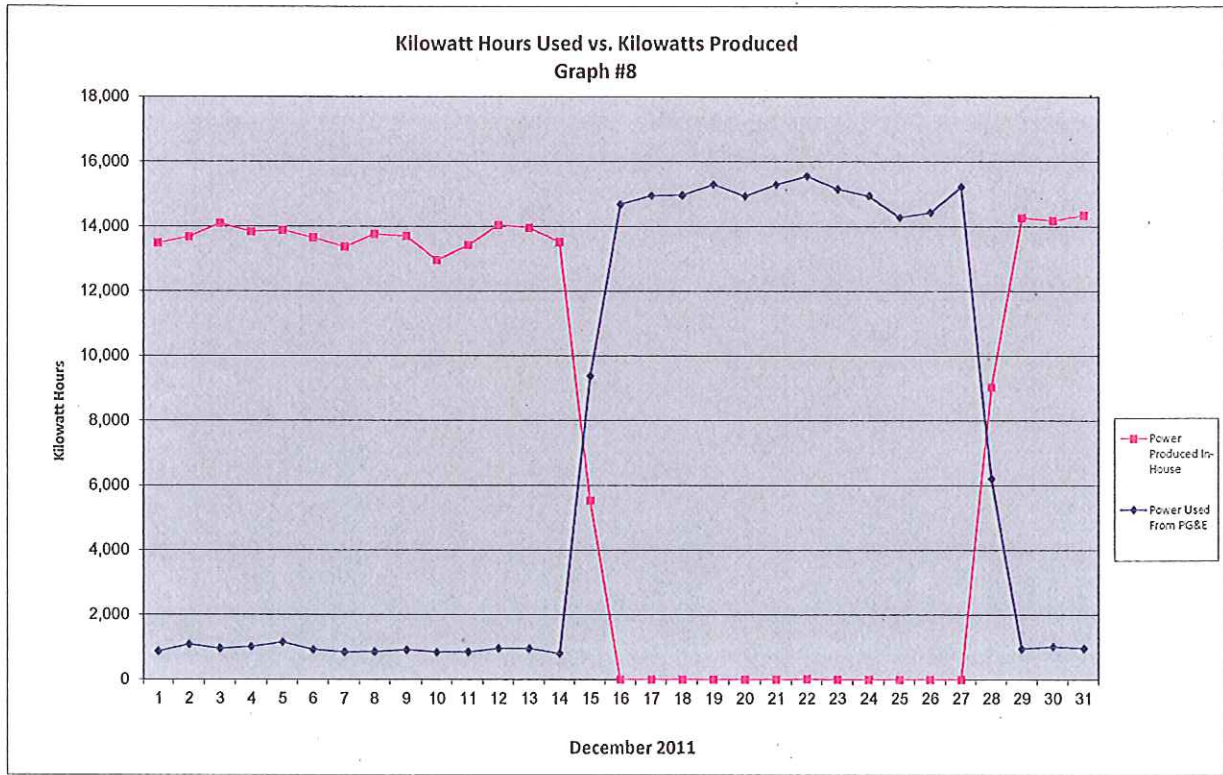
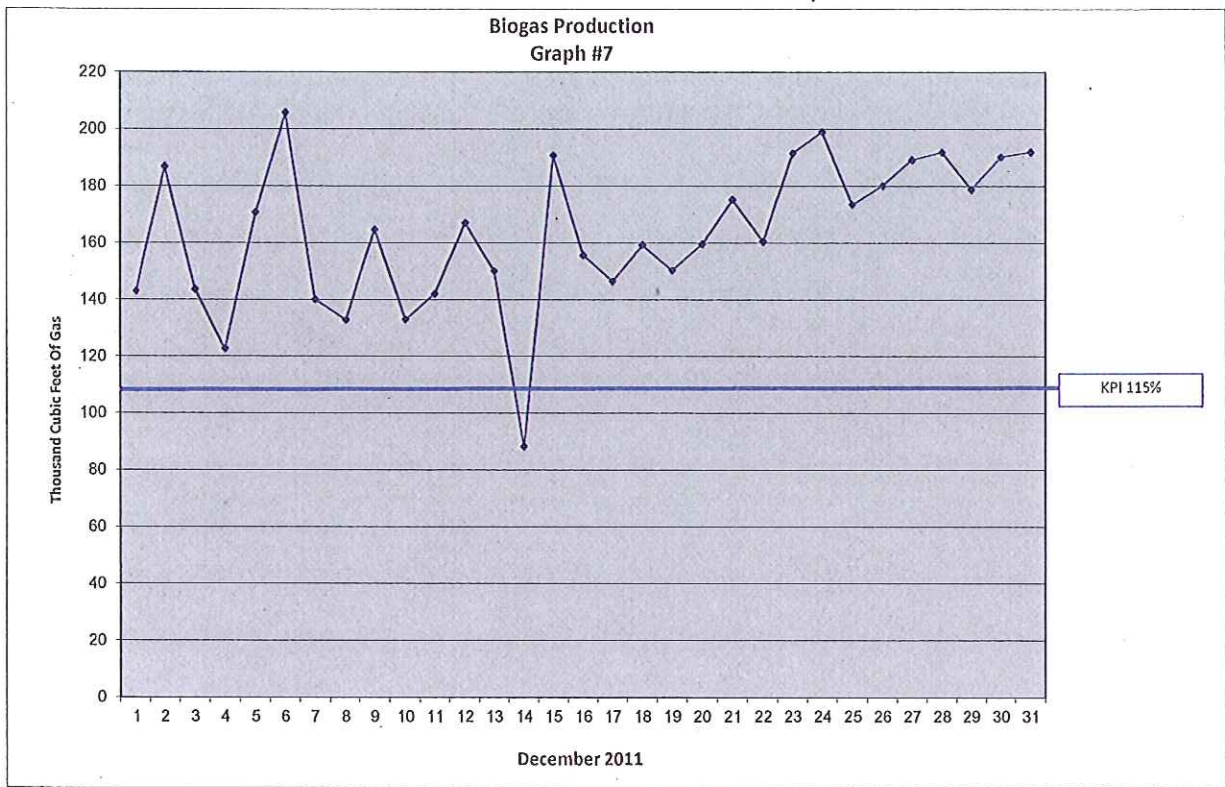
Units of Measurement

- **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

January 6, 2012

To: CMSA Commissioners & Alternates
From: Jason Dow, General Manager *J*
Subject: Resolution of Appreciation for Tom Asdell

Recommendation: Adopt Resolution No.292, a Resolution of Appreciation for Tom Asdell.

Summary: Tom Asdell is a Lead Operator that started his career at the Agency in 1995, prior to which he was a wastewater treatment facility operator at the City of Santa Rosa's treatment plant. Tom worked the Grave Yard shift during his tenure at CMSA, and was instrumental in overseeing the facility operations during most large storm events, whose peak flows typically arrived in the middle of the night when the Agency was minimally staffed. The operations staff appreciated Tom always volunteering for the night shift which allowed them to either stay on the day or swing shifts, and spend more time with their families.

Tom was computer savvy well before most employees in the industry were using computer systems and their applications. He designed operational and process tracking spreadsheets for the Agency, and updated them each night with the prior days' flows, process measurements and key data, and relevant laboratory test results, most of which are used to populate the monthly process report for the Board agenda packets. Tom also trained many operators on the Grave Yard shift's important process control and preventative maintenance tasks.

The Agency staff wishes Tom a happy and eventful retirement, and recommends the Board adopt his Resolution of Appreciation.

Resolution of Appreciation
Thomas M Asdell

WHEREAS, Thomas "Tom" Asdell began his career with the Central Marin Sanitation Agency as a Lead Operator on September 25, 1995; and

WHEREAS, Tom introduced Operations staff to the electronic age by utilizing email and electronic time card management, developing and implementing computer based preventive maintenance, before Maintenance Management Systems, and creating numerous Operations Department forms; and

WHEREAS, Tom was instrumental in developing and maintaining CMSA's electronic standard operating procedures (SOP) index; and

WHEREAS, Tom has spent 15 of his 16 year career here at CMSA on Grave Yard Shift, a supply of sun block will be given to Tom with his final pay check; and

WHEREAS, Tom brings two large packages of cookies at the beginning of his shift every week for staff to munch on (but the 12 pack of diet 7-Up was his) and

WHEREAS, Tom is a boat builder and an avid privateer by trade. Many a vessel was launched and shake-out voyages commissioned on Lake Ralphine; and

WHEREAS, Tom owns one of the largest privately held collection of flashlights in Sonoma County. Flashlight manufactures call Tom when enquiring about spare parts; and

WHEREAS, Tom always represented the Agency in a professional manner in his interactions with the Agency's customers and visitors;

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Central Marin Sanitation Agency do express their appreciation to **Tom Asdell** for his dedication to the Agency and wish him a happy and eventful retirement.

Passed and adopted January 10, 2012

John Dupar, Chair

Albert Boro, Secretary

BOARD MEMORANDUM

January 6, 2012

To: CMSA Commissioners and Alternates

From: Hank Jen, Finance Manager *HJen*

Approved: Jason Dow, General Manager *JD*

Subject: **Second Quarter Budget Status Report for Fiscal Year 2011-12**

Recommendation: Review and accept the Agency's Second Quarter Budget Status Report for Fiscal Year 2011-12 (FY12).

Summary: We are pleased to present the Agency's Second Quarter Budget Status Report for FY12. As of December 31, 2011, the Agency received 45.6% of the budgeted operating revenues (Table I) and incurred 48.3% of budgeted operating expenses (Tables III & IV). Revenues and expenditures are within reasonable operating parameters with respect to 50% straight line year to date performance with the exception of Sewer Service Charges and Debt Service (see Performance Highlights). Expenditures are measured by actual expenses and encumbrances for goods and services in the process of being procured.

Performance Highlights

- Actual revenues received for Sewer Service Charges and Contributions for Debt Service were both less than amount invoiced due to the underpayment by Sanitary District #1. The amount outstanding for each revenue source is \$397,022 and \$177,193 respectively.
- The Agency made an interest payment of \$1.41 million and retired \$1.88 million in outstanding debt from the 2006 Revenue Bonds on September 1, 2011.
- Total capital program expenditures were at \$2.09 million. This included \$154.5K for salary and benefits, \$29.1K for Administration Building Modification, \$1.6M for the Digester Improvements/FOG Facility Project, \$15.2K for Aeration Blower Replacement and \$294.3K for all other capital improvement activities.

Table I – Agency Revenues

Description	Budget	YTD Actual Received	Outstanding Receivables (Invoices)	Budget Balance	Total Revenue Received as % of Budget	Total Actual & Outstanding as % Budget
Sewer Service Charges	9,312,615	4,259,286	397,022	4,656,307	45.74%	50.00%
Contract Services	403,632	118,095	42,901	242,636	29.26%	39.89%
Program Revenues	179,191	77,760	-	101,431	43.40%	43.40%
Interest Income	55,000	10,189	-	44,811	18.53%	18.53%
Haulers, Permits & Inspection Fees	49,623	57,022	4,101	(11,499)	114.91%	123.17%
Other Non-Operating Revenues	20,000	26,538	-	(6,538)	132.69%	132.69%
Connection Fees	-	20,610	-	(20,610)	No Budget	-
Total Agency Revenues	10,020,061	4,569,500	444,024	5,006,538	45.60%	50.03%
Contributions for Debt Service	5,819,892	3,932,722	177,193	1,709,977	67.57%	70.62%

The Agency has received 45.6% of budgeted revenues and the budget performance is at 50% of budget when outstanding receivables are included. Table 1 - Agency Revenues identifies the source of revenue received. Agency Revenues (\$4.6M) and Contributions for Debt Service (\$3.9M) received year to date total \$8.5 million. Of this amount \$4.263 million represents first and second quarter service charge payments and \$3.93 million in debt service payments received from all JPA members with a total of \$621.2K outstanding for FY12. Sanitary District No. 1 has underpaid both quarterly sewer service charges and the first semi-annual debt service payments which resulted in a revenue shortfall of \$574.2K.

The remaining \$132.4K in receipts and \$47K in revenues outstanding represents the following:

Contract Services: Receipts total \$118K and outstanding receivables total \$42.9K for services provided by the Agency under contract to local agencies for pump station maintenance and the FOG & Pollution Prevention Programs. The December invoice for contracted pump station services will be sent to SD2 by mid-January.

Program Revenues: \$77.8K in receipts and no outstanding receivables. CMSA is the lead Agency for the Safety Director, Countywide Public Education, and Outside Safety Training programs. Costs incurred by CMSA are allocated to the districts participating in the programs. The Agency invoices the districts quarterly for Safety Director and Countywide Education expenditures in accordance with agreements with the program participants.

Safety Director: The Agency invoices program participants at the beginning of each quarter for safety director salary and benefit costs and bills incidental program expenses at the end of each quarter. Revenues received to-date total \$59.6K with no outstanding receivables for salary and benefit costs through December 31, 2011.

Countywide Education: Program participants are invoiced the month following the end of each quarter for program expenses incurred during that quarter. The frequency and amount of expenditures are a function of outreach events and activities that are scheduled throughout the year. Revenues received for first quarter activities totaled \$181K. There are no receivables.

Interest Income: Year to date interest income totals \$5.5K. The Agency budgeted interest earnings assuming a rate of 0.5%. Interest received does not include second quarter interest from LAIF as the State Treasurer posts LAIF interest earnings on a quarterly basis 15 days after the end of each quarter. Interest rates earned on the Agency's short term investments with CAMP was 0.14% for December.

Haulers, Permits & Inspection Fees: \$48.8K in receipts and \$4.1K in outstanding invoiced revenues through November 2011. These revenues are from septic disposal at CMSA facility from private waste haulers, permit fees to industrial waste dischargers, reimbursement of Agency labor and administrative costs for performing pollution prevention program inspections and other services.

Other Non-Operating Revenue: \$26.5K in combined revenues from CSRMA dividends for the Agency's Workers' Compensation policy (\$25.3k), CalCARD prompt payment incentive rebates, the occasional sale of assets, and other miscellaneous refunds.

Connection Fees: CMSA received \$20.6K from SD#2 for three residential connections.

Debt Service: A principal and interest debt service payment was made on August 31, 2011 for the obligation due September 1st (principal \$1.88 million, interest \$1.408 million). The Agency received debt service contributions from member agencies in July and August for payment on the CMSA Revenue

Bonds. While Sanitary District No.1 did underpay its first semi-annual debt service payment to CMSA by \$177,193, CMSA has nevertheless fulfilled its revenue bond payment obligations to its bondholders. In January 2012, JPA members will be invoiced for obligation due on March 1, 2012 which is an interest only payment of \$1.368 million.

Table II – Revenues & Expenditures for Contracted Agency Services

At the Board's direction, the quarterly budget report includes revenue and expenditure status for services that CMSA provides under contract to other local agencies. The presentation of the information is similar to the revenue information in Table 1. The actual expense incurred by CMSA excludes the contract administration overhead fee that ranges from 10-22% depending on the contract.

Service Contract	Budgeted Revenue	Actual Revenue Received	Invoiced Outstanding	Total Revenues	Actual Expenses	Comments
SD 2 Pump Station Operations and Maintenance	341,532	105,065	25,905	130,970	109,413	Through 11/30/11
Safety Director Program (excludes CMSA's share)	138,031	59,622	-	59,622	52,673	Through 12/31/11
Countywide Public Education (excludes CMSA's share)	41,160	18,138	-	18,138	15,772	Through 09/30/11
Las Gallinas Valley SD FOG & Pollution Prevention Program	20,000	3,490	5,822	9,312	7,648	Through 12/31/11
RVSD FOG	10,000	4,708	4,806	9,514	8,662	Through 12/31/11
SRSD FOG	17,000	4,833	6,369	11,202	10,194	Through 12/31/11
TCSD FOG	2,600	-	-	-	-	
SD 2 FOG	12,500	-	-	-	-	
TOTAL:	582,823	195,855	42,901	238,758	204,362	

Table III – Operating Expenditures by Category

Description	Budget	2nd Quarter Budget (50%)	Year to Date (YTD) Actual	PO Encumbrances/ Pending Payments	Budget Balance	% Spent
Salaries & Wages	3,882,119	1,941,060	1,952,518	-	1,929,601	50.30%
Benefits	2,485,366	1,242,683	1,190,268	4,864	1,290,234	48.09%
Chemicals & Fuel	1,289,063	644,532	418,310	91,623	779,130	39.56%
Biosolids Disposal	240,936	120,468	90,236	17,647	133,052	44.78%
Permit Testing & Monitoring	133,161	66,581	35,945	4,412	92,804	30.31%
Repairs & Maintenance	176,000	88,000	43,439	5,947	126,614	28.06%
Insurance	179,153	89,577	123,190	613	55,351	69.10%
Utilities	378,886	189,443	136,158	40,677	202,051	46.67%
General & Administrative	661,743	330,872	360,039	32,239	269,465	59.28%
TOTAL OPERATING EXPENSES	9,426,427	4,713,214	4,350,103	198,022	4,878,302	48.25%

* Actual and Encumbered.

Table IV – Operating Expenses by Department

Description	Budget	2nd Quarter Budget (50%)	Year to Date (YTD) Actual	PO		% Spent*
				Encumbrances/ Pending Payments	Budget Balance	
Administration**	3,877,573	1,938,787	1,919,450	36,649	1,921,474	50.45%
Environmental Services	1,033,408	516,704	435,732	24,419	573,257	44.53%
Maintenance	1,338,372	669,186	645,140	7,742	685,490	48.78%
Operations	2,978,020	1,489,010	1,256,158	129,212	1,592,649	46.52%
Engineering	199,054	99,527	93,622	-	105,432	47.03%
TOTAL OPERATING EXPENSES	9,426,427	4,713,214	4,350,103	198,022	4,878,302	48.25%

* Actual and Encumbered.

** Fringe benefits for CMSA staff and the Agency's insurance expense are reflected in this department

Total operating expenditures are 48.3% of budget at the end of December 2011. This includes \$4.35M for actual expenses and \$198K for outstanding purchase orders, contracts and other obligations. Year to date expenditures for all categories of expense, with the exception of Insurance and General & Administrative, are less than the straight-line projected budget performance target of 50% at the end of December 2011. Budget performance by department is also equal to or less than the 50% performance target.

Salary & Benefits: Total salary and benefits expenses are at 50.3% and 48.1% of budget respectively. Salary and benefit expenses represent payroll expenditures through the pay period ending December 24, 2011 (13 of 26 payrolls or 50%). Salary expenses are slightly higher than expected as a result of the final separation pay incurred when a senior operator retired at the end of November.

Chemicals & Fuel: Expenditures are 39.6% of budget with \$418.3K of actual and \$91.6K in pending payments for chemicals delivered through December 31, 2011.

<u>Chemicals</u>	<u>Expenditures as % of Budget</u>	<u>Comments</u>
Ferric Chloride	20%	3 deliveries through November 2011
Polymer-Cationic	0%	0 deliveries
Odor Control	13%	2 deliveries through December 2011
Nitrate	45%	21 deliveries through December 2011
Hydrogen Peroxide	19%	10 deliveries through December 2011
Sodium Hypochlorite	16%	18 deliveries through December 2011
Sodium Bisulfite	17%	11 deliveries through December 2011

Biosolids Disposal: Expenditures are 44.8% of budget with \$90.2K in actual expenditures and \$17.6K in estimated encumbrances for landfill fees and sludge hauling services through December 2011. Disposal expenses vary and are primarily dependent upon weather-related circumstances: 1) land application during the months of May to November result in lower disposal costs when compared to disposal as alternate daily cover at the landfill and 2) the volume for disposal is lower during the warmer weather spring and summer months.

Permit Testing & Monitoring: Expenditures are at 30.3% of budget and include \$35.9K in actual expenditures and \$4.4K for PO's issued for NPDES permit sampling, underground tank tests and other laboratory costs. The expenditures for this category are variable because of the wide range of sampling costs ranging from \$150 to \$3,000 for the type and frequency of analyses performed. Billing delays often occur during the wet weather season when it takes longer to receive test analyses due to back-log at the labs; however this has not been the case thus far due to the lack of wet weather. When the outside laboratory does not provide test analysis in the timeframe specified in the contract, it results in a fee reduction for the test performed.

Repairs & Maintenance: Expenditures are 28.1% of budget and include \$43.4K in actual expenditures and \$5.9 K in outstanding PO encumbrances. Expenditures alone are not necessarily a good indicator of the repair and maintenance activities that are taking place. For example, periods of high expenditures reflect the purchasing of materials and supplies to prepare for upcoming planned maintenance while periods of low expenditures can relate to staff performing planned maintenance utilizing available parts inventory. PO encumbrances are for for dead oak tree removal and weed abatement.

Insurance: This category is at 69.1% of budget. The schedule shown below provides the payment status for insurance coverage. Insurance premiums are paid when policies are renewed and the expenses are prorated between fiscal years based on the duration of the policy coverage, when applicable.

Description	Budget	Status
Property Insurance	\$ 26,597	FY12 paid in full
General Liability & Auto	\$ 70,507	FY12 paid through December 2011
Pollution Liability	\$ 725	FY12 paid through April 2012
Employee/Commissioners Bond	\$ 1,167	FY12 paid through April 2012
Workers Compensation	\$ 79,407	FY12 paid in full

Utilities: Expenditures are 46.7% of budget with \$136.2K in actual payments and \$40.7K in estimated encumbrances for natural gas delivery from SPURR (a non-profit purchasing consortium) and PG&E electricity through December 2011.

General & Administrative (G&A): Expenditures are 59.3% of budget and include \$360K in actual expenses and \$32.2K in PO's. The G&A expense category includes professional services (legal, financial, regulatory, special studies, etc.), operating permits, memberships in local, state and federal wastewater organizations, employee certifications, training, telephone, and office expenses.

Table V - Five-Year Revenue Bond Program (FY 2006-07 to FY 2011-12)

Description	Budget	CY Actual*	PY Actual*	Encumbrances	Balance	% Spent**
WWIP (Completed)	48,624,422	0	48,624,422	0	0	100.00%
Outfall Improvement (Completed)	1,309,419	0	1,309,419	0	0	100.00%
Rev Bond Project: Salaries & Benefits	610,751	154,490	276,246	0	180,015	70.53%
Admin Building Modification	1,133,359	29,059	1,148,564	32,904	(77,167)	106.81%
Agency Capital Master Plan	183,060	0	179,558	0	3,502	98.09%
Digester Improvement/FOG	7,539,898	1,595,408	713,593	4,738,532	492,365	93.47%
Aeration Blower Replacement	1,169,000	15,223	69,798	563,049	520,930	55.44%
Other Capital Projects	3,633,384	294,352	842,109	89,367	2,407,556	33.74%
Other Completed Projects	6,438,962	0	6,438,960	0	2	100.00%
TOTAL	70,642,256	2,088,532	59,602,668	5,423,852	3,527,204	95.01%

* CY - Current Year, PY - Prior Years (FY 06 to FY 11).

** Total for CY Actual and Encumbered and PY Actual.

The Five Year Revenue Bond Program is at 95% of budget and includes expenditures shown in Table VI – Capital Improvement Program. There are also \$5.4 million in contractual obligations associated with the Digester Improvement/FOG Facility Project, Aeration Blower Replacement Project and other minor capital projects. The remaining budget balance of \$3.5 million represents Revenue Bond funded activities for FY12 through FY13.

Table VI – Capital Improvement Program

Description	Budget	Actual	Encumbrances*	Balance	% Spent**
Facility Improvements	742,510	60,277	33,474	648,760	12.63%
General Equipment	259,300	57,030	34,234	168,036	35.20%
Liquids Treatment Equipment & Systems	1,795,202	167,201	36,009	1,591,993	11.32%
Solids Treatment & Energy Generation Equipment & Systems	4,412,162	1,648,135	22,689	2,741,339	37.87%
TOTAL	7,209,174	1,932,642	126,405	5,150,127	28.56%

* Does not include outstanding contractual obligations for Digester Improvement and Aeration Blower projects

** Actual and Encumbered.


All expenditures incurred in the FY12 Capital Improvement Program are being charged to the Revenue Bond program. The distinction between the displays in Tables V and VI is that the budget figures in Table V represent the entire revenue bond project budget which spans multiple fiscal years since FY 2006-07. Table VI represents the budgeted expenditures for FY12 only.

Capital Improvement Program expenditures are at 28.6% of budget. There are \$1.93M in actual expenditures and purchase orders total \$126.4K issued for HVAC system improvements, Chemical Pumps, Vehicle Replacement, Process Instrumentation, and various other capital improvement projects.

BOARD MEMORANDUM

January 4, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager 

Subject: Chemical Supply Contract Cost Adjustment Index Changes

Recommendation: Authorize the General Manager to change cost adjustment indexes in the Agency's chemical supply contracts when listed indexes are discontinued by the US Bureau of Labor Statistic.

Summary: The Agency purchases bulk chemicals for use in the wastewater and biosolids treatment processes – calcium nitrate, hydrogen peroxide, anionic polymer, sodium hypochlorite, sodium bisulfite, and ferric chloride. These chemicals and biosolids hauling and disposal services are provided through administrative contracts that staff periodically update and advertise for public bidding. Historically, these contracts had a one year term and were rebid each year. Several years ago, during a Board meeting discussion to award a chemical supply contract, Commissioner Marcia Johnson suggested the Agency pursue longer term contracts to potentially obtain lower unit costs and avoid the annual staff effort to update the contracts. The Board concurred with the idea and asked staff to investigate the feasibility of developing and using longer term contracts.

Staff learned that the East Bay Municipal Utilities District (EBMUD) utilized long term contracts that contain a unit cost adjustment provision where the contract was opened every six months and unit costs were adjusted using specific indexes for commodity raw materials, transportation fuel, Bay Area CPI, etc. CMSA subsequently began developing multi-year chemical and service contracts using the EBMUD model, which were well received by vendors and have resulted in periodic cost adjustments based on changes in market conditions. The indexes listed in the CMSA contracts are maintained and tracked by the US Bureau of Labor Statistics (US BOLS), and provided at no cost. Occasionally, US BOLS discontinues an index that is listed in an Agency contract, after which staff collaborates with the particular chemical supplier and US BOLS to select an equivalent replacement index. The cost adjustment sections in Agency contracts do not allow staff to approve index changes, while other sections authorize staff to make administrative changes, such as contract extensions. In the last three years, staff has recommended, and the Board approved, USBOLS index changes for specific raw materials used to produce polymer, hydrogen peroxide, sodium bisulfite, and sodium hypochlorite.

Staff recommends the Board authorize staff to administratively change a discontinued index after a new index has been selected with the vendor and US BOLS. Staff will report an index change to the Board during the General Manager's verbal report at the following Board meeting.

BOARD MEMORANDUM

January 4, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager *JJD*

Subject: Annual Asset Management Program Presentation

Recommendation: Informational, provide comments or direction to the General Manager, as appropriate.

Summary: Over the past few years, the Agency's Asset Manager/Maintenance Supervisor, Mike Cadreau, has provided the Board with periodic presentations to highlight the progress made on the implementation of the Agency's asset management program. Mr. Cadreau will attend the January Board meeting to present the 2011 asset management program achievements and accomplishments.

Background: A well developed, staff accepted, and utilized Computerized Maintenance Management System (CMMS) is the foundation for an effective asset management program. Asset Management is knowing what assets you own, where they are located, what condition they are in, and when to repair and/or replace them. CMSA developed a Strategic Asset Management Program (SAMP) in 2006 and has used a multi-disciplinary team to implement its goals and objectives. Increasing the functionality, acceptance, and employee use of the CMMS was the focus of the SAMP activities through 2010, and over the past year the Agency has developed and initiated an asset condition assessment program, combined asset replacement activities and capital projects into a comprehensive capital improvement program, began testing Graphical Information System (GIS) use, and started using portable computer tablets (Mac and Android based) to document field activities. Below is a brief historical overview of the Agency's CMMS and asset management activities.

2002: Agency Operation and Management peer review completed, and one of the highest ranked recommendations was to procure an integrated CMMS

2003: CMMS software purchased, and inventory and work order module population began

2004: Board adopted the Agency's first Strategic Business Plan, which included a goal, objective, and multiple strategic actions associated with developing a SAMP

2006: CMSA worked with Brown and Caldwell to develop the SAMP, whose tactical action plans are integrated into a Strategic Plan revision

2007+: Agency staff implemented the SAMP preventative maintenance, work order, inventory management, time tracking, asset funding model, and other activities



BOARD MEMORANDUM

January 4, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager JD

Subject: 2011 Performance Metric Report

Recommendation: Receive and accept the Agency's 2011 Performance Metric Report, and provide any comments or direction to the General Manager.

Summary: CMSA's 2006 Strategic Asset Management Plan, and our 2004 and recently adopted 2011 Strategic Business Plans, contain organizational goals and supporting actions designed to enhance communication with Agency stakeholders. In early 2008, staff prepared a new monthly report for the Board, to comply with the Agency's communication goals that focused on key performance metrics for the Agency's core business and other provided services. The report presented performance metrics with their definition and measurement in the areas of operations and maintenance, environmental and regulatory compliance, and public education and outreach. Staff has prepared this annual metric report for the Board's review and discussion since 2009.

2011 Performance Highlights: The Agency's staff and operations continue to perform at a high level, with the highlights presented below.

- ▶ CMSA has met our NPDES permit requirements for seven consecutive years.
- ▶ Approximately 4.35 billion gallons of wastewater was treated to a high level, with approximately 98% of conventional pollutants removed. The 2010 treated volume was 4.9 billion gallons and in 2009 it was 4.1 billion gallons. The primary driver for the annual variances is the number, duration, and intensity of wet weather events.
- ▶ 6,344 wet tons of biosolids were produced and beneficially used either as soil amendment and fertilizer, or as cover material at the Redwood Landfill. In 2010, the Agency produced 5,827 wet tons, and in 2009, approximately 6,200 tons were produced.
- ▶ 53.7 million cubic feet of biogas was produced at a value of about \$161,000.
- ▶ Operations and Maintenance staff completed over 1,407 preventative and corrective work orders. The corrective to preventative ratio shifted from 66/33 in 2009, to near 50/50 in 2010, and was 37/63 last year. The decrease in the ratio indicates that the Agency's asset management program is working well and the proactive preventative maintenance is reducing the number of equipment and system operational problems and failures.

- ▶ Overtime was only 2.3% of regular hours worked, well below the industry average of 5%. Overtime was slightly over 2.4% in 2009 and was 2.5% in 2010.
- ▶ CMSA employees received 1,579 hours of safety, process control, employment law, leadership, and industry specific training.
- ▶ Environmental compliance staff performed just over 22,400 laboratory analyses for process control, permit reporting, QA/QC, and for member agency sanitary sewer overflows. The 2010 and 2009 values were approximately the same.
- ▶ Environmental compliance staff inspected and regulated 856 businesses for compliance under our pretreatment, pollution prevention, and FOG programs. In 2009, there were about 714 inspections, and in 2010, staff performed 856 inspections. The increase in filed inspections over the past couple years is due to: bringing the RVSD FOG program into full compliance, implementing the SD2 and TCSD FOG programs, and implementing the mercury reduction program for dental offices.
- ▶ Our public education activities reached nearly 7,651 people – children at our school program presentations, students and environmental groups during Agency tours, and members of the public at County environmental focused events, including the Marin County Fair.
- ▶ Staff posted 41 odor alerts to our website, and received and responded to 14 odor complaints. Most of the complaints were from the Sonnen BMW dealership in October and November. Staff met with the Sonnen management staff and explained that some odors may be attributed to hydrogen sulfide gas emission from the abandoned landfill under their property. Sonnen staff appreciated our responsiveness, investigations, and site visits, and the landfill gas explanation. CMSA did not receive any complaints from Sonnen in December.

2010/2011 Organizational and Staff Awards: CMSA and its staff continue to receive recognition from regional, state, and national industry associations.

- 1) National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award - for having no permit exceedances for the past *six* consecutive years.

CMSA also had no permit exceedances in 2011, and will be receiving the NACWA seven year Platinum award this summer.
- 2) Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting - for our FY 09/10 Comprehensive Annual Financial Report. CMSA has received this award for *nine* consecutive years.
- 3) GFOA Popular Annual Financial Reporting Award – for our FY 09/10 Popular Annual Financial Report. This is the second year the Agency has received this award.
- 4) California Water Environment Association (CWEA) Safety Program Award – for having an exceptional safety record, administering the cooperative safety director program, and having sound safety policies, procedures, and work practices.

- 5) CWEA Engineering Achievement Award – for the completion of the many projects and programs in the Wet Weather Improvement Initiative.
- 6) CWEA Public Education Program of the Year – for the cooperative wastewater treatment agencies of Marin County program. CMSA is the lead agency and administers the program.
- 7) CWEA Gimmicks and Gadgets – for designing, building, and installing a radio communication antenna system on the Andersen Drive hillside to improve communication reliability.
- 8) CWEA Redwood Empire staff awards:
 - Kit Groves for Supervisor/Manager of the Year
 - Brian Bokkin for Operator of the Year
 - Antonio Barros for Collection System Person of the Year
 - Jeff Boheim for Electrical and Instrumentation Person of the Year
 - Jenny Bender for Laboratory Technician of the Year
 - Abel Villareal for Maintenance Person of the Year

Attachments

2011 Performance Metric Report

2011 ANNUAL PERFORMANCE METRICS

OPERATIONAL METRICS

Metric	Definition	Measurement	Target/Goal
1) Wastewater Treated	Volume of wastewater influent treated and disposed; in billion gallons	4.35	2.09 - 8.24
2) Biosolids Production	Biosolids reused as daily cover (ADC) at the Redwood Landfill, in wet tons Biosolids reused at land application site, in wet tons Total biosolids production, wet tons	3,914 2,430 6,344	4320 - 7020
3) Conventional Pollutants 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	5,758 98% 3,527 97%	> 85% > 85%
4) Priority Pollutants Removal	Diversion of priority NPDES metals from discharge to the S.F. Bay: a.% Mercury b.% Copper	97.7% 93.7%	variable
5) Biogas Production	Biogas generated in our anaerobic digesters - in cubic feet Natural gas (methane) equivalent of the biogas - in cubic feet	53,686,498 32,211,899	42 to 66 million ft ³ 25.2 to 39.6 million ft ³
6) Energy Produced	Energy produced from cogeneration of generated biogas and purchased natural gas - in megawatt hours Biogas value (Natural gas cost equivalent)	5.40 MWh \$160,897	4.5 to 5.5 MWh \$144,000 - \$288,000.
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	\$988/MG 1,233 kWh/MG	\$451 - \$1,830 WW to DW 670 - 2,400 kWh/MG
8) Preventative Work Orders	# of preventative work orders completed	865	600 to 960
9) Corrective Work Orders	# of corrective work orders completed	542	done as-needed
10) Overtime Worked	Overtime hours worked % of regular hours	1,817 2.3%	< 5%
11) Employee Training	Hours of internal and external employee training	Internal = 759.5 External = 770	variable

2011 ANNUAL PERFORMANCE METRICS

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	5,163	4,932 - 5,340
3) Process Analyses	# samples analyzed by the CMSA laboratory for process control reporting and monitoring	12,102	8,244 - 13,188
4) Quality Control Testing	# of CMSA performed laboratory analyses for QA/QC purposes Accuracy of QA/QC tests	5,169 99.8%	4,164 - 5,436 > 95%
5) Water Quality Sample Analyses	# of ammonia, coliform (total and fecal), and/or sulfide analyses performed for the CMSA member agencies (SSOs, etc)	311	as-needed
6) Pollution Prevention Inspection	Inspections of industrial and commercial businesses in the Agency's pretreatment and pollution prevention programs	257	variable
7) FOG inspections Performed	Inspections of food service establishments in the RVSD, SRSD, LGVSD, SD2, and TCSD service areas	596	variable
8) Permits Issued/Renewed	Permits issued for the pretreatment, pollution prevention, and FOG source control programs, and for groundwater discharge	53	variable

PUBLIC OUTREACH

Metric	Definition	Measurement	Target/Goal
1) Public Education Events	Attendance at public education outreach events	3,995	3,500 year
2) School Events	Participation or sponsorship in school outreach events	3,656	variable
3) Odor Alerts	# of odor alerts posted to the Agency website due to process or operational changes, or maintenance work	45	12-120
4) Odor Complaints	# of odor complaints filed by the public	14	0



BOARD MEMORANDUM

January 5, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager *JD*

Subject: CMSA Regional Charge Alternatives

Recommendation: Discuss the Agency's Regional Charge alternatives, and provide direction to staff or take action, as appropriate.

Summary: HDR Engineering presented the Regional Charge Alternative Study (Study) report to the Board at its December 13th meeting and received Board comments on the final draft report. Board comments were subsequently discussed with staff and were incorporated into the final report, which is enclosed for your information and has been posted on the Agency website for stakeholder viewing and/or downloading. At the December meeting, the Board asked staff to distribute the final draft report to the JPA member agency managers, solicit their comments on its findings, and summarize their comments for presentation at the January 2012 meeting.

The final draft report was emailed to the JPA managers on December 14th and included on the December 16th JPA manager meeting agenda. Additionally, the San Rafael Sanitation District Board reviewed the Study findings and discussed the alternative allocation methods and contribution levels at their December 19th meeting. A summary of the JPA manager comments that were received by January 6th and the Study background information are presented below.

JPA Manager Comments: The December 16th JPA manager meeting was attended by the managers from CMSA, SRSD and SD2. The managers reviewed the report prior to the meeting, and during the meeting participated in a detailed constructive discussion on the Regional Charge alternatives. The discussion focused on each alternative's data collection methods, advantages/disadvantages, alignment with the cost of service principle, and contribution allocations. The managers agreed that the Study report was well developed, concisely written, and understandable, and provided the following specific comments. The managers peer reviewed this staff report and confirmed their comments.

Alternative 1 – calendar year flow: Better than the EDU count method for cost of service equity, but could result in year to year budget variations caused by varying winter storm events in the CMSA service area.

Alternative 2 – 3-year flow average: Preferred alternative due to its smoothing of peak wet weather flow variations over time, and the resulting level of predictability for budget development purposes. They did not believe that I/I reduction in a given year would be significant enough to outweigh the flow averaging benefit of this alternative.

Alternative 3 – flow and strength: An alternative for potential future consideration when CMSA has strength data available for each collection system. CMSA should begin collecting the individual agency strength data for review in the future. This alternative best aligns with the cost of service principal.

Alternative 4 – peak flow allocation: The additional effort to determine the amount of CMSA operating expenses allocated to manage peak flow events does not appear to support the minor allocation adjustments realized.

The RVSD manager did not attend the meeting, and informed the managers via email on December 15th (attached) that he would not be able to provide comments prior to the CMSA January meeting. The RVSD manager sent the attached December 27th memorandum with two comments, and requested until the end of January to provide comments. He also requested CMSA staff to give the Study presentation to the RVSD Board at their January 25th meeting.

Regional Charge Alternative Evaluation Results: The Study contribution allocation results for each alternative and the FY13 Base Case are shown below. As mentioned in the report, Alternative 3 uses hypothetical strength and flow data for each agency and should not be used when comparing the results to the Base Cases or the other alternatives.

Alternative	Unit	SRSD	SD2	SD1	SQP	Total
Base Case, FY12	%	35%	11%	41%	13%	100%
	\$	\$3,194,181	\$983,724	\$3,668,015	\$1,186,890	\$9,032,809
Base Case, FY13	%	38%	12%	44%	6%	100%
	\$	\$3,458,361	\$1,065,085	\$3,971,384	\$537,979	\$9,032,809
Alternative 1	%	37%	10%	48%	5%	100%
	\$	\$3,349,749	\$875,174	\$4,355,770	\$452,116	\$9,032,809
Alternative 2	%	36%	10%	49%	5%	100%
	\$	\$3,253,198	\$907,745	\$4,457,832	\$414,034	\$9,032,809
Alternative 3	%	38%	11%	46%	5%	100%
	\$	\$3,441,221	\$986,348	\$4,141,665	\$463,574	\$9,032,809
Alternative 4	%	37%	10%	48%	5%	100%
	\$	\$3,374,116	\$874,197	\$4,347,228	\$437,268	\$9,032,809

The Board can continue to allocate the CMSA Regional Charge based on the EDU count methodology, or consider selecting another allocation method for use in developing the Agency's FY13 revenue budget. If the Board selects another allocation method, staff recommends that the Board's Finance Committee work with staff to develop the necessary Revenue Management Financial Policy procedures to support the selected allocation method, for Board review and discussion by the April meeting.

Background: The CMSA Joint Powers Agreement (JPA) establishes the *Regional Charge* to provide revenue for the Agency's annual operating and maintenance expenses, and to fund the Capital Improvement Program. The Regional Charge is set by the CMSA Board of Commissioners and paid by the JPA member agencies in equal quarterly installments, beginning in July of each fiscal year. The allocation of the Regional Charge among the JPA member agencies can be based on volume, volume and quality, or EDU count pursuant to Section 14 of the JPA. The Agency has always used the EDU count allocation method with the annual EDU counts determined and provided by the JPA member agencies.

The Study concept was discussed by the Board's Finance Committee during the development of the FY12 budget, presented to the Board in June, and was incorporated into the Agency's FY12 workplan in July. The Board, in September, authorized staff to select a consultant and prepare a Professional Services Agreement for the Study. Staff recommended and the Board approved engaging HDR Engineering to perform the Study, present its findings to the Board by the December Board meeting, and complete the Study by the end of 2011.

Mr. Peter Talbot and Ms. Holly Kennedy attended the December Board meeting and presented the final draft report to the Board. During and after the presentation, Board members asked questions relating to the allocation methods, the data used in the method calculations, and the advantages and disadvantages of each methods. The Board also requested a few items to be included in the final report to enhance the clarity and explanation of particular allocation methods. Most of the Board member questions were answered during the meeting, and the changes below and minor editorial revisions were incorporated into the final report.

- The SD1 column was moved next to the SQ column in Table 1.
- Figure 2 was added to show collection agency flow volumes and how contribution amounts would have changed over the past several years if Alternative 1 had been used to allocated the Regional Charge.
- Figure 3 was added to illustrate the stability of Alternative 2's three year rolling flow average.
- The annual flow volume based cost allocation table was added to the Alternative 1 display on page two in the appendix.
- Example TSS and BOD values for each collection agency were adjusted so they equal the annual CMSA influent concentrations, correcting the total cost allocation value.

Attachments

- 1) December 15th email to JPA managers from RVSD manager Brett Richards
- 2) December 27th memorandum to CMSA from RVSD manager Brett Richards
- 3) January 6th email from CMSA responding to both RVSD correspondence

Subject: RE: Draft CMSA Regional Charge Alternative Study

From: "Brett Richards" <brichards@rvsd.org>

Date: 12/15/2011 11:22 AM

To: "Jason Dow" <jdow@cmsa.us>, "Hogue, Barry" <bhogue@ci.corte-madera.ca.us>, "Toy, Doris" <Doris.Toy@ci.san-rafael.ca.us>

CC: "Marcia Johnson" <mjlink99@comcast.net>, "pguasco-forwarder" <guasco@pacbell.net>

Thank you for the information. I'll try to make time to review this, however, it seems that the time frame is a bit hurried and over aggressive considering the importance and the proximity to holidays. The JPA managers meeting is one day away, and the CMSA January board meeting, after backing out the required noticing times and agenda prep times, and the holiday and weekend, leave very little real time to actually review the "final draft" of the document. As professionals, I'm sure each of us have fairly full schedules.

Further, what substantive role do the members' managers really have in regards to such significant structural changes? Though each agency does have a representative(s) at CMSA, the potential changes being considered should be presented to each agency's full board as a courtesy if for no other reason, or better yet, a true spirit of cooperation and transparency. Unless, this is just another opportunity for CMSA to hurry something through the pipeline to get an outcome which benefits itself at certain members expense? At its very core, CMSA exists to serve the founding member agencies, and considering the annual financial obligations by each member to CMSA, the nature of this study should be taken to the member agencies for review and feedback by the governors (Not staff) prior to finalizing, and then brought to the CMSA board for final consideration. At most, the member managers should be available to our governors, to offer operational perspective as they discuss and consider what appears to be in this report.

I don't mean to be contrary, but RVSD has made a number of requests to CMSA, none of which have been honored. Sending out an e-mail requesting a review in this time frame without a process which seeks substantive cooperation and transparency just feels pretentious.

For my .02 cents, RVSD requests through the month of January for enough time to conduct a review, and invites CMSA staff to our January board meeting to make a presentation to the governing board for why our treatment facility is considering changing the 25 year method for regional charges. Per your request, I'll add an agenda item. Our meeting will probably be January 25, 2011. If CMSA chooses not to honor this reasonable request, staff will recommend that this issue be added to our list for arbitration.

Thank you,

Brett

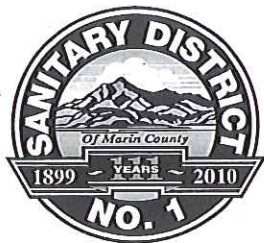
From: Jason Dow [mailto:jdow@cmsa.us]
Sent: Wednesday, December 14, 2011 5:04 PM
To: Hogue, Barry; Toy, Doris; Brett Richards
Subject: Draft CMSA Regional Charge Alternative Study

JPA Managers,

HDR Engineering has prepared the final draft CMSA Regional Charge Alternative Study, and yesterday evening they presented the study findings and each alternative's benefits/disbenefits and collection agency contribution allocations to the CMSA Board. The final study will be completed by the end of the calendar year, and the Board will be further reviewing and considering the alternatives at their January 10, 2012 meeting. The study is attached for your review and information. Please let me know your thoughts on each alternative, which I will summarize and include in the January Board meeting staff report.

Doris - please include the Study and the CMSA Board meeting as discussion items on the 12/16 JPA managers meeting agenda.

Thank you,
Jason



ROSS VALLEY SANITARY DISTRICT

Serving the Greater Ross Valley Area for 111 Years

2960 Kerner Boulevard San Rafael, Ca 94901
Ph: 415.259.2949 Fax: 415.460.2149

WWW.RVSD.ORG

Brett N. Richards ~ General Manager

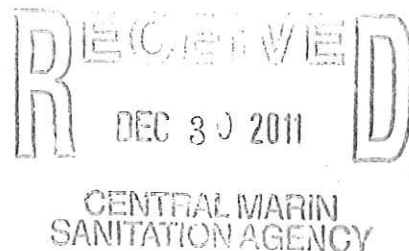
Directors: Marcia Johnson, President ~ Peter Wm. Sullivan, M.D., Secretary ~ Pam Meigs, Treasurer ~ Pat Guasco ~ Frank Egger

MEMORANDUM

December 27, 2011

TO: Jason Dow, General Manager
Central Marin Sanitation Agency

FROM: Brett Richards, General Manager
Ross Valley Sanitary District



SUBJECT: DRAFT CMSA REGIONAL CHARGE ALTERNATIVE STUDY: REQUEST TO EXTEND FINAL DRAFT REVIEW TIME FRAME AND PRESENT THE STUDY AT THE RVSD JANUARY 2012 BOARD MEETING

Following up on my email of December 15, 2011 in which I touched upon several issues in regards to the Draft CMSA Regional Charge Alternative Study, I would like to once again emphasize the significance of the structural changes proposed in this document to the member agencies. Considering their annual financial obligations to CMSA, the nature of this Study should be presented to the member agencies boards for review and feedback before it is brought to the CMSA Commissioners for final consideration. In addition, the District views any proposed changes as outlined in the study as structural changes to the JPA and subject to its guiding restrictions and rules for amendment.

With respect to the study itself, there are a number of questions which leave a reader feeling as if it was hurried, and the intrinsic discipline of the document appears to lack integrity. There are concepts about averaging flows in sec 3.3: the District's position is that the members should only be billed for the actual treatment related services CMSA offers, and this should be verifiable and transparent. Table 2 is subjective and reads much like the last CMSA sponsored consolidation report: proclaiming advantages and/or disadvantages with little or no scientific rigor applied. Self-serving tables with subjective claims do not enhance a reports' integrity. There are a number of other concerns, and the District will hope that CMSA management will accept our invitation to present the background, goals and outcomes at our January meeting for discussion.

With this in mind, RVSD respectfully requests that CMSA reconsider the unrealistic time frame set for review of the Study and extend it at least through the end of January 2012.

Furthermore, RVSD invites CMSA staff to attend its January 2012 Board Meeting and make a presentation to the District's governing Board explaining why its treatment facility is considering changing the regional charge method which has been in use for 25 years.

I would greatly appreciate if CMSA approaches this subject matter in the spirit of true cooperation and transparency and honors the RVSD's requests expressed above.

Please feel free to contact me directly with a request to add this item to the RVSD January 2012 Board meeting Agenda. The meeting is scheduled for January 25, 2011.

Cc: Marcia Johnson, RVSD representative to CMSA
Pat Guasco, RVSD representative to CMSA

Subject: Re: Draft CMSA Regional Charge Alternative Study

From: Jason Dow <jdow@cmsa.us>

Date: 1/6/2012 11:20 AM

To: Brett Richards <brichards@rvsd.org>

CC: "Dupar, John" <DUPARJG@aol.com>, Jason Dow <jdow@cmsa.us>, "Hogue, Barry" <bhogue@ci.corte-madera.ca.us>, "Toy, Doris" <Doris.Toy@ci.san-rafael.ca.us>, Marcia Johnson <mjlink99@comcast.net>, pguasco-forwarder <guasco@pacbell.net>

Hi Brett,

I hope you enjoyed the holiday season.

Thank you for your for your 12/15/11 email and 12/27/11 memorandum in which you share some of your thoughts about the CMSA Regional Charge Alternative Study, and request to submit Study comments by the end of January 2012. As I mentioned during our 12/15 telephone conversation, you can provide CMSA with your district's Study comments at any time after which I will share them with the CMSA Board at their subsequent Board meeting.

In your correspondence you requested that I consider giving the RVSD Board the Regional Charge Alternative Study presentation at their 1/25/12 Board meeting. If the RVSD Board would like to see the HDR presentation that was given to the CMSA Board on December 13th, I could email you the MS PowerPoint file for RVSD staff to present, or CMSA staff could present the consultant's presentation, or RVSD could request HDR give their presentation. If the RVSD Board prefers that CMSA staff deliver the consultant's presentation, please suggest to your CMSA Board representatives that they make that specific request at the appropriate future CMSA Board meeting.

Thank you,
Jason

Central Marin Sanitation Agency
INFORMATIONAL ITEMS
for the Board of Commissioners Meeting of January 10, 2012

- I-1 Letter dated December 22 to California Regional Water Quality Control Board
Re: Monthly Self-Monitoring Report (SMR) – Month of November 2011
- I-2 Letter dated December 28, 2011 from Standard & Poor's Re: Central Marin
Sanitation Agency, California, Wastewater Revenue Bonds
- I-3 Letter dated January 4, 2012 from California Association of Sanitation Agencies
Re News from the Capitol – "Dickinson Report" Released
- I-4 Letter dated January 6, 2012 to JPA Member Agencies Re: FY2010-11
Comprehensive Annual Financial Report and the 2010-2011 Popular Annual
Financial Report for the Central Marin Sanitation Agency



December 22, 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) - November 2011

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

Effluent results for Chromium, Lead, and Selenium 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 was reported as "ND" by Caltest Analytical Laboratory. This means that this constituent was 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 13, 2011 for samples that were collected and submitted on September 14, 2011 to East Bay Municipal Utility District Laboratory Services Division for analysis.

The upper control limit for precision was exceeded for Influent Total Suspended Solids on November 3. This exceedance was due to tight control limits (as a result of good laboratory procedures) for this analysis. The sample was re-analyzed and the results were within the control limits. A Laboratory Corrective Action Plan is on file for this incident.



We have submitted the November 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
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



JD 1/3/12

**STANDARD
& POOR'S**
RATINGS SERVICES

One Market
Steuart Tower, 15th Floor
San Francisco, CA 94105-1000
tel 415 371-5000
reference no.: 40178832

December 28, 2011

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

Re: *Central Marin Sanitation Agency, California, Wastewater Revenue Bonds*

Dear Mr. Jen:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating to "AA+" from "AA" while affirming the stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

STANDARD
& POOR'S

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at nypublicfinance@standardandpoors.com. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. We appreciate the opportunity to work with you and we look forward to working with you again

Sincerely yours,



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STANDARD
& POOR'S



CALIFORNIA ASSOCIATION of SANITATION AGENCIES

1215 K Street, Suite 2290 • Sacramento, CA 95814 • TEL: (916) 446-0388 – FAX: (916) 231-2141

VIA ELECTRONIC MAIL

January 4, 2012

TO: CASA Member Agencies
CASA Associates
CASA Legislative Committee
CASA Executive Board
CASA Attorneys

FROM: Mike Dillon, Lobbyist
Christina DiCaro, Lobbyist
Jessica Gauger, Legislative Assistant

RE: **News From the Capitol**

“DICKINSON REPORT” RELEASED

Today Assemblyman Roger Dickinson released his long-awaited report from the Legislative Analyst's Office on Special Districts, in conjunction with the return of the Legislature for the commencement of the 2012 Legislative Session. The report is dated October 21, 2011. In an accompanying statement released with the LAO's report, Assemblyman Dickinson explained: *“I am releasing the LAO's response in an effort to keep the conversation going among policymakers, stakeholders and the public regarding the role of special districts in California, and how to best ensure transparency and accountability. I invite interested parties to provide the committee with feedback regarding the report and especially the options it presents for Legislative consideration.”*

CASA readers will recall our earlier reports outlining the request made by Assemblyman Dickinson, Chair of the Assembly Accountability and Administrative Review Committee to the Legislative Analyst's Office (LAO), regarding special districts. Specifically, Assemblyman Dickinson asked the LAO to make recommendations on fourteen different issues. Ultimately, the Analyst's Office, in conjunction with Assemblyman Dickinson and the Assembly Accountability and Administrative Review Committee Consultant Nancy Chaires (CASA August Conference Speaker), determined the most practical approach would be to study special districts in three selected counties – Napa, San Bernadino, and San Diego, and narrowed the request to cover three specific issues: (1) Efficiency of small special districts, (2) Accountability of small special districts, and (3) Effectiveness of Local Agency Formation Commissions (LAFCOs).

In the Analyst's report, the summary of findings indicates that while the *“focus was predominantly on water supply and fire districts,”* the report also includes some comments on wastewater districts. On page 6 of the report, the Analyst states that they found *“indications*

that larger wastewater agencies are more efficient than smaller agencies.” The Analyst elaborates, saying: “For example, the smallest wastewater agencies serve populations of less than 1000 customers and charge an average of \$45.55 per month, while the largest agencies serve more than 50,000 customers and charge an average of \$16.21 per month... [Additionally], Wastewater agencies with larger populations treated their water to a higher level while charging similar fees to their customers.” However, the report noted that there are other factors affecting district efficiency and level of service, saying that, “we also found examples of smaller districts that provide high-quality service at a reasonable cost.”

Another focus of the report highlights the large discrepancy in Water District General Manager compensation. The report states, *“We found that water districts in San Diego County provide greater compensation to their general managers when compared to city department managers and the director of DWR.”* It further notes, *“Overall, the variation in general manager salaries (from a low of \$160,000 to a high of \$270,000) does not appear to reflect the size of the district as measured by the number of district residents or employees.”* These salaries were compared to cities, where the salaries ranged from \$110,000 - \$190,000, and the State Director of Water Resources, who earns an annual salary of \$165,000.

Additionally, the Analyst makes a number of comments regarding the effectiveness of LAFCO's, generally concluding that *“they appear to conduct their reviews in a thorough and professional manner.”* And, *“appear to fulfill their legislative mission.”*

Under “Options for Legislative Consideration,” the Analyst notes, *“We did not find conclusive evidence that small special districts are inherently less efficient or accountable than their larger counterparts. However, we find that there are opportunities to improve the accountability of special districts generally. “We also find there may be opportunities to improve the LAFCO process to successfully achieve consolidations when they make sense analytically.”* Other possible options for Legislative Consideration include providing additional information on property tax bills, maintaining public websites, reducing hurdles to LAFCO-recommended consolidations and oversight, and increasing legislative oversight of LAFCO's and special districts.

CASA will continue to monitor all activities associated with the LAO's recommendations, and will keep the membership apprised of developments.



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January 6, 2012

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Subject: FY 2010-11 Comprehensive Annual Financial Report and the 2010-2011 Popular Annual Financial Report for the Central Marin Sanitation Agency

Enclosed is a copy of the FY 2010-11 Comprehensive Annual Financial Report (CAFR) and the 2010-2011 Popular Annual Financial Report (PAFR) for the Central Marin Sanitation Agency. These reports were presented to the CMSA Board on December 13, 2011 and have been submitted to the State Controller's Office, the County of Marin's Department of Finance, Deutsche Bank National Trust (trustee for the 2006 Revenue Bond), bond rating agencies, and the Government Finance Officers Association.

The CAFR and PAFR reports are also available on the CMSA website
<http://www.cmsa.us/finance/budget>.

Please contact me or Hank Jen, CMSA Finance Manager, should you have any questions regarding the contents of these reports.

Sincerely,

Jason Dow
General Manager

Enclosures

