

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

**I. Accounts Summary: Bank & Investment Accounts**

Summary of Bank & Money Market Accounts

Westamerica Bank - Account Activity shown below	\$ 171,100.34
Local Agency Investment Fund (LAIF) - Refer to Schedule of Investments	10,115,899.22
California Asset Management Program (CAMP) - Refer to Schedule of Investments	4,666,448.28
	\$ 14,953,447.84
Subtotal, Bank & Money Market Accounts	\$ 14,953,447.84
Total Bank & Investment Accounts: Ending Balance on February 29, 2012	\$ 14,953,447.84

**II. Account Activity for Westamerica Bank**

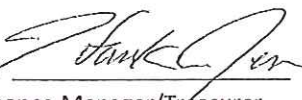
Beginning Balance on February 1, 2012 \$ 1,184,717.11


*Cash Receipts (Deposits into Westamerica):*

JPA Service Charges (Q3: SD#1)	1,052,812.35
Debt Service Charges (SD#1, SRSD)	1,450,028.02
Permit and Inspection fees	1,213.02
LGVSD - pollution prevention & FOG (FY11: Oct-Dec)	5,822.00
RVSD - FOG Program (FY12: Oct-Dec)	4,805.63
SRSD - FOG Program (FY12 Oct-Dec)	6,368.50
Revenue from Haulers	10,887.96
Sanity Director Revenue (NSD, SASM, SMCSO)	30,245.19
County-wide Public Education Program Reimbursement (LGVSD, SASM, NSD, SD#5)	6,451.07
SD 2 Operations & Maintenance Contract (Dec)	21,087.44
Misc Revenue: CSRMA Pooled Liability Dividends, CalcCARD Incentive Payment	16,279.92
COBRA Health Benefit Payments from separated employees/retirees	72.08
Expense Reimbursements for CIP (from Revenue Bond)	101,065.09
Miscellaneous Reimbursements (Employee travel per diem, NSD & SMCSO Hearing Tests)	1,441.52
Total cash receipts	\$ 2,708,579.79

*Cash Disbursements (Withdrawals from WestAmerica):*

February 2012 Operating account disbursements register (see attached)	649,343.65
Regular Payroll paid 02/10/12	117,408.81
Regular Payroll paid 02/24/12	111,011.09
Transfers to EFTPS Federal Payroll Taxes (02/01, 02/15, 02/17, 02/29)	84,915.81
Merit Pay (4), Pay advance (1)	9,512.65
Transfers to LAIF (Q2 JPA Payments)	2,750,000.00
Bank Fee	4.55
Total cash disbursements	\$ 3,722,196.56
Ending Balance on February 29, 2012	\$ 171,100.34

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 February 2012

Check Number	Check Date	Vendor/Payee	Amount	Description
43896				Last check # from prior month's register
43897				to
43917	02/02/12	Payments to 21 Retirees	8,103.24	Agency Reimb for Retiree Health Benefits (CalPERS PEMCHA)
43918	02/03/12	Cal Public Employee Retirement	48,553.41	Medical Insurance, February 2012
43919	02/03/12	Delta Dental Plan of Calif.	7,056.93	Dental Insurance, February 2012
43920	02/03/12	Standard Insurance Co. RB	3,409.50	Life Insurance, February 2012
43921	02/03/12	Vision Service Plan -(CA)	847.12	Vision Insurance, February 2012
43922	02/03/12	Brandon Tire	343.12	Tire Repairs
43923	02/03/12	Carrier Corporation	20,342.80	Admin Bldg HVAC Improvements
43924	02/03/12	ESSR	130.00	SD2 Pump Station: Electrical Supplies (Note B)
43925	02/03/12	Federal Express	433.02	Delivery Expense, December & January 2012
43926	02/03/12	Grainger	1,083.83	Maintenance & Electrical Supplies (4 invoices)
43927	02/03/12	Kit Groves	446.00	Employee Expenses Eligible for Agency Dental Reimbursement
43928	02/03/12	HDR Engineering, Inc.	5,300.00	Prof Svcs: Regional Charge Alternative Study, December 2011
43929	02/03/12	IEDA, Inc.	669.00	Prof Services: Labor Relations Consulting, February 2012
43930	02/03/12	P.G.& E.	25,807.30	Electricity Service, 12/15-01/16/12
43931	02/03/12	SPURR	7,662.04	Natural Gas Usage, December 2011
43932	02/03/12	Thomas & Associates	149.30	Maintenance Parts & Supplies
43933	02/03/12	Ahn Ta	519.00	Employee Expenses Eligible for Agency Dental Reimbursement
43934	02/03/12	Verizon Wireless	76.81	Phone Service, 12/11-01/10/12
43935	02/03/12	VWR International	110.94	Lab Supplies
43936	02/03/12	Wastewater Technology Trainers	1,485.00	Operator Certification Review Course for 3 Operators
43937	02/03/12	Waste Management	18,375.51	Biosolids Disposal, December 2011
43938	02/06/12	Olin Corp - Chlor Alkali	9,119.12	Sodium Hypochlorite (2 deliveries)
43939	02/06/12	Polydyne, Inc.	42,607.95	Clarifloc Polymer (1 delivery)
43940	02/06/12	Siemens Industry, Inc	23,466.91	Calcium Nitrate (2 deliveries)
43941	02/06/12	Univar USA Inc	4,592.83	Sodium Bisulfite (1 delivery)
43942	02/06/12	U.S. Peroxide, LLC	12,446.86	Hydrogen Peroxide (1 delivery)
43943	02/06/12	CSRMA	47,212.92	Annual Pooled Liability Insurance Premiums for 2012
43944	02/06/12	Downtown San Rafael	120.00	Public Ed: Farmer's Market Booth Fee (Note B)
43945	02/06/12	Empire Elevator Co Inc	108.16	Elevator Maintenance Service, February 2012
43946	02/06/12	Fastenal Company	456.24	Utility Supplies
43947	02/06/12	Golden Gate Petroleum	2,272.77	Waukesha Oil
43948	02/06/12	Hagel Supply Co.	396.40	Utility Supplies (3 invoices)
43949	02/06/12	Jackson's Hardware	87.49	Maintenance Parts & Supplies (5 invoices) (Note B)
43950	02/06/12	Ken Grady Co., Inc.	4,977.95	1. Chlorine Analyzer System 2. SD2 Pump Station Maint: Pressure Transmitters (Note B)
43951	02/06/12	Lawson Products Co., Inc.	608.16	Utility Supplies (3 invoices)
43952	02/06/12	Marin Color Service	101.81	Paint Supplies (2 invoices)
43953	02/06/12	McMaster-Carr Supply Co.	1,125.06	Electrical & Maintenance Supplies (3 invoices)
43954	02/06/12	P.G.& E.	56.59	Electricity Service, 12/21-01/20/1
43955	02/06/12	Roy's Sewer Service, Inc.	590.00	SD2 Pump Station Maint: Wet Well Cleaning (Note B)
43956	02/06/12	Shamrock Materials, Inc.	34.15	Propane
43957	02/06/12	Siemens Industry, Inc	23,453.04	Calcium Nitrate (2 deliveries)
43958	02/06/12	Sprint	258.34	Phone Service, 12/24-01/23/12
43959	02/06/12	Transbay Security Service	21.59	Lock Supplies
43960	02/06/12	Water Components & Bldg. Supp.	1,230.53	Groundskeeping, Lab & Maintenance Supplies (7 invoices)
43961	02/06/12	Woodland Center Auto Supply	288.06	Auto Parts (4 invoices)
43962	02/13/12	AFLAC	19.25	Employee Supplemental Insurance (Note A)
43963	02/13/12	AT&T	18.00	Fax Line
3964	02/13/12	CalPERS	48,845.49	Retirement contributions PPE 02/04/12
43965	02/13/12	California Public Employee	20,000.00	February 2012 Contribution to Retiree Health Benefits Trust Fund

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

Check Number	Check Date	Vendor/Payee	Amount	Description
43966	02/13/12	EDD	10,259.45	State & SDI Taxes, PPE 02/04/12
43967	02/13/12	Franchise Tax Board	50.00	Employee Garnishment, PPE 02/04/12 (Note A)
43968	02/13/12	ICMA Retirement Trust-457	5,345.37	Deferred Compensation Contributions, PPE 02/04/12 (Note A)
43969	02/13/12	Nationwide Retirement	2,906.80	Deferred Compensation Contributions, PPE 02/04/12 (Note A)
43970	02/13/12	Operating Engineers Local 3	274.70	Contribution to MARA Benefit, PPE 02/04/12
43971	02/13/12	SEIU Local 1021	958.97	Union Dues, PPE 02/04/12 (Note A)
43972	02/13/12	AireSpring	654.41	Phone Service, January 2012
43973	02/13/12	Allied Packing & Supply	4,887.46	RAS Flow Meter Installation & Replacement Project (4 invoices)
43974	02/13/12	Analysts, Inc.	126.00	Oil Sample (2 invoices)
43975	02/13/12	AT&T	145.82	Data Plan Service for Computer Tablets, 12/02-01/01/12
43976	02/13/12	Brandon Tire	57.57	Tire Repair
43977	02/13/12	Cal Steam	392.99	Maintenance Parts & Supplies (5 invoices)
43978	02/13/12	City Electric Supply	48.92	Electrical Supplies
43979	02/13/12	Electrical Equipment Co., Inc.	41.80	Electrical Supplies
43980	02/13/12	Fastenal Company	203.84	Ferric Tank Supplies
43981	02/13/12	Grainger	1,714.61	Maintenance Parts & Supplies (10 invoices)
43982	02/13/12	Harrington Industrial Plastics	1,057.11	Outfall Inspection and Repair
43983	02/13/12	Hertz Equipment Rental Corp.	70.53	Equipment Rental January 2012
43984	02/13/12	Home Depot Credit Services	401.03	Groundskeeping (3 invoices)
43985	02/13/12	International Fire Inc.	1,494.34	Annual Fire Extinguisher Inspection & Recharging
43986	02/13/12	JM Squared & Associates, Inc.	4,324.29	Shaft Sleeve for Biotower Pumps
43987	02/13/12	Lawson Products Co., Inc.	209.66	Groundskeeping
43988	02/13/12	Maltby Electric	179.71	Electrical & Maintenance Supplies (2 invoices)
43989	02/13/12	Marin Office Supply	1,040.34	Office Supplies January 2012
43990	02/13/12	Orchard Supply Hardware	655.91	Maintenance Parts & Supplies (4 invoices)
43991	02/13/12	P.G. & E.	142.20	Gas Usage, 12/31-01/31/12
43992	02/13/12	Praxair Distribution, Inc.	287.24	Cylinder Tank Rental (3 invoices)
43993	02/13/12	Rafael Lumber	367.84	Electrical & Maintenance Supplies (7 invoices)
43994	02/13/12	Shamrock Materials, Inc.	63.65	Propane (2 invoices)
43995	02/13/12	SHAPE Incorporated	2,335.10	SD2 Pump Station Maint: Cooling Jacket for Pump (Note B)
43996	02/13/12	Sherwin-Williams	24.28	Paint Supplies
43997	02/13/12	IDSC Holdings LLC	655.61	Centrifuge Tools
43998	02/13/12	United Laboratories, Inc.	187.53	Utility supplies
43999	02/13/12	Van Bebbler Bros., Inc.	893.09	Steel Plates for Secondary Clarifier Deck
44000	02/13/12	Waukesha-Pearce Industries Inc	2,362.61	Waukesha Voltage Regulator and AFM Tuning
44001	02/13/12	Steve Zappetini & Co., Inc.	122.72	Maintenance Parts & Supplies
44002	02/15/12	Amazing Solutions, Inc.	225.00	Prof Svcs: Financial System Support, January 2011
44003	02/15/12	Aramark	1,657.62	Uniform Service, January 2012
44004	02/15/12	Burlingame Engineers, Inc.	5,666.79	Lubricant for Peroxide Pumps
44005	02/15/12	Robert Cole	292.50	Per Diem Advance for CWEA P3S Training Conference
44006	02/15/12	Grainger	583.82	Maintenance Parts & Supplies (4 invoices)
44007	02/15/12	Horizon	130.62	Groundskeeping
44008	02/15/12	JDH Corrosion Consultants, Inc.	2,500.00	Condition Assessment for 3-Water Hydromatic Tank
44009	02/15/12	Ken Katen	360.00	Per Diem Advance for Wastewater Leadership Training
44010	02/15/12	McMaster-Carr Supply Co.	127.36	Electrical Supplies
44011	02/15/12	Physio-Control, Inc	2,126.60	Defibrillator Replacement
44012	02/15/12	Mary Jo Ramey	292.50	Per Diem Advance for CWEA P3S Training Conference
44013	02/15/12	Water Components & Bldg. Supp.	829.61	Maintenance Parts & Supplies (2 invoices)
44014	02/23/12	Albert Boro	100.00	Commissioner Fee 02/14/2012
44015	02/23/12	John Dupar	100.00	Commissioner Fee 02/14/2012
44016	02/23/12	Patrick Guasco	100.00	Commissioner Fee 02/14/2012
44017	02/23/12	Kathleen Ohlson Hartzell	200.00	Commissioner Fee for 02/14/12 Meeting & NBWA Meeting
44018	02/23/12	Barbara Heller	100.00	Commissioner Fee 02/14/2012

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

Check Number	Check Date	Vendor/Payee	Amount	Description
44019	02/23/12	Marcia Johnson	100.00	Commissioner Fee 02/14/2012
44020	02/23/12	Acorn	1,049.19	16 Replacement Plastic Chairs for Lunch Room
44021	02/23/12	AT&T	723.65	Phone Service, 2/7-3/6/12 (2 invoices)
44022	02/23/12	Centek Laboratories LLC	195.00	Biogas Testing for Siloxanes
44023	02/23/12	ChemStation of Northern Cal.	2,953.92	Chemicals for Odor Control
44024	02/23/12	EDD	213.93	State & SDI Taxes, PPE 02/15/12
44025	02/23/12	Electrical Equipment Co., Inc.	1,755.52	Process Tanks: Drive Components for Hydrostatic Conversions
44026	02/23/12	ESSR	65.00	SD2 Pump Station Maint: Electrical Supplies (Note B)
44027	02/23/12	Chris Finton	131.70	Per Diem Advance for Utility Management Training Conference & Flexible Spending Account (IRS125) Plan Reimb (Note A)
44028	02/23/12	Inner Workings	226.42	Office Supplies
44029	02/23/12	Hank Jen	651.50	Flexible Spending Account (IRS125) Plan Reimbursement (Note A)
44030	02/23/12	Marin County Fair	1,775.00	Public Ed: County Fair Booth Fee (Note B)
44031	02/23/12	Marin Sanitary Service	5,691.91	Garbage (25 pickups) & Grit (3 pickups) (3 invoices)
44032	02/23/12	McInerney & Dillon, P.C.	980.00	Legal Svcs: Construction/Contract Law, January 2012
44033	02/23/12	National Instruments Corp	4,532.38	SCADA Software Upgrade
44034	02/23/12	Pioneer Research Corp.	543.91	Degreaser
44035	02/23/12	Rock Steady Juggling	1,000.00	Public Ed Program: Outreach at Two Elementary Schools (Note B)
44036	02/23/12	Siemens	494.02	Lab Supplies
4037	02/23/12	Thomas Fish Company	129.25	Lab Supplies
44038	02/23/12	Total Waste Systems, Inc.	5,314.67	Biosolids Hauling Fees, January 2012
44039	02/23/12	VWR International	123.37	Lab Supplies
44040	02/23/12	Waste Management	20,839.36	Biosolids Tipping Fee at Redwood Landfill, January 2012
44041	02/23/12	Western Exterminator Co., Inc.	274.00	Pest control (2 invoices)
44042	02/23/12	Western Textile & Mfg. Co. Inc	2,538.90	Public Ed: Promotional Materials (Note B)
44043	02/24/12	Kemira Water Solutions, Inc.	7,493.17	Ferric Chloride (1 delivery)
44044	02/24/12	Olin Corp - Chlor Alkali	8,434.95	Sodium Hypochlorite (2 deliveries)
44045	02/24/12	Univar USA Inc	9,713.55	Sodium Bisulfite (2 deliveries)
44046	02/24/12	U.S. Peroxide, LLC	13,000.99	Hydrogen Peroxide (1 delivery)
44047	02/24/12	CalPERS	47,877.98	Retirement contributions, PPE 02/18/12
44048	02/24/12	EDD	9,455.20	State & SDI Taxes, PPE 02/18/12
44049	02/24/12	Franchise Tax Board	50.00	Employee Garnishment, PPE 02/18/12 (Note A)
44050	02/24/12	ICMA Retirement Trust-457	5,360.37	Deferred Compensation Contributions, PPE 02/18/12 (Note A)
44051	02/24/12	Nationwide Retirement	2,906.80	Deferred Compensation Contributions, PPE 02/18/12 (Note A)
44052	02/24/12	Operating Engineers Local 3	274.70	Contribution to MARA Benefit, PPE 02/18/12
44053	02/24/12	SEIU Local 1021	960.80	Union Dues, PPE 02/18/12 (Note A)
44054	02/24/12	AT&T	191.35	Data Plans Service for Computer Tablets, January 2012
44055	02/24/12	Calltest Analytical Laboratory	1,729.82	Lab Analyses (5 invoices)
44056	02/24/12	City Electric Supply	251.99	Control Systems Cable
44057	02/24/12	CSRMA	10,000.00	Pooled Liability Insurance Deductible: SD2 v SD1
44058	02/24/12	Federal Express	138.22	Delivery Expense, January & February 2012
44059	02/24/12	Fisher Scientific	615.45	Lab Supplies (3 invoices)
44060	02/24/12	Grainger	1001.37	Safety, Electrical & Maintenance Supplies (7 invoices)
44061	02/24/12	Hach Company	154.72	Lab Supplies (3 invoices)
44062	02/24/12	Harrington Industrial Plastics	907.28	Filters for Engine Room
44063	02/24/12	Herguth Laboratories Inc	48.10	Oil Analysis
44064	02/24/12	Ikon Office Solutions	2,561.20	Copier Rental, December & January 2012 (2 invoices)
4065	02/24/12	Kaman Industrial Technologies	3,604.92	Drive Motor for Centrifuge
44066	02/24/12	Lawson Products Co., Inc.	835.59	Utility Supplies (4 invoices)
44067	02/24/12	McMaster-Carr Supply Co.	246.70	Electrical supplies

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

Check Number	Check Date	Vendor/Payee	Amount	Description
44068	02/24/12	Shamrock Materials, Inc.	33.76	Propane
44069	02/24/12	IDSC Holdings LLC	47.46	Small Tools
44070	02/24/12	Verizon	78.84	Phone Service, 01/11-02/10/12
44071	02/24/12	Wiley Price & Radulovich	41.00	Legal Svcs: Labor & Employment Law, November 2011
44072	02/28/12	CAL-CARD	11,420.09	State of California Purchase Card, December & January 2012
44073	02/28/12	Chris Finton	650.00	Employee Computer Loan Program (Note A)
44074	02/28/12	Grainger	1,074.22	Electrical & Maintenance Supplies (6 invoices)
44075	02/28/12	Marin Resource Recovery	125.00	Scale Charges & Yard Waste Disposal January 2012
<b>Grand Total</b>			<b>649,343.65</b>	

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 February 2012

4.c

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 February 29, 2012
1. Bond Project Fund (CAMP 120-00)	\$ 65,123,107.94	\$ (57,014,461.73)	\$ 8,108,646.21
2. Bond Reserve Fund (CAMP 120-02)	4,754,281.26	\$ 1,784.71	\$ 4,756,065.97
<b>Total</b>	<b>\$ 69,877,389.20</b>	<b>\$ (57,012,677.02)</b>	<b>\$ 12,864,712.18</b>

II. Account Details for the Month of February 2012

1. Bond Project Fund - Monthly Account Activity

Beginning Balance on February 1, 2012 \$ 8,809,956.32

*Cash Receipts:*

Income Dividends (CAMP approximately @ 0.23%) 1,715.95

**Total cash receipts** **\$ 1,715.95**

*Cash Disbursements:*

Reimbursement to CMSA: Salary & Benefit Expenses, 11/27/11-12/24/11 22,740.78

Payment to Kennedy/Jenks: ESDC Digester Improvements & FOG Facility, November & December 2011 52,163.55

Payment to Carollo Engineers: Aeration Blower Replacement & Concrete Coating Project, December 2011 3,791.42

Payment to GSE: Progress Payment #7 Digester Improvement & FOG Facility Project, January 2012 480,335.40

Payment to GSE c/o Escrow Account: 10% Retention for Progress #7 Digester Improvement & FOG Facility 53,370.60

Payment to Harris Associates: CM Digester Improvements & FOG Facility, December 2011 & January 2012 12,300.00

Reimbursement to CMSA: Salary & Benefit Expenses, 12/25/11-02/04/12 27,186.16

Reimbursement to CMSA: Capital Reimbursement, 07/01-12/31/11 51,138.15

**Total cash disbursements** **\$ 703,026.06**

Ending Project Fund Balance on February 29, 2012 **\$ 8,108,646.21**

2. Bond Reserve Fund - Monthly Account Activity

Beginning Balance on February 1, 2012 \$ 4,758,328.18

*Cash Receipts:*

Income Dividends (CAMP approximately @ 0.23%) 945.67

**Total cash receipts** **\$ 945.67**

*Cash Disbursements:*

Debt Service Payment 3,207.88

**Total cash disbursements** **\$ 3,207.88**

The disbursement from the Bond Reserve Fund reflects the application interest earnings towards debt service. Per the provisions of the Master Indenture between CMSA and the Bond Trustee, Deutsche Bank National Trust Company (DBT), DBT has applied the interest earnings from July 2011 through December 2011 towards CMSA's semi-annual debt service payment on the revenue bonds.

Ending Reserve Fund Balance on February 29, 2012 **\$ 4,756,065.97**

Prepared by:   
Hank Jen, Finance Manager/Treasurer

Reviewed by:   
Jason Dow, General Manager

Central Marin Sanitation Agency  
 Schedule of Investments  
 As of Month Ending February 29, 2012

Date Purch (1)	Face Value (2)	Description (3)	Maturity Date (4)	Original Cost (5)	Accum Amort Disc (Prem) (6)	Book Value (7)	Unrealized Appreciation (Depreciation) (8)	Market Value (9)	Agency Reserve Target for June 30, 2012
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I. Investments managed by California Asset Management Program (CAMP)

Money Market Funds (< 1 year in maturity)									
	\$ 4,666,448.28			\$ -	\$ -	\$ 4,666,448.28	\$ -	\$ 4,666,448.28	
CAMP Cash Reserve Pool, 0.2% (est)									
<i>This balance includes an outgoing wire of \$1,364,774.00 to Deutsche Bank on February 29, 2012 for the Debt Service Payment.</i>									
<i>The contributions from Member Agencies for the February 2012 Debt Service Payment was deposited to the Agency LAIF account.</i>									

U.S. Government Securities (> 1 year in maturity) (A)

10/12/10	\$ 2,000,000	FHLB Notes Callable, 0.85% (CAMP)	3/7/2013						
The Agency's security holdings were called (redeemed) by the issuer on May 16, 2011. The proceeds from the redemptions was deposited into the CAMP Cash Reserve Pool									
	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal- U.S. Government Securities									
		Total with CAMP		\$ 4,666,448.28	\$ -	\$ 4,666,448.28	\$ -	\$ 4,666,448.28	
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)									
	\$ 1,840,276.98			\$ -	\$ -	\$ 1,840,276.98		\$ 1,840,276.98	
	\$ 2,356,606.00			\$ -	\$ -	\$ 2,356,606.00		\$ 2,356,606.00	
	\$ 250,000.00			\$ -	\$ -	\$ 250,000.00		\$ 250,000.00	
	\$ 100,000.00			\$ -	\$ -	\$ 100,000.00		\$ 100,000.00	
	\$ 5,569,016.24			\$ -	\$ -	\$ 5,569,016.24		\$ 5,569,016.24	
	\$10,115,899.22			\$ -	\$ -	\$10,115,899.22		\$10,115,899.22	
Total with LAIF									

TOTAL INVESTMENTS

Short-term Investments (< 1 year in maturity)	\$ 14,782,347.50			\$ -	\$ -	\$ 14,782,347.50		\$ 14,782,347.50	
Long-term Investments (> 1 year in maturity)	\$ -			\$ -	\$ -	\$ -		\$ -	
Amount designated for Capital Reserves									
1. CAMP	\$ 4,666,448.28			\$ -	\$ -	\$ 4,666,448.28		\$ 4,666,448.28	
2. LAIF	\$ 5,569,016.24			\$ -	\$ -	\$ 5,569,016.24		\$ 5,569,016.24	
Total	\$ 10,235,464.52			\$ -	\$ -	\$ 10,235,464.52		\$ 10,235,464.52	
The Agency has shifted a portion of the CAMP balance into LAIF to maximize interest earnings.									

COLUMN DEFINITIONS:

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

NOTES:

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

Statement of Compliance

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

4.d



## BOARD MEMORANDUM

March 8, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager JD

Subject: February 2012 Performance Metric Report

**Recommendation:** Accept the February 2012 Performance Metric Report.

**Summary:** The Agency's performance in facility operations and maintenance, regulatory and environmental compliance, and public education and outreach in February 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 conventional and priority pollutant removal efficiencies remain well above 90%. Natural gas procurement costs have decreased to \$0.37/therm resulting in the biogas equivalent (line 6) value being lower than our target.

Operations and Maintenance staff attended Energized Electrical Work and Confined Space Entry safety training and employment law training for supervisors this month. Environmental services staff members attended the CWEA pretreatment, pollution prevention, and public education conference where Environmental Services Manager Robert Cole gave presentations on the Marin County Public Education Program and the Agency's pretreatment/pollution prevention programs. Engineering Manager Ken Katen attended the NACWA/WEF/AWWA Wastewater Leadership Center at University of North Carolina at Chapel Hill.

Table 2 - Environmental Compliance and Regulatory Metrics

There were not any NPDES permit exceedances in February.

Table 3 - Public Outreach

Six odor alerts were posted on the Agency website for filling a primary clarifier prior to a storm event, draining secondary clarifier #2 to accommodate a walkway replacement project, taking primary #5 out of service for corrective maintenance, draining primary #7 after a storm event, and the routine cleaning of the chorine contact tanks prior to the monthly acute toxicity testing.

The "Go With The Flow" public education juggler show was presented at St. Mark's Elementary School in San Rafael (380 students), Brandeis Hillel Day School in San Rafael (125 students), and at Marin Primary School in Larkspur (100 students) over the month.

## CMSA PERFORMANCE METRICS – February 2012

**TABLE I. OPERATIONAL METRICS**

Metric	Definition	Measurement	Target/Goal
1) Wastewater Treated	Volume of wastewater influent treated and disposed; in million gallons	294.2	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	558.1	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	414.2 99% 248.1 98%	> 85% > 85%
4) Priority Pollutants Removal	Diversion of priority NPDES metals from discharge to the S.F. Bay: a. % Mercury b. % Copper	99.7% 92.5%	variable
5) Biogas Production	Biogas generated in our anaerobic digesters - in cubic feet Natural gas (methane) equivalent of the biogas - in cubic feet	4,361,453 2,616,872	3.5 to 5.5 million ft <sup>3</sup> 2.1 to 3.3 million ft <sup>3</sup>
6) Energy Produced	Energy produced from cogeneration of generated biogas and purchased natural gas - in kilowatt hours Biogas value (natural gas cost equivalent)	452,777 kWh \$9,954	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	\$1,223.00/MG 1,539 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	57	50 - 80
9) Corrective Work Orders	# of corrective work orders completed by O&M	23	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)	106.5; (367) 1.6%; (2.3%)	< 5%
11) Employee Training	Hours of internal and external employee training	Internal = 46 External = 176	variable

## CMSA PERFORMANCE METRICS – February 2012

**Table II - ENVIRONMENTAL COMPLIANCE AND REGULATORY METRICS**

Metric	Definition	Measurement	Target/Goal
1) Permit Exceedances	# of NPDES permit exceedances	0	0
2) NPDES Analyses	# samples analyzed by the CMSA laboratory for NPDES compliance monitoring	428	411 - 445
3) Process Analyses	# samples analyzed by the CMSA laboratory for process control reporting and monitoring	983	687 - 1099
4) Quality Control Testing	# of CMSA performed laboratory analyses for QA/QC purposes. Accuracy of QA/QC tests	426 100%	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)	10	as-needed
6) Pollution Prevention Inspections	Inspections of industrial and commercial businesses in the Agency's pretreatment and pollution prevention programs	23	variable
7) FOG Program Inspections	Inspections of food service establishments in the TCSD, SD2, RVSD, SRSD, and LGVSD service areas	44	variable
8) Permits Issued/Renewed	Permits issued for the pretreatment, pollution prevention, and FOG source control programs, and for groundwater discharge	3	variable

**Table III - Public Outreach**

Metric	Definition	Measurement	Target/Goal
1) Public Education Events	Attendance at public education outreach events; (YTD)	0; (159)	3,500 yr
2) School Events	Participation or sponsorship in school outreach events; attendees; (YTD)	605; (919)	variable
3) Odor Alerts	# of odor alerts posted to the Agency website due to process or operational changes.	6	1-10
4) Odor Complaints	# of odor complaints filed by the public.	0	0



## BOARD MEMORANDUM

March 7, 2012

To: CMSA Commissioners and Alternates

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

Approved: Jason Dow, General Manager

Subject: February 2012 NPDES and Process Report

**Recommendation:** Accept the February 2012 NPDES and Process Report.

**I. NPDES Compliance**

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

**II. Flow**

In February, seven rain events produced 1.4" of rain as recorded at the Headworks rain gauge. The biggest storm event was on February 29<sup>th</sup> with .63" of rain over a 24-hour period. CMSA's maximum daily influent flow for the month was 16.3 MGD on February 29<sup>th</sup> and the plant's average daily influent flow was 10.1 MGD. The plant did not exceed the maximum secondary capacity of 30 MGD in February. The CMSA treatment plant and each satellite collection agency's daily average and total monthly influent flows are shown in the table below:

February Monthly Flows	San Rafael (SRSD)	Ross Valley (SD#1)	San Quentin	Corte Madera (SD#2)	CMSA Plant Total
Average Daily Million Gallons/ Day	3.7 MGD	5.1 MGD	0.42 MGD	.97 MGD	10.1 MGD
Total for Month Million Gallons	107.0 MG	147.1 MG	12.1 MG	28.0 MG	294.2 MG
Percent of Flow	36.4 %	50.0 %	4.1 %	9.5 %	100 %

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

Wet Weather Peak Flows(1)	San Rafael (SRSD)	Ross Valley (SD#1)	San Quentin	Corte Madera (SD#2)	CMSA
02/29 Total Day's Flow	7.0 MG	7.5 MG	.53 MG	1.3 MG	16.3 MG
Peak Flow Rate	14.7 MGD	10.1 MGD	.87 MG	1.9 MGD	27.5 MGD

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

### III. Process

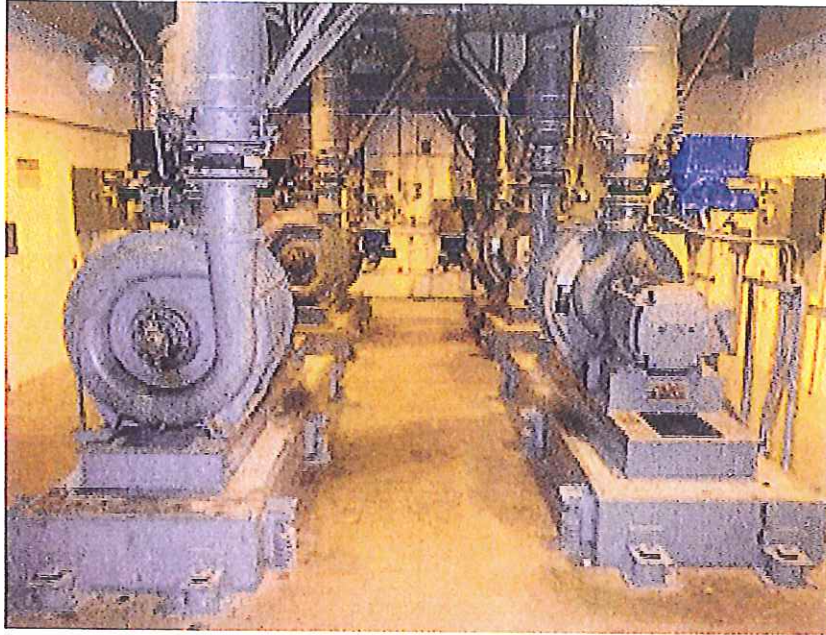
In February, the plant processes were aligned for wet weather flow, but with a lack of substantial rain events or elevated flows, the processes performed similarly to an average dry weather flow month. Graph #3 shows the TSS (total suspended solids), which is a good indicator of the effluent quality. The TSS monthly average was 4.1 mg/l, which is 27% of our Key Performance Indicator (KPI) of 15 mg/l, and is 14% of our permit's monthly average limit of 30 mg/l.

Graph #4 shows the coliform Most Probable Number (MPN), which represents the effectiveness of the disinfection process. One of the thirteen samples collected this month was over our KPI of 80 MPN, (2/24 = 240 MPN); but less than our daily limit of 10,000 MPN. This month's maximum five-day moving median was 30 MPN, which met our median KPI of 30 MPN, and is well below our five sample median permit limit of 240 MPN.

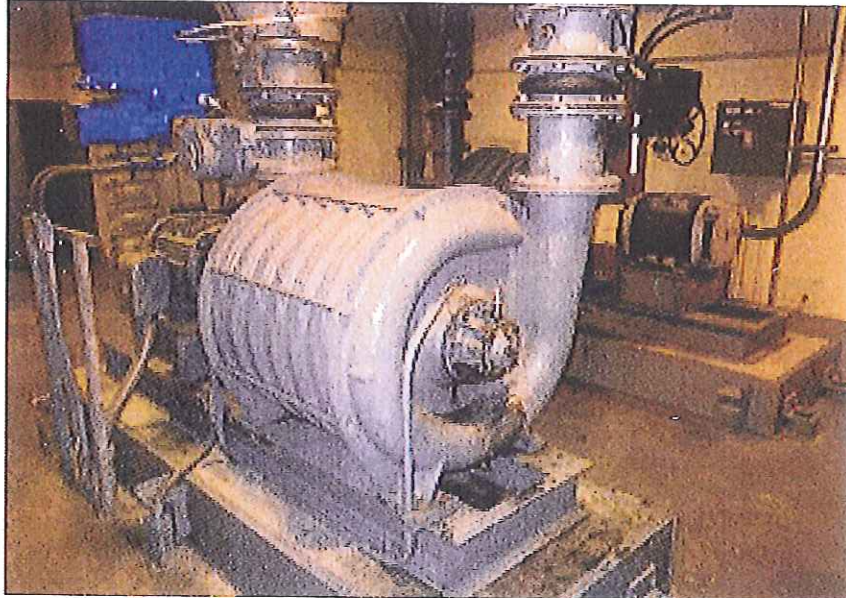
The Waukesha cogenerator produced 91% of the Agency's power this month as depicted on Graph #8. On February 21st, staff electricians replaced a faltering Air/Fuel Module (AFM). The AFM actively monitors the engine generator's exhaust temperature and oxygen content to adjust the air/fuel ratio, which is critical when operating our cogenerator, a lean burn natural gas engine. The Waukesha returned to service the morning of February 22<sup>nd</sup>.

# CMSA TREATMENT PLANT PROCESS REPORT

## FEBRUARY 2012



Aeration Blower Assessments Completed for 2012



Two of four existing Aeration Blowers are scheduled for replacement in FY12

# Monthly Compliance Summary Table

Central Marin Sanitation Agency

February 2012

## 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	4	Maximum 25
Carbonaceous BOD Monthly Removal Rate	Monthly	%	98	Minimum 85
Total Suspended Solids Highest Weekly Average	Weekly	mg/L	5.1	Maximum 45
Total Suspended Solids Monthly Average	Monthly	mg/L	4.1	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		7.1	Minimum 6
pH Upper Limit	Continuous		7.6	Maximum 9
<b>Bacteriological Analysis</b>				
Total Coliform 5 Sample Median	3 X Week	MPN/100mL	30	Maximum 240
Total Coliform Daily Maximum	3 X Week	MPN/100mL	240	Maximum 10,000
<b>Flow Through Bioassay</b>				
Acute Toxicity 11 Sample 90th Percentile	Monthly	% survival	100	Minimum 70
Acute Toxicity 11 Sample Median	Monthly	% survival	100	Minimum 90
<b>Metals Analysis</b>				
Copper Daily Limit	Monthly	ug/L	4.1	Maximum 21.8
Copper Monthly Average	Monthly	ug/L	4.1	Maximum 13.1
Cyanide Daily Limit	Monthly	ug/L	1.9	Maximum 41
Cyanide Monthly Average	Monthly	ug/L	1.9	Maximum 21
Mercury Weekly Average	Weekly	ug/L	0.0033	Maximum 0.072
Mercury Monthly Average	Monthly	ug/L	0.0033	Maximum 0.066
Mercury Monthly Loading	Monthly	kg/mo	0.0033	
Mercury Annual Loading (watershed permit)	Jan-Dec	kg/yr	0.0051	Maximum 0.18
<b>Semi-Annual Analysis</b>				
Dioxin - Total Equivalent (TEQ) Daily Maximum	every 6 mos	ug/L	*	Maximum 2.8E-08
Dioxin - Total Equivalent (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
<b>Quarterly Analysis</b>				
Oil and Grease Daily Limit	Quarterly	mg/L	*	Maximum 20
Oil and Grease Monthly Average	Quarterly	mg/L	*	Maximum 10
<b>Flow Analysis</b>				
Effluent Flow	Daily Max	Hourly Max	5 minute Max	Monthly Average
	13.7	20.0	21.7	7.6
Influent Flow	16.3	23.1	27.6	10.1
# 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 90<sup>th</sup> percentile survival of at least 70% and an 11 sample median survival of at least 90%. In layman's terms, this means that out of the last 11 samples only one bioassay may fall below 70% survival and the middle value when all 11 samples are placed in numerical order must be at least 90%.
- **Metals Analysis:** Our permit requires that we analyze our effluent for many different metals on a monthly basis. We have permit limits for three of the metals. The limits are stated as a maximum daily limit and a monthly average limit. The maximum daily limit is the number we cannot exceed on any sample and the monthly average applies to all samples collected in any month (although usually we only are required to take one).
- **Dioxin - Total Equivalent**s - These are 17 dioxin like compounds that have a permit limit that will take effect in 2017. The current permit requirement is to analyze and report these compounds twice a year.
- **Oil and Grease** - Quarterly we are required to monitor our effluent for Fats, Oils, and Grease.

**Executive Summary Process Performance Data**

**February 2012**

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

**Primary Clarifier Performance**

The average Total Suspended Solids (TSS) in	342	mg/l
Average TSS out	118	mg/l
Average Percent Removal Achieved	65.5	%
Average Total Biochemical Oxygen Demand (BOD) in	225	mg/l
Average BOD out	132	mg/l
Average Percent Removal Achieved	41.5	%
Average Plant Influent Flows	10.1	MGD

Expected removal efficiencies as outlined in Metcalf & Eddy Wastewater Engineering Manual
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Design 50-70% Removal
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Design 25-40% Removal
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**Biower Performance**

Average TSS out	122	mg/l
Average BOD out	76	mg/l
Average Percent BOD Removal Achieved	41.9	%

Design 25-30% Removal
-----------------------

**Aeration Tanks/Activated sludge**

Dissolved Oxygen set point	1.8	mg/l
Average MLSS	1708	mg/l
Average MCRT	6.4	Days
Average SVI	173	

**Secondary Clarifiers**

Average WAS concentration	8027	mg/l
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**Final Effluent**

The average Effluent TSS for the month was	4.1	mg/l	(Maximum Limit: 30mg/l)
Week #1 weekly average	3.5		(Maximum Limit: 45mg/l)
Week #2 weekly average	3.4		"
Week #3 weekly average	4.9		"
Week #4 weekly average	5.1		"
The monthly average TSS removal efficiency through the plant was	99	%	(Minimum Limit: 85%)
The average Effluent BOD was	4	mg/l	(Maximum Limit: 25mg/l)
Week #1 weekly average	5		(Maximum Limit: 40mg/l)
Week #2 weekly average	2		"
Week #3 weekly average	4		"
Week #4 weekly average	4		"
The monthly average BOD removal efficiency through the plant was	98	%	(Minimum Limit: 85%)
Total Coliform 5 Sample Median	30	MPN	(Maximum 240)
The Daily Maximum Total Coliform Count for the month was	240		(Maximum 10,000)
Effluent pH for the month was:	Min	7.1	(Min 6.0)
	Max	7.6	(Max 9.0)

**Digester Treatment**

The average Thickened Waste Concentration from the DAF was	3.59	%		
The average percent of Volatile Solids destroyed was	61.37	%		
The cubic feet of biogas produced was	4,614,712	(Total)	159,128	(Daily Average)
The average temperature of the digester was	100.00	degrees Fahrenheit		

## Executive Summary Process Performance Data

February 2012

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

### Dewatering

The average Centrifuge Feed concentration was	<u>2.36</u>	%
The average Biosolids concentration was	<u>25.68</u>	%
The average TSS of the Centrate was	<u>0.028</u>	%
The solids capture of the Centrifuge was	<u>98.78</u>	%
Polymer use per Dry ton of biosolids was	<u>17.46</u>	#/dry ton
The average polymer feed rate per run was	<u>4.41</u>	gpm
The average concentration of the polymer batches was	<u>0.33</u>	%
The average sludge feed rate per run was	<u>71.4</u>	gpm

### Comments:

The treatment plant has been running well with the final effluent being of very good quality.

#### 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 4.1 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 5 day median sample was 30 MPN, which is within our performance goal and well below our 5 day permit limit of 240 MPN. The February 24 coliform sample of 240 MPN was caused by disturbance of the settleable solids while performing maintenance on a secondary clarifier; the results remained well below our daily limit of 10,000 MPN

#### Graph #5:

Depicts the effluent BOD which is measuring the oxygen demand of the wastewater. The February effluent BOD average was 4.0 mg/l, well below our NPDES weekly limit of 40 mg/l and monthly limit of 25 mg/l.

#### Graph #6:

Depicts the degree to which the biosolids have been dewatered. Our biosolids met or exceeded our KPI of 25% for 24 days this month. Dewatering operations were adjusted to account for the lower than normal solids loading to the digester.

#### Graph #7:

Depicts the amount of biogas that was produced in the digester, and then used to produce electricity. The average volume of digester gas produced in February was 159,128 cubic feet per day.

#### Graph #8:

This graph depicts the amount of energy produced through co-generation vs. the energy purchased from PG&E. A faltering Air Fuel Modulator (AFM) was replaced on February 21st. Graph 8 depicts the power load transfer from CMSA's cogenerator to PG&E exclusively. Technicians installed a spare AFM from inventory and quickly returned the engine generator to service.

## Glossary of Terms

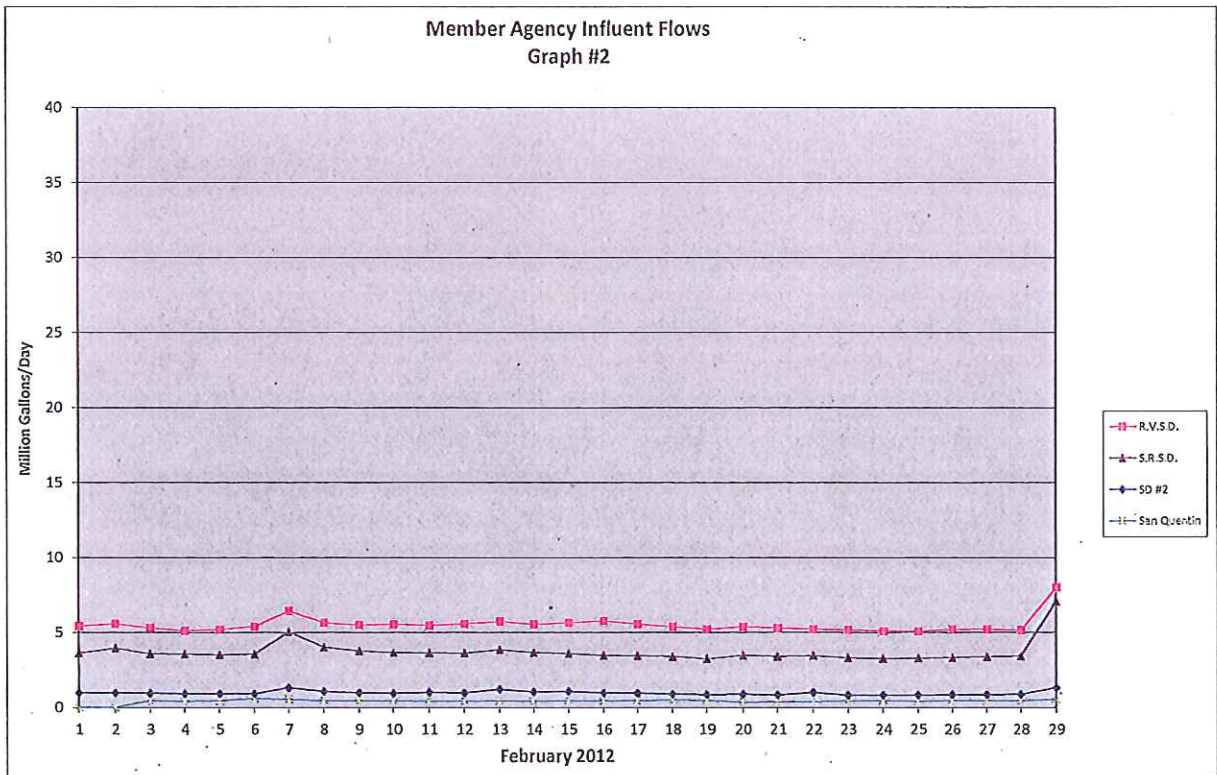
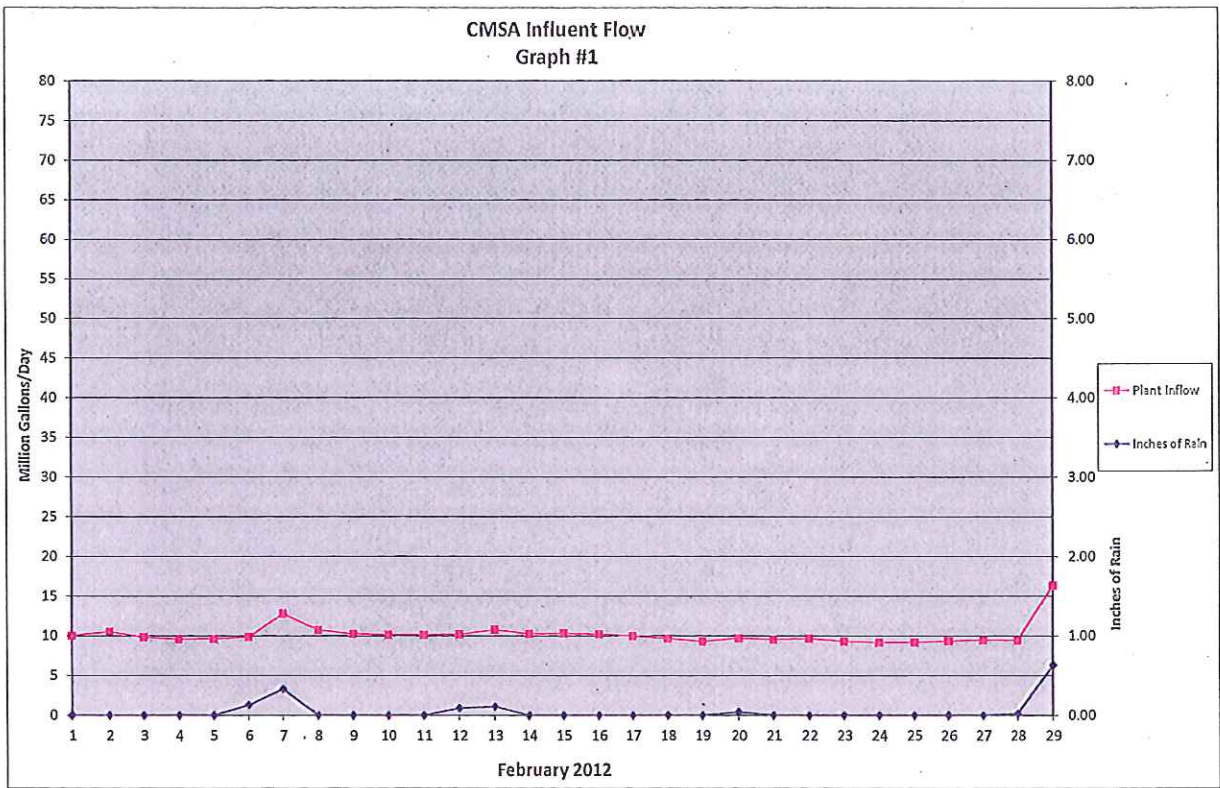
### Executive Summary

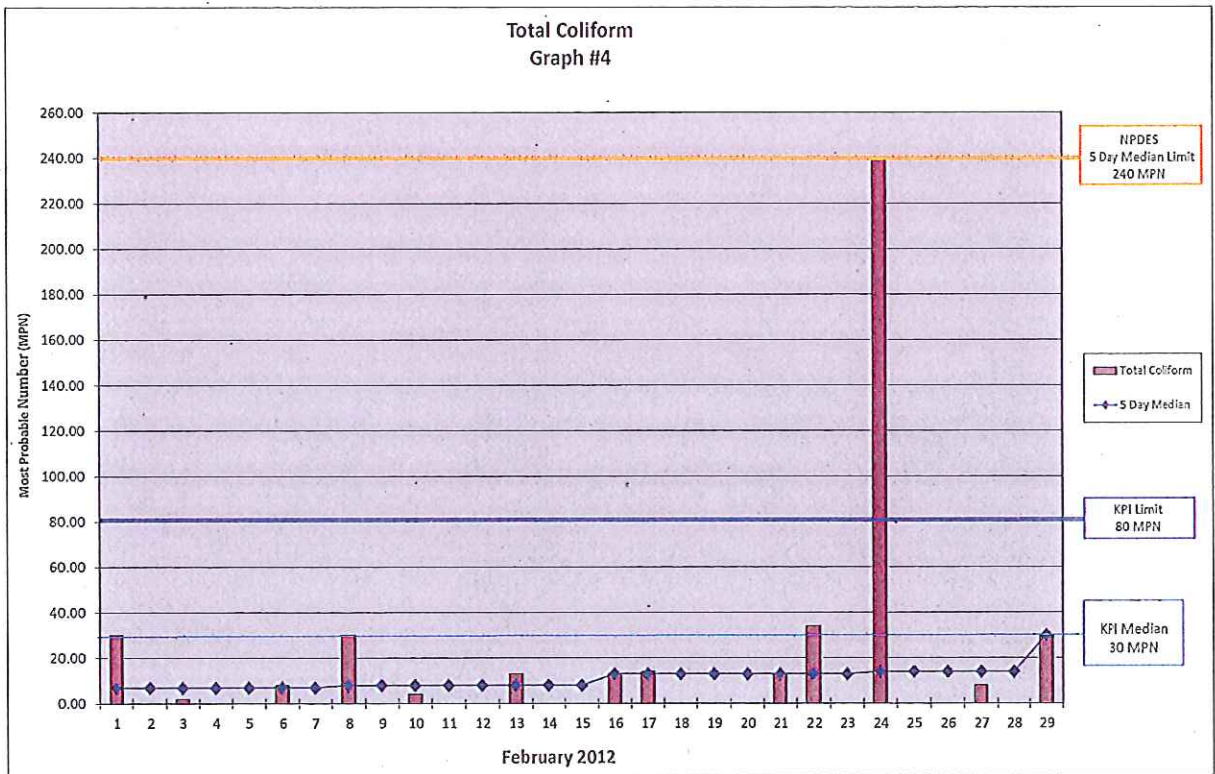
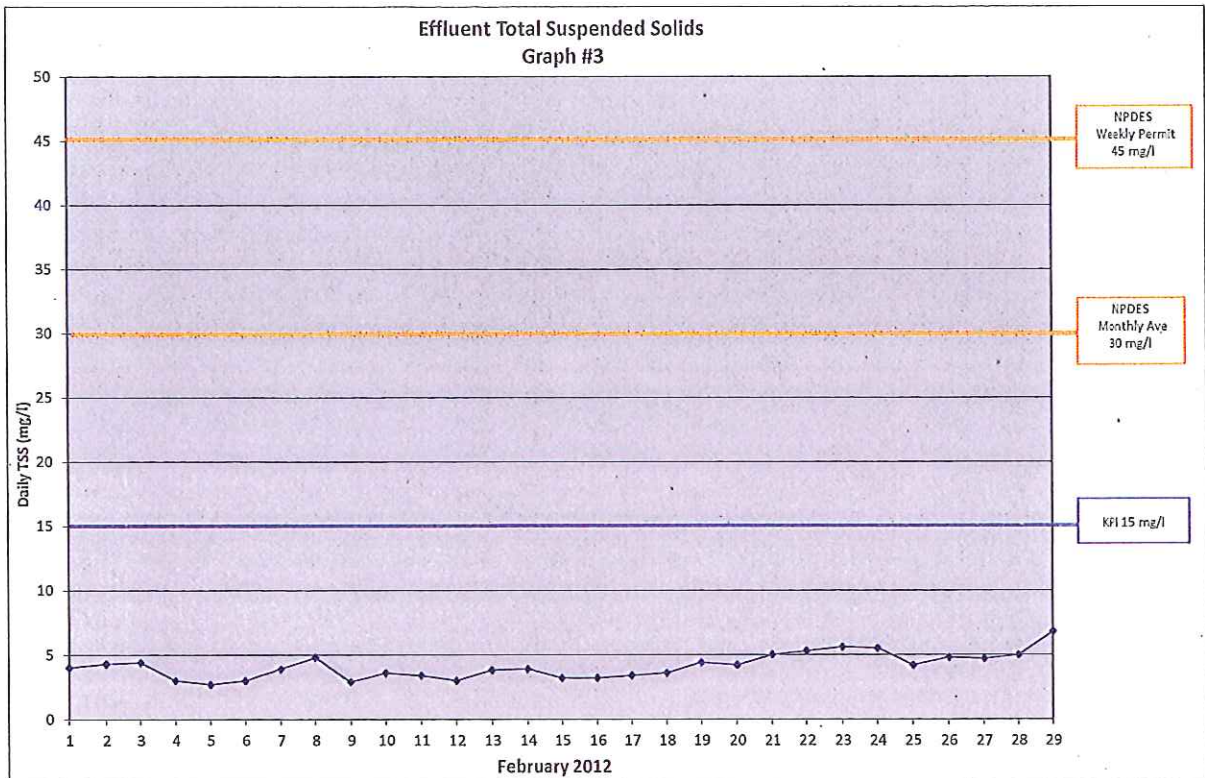
- **Primary Clarifier:** A physical (as opposed to biological) treatment process where solids that settle or float are removed and sent to the digesters for further processing.
- **Biotower:** The next treatment process, that is biological, in which the wastewater trickles over a biomass covered media.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

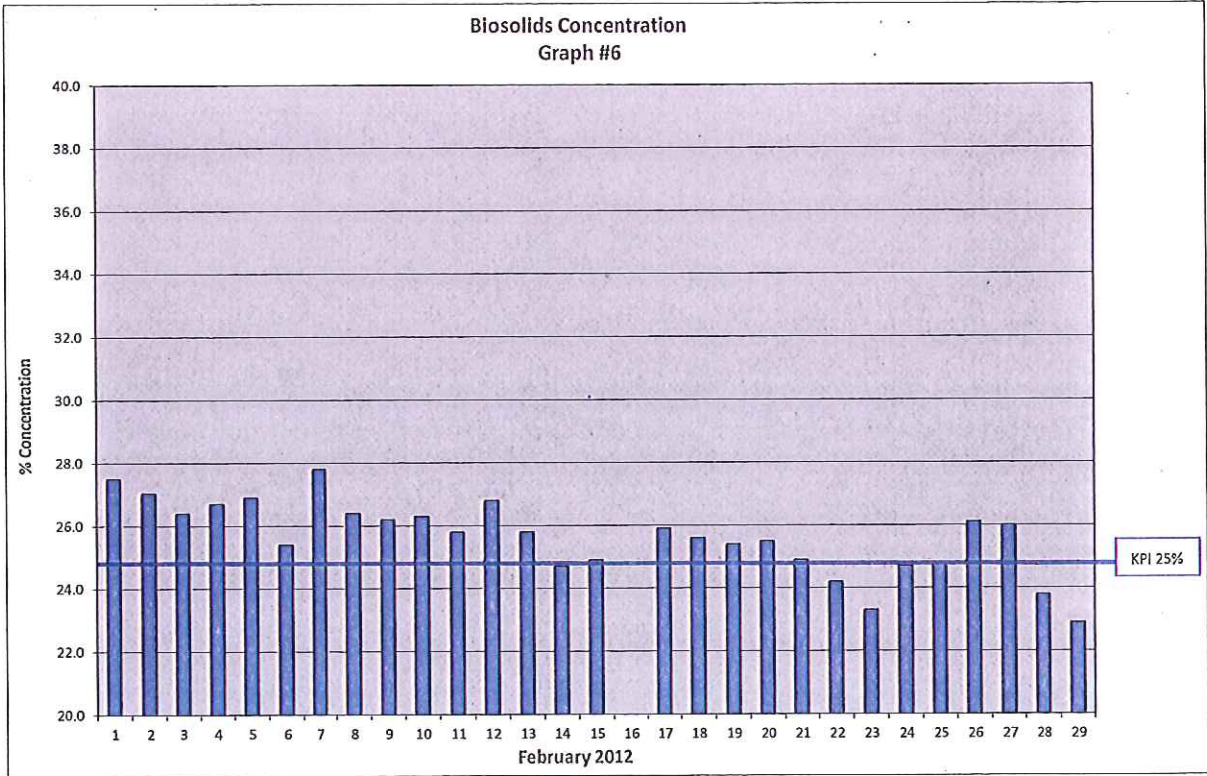
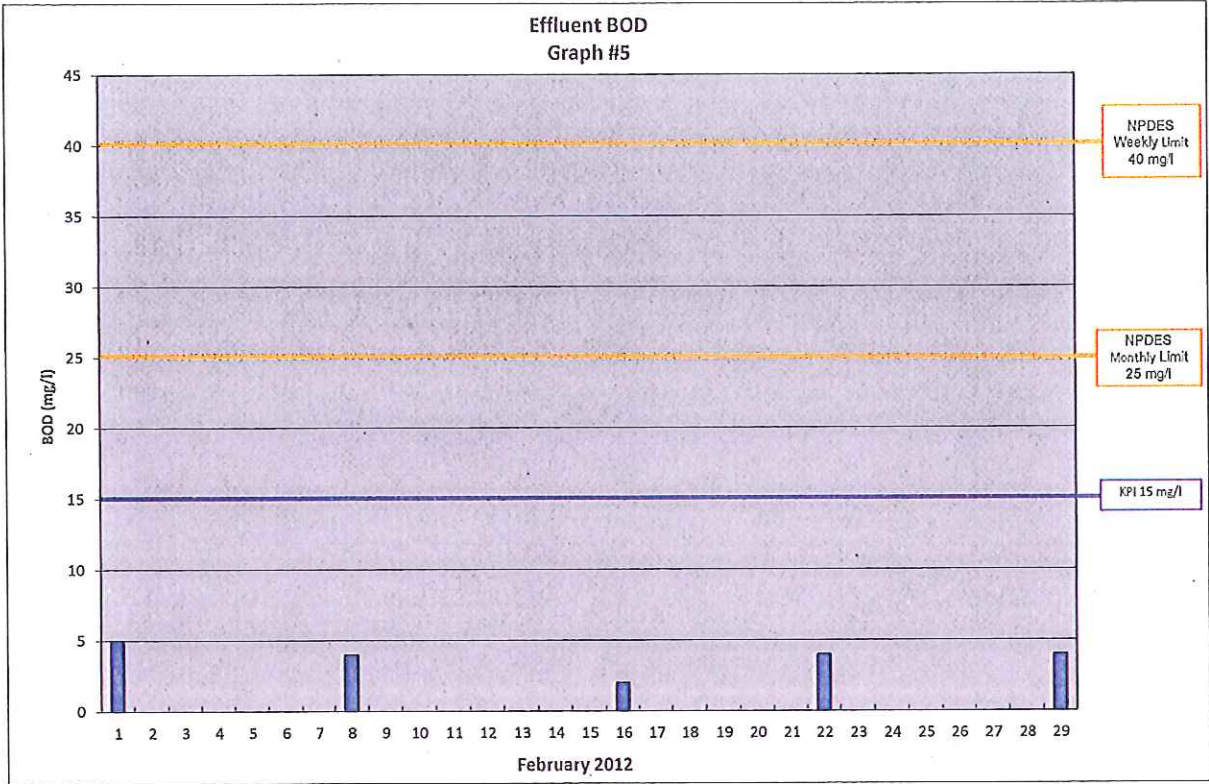
- **Mean Cell Residence Time (MCRT):** An expression of the average time that a microorganism will spend in the activated sludge process.
- **Sludge Volume Index (SVI):** This is a calculation used to indicate the settling ability of activated sludge in the secondary clarifier.
- **Return Activated Sludge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

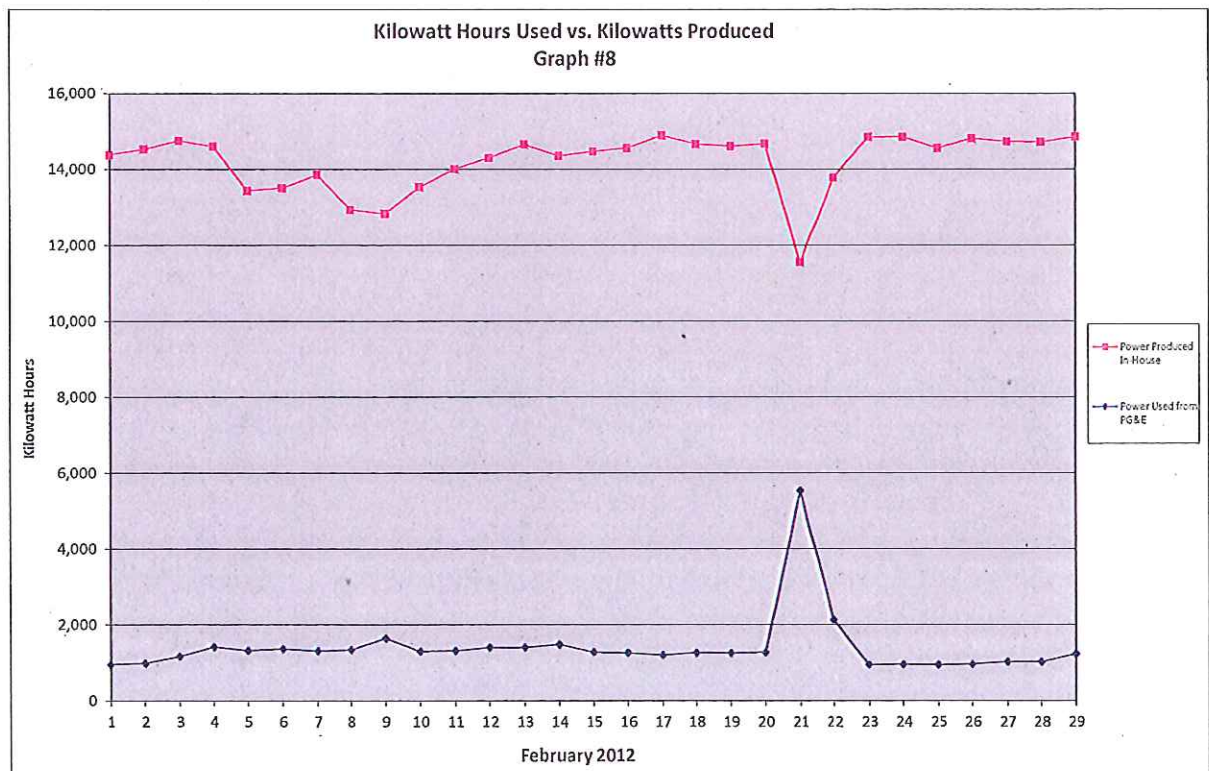
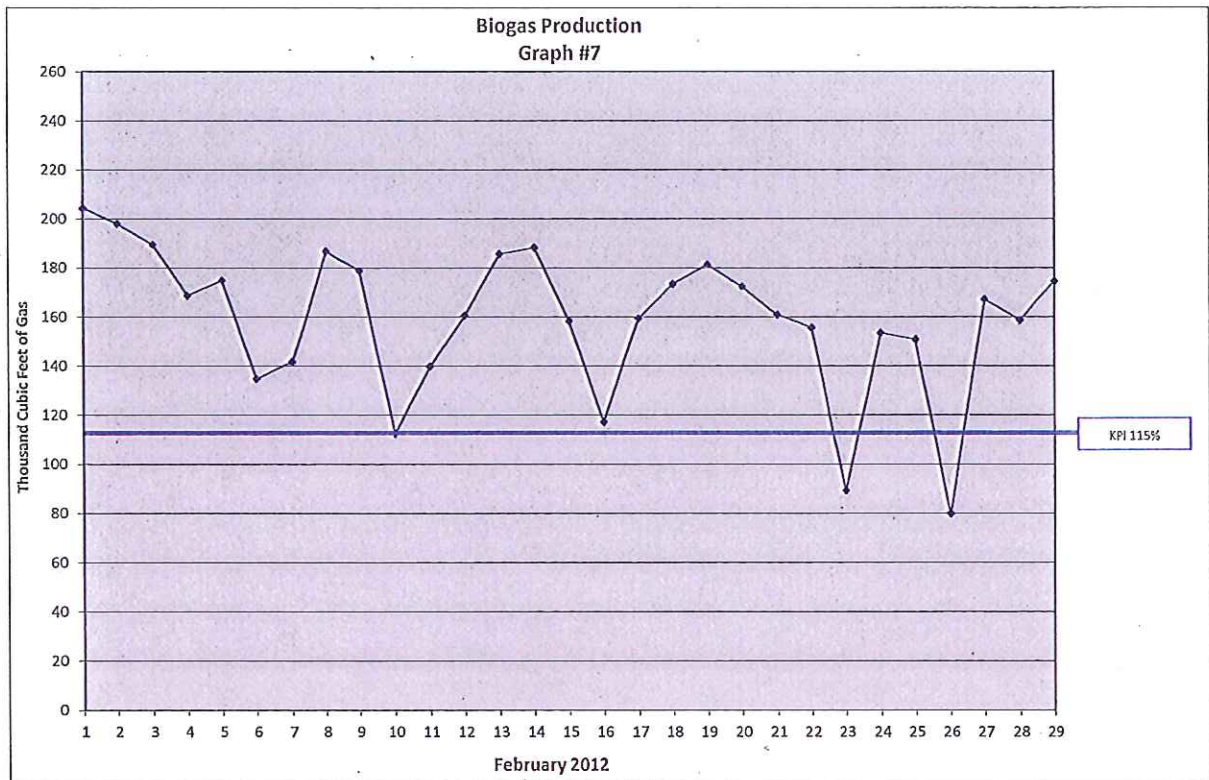
### Units of Measurement

- **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**

March 8, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager 

Subject: 2012 CASA Spring Conference

**Recommendation:** Authorize interested Board members attendance at the 2012 CASA spring conference in Napa.

**Summary:** The Board has a Reimbursement Policy for Travel/Expenses for Agency Officials (Policy #4) that states commissioners must receive prior Board approval for attendance at conferences, trainings, or meetings that require overnight travel.

The 2012 California Association of Sanitation Agencies' (CASA) spring conference is being held at the Napa Valley Marriott in Napa, April 25-27. Staff recommends that the Board consider authorizing its commissioners' attendance at the CASA spring conference. If approved, commissioners can request per diem advance and travel/expense reimbursement forms from staff.

The conference's travel itinerary and registration forms are attached, and the preliminary program will be published in the near future.



# 2012 Spring Conference Itinerary

April 25 - April 27, 2012 • Napa Valley Marriott • Napa Valley, CA

## The Clean Water Agency of the Future

### Wednesday, April 25

7:00 a.m. - 12:00 p.m.  
CSRMA Training Seminar

9:00 a.m. - 5:00 p.m.  
Registration

9:00 a.m. - 12:00 p.m.  
Executive Board Meeting

12:00 p.m. - 1:00 p.m.  
Lunch on Your Own or Burn Off the FOG with  
Roland Williams (sign up for a lunchtime workout)

1:30 p.m. - 4:00 p.m.  
Joint Directors and Managers Session

4:00 p.m. - 5:30 p.m.  
Associates Committee Meeting

5:30 p.m. - 6:30 p.m.  
President's Welcome Reception

### Friday, April 27

7:30 a.m. - 9:00 a.m.  
CSRMA Board of Directors Meeting

7:30 a.m. - 9:00 a.m.  
State Legislative Committee Meeting

7:30 a.m. - 9:00 a.m.  
Breakfast

7:30 a.m. - 10:00 a.m.  
Registration

8:00 a.m. - 9:00 a.m.  
Communications Committee Meeting

9:00 a.m. - 10:30 a.m.  
Closing General Session

12:00 p.m. - 4:00 p.m.  
Attorneys Committee Meeting

### Thursday, April 26

7:30 a.m. - 5:00 p.m.  
Registration

7:30 a.m. - 9:00 a.m.  
Continental Breakfast

7:30 a.m. - 8:30 a.m.  
Federal Legislative Committee Meeting

8:00 a.m. - 12:00 p.m.  
Joint Technical Session:  
Cross Media Issues, Opportunities & Resolutions

12:00 p.m. - 2:00 p.m.  
Conference Luncheon & Speaker

2:15 p.m. - 4:30 p.m.  
General Session

4:45 p.m. - 5:30 p.m.  
Program Planning Session

5:00 p.m. - 6:00 p.m.  
Wine Reception - hotel lobby

5:30 p.m. - 7:30 p.m.  
CSRMA Executive Board Meeting

8:00 p.m. - 11:00 p.m.  
After Hours with the *Sludgetones*

# CASA

## Spring Conference

Ensuring Clean Water for California

**April 25 - 27, 2012**

Marriott Napa Valley Hotel  
Napa, CA

**Registration Form, please register by April 13, 2012**

First Name	Last Name					
Nickname	Title					
Agency/Firm	Email					
Check One	Director	Manager/Staff	Associate	Attorney	Student	Non-member
Guest First Name	Guest Last Name					
Registration Type	Full Conference Member (includes all sessions and meals)- \$425.00					
	Full Conference Non-Member (includes all sessions and meals)- \$625.00					
	Full Conference Student (includes all sessions and meals)- \$20.00					
	Wednesday Only - \$200.00		Thursday Only - \$275.00		Friday Only - \$175.00	
	Attorneys Committee Meeting only- \$150.00					
	Burn Off Your FOG with Roland Williams- \$10.00					
	Guest Lunch Thursday - \$50.00		Guest Thursday (includes breakfast and reception) - \$65.00			
	Guest Friday (includes breakfast) - \$25.00					
Attending Thursday's 'After Hours' Entertainment with the Sludgetones				Yes	No	

### Delegate Two

First Name	Last Name					
Nickname	Title					
Agency/Firm	Email					
Check One	Director	Manager/Staff	Associate	Attorney	Student	Non-member
Guest First Name	Guest Last Name					
Registration Type	Full Conference Member (includes all sessions and meals)- \$425.00					
	Full Conference Non-Member (includes all sessions and meals)- \$625.00					
	Full Conference Student (includes all sessions and meals)- \$20.00					
	Wednesday Only - \$200.00		Thursday Only - \$275.00		Friday Only - \$175.00	
	Attorneys Committee Meeting only- \$150.00					
	Burn Off Your FOG with Roland Williams- \$10.00					
	Guest Lunch Thursday - \$50.00		Guest Thursday (includes breakfast and reception) - \$65.00			
	Guest Friday (includes breakfast) - \$25.00					

Attending Thursday's 'After Hours' Entertainment with the Sludgetones



BOARD MEMORANDUM

March 8, 2012

To: CMSA Commissioners & Alternates  
From: Chris Finton, Treatment Plant Manager  
Approved: Jason Dow, General Manager JD  
Subject: Procurement of Two Primary Clarifier and Two Aeration Tank Sluice Gates

**Recommendation:** Authorize the purchase of four replacement sluice gates, two for the Primary Clarifiers and two for the Aeration tanks, not to exceed \$67,500.

**Summary:** CMSA utilizes over 70 sluice gates in the operation of the treatment plant, and 60 of these gates have been in service since plant start up in 1985. Every summer, low flows allow the treatment processes to be taken out of service for annual inspection and maintenance, which includes preventative maintenance on the sluice gates. The periodic preventive maintenance includes condition assessments, application of industrial coatings, and guide and seat repairs to ensure proper operation. The sluice gate condition assessments were recently completed, and four gates were identified for replacement this fiscal year.

Staff has obtained quotes from Kaman Industrial and Frank A. Olsen for identical "bolt in" replacement sluice gates, and recommends purchase from Kaman Industrial for \$57,204, not including shipping and tax. The FY11/12 capital budget has \$100,000 appropriated for procurement and installation of four process sluice gates. The Kaman Industrial quote is attached.

**Details:** Sluice gates are used to control the flow of wastewater through the treatment plant's unit processes. CMSA has gates sized from two feet to eight feet in width, which are attached to wall thimbles embedded in concrete. The drive motors, gear reducers, and guide rails are have industrial protective coatings to withstand the aggressive environment in the treatment processes. The seats and guides receive a majority of the wear and erosive damage due to grit deposition which is inherent in wastewater treatment systems.

The original sluice gates installed were manufactured by Waterman Industries and purchased through Frank A. Olsen, the local Waterman distributor. The original gates were cast iron and produced in foundries in the United States. Since then, a majority of the foundry work has relocated overseas. Kaman Industrial, a Waterman representative as well, is able to offer CMSA the choice between cast iron and stainless steel sluice gates that will bolt into the existing wall

thimbles. Staff evaluated the costs to procure and install both types of gates, and determined the costs are currently comparable. Staff recommends purchasing stainless steel gates due to them having better corrosion resistance and being the current industry standard for sluice gate installations. After the four sluice gates are ordered, staff will obtain contractor proposals to install the gates, with installation planned for this spring.

The Agency's Capital Improvement Program includes a multi-year schedule for sluice and slide gate refurbishment or replacement that is updated each year during the development of the Agency's draft budget. A photo of an aeration basin sluice gate is shown below.



Aeration Basin #2

# QUOTATION

NO:

Kaman Industrial Technologies

## KAMAN

TO: Central Marin  
 Attn. Mike Cadreau  
 PH: Fax

FROM: KAMAN INDUSTRIAL TECHNOLOGIES  
 316 Littlefield Ave  
 South San Francisco, Ca 94080  
 Tel: (650) 589-6800 Fax: (650) 589-0746

QUOTATION DATE	DATE OF INQUIRY	YOUR INQUIRY NO. OR PERSON REQUESTING QUOTATION
3-8-2012		

DESCRIPTION	QUANTITY	PRICE PER UNIT	DELIVERY
Waterman Sluice Gates 72" x 36" Stainless Steel Slide Gate & Yoke	2	\$13,924.00	6-8 weeks
Frame FF extended flangeback stainless steel type 316L			
Gate to mount to existing wall thimble			
Frame is self contained			
Frame seal Neoprene			
Cover Stainless Steel Type 316L			
Gate seats UHMW			
Top of wall to invert = 7.75 ft.			
Gates designed for 10ft. Seating and 10ft. Unseating			
Submittal Drawings 3-5 weeks ARO			
Stems and operators to be reused and are not included			
Prices offered are FOB Exeter Cal.			
TERMS: * NET 30 DAYS	Minimum Charge	F.O.B. Shipping Point	

THIS AGREEMENT IS SUBJECT TO ALL PROVISIONS AND CONDITIONS ON THE FOLLOWING DOCUMENT, INCLUDING THOSE DISCLAIMERS OF WARRANTIES AND REMEDIES.

BY Niels Ribbjerg

# QUOTATION

NO:

Kaman Industrial Technologies

## KAMAN

TO: Central Marin  
Attn: Mike Cadreau

FROM: KAMAN INDUSTRIAL TECHNOLOGIES  
316 Littlefield Ave  
South San Francisco, Ca 94080

PH: Fax

Tel: (650) 589-6800 Fax: (650) 589-0746

QUOTATION DATE	DATE OF INQUIRY	YOUR INQUIRY NO. OR PERSON REQUESTING QUOTATION
2-8-2012		


DESCRIPTION	QUANTITY	PRICE PER UNIT	DELIVERY
36 " x 36" Stainless Steel Slide Gate --- QS-55-20-FF	2	\$14678.00	See Note
Frame F standard flangeback stainless steel type 316			
Frame Seal Neoprene			
Cover Stainless Steel Type 316L			
Gate seats UHMW			
Invert to TOW = 11.08 ft.			
Gate designed for 10ft. seating and 10ft. unseating			
Stem stainless steel Type 316			
Mounting Hardware – Stainless Steel Type 304			
NOTE: Shipments can be made 45 days after receipt of order and			
Approval of any submittal drawings required			
Thank You			
TERMS:* NET 30 DAYS	Minimum Charge	F.O.B. Anixter California	

THIS AGREEMENT IS SUBJECT TO ALL PROVISIONS AND CONDITIONS ON THE FOLLOWING DOCUMENT, INCLUDING THOSE DISCLAIMERS OF WARRANTIES AND REMEDIES.

BY Niels Rifbjerg

**BOARD MEMORANDUM**

March 8, 2012

**To:** CMSA Commissioners & Alternates  
**From:** Chris Finton, Treatment Plant Manager  
**Approved:** Jason Dow, General Manager   
**Subject:** Procurement of Primary Clarifier Replacement Equipment

**Recommendation:** Authorize the purchase of replacement equipment for the purpose of rebuilding a primary clarifier, not to exceed \$92,500.

**Summary:** Since plant start-up in 1985, the five original rectangular primary clarifiers have operated reliably. Every summer, lower flows allow the primary clarifiers to be taken out of service for annual preventative maintenance. Maintenance has included regular sand blasting and coating to protect submerged metal equipment, and adjusting and replacing chain, track, and flights. Staff completed primary clarifier condition assessments in 2010 and 2011, and those assessments confirmed that it was time to begin the process to rehabilitate the clarifiers, one per fiscal year until all five are complete. Primary clarifier #5 was rehabilitated in 2011 and #1 is planned for rehabilitation later this fiscal year.

Staff obtained quotes from Misco, DC Frost, and Kaman Industries for replacement flights, track, chain, guide sprockets, scum skimmers, and main drive equipment, and recommends purchase of this equipment from Kaman Industries for \$80,861, not including shipping and tax. The Kaman Industry quote is attached. The FY 11/12 budget has \$100,000 appropriated for the procurement of the equipment.

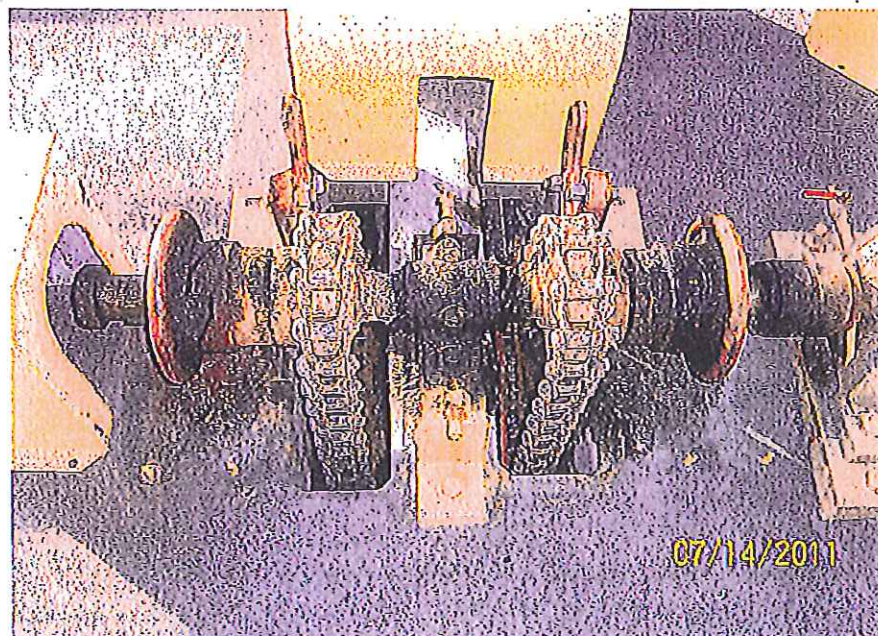
**Details:** The primary clarifiers separate floating and settleable solids from the influent wastewater. Their submerged metal equipment is coated with corrosion resistant epoxy products that require periodic repair or recoating. Recent industry improvements in materials will allow for non-metallic materials to be substituted in place of much of the original steel equipment used when the treatment plant was built.

The equipment using these newer materials has been installed in Primaries #6 and #7 as part of CMSA's Wet Weather Improvements Project. Retrofitting the remaining primaries will provide cost savings in future years by standardizing the equipment in all seven primary clarifiers and will reduce the amount of periodic coating work that needs to be performed by contractors. This equipment requires six to eight weeks to manufacture, assemble, and ship, after which it

will be installed. The Agency will request bids from qualified and competent contractors that have experience installing similar equipment when the process equipment is ordered from Kaman Industries. The photos below show some of the existing components in primary clarifier #5 - drive sprocket, drive shaft, and main chain - that will be replaced as part of its rehabilitation work.



Sprocket and Shaft Assembly



Main Drive Motor



QUOTATION

Quote #: G116845

Quote Date: 03/08/12

316 Littlefield Avenue  
 So. San Francisco, CA 94080  
 Ph: 650-589-6800  
 Fx: 650-589-0746

Salesperson: Niels Ribbjerg

Quoted To:

Central Marin Sanitation  
 1301 Andersen Drive  
 San Rafael CA 94901  
 Attn: Mike Cadreau

PG. 001

Item Number	Description	UOM	Qty	Price	Amount
001	NM 720S Chain w/ F-228 ev 10ft. Acetal Resin, 6" pitch	FT	1800	11.55	20790.00
002	Wearshoe, Return, Lug, UHMW, Reversible, 4-1/2x 3 x 3 x 1/2P	EA	180	4.93	887.40
003	Wearshoe, Floor, Carrying, UHMW Reversible, 5-1/2 w x 3 x 3 x 1/2A	EA	180	4.77	858.60
004	21T Sprocket, Cast Nylon w/ CS Rim, Split Drive KW&SS, 3-15/16"	EA	004	569.04	2276.16
005	19T Sprocket, Cast Nylon w/ CS Rim, Split, Set-Screw only	EA	012	414.92	4979.04
006	Static Sleeve Bearing for item #5 – Bored for 3 7/16" shaft	EA	012	159.60	1915.20
007	Wearstrip, 3/8 x 2-5/8 x 10ft, UHMW, floor only	EA	080	26.11	2088.80
008	FRP Channel Flight – 8" x 20ft, 10 Hole Patter w/ 2 Daps	EA	090	300.85	27076.50
009	Filler Block 3 x 8	EA	180	3.39	610.20
010	Hardware – Flight Mounting Kit, Bagged 316SS, Set	SET	090	18.72	1684.80
011	HB 78 Stainless Drive Chain 2.609", 403 Stainless Steel	FT	060	55.56	3333.60
012	Snap Idler, Chain Tensioner Assy, Narrow, 316SS Hardware	EA	002	378.00	756.00
013	Split Peak Cap Wall Bearing, Cast Nylon w/ Nylon Insert 3-15/16" bore	EA	004	1447.73	5790.92
014	40T Sprocket, Dished – 0"-3.25" offset Integral, Cast Nylon KW&SS	EA	002	1982.28	3964.56
015	Hardware – Floor Wearstrip – Vinyl Anchor – Bagged 316SS	SET	080	8.11	648.80



QUOTATION

Quote #: L285841  
Quote Date: 03/08/12

316 Littlefield Avenue  
So. San Francisco, CA 94080  
Ph: 650-589-6800  
Fx: 650-589-0746

Salesperson: Niels Rifbjerg

Quoted To:

Central Marin Sanitation  
1301 Andersen Drive  
San Rafael CA 94901  
Attn: Mike Cadreau

PG. 002

Item Number	Description	UOM	Qty	Price	Amount
016	Set Collar, Headshaft, 3-15/16" Bore, Split, UHMW w/ 316SS Hardware	EA	002	77.96	155.92
017	11T Sprocket, "A" Plate, Nylon, for use w/ Bibbigard Torque Limiter	EA	002	168.63	337.26
018	Main Collector Drive – Browning	EA	001	2707.24	2707.24

**SUBTOTAL**  
**LESS TAX & FREIGHT: \$ 80,861.00**

Fob: Jobsite

Quote valid for 30 days after date indicated above.

Notes: This transactions is subject to terms and conditions per attached, including the disclaimer of warranty.  
Material may not be returned without prior authorization.



**BOARD MEMORANDUM**

March 8, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager *JD*

**Subject: Bond Counsel Legal Services Agreement with Hawkins Delafield Wood**

**Recommendation:** Approve the legal services agreement with Hawkins Delafield Wood, and authorize the General Manager to sign the agreement.

**Summary:** The Board approved issuance of revenue bonds to fund the wet weather improvement project and the Agency's multiyear capital improvement program in early 2006. To ensure the debt financing was issued and the funds were received in a legal and proper manner, the Agency utilized a Request for Proposal based evaluation process to select a bond and disclosure counsel. Staff recommended, and the Board approved, the selection of Hawkins Delafield Wood (Hawkins) to provide the legal services for the 2006 Revenue Bond Issuance. The legal services agreement was approved by the Board in May 2006, the bonds were competitively bid in September 2006, and the bond proceeds were received in October 2006.

Since the bond issuance, staff has rarely had bond or disclosure related questions requiring Hawkins' advice. Over the past seven months however, Hawkins has consulted with the Agency on the FY12 debt service underpayment situation, peer reviewed staff reports, and has advised on options for Board consideration to address the debt service shortfall. At the February meeting, the Board decided to file a Notice of Default against Ross Valley Sanitary District for their underpayment of the FY12 debt service invoices, and staff subsequently informed Hawkins of that decision.

Staff recently reviewed the 2006 legal services agreement with Hawkins, given the level of effort to prepare the default documents, and noted that the agreement's tasks were primarily focused on and related to the debt issuance. Staff and Hawkins agreed that it is appropriate and timely to prepare a new legal services agreement for on-going bond counsel services. The agreement has been reviewed and approved as to form by legal counsel Jack Govi.

**Attachment**

Agreement Between CMSA and Hawkins Delafield & Wood for Bond Counsel Services

**AGREEMENT BETWEEN CENTRAL MARIN SANITATION AGENCY  
AND HAWKINS DELAFIELD & WOOD LLP  
FOR BOND COUNSEL SERVICES**

This AGREEMENT is made and entered into as of this \_\_\_ day of \_\_\_\_\_ 2012, by and between the Central Marin Sanitation Agency (hereinafter "CMSA") and Hawkins Delafield & Wood LLP (hereinafter "Bond Counsel" or "Hawkins")

WITNESSETH

WHEREAS, CMSA has issued its \$68,730,000 Central Marin Sanitation Agency (California) Revenue Bonds Series 2006 (the "Bonds"); and

WHEREAS, CMSA requires the services of bond counsel in connection with the Bonds, and the CMSA and Bond Counsel desire to set forth the terms and conditions of Bond Counsel's engagement in connection therewith; and

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, CMSA and Bond Counsel do hereby agree as follows:

1. Services Rendered.

Bond Counsel will provide bond counsel legal services to CMSA in connection with questions and issues that may arise during the term of the Bonds. Examples of questions and issues that may arise for which Bond counsel could provide advice include the following:

- questions regarding expenditure of bond proceeds
- questions regarding use of bond financed property
- questions regarding bond covenants, including financial covenants and disclosure covenants
- tax issues that may arise, including arbitrage rebate services
- disclosure issues with respect to continuing disclosure undertakings and securities laws

--other miscellaneous bond-related questions and issues

2. Fees. For services as bond counsel, Bond Counsel's fee will be based on Bond Counsel's customary hourly rates with a discount of 25%. With the discount applied, Mr. Tierney's fee is currently \$545 per hour and Mr. Wolf is \$431. CMSA will also reimburse Bond Counsel for its expenses.

3. Assignability. Bond Counsel shall not assign or transfer any interest in this Agreement nor the performance of any of Bond Counsel's obligations hereunder, without the prior written consent of CMSA, and any attempt by Bond Counsel to so assign this agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

4. Waiver. Bond Counsel agrees that waiver by CMSA of any one or more of the conditions of performance under this Agreement shall not be construed as waiver of any other condition of performance under this Agreement.

5. Bond Counsel an Independent Contractor. It is understood and agreed by and between the parties hereto that Bond Counsel, in the performance of this Agreement, shall act as, and be an independent contractor and not an agent or employee of CMSA; that as an independent contractor, Bond Counsel shall obtain no rights to retirement benefits or other benefits which accrue to CMSA employees, and that Bond Counsel hereby expressly waives any claims they may have to such rights.

6. Entire Agreement. This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement may not be amended except pursuant to a written instrument signed by all parties.

7. Conflict of Interest. Bond Counsel and Bond Counsel's agents, employees or subconsultants, shall at all times adhere to the standards of Government Code section 87100. Bond Counsel shall avoid all conflict of interest or the appearance of conflict of interest in the performance of this Agreement.

8. Professional Liability Errors & Omissions Insurance. Bond Counsel shall maintain during the term of this Agreement Professional Liability Errors and Omissions Insurance with a limit of not less than \$10,000,000.

9. Termination. CMSA may terminate this Agreement with written notice without any liability to Bond Counsel or CMSA except that CMSA shall pay Bond Counsel fees and expenses to such date of termination.

WITNESS THE EXECUTION HEREOF the day and year hereinbefore written.

CENTRAL MARIN SANITATION AGENCY

By \_\_\_\_\_

Jason Dow  
General Manager

HAWKINS DELAFIELD & WOOD LLP

By \_\_\_\_\_

Sean Tierney  
Partner



**BOARD MEMORANDUM**

March 8, 2012

**To:** CMSA Commissioners & Alternates  
**From:** Jason Dow, General Manager JD  
**Subject:** Ragghianti & Frietas Opinion on CMSA Providing Contract Services to Local Agencies Outside the JPA Service Area

**Recommendation:** Informational, provide direction to staff or take action, as appropriate.

**Summary:** The California Department of Corrections (CDCR) recently requested that CMSA collaborate with CDCR staff on the preparation of a service agreement for CMSA to provide wastewater treatment and pump station maintenance services to San Quentin State Prison. The Board considered this request at their February 2012 meeting. During the review and discussion of the request, staff presented a letter the Agency received that afternoon from Ross Valley Sanitary District's attorney, Jolie Houston, stating that CMSA cannot provide the services to San Quentin for various reasons. Staff reviewed the RVSD letter with the Board, provided a response to each RVSD issue, and mentioned that the Agency has received prior opinions from County Counsel's office and outside special counsel stating that CMSA can provide services outside the JPA service area.

Counsel Govi offered to obtain another opinion from outside counsel on CMSA's ability to provide the wastewater related contract services. The Board majority concurred with the idea and directed staff to obtain the opinion. The Agency engaged the Ragghianti & Frietas law firm to review the matter and its relevant documents, and provide the legal opinion. The opinion letter was not completed by the Board meeting agenda publication date, but should be ready for distribution at the Board meeting. Staff will provide handouts for the Board and public at the meeting, and the opinion will be presented by either Gary Ragghianti or Matt Haulk from the Ragghianti & Frietas firm.

**Attachment:** Staff prepared a memorandum in January 2011 that gave an overview of the CMSA service contracts' history, revenues, expenses, and reporting, and reviewed that information with the Board at the February 2011 meeting. That memorandum is attached for Board review and information.



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MEMORANDUM

January 26, 2010

To: John Dupar, CMSA Board Chair  
From: Jason Dow, General Manager  
Subject: **CMSA Service Agreement Information**

CMSA has agreements with several local agencies to provide specialized services utilizing our staff that have direct experience and expertise in the specific tasks and activities associated with each service. The services we provide are at the request of each local Agency and benefit them by allowing each to comply with certain regulatory requirements and avoid more costly private consulting fees for the same or similar services.

During our recent conversation about the December 21, 2010 letter from RVSD Board President Marcia Johnson, you requested that I prepare: 1) a list of our service contracts with local agencies, when they were approved by the Board, and if Commissioner Johnson participated in the vote; and 2) a summary of the FY 10 revenues and expenses for each service contract; and 3) when and in what format the CMSA Board and/or member agency has received information about the contract services.

- 1) Below is a listing of the Agency's current service contracts and the years when the original contract and its latest revision were approved by the CMSA Board.
  - Pump Station Operation & Maintenance Agreement with Sanitary District #2 (original in 1985, revised in April 2004)
  - Pollution Prevention Program Services with Las Gallinas Valley Sanitary District (original in 1995, revised in Jan 2004)
  - Safety Director Program with Novato Sanitary, Sewerage Agency of Southern Marin, and the Sausalito Marin City Sanitary District (original in 1995, revised in Sept 2010)
  - Fats, Oils and Grease (FOG) Control Program with the San Rafael Sanitation District (May 2006)
  - FOG Control Program with the Ross Valley Sanitary District (April 2007)
  - FOG Control Program with the Tamalpais Community Services District (May 2009)
  - FOG Control Program with Sanitary District #2 (January 2010)

CMSA participates in and leads an award winning County-wide water/wastewater public education program. The other program participants include Novato Sanitary District, Las Gallinas Valley Sanitary District, Sewerage Agency of Southern Marin, Sanitary District #5, and the Sausalito Marin City Sanitary District, who along with CMSA have signed a Board approved Memorandum of Understanding (March 2007) for the program activities and costs. The cost of the program is shared by the agencies and is allocated based on service area population. CMSA receives a 15% administration fee for directing the program activities.

Each of the service contracts and the public education program MoU, with their attachments, was included in the Board meeting's agenda packet, and each was approved by a unanimous vote of the Board. Commissioner Johnson participated in the Board's vote of approval for the TCSD FOG, SD2 FOG, and revised Safety Director Program Agreements, and was in attendance as an RVSD alternate, at the March 2007 meeting when the public education MoU was approved and at the April 2007 meeting when the RVSD FOG contract was approved. Commissioner Johnson did not state any disagreement, during public open time, with the Agency providing the services to RVSD or participating in the public education program MoU.

- 2) The service agreements are all designed to reimburse CMSA for the cost of our services to perform the specified contract work. Cost reimbursement invoices are prepared and sent to the contracting agency, which includes direct costs for materials, supplies, travel and mileage, equipment, and outside services, and the weighted salary and benefit rate of the CMSA employees that performed work during the invoicing period. The invoice also includes an overhead factor of 10% - 22%, depending on the specific contract, for the cost of contract oversight and administration. The table below shows the FY10 budgeted revenue for each contract, the actual revenues from our audited financial statements, and each contract's annual expenses. The Agency is quite confident that our costs to provide the services are fully reimbursed.

Service Contract	FY 10 Budgeted Revenue	FY 10 Actual Revenue	FY 10 Final Expenses
Las Gallinas Pollution Prevention	\$23,000	\$17,426	\$14,370
Sanitary District #2 Pump Station Operations and Maintenance	\$327,981	\$327,970	\$284,873
SRSD FOG	\$28,200	\$17,816	\$16,237
RVSD FOG	\$31,500	\$17,915	\$16,753
SD2 FOG*	-	-	-
TCSD FOG**	\$7,263	0	0
Safety Director Program (excludes CMSA)	\$77,443	\$66,165	\$50,799
Public Education MoU (excludes CMSA)	\$41,160	\$43,273	\$37,629
<b>TOTAL</b>	<b>\$536,547</b>	<b>\$490,565</b>	<b>\$420,661</b>

\* There were no revenues budgeted for the SD2 FOG agreement in FY10, since SD2 did not request the services until after the beginning of the fiscal year.

\*\* The TCSD FOG work was planned to begin in FY10, but wasn't initiated until FY 11 due to a delay in the TCSD Sewer Use Ordinance revisions and approval process.

3) The service agreement information is either routinely or periodically provided to the CMSA Board and member agencies in the following formats.

- Service revenues are shown monthly on the Treasurer's Report that is provided in the Board's agenda packet.
- Non-salary related expenses associated with each agreement are shown in the monthly disbursement register which is included in the Board's agenda packet.
- Budget summaries for contract and program services are shown with variance analyses, budget to actual, in the Board's quarterly budget report.
- The draft and final budget documents and supporting staff reports show the budgeted revenues for each contract and their non-salary direct expenses.
- The Agency's audited financial statements show the FY's total revenues and expenses for the service contracts.

The member agencies receive the Board's agenda packet, the adopted Agency budget, and the Board accepted audited financial statements, as well as the Agency's comprehensive annual financial report (CAFR).

Additionally, the Ross Valley Sanitary District has received detailed information about the CMSA/SD2 Pump Station O&M Agreement, including CMSA's monthly invoices to SD2, through their recent public records act requests to SD2. CMSA provided RVSD the service contracts, five years of budget documents and supporting worksheets, and the detailed service agreement revenue and expense projections and worksheets as part of our response to their 2009 public records act request.



## BOARD MEMORANDUM

March 8, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager <sup>IV</sup>

Subject: **Digester Improvements/FOG Facility Project – Task Order for Supplemental Engineering During Construction Support Services**

**Recommendation:** Approve Task Order 2E for the Digester Improvement/FOG Facility Project's Professional Services Agreement with Kennedy/Jenks Consultants, and authorize the General Manager to sign the Agreement's amendment for the Task Order.

**Summary:** The Agency and Kennedy/Jenks Consultants (K/J) entered into a Professional Services Agreement in April 2009 for the predesign services for the Digester Improvements/FOG Facility Project (Project) and the Agency's Food-to-Energy initiative. The task order based Agreement has been amended five times since, to authorize additional predesign and design level services through task orders. The last task order was approved by the Board in March 2011, for the project's Engineering Services During Construction (ESDC). The construction contract was awarded to GSE Construction in April 2011 for \$5,787,000.

Staff and K/J have been tracking the monthly ESDC task expenses since the construction contract activities commenced in May 2011, and K/J recently estimated the amount of work remaining for specific tasks that are either close to the ESDC budget allocation amounts or where minor activity has occurred to date. At K/J's request, the Agency approved reallocation of budgeted funds from certain tasks that will likely not require their initial projected level of effort to tasks that will require additional consultant time. Kennedy/Jenks has developed a revised cost estimate for the construction submittal review, specialty site inspections and coordination/quality control tasks that are near their original ESDC budget allocation amounts, and recommended an increase in their funding levels. In addition, CMSA has requested additional engineering support from K/J during start-up of the retrofitted digesters and new FOG/Food-to-Energy facility.

Staff and K/J have refined the budget estimates and prepared the attached Agreement Amendment #6 with Task Order 2E for the supplemental ESDC services. The Task Order fee allowance is \$92,300, and will be funded from the approved project budget in the Agency's capital improvement program.

**Engineering Services During Construction:** ESDC is comprised of the construction related support services provided by the design engineer to ensure the design intent of the project elements and systems are met through the construction phase. These services include review and response to

contractor requests for information and design clarification, submittal and shop drawing review, and change order analysis and review; attending special construction and coordination meetings; performing specialty inspections as requested, and assisting with the final construction inspection and punch list development; and preparation of Record Drawings to reflect all field changes to the original design documents.

**Attachments**

- Amendment #6 to the Digester Improvement/FOG Facility Professional Services Agreement
- Task Order 2E

AMENDMENT #6

DIGESTER IMPROVEMENTS/FOG FACILITY  
PROFESSIONAL SERVICES AGREEMENT

This Amendment to the Agreement is dated this \_\_\_\_ day of March, 2012, and is made by and between Cental Marin Sanitation Agency (hereinafter CMSA), a joint powers agency in Marin County, California and Kennedy/Jenks Consultants (hereinafter Consultant).

RECITALS

- A. CMSA entered into a task order based Agreement with Consultant, dated April 14<sup>th</sup>, 2009, for pre-design level engineering services for the Digester Improvements/FOG Facility and Food-to-Energy projects,
- B. The Agreement was Amended on December 9, 2009, February 17, 2010, January 20, 2011, February 9, 2011, and March 9, 2011, to include final design and bid period support services for the Digester Improvements/FOG facility project, design modifications for the FOG facility to receive and process commercial food waste, design modifications to the FOG facility for inclusion of a food waste paddle finisher with supporting equipment, and approved additional final design services, and engineering services during construction, respectively,
- C. CMSA and Consultant now desire to amend the Agreement to incorporate supplemental engineering services for the project's construction period, as detailed in the attached Task Order 2E.

NOW, THEREFORE, in consideration of the recitals and mutual promises contained herein, CMSA and Consultant agree to amend the above referenced Agreement as follows:

- 1) Scope: Add Task Order 2E to the Agreement's Scope of Services (Section 1). The activities described in Task Order 2E provide supplemental engineering support services during the Digester Improvements/FOG Facility Project's remaining construction period.
- 2) Fee: The fee allowance for the Task Order 2E services is \$92,300.

All other terms and provisions of the Digester Improvement/FOG Facility and Food-to-Energy Professional Services Agreement dated April 14, 2009 (as amended) remain unchanged.

IN WITNESS THEREOF, the parties have executed this Agreement and accept all terms and conditions this \_\_\_\_\_ day of March, 2012.

Kennedy/Jenks Consultants

Central Marin Sanitation Agency

\_\_\_\_\_  
Joel Faller, Principal Engineer

\_\_\_\_\_  
Jason Dow, General Manager

## Task Order 2E (DRAFT)

### Scope of Services

#### **Digester Improvements and FOG/F2E Facility Project – Engineering Services During Construction (ESDC) Budget Augmentation**

---

##### **General**

This scope of services (Task Order 2E) and budget allocation provides an estimate of additional engineering services during construction (ESDC) in support of construction of the digester improvements and fats-oils-grease (FOG)/food-to-energy (F2E) facilities currently in construction. The additional budget for ESDC is primarily for additional submittal review based on the status of the Contractor's submittals as of January 27, 2012.

The work described below for ESDC for the Digester Improvements and FOG/F2E Facility Project (Project) shall be performed in accordance the Professional Services Agreement executed between the Central Marin Sanitation Agency and Kennedy/Jenks Consultants dated April 14, 2009.

##### **Task 5 – Engineering Services During Construction (ESDC)**

Kennedy/Jenks (K/J) will provide the following engineering services listed below in support of construction of the Project.

##### **Task 5.3 – Perform Construction Submittal Review**

The task budget augmentation provides for review of 87 additional construction submittals that include submittals on mechanical and electrical equipment, product materials, control systems, unit programming, equipment operation and maintenance manuals, and equipment and facility start-up plans. The average effort per submittal for review is estimated based on 4.8 hrs/submittal labor effort on average at an average billing rate of \$170/hr. The following is a breakdown of the estimated number of additional construction submittals:

Original (1 <sup>st</sup> Submittal) Construction Submittals	17
Estimated Construction Resubmittals (2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> , etc.)	45
Operation & Maintenance Manuals & Programming	<u>15</u>
Total	87

Task Budget Augmentation: \$70,800

### **Task 5.7 – Make Specialty Site Support Visits**

The task budget augmentation provides for as-requested geotechnical site visits and support services provided by the project geotechnical engineer, Fugro West. No budget was initially provided in the ESDC Task Order 2D for geotechnical support services by Fugro West. Therefore, this task and budget augmentation request is to include the following geotechnical support services during construction:

- 1) Site visit and field report from Fugro West to observe the excavation and suitability of the subgrade for the subsurface concrete foundation of the FOG/FW receiving tank structure.
- 2) Recommendations and supplemental technical memorandum from Fugro West for over excavation and backfill for equipment concrete pads outside of the extents of the contractor's shoring system for the FOG/FW tank structure.
- 3) Site visit and field report from Fugro West to observe the suitability of the subgrade for the H2S Scrubber Pad.

Task Budget Augmentation: \$6,600

### **Task 5.10 – Provide Assistance with Facility Testing and Start-up**

The task budget augmentation is for Kennedy/Jenks to provide 48 hours of additional assistance during startup and testing of the new equipment, facilities, and systems as requested by CMSA operations. The original budget provided for only 40 hours of periodic as-needed testing and start-up support.

The budget augmentation will provide for additional start-up assistance by senior level engineers that are licensed in the required engineering disciplines. Kennedy/Jenks will assist CMSA in preparing an outline of the steps and procedures for start-up of the retrofitted digesters and new FOG/FW that will include suggested feed rates, mixing, testing, equipment checks, etc. Several site visits will be made during the start-up period to gauge the start-up process and to assist CMSA operation staff in making necessary adjustments.

This is in supplement to, and will be coordinated with, facility start-up required by the Contractor and equipment start-up by equipment vendors.

Task Budget Augmentation: \$10,500

**Task 5.11 – Provide ESDC Project Management, Coordination and QA/QC**

The budget augmentation is for 20 hours of additional coordination and QA/QC associated with the increase in the number of submittals and additional start-up assistance. QA/QC will be provided by a senior level engineer.

Task Budget Augmentation: \$4,400

**BOARD MEMORANDUM**

March 8, 2012

**To:** CMSA Commissioners & Alternates

**From:** Jason Dow, General Manager *JD*

**Subject:** Regional Charge Flow Based Allocation Procedures

**Recommendation:** Approve the annual flow and three year flow average Regional Charge allocation procedures as presented or with Board approved edits, and direct staff to incorporate the procedures into the Agency's Revenue Management Financial Policy.

**Summary:** The final Regional Charge Alternative Study (Study) was presented to the Board at its January 2012 meeting. After review and discussion of the Study's allocation methods, the Board directed staff to collaborate with the Finance Committee to prepare allocation procedures for the annual flow and three year flow allocation methods. Additionally, the Board asked staff to begin sampling the wastewater from each satellite collection agency to determine its quality (BOD and TSS concentrations), for review and possible consideration of a volume/quality allocation method in the future.

The Finance Committee met on Friday, February 17, to review the draft flow based procedures, provide their comments and feedback to staff, and agree on the necessary revisions to bring the procedures to the final draft level for presentation to the Board. Both allocation procedures are modeled after, and use the formulas, for each respective method as described in the Study. The Committee decided to use the wet weather flow year, April 1 – March 31, for both procedures; and add a 4<sup>th</sup> quarter annual flow reconciliation process to each, similar to the existing 4<sup>th</sup> quarter EDU count reconciliation process. Staff has prepared the attached final draft procedures for Board review and discussion, and recommends either approving them as presented or with Board approved revisions. The final procedures will be added to the Agency's Revenue Management Financial Policy (#520).

At the Committee meeting, Commissioner Johnson stated her belief that the Agency could not allocate the Regional Charge using only collection agency flow volumes. Staff responded by referencing the Operating Fund section of the JPA, specifically the provision that allows the Board discretion to consider the wastewater quality when establishing the Regional Charge (see attached highlighted section). Chair Dupar asked staff to include that section in this staff report.

**Attachments**

- Section 14 of the CMSA Joint Power Agreement
- Annual flow allocation procedure
- 3-year average flow allocation procedure

#### Section 14. Operating Fund

- \* A. An operating fund shall be established and maintained which shall be used to pay all administrative and incidental expenses incurred by the Agency, together with all costs of maintenance and operation arising from the operation of Joint Facilities. By resolution, the operating fund may be utilized prior to completion of joint sewerage facilities to allow the necessary administrative, financial and management information systems to be in place and functioning upon the operation of said facilities. Revenues for the operating fund shall be derived from Regional Charges periodically charged to each Member by the Agency, which Regional Charges the Members hereby agree to pay. **The periodic Regional Charge for each Member will be determined by the Agency and shall be based upon the relative volume and quality of wastewater generated by each Member.** Volume will be determined based upon continuous measuring to measure total volume generated during the period. **Quality will be determined by periodic monitoring and considered in determining Member Charges if deemed appropriate by the Commission.** At the option of the Commission, contributions from Members may be based on dwelling units.
- B. Each Member, in turn, shall be responsible for deriving the revenue necessary to pay its Regional Charges to the Agency.
- C. Each single-family dwelling shall be assigned one dwelling unit. All other structures, or portions thereof used for purposes other than as single-family dwellings, shall be assigned a number of such units, as determined by the Agency based upon:
- (1) water meter readings and/or use of water from nonmetered sources;
  - (2) visual inspection to determine the relative extent to which water may be used for purposes which do not produce discharge into wastewater facilities;
  - (3) the chemical and/or other composition of the wastewater produced;
  - (4) the peaking and ebbing cycle of the wastewater flows; and
  - (5) any requirements imposed by the Federal and State governments or agencies thereof.
- The Commission shall establish the formula for computation for determination of what constitutes a dwelling unit.
- \* (deletion)
- \* D. Sewer connection and service charges may be collected either by a Member or the Agency by contract with the Member.
- \* E. The Commission may periodically direct the Members to reassess the number of dwelling units.

## ANNUAL FLOW

### PROCEDURES

1. Calculation of annual volume of the wastewater generated from each satellite collection entity. Each April, the Operations department will provide the Finance Manager with the annual volume of wastewater generated from each satellite collection entity for the previous April 1 to March 31 period.

Flow measurements from existing flow meters on influent forcemains are used to quantify each collection agency's influent volumes. Flows are continuously measured for San Rafael Sanitation District, Ross Valley interceptor, Sanitary District No. 2 of Marin County and San Quentin State Prison, and calculated for Sanitary District No. 1 (Ross Valley Sanitary District).

2. Allocation of Regional Charges by flow volume. Once the upcoming revenue budget has been developed, the Finance Manager prepares an allocation of the Regional Charges based on the prior April 1 to March 31 flow volumes. Each satellite collection agency's allocation for the upcoming fiscal year will be included in the draft and adopted Agency Budgets.

Percentage allocations are based only on volumetric flow measurements as recorded by CMSA flow meter data. The allocations are determined using the equations below.

$$Volume_{Total} = Volume_{SRSD} + Volume_{SD1} + Volume_{SD2} + Volume_{SQP}$$

$$\% Allocation_{Agency} = \frac{Volume_{Agency}}{Volume_{Total}}$$

$$Regional\ Charge\ Allocation_{Agency} = \% Allocation_{Agency} \times CMSA\ Net\ Revenues^*_{Total}$$

3. Collection of Regional Charge. Once the Agency's Budget has been adopted, the Agency will invoice each satellite collection agency for its respective portion of the regional charge on a quarterly basis starting on July 1 of each fiscal year. Each quarterly invoice will represent one-fourth of the allocated annual regional charge.

Prior to the issuance of the fourth quarterly invoice, the Finance Manager will recalculate the current fiscal year's regional charge allocation based on the flow volumes for the most current April 1 to March 31 twelve month period. The adjustment between the budgeted and current regional charge allocation will be reflected on the invoice for the fourth quarter.

\* *Net Revenue is defined to be total Agency budgeted revenues less estimated revenues for contract services, program services, interest income, fees from haulers, permits and inspections, and other operating revenues. Budgeted revenues do not include revenues for debt service and connection fees.*

## THREE YEAR FLOW

### PROCEDURES

1. Calculation of three year (36 months) volume of the wastewater generated from each satellite collection entity. Each April, the Environmental Services and Treatment Plant Managers will provide the Finance Manager with the annual volume of wastewater generated from each satellite collection entity for the previous April 1 to March 31 period for the prior 36 months.

Flow measurements from existing flow meters on influent forcemains are used to quantify each collection agency's influent volumes. Flows are measured continuously for SRSD, SD 2 and SQP, and calculated for SD1.

2. Allocation of Regional Charges by flow volume. Once the upcoming revenue budget has been developed, the Finance Manager prepares an allocation of the Regional Charges based on the prior April 1 to March 31 flow volumes for the prior 36 months. Each satellite collection agency's allocation for the upcoming fiscal year will be included in the draft Agency Budget.

Percentage allocations are based only on volumetric flow measurements as recorded by CMSA flow meter data. The allocations are determined using the equations below.

$$Volume_{Total} = Volume_{SRSD} + Volume_{SD1} + Volume_{SD2} + Volume_{SQP}$$

$$\% Allocation_{Agency} = \frac{Volume_{Agency}}{Volume_{Total}}$$

$$Regional\ Charge\ Allocation_{Agency} = \% Allocation_{Agency} \times CMSA\ Net\ Revenues^*_{Total}$$

3. Collection of Regional Charge. Once the Agency's Budget has been adopted, the Agency will invoice each satellite collection agency for its respective portion of the regional charge on a quarterly basis starting on July 1 of each fiscal year. Each quarterly invoice will represent one-fourth of the allocated annual regional charge.

Prior to the issuance of the fourth quarterly invoice, the Finance Manager will recalculate the current fiscal year's regional charge allocation based on the flow volumes for the most current April 1 to March 31 36- month period. The adjustment between the budgeted and revised regional charge allocation will be reflected on the invoice for the fourth quarter.

\* *Net Revenue is defined to be total revenues less budgeted revenues for contract services, program revenues, interest income, fees from haulers, permits and inspections and other operating revenues. Budgeted revenues also do not include revenues for debt service and connection fees.*



BOARD MEMORANDUM

March 8, 2012

To: CMSA Commissioners & Alternates

From: John Dupar, Commission Chair *JD*

Subject: February 18, 2012 Violation of CMSA Board Decorum Policy

**Recommendation:** Consider replacing Commissioner Marcia Johnson on the Board Finance Committee with either another RVSD representative or an SRSD representative, and take other actions as appropriate.

**Summary:** The Finance Committee met with General Manager Jason Dow and Finance Manager Hank Jen on Friday, February 17<sup>th</sup>, to review and discuss the draft Regional Charge flow based allocation procedures, and to provide feedback for staff to prepare the final draft documents for the full Board's consideration. Additionally, staff presented several FY13 EDU rate adjustment scenarios, one of which was to recover funds caused by the FY12 reduction in San Quentin's EDU count from 7,219 to 3,081.

During the meeting, Commissioner Johnson questioned the Agency's authority\* to allocate the Regional Charge using each collection agency's flow volume to CMSA, and became very outspoken when staff presented the FY12 revenue shortfall implications to the Agency's future capital improvement program. She indicated her belief that CMSA should charge SRSD and SD2 for the \$800,000 revenue shortfall by increasing the FY12 EDU rate and included each district's contribution in their 4<sup>th</sup> quarter invoices.

Staff informed the Committee that the Agency doesn't have a procedure to adjust the annual EDU rate established by the Board, and the Board has never authorized this type of adjustment in the past; however the Board does have the discretion to discuss the matter and take action. Commissioner Johnson, during the staff presentation on the matter, called the Agency corrupt, and specifically called General Manager Dow *slick, dishonest, and deceitful*. She then removed herself from the meeting, stating that she must leave before saying anything inappropriate. The meeting continued without Commissioner Johnson in attendance. These comments were in direct violation of our CMSA Board of Commissioners' Decorum Policy adopted in April 2010. Specifically, **Policy #1.B.8 "Do not criticize or denigrate staff in public or at meetings."**

This behavior created a hostile environment for staff and was in clear violation of the Decorum Policy, and is an example of the behavior by Commissioner Johnson towards staff and fellow Board members. Due to Commissioner Johnson's actions, I cannot continue to serve on the Finance Board with her and I recommend that the Board remove her from this committee immediately in order for it to prepare for the upcoming FY12/13 budget. I recommend that the

Board appoint either an SRSD representative or another representative from RVSD to the Finance Committee immediately.

The Board may also want to consider sending a letter to RVSD requesting the replacement of Commissioner Johnson on the CMSA Board with another RVSD representative that is interested in building a collaborative and constructive working relationship with the Board and between the member agencies. I am willing to work with staff and Counsel Govi to prepare the letter.

---

\* the authority of allocating the regional charge has been discussed numerous times in CMSA Board Meetings and CMSA's counsel has opined that the agency has the ability to charge based on flow pursuant to the discretionary language from Section 14 of the JPA highlighted below.

*"An operating fund shall be established and maintained which shall be used to pay all administrative and incidental expenses incurred by the Agency, together with all costs of maintenance and operation arising from the operation of Joint Facilities. By resolution, the operating fund may be utilized prior to completion of joint sewerage facilities to allow the necessary administrative, financial and management information systems to be in place and functioning upon the operation of said facilities. Revenues for the operating fund shall be derived from Regional Charges periodically charged to each Member by the Agency, which Regional Charges the Members hereby agree to pay. The periodic Regional Charge for each Member will be determined by the Agency and shall be based upon the relative volume and quality of wastewater generated by each Member. Volume will be determined based upon continuous measuring to measure total volume generated during the period. Quality will be determined by periodic monitoring and considered in determining Member Charges if deemed appropriate by the Commission. At the option of the Commission, contributions from Members may be based on dwelling units."*



BOARD MEMORANDUM

March 8, 2012

To: CMSA Commissioners & Alternates

From: Jason Dow, General Manager *JD*

Subject: FY12 RVSD Debt Service Payment

**Recommendation:** Review the February 16<sup>th</sup>, 2012, debt service payment letter from RVSD's attorney, and decide how to handle the FY12 underpayment check.

**Background:** Ross Valley Sanitary District (RVSD) underpaid their August 2011 and February 2012 debt service invoices, resulting in a FY12 debt service payment shortfall of \$250,915. CMSA bond counsel advised the Agency shortly after the August 2011 underpayment that the RVSD was in default on the 2006 Payment for Treatment Services Agreement (debt service agreement). The Agency has requested payment several times since August and the CMSA Board has discussed this underpayment situation at each Board meeting since September 2011. The Board decided at the February 14, 2012 meeting to file a Notice of Default against RVSD and invoice SRSD and SD2 for their respective contributions of the FY12 debt service shortfall.

San Rafael Sanitation District and SD2 have paid their supplemental debt service invoices and bond counsel has prepared the Default documents. On Friday, February 17<sup>th</sup>, RVSD staff hand delivered a check for the FY12 debt service underpayment amounts, which was accompanied by the attached letter from the RVSD attorney, Ms. Jolie Houston, stating CMSA must comply with specific conditions prior to depositing the check. The conditions included: 1) deposit the check within ten days of receipt; 2) prepare a refund five days after depositing the check; and 3) the refund must be at least \$225,000. Staff did not sign the RVSD attorney letter, accepting the conditions, and conferred with bond counsel and Counsel Govi regarding the conditions in the letter. Bond counsel stated that since the check was delivered with conditions, RVSD is still in default. Counsel Govi advised not to deposit the check given the conditions, and recently informed Ms. Houston that the CMSA Board will be considering the item at the March meeting.

RVSD has not provided their FY12 actual EDU count and the supporting documents for CMSA staff to verify the count.

**Options:** Staff recommends the Board consider the below options for handling the RVSD debt service underpayment check, and select the preferred option.

- 1) Accept the Underpayment Check: Accepting the RVSD check will cure the RVSD FY12 default. The Agency will process the refund when preparing the FY13 first semi-annual debt service invoices in July 2012, using the normal payment reconciliation process.

2) Accept the Underpayment Check and Prepare an Advance Refund: Same as Option 1, except the Agency will prepare the refund check after RVSD provides their FY12 actual EDU count and supporting documents.

3) Do Not Accept the Underpayment Check: The RVSD FY12 underpayment has been covered by SRSD and SD2. If the Board does not accept the RVSD check, RVSD will remain in default.

**Attachment**

- February 16, 2012, letter from RVSD attorney Jolie Houston.
- Copy of RVSD FY12 Underpayment Check

**BERLINER COHEN**  
ATTORNEYS AT LAW

ANDREW L. FABER  
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PEGGY L. SPRINGGAY  
JOSEPH B. DWORAK  
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STEVEN L. HALLGRIMSON  
FRANK R. UBHAUS  
ERIC WONG  
NANCY L. BRANDT

Branch Office - Merced, CA

February 16, 2012

VIA HAND DELIVERY

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

Re: Central Marin Sanitation Agency Invoice No. 12-8005 and Invoice No. 12-8036  
Our File No.: 19217-001.

Dear Mr. Dow:

As you know, I am District Counsel for the Sanitary District 1 of Marin County, also known as the Ross Valley Sanitary District ("**District**"). Subject to the terms and conditions described in this letter, I have been authorized to deliver this letter to you along with the enclosed payment instrument.

I. INSTRUMENTS DELIVERED TO CENTRAL MARIN SANITATION AGENCY:

Enclosed with this letter is the following instrument:

- A. The District's check in the amount of \$250,915.96 being delivered with reference to Central Marin Sanitation Agency Invoice No. 12-8036, dated January 1, 2012 (incorporating the previous Central Marin Sanitation Agency No. 12-8005, dated July 1, 2011). The District has previously paid the sum of \$2,877,127.59 in relation to said Invoices to the Central Marin Sanitation Agency.

Ms. Jason Dow  
Central Marin Sanitation Agency  
February 16, 2012

B. For convenience, the District check that is described in Section I.A. is referred to in this letter as the "**Debt Service Payment Check**". The invoices that are described in Section I.A. are referred to in this letter as the "**Debt Service Invoices.**"

C. NOTE: The Debt Service Payment Check is being entrusted to the Central Marin Sanitation Agency under protest. The District disputes the methodology used to calculate the Debt Service Invoices. The District believes that the Debt Service Invoices are inaccurate and do not reflect the proper allocation of charges under the Joint Powers Agreement creating the Central Marin Sanitation Agency. All rights and remedies are reserved.

## II. INSTRUCTIONS TO CENTRAL MARIN SANITATION AGENCY:

A. You are instructed to negotiate the above referenced Debt Service Payment Check when, AND ONLY WHEN, you have calculated, hold ready funds, and are authorized and otherwise prepared to actually deliver within five (5) calendar days a "refund check" to the District reflecting the difference between the total invoiced amount reflected by the Debt Service Invoices, and the final reconciliation amount reflecting the amounts payable by the District with reference to the final, actual (not estimated) Equivalent Dwelling Units reported by the District, Sanitary District No. 2 of Marin County, and the San Rafael Sanitation Agency (the "Refund"). The Refund amount is anticipated by the District to be \$229,552.34 – for a net payment by the District of approximately \$21,363.62 reflecting the net amount owed by the District. NOTE: The Refund being delivered to the District must be not less than Two Hundred Twenty Five Thousand Dollars (\$225,000) or you are NOT authorized under any circumstances to negotiate the Debt Service Payment Check, and are instructed to secure the Debt Service Payment Check, and you are to contact the undersigned and await further instructions.

## III. MISCELLANEOUS PROVISIONS:

(a) The foregoing Debt Service Payment Check is entrusted to you subject to your strict compliance with the instructions herein set forth.

(b) These instructions may not be modified in any manner whatsoever except by written amendment signed by an authorized representative of the District or the undersigned.

(c) Time is of the essence. If you are unable to negotiate the Debt Service Payment Check in accordance with these instructions on or before 5:00 p.m. on the date that is ten (10) days after the date of this letter, then you are instructed to hold all funds and documents delivered to you pursuant to these instructions pending further instructions from the District. No later than five (5) days after negotiating the Debt Service Payment Check, you are to deliver the

Ms. Jason Dow  
Central Marin Sanitation Agency  
February 16, 2012

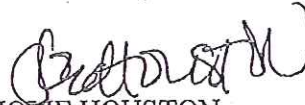
following items to care of the undersigned: (i) a copy of the check or checks evidencing the Refund, and (ii) evidence of its delivery to the District.

(d) These instructions are not intended to supersede or amend the Joint Powers Agreement for the Central Marin Sanitation Agency, or any of the other documents governing the transactions contemplated herein.

(e) Notwithstanding your failure to return the executed copy of this letter as called for in these instructions, your act of negotiating the Debt Service Payment Check shall constitute your agreement to comply with the foregoing instructions.

Very truly yours,

BERLINER COHEN



JOLIE HOUSTON  
District Counsel  
E-Mail: [jh@berliner.com](mailto:jh@berliner.com)

Enclosures

cc: Mr. Brett Richards, District Manager  
Thomas D. Morell, Esq.  
Jack Govi, Esq.  
Sean Tierney, Esq.

The undersigned hereby acknowledges receipt of the foregoing instructions and agrees to act strictly in accordance with the terms and conditions contained herein.

CENTRAL MARIN SANITATION AGENCY

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

44150



ROSS VALLEY SANITARY DISTRICT

2960 KERNER BOULEVARD  
SAN RAFAEL, CA 94901  
PH. (415) 259-2949



Bank of Marin

www.bankofmarin.com  
415-259-9335 800-654-5111  
939 Andersen Dr., San Rafael, CA 94901  
90-4187-1211

NO.

DATE

2/16/2012

AMOUNT

\*\*\*250,915.96

Maria Johnson  
AUTHORIZED SIGNATURE

PAY Two Hundred Fifty Thousand Nine Hundred Fifteen and 96/100\*\*\*\*\*

TO THE ORDER OF Central Marin Sanitation Agency  
Debt Service Payment  
1301 Andersen Drive  
San Rafael, CA 94901

⑈044150⑈ ⑆121641877⑆ 07 300031⑈

SANITARY DISTRICT NO. 1 OF MARIN COUNTY 2960 KERNER BOULEVARD • SAN RAFAEL, CA 94901

44150

24001

Central Marin Sanitation Agency

2/16/2012

12-8036 - (2)

1/1/2012

250,915.96

0.00

250,915.96

250,915.96

0.00

250,915.96

Security features. Details on back.



## BOARD MEMORANDUM

March 8, 2012

To: CMSA Commissioners & Alternates  
From: Jason Dow, General Manager JD  
Subject: RVSD Notice of Default Documents

**Recommendation:** Review the final draft RVSD default documents, and decide if the Agency should not file the documents.

**Background:** The Board decided at the February 14, 2012 meeting to file a Notice of Default against RVSD for underpaying the August and February FY12 debt service invoices. The default is under the 2006 Payment for Treatment Services Agreement (debt service agreement) that was executed by each JPA member agency prior to CMSA issuing the 2006 Revenue Bonds.

Hawkins Delafield Wood, CMSA bond counsel, has prepared the final draft default documents, and recommends the Board review the documents prior to their issuance.

If the Board accepts the RVSD FY12 underpayment check, that action cures the FY12 default and there should be no action taken on this item. If the Board does not accept the RVSD check, the attached default documents will be issued pursuant to last month's Board decision, unless the Board directs staff not to file the document.

**Attachments**

Default letter to Ross Valley Sanitary District  
Default letter to the Deutsche Bank National Trust Company and MBIA Insurance Corporation  
Municipal Secondary Market Disclosure Sheet and Notice of Material Event



# CENTRAL MARIN SANITATION AGENCY

Jason R. Dow, P.E.  
General Manager

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

March 13, 2012

Ross Valley Sanitary District (Sanitary District 1 of Marin County)  
2960 Kerner Blvd.  
San Rafael, CA 94901

Re: Notice of Default under Payment Agreement for Treatment Service, dated as of October 1, 2006

This letter is a notice of a default by Sanitary District No. 1 of Marin County (Ross Valley Sanitary District ("RVSD")) pursuant to Section 4.01 of the Payment Agreement for Treatment Service, dated as of October 1, 2006 (the "Payment Agreement"), by and among the Central Marin Sanitation Agency ("CMSA"), San Rafael Sanitation District, Ross Valley Sanitary District, Sanitary District No. 2 of Marin County, and the City of Larkspur.

Capitalized terms not defined herein shall have the meanings ascribed thereto in the Payment Agreement.

In early July 2011 and January 2012, CMSA sent invoices to RVSD, a Participating Member under the Payment Agreement, informing RVSD of the amount of Payments it was required to pay to CMSA on August 1, 2011 and February 1, 2012 pursuant to Section 2.01 of the Payment Agreement. Ross Valley Sanitary District did not pay the full amount of these Payments, and as such is in default pursuant to Section 4.01 of the Payment Agreement.

Section 4.10 of the Bond Indenture provides that CMSA is required to enforce RVSD's obligation to pay its Payments due under the Payment Agreement. Further, sections 2.01 and 4.01 of the Payment Agreement provide that if a default occurs due to the failure of a Participating Member to pay Payments when due, CMSA, Deutsche Bank National Trust Company, as bond trustee ("Bond Trustee") or National Public Finance Guarantee (successor to MBIA Insurance Corporation), as bond insurer ("Bond Insurer"), are each authorized to exercise rights and remedies to enforce payment obligations of delinquent Participating Members.

Notice of RVSD's Payment default will be sent by CMSA to the Bond Trustee and Bond Insurer.

In addition, pursuant to the Continuing Disclosure Certificate, dated October 19, 2006, and executed by CMSA, CMSA will be filing a notice with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") informing investors Ross Valley Sanitary District is in default under the Payment Agreement.

CMSA demands that RVSD take immediate action to cure their default and pay CMSA an amount of the shortfall of the Payments (totaling \$250,915.96) that were due on August 1, 2011 and February 1, 2012.

Central Marin Sanitary District

By: \_\_\_\_\_  
John Dupar  
Board Chair





# CENTRAL MARIN SANITATION AGENCY

Jason R. Dow, P.E.  
General Manager

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

March 13, 2012

Deutsche Bank National Trust Company  
101 California Street, 46<sup>th</sup> Floor  
San Francisco, CA 94111  
Attn: Corporate Trust Department

MBIA Insurance Corporation/National Public Finance Guarantee  
113 King Street  
Armonk, New York 10504  
Attention: Surveillance

Re: \$68,730,000 original principal amount of Central Marin Sanitation Agency Revenue Bonds, Series 2006

This letter informs you that a default has occurred under the Payment Agreement for Treatment Service, dated as of October 1, 2006 (the "Payment Agreement"), by and among the Central Marin Sanitation Agency ("CMSA"), San Rafael Sanitation District, Ross Valley Sanitary District ("RVSD"), Sanitary District No. 2 of Marin County and the City of Larkspur.

Capitalized terms not defined herein shall have the meanings ascribed thereto in the Payment Agreement.

In early July 2011 and January 2012, CMSA sent invoices to RVSD; a Participating Member under the Payment Agreement, informing RVSD of the amount of Payments it was required to pay to CMSA on August 1, 2011 and February 1, 2012 pursuant to Section 2.01 of the Payment Agreement. RVSD did not pay the full amount of these Payments, and as such is in default pursuant to Section 4.01 of the Payment Agreement.

The August 1, 2011 payment was \$2,186,639.88, and RVSD paid \$2,009,447.05 to CMSA.

The February 1, 2012 payment was \$919,069.19, and RVSD paid \$845,386.07 to CMSA.

Taking into account these shortfalls, the Net Revenue to Annual Debt Service ratio for Fiscal Year 2011-12 is estimated to be less than 125% if CMSA does not collect additional funds from RVSD or the other Participating Members.

Also, pursuant to the Continuing Disclosure Certificate, dated October 19, 2006, and executed by CMSA, CMSA has filed a notice with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") informing investors RVSD is in default under the Payment Agreement. A copy of such notice is attached hereto.

Please contact me if you would like to discuss any of the foregoing.

Best regards,

Jason Dow  
General Manager

cc: Sean Tierney, Hawkins Delafield & Wood LLP



# Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm) for list of current NRMSIRs and SIDs

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**IF THIS FILING RELATES TO A SINGLE BOND ISSUE:**

Provide name of bond issue exactly as it appears on the cover of the Official Statement  
(please include name of state where issuer is located):

-----  
\$68,730,000 CENTRAL MARIN SANITATION AGENCY (CALIFORNIA) REVENUE BONDS SERIES 2006  
-----  
-----

Provide nine-digit CUSIP\* numbers if available, to which the information relates:

----- 154076 AE3 -----	----- 154076 AL7 -----	----- 154076 AS2 -----
----- 154076 AF0 -----	----- 154076 AM5 -----	----- 154076 AT0 -----
----- 154076 AK9 -----	----- 154076 AN3 -----	----- 154076 AU7 -----
----- 154076 AG8 -----	----- 154076 AP8 -----	----- ----- -----
----- 154076 AH6 -----	----- 154076 AQ6 -----	----- ----- -----
----- 154076 AJ2 -----	----- 154076 AR4 -----	----- ----- -----

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**IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:**

Issuer's Name (please include name of state where Issuer is located): \_\_\_\_\_

Other Obligated Person's Name (if any): \_\_\_\_\_  
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP\* number(s), if available, of Issuer: \_\_\_\_\_

\*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

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**TYPE OF FILING:**

Electronic (number of pages attached) 4  Paper (number of pages attached) \_\_\_\_\_

If information is also available on the Internet, give URL: \_\_\_\_\_

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**WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)**

A.  **Annual Financial Information and Operating Data pursuant to Rule 15c2-12**  
(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: \_\_\_\_\_

B.  **Audited Financial Statements or CAFR pursuant to Rule 15c2-12**

Fiscal Period Covered: \_\_\_\_\_

C.  **Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)**

- |  |  |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies                                 | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security   |
| 2. <input checked="" type="checkbox"/> Non-payment related defaults                                      | 7. <input type="checkbox"/> Modifications to the rights of security holders                                  |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls   |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties   | 9. <input type="checkbox"/> Defeasances  |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform   | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
|  | 11. <input type="checkbox"/> Rating changes  |

D.  **Notice of Failure to Provide Annual Financial Information as Required**

E.  **Other Secondary Market Information (Specify):** \_\_\_\_\_

**I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:**

**Issuer Contact:**

Name Jason Dow Title General Manager  
Employer Central Marin Sanitation Agency  
Address 1301 Andersen Drive City San Rafael State CA Zip Code 94901  
Telephone (415) 459-3971 Fax \_\_\_\_\_  
Email Address jdow@cmsa.us Issuer Web Site Address www.cmsa.us

**Dissemination Agent Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Employer \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
Email Address \_\_\_\_\_ Relationship to Issuer \_\_\_\_\_

**Obligor Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Employer \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
Email Address \_\_\_\_\_ Obligor Web site Address \_\_\_\_\_

**Investor Relations Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

Central Marin Sanitation Agency  
INFORMATIONAL ITEMS  
for the Board of Commissioners Meeting of March 13, 2012

- I-1 Letter dated February 13, 2012 from StepWise Utility Advisors Re: California Public Records Act Request
- I-2 Letter dated February 25, 2012 to the California Regional Water Quality Control Board Re: Monthly Self-Monitoring Report (SMR) – January 2012

JD

2/7/12

file

I-1

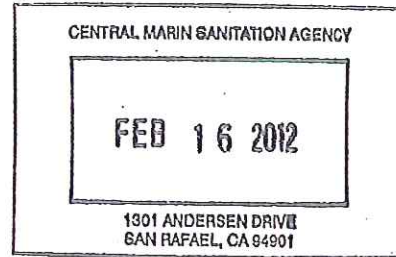


"financial guidance that makes a difference"

17011 Lincoln Ave. #442  
 Parker, CO 80134  
 (866) 935-3101 x101  
 www.StepWiseAdvisors.com

February 13, 2012

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



Subject: California Public Records Act Request

Dear Mr. Dow:

Allow me to introduce myself and my firm: I am Jason Mumm, president of StepWise Utility Advisors. Our firm was recently given the task to study the sewer systems in Central Marin County, including the Central Marin Sanitation Agency. I need to make a public records request in order to obtain the essential data to complete my study. The following California Public Records Act request, which I understand is governed by Government Code Section 6250, allows me to request access to and/or copies of the documents, data, and/or information attached hereto as Attachment A, which are filed with, retained by, or prepared by the Central Marin Sanitation Agency.

Please respond within ten (10) calendar days from the date the City receives this request as to whether this request specifies identifiable records that are not exempt from disclosure under the California Public Records Act, or are privileged or otherwise confidential, and therefore subject to disclosure. I understand that this time may be extended up to 14 days for unusual circumstances, as provided by California Government Code Section 6253, subdivision (c), and that I will be notified of such extension, if any, and the reasons therefore.

I further understand that I may obtain copies of the requested documents at a cost of 10 cents per page. I am also aware that if the requested records are too voluminous, the City will contact me and provide me access to the records to review and photocopy them with my own equipment and at my own expense. We also would accept, and prefer in most instances, electronic copies of any or all items requested.

Sincerely,

A handwritten signature in black ink, appearing to read "J Mumm".

Jason Mumm  
 StepWise Utility Advisors

## ATTACHMENT A

1. Sewer Treatment Plant Asset Data/Registers. We prefer this data to be delivered in an appropriate electronic format, either Excel or delimited (.csv, .txt, etc.). The asset register should be the most current available and should show, at a minimum, the following information for all assets owned by the Central Marin Sanitation Agency:
  - a. Asset description
  - b. Original cost
  - c. Estimated useful life
  - d. Annual depreciation expense
  - e. Net book value
2. Wastewater loading data. Please provide wastewater flows and strength loadings for each individual agency and total for the treatment plant provide the last 3 years' worth of measurements.



# CENTRAL MARIN SANITATION AGENCY

I-2

Jason R. Dow, P.E.  
General Manager

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

February 25, 2012

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) - January 2012**

Enclosed please find the monthly report for the Central Marin Sanitation Agency (CMSA) treatment plant for January 2012. There were no NPDES Permit violations in January.

Effluent results for Chromium, Cyanide, Lead, Selenium, and silver 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.

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

EPA Forms 3320-1 that reflect CMSA's NPDES Permit, Order #R2-2007-007 that went into effect on April 1, 2007 have been completed. The 2012 forms were emailed on January 10, 2012 and will be used for reporting for calendar year 2012. 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.

Page 1 of 2



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, 15<sup>th</sup> Floor  
Sacramento, CA 95814



**\$68,730,000**  
**CENTRAL MARIN SANITATION AGENCY**  
**REVENUE BONDS**  
**SERIES 2006**  
**Base CUSIP: 154076**

**NOTICE OF MATERIAL EVENT**  
**(EVENT OF DEFAULT UNDER PAYMENT AGREEMENT)**

\_\_\_\_\_, 2012

This notice of material event is given by the Central Marin Sanitation Agency ("CMSA") pursuant to the Continuing Disclosure Certificate, dated October 19, 2006, executed and delivered by CMSA in connection with the above-captioned bonds (the "Bonds").

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Official Statement relating to the Bonds, dated October 12, 2006.

Pursuant to the terms of the Payment Agreement, each Participating Member is required to pay its share of debt service on the Bonds plus certain other amounts required under the Indenture (including amounts necessary to comply with the Rate Covenant described in the Official Statement). Sanitary District 1 of Marin County, also known as Ross Valley Sanitary District ("Ross Valley SD"), a Participating Member, was informed by CMSA by June 30, 2011 of the amount of its Payments due on August 1, 2011 and February 1, 2012.

Ross Valley SD did not pay the full amount of these Payments, and as such is in default of its obligations under the Payment Agreement.

The August 1, 2011 payment was \$2,186,639.88, and Ross Valley SD paid \$2,009,447.05 to CMSA.

The February 1, 2012 payment was \$919,069.19, and Ross Valley SD paid \$845,386.07 to CMSA.

Taking into account these shortfalls, the Net Revenue to Annual Debt Service ratio for Fiscal Year 2011-12 is estimated to be less than 125% if the CMSA does not collect additional funds from Ross Valley SD or the other Participating Members. Pursuant to the Rate Covenant under the Indenture, this ratio is required to be at least 125% for each Fiscal Year.

CMSA has demanded payment from Ross Valley SD and may take other steps to collect overdue amounts but CMSA cannot predict the outcome of this matter.

Dated: \_\_\_\_\_, 2012

CENTRAL MARIN SANITATION AGENCY

\_\_\_\_\_  
Jason Dow, General Manager