

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

**Tuesday, February 10, 2009
7:00 P.M.**

- CALL MEETING TO ORDER:** Commissioner Sinnott called the meeting to order at 7:03 p.m. with the Pledge of Allegiance. A quorum was present.
- Members Present:** Boro, Brown (7:15pm), Dupar, Johnson, Miller, Sinnott
- Members Absent:** None
- Staff Present:** Jason Dow, General Manager; Mary Brown, Recording Secretary; Rob Cole, Environmental Services Manager; Hank Jen, Finance Manager; Ken Katen, Senior Engineer.
- Public Present:** The names reflected here are those who signed in on the attendance sheet: Peter Sullivan, SD #1; Phil Boland, Energy Visions; however, there were other members of the public present who did not sign in.
- OPEN PERIOD** Bruce Baum, member of the public, commented on the roll call. Chair Sinnott thanked him.
- CONSENT CALENDAR** Commissioner Johnson asked that Consent Calendar Item 4.a., Minutes, be removed from the Consent Calendar for further discussion. Chair Sinnott moved discussion of item 4.a. to the end of the agenda.
- Action** M/s Miller/Boro to approve the remaining items on the consent calendar:
- b. Treasurer's Report-Operating Account-January 2009
 - c. Treasurer's Report-Revenue Bond-January 2009
 - d. Schedule of Investments-December 2008
 - e. Performance Metric Report—January 2009
 - f. NPDES and Process Report—January 2009
 - g. Award of Sodium Hypochlorite Contract 09-02
- The motion carried unanimously.

**WET WEATHER
IMPROVEMENT PROJECT
MONTHLY REPORT—
JANUARY 2009**

GM Dow reviewed the staff report and gave an update on the Wet Weather Improvement Project (WWIP). The contract is nearly 55% complete and on-schedule, with a focus on the construction of primary clarifier walls, the new influent channel, and effluent pump station structural work. GM Dow presented a PowerPoint displaying progress photos and he reviewed the project Expenditure Report. He stated that CMSA may be eligible to apply for the Marvin Black Partnering Award, a prize for successful projects of this nature.

Commissioner Johnson asked if the project's finish is impacted by the unusually dry weather. GM Dow stated that it will not have a large influence.

Action

M/s Boro/Dupar to accept the Wet Weather Improvement Project monthly report for January 2009. The motion carried unanimously.

**CONSULTANT SELECTION
FOR THE OUTFALL
IMPROVEMENTS
PROJECT—PHASE II**

GM Dow reviewed the staff report and gave a brief overview of the first phase of the Outfall Improvement Project. During Phase I, the diving contractor found a crack on the outfall pipeline interior. The Agency is now moving into Phase II of the project, where the exterior inspections in the crack area and the designing of potential repair and reinforcement work, if needed, will be performed. Phase II would also possibly include designing outfall access port extensions. GM Dow reported that Carollo Engineers were the design engineers on the original project and recommended they be utilized to conduct the outfall Phase II improvements.

Commissioner Johnson stated she was pleased that Carollo was involved in Phase II and asked if they checked if faulty materials were used originally. GM Dow answered that materials were checked when the outfall was installed in 1984.

Commissioner Johnson asked if Carollo would do an assessment to see what caused the pipeline crack. GM Dow responded that they may take material samples and perform engineering calculations.

Commissioner Dupar asked if the Agency has a cost estimate for Phase II. GM Dow explained that there are different ways of excavating down to the outfall, and that estimates cannot be made until the excavation technique is determined.

Commissioner Brown asked if a scope of work and agreement would be brought back to the Board for consideration. GM Dow responded that a scope of work, a cost, and an agreement for the investigation work for Phase II would be brought to the Board.

Action

M/s Johnson/Miller to select Carollo Engineers as the design engineer for the Outfall Improvements Phase II Project, and authorize the General Manager to develop a Professional Services Agreement with Carollo for the project work. The motion carried unanimously.

PILOT COST SAVINGS AWARD PROGRAM

GM Dow reviewed the staff report and gave a summary of the Cost Savings Award Program. Last year, in May, the Board Personnel Committee suggested three programs aimed at retaining and attracting employees. They were the Carpool/Alternative Commute Incentive Program, the Apprenticeship Program, and the Cost Savings Award Program. The Cost Savings Award Program encourages employees to look for significant agency savings. GM Dow went over the program concept, procedures, and policy.

Commissioner Dupar asked if the program addresses one-time savings versus savings that are in perpetuity. GM Dow answered that regardless of whether the savings are realized yearly or one time, the reward is distributed only once, based on one year's savings.

Commissioner Brown asked how many people would be on a project team. GM Dow responded that employees themselves would decide how many people should be involved, and from what departments.

Commissioner Johnson inquired as to the gross cost of the award to the agency. GM Dow responded that the Agency would be responsible for a Medicare cost of 1.45% on the award amount. PERS retirement is not applicable on the award.

Chair Sinnott asked if the program was developed in-house and GM Dow responded that it was created completely by employees.

Commissioner Johnson suggested the possibility of augmenting the program so that proposals creating long-term savings are awarded a higher amount, or an ongoing amount. GM Dow responded that a change of that nature may be considered at the end of the pilot period.

Commissioner Boro congratulated the staff on following up with this initiative and for developing the pilot program.

Action

M/s Miller/Boro to approve the Agency's Pilot Cost Savings Award Program as presented. The motion carried unanimously.

**FOOD TO ENERGY
PROJECT CONCEPT**

GM Dow reviewed the staff report and gave a broad overview of the completed study. He gave a summary of the project concept and initiatives that may pertain to the project, identified monetary, energy, and environmental benefits, and named possible next steps or preliminary activities for pursuing a Food to Energy (F2E) project.

GM Dow spoke about CMSA's focus on processing food waste brought to the Agency by participating solid waste haulers and delineated the responsibilities of the haulers as opposed to those of CMSA. He reviewed the general operation of F2E treatment and addressed the cost estimates (\$2.7 million) and potential savings involved (\$550K annually). He identified preliminary activities such as CEQA review, solid waste hauler solicitation, consultant agreements, identification of funding sources, and the exploration of possible EBMUD patent royalties.

Chair Sinnott thanked GM Dow for his report and opened discussion of the item.

Commissioner Brown asked how the costs of the project are established, and which costs are included in the Kennedy/Jenks figures. GM Dow referred to the cost breakdown on the Board room whiteboard, and stated that the figures were developed using standard preliminary cost estimating techniques. Commissioner Brown relayed her concerns about the costs involved. GM Dow stated that staff could look at revised cost figures as a possible next step.

Commissioner Johnson asked how much of the 16 tons per day would be FOG, and if the potential savings included FOG. GM Dow responded that the 16 tons represents food waste, and that FOG is included in gallons. FOG figures were considered in the study as part of the possible capacity that CMSA could accept.

Commissioner Johnson asked if AB32 applies to CMSA. GM Dow responded that application of AB32 will be determined by the California Air Resources Board. Commissioner Johnson asked if the JPA agreement would need to be amended to allow the Agency to accept food waste. GM Dow pointed out that the agreement does not prohibit CMSA from processing food waste. Chair Sinnott asked if an F2E project would require additional staffing. GM Dow explained that extra staff were not a likely necessity.

Commissioner Brown asked how many truck trips per day CMSA would receive. GM Dow responded that it would depend on how many haulers CMSA contracted with.

Commissioner Boro commented that CMSA is currently taking solid waste and utilizing it for energy, and that an F2E project would not necessarily involve a new process, but rather, a new source of energy.

Chair Sinnott opened the floor to public comments. The following public comments were made:

Peter Sullivan, Ross Valley Sanitary District, reviewed a letter that outlined his concerns regarding an F2E project. Dr. Sullivan submitted his letter and a letter from RVSD Board President, Patrick Guasco.

Brian Dempsey, member of the public, stated his interest in meeting with staff to share alternative projects related to energy.

Dan Hillmer, member of the public, commended the Board on their creative thinking and for considering using food waste as an innovative energy source.

David Haskell, member of the public, shared his thoughts on new ways of managing resources and commended the Board on looking at opportunities for renewable energy.

Bruce Baum, member of the public, shared his concerns about an F2E project.

Garyl Paige, member of the public, spoke about broken laterals throughout the county and the MMWD desalination project.

Commissioner Boro noted that several members of the public were obviously committed to reducing greenhouse gasses. He suggested that a reduction would occur if reductions were made in multiple places, and said that he saw an F2E project as a creative approach to working on the problem. He acknowledged the many unanswered questions and suggested a possible field trip to EBMUD to see their facility. Commissioner Boro said he saw pursuing more information about a possible F2E project as a great opportunity to focus on CMSA's potential and encouraged the Board to see beyond restraints to recognize that it is "everybody's job" to become more energy efficient.

Commissioner Johnson stated that cities other than San Rafael have not had the opportunity to see the Kennedy-

Jenks presentation or find out more about the project. She questioned how other cities and jurisdictions could be counted as stakeholders.

Commissioner Dupar stated that the payback period seemed reasonable to him, and that constituents in his district would ultimately save on their EDU fees. He said he viewed the information presented as a fiscal success, even if the construction costs were exceeded. He agreed that it would be beneficial to visit EBMUD and to continue the process of looking at an F2E project.

Chair Sinnott shared his appreciation for the public comments and said that he sees a creative opportunity available and perceives that the Board has a duty to continue its fact-finding process.

Commissioner Brown stated that she saw the project as an opportunity to look into the future of how communities can reduce carbon footprints and how to engage in sustainability. She shared that she would like more information so the Board could address and then overcome obstacles and restraints. She reiterated her concerns about the costs of the project and about EBMUD's process, but said that she is not interested in stopping the project and would like to get more information to move forward.

Commissioner Johnson stated that she is concerned that ratepayers' monies could be spent on an experimental project.

Commissioner Miller stated that he is also interested in finding out more about the project, and that other ventures in Marin, such as Marin Clean Energy, started out in much the same way this project is progressing. He remarked that this was an opportunity to look ahead and that Marin is a community that has welcomed pursuing new initiatives.

Commissioner Dupar stated his belief that EBMUD must have a positive view of how their project is progressing since they keep moving forward with it and are holding a patent.

Commissioner Johnson inquired about the EBMUD pilot. GM Dow stated that their facility works well when they receive high-quality, well-sorted food waste. If the haulers do their jobs, then the project can be successful, as it utilizes tried-and-true technology. EBMUD's challenges have often been the result of poorly-sorted waste. If F2E moved forward, CMSA would be certain to have

commitments from participating haulers to deliver high quality food waste.

Action

M/s Boro/Dupar to direct the General Manager to create a work program to allow the Board to further pursue the F2E concept, and that Board members work with their respective city councils to educate them and have the General Manager make presentations where appropriate, and that the Board visit EBMUD.

Commissioner Brown amended the motion to ask that questions brought by Peter Sullivan be answered. Commissioner Boro stated that those points would be addressed through the learning process and before any adoption.

The motion passed with the following vote:
Ayes: Dupar, Boro, Miller, Sinnott, Brown
Noes: Johnson
Abstain: None

**CMSA COMPLIANCE
OPTIONS FOR THE
REGIONAL WATER
BOARD'S MERCURY
WATERSHED PERMIT**

GM Dow reviewed the staff report and explained that the Regional Water Board has determined that the Bay is impaired with mercury. The Mercury Watershed Permit requires mercury effluent limits, and requires wastewater agencies to regulate dental offices. GM Dow explained the regulatory requirements and options, prevention/pretreatment measures, and tentative program development tasks. He asked the Board to discuss the presented regulation options.

Commissioner Johnson said that she and her dentist had talked about amalgam and a possible exception to regulation for pediatric dentists. She also stated that the Dental Society is very interested in this issue and that she did not foresee resistance to the regulations. She suggested that dental insurers may have statistics that could help identify which dentists work with amalgam.

Commissioner Brown remarked that many new dentists struggle with start-up investments and may have a difficulty meeting the regulations. GM Dow agreed that it was wise to be aware of that issue as related to compliance periods.

Chair Sinnott asked about the impact on CMSA staff to regulate dentists. GM Dow answered that the environmental services staff would phase in the development work over one year.

Commissioner Johnson asked if the development work could be modeled on the FOG program, and GM Dow

agreed that the process would be similar and could be designed in the same kind of incremental approach.

Commissioner Dupar suggested cities and towns add amalgam separator requirements to their conditional use permits. He asked what the penalty is if CMSA doesn't meet the required reduction. Rob Cole, CMSA staff, responded that it is \$3,000 per day/per occurrence, for as long as the agency is out of compliance.

Bruce Baum, member of the public, referred to the City of San Francisco ordinance.

Johnson/Boro to direct the General Manager to begin creating the draft Mercury Watershed Compliance Program. The motion carried unanimously.

**FINANCE COMMITTEE
RECOMMENDATION TO
IMPLEMENT GASB 45
REPORTING**

GM Dow reviewed the staff report, gave a brief history of actions related to this item, and explained that members of the Finance Committee had met to prepare recommendations for the Board's consideration, which were:

- 1: Report the Agency's GASB 45 liability in FY 09/10
- 2: Select the Entry Age Normal accounting method and a 30-year amortization period for determining the Agency's GASB 45 annual required contribution (ARC)
- 3: Direct staff to investigate establishing an OPEB trust fund with CalPERS for the funds received from MCERA, and to report their findings to the Board

Commissioner Boro clarified that this item related to unfunded retiree health insurance. GM Dow agreed.

Commissioner Dupar asked how national changes to the health care system would affect CMSA's handling of this issue. Hank Jen, CMSA staff, stated that CalPERS acknowledges that, in the event of a nationalized health care system, they would possibly pursue changes to their policy so that funds could be returned to the Agency.

Action

M/s Miller/Johnson to accept and approve the Board Finance Committee's recommendation for implementing the Agency's GASB 45 reporting, and direct staff to investigate establishing a CalPERS OPEB trust fund. The motion carried unanimously.

**NORTH BAY WATERSHED
ASSOCIATION (NBWA)
REPORT
DISCUSSION OF ITEMS
REMOVED FROM CONSENT
CALENDAR**

Chair Sinnott distributed a written report related to this item.

Item 4.a., Minutes of December 9, 2008:

Commissioner Johnson corrected a date in the minutes. She clarified her comments regarding insurance of interest-bearing and non-interest-bearing accounts.

Commissioner Brown asked that her "no" vote to accept the CAFR be further clarified.

M/s Boro/Dupar to approve Item 4.a Minutes of January 13, 2009, as amended. The motion carried unanimously.

VERBAL REPORT

GM Dow referenced his handout and reviewed Agency business, including:

- The North Bay Watershed Op/Ed piece has been finalized and the task force will meet with the Marin Independent Journal.
- The Waukesha repairs began on January 28th by Petersen Power.
- CMSA promoted two employees through the agency's succession plan.

GM Dow also reported that the Agency received a broad public records request dated February 4, 2009 from the Ross Valley Sanitary District for an extensive amount of financial information covering a five-year period. The request was delivered through RVSD's attorney. GM Dow stated he attempted to contact RVSD on three separate occasions to inquire about the nature of the request and that he did not receive a return call, but did receive an email from the RVSD District Manager on February 5. GM Dow distributed the request and the email from RVSD. GM Dow stated that CMSA would comply with the request as required by law.

Commissioner Dupar asked if a discussion related to the request could be agendized for the March meeting, as the Board had not had the opportunity to read the materials. Chair Sinnott stated he would work with GM Dow on possible next steps. Commissioner Boro suggested conferring with the Agency attorney regarding this matter.

Commissioner Brown reported that at the last Ross Valley Sanitary District Board meeting, their Board President announced the resignation of one of their alternates, Vic Canby. She said that she would ask RVSD to formally notify CMSA of that retirement and that she would also give CMSA the status of alternates for RVSD.

Commissioner Boro inquired about the protocol for alternates when the Commissioner is not present. Chair Sinnott stated that each agency formally appoints an official alternate and notifies CMSA of that designation. Commissioner Johnson asked that the roll call and CMSA website only reflect official alternates.

DATE OF NEXT MEETING

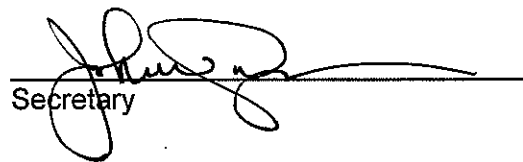
The next commission meeting is **TUESDAY, MARCH 10, 2008** at 7:00 a.m.

ADJOURN

The meeting was adjourned at 9:59 p.m.



Recording Secretary



Secretary