



Central Marin Sanitation Agency

**AD-HOC Committee of CMSA JPA Member Representatives to consider the JPA's
Organization Development Future**

September 17, 2025, 1:00 pm

1301 Anderson Drive, San Rafael CA 94901

NOTE: This is a Hybrid meeting and will be held in-person in the Board Room of the Central Marin Sanitation Agency located at 1301 Andersen Drive, San Rafael CA 94901 and via Zoom®.

If you would like to participate via Zoom, click the link below or copy and paste the address into your browser. You may also phone-in at the number below.

Join Zoom Meeting

Online:

<https://us06web.zoom.us/j/86740216560>

Phone in:

+1-253-205-0468

Meeting ID:

867 4021 6560

AGENDA

1. **Call Meeting to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Approve/Revise Agenda**
5. **Open Period for Public Participation:** Members of the public may directly address the Committee on any item appearing on the Agenda. They may address the Committee when the item is called by the Committee Chair, and he indicates it is the time for the public to speak to the agenda item. Public comments can also be submitted via email to jdow@cmsa.us, and will be shared with the Committee at the meeting, summarized during the Open Period for Public Participation, and included in the meeting proceedings.
6. **Meeting Minutes – June 26, 2025**
Recommendation: Approve meeting minutes as presented or with revisions.
7. **Revised SRSD Management and Operations Service Agreement**
Recommendation: Review the draft revised agreement and provide comments to staff.

8. **SRSD Contract Development Expense Tracking Report**

Recommendation: Receive the SRSD Contract Development Expense Tracking Report.

9. **Revised SRSD Management and Operations Service Agreement Schedule**

Recommendation: Review and discuss the revised schedule, and provide comments to staff.

10. **Committee Member Oral Reports**

11. **Items for Next Meeting Agenda**

12. **Confirm/Schedule next Meeting Date**

14. **Adjourn**

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



Central Marin Sanitation Agency

AD-HOC COMMITTEE OF CMSA JPA MEMBER REPRESENTATIVES TO CONSIDER THE JPA'S ORGANIZATION DEVELOPMENT FUTURE MEETING MINUTES June 26, 2025

1. Call Meeting to Order

2. Pledge of Allegiance

3. Roll Call

Committee Present: Eli Beckman (SD2), Tom Gaffney (RVSD), Dean DiGiovanni (SRSD)

Staff Present: Peter Kistenmacher, Technical Services Manager/Assistant General Manager;
Brandon Halter, CMSA Legal Counsel; Tiffany Elam, Administrative Specialist

Public Present: Paul Causey, Doris Toy, Felicia Newhouse, Michael Boorstein, Michael
Colantuono (RVSD counsel)

4. Approve Agenda/Revise Agenda

The committee approved the agenda.

Comments from the Public

There were no comments from members of the public.

5. Open Period for Public Participation

There were no comments from members of the public.

6. Meeting Minutes – May 8, 2025

TSM/AGM Kistenmacher informed the committee the minutes were revised to reflect the attendance of Alan Zahradnik as an alternate for Dean DiGiovanni.

Amended meeting minutes approved.

Comments from the Public

There were no comments from members of the public

7. SRSD Management and Operations Service Agreement - Legal Review Comments

TSM/AGM Kistenmacher introduced CMSA Legal Counsel Brandon Halter to review the SRSD Management and Operations Service Agreement – legal review comments received by JPA member attorneys.

Mr. Halter provided an update on the status of the SRSD Management and Operations Service Agreement, noting significant revisions were made and were currently in progress. Stating he

would continue revising the service agreement to incorporate SD2 and RVSD comments and would send over the final revisions to SRSD legal counsel next week.

The committee discussed the need for further revisions of the legal review comments and agreed to meet again, once more revisions were completed to review and discuss.

Mr. Halter discussed questions related to the transferring of SRSD employees to CMSA, labor relation requirements, and inputting service agreement language to ensure all employment requirements were met.

The Committee discussed union negotiations and the importance of carefully crafting the agreement language to avoid potential disputes. The Committee requested a follow up from GM Dow regarding the status of current labor relations.

Mr. Halter discussed revisions to the SRSD Boards scope of authority over services provided by CMSA operations to ensure a service contract approach rather than a consolidation arrangement. Mr. Halter noted concerns related to state law requirements for SRSD Board approval and the potential need to have a dedicated SRSD staff member to fulfill those responsibilities.

The Committee discussed SRSD checkpoints and potentially hiring a SRSD staff person to represent and function as a liaison between SRSD and CMSA.

Mr. Halter discussed revisions to the indemnity and liabilities provisions to lessen Agency risk. Mr. Halter discussed concerns from SD2 and RVSD regarding transferring SRSD employees directly to CMSA without a vetting or open recruitment process and potential solutions.

The Committee discussed the direct hire process and the Agency's current new hire vetting process which consists of a fitness for duty evaluation and probation period.

Mr. Halter discussed the dispute resolution clause and addressed potential inconsistencies to identify which dispute resolution would apply, the JPA provision or the service agreement.

The Committee suggested potentially using the current JPA dispute resolution process language to keep the process clean for the Agency.

Committee Member Gaffney expressed concerns regarding the termination provision and potential conflicts of interest between elected and appointed board members serving on the CMSA Board.

Committee member DiGiovanni stated the issue of conflict of interest was previously discussed in closed session at the Agency board meeting and resolved.

Chair Beckman agreed with Committee Member DiGiovanni and refocused the meeting to items on the agenda.

Committee Member DiGiovanni thanked Mr. Halter for his work on the service agreement and suggested a clear definition of terms for "City SRSD" and "CMSA SRSD" employees be provided in the Pension Liabilities section.

Mr. Halter stated that section would be reviewed and addressed by Benefits Counsel.

Committee Member DiGiovanni asked for clarification regarding revisions of SRSD Board approval to the operating budget.

Mr. Halter stated that CMSA should hold more autonomy in the manner with which services were provided to ensure a 'contractor' and 'client' relationship. Mr. Halter stated that subject to certain statutory requirements the SRSD Board approval would still be required for certain items, such as capital improvements.

Public Comment:

Paul Causey asked for clarity regarding the SRSD's attorney not providing revisions.

The Committee clarified that the agreement was drafted by the SRSD attorney and therefore there was no need for them to comment on their own work.

Mr. Halter stated for efficiency purposes he collected SD2 and RVSD comments, first in order to prepare a version acceptable to CMSA prior to sending it to SRSD for review to streamline the process.

The Committee requested all attorney email communications be shared with the SRSD attorney. Mr. Halter agreed.

Doris Toy stated that the SRSD evaluation process had been updated.

8. SRSD Contract Development Expense Tracking Report

TSM/AGM Kistenmacher stated that CMSA expenses to date were about \$87,442, SRSD paid about \$82,240. The May invoice for \$5,201 was prepared and sent to SRSD.

Comments from the Public

There were no comments from members of the public.

9. Revised SRSD Management and Operations Service Agreement Schedule

TSM/AGM Kistenmacher discussed the revised Service Agreement schedule, which was pushed out a month to accommodate benefits counsel review.

The committee discussed the need for an additional ad hoc meeting to discuss legal comments, and agreed to a potential meeting on July 22, 2025, to allow more time for review and discussion.

Comments from the Public

There were no comments from members of the public.

10. Committee Member Oral Reports

None.

11. Items for Next Meeting Agenda

None.

12. Schedule next Meeting Date

The committee tentatively scheduled the next meeting for Tuesday, July 22, 2025, 12:00 pm. GM Dow to confirm the date

Respectfully submitted,

Peter Kistenmacher,
Technical Services Manager/AGM

Tiffany Elam, Administrative Specialist



BOARD MEMORANDUM

September 15, 2025

To: Ad-Hoc Committee of CMSA JPA Member Representatives to consider the JPA's Organization Development Future

From: Jason Dow, General Manager

Subject: Revised SRSD Management and Operations Service Agreement

Recommendation: Receive a presentation from General Counsel Brandon Halter on the SRSD Service Agreement legal review revisions, and provide comments to staff.

Discussion: CMSA General Counsel Brandon Halter received comments on the draft SRSD Service Agreement (Agreement) from the SD2 and RVSD attorneys the week of June 5, 2025, and met with the Committee on June 26, 2025, to review the agreement revisions and discuss questions on several sections. A revised Agreement was then sent the JPA agency attorneys, and SRSD subsequently sent comments and revisions. On July 18, 2025, the benefit attorney sent proposed revisions that focused on ensuring the CMSA pension program with CalPERS would not be impacted by the agreement provisions, and the Agreement properly addressed the future SRSD payment of unfunded pension liabilities for the City of San Rafael employees that transfer to CMSA. That revised Agreement was sent to the JPA attorneys, who all met virtually on August 28, 2025 to review and discuss the SRSD and benefit attorney revisions.

Mr. Halter has revised the agreement based on the August 28, 2025, meeting, sent it to the JPA attorneys, and will present it to the Committee at its September 17, 2025 meeting.

Attachment:

- Revised Draft SRSD Management and Operations Service Agreement

MANAGEMENT AND OPERATION SERVICES AGREEMENT

This Management and Operation Services Agreement ("Agreement") dated _____ is hereby entered into by and between the CENTRAL MARIN SANITATION AGENCY ("CMSA" or "Agency") and SAN RAFAEL SANITATION DISTRICT ("SRSD").

RECITALS

WHEREAS, CMSA is a Joint Exercise of Powers entity governed by agreement between CMSA member agencies SRSD, Sanitary District No. 2, and Ross Valley Sanitary District; and

WHEREAS, SRSD is a dependent special district formed in 1947 pursuant to Health and Safety Code Section 4700, et seq.; and

WHEREAS, SRSD owns, operates, and manages a sanitary sewer collection system including gravity and pressure piping, interceptors, pump stations, force mains, manholes, siphons, sewer related equipment, and appurtenances (the "SRSD Facilities", as more fully described in Exhibit "A-1" and Exhibit "A-2", attached hereto and incorporated herein); and

WHEREAS, SRSD has adopted a Sewer System Management Plan ("SSMP") which is an enforceable component of the State of California Statewide Order No. WQ 2022-0103-DWQ -Discharge Requirements General Order for Sanitary Sewer Systems that regulates the operations of the SRSD sanitary sewer system; and

WHEREAS, SRSD currently contracts with the City of San Rafael ("City") for the City to provide management and operation services for SRSD ~~using City employees~~; and

~~**WHEREAS**, the management and operation services provided by the City to SRSD have been insufficient given personnel challenges; SRSD has had difficulties recruiting and retaining employees through the City; and~~

WHEREAS, SRSD desires to terminate its existing management and operation services contract with City, and instead contract with CMSA for CMSA to provide management and operation services to SRSD, subject to the terms and conditions herein; and

Commented [BH1]: From RVSD: This is perceived as a change in justification. Potentially politically sensitive. Could kill this recital as an alternative (Isabel's preference is that if this is concerning, delete it).

From SRSD: Would prefer this be softened, at a minimum.

WHEREAS, pursuant to Health and Safety Code section 4742, SRSD may join with CMSA in the operation of a wastewater collection system as provided for through this Agreement; and

WHEREAS, CMSA desires to provide the management and operation services ~~to SRSD~~ contemplated by this Agreement to SRSD on the terms and conditions provided herein, subject to the requirement as further provided herein that all costs of providing the services ~~provided pursuant to by~~ this Agreement shall be fully and exclusively borne by SRSD, and that any and all costs of performance under this Agreement incurred by CMSA, including all overhead costs for CMSA general services, shall be calculated by CMSA and reimbursed paid by SRSD; and further subject to the requirement that none of the costs associated with this services provided pursuant to this Agreement may be borne by CMSA, RVSD, or SD2 ~~CMSA's member agencies~~;

NOW, THEREFORE, the parties hereby agree as follows.

1. Definitions:

a. Agreement Effective Date: Effective date of this Agreement

~~a-b.~~ City: City of San Rafael.

~~b-c.~~ City ~~SRSD~~ Employees: Current City employees responsible for performing operation services for SRSD Facilities who will become employees of CMSA following the Services Effective Date.

~~c-d.~~ CMSA: Central Marin Sanitation Agency.

~~d-e.~~ CMSA Board: CMSA's Board of Commissioners.

~~f.~~ CMSA GM: CMSA's General Manager.

CMSA JPA Employees: Employees of CMSA that perform the services under this Agreement on behalf of CMSA after the Services Effective Date.

~~e-g.~~ MCERA: Mercedarin County Employees' Retirement Association

h. Services Effective Date: Date on which CMSA shall begin providing services to SRSD as set forth in this Agreement.

~~f-i.~~ SRSD: San Rafael Sanitation District.

~~g-i.~~ SRSD Board: SRSD's Board of Directors

2. Scope of Services: Beginning on the Services Effective Date (as further defined below), CMSA agrees to perform the services specified in the Scope of Services attached hereto as Exhibit B ("Services"), ~~which~~ Exhibit B is incorporated by reference. CMSA shall provide SRSD with all labor, equipment, tools, services and materials necessary to perform the stated services in a professional and competent manner, and in accordance with accepted professional practices and standards as well as the requirements of federal, state, and local laws.

Commented [BH2]: Per Jason Dow: Need to define this more consistently with how agency refers to these agencies, typically "JPA member agencies" or just "members."

Commented [BH3]: SD2: We don't yet define member agencies in here. We should make sure it is tied to JPA member agencies, but not SRSD for purposes of this agreement. Costs, for example, are being borne by SRSD, but not SD2/RVSD. So either we define member agencies as not including SRSD, or something else that is appropriate to this structure.

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Commented [BH4]: Note for BWH from Isabel: Deal with the liability/indemnity related to transitioning employees separately through more specific provision later.

RVSD: Costs of maintaining the collection system (which is new to CMSA) should be borne by SRSD, full stop, because it is an entirely new function. No particular need to carve out one employee group from another.

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3. **Agreement Term:** This Agreement shall remain in full force and effect for ~~two~~five years from the Effective Date, and shall continue thereafter from year to year unless the Agreement is terminated or amended by mutual agreement of all parties.

Commented [BH5]: Jason Dow would prefer five years. Question for Isabel Safie as to whether that is permissible.

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4. **Services Effective Date:** The Services Effective Date shall be a date determined by the CMSA Representative, as defined below General Manager ("CMSA-GM"), subject to approval by the CMSA Board, subject to the requirements of this section.

Commented [BH6]: From Kerry Gerchow: Should notice also be given to CMSA board?

Commented [BH7R6]: Added a CMSA Board approval requirement above.

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Commented [BH8]: From Kerry Gerchow: SRSD will add this to the separate agreement with the City.

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a. The Services Effective Date shall occur after the CMSA Representative GM determines, in their reasonable discretion and subject to approval by the CMSA Board, that the following activities have been completed, and provides written notice of such determination to SRSD's Board of Directors ("SRSD Board"):

Commented [BH9]: From Jason Dow: Do we need to add a provision approving separation agreement between SRSD and City? Or can BWH just check with KLG on this to see what if anything additional City and SRSD need to do to separate.

Commented [BH10R9]: Query to Kerry Gerchow: Does anything else or different need to be added here to address the requirements that City/SRSD need to meet to separate?

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Commented [BH11]: From Kerry Gerchow: Seeking some clarity here. Does this mean the layoff and elimination of SRSD employee classifications - this could drag out if SEIU objects. Also includes confirmation from the City, who is not a party to this agreement.

Commented [BH12R11]: RVSD: Concern here is that transition affects employees, both bargaining units, and other employees of CMSA as well. But unions might try to exert leverage for additional concessions. So want to make sure this language is not too specific.

Commented [BH13R11]: SD2: Could language be added to give the Board of CMSA decisionmaking authority as well?

Commented [BH14R11]: Added CMSA Board approval clause above.

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Commented [BH15]: From Kerry Gerchow: Just wondering how to get other non-parties to confirm.

Commented [BH16R15]: Jason Dow opposes this term and proposes removal.

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- i. SRSD and the City terminate the agreement pursuant to which City has provided management and operation services for SRSD and execute any additional agreements necessary to formalize permanent separation.
- ii. ~~SRSD and the City~~ each confirms that all labor negotiation requirements necessary to authorize the release of all current City employees responsible for performing operation services for SRSD Facilities ("City-SRSD-Employees") from City employment, and the hire of such employees by CMSA to perform services for SRSD Facilities in accordance with this Agreement, have been met.
- iii. CMSA completes all requirements necessary to authorize it to hire the City-SRSD-Employees for purposes of providing the Services in accordance with this Agreement, including but not limited to hiring requirements and labor negotiation requirements.
- iv. All interested labor organizations at ~~SRSD~~ City, and CMSA confirm that all applicable labor negotiation requirements related to the actions that must be completed before the Services Effective Date are complete.
- v. SRSD confirms that it has paid off all pending MCERA pension-related liabilities for the City-SRSD Employees, including unfunded pension liabilities, for all periods prior to the Services Effective Date, and completes all requirements necessary to enroll the newly hired CMSA JPA Employees into allow all City SRSD Employees to transfer their membership in their MCERA retirement program to the retirement program provided to employees of CMSA (i.e., CalPERS) upon their hiring by CMSA.

- vi. CMSA and SRSD have completed all other administrative tasks necessary to perform the Services.
- vii. Sufficient office space capacity has been secured ~~for~~by CMSA to provide the Services.
- viii. The City-SRSD Employees are released from employment by City, and hired by CMSA.
- viii-ix. SRSD adopts an ordinance to follow the Uniform Public Construction Cost Accounting Act sufficient to allow CMSA the CMSA General Manager to approve contracts as allowed under the Act.
- b. The Services Effective Date shall not occur, and this Agreement shall be null and void, if the Services Effective Date does not occur on a date within one year of the date of this Agreement, except that this deadline may be extended by mutual written agreement of the parties.

5. Independent Contractor and Control of Subordinates: Services shall be performed by CMSA or under its supervision. CMSA will determine the means, methods and details of performing the sServices, including any assessment or evaluations of those services, subject to the requirements of this Agreement. SRSD retains CMSA on an independent contractor basis. Any CMSA JPA-E employees performing the sServices on behalf of CMSA shall not be common law employees of SRSD and shall at all times be under CMSA's exclusive direction and control. Neither SRSD, or any of its officials, officers, directors, employees or agents shall have control over the conduct of CMSA or any of CMSA's officers, employees, personnel or agents, including CMSA JPA Employees.

CMSA shall pay all wages, salaries, and other amounts due in connection with the performance of sServices by CMSA JPA-e Employees that CMSA is obligated to provide under this Agreement and as required by law.

6. SRSD's Representative: SRSD hereby designates [Name, Title], the SRSD Board President or his/her/their designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("SRSD Representative"). Any changes to the Scope of Services shall be made only by written agreement between approved by the governing boards of -CMSA and SRSD.

5-7. CMSA's Representative: CMSA hereby designates the Jason R. Dow, General Manager CMSA GM, or his/their designee, to act as its representative for the performance of this Agreement ("CMSA Representative"). -CMSA's Representative shall have full authority to represent and act on behalf of CMSA for all purposes under this Agreement. The -CMSA Representative shall act as the Services

Commented [BH17]: From Kerry Gerchow: What tasks are being contemplated here? Is there a list of items?

Commented [BH18R17]: Kept intentionally general to allow for administrative flexibility in ramping up for transition.

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Commented [BH19]: Add obligation by SRSD to adopt procedures for Uniform Construction Cost Accounting to allow for Jason to approve contracts over \$25K

Commented [BH20]: Requested by CMSA GM to allow for approvals of contracts for SRSD to the same limit as those he approves for CMSA.

Commented [BH21]: From Kerry Gerchow: Request that this be changed to two years in case of litigation.

Commented [BH22R21]: RVSD: Could add a force majeure clause and reference as a solution.

Commented [BH23R21]: Added a clause allowing for mutually-agreed extensions.

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Commented [BH24]: SRSD: Could specify Board president here (Isabel ok with that).

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Administrator, supervising and directing all Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement. CMSA Representative shall not perform services for SRSD in their own capacity and will direct CMSA JPA Employees to perform any and all services under this Agreement.

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6.8. Authority to Incur Costs: SRSD acknowledges and agrees that the CMSA Representative General Manager ("GM") will have authority to execute any agreement with a third party that is reasonably necessary, in CMSA's discretion, for CMSA to perform the Services, up to a monetary value that equals the CMSA General Manager GM's GM's signature authority for CMSA contracts as set by CMSA's Board ("Contracting Limit"), and that the cost of any such agreement will be subject to reimbursement payment by SRSD as a Cost (as further defined below) in accordance with this Agreement. For any contract with a monetary value above the Contracting Limit, CMSA may enter such contract only upon authorization by SRSD agreement by both the SRSD Representative Board and CMSA Representative Board, except that notwithstanding the foregoing CMSA may, in its discretion, enter such a contract as necessary to respond to an emergency.

Commented [BH25]: SRSD: Would prefer this go to SRSD and CMSA Boards for approval rather than just to representatives (Isabel ok with that).

Commented [BH26R25]: Revised accordingly.

7.9. SRSD Board Responsibilities Unaffected: Nothing in this Agreement is intended to relieve SRSD from its obligation to perform, or impose on CMSA any obligation to perform, any of SRSD's responsibilities or obligations under applicable law, including but not limited to the responsibilities and obligations listed below.

- a. Approve multi-year capital improvement program.
- b. Approve annual financial audit.
- c. Approve loans, bonds, and other forms of indebtedness.
- d. Authorize funding the pension trust.
- e. Setting sewer service charges to fully fund the annual operating and multi-year capital program; to ensure that is in a position to CMSA is fully reimbursed for all its expenses for meet its financial obligations providing for the contract sServices provided pursuant to this Agreement.
- f. Approve payment of fines and enforcement penalties for non-compliance with regulatory requirements.
- g. Identify the type of and reporting frequency for operational performance metrics to the CMSA Representative.
- h. Annually approve an investment policy.
- i. Manage legal defense of SRSD in any litigation against SRSD.

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- j. Authorize contract awards for capital projects exceeding the CMSA GM "Contracting Limit" that are not of an emergency nature.
- k. Approve and authorize payment of monthly invoices for services.
- i-l. Approve at least every six years, revisions to the SRSD Sanitary Sewer Management Plan.

SRSD agrees that it will take whatever actions are necessary to ensure compliance with such responsibilities and obligations, including but not limited to designation of a Legally Responsible Official. The parties acknowledge that nothing in this agreement shall infringe or interfere with SRSD's ability to exercise any of its powers under applicable law, including but not limited to the power to enter contracts.

8-10. Reimbursement of Costs Compensation to CMSA for Services:

- a. It is the intent of the parties that all costs related to parties' participation in this Agreement will be borne exclusively by SRSD. This Agreement shall be interpreted consistent with the foregoing intent to the maximum extent possible. All services rendered under this Agreement shall be at a monthly rate of \$X for the initial term of this Agreement. Total compensation for work performed, inclusive of all costs and expenses shall not exceed \$X per month for the initial term of this Agreement, unless agreed to in writing by SRSD Board and CMSA Board.
- b. Consistent with the foregoing, SRSD is solely responsible for, and shall compensate CMSA for incurring, any and all costs related to negotiating this Agreement and providing the Services (together, "Costs," and each, a "Cost"). Such Costs shall include, but are not limited to, the following:
 - i. All costs related to the parties' negotiations related to this Agreement, and their actions to ensure the conditions precedent to the Services Effective Date included but not limited to negotiations with labor organizations, are completed.
 - ii. Salaries and benefit expenses, including overtime and standby, for CMSA and third-party employees to perform the Services.
 - iii-ii. Procurement of materials, supplies, and equipment.
 - iv. Professional service, construction, maintenance, repair, and other expenses.
 - v. Insurance (including any additional insurance that CMSA determines in its sole discretion is necessary to provide the Services), public education and outreach, and all other direct expenses.
 - vi-iii. An initial 5% overhead factor on the annual total compensation budget estimate for CMSA employees responsible for providing the Services, to

Commented [BH27]: From Kerry Gerchow.

Commented [BH28R27]: RVSD: Might be better, on (k), to provide that overhead allocation will treat SRSD and its collection system consistent to any other program at CMSA, and any changes to CMSA's cost allocation program will be consistent across the agency. Concern is to avoid gridlock on disagreement over cost allocation increases.

SRSD: Would want this to be more clear in the agreement.

RVSD: Could make it proportionate, and here are the units of proportionality (people, dollars, real estate).

Commented [BH29R27]: Removed (k) per a comment from Jason Dow (described below)

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Commented [BH30]: From Kerry Gerchow: Just looking for more information as to what this envisions. Should this be SRSD or CMSA?

Commented [BH31R30]: Kerry: I believe this should be SRSD, but correct me if you think this can/should be delegated.

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Commented [BH32]: SD2—do we want to make sure this is broad enough to cover other activities related to contracts? Wordsmithing comment. Don't know if you need (j) above, if so.

Commented [BH33R32]: I think I'm agnostic on this.

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Commented [BH34]: RVSD: Concerned that we need to be able to accurately calculate cost (based on labor in large part). Don't want to subsidize the cost.

Commented [BH35R34]: BWH to discuss with Isabel per comment from Jason Dow.

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Commented [BH36]: From Kerry Gerchow: Is this to include both salaries and benefits?

Commented [BH37R36]: My reaction is yes, but defer to Isabel.

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cover all indirect and non-tracked minor expenses, which 5% overhead factor can be changed after notice to SRSD, provided that such change is consistent with a cost allocation plan applicable across CMSA's funding sources and cost centers.

vii-iv. All costs related to emergency response.

v. All operational and capital expenses, whether known or unforeseen.

viii-vi. All costs incurred as a result of acts, omissions, or misconduct of City Employees subsequently hired by CMSA.

c. SRSD shall reimburse pay CMSA for the Costs as follows:

i. CMSA will prepare and send SRSD a monthly invoice for the services provided the prior month, and SRSD Board will approve and authorize payment of the invoice at the next subsequent Board meeting or within 60 days, whichever is earlier.

d. Notwithstanding the foregoing, costs for capital improvements related to SRSD Facilities shall only be included in the definition of "Costs" under this Agreement to the extent they are approved by the SRSD Board.

11. Third Party Beneficiaries. RVSD and SD2 are expressly acknowledged and agreed to be third-party beneficiaries of this Agreement, with full rights to enforce the provisions hereof as if they were Parties hereto. Except for RVSD and SD2, this Agreement is for the sole benefit of the Parties hereto and their permitted successors and assigns, and no other person or entity shall be deemed a third-party beneficiary of this Agreement.

9-12. City-SRSD Employees Hired by CMSA:

a. Subject to the terms and conditions of this Agreement, CMSA agrees to hire all City-SRSD-Employees, upon their release from City employment, at the Classifications shown in Exhibit D, at the appropriate level in the compensation range as determined by CMSA.

b. Prior to the transfer of any City Employee to CMSA, SRSD shall conduct an evaluation of such employee's fitness for employment and review the employee's employment history. SRSD shall notify CMSA in writing of any material information arising from such evaluation or history that may affect the employee's suitability for employment with CMSA. Such notification shall be provided prior to CMSA's hiring or accepting the transfer of the employee.

c. CMSA agrees to establish the employee hire date as the date the employee was hired with the City. Exhibit E provides the tentative CMSA salary ranges for each new CMSA City-SRSD Employee classification created for purposes of

Commented [BH38]: Jason Dow thinks this is imprecise terminology. Also, 5% change should not be tied to anything (since CMSA doesn't really have funding sources and cost centers). So, propose deleting the sentence after "notice to SRSD."

Commented [BH39]: From Kerry Gerchow: SRSD is seeking more information on this. What does this mean?

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Commented [BH40]: Could attach a model as an exhibit. But as SD2 points out, should probably have transparency on what the costs are and what SRSD is paying for to have all agencies comfortable that the agreement is being honored.

RVSD: could be a budget or a pro forma budget that goes through CMSA's budget line by line and identifies the lines affected by the service.

SD2: will need to be an audit/inspection provision as well.

BWH: could add terminology to the "administrative tasks" check list in the duties prior to effective date above.

RVSD/SD2: add provision giving RVSD and SD2 as third party beneficiaries to give them independent

Commented [BH41R40]: Will address through the third-party-beneficiaries clause.

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Commented [BH42]: From Kerry Gerchow: Not sure what this means.

Commented [BH43R42]: It's a carve-out from the default term stating that all costs are recoverable whether approved by SRSD in advance or not.

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Commented [BH44]: From Kerry Gerchow: Is there a CMSA protocol in place for this?

Commented [BH45R44]: SD2: running objection to a guarantee of full employment regardless of vetting.

Commented [BH46R44]: Added new subparagraph 12.b to address this.

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fulfilling its obligations under this Agreement. The final salary ranges will be approved by the CMSA Board before the Services Effective Date.

b-d. All former City Employees hired by CMSA shall be under the sole and exclusive control of CMSA with respect to all employment and personnel matters, once hired by CMSA.

c-e. CMSA agrees to establish leave balances for each of the City-SRSD Employees hired based upon the leave balance remaining at the City as of the employee's resignation from the City. Leave balances will be adjusted using each City employee's compensation rate when hired by CMSA. CMSA further agrees to utilize the original hire date for the employees at the City for purposes of computing both CMSA vacation and sick leave accrual rates.

d-f. Notwithstanding the foregoing, CMSA will retain all applicable rights of an employer with respect to the City-SRSD Employees it hires pursuant to this Agreement, including but not limited to the power to discipline and terminate such employees, consistent with applicable law.

10.13. SRSD Unfunded Pension Liabilities and Retiree Medical Benefits: (TO BE ADDRESSED BY BENEFITS COUNSEL)

SRSD shall be solely responsible for all current and future pension liability attributed to benefits accrued by City Employees prior to the Effective Date. CMSA and its member agencies SRSD and SD2 shall not be responsible for any such pension liabilities. Accordingly, the SRSD Board shall direct provide for the full payment and resolution of any MCERA-existing unfunded actuarial pension liabilities ("UAL") attributed to pension benefits accrued by City Employees prior to the Services eEffective dDate under MCERA. For this purpose, the CMSA Representative will retain the services of an actuary to calculate the UAL attributed to pension benefits accrued by City Employees prior to the Effective Date under MCERA, of this Agreement and before the City employees transfer to CMSA. The UAL payment will be based on each employee's compensation level immediately after they transfer to CMSA, pension formula, years of service related to their tenure as City Employees, elections, and all related factors.

For each fiscal year of the agreement, the CMSA GM will hire an actuary to determine the current CalPERS and MCERA pension program UAL for each SRSD employee. The CMSA Board will review, comment, and approve the actuarial valuation assumptions. SRSD Board will compensate CMSA for the actuary fee and the annual UAL contribution amount. CMSA GM will establish an IRS Section 115 pension trust fund for the SRSD Employees' UAL contributions. For each fiscal year thereafter for the duration of the Agreement, the CMSA Representative will retain the services of an actuary to calculate any additional UAL attributed to pension

Commented [BH47]: Isabel to add additional language about SRSD obligation to fund pension obligations: 1. to the right agency; 2. to benefit the pension actuarial analysis in the following year.

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Commented [BH48]: SD2: Illustrates the problem with defining member agencies as the member agencies of the JPA. Might include "other" member agencies or other terminology to make it clear this refers to non-SRSD member agencies.

benefits accrued by City Employees prior to the Effective Date under MCERA. SRSD shall make the additional UAL payment to MCERA with confirmation of such payment provided to CMSA. SRSD agrees to compensate CMSA for the initial and each subsequent actuarial fee.

- a. **Retiree Medical Benefits:** City-SRSD- Employees who have retired prior to the Services Effective date~~retirees and CMSA- SRSD employees~~ shall maintain their retiree medical benefits after the Services Effective Date. Each CMSA-~~SRSD~~ employee's offer of employment letter will show the retiree medical benefits that will be provided by CMSA. SRSD shall reimburse CMSA annually for any post-retirement costs related to retiree medical benefits, with respect to benefits accrued prior to the Services Effective Date.~~SRSD will annually reimburse CMSA for all City- SRSD retiree and CMSA- SRSD retiree medical costs.~~

11.14. Expansion of Office Capacity: Prior to the Services Effective Date, SRSD shall take all steps necessary, at its sole expense, to secure additional office space on CMSA property sufficient to support the Services, including but not limited to coordinating with CMSA to complete the installation and furnishing of two modular office buildings. SRSD shall pay CMSA a monthly property use fee of \$6,120 set by the CMSA GM in their reasonable discretion, which property use fee shall be separate and additional to SRSD's obligation to reimburse CMSA for the Costs as provided in this Agreement. Annually, on each July 1 following the date of execution of this Agreement, the property use fee will increase by the prior year's SF Bay Area Consumer Price Index. CMSA shall have full discretion to relocate such additional office space, at SRSD's expense, according to its business needs.

12.15. Indemnification:

- a. Notwithstanding the indemnification provisions of that certain Central Marin Sanitation Agency Joint Exercise of Powers Agreement, as amended 2019, and/or any successor agreement (together, "CMSA JPA Agreement"), SRSD will defend, indemnify, and hold harmless CMSA, SD2, RVSD, and its their respective officials, commissioners, employees, contractors, agents, and assigns (together, the "CMSA Indemnified Parties") from any and all claims, demands, damages, liabilities, losses and costs of whatever nature, including but not limited to attorneys' fees (together, "Claims") for acts or omissions arising from, connected with, or in any way related to CMSA Indemnified Parties's actions in connection with this Agreement. It is the parties' intent that this section be interpreted to maximize the scope of indemnity owed by SRSD to CMSA. In the event of any conflict between this

Commented [BH49]: RVSD: Needs some additional detail on what happens to (1) employees who retire before effective date (since they don't seem like CMSA's business; and (2) employees who retire after joining CMSA, but who might be entitled to additional medical benefits from City that CMSA wouldn't extend. Isabel to give it a try.

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Commented [BH50]: From Kerry Gerchow: Should this specifically say "City retiree medical benefits"?

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Commented [BH51]: From Kerry Gerchow: Should this be in the separate agreement?

Commented [BH52R51]: RVSD: could cover the real estate costs in a separate agreement related to the budget to be approved during the diligence (pre effective date) period. Also why be so specific—give manager discretion over specific details.

SD2: opportunity cost for the use of the land should be covered, one way or the other.

Commented [BH53R51]: Revised the property use fee to be subject to CMSA general manager discretion, then added the last sentence to address flexibility point and opportunity cost.

Commented [BH54]: From Kerry Gerchow: SRSD requests that this be returned to a mutual indemnity clause. Or at the very least to exclude any actions brought by others related to the execution of this agreement.

Commented [BH55R54]: SD2: ongoing objection that it doesn't protect member agencies and conflicts with the JPA. Want SD2 named in the indemnity provision.

RVSD: Naming the other member agencies individually is a good idea, adding them as third party beneficiaries good too. But should consult risk pool agency to see if there is some way to liquidate risk here, so that the non-SRD member agencies, that SRSD will cover, and they will not be left holding the bag. "risk transfer consultants." This is a risk transfer problem, so talk to people that know risk transfer. SENSUS consulting inc (encino) is one potential candidate.

Commented [BH56R54]: RVSD: might be helpful to reference rights and obligations in JPA agreement too, and then say nothing in this agreement intended to interfere with or affect those rights and obligations, so that SRSD is protected in terms of its rights and obligations under the JPA agreement. All parties would have to look at JPA agreement language though.

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Indemnification provision in this Agreement, and the indemnification provisions in the CMSA JPA Agreement, as between the CMSA Indemnified Parties and SRSD, this provision shall govern.

- b. Consistent with the foregoing, SRSD's obligation to defend, indemnify, and hold harmless the CMSA Indemnified Parties from Claims includes, but is not limited to, any and all Claims by, against, or concerning the act or omission of, any City-SRSD Employee subsequently hired by CMSA, ~~regardless of whether such Claim arises from an act or omission that predate or postdate this Agreement.~~
- c. Further consistent with the foregoing, SRSD's obligation to defend, indemnify, and hold harmless the CMSA Indemnified Parties from Claims includes, but is not limited to, any and all Claims caused by or otherwise concerning SRSD Facilities.
- d. The obligations contained in this indemnification provision shall survive the termination of this Agreement.

13.16. Dispute Resolution:

- a. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to resolve disputes ("Dispute"), shall exclusively be determined as follows:
 - i. The parties shall first attempt in good faith to resolve any Dispute promptly by negotiation between two members of the SRSD Board and two members of the CMSA Board, subject to approval of any such resolution by the SRSD Board and CMSA Board. Any party may give the other party written notice of any Dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity a statement of each party's position and a summary of arguments supporting that position. Within 30 days after delivery of the notice, the representatives of both parties shall meet at a mutually acceptable time and place.
 - ii. If the Dispute is not resolved by negotiation pursuant to subparagraph (i) above, SRSD and CMSA shall submit to mediation before an agreed-upon mediator, each Party to pay an equal share of the mediation fees, and each Party to pay its own attorneys' fees and legal costs. Should the Parties be unable to agree upon a mediator, they will jointly submit to mediation through ADR Services, which shall select a mediator.

Commented [BH57]: From Kerry Gerchow: Request removal of predate.

Commented [BH58R57]: SRSD: just seems broadly written.

RVSD: thinking about this as a cost of service to be recovered in the service fee might help.

Commented [BH59R57]: Per RVSD's comment, I added a clause to the recoverable costs section stating that "Costs" include acts, omissions, or misconduct of City Employees hired by CMSA.

Commented [BH60]: From Kerry Gerchow: Request to exclude any willful, reckless, or negligent acts or omissions by CMSA Indemnified Parties as to SRSD Facilities.

Commented [BH61R60]: RVSD: Could reference statute saying we can't agree to be indemnified for our own willful misconduct and sole negligence.

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Commented [BH62]: Feedback from work group: Consider deleting this provision and stating instead that the dispute resolution provision provided for in the CMSA JPA Agreement shall govern (so as to avoid conflict between the two provisions)

Commented [BH63R62]: SD2: need to clarify which parties are subject to this. Also need to be consistent with JPA process. All member agencies should have authority to trigger dispute resolution process.

RVSD: need an alternative that includes ADR to contain legal fees.

Commented [BH64R62]: Note to all: As drafted, this requires an ultimate resolution via ADR, and with the clause identifying SD2 and RVSD as third party beneficiaries, they can enforce. Please add any additional redlines you think are necessary.

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- iii. If the Dispute is not resolved by mediation pursuant to subparagraph (ii) above, then the Dispute shall be determined by arbitration in San Francisco, California before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules, each Party to pay an equal share of the mediation fees, and each Party to pay its own attorneys' fees and legal costs. Judgment on the award resulting from such arbitration may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.
- b. The Parties each hereby expressly waives any and all rights to have disputes under this Agreement decided by court action, court trial, jury trial or any other legal action of any kind or type, other than the dispute resolution process specified above. However, in emergency or extraordinary circumstances, either or both Parties may seek equitable or injunctive relief to preserve the status quo pending occurrence of the dispute resolution process specified above. It is the express intent of both the Parties to have any and all disputes under this Agreement resolved by the dispute resolution process described above in as timely and economical a manner as possible.

14.17. Termination:

- a. Notice. This Agreement may be terminated by either Party by supermajority vote of the terminating Party's Board. Any such termination shall be effectuated by written notice eighteen months in advance.
- b. Transition Period. Upon notice of termination by either Party, the Parties shall cooperate in good faith to facilitate the orderly conclusion of the Parties' rights and obligations under this Agreement. The Parties acknowledge that CMSA's participation in this Agreement will require it to initiate and maintain investments sufficient to allow it to meet its obligations under this Agreement, including but not limited to, investments in the form of hiring employees, and that orderly conclusion the Parties' rights and obligations under this Agreement includes ensuring that SRSD bears any costs associated with the need to divest CMSA of such investments.

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

If to the CMSA:	General Manager
	Central Marin Sanitation

Agency
1301 Andersen Drive
San Rafael, CA 94901

With a copy to:

General Counsel
Central Marin Sanitation Agency
Marin County Counsel's Office
3501 Civic Center Drive, Suite 275
San Rafael, CA 94903

If to the SRSD:

Board President
San Rafael Sanitation District
1400 Fifth Avenue
San Rafael, CA 94901

With a copy to:

General Counsel
San Rafael Sanitation District
Marin County Counsel's Office
3501 Civic Center Drive, Suite 275
San Rafael, CA 94903

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

~~**17. Independent Contractor:** The status of CMSA is that of independent contractor having control of its work and the manner in which it is performed. CMSA, its employees and agents are not considered to be officers, employees, or agents of SRSD.~~

18.20. Reports, Plans and Documents: CMSA shall keep and maintain records related to its performance of the Services in the same manner it keeps and maintains similar classes of records for its own operations. All reports, drawings, calculations, plans, specifications, and other documents prepared or obtained by CMSA for purposes of providing the Services pursuant to the terms of this Agreement shall be the property of the SRSD, subject to SRSD granting of an irrevocable worldwide license

Commented [BH65]: From Kerry Gerchow: How does this work? What if consolidation does not occur or SRSD leaves?

to use such material to CMSA, except as may otherwise be required by law or any contract between CMSA or SRSD and a design professional.

Commented [BH66R65]: Feel free to propose redlines if you have concerns.

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19.21. Prior Agreements: This Agreement shall neither affect that certain Joint Exercise of Powers Agreement by and between SRSD, Ross Valley Sanitary District, and Sanitary District No. 2, dated December 2019, nor any of the amendments to that Agreement.

20.22. Severability: If any provisions of this Agreement are held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby if such remainder would continue to serve the purposes and objectives originally contemplated by the parties.

21.23. Force Majeure: Any provision, delay, or stoppage which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or requisitions or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, epidemics or pandemics, gubernatorial orders, orders of the County of Marin Health Officer, or other causes beyond reasonable control of the party obligated to perform hereunder, shall excuse performance by such party for a period equal to the duration of such prevention, delay, or stoppage, provided that the performance is not a duty to pay money.

22.24. Binding Authority of Signatories: Each of the signatories below represents and warrants that he/she possesses full legal authority to contract for and legally bind his/her respective public entity to this Agreement and all its terms and provisions.

23.25. Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

24.26. Waiver: No waiver by either Party of any of the terms or conditions of this Agreement or any of their respective rights under this Agreement shall be effective unless such waiver is in writing and signed by the Party charged with the waiver.

25.27. Amendment; Complete Agreement: Any amendment or supplement to this Agreement must be in writing and executed by the Parties. This Agreement contains the entire agreement and understanding between the Parties concerning the subject

matter of this Agreement and supersedes all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral concerning the matters which are the subject of this Agreement. This Agreement has been drafted through a joint effort of the Parties and their counsel and, therefore, shall not be construed in favor of or against either of the Parties.

26.28. Successors and Assigns: The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto, as well as their respective successors, assigns, employees, officials, personal and legal representatives, executors, administrators, heirs, distributees, and devisees (together, "Successors and Assigns").

27.29. No Third Party Beneficiaries: This Agreement is solely for the benefit of the Parties and each of their respective Successors and Assigns. No provision of this Agreement shall be deemed to confer on any third party any claim, remedy, liability, reimbursement, cause of action or other right under this Agreement, and, consistent therewith, there are no third party beneficiaries, express or implied, of this Agreement.

28.30. Governing Law: This Project Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

29.31. Exhibits:

- A. SRSD Sewer System Assets
- B. Scope of Services - Routine District Operations
- C. SRSD Sanitary Sewer Management Plan Table of Contents
- D. Employee Classification Changes
- E. SRSD Employee Compensation Ranges

**San Rafael Sanitation District
Agency**

Central Marin Sanitation

Kate Colin, President

, Chair

Attest: Maribeth Bushey, Secretary

Attest: , Vice-Chair

DRAFT

Exhibit A-1 – SRSD Sewer System Assets

SRSD owns and operates a municipal sanitary sewer system composed of the following assets as of the effective date of the agreement or as amended after the effective date of this agreement. CMSA agrees to operate, maintain, and rehabilitate the SRSD sanitary sewer assets generally described below, including any future asset additions authorized by SRSD subsequent to the effective date of this Agreement.

1. Gravity Pipelines – 132 miles gravity sewer mains ranging in size from 4 inches to 36 inches, of multiple material types, such as PVC (polyvinyl chloride), vitrified clay, ductile iron, and HDPE (high-density polyethylene).
2. Pressure Pipelines – 13 miles ranging in size from 4 inches to 45 inches and of multiple material types, such as HDPE (high-density polyethylene), reinforced concrete, and ductile iron.
3. Manholes, Rod Holes and Access Points - 3,903 of them.
4. Wastewater Pump stations – 33 as stated in Exhibit A-2 below, including all pumps, motors, mechanical and electrical equipment, generators, flow measurement equipment, valves, appurtenances, station alarms, force mains, spare parts, and all pump station site facilities including buildings, landscaping, fencing and gates.
5. 45" San Rafael Interceptor (FM 1A-1 and 2) to the CMSA treatment plant including all valves, fittings, and pipeline appurtenances, and the fitting that accepts the chemical dosing station pipeline.
6. 10" South San Francisco Force Main (FM IG) – including the interceptor and all its fittings, valves, and other pipeline appurtenances for the entire length from the connection to the 45" San Rafael Interceptor to the South San Francisco Pump Station.
7. Collection System Appurtenances - Air relief valves, inline pipe valving, pipeline flow monitoring equipment, and siphons.
8. Equipment and Facilities – Pipeline cleaning vehicles (i.e. rodder, vactor, and water trucks), utility trucks, district vehicles, CCTV (Closed-Circuit Television) van and camera(s), portable generators, trailers, computer equipment, field monitoring equipment, miscellaneous pipe and manhole materials, sewer plugs, emergency response equipment, tools, radios, etc.

Exhibit A-2 – Pump Stations

PS #	PUMP STATION	Address
1	ANDERSEN A	1001 Andersen
2	ANDERSEN B	1271 Andersen
3	KERNER A	3098 Kerner Blvd
4	KERNER B	2599 Kerner Blvd
5	MOORING RD.	2 Pt San Pedro Road
6	WEST FRANCISCO	699 Andersen Drive
7	THIRD ST.	119 Third Street
8	NORTH FRANCISCO	201 Francisco Blvd
9	MC PHAILS	460 DuBois Street
10	BRET HARTE	86 Woodland Avenue
11	SIMMS ST.	40 Simmas Street
12	SOUTH FRANCISCO	1601 Francisco Blvd East
13	WEST RAILROAD	47 Castro Avenue
14	CAYES MAIN (CATALINA)	19 Gloucester Cove
15	NEWPORT WAY	11 New Port Way
16	SAN PEDRO	48 Marina @ Pt San Pedro
17	LOCH LOMOND	575 Pt San Pedro Road
18	GLENWOOD	905 Pt San Pedro Road
19	SEAWAY	50 Sea Way
20	BEACH DR FIBERGLASS	11 Beach Drive
21	BEACH DR BY BAY	35 Brach Drive
22	PEACOCK#1 (RIVIERA)	301 Rivera Drive
23	PEACOCK#2	140 Peacock Drive
24	PEACOCK #3 (LAGOON)	44 Lagoon Road
25	MAIN DR	850 Pt San Pedro Road
26	MCNEARS	201 Canterra Way
27	MARIN BAY PARK	1 Canterra Way
28	BAYPOINT	30 Baypoint Drive
29	BEDFORD	47 Bedford Cove
30	BAYPOINT LAGOON	147 Baypoint Drive
31	KERNER C	2450 Kerner Blvd
32	BISCAYNE	403 Biscayne drive
33	Loch Lomond Marina	Loch Lomond Drive

Exhibit B – Scope of Services - District Operations

CMSA will provide all staffing, regulatory compliance, Board support coordination and services necessary for the proper management, and administration and operation of SRSD Facilities, as further described below (together, the “Services”). Those activities provided through this Agreement are generally outlined and described below or as coordinated by the SRSD Representative and CMSA Representative directed by SRSD following execution of this Agreement.

CMSA has ~~the~~ sole authority to determine the necessary staffing levels and any employment-related matters in the performance-to-perform of the Services during the Agreement’s term. Any communication related to Services under this Agreement between the SRSD Board or SRSD Representative and CMSA shall be effectuated through the CMSA Representative.

1. SRSD Board Administration

- a. Prepare Board meeting agenda packets
- b. Attend Board meetings, prepare meeting minutes, and process meeting stipends
- c. Place Board meeting materials and compensation reports on the SRSD website
- d. Obtain and file Board member conflict of interest statements
- e. Respond to Board member questions and requests for information regarding the Services
- f. Provide new Board member orientation training

2. Financial Management and Administration

- a. Financial Tracking: Establish and maintain a separate SRSD fund in the CMSA financial management system for the proper tracking of all payroll expenses associated with this Agreement.
- b. Annual Operating Budget: Prepare and submit separate draft and final budgets for the Services to the SRSD Board for approval. The draft budget will include adjustments to employee labor rates the cost of Services under this Agreement, and ~~The budget~~ may include ~~performance measures and~~ operational metrics. The draft budget will be submitted to the SRSD Board in March, and the final draft budget submitted in May.
- c. Annual Capital Budget: Annually prepare a capital budget, and update the multi-year capital improvement program (CIP), for the SRSD Facilities. The CIP updates will be based on regular asset evaluations and condition assessments, collection system master planning, staff input, and regulatory

requirements. Submit such capital budget and CIP for the SRSD Facilities to the SRSD Board for approval.

- d. Accounts Payable: Provide all SRSD accounts payables and financial reporting services using a financial management consultant, with the option to transition such services to be performed by CMSA staff at CMSA's discretion.
- e. Annual Service Charge Billing and Administration: Coordinate with the County of Marin regarding all sewer service charge billing requirements related to SRSD Facilities. Set up bank account and manage investments.

3. Human Resources and Staffing

- a. Provide all human resources support services related to providing the Services.

4. Emergency Response Services

- a. Use commercially reasonable efforts to provide emergency response including spill event responsibilities for all SRSD Facilities in compliance with applicable State of California Waste Discharge Requirements for Sanitary Sewer Systems.
- b. Follow reporting procedures in the SRSD Spill Emergency Response Plan (SERP) and SRSD standard operating procedures, and report all emergency response services to the SRSD Board.
- c. Retain outside consultants and contractors, as needed in CMSA's discretion, to respond to and address such emergencies.

5. Staff Training and Development

- a. Provide training to CMSA employees as necessary to perform the Services, including training for designated officials and all CMSA staff required for complete compliance with all spill event reporting and documentation.

6. Customer Relations and Outreach

- a. Provide SRSD customer relations and outreach services, including responding to customer inquiries, updating the SRSD website, and public outreach related to SRSD activities and programs. Respond to and track all SRSD customer complaints from initial calls to final resolution.

7. Operation and Maintenance of SRSD Assets

- a. Operate and maintain the SRSD assets according to the performance goals in the SRSD-adopted Sewer System Management Plan ("SSMP"), SRSD standard operating procedures, and in compliance with the State Waste

Discharge Requirements Order No. WQ 2022-0103-DWQ ("WDR"). The WDR requires SRSD to implement the following agency specific requirements based upon the size and complexity of the SRSD sanitary sewer system:

- i. Regulatory information and goals for managing the sewer system to reduce numbers and volumes of spills.
- ii. A management structure and organization chart that manages SRSD including identification of designated officials (LROs and DSs) and their contact information responsible for each Element of the SSMP and the Change log.
- iii. The legal authorities for the proper management and operation of the sewer program.
- iv. A description of the major elements of the operations and maintenance program performance including proper training for all employees managing and operating the sewer program.
- v. Standards for the design and construction of sewer program assets.
- vi. Policies and procedures for responding to and reporting all system spills to protect the public and Waters of the State.
- vii. A defined program for materials and/or discharges that could cause blockages in the sewer system including the proper disposal of any materials removed.
- viii. Definition of the agency program for the evaluation, system capacity assurance and capital improvements including repairs, renewal and replacement.
- ix. Provision for monitoring performance results, program management effectiveness and program modifications including how the agency will adapt the SSMP and the program from agency experience and industry technological improvements across the industry.
- x. Regular internal audits of the SSMP and the WDR every three (3) years for compliance with the State and agency's SSMP requirements.
- xi. A program of regular communications on spills and discharges, on the development, implementation and update of the SSMP with elected officials, the public and satellite systems or other utility systems within the service area.
- xii. The SSMP must also contain an SSMP Change Log that contains all changes to the SSMP between governing board adoptions of the SSMP.

- b. The operations and maintenance activities outlined in the SSMP shall include the following activities either now or in the future:
 - i. Operations and maintenance of the SRSD Facilities including any additions authorized by SRSD ,the State of California, or the San Francisco RWQCB on sanitary sewer systems subsequent to the effective date of this Agreement.
 - ii. Regular condition assessment of all SRSD Facilities.
 - iii. Mapping management associated with sanitary sewers in the service area.
 - iv. Lateral inspection program.
 - v. O&M requirements for SRSD in the CMSA NPDES permit.
 - vi. Contracting and coordination of contractors working on SRSD sewer assets.
 - vii. Response to and documentation of customer interactions and requests for service in the SRSD service area.
 - viii. Regular renewal and replacement of assets based on condition assessment evaluations.
 - ix. Other mutually agreeable operations and maintenance.

8. Reporting to SRSD

- a. Provide SRSD with the following information related to CMSA's performance of the Services under this Agreement:
 - i. Annual draft and final operating budgets for the Services
 - ii. Annual draft and final capital budgets
 - iii. Annual financial audit information, as applicable.
 - iv. Recommendations related to sewer rate studies and sewer rate increases
 - v. Recommendations regarding the multi-year capital improvement program and its funding plan
 - vi. Recommendations regarding the appropriate sewer service charges necessary to fully fund the annual operating and multi-year capital program
 - vii. Information regarding the cost(s) of third-party contracts CMSA enters to facilitate its performance of the Services, including professional service contracts; construction and maintenance contracts; and contracts for the procurement of materials, supplies, and equipment
 - viii. Information regarding CMSA's negotiation and payment of fines and enforcement penalties for any non-compliance by SRSD Facilities with regulatory requirements

9. Regulatory Reporting:

- a. Use commercially reasonable efforts to:
 - i. Ensure SRSD Facilities meet applicable State Water Resources Control Board (SWRCB) and San Francisco Bay Regional Water Quality Control Board's (RWQCB) Waste Discharge Requirements for Sanitary Sewer Systems including designation of appropriate legally responsible officials and data submitters, and sanitary sewer spill notification.
 - ii. Report spills to the Office of Emergency Services, and other required regulatory agencies based on applicable requirements.
 - iii. Annually report the status of the NPDES and WDR permit compliance to the SWRCB, RWQCB, and the SRSD Board.

Exhibit C – 2023 Sewer System Management Plan Table of Contents
(to be Revised and Updated by July 2025)

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Appendices

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Appendix B	Insurance Claims and Cleaning Services
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Appendix E	Capital Improvements Program Schedule
Appendix F	Summary of SSOs from 2017 to 2022
Appendix G	Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies

Exhibit E: Employee Classification Changes

District Manager/Engineer (SRSD)	1	District Manager	Unrepresented/Unrepresented
Principal Civil Engineer	1	Principal Civil Engineer	Mid Management/Unrepresented
Associate Civil Engineer	1	Associate Engineer	WCE/Unrepresented
Assistant Engineer	1	Assistant Engineer	WCE/SEIU
Inspector (Construction)	1	Collection System Inspector	WCE/SEIU
Operations & Maintenance Manager	1	Collection System Manager	Mid Management/Unrepresented
Sewer Maintenance Supervisor	1	Collection System Operations Supervisor	SEIU/Unrepresented
Sewer Lead Maintenance	2	Lead Collection System Worker	SEIU/SEIU
Sewer Maintenance II	6	Collection System Worker I/II	SEIU/SEIU
Sewer Maintenance I		Collection System Worker I/II	SEIU/SEIU
Administrative Assistant	1	Administrative Assistant	SEIU/SEIU
Administrative Analyst	1	Administrative Analyst	SEIU/SEIU
	17		

Exhibit F: Salary Schedule

The following bi-weekly salary ranges for the classifications of employees hired by CMSA shall be established on the effective date of the agreement, and thereafter the salary ranges will be adjusted according to CMSA personnel policies for unrepresented and union represented employees.

Classification	Step A	Step B	Step C	Step D	Step E
SRSD District Manager					
Principal Engineer					
Associate Engineer					
Assistant Engineer					
Collection System Inspector					
Collection System Manager					
Collection System Supervisor					
Lead Collection System Worker					

Collection System Worker II					
Collection System Worker I					
Administrative Assistant					

DRAFT



BOARD MEMORANDUM

September 15, 2025

To: Ad-Hoc Committee of CMSA JPA Member Representatives to consider the JPA's Organization Development Future

From: Jason Dow, General Manager

Subject: SRSD Contract Development Expense Tracking Report

Recommendation: Accept the SRSD Contract Development Expense Tracking Report.

Discussion: At its December 3, 2024, meeting the Committee asked staff to prepare a written report at each meeting to show the SRSD contract development expense information. The table below shows the expense information through August 31, 2025.

SRSD Contract Expense Tracking	Amount
Total expenses through 8/31/25	\$107,616*
SRSD reimbursed to date	\$97,716
CMSA August invoice	\$9,901

* includes GM costs: 128 hours at \$298/hr



BOARD MEMORANDUM

September 15, 2025

To: Ad-Hoc Committee of CMSA JPA Member Representatives to consider the JPA's Organization Development Future

From: Jason Dow, General Manager

Subject: Revised SRSD Management and Operations Service Agreement Schedule

Recommendation: Review and discuss the revised schedule, and provide direction to staff.

Discussion: General Counsel Brandon Halter and the JPA agency attorneys have made good progress on reviewing and revising the draft SRSD service agreement. Their last meeting was on August 28, 2025, and Brandon updated the draft agreement based on their discussion and sent it to the attorneys for review and comment. I have adjusted the agreement schedule to reflect that the legal review is still in progress and may be completed by the end of September 2025 for presentation to the Committee.

Attachment:

- Draft SRSD Management and Operations Service Agreement Schedule – 9/15/25

SRSD MANAGEMENT AND OPERATIONS SERVICE AGREEMENT SCHEDULE

Revised Draft (9/15/2025)

DATE	TYPE OF MEETING	DESCRIPTION
2/20	Ad Hoc	RSG attends meeting to review scope & work status; Jason presents schedule & scope changes. (done)
Week of 2/24	SRSD/CMSA Staff	Discuss RSG questions and preliminary findings/recommendations. (done)
3/20	Ad Hoc	RSG presented draft report and received comments; committee to considered and selected some agreement revisions; Jason presented revised schedule, SRSD employee hiring process, and SRSD retirement info. (done)
Week of 3/24	SRSD/CMSA Staff	Prepared agreement revisions based on Ad Hoc direction. (done)
4/17	Ad Hoc	RSG presented final report; Reviewed revised agreement, draft property use agreement. Committee direction to send revised agreement to JPA agencies (done)
4/17	CMSA Staff	Prepare agreement revisions and sent to JPA agencies. (done)
5/5	Brandon Halter	Brandon to present legal comments. (done)
5/8	Ad Hoc, Brandon	Brandon to present legal comments for discussion, review draft property use agreement, revised schedule, and draft SRSD budget. (done)
5/29	CMSA, BBK	CMSA hires benefit attorney to review pension UAL section of agreement (done)
6/5 - Sept	Brandon	4-week allowance to negotiate legal review comments and incorporate them into a final draft agreement. (in-progress)
6/26, 9/18	Ad Hoc, Brandon	Review revised draft agreement. (in-progress)
Sept x	Ad Hoc, Brandon	Final review of revised draft agreement (if needed)
October - November	n/a	JPA members' agreement review period. Two regular Board meetings for each agency. RVSD (10/15, 11/19); SRSD (10/17, 11/21); SD2 (10/7, 10/21).
11/24	n/a	JPA member comments due to CMSA.
Week of 11/24	Ad Hoc, Brandon	Discuss JPA comments. Prepare final agreement.
12/1		FINAL AGREEMENT Distributed.
12/5?	SRSD Board Mtg	Agreement on Agenda for approval.
12/9	CMSA Board Mtg	Agreement on Agenda for approval.

