



Central Marin Sanitation Agency

COMMISSION REGULAR MEETING AGENDA

Tuesday, May 8, 2018

at the Agency Office

7:00 p.m.

Members of the public may directly address the Board on any item appearing on the Agenda. They may address the Board when the item is called by the Board Chair and he/she indicates it is the time for the public to speak to the agenda item. Audio and video recordings will be made of this meeting and will be posted to the Agency website.

1. 7:00 p.m.: Call Meeting to Order/Pledge of Allegiance

2. Roll Call

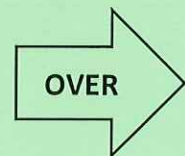
3. Open Period for Public Participation

Open time for public expression, up to two minutes per speaker, on items within CMSA's jurisdiction and not on the Board of Commissioners' agenda. The Board will not discuss or take action during open time.

4. Consent Calendar

Matters listed under this item are considered routine and will be enacted by one motion. The consent calendar may include resolutions; therefore, the motion, second, and vote will also be applicable to the resolution and recorded accordingly. There will be no separate discussion of these items unless requested by a member of the Board or the public prior to the time the Board votes on the motion to adopt.

- a) Minutes—Special Board Meeting—April 12, 2018
- b) Treasurer's Report—Operating Account—April 2018
- c) Schedule of Investments—April 2018
- d) NPDES, Process, and Maintenance Report—April 2018
- e) Performance Metric Report—April 2018
- f) Revised Administrative Policies and Procedures
- g) FY 2018 Budget Status – Third Quarter Report
- h) 2017/2018 Wastewater Flow Report
- i) PG&E Interconnection Design Project—Engineering Design Services Amendment #1 (CMSA Contract No. 18-03)
- j) FY 2018/19 Chemical Supply Contracts



5. **Final Draft 2018 Joint Powers Agreement – Revised Withdrawal Section**
Recommendation: Accept the revised Withdrawal Section, and direct staff to incorporate it into the final draft 2018 Joint Powers Agreement.
6. **Larkspur Representation on the CMSA Board of Commissioners**
Recommendation: Discuss the Larkspur representation on the CMSA Board, and take action or provide direction to staff, as appropriate.
7. **Pavement Rehabilitation Project – Adopt Contact Documents (CMSA Contract No. 18-02)**
Recommendation: Adopt the Pavement Rehabilitation Project’s construction contract documents, and authorize the General Manager to advertise the contract for public bidding.
8. **Marin County Civil Grand Jury Report – Consolidation of Sanitation Districts**
Recommendation: Provide direction to staff on the preparation of the Agency’s response.
9. **Proposed Budget for the Fiscal Year 2018-19**
Recommendation: Review the Fiscal Year 2018-19 Proposed Budget and provide comments and direction to the General Manager as appropriate.
10. **North Bay Watershed Association (NBWA) Report***
11. **Oral Reports by Commissioners/General Manager***
12. **Next Scheduled Meeting**
Tuesday, June 12, 2018 at 7:00 p.m. at the Agency office.

*Information not furnished with Agenda

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



Central Marin Sanitation Agency

COMMISSION SPECIAL MEETING MINUTES
Thursday, April 12, 2018
at the Agency Office

Note: The minutes are an official record of the Board meeting.

There are also official audio and video recordings available on the Agency's website at www.cmsa.us.
 The time stamps on these minutes refer to the items' start times on the video recording of the meeting.
 Please contact CMSA at 415-459-1455 for information about receiving a copy of these records.

1. Call Meeting to Order/Pledge of Allegiance

Chair Furst called the meeting to order at 7:04 p.m. A quorum was present.

2. Roll Call

00:00:30

Present: Chair Diane Furst; Commissioners Michael Boorstein, Dean DiGiovanni, Tom Gaffney, and Dan Hillmer

Absent: Maribeth Bushey

Staff present: Jason Dow, General Manager; Ken Spray, Administrative Services Manager; and Kate Brouillet, Recording Secretary

Public present: None

3. Open Period for Public Participation

00:00:45

There were no members of the public present.

4. Consent Calendar

00:00:58

- a) Minutes—Regular Board Meeting—March 13, 2018
- b) Treasurer's Report—Operating Account—March 2018
- c) Schedule of Investments—March 2018
- d) NPDES, Process, and Maintenance Report—March 2018
- e) Performance Metric Report—March 2018
- f) FY 2018 Asset Management Program—Third Quarter Report
- g) Revised Administrative Policies and Procedures
- h) Associate and Assistant Engineer Job Descriptions
- i) Health and Safety Program Management Series Classification
- j) Met Life Investment Withdrawal

Comments from the Public:

There were no members of the public present.

Commissioner Gaffney asked to remove item 4a for discussion.

Commissioner DiGiovanni asked to remove item 4h for discussion.

Chair Furst asked for a motion on the remaining items in the Consent Calendar, items 4b-g and 4i-j.

ACTION: Commissioner Hillmer moved to approve the Consent Calendar items 4b-g and 4i-j; second, Commissioner Gaffney.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, GAFFNEY, HILLMER

Nos: NONE

Abstentions: NONE

Chair Furst asked for a motion or discussion on item 4a.

Commissioner Gaffney stated he would abstain from the vote on 4a, the March meeting minutes, as he was not in attendance.

ACTION: Commissioner Hillmer moved to approve the Consent Calendar item 4a; second, Commissioner DiGiovanni.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, HILLMER

Nos: NONE

Abstentions: GAFFNEY

Chair Furst asked for a motion or discussion on item 4h.

Commissioner DiGiovanni stated that for the Associate Engineer Job Description, text should be added to indicate that the position entails some supervisory or management responsibilities.

GM Dow stated that language can be added to indicate in the qualifications section that the position entails supervisory training and duties.

ACTION: Commissioner Boorstein moved to approve the Assistant Engineer Job Description; second, Commissioner Hillmer.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, GAFFNEY, HILLMER

Nos: NONE

Abstentions: NONE

ACTION: Commissioner Boorstein moved to approve the Associate Engineer Job Description with the changes as stated above; second, Commissioner Hillmer.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, GAFFNEY, HILLMER

Nos: NONE

Abstentions: NONE

5. GASB 75 Actuarial Valuation Report

00:08:35

GM Dow stated that Nick Franceschine with North Bay Pensions has prepared the Agency's Governmental Accounting Standards Board (GASB) 45 OPEB valuation reports since 2010, and has prepared the new GASB 75 OPEB Valuation Report for the Agency. He stated that due to a teaching commitment Mr. Franceschine was unable to attend this meeting.

GM Dow then introduced Ken Spray, Administrative Services Manager, who presented the report and the findings. He stated that unfunded liabilities have become an issue of concern for many public agencies who have retiree health benefit plans, and for transparency GASB 75 requires disclosure of the total liability of the retiree health plan. He stated that the current total benefit obligation is actuarially calculated at approximately \$5.2M. He stated that CMSA's required annual contribution is approximately \$250K.

Mr. Spray stated the Agency is funding its obligation into a separate OPEB plan administered by CalPERS, called the California Employers' Retiree Benefit Trust (CERBT). He stated that the plan is currently 47% funded at approximately \$2.5M and that the plan has been yielding in excess of 9% on average, well above the GASB 75 actuarially assumed rate of return of 7.28%.

Mr. Spray stated that one of the major changes for GASB 75 is that agencies are to reflect their entire Net OPEB Liability (NOL) on the face of their balance sheet. He stated that the report's finding shows the net benefit obligation for 2018 to be \$2,796,145.

Commissioner Gaffney asked that some text that describes the Agency's policy and intent to fully fund the OPEB liability be included in the report. The Board concurred and stated that this statement should be added to the Summary of Report/ Background section.

The Board discussed the report, including the tables in Exhibit 7, the discount rate, and investment return.

GM Dow and Mr. Spray answered the Board's questions.

Chair Furst noticed a typo in the report. GM Dow stated that this is a draft report and there is some clean up to do.

Chair Furst asked when the report would be posted to the website. GM Dow replied that it should be ready to post to the website by the next Board meeting.

Commissioner Gaffney asked if he could review the worksheets that were prepared for the report. The Board agreed that it would be acceptable.

Mr. Spray provided a copy of the worksheets to Commissioner Gaffney.

Comments from the Public:

There were no members of the public present.

ACTION: Commissioner Hillmer moved to approve the GASB 75 Actuarial Valuation Report with the above addition to the Background section and minor editorial corrections; second, Commissioner DiGiovanni.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, GAFFNEY, HILLMER

Nos: NONE

Abstentions: NONE

6. Revised Recruitment and Selection Policy—Personnel Policy #208 00:37:38

GM Dow stated that on January 1, 2018, California’s “ban-the-box” law took effect (AB 1008), which makes it illegal for private and public employers with five or more employees to ask about criminal history until a conditional offer of employment is made. He stated that the purpose of the law is to encourage employers to assess each applicant’s fitness for the job, rather than denying employment to those with a criminal record. GM Dow stated that staff has revised the Agency’s recruitment and selection personnel policy to comply with this new state law. He referred to the revised policy attached to the staff report, which showed the revisions in red line/strikeout text. He stated that the text has been reviewed and approved by the Agency’s employment law attorney, Joan Newman with Wiley Price Radulovich.

The Board briefly discussed the policy and asked a few questions. GM Dow responded to the Board’s questions.

Comments from the Public:

There were no members of the public present.

ACTION: Commissioner Gaffney moved to approve Personnel Policy #208; second, Commissioner Boorstein.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, GAFFNEY, HILLMER

Nos: NONE

Abstentions: NONE

7. Operations Department Succession Planning 00:42:41

GM Dow stated that management staff has been preparing conceptual succession plans every couple years to fill projected future vacancies due to potential retirements, with the goal of minimizing the disruption to Agency operations, projects, and other initiatives. He stated that this has been completed for the Operations and Maintenance Departments, and one element in that plan is to perform an internal recruitment for an Assistant Operations Supervisor (AOS) in advance of the impending retirement of an Operations Supervisor. GM Dow stated that staff believes that the Agency should recruit and promote an internal candidate into the AOS position in the near future, before the supervisor retires, to allow the Treatment Plant Manager and the other Operations Supervisor adequate time to

train the new AOS with their new management and supervisory responsibilities. He stated that staff has updated the existing job description for the AOS position and has set the three-step compensation range at \$9,906.41 to \$10,921.82 per month.

GM Dow stated that if the staff recommendation is approved by the Board tonight, an internal recruitment will be scheduled in the near future with the goal of hiring an AOS in May 2018. He said that the resulting Operations Department position vacancy from the recruitment will not be filled until the supervisor retires.

The Board had a brief discussion and asked GM Dow several questions regarding mentoring the new AOS and the internal hiring and recruitment process.

Comments from the Public:

There were no members of the public present.

ACTION: Commissioner Hillmer moved to approve the Assistant Operations Supervisor Job Description and compensation range, and authorize the General Manager to add the position to the Agency's organization structure to allow implementation of the Operations Department's succession plan; second, Commissioner DiGiovanni.

Ayes: BOORSTEIN, DIGIOVANNI, FURST, GAFFNEY, HILLMER

Nos: NONE

Abstentions: NONE

8. Draft 2018 CMSA Joint Powers Agreement

00:49:00

GM Dow stated that the Ad Hoc JPA Review Committee, appointees from each of the member agencies, is comprised of Chair Furst of SD2, Commissioner Hillmer from the City of Larkspur, Maribeth Bushey from San Rafael Sanitation District, and Doug Kelly from Ross Valley Sanitary District.

GM Dow stated that he and Chair Furst and recently discussed scheduling the last Committee meeting, but since some Committee members weren't available to meet in late March or early April and three of the four Committee members were on the CMSA Board, they suggested to receive Committee and other Board member comments on the proposed and other JPA changes at the April Board meeting.

GM Dow referred to his staff memo and reviewed each of the proposed changes to the JPA Agreement.

The Board provided some minor editorial corrections.

GM Dow referred to the JPA Agreement, Section 20, and asked for a Board decision on whether there should be a Withdrawal Section. The Board concurred that there should be a Withdrawal section.

GM Dow asked for a Board decision on the two options for the first paragraph (1A and 1B) that were presented in Section 20. The Board concurred that paragraph 1A was preferable.

The Board discussed paragraph 2 and concurred that it should be rewritten as follows:

“The Member seeking Withdrawal from the JPA shall not receive or be entitled to any financial or other material compensation from CMSA or the remaining Members relating to the Withdrawal; and does not pertain to any separate agreements or disputes between Members.”

Commissioner Gaffney stated that CMSA should review the City of Larkspur’s position in the JPA. Commissioner Boorstein asked for a brief review of Larkspur’s position on the Board. Commissioner Gaffney briefly responded to his question.

Chair Furst asked if it should be placed on the May meeting agenda. The Board concurred. GM Dow stated that the Agency retains records from CMSA’s inception, and he could provide some background.

The Board commended GM Dow for smoothly organizing and managing the JPA review process.

Comments from the Public:

There were no members of the public present.

DIRECTION: The Board directed GM Dow to ask the JPA agencies to review the revised Withdrawal section as amended with their attorneys; if there are additional changes by any of the members, then this section is to be brought back to the Board at the May meeting.

GM Dow to include an item on the May agenda to review the City of Larkspur’s position on the JPA.

9. North Bay Watershed Association (NBWA) Report

01:22:35

Chair Furst stated she attended the Annual Conference of the NBWA on April 6, 2018, that is was an interesting conference, and offered valuable information and contacts. She said that Commissioner Boorstein and Kate Brouillet also attended the conference.

She reviewed some of the notable speakers and their presentations, including Jack Gibson, the NBWA Chair; keynote Grant Davis, Sonoma County Water Agency; a panel on Responding to a Rising Bay with Sam Shuchat of the Coastal Conservancy and Allison Brooks of Resilient By Design; Jared Huffman, Congressman; Ryan Gregory, Napa County Supervisor; and Lt. Col. Travis Rayfield, Commander of the U.S. Army Corps of Engineers who referenced a report put out by U.C. Davis called the *Governance Gap*.

Commissioner Boorstein also commented on the knowledge and expertise of the members and presenters at the conference and the various important topics that were covered.

10. Oral Reports by Commissioners/General Manager

01:33:05

GM Dow referred to his handout and reported:

- An attachment to Exhibit A in the JPA Agreement was produced by RVSD that shows assets that are listed in the Exhibit. He handed out the attachment.
- Staff completed and submitted the MCA Power Purchase Agreement per Board direction; MCE accepted the changes and executed the agreement, and extended the Tariff application completion time by 12-months.
- Adult Offender Work Program participants have been on site recently performing landscape work.
- Commissioner Al Boro intends to resign from the CMSA Board in the near future and staff will prepare a Resolution of Appreciation for his 28 years of service to CMSA.
- Rafael Panga was given a conditional job offer for the E/I Technician position.

11. Next Scheduled Meeting

01:36:45

Tuesday, May 8, 2018 at 7:00 p.m. at the Agency office.

Chair Furst adjourned the meeting at 8:41 p.m.

Respectfully submitted,

Kate Brouillet, Recording Secretary

Tom Gaffney, Vice-Chair

Central Marin Sanitation Agency
Treasurer's Report - Operating Account
For the Month of April 2018

I. Accounts Summary: Bank & Investment Accounts

Summary of Bank & Money Market Accounts

Westamerica Bank - Account Activity shown below	\$ 394,722.03
Local Agency Investment Fund (LAIF) - Refer to Schedule of Investments	14,085,264.77
California Asset Management Program (CAMP) - Refer to Schedule of Investments	364,221.12
Total Bank & Investment Accounts: Ending Balance on April 30, 2018	<u>\$ 14,844,207.92</u>

II. Account Activity for Westamerica Bank


Beginning Balance on April 1, 2018 415,062.26


Cash Receipts (Deposits into Westamerica):

Transfers from LAIF	450,000.00
JPA Service Charges (FY18 Q4: SD#2)	264,976.25
Capacity Charges: RVSD - 2 Residential Connection	11,865.70
Permit and Inspection Fees	971.22
Revenue from Haulers & RVs	12,051.74
Revenue from Organic Waste Programs	12,926.08
SD 2 Operations & Maintenance Contract (FY18: February & March)	74,038.66
SQSP Wastewater Services Contract (FY18: February)	89,908.83
SQ Village Operations & Maintenance Contract (FY18: February & March)	1,216.96
Interest Income: MetLife Dividend	70.30
COBRA Health Benefit Payments from separated employees/retirees	235.65
Expense Reimbursement from NSD for First Aid/CPR Training	1,530.00
Miscellaneous Reimbursements: Refund Forge Architecture overcharge	1,732.40
Total Cash Receipts	<u>\$ 921,523.79</u>

Cash Disbursements (Withdrawals from WestAmerica):

April 2018 Operating account disbursements register (see attached)	\$625,217.99
Regular Payroll paid 04/13/18	131,365.27
Regular Payroll paid 04/27/18	130,180.38
Transfers to EFTPS Federal Payroll Taxes (04/04, 04/18)	54,938.08
Bank Fee	162.30
Total Cash Disbursements	<u>\$941,864.02</u>
Ending Balance on April 30, 2018	<u>\$ 394,722.03</u>

Prepared by: 
Kenneth Spray, Administrative Services Manager

Reviewed by: 
Jason Dow, General Manager

Central Marin Sanitation Agency
 Operating Account Disbursements Register
 For the Month of April 2018

Check Number	Date	Vendor/Payee	Amount	Description
16639				Last check # from prior month's register
16640	04/02/18	Phillip Frye	212.97	Reimbursement for retiree health benefits by check
16641	04/02/18	James L. Johnson	183.34	Reimbursement for retiree health benefits by check
16642	04/02/18	Byron Jones	491.45	Reimbursement for retiree health benefits by check
16643	04/12/18	AireSpring	710.22	Telephone service, March 2018
16644	04/12/18	Airgas USA, LLC	35.80	Nitrogen gas rental
16645	04/12/18	Amazing Solutions, Inc.	112.50	Prof Svcs: Accounting software support, March 2018
16646	04/12/18	A & S Landscape Materials, Inc	539.15	Groundskeeping, February 2018
16647	04/12/18	Bob Bally	676.00	Employee expenses eligible for Agency dental reimbursement
16648	04/12/18	Burlingame Engineers, Inc.	35,039.75	Ferric Chloride storage tank replacement
16649	04/12/18	Carollo Engineers, Inc.	29,687.65	Prof Svcs: 2017 Facilities Master Plan Project, March 2018
16650	04/12/18	Cole-Parmer Instrument Co.	587.74	Electrical supplies
16651	04/12/18	Comcast	191.20	Internet service, 04/04-05/03/2018
16652	04/12/18	Dealers Industrial Equipment	2,237.78	Spare VFD for centrifuge
16653	04/12/18	Downtown SR Farmer's Market	40.00	Public Ed. Program: SR Farmers Market booth fee (Note B)
16654	04/12/18	EAS Corp.	698.17	Maintenance parts & supplies, March 2018
16655	04/12/18	Evoqua Water Tech LLC	19,614.27	Hydrogen Peroxide (2 deliveries)
16656	04/12/18	Chris Finton	200.00	Commuter Reimbursement Program, March 2018
16657	04/12/18	Hagel Supply Co.	662.23	Utility supplies, March 2018
16658	04/12/18	Home Depot Credit Services	1,219.51	Electrical/Maintenance parts & supplies, March 2018
16659	04/12/18	IEDA, Inc.	782.00	Labor relations consulting, April 2018
16660	04/12/18	Instrumart	1,493.30	SD2 PS Maint: Level sensor replacement (1 invoice); Submersible level transmitter (1 invoice) (Note B)
16661	04/12/18	Jackson's Hardware	219.62	Groundskeeping, March 2018
16662	04/12/18	Mark Koekemoer	60.82	Employee Expense Reimb: ELTAC Annual Conference
16663	04/12/18	Koff & Associates, Inc.	3,155.55	Prof Svcs: Recruitment expenses (2 invoices)
16664	04/12/18	Kone Inc	131.59	Elevator monthly maintenance, April 2018
16665	04/12/18	Lystek International LTD	10,123.40	Biosolids beneficial reuse fee, March 2018
16666	04/12/18	Marin Color Service	287.08	Paint supplies
16667	04/12/18	Marin Independent Journal	500.80	Public Notices (4): Bid notices for chemicals
16668	04/12/18	Marin Sanitary Service	8,773.46	Yardwaste, rag box, and grit disposal, March 2018
16669	04/12/18	Marin Office Supply	763.88	Office supplies, March 2018
16670	04/12/18	McInerney & Dillon, P.C.	6,265.00	Legal services, construction/contract law, March 2018
16671	04/12/18	Pac Machine Co. Inc.	5,027.51	SD2 PS Maint: Standby pump for Fifer PS (Note B)
16672	04/12/18	P.G.& E.	14,780.49	Electricity service, 02/13-03/14/2018
16673	04/12/18	Power Industries Co.	715.87	Hydraulic valves
16674	04/12/18	Promium LLC	3,910.00	LIMS implementation services, final payment
16675	04/12/18	Pure Air Filtration	2,450.00	OWRF odor scrubber media replacement and disposal
16676	04/12/18	Recology Sonoma Marin	8,727.20	Biosolids hauling fee, March 2018
16677	04/12/18	Ricoh USA Inc	1,230.54	Admin and Lab copier leases (2 invoices)
16678	04/12/18	Rock Steady Juggling	1,500.00	Pub Ed Program: Outreach at 3 schools (Note B)
16679	04/12/18	Jeremy Schwarm	230.00	Employee expense reimb: Safety shoes
16680	04/12/18	SHAPE Incorporated	14,732.44	SD2 PS Maint: spare pumps and impellers (Note B)
16681	04/12/18	SPURR	3,457.21	Natural gas supply, February 2018
16682	04/12/18	State Water Resources Ctrl Brd	300.00	Certificate renewal (1 employee)
16683	04/12/18	Ahn Ta	1,000.00	Employee expenses eligible for Agency dental reimbursement
16684	04/12/18	Thatcher Company of	4,943.83	Ferric Chloride (1 delivery)
16685	04/12/18	Town of Fairfax	200.00	Public Ed: Booth fee for Fairfax Ecofest 2018 (Note B)
16686	04/12/18	Transbay Security Service	152.06	Padlock
16687	04/12/18	ULINE	841.26	Utility supplies (2 invoices)
16688	04/12/18	Univar USA Inc	16,520.62	Sodium Bisulfite (1 delivery); Sodium Hypochlorite (3 deliveries)
16689	04/12/18	Valley Power Systems-North	37,031.83	Waukesha spare parts (3 invoices); cogeneration system intercooler replacement (1 invoice); Maintenance parts & supplies (2 invoices)
16690	04/12/18	Wells Fargo Vendor	374.13	Maintenance copier lease, 03/13-04/12/2018
16691	04/12/18	Woodland Center Auto Supply	653.11	Auto parts supplies, February 2018

Central Marin Sanitation Agency
Operating Account Disbursements Register
For the Month of April 2018

Check Number	Date	Vendor/Payee	Amount	Description
16692	04/12/18	California Public Employee	4,127.45	Contribution to Retiree Health Benefits Trust Fund, PPE 04/07/2018 (Note C)
16693	04/17/18	California State Disbursement	250.50	EE Garnishment, PPE 04/07/2018 (Note A)
16694	04/17/18	ICMA Retirement Trust-457	3,573.00	Deferred compensation contributions, PPE 04/07/2018 (Note A)
16695	04/17/18	Navia Benefit Solutions	607.68	Flexible spending account, PPE 04/07/2018
16696	04/17/18	SEIU Local 1021	1,065.67	Union dues, PPE 04/07/2018
16697	04/17/18	CASH-PETTY CASH Replenishment	341.91	Petty cash replenishment
16698	04/17/18	Aramark Uniform Services	1,087.63	Uniform service, March 2018
16699	04/20/18	AT&T	378.02	Fax and emergency phone services, 04/07-05/06/2018
16700	04/20/18	AT&T Dataplan	414.16	Wireless service, 03/02-04/01/2018
16701	04/20/18	Brandon Tire	376.34	Tire repair
16702	04/20/18	Christopher J Wilson	87.20	Office supplies
16703	04/20/18	BWS Distributors, Inc.	405.92	H2S sensor
16704	04/20/18	CalCPA	510.00	Membership fee (1 employee)
16705	04/20/18	CAL-CARD	9,238.19	State of California Purchase Card, February-March 2018
16706	04/20/18	Caltest Analytical Laboratory	2,252.35	Lab analyses, March 2018
16707	04/20/18	Carollo Engineers, Inc.	7,317.50	Prof Svcs: PG&E Interconnection Design Project Agreement, March, 2018
16708	04/20/18	City Electric Supply	49.60	Electrical supplies
16709	04/20/18	James Clark	208.00	Employee per diem advance: CWEA Annual Conference
16710	04/20/18	CWEA TCP	85.00	Certificate renewal (1 employee)
16711	04/20/18	Jacob Dellinger	208.00	Employee per diem advance: CWEA annual conference
16712	04/20/18	Electronics Plus	19.08	Electrical supplies
16713	04/20/18	Evoqua Water Tech LLC	296.05	Tank rental
16714	04/20/18	Fisher Scientific	1,019.39	Lab supplies (7 invoices)
16715	04/20/18	Foster Flow Control	440.51	Valve parts (2 invoices)
16716	04/20/18	Grainger	1,680.16	Electrical and maintenance parts & supplies (14 invoices)
16717	04/20/18	Jose Gutierrez	1,341.75	Employee expenses eligible for Agency dental reimbursement; Employee expense reimb: P3S Conference
16718	04/20/18	Hach Company	164.77	Lab supplies
16719	04/20/18	Harrington Industrial Plastics	274.13	Maintenance parts & supplies (2 invoices)
16720	04/20/18	Hawkins Delafield & Wood LLP	4,000.00	Legal services, JPA Agreement review, April 2018
16721	04/20/18	IDEXX Distribution Inc	271.09	Lab supplies
16722	04/20/18	Kaman Industrial Technologies	1,998.24	Maintenance parts & supplies (3 invoices)
16723	04/20/18	Lamotte Co.	355.73	Lab supplies (2 invoices)
16724	04/20/18	McMaster-Carr Supply Co.	1,600.93	Maintenance parts & supplies (7 invoices)
16725	04/20/18	Metrix Instrument **	2,771.14	Centrifuge vibration sensors (2)
16726	04/20/18	Miele Incorporated	3,299.33	Lab equipment: dishwasher rack for graduated cylinders
16727	04/20/18	Navia Benefit Solutions	50.00	Monthly fee
16728	04/20/18	New Pig Corporation	354.73	Spill kits
16729	04/20/18	Orchard Business/SYNCB	232.78	Maintenance parts & supplies, March 2018
16730	04/20/18	Pacific EcoRisk	4,025.00	NPDES Chronic Toxicity Testing
16731	04/20/18	Praxair Distribution, Inc.	162.09	Lab supplies
16732	04/20/18	Ryan Herco Flow Solutions	244.28	Lab supplies
16733	04/20/18	State Water Resources Ctrl Brd	170.00	Certification renewal (1 employee)
16734	04/20/18	Thomas Fish Company	142.50	Lab supplies
16735	04/20/18	Univar USA Inc	16,110.99	Sodium Bisulfite (2 deliveries); Sodium Hypochlorite (2 deliveries)
16736	04/20/18	Valley Power Systems-North	351.94	Parts for cogeneration engine
16737	04/20/18	Van Bebber Bros., Inc.	1,369.17	Process return sump pump replacement
16738	04/20/18	VWR International	3,913.96	Lab supplies (6 invoices)
16739	04/20/18	Water Components & Bldg. Supp.	101.10	Maintenance parts & supplies (2 invoices)
16740	04/20/18	Wiley Price & Radulovich	1,512.50	Prof Svcs: Employment law services, March 2018
16741	04/26/18	Amazon	1,448.92	Computer parts & supplies, March and April 2018
16742	04/26/18	Aramark Uniform Services	385.11	Uniform service
16743	04/26/18	Basler Electric Company	7,150.12	Relay equipment required by PG&E Interconnection Agreement
16744	04/26/18	Chemurgic Agricultural	5,639.67	Sodium Bisulfite (1 delivery)

Central Marin Sanitation Agency
Operating Account Disbursements Register
For the Month of April 2018

Check Number	Date	Vendor/Payee	Amount	Description
16745	04/26/18	California Utilities Emergency	500.00	Annual membership, 07/01/2018-06/30/2019
16746	04/26/18	Graybar	464.77	Maintenance parts & supplies
16747	04/26/18	Hazen and Sawyer	5,105.23	Prof Svcs: Aeration tank microscopic analyses, February 2018
16748	04/26/18	Marin Recycling HHWF	114.00	Yard waste disposal
16749	04/26/18	Michael D Brown	6,706.00	Prof Svcs: PG&E Interconnection Agreement Project, January and February 2018
16750	04/26/18	Monica Oakley	900.00	Prof Svcs: Regulatory consulting, March 2018
16751	04/26/18	Marin Municipal Water District	1,445.66	Water service, 02/09-04/10/2018 (3 invoices)
16752	04/26/18	Peterson	720.87	Effluent pump station maintenance parts & supplies
16753	04/26/18	Darin James Reinholdt	12,140.00	Prof Svcs: Underground Storage Tank Monitoring System Replacement
16754	04/26/18	Univar USA Inc	14,979.23	Sodium Bisulfate (2 deliveries); Sodium Hypochlorite (1 delivery)
16755	04/26/18	Abel Villarreal	801.69	Employee Expense Reimb: CWEA Annual Conference
16756	04/26/18	Websoft Developers, Inc.	12,600.00	Mobile MMS annual subscription, 03/15/2018-03/15/2019
16757	04/26/18	California Public Employee	4127.45	Contribution to Retiree Health Benefits Trust Fund, PPE 04/21/2018 (Note C)
16758	04/26/18	California State Disbursement	250.50	EE Garnishment, PPE 04/21/2018 (Note A)
16759	04/26/18	ICMA Retirement Trust-457	3,573.00	Deferred compensation contributions, PPE 04/21/2018 (Note A)
16760	04/26/18	Navia Benefit Solutions	607.68	Flexible spending account, PPE 04/21/2018
16761	04/26/18	SEIU Local 1021	1,065.67	Union dues, PPE 04/21/2018

Payments by Automatic Clearing House:

4/2/2018	Payments to 25 retirees	7,614.27	Reimbursement for retiree health benefits
4/2/2018	Calpers Medical ins	65,484.99	Medical insurance, April 2018
4/4/2018	Vision Service Plan -(CA)	902.46	Vision insurance, April 2018
4/5/2018	CalPERS	34,429.83	Retirement Pension Contribution: Agency and Employees, PPE 03/24/2018 (Note C)
4/17/2018	CalPERS	33,279.36	Retirement Pension Contribution: Agency and Employees, PPE 04/07/2018 (Note C)
4/30/2018	CalPERS	33,939.64	Retirement Pension Contribution: Agency and Employees, PPE 04/21/2018 (Note C)
4/3/2018	EDD	11,433.64	State & SDI Taxes, PPE 03/24/2018
4/18/2018	EDD	11,539.87	State & SDI Taxes, PPE 04/07/2018
4/12/2018	EDD	494.00	State & SDI Taxes, 1 Quarter of 2018
4/3/2018	NRS/PEHP-3 and Z	6,375.99	Deferred compensation and MARA contribution, PPE 03/24/2018
4/16/2018	NRS/PEHP-3 and Z	6,350.99	Deferred compensation and MARA contribution, PPE 04/07/2018
4/30/2018	NRS/PEHP-3 and Z	6,715.59	Deferred compensation and MARA contribution, PPE 04/21/2018
4/20/2018	Michael Owen Boorstein	100.00	Stipend for 04/12/2018 Board meeting
4/20/2018	Dean DiGiovanni	100.00	Stipend for 04/12/2018 Board meeting
4/20/2018	Diane L. Furst	200.00	Stipends for 04/06 NBWA & 04/12/18 Board meetings
4/20/2018	Thomas E Gaffney	100.00	Stipend for 04/12/2018 Board meeting
4/20/2018	Dan Hillmer	100.00	Stipend for 04/12/2018 Board meeting
Grand Total		625,217.99	

Notes:

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

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

C: CMSA is partially reimbursed for this expense per Employee Labor Agreements.

Central Marin Sanitation Agency
Schedule of Investments
As of Month Ending April 30, 2018

Description (1)	Book Value	Market Value	Agency Reserve Target for April 30, 2018
I. Investments managed by California Asset Management Program (CAMP)			
<u>Money Market Funds (< 1 year in maturity)</u>			
CAMP Cash Reserve Pool: 1.84% at 04/30/18			
b1. Agency Unrestricted Reserve: Operating	\$ 14,221.12	\$ 14,221.12	See LAIF
b2. Agency Unrestricted Reserve: Emergency	\$ 250,000.00	\$ 250,000.00	\$ 250,000
b3. Agency Unrestricted Reserve: Insurance	\$ 100,000.00	\$ 100,000.00	\$ 100,000
Total with CAMP	\$ 364,221.12	\$ 364,221.12	
II. Investments managed by Local Agency Investment Fund (LAIF)			
<u>Money Market Funds (< 1 year in maturity)</u>			
Local Agency Investment Fund (LAIF): 1.524% at 03/31/18			
a. Current Year Operating	\$ 3,091,248.59	\$ 3,091,248.59	
b1. Agency Unrestricted Reserve: Operating	\$ 2,851,428.88	\$ 2,851,428.88	\$ 2,865,650
c1. Capital Reserves (Restricted)	\$ 990,477.00	\$ 990,477.00	\$ 990,477
c1. Capital Reserves (Restricted-Capacity/Connection Fees)	\$ -	\$ -	
c2. Capital Reserves (Unrestricted)	\$ 7,152,110.30	\$ 7,152,110.30	\$ 6,175,485
Total with LAIF	\$ 14,085,264.77	\$ 14,085,264.77	
TOTAL INVESTMENTS	\$ 14,449,485.89	\$ 14,449,485.89	
<u>Amount designated for Capital Reserves</u>			
1. CAMP	\$ -	\$ -	
2. LAIF	\$ 8,142,587.30	\$ 8,142,587.30	\$ 7,165,962
Total	\$ 8,142,587.30	\$ 8,142,587.30	\$ 7,165,962

DEFINITIONS:

Description - the issuer, type of security and interest rate

Book Value - Original cost net of accumulated amortization

Market Value - Market values are per the fiscal agent's respective monthly statements

Statement of Compliance

The above of investments are in compliance with the Agency's investment policy adopted annually by the Board of Commissioners in accordance with California Government Code Section 53601, authorized investments, and 53646, investments policy. In addition, the Agency does have the financial ability to meet its cash flow requirements for the next six months.



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Chris Finton, Treatment Plant Manager *CF*

Approved: Jason Dow, General Manager

Subject: **April 2018 NPDES Permit Compliance, Treatment Process, and Maintenance Activities Report**

Recommendation: Accept the April 2018 NPDES Permit Compliance, Treatment Process, and Maintenance Activities Report.

I. NPDES Permit Compliance

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

Enterococcus samples were collected during two blend events in April. CMSA's NPDES permit specifies monitoring for enterococcus bacteria during dry weather months and for each wet weather blend event, to verify compliance with established effluent limits. The enterococcus geometric mean for April was 2.8 MPN, well below our monthly limit of 35 MPN.

II. Influent Flow

A late season storm in early April and several smaller rain events provided much needed water to our region. The rainfall total for the month was 2.39 inches as recorded by the Agency's rain gauge. The treatment plant exceeded the maximum secondary capacity of 30 MGD during the month, and reported two blend events on the Agency's website. The facility's average daily influent flow was 13.5 MGD.

The CMSA treatment plant and each satellite collection agency's daily average and total monthly influent flows are shown in the table below:

April Monthly Influent Flows	San Rafael (SRSD)	Ross Valley (SD#1)	San Quentin (SQSP)	Corte Madera (SD#2)	CMSA Plant Total
Average Daily (MGD)	4.8 MGD	6.9 MGD	0.52 MGD	1.3 MGD	13.5 MGD
Total for Month (MG)	145.5 MG	205.4 MG	15.5 MG	39.2 MG	405.6 MG
Percent of Flow	36.0 %	50.0 %	4.0 %	10.0 %	100 %

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

Wet Weather Peak Flows*	San Rafael (SRSD)	Ross Valley (RVSD)	San Quentin	Corte Madera (SD#2)	CMSA
04/07 Total Days Flow	15.6 MG	18.9 MG	1.0 MG	4.5 MG	40.0 MG
Peak Flow Rate	23.7 MGD	36.2 MGD	2.6 MGD	9.8 MGD	57.9 MGD

*The time for peak flows and maximum day's flow varies depending on an area's rainfall during the storm

III. Treatment Process

The late season rain event early in the month required the use of all of the facility's treatment process equipment and effluent storage pond. The Mixed Liquor Suspended Solids (MLSS) inventory averaged 1,199 mg/l this past month, an 11% decrease from last month. The biomass inventory is currently being decreased based on present process conditions and aligns with the process control decision to carry between 1,000 and 1,200 mg/L to manage our biomass and effectively meet our permit limits.

Graph #3 shows the coliform most probable number (MPN), which represents the effectiveness of the disinfection process. One of the fifteen coliform samples collected in April was above our KPI of 30 MPN, (3/10 = 42.6 MPN), but remained well below our daily limit of 10,000 MPN. The higher than normal April 10 sample value is attributed to a series of late season rain events. The total coliform monthly geometric mean for April was 2.1 MPN, well below our permit's monthly limit of 240 MPN.

Graph #4 shows the Total Suspended Solids (TSS), which is a good indicator of the effluent quality. The TSS monthly average in April was 5.1 mg/l, which is 34.0% of our Key Performance Indicator (KPI) of 15 mg/l, and is 17.0% of our permit's monthly average limit of 30 mg/l.

IV. Maintenance Activities

The cogeneration system produced 93.5% of the Agency's power in April, and MCE supplied the balance. The generator, as indicated on Graph #8, was in service and produced green power for the entire month. There were two occasions in April when the cogeneration system was temporarily removed from service:

- April 24 – Biogas fuel compressor and dryer system annual maintenance procedure
- April 26 – Scheduled 2,000-hour preventative maintenance procedure

In spite of rain, Agency technicians used this opportunity to get an early start on annual process equipment preventative maintenance activities, in addition to completing monthly facility preventative maintenance tasks. Scheduled and completed project work included the removal and replacement of the gasoline fuel island's monitoring and control cabinet; replacement of a ruptured hose on a mixing pump; replacement of a broken hot water system isolation valve; replacement of a failed airline on Centrifuge; and annual generator maintenance at SD2's Lakeside pump station.

Attachment

- April 2018 NPDES Permit Compliance, Treatment Process, and Maintenance Activities Report

NPDES Permit Compliance, Treatment Process, and Maintenance Activities Report
April 2018



Technician A. Villarreal getting started on annual maintenance in the Effluent Pump Station.

Monthly Compliance Summary Table

Central Marin Sanitation Agency

April, 2018

Final Effluent Monitoring

Parameter	Frequency	Units	Results	Limit
Carbonaceous BOD Highest Weekly Average	Weekly	mg/L	6.7	Maximum 40
Carbonaceous BOD Monthly Average	Monthly	mg/L	5.1	Maximum 25
Carbonaceous BOD Monthly Removal Rate	Monthly	%	97.6	Minimum 85
Total Suspended Solids Highest Weekly Average	Weekly	mg/L	6.8	Maximum 45
Total Suspended Solids Monthly Average	Monthly	mg/L	5.1	Maximum 30
Total Suspended Solids Monthly Removal Rate	Monthly	%	98.3	Minimum 85
Chlorine Residual Instant Limit	Instant	mg/L	ND	Maximum 0.0
Ammonia Monthly Average	Monthly	mg/L	18.1	Maximum 60
Ammonia Maximum Daily	Daily	mg/L	22.4	Maximum 120
pH Lower Limit	Continuous	SU	6.5	Minimum 6
pH Upper Limit	Continuous	SU	7.9	Maximum 9
Bacteriological Analysis				
Total Coliform Monthly Geometric Mean	3 X Week	MPN/100mL	2.1	Maximum 240
Total Coliform Daily Maximum	3 X Week	MPN/100mL	42.6	Maximum 10,000
Enterococcus Monthly Geometric Mean	Monthly	MPN/100mL	2.8	Maximum 35
Flow Through Bioassay				
Acute Toxicity 11 Sample 90th Percentile	Monthly	% survival	100	Minimum 70
Acute Toxicity 11 Sample Median	Monthly	% survival	100	Minimum 90
Metals Analysis				
Copper Daily Limit	Monthly	ug/L	3.80	Maximum 85
Copper Monthly Average	Monthly	ug/L	3.80	Maximum 49
Cyanide Daily Limit	Monthly	ug/L	1.30	Maximum 41
Cyanide Monthly Average	Monthly	ug/L	1.30	Maximum 21
Mercury Weekly Average	Weekly	ug/L	0.0042	Maximum 0.072
Mercury Monthly Average	Monthly	ug/L	0.0042	Maximum 0.066
Mercury Monthly Loading	Monthly	kg/mo	0.00493	
Mercury Annual Loading (watershed permit)	Jan-Dec	kg/yr	0.02298	Maximum 0.11
Permit Analysis				
Dioxin - Total Equivalentents (TEQ) Daily Maximum	1/Permit Cycle	ug/L	*	Maximum 2.8E-08
Dioxin - Total Equivalentents (TEQ) Monthly Average	1/Permit Cycle	ug/L	*	Maximum 1.4E-08
Polychlorinated Biphenyls (PCBs) Daily Limit	1/Permit Cycle	ug/L	*	Maximum 0.017
Polychlorinated Biphenyls (PCBs) Monthly Limit	1/Permit Cycle	ug/L	*	Maximum 0.012
Quarterly Analysis				
Oil and Grease Daily Limit	Quarterly	mg/L	X	Maximum 20
Oil and Grease Monthly Average	Quarterly	mg/L	X	Maximum 10
Chronic Bioassay Toxicity	Quarterly	Tuc	X	Maximum 20
Chronic Bioassay Toxicity (3 sample median)	Quarterly	Tuc	ND	Maximum 10
Flow Analysis				
	Daily Max	Hourly Max	5 minute Max	Monthly Average
Effluent Flow	40.7	55.3	58.1	12.7
Influent Flow	40.0	55.4	58.0	13.5
# Days Blended				2

* Monitoring Not Required This Month ND = None Detected X = Data not available at report time J = Detected by not Quantified

Glossary of Terms
NPDES Permit Compliance Summary Table

- **Ammonia:** CMSA's NPDES permit requires that we analyze the final effluent for ammonia due to its toxicity to aquatic organisms and potential for providing nutrients for algae in the San Francisco Bay. The permit has a maximum daily limit of 60 mg/L and a monthly average limit of 120 mg/L. The maximum daily limit is the number that cannot be exceeded on any sample and the monthly average applies to all samples collected in any month (although typically we are required to take only one sample).
- **Biochemical Oxygen Demand (BOD):** The amount of dissolved oxygen needed by microorganisms (biomass) to stabilize organic material in the effluent. The permit limits for our effluent require that removal of 85% influent BOD, and meet a weekly average of less than 40 mg/L and a monthly average of less than 25 mg/L BOD.
- **Chlorine Residual:** The secondary effluent is disinfected with hypochlorite (chlorine "bleach"), and then the residual chlorine is neutralized with sodium bisulfite to protect the Bay environment. The final effluent chlorine residual limit is 0.0 mg/l, which is monitored continuously.
- **Bacteria:** Coliform and enterococcus bacteria are the indicator organisms for the determination of the effectiveness of the disinfection process.
- **Dioxin - Total Equivalents:** These are 17 dioxin-like compounds that we analyze for twice per year which have permit limits.
- **Fats, Oils, and Grease:** We are required to monitor our effluent for Fats, Oils, and Grease quarterly.
- **Flow Through Bioassay:** A 96-hour test in which we test the toxicity of our effluent to young rainbow trout (15-30 days old) in a flow-through tank to determine their survivability under continuous exposure to CMSA effluent. The permit requires that we maintain a 90th percentile survival of at least 70% and an 11-sample median survival of at least 90%. In layman's terms, this means that out of the last 11 samples, only one bioassay may fall below 70% survival, and the middle value—when all 11 samples are placed in numerical order—must be at least 90%.
- **Metals Analysis:** Our permit requires that we analyze our effluent for many different metals on a monthly basis. We have permit limits for three of the metals. The limits are stated as a maximum daily limit and a monthly average limit.
- **pH:** pH is a measurement of acidity, with pH 7.0 being neutral and higher pH values being basic and lower pH values being acidic. Our permit effluent pH must stay within the range of 6.0 to 9.0, which we monitor continuously.
- **Total Suspended Solids (TSS):** Measurement of suspended solids in the effluent. Our permit requires that we remove at least 85% of the influent TSS and that the effluent limit is less than 45 mg/L as a weekly average and less than 30 mg/L as a monthly average.

Executive Summary Process Performance Data
April 2018

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

Primary Clarifier Performance

Average Total Suspended Solids (TSS) in:	<u>258.7</u>	mg/l	Expected removal efficiencies as outlined in Metcalf & Eddy Wastewater Engineering Manual
Average TSS out:	<u>112.0</u>	mg/l	
Average Percent Removal Achieved:	<u>61.7</u>	%	Design 50-70% Removal
Average Total Carbonaceous Biochemical Oxygen Demand (CBOD) in:	<u>214.2</u>	mg/l	
Average CBOD out:	<u>112.0</u>	mg/l	
Average Percent Removal Achieved:	<u>49.3</u>	%	Design 25-40% Removal
Average Plant Influent Flows:	<u>13.5</u>	MGD	

Biotower Performance

Average TSS out:	<u>89.0</u>	mg/l	Design 25-30% Removal
Average CBOD out:	<u>61.4</u>	mg/l	
Average Percent CBOD Removal Achieved:	<u>45.4</u>	%	

Aeration Tanks/Activated sludge

Dissolved Oxygen set point:	<u>2.2</u>	mg/l
Average MLSS:	<u>1,199</u>	mg/l
Average MCRT:	<u>4.4</u>	Days
Average SVI:	<u>177</u>	

Secondary Clarifiers

Average WAS concentration: 8,041 mg/l

Final Effluent

Average Effluent TSS for the month was:	<u>5.1</u>	mg/l	(Maximum Limit: 30mg/l)
Week #1 weekly average	<u>6.8</u>		(Maximum Limit: 45mg/l)
Week #2 weekly average	<u>2.8</u>		"
Week #3 weekly average	<u>5.0</u>		"
Week #4 weekly average	<u>5.5</u>		"
Week #5 weekly average	<u>N/A</u>		"
Monthly average TSS removal efficiency through the plant was:	<u>98.3</u>	%	(Minimum Limit: 85%)
Average Effluent CBOD was:	<u>5.1</u>	mg/l	(Maximum Limit: 25mg/l)
Week #1 weekly average	<u>5.3</u>		(Maximum Limit: 40mg/l)
Week #2 weekly average	<u>2.9</u>		"
Week #3 weekly average	<u>5.5</u>		"
Week #4 weekly average	<u>6.7</u>		"
Week #5 weekly average	<u>N/A</u>		"
Monthly average CBOD removal efficiency through the plant was:	<u>97.6</u>	%	(Minimum Limit: 85%)
Disinfection Dosing Rate:	<u>5.0</u>	mg/l	monthly average
Total Coliform Monthly Geometric Mean:	<u>2.1</u>	MPN	{Maximum 240}
The Daily Maximum Total Coliform Count for the month was:	<u>42.6</u>	MPN	{Maximum 10,000}
Enterococcus Monthly Geometric Mean:	<u>2.8</u>	MPN	{Maximum 35 MPN}
Effluent pH for the month was:	<u>6.5</u>		{Min 6.0}
Min			
Max	<u>7.9</u>		{Max 9.0}

Digester Treatment

Average Thickened Waste Concentration from the RDT was:	<u>6.2</u>	%	
Average percent of Volatile Solids destroyed was:	<u>82.8</u>	%	
Cubic feet of biogas produced was:	<u>8,628,020</u>	(Total)	<u>287,601</u> (Daily Average)
Average temperature of the digester was:	<u>102.0</u>	degrees Fahrenheit	

Executive Summary Process Performance Data
April 2018

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

Dewatering

Average Centrifuge Feed concentration was:	<u>2.5</u>	%
Average Biosolids concentration was:	<u>26.5</u>	%
Average TSS of the Centrate was:	<u>256</u>	mg/l
Solids capture of the Centrifuge was:	<u>99.1</u>	%
Polymer use per Dry ton of biosolids was:	<u>12.44</u>	#/dry ton
Average polymer feed rate per run was:	<u>3.65</u>	gpm
Average concentration of the polymer batches was:	<u>0.328</u>	%
Average sludge feed rate per run was:	<u>57.7</u>	gpm

Comments:

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

Graph #1:

Depicts the total influent flow (from all collection agencies) entering the treatment plant. The red graph line represents total influent flows; and the black graph line depicts the CMSA rain gauge recordings for the month.

Graph #2:

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

Graph #3:

Depicts the coliform most probable number (MPN) results which are an indication of the disinfection system's performance. The monthly Total Coliform Geometric Mean was 2.1 MPN through April, which is less than our KPI median of 30 MPN and permit limit of 240 MPN. The higher than normal April 10 value was attributed to a late season rain event.

Graph #4:

Depicts the total suspended solids in the effluent. Our monthly average was 5.1 mg/l versus our KPI of 15 mg/l and permit monthly average limit of 30 mg/l.

Graph #5:

Depicts the effluent cBOD which is measuring the oxygen demand of the wastewater. The April effluent cBOD average was 5.1 mg/l, well below our NPDES limits of 40 mg/l weekly and 25 mg/l for the month.

Graph #6:

Depicts the degree to which the biosolids have been dewatered. Our biosolids % concentration exceeded our KPI of 25% for the entire month of April.

Graph #7:

Depicts the amount of biogas that is produced in the digesters, and then used to produce electricity. Biogas production in April averaged 287,601 cubic feet per day, which exceeded our monthly KPI of 200,000 cubic feet per day. The lower than normal KPI values on April 9, and April 15 resulted from receiving fewer organic waste deliveries on those dates.

Graph #8:

This graph depicts the amount of energy produced through cogeneration versus the energy purchased from MCE for Agency operations. The cogeneration engine was online for the entire month of April producing 93.5% of the facility's power needs. The cogeneration engine was temporarily removed from service as stated in the April 2018 NPDES Compliance, Treatment Process, and Maintenance Activities Report and depicted on graph 8.

Glossary of Terms Process Performance Data Sheet

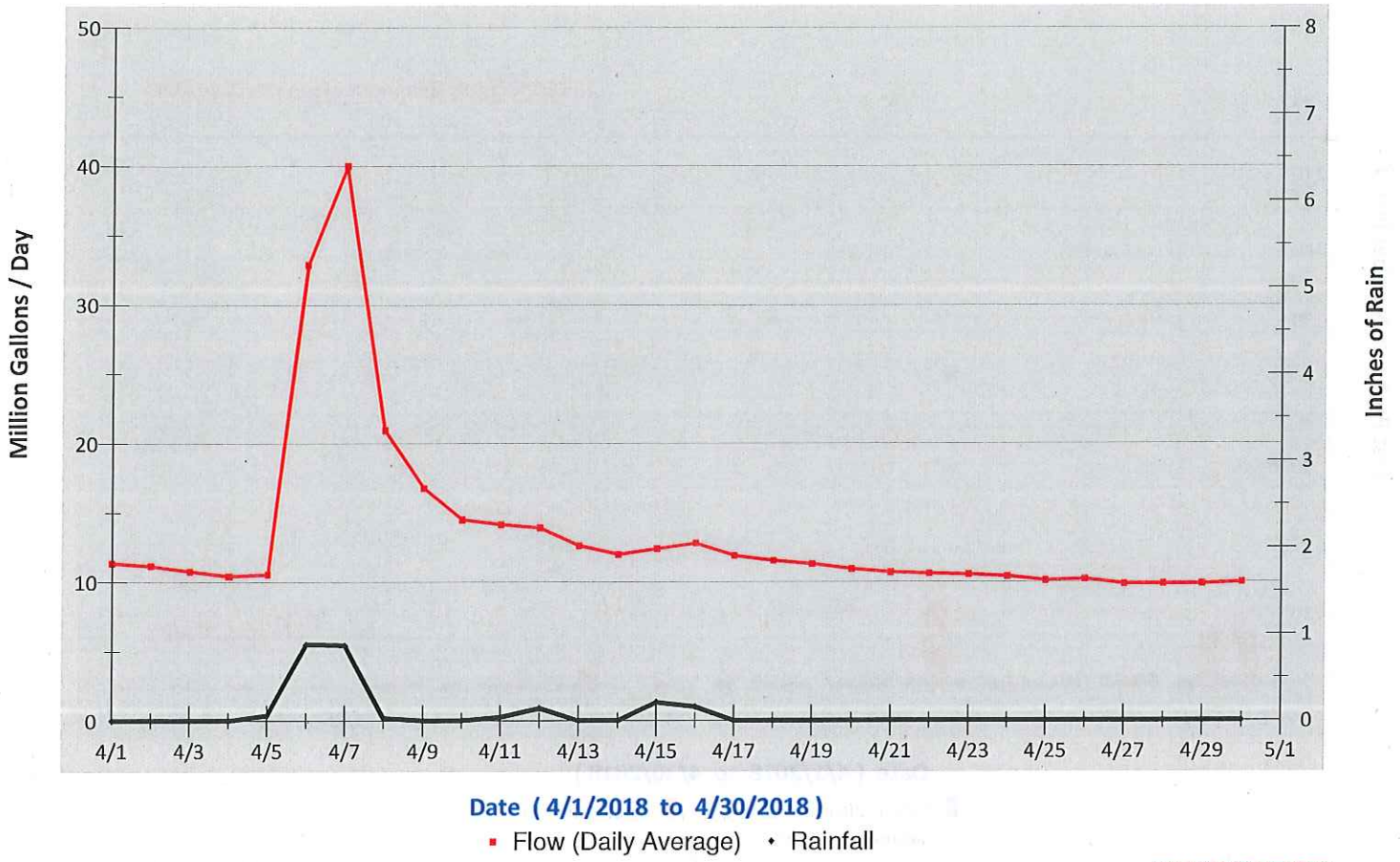
- **Aeration Tanks:** A biological process that takes place after the biotowers, where biomass (microorganisms) is mixed with the wastewater to feed on dissolved and suspended organic material. High speed blowers are used to provide compressed air to mix the tank contents.
- **Anaerobic Digesters:** In the anaerobic digestion process, organic material removed in the primary and secondary clarifiers is digested by anaerobic bacteria. The end products are methane, carbon dioxide, water, stabilized organic matter, and some inorganic material.
- **Biosolids:** Anaerobically digested solids that are removed from the two digesters, dewatered, and then beneficially reused. Beneficial reuse may include landfill alternate daily cover (ADC), land application in the summer as a soil amendment and fertilizer, or converted into a liquid fertilizer for agricultural applications.
- **Biotower:** A biological treatment process, occurring after the primary clarifiers and before the aeration tanks, in which the wastewater trickles over a biomass-covered media. The biomass feeds on the dissolved and suspended solids in the wastewater.
- **Centrifuge:** Process equipment used to dewater biosolids prior to beneficial reuse.
- **Cogeneration System:** A system comprised of a dual-fuel engine coupled to an electric generator that is used to produce energy to power the Agency facilities. Fuels the system uses are methane biogas produced in the anaerobic digesters and, when biogas is not available, purchased natural gas. As well as generating electricity, the system supplies heat for plant processes and building heating.
- **Chlorine Contact Tanks (CCTs):** The final treatment process is disinfection and de-chlorination. The CCTs allow contact time for injected chlorine solution to disinfect the wastewater. Sodium bisulfite, the de-chlorination chemical, is introduced at the end of the CCTs to neutralize any residual chlorine to protect the San Francisco Bay environment.
- **Rotary Drum Thickener (RDT):** Waste activated sludge removed from the secondary clarifiers is thickened in rotary drum thickeners before being transported to the anaerobic digesters. Thickening removes some of the sludge's water content, to decrease hydraulic loading to the digesters.
- **Final Effluent:** After all the treatment processes are completed, the final effluent is discharged into to central San Francisco Bay through a 10,000-foot-long deep-water outfall.
- **Mean Cell Residence Time (MCRT):** An expression of the average time that a microorganism will spend in the secondary treatment system.
- **Mixed Liquor Suspended Solids (MLSS):** The liquid in the aeration tanks is called MLSS and is a combination of water, solids, and microbes. Suspended solids in the MLSS measured in milligrams per liter (mg/l).

- **Most Probable Number (MPN):** Concentrations, or number of colonies, of total coliform bacteria are reported as the “most probable number.” The MPN is not the absolute count of the bacteria but a statistical estimate of their concentration.
- **Polymer:** Polymer is added to digested sludge prior to dewatering to improve solids coagulation and water separation.
- **Primary Clarifier:** A physical (as opposed to biological) treatment process where solids that settle or float are removed and sent to the digesters for further processing.
- **Return Activated Sludge (RAS):** The purpose of returning activated sludge (biomass) to the aeration tanks is to maintain a sufficient concentration of microbes to consume the wastewater’s dissolved solids.
- **Secondary Clarifiers:** Provides settling for the biomass after aeration. Most of the settled biomass is returned to the aeration tank as return activated sludge (RAS) and some is sent to the RDT unit as waste activated sludge.
- **Sludge Volume Index (SVI):** This is a calculation used to indicate the settling ability of the biomass in the secondary clarifiers.
- **Thickened Waste Activated Sludge (TWAS):** Waste activated sludge is thickened in the RDTs, and then the TWAS product is pumped to the digester for processing.
- **Volatile Solids:** Organic content of the wastewater suspended solids.
- **Waste Activated Sludge (WAS):** Biomass that is removed from the secondary clarifiers pumped to the RDTs for thickening.

Units of Measurement

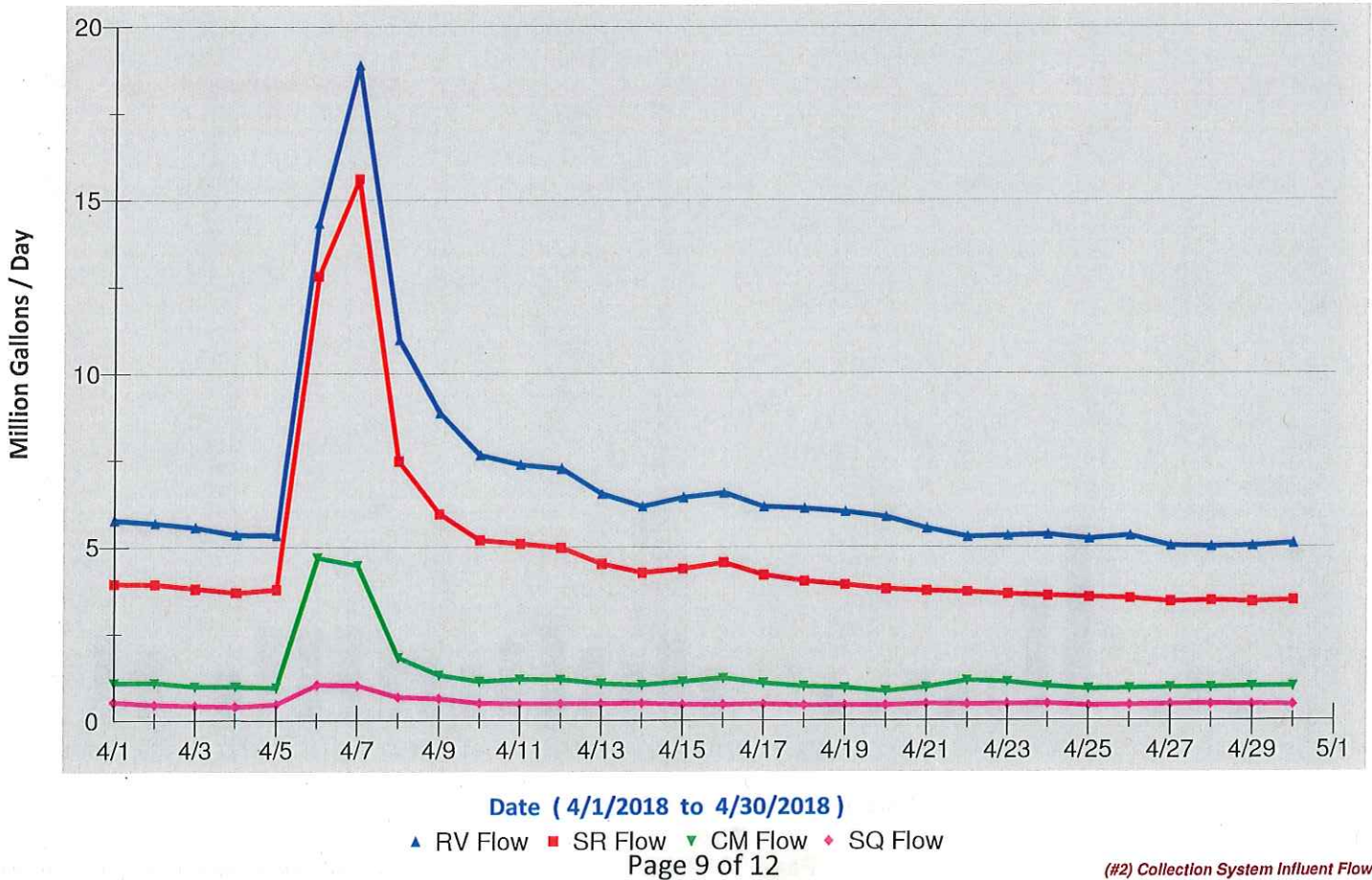
- kg/month (Kilograms per Month): 1 kilogram = 2.205 lbs.
- KPI (Key Performance Indicators): The Agency’s process performance goals.
- Kwh (Kilowatt Hours): A unit of electric power equal to using 1 Kw for 1 hour.
- Milligrams per Liter (mg/L): A measure of the concentration by weight of a substance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

Graph #1: CMSA Influent Flow



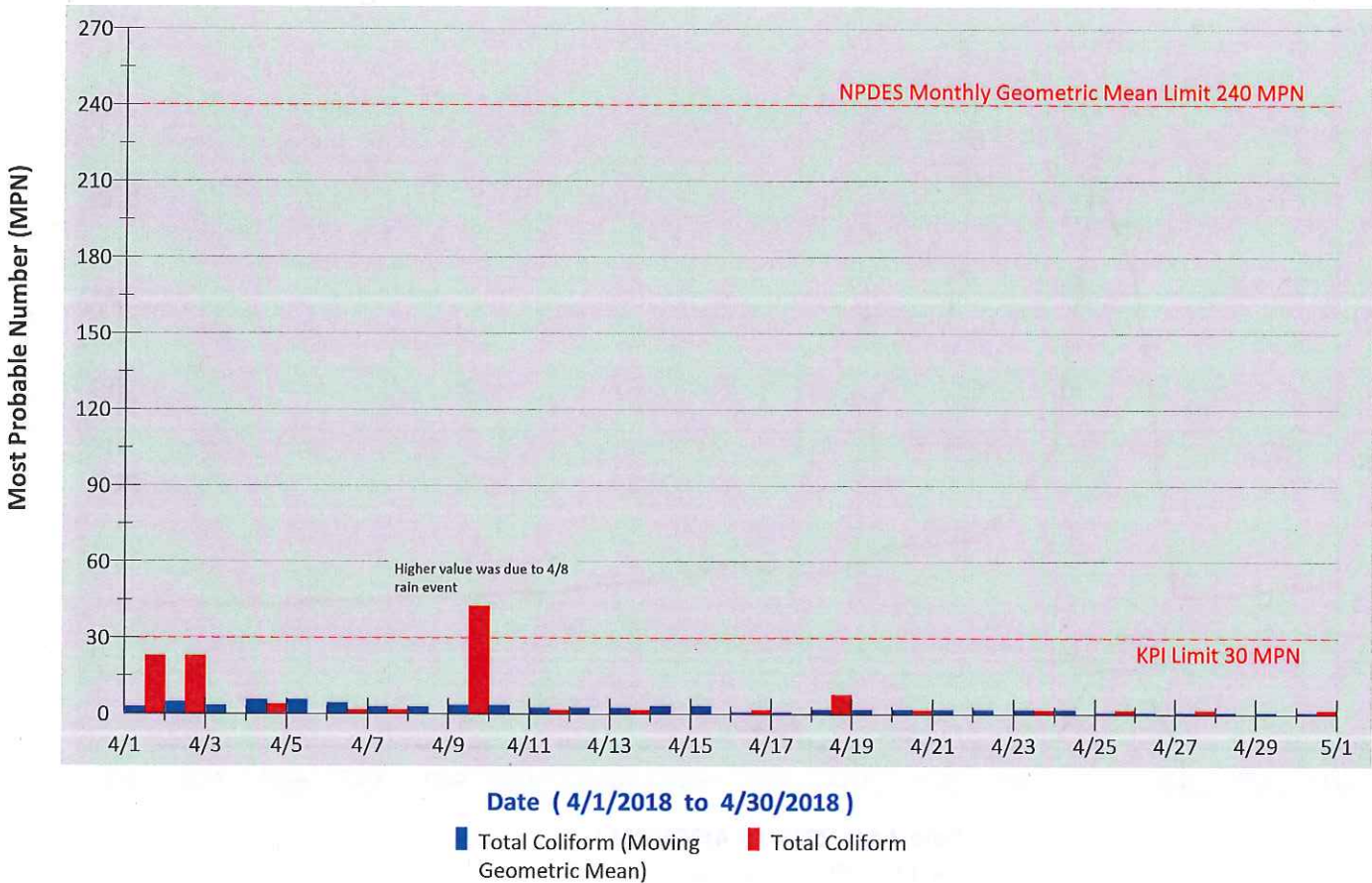
(#1) CMSA Influent Flow

Graph #2: Collection System Influent Flows



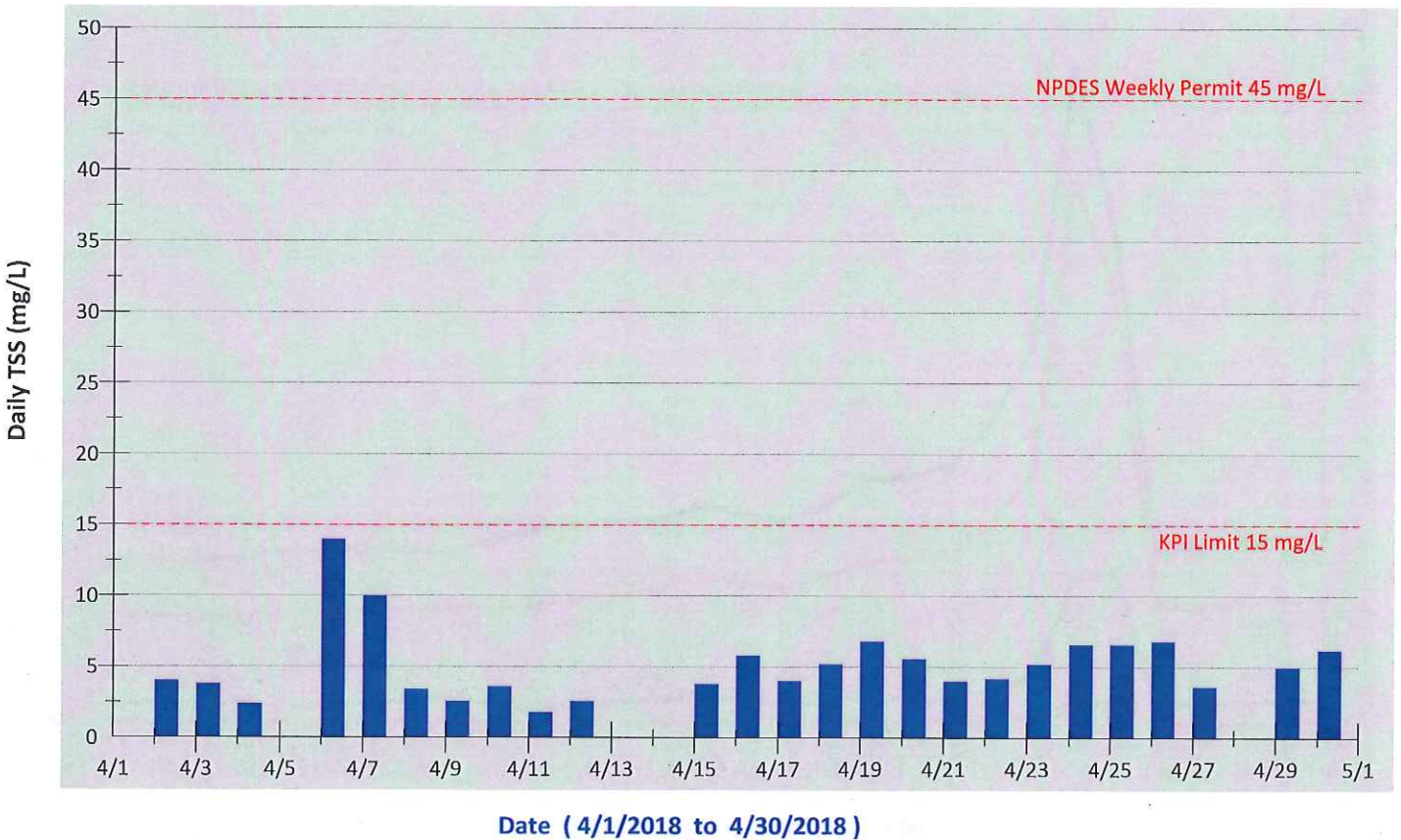
(#2) Collection System Influent Flows

Graph #3: Total Coliform & Monthly Geometric Mean



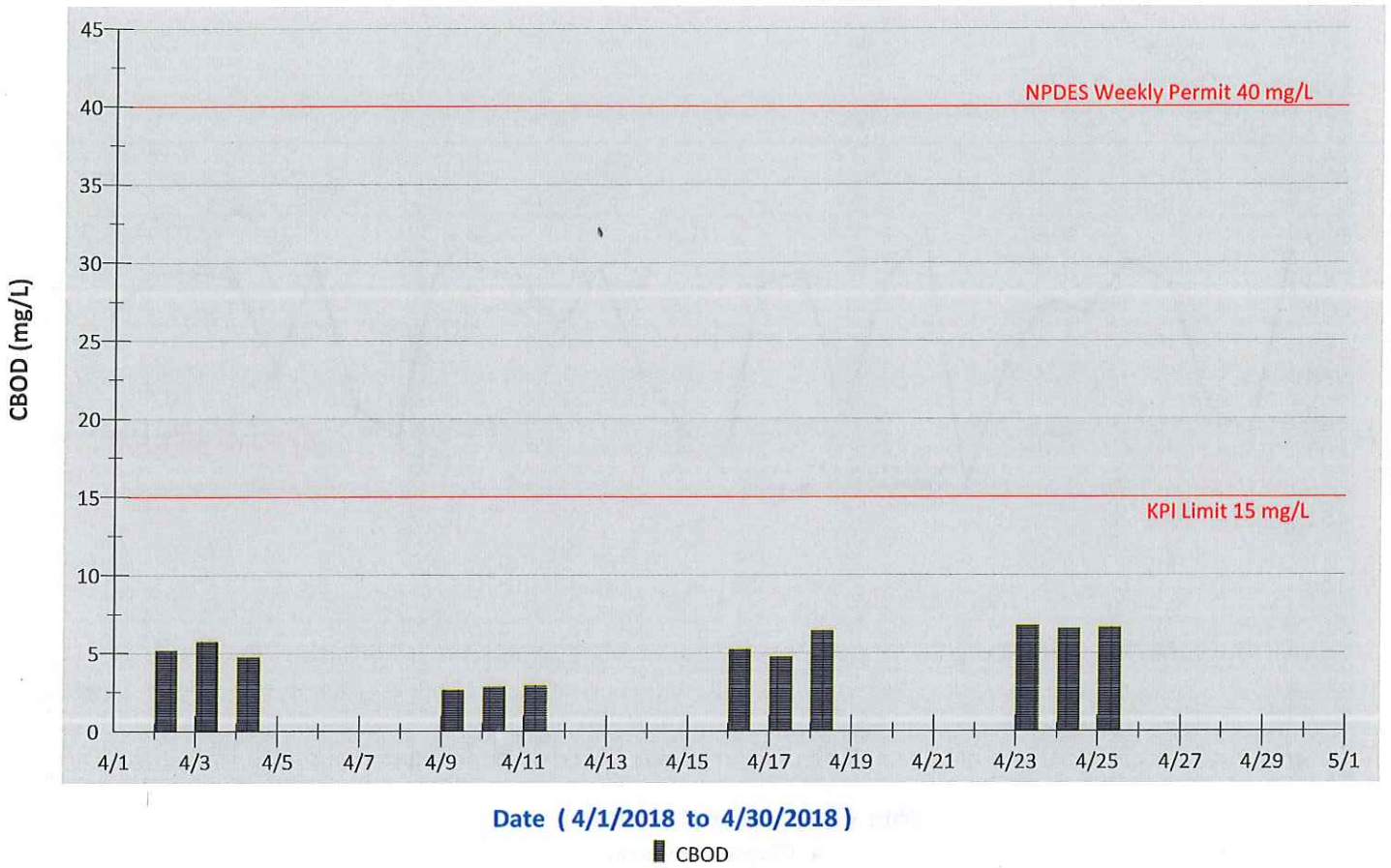
(#3) Total Coliform & Monthly Geometric Mean

Graph #4: Effluent Total Suspended Solids (TSS)



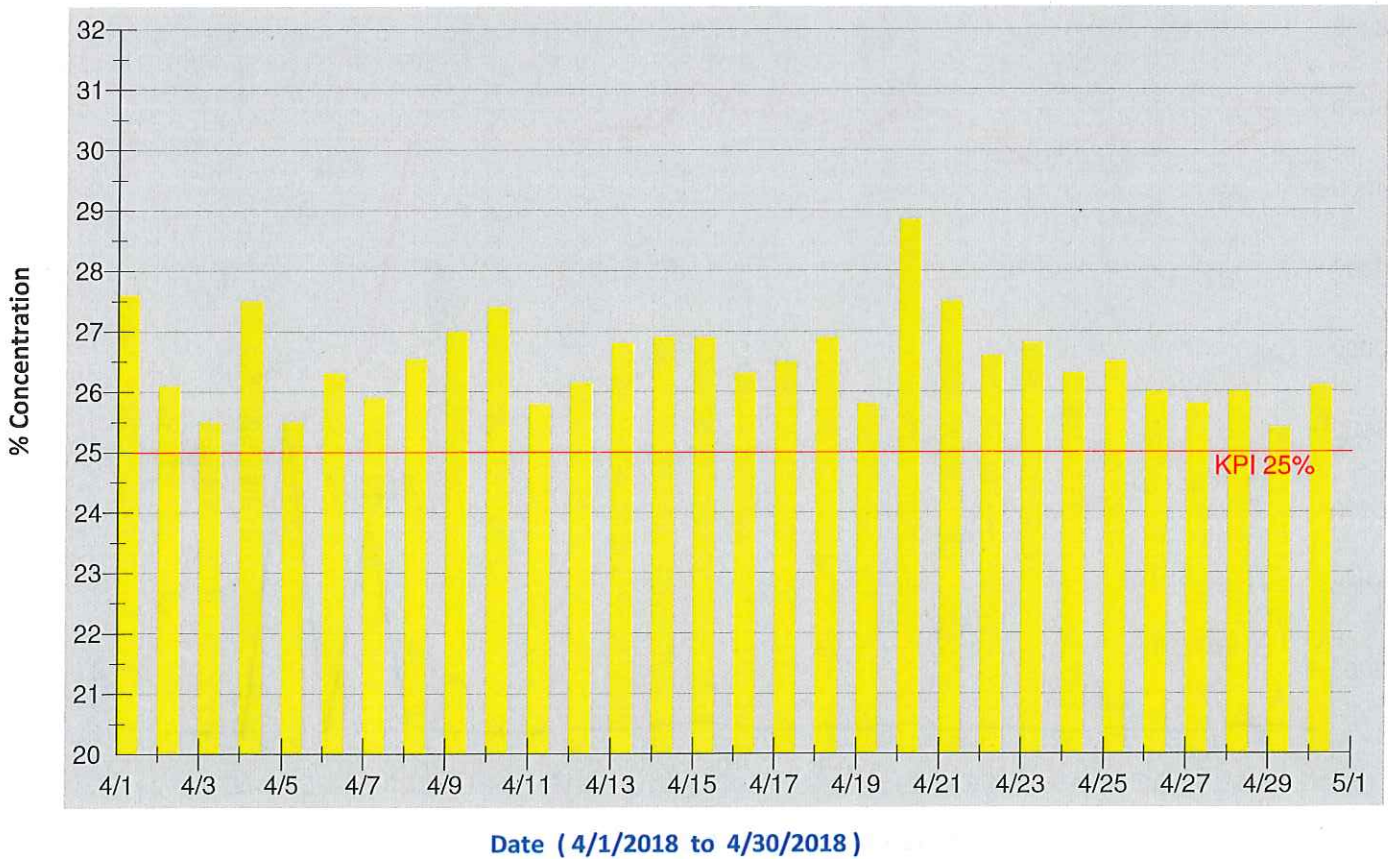
(#4) Effluent Total Suspended Solids (TSS) BARGRAPH TE

Graph #5: Effluent Carbonaceous Biological Oxygen Demand (CBOD)



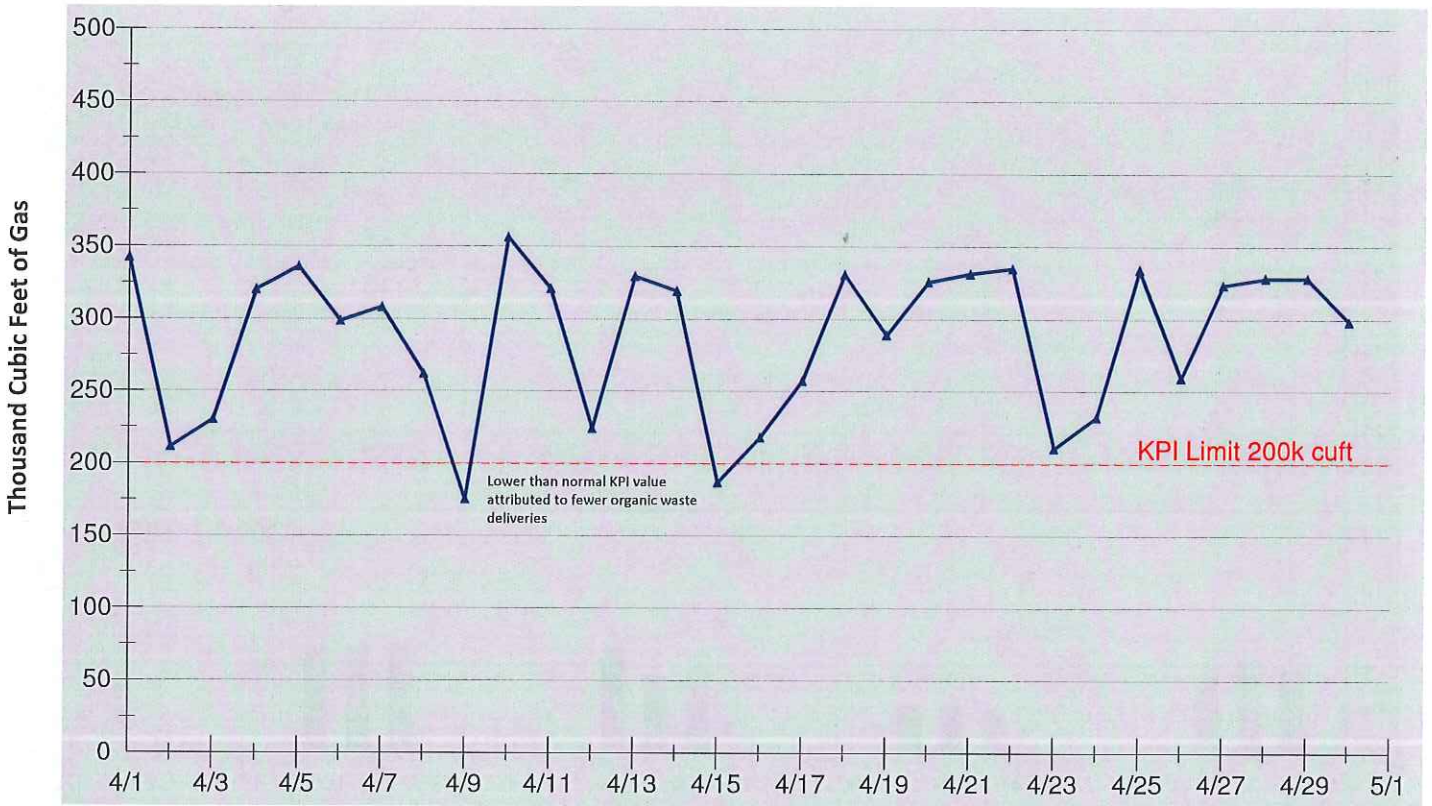
(#5) Effluent Carbonaceous Biological Oxygen Demand (CBOD)

Graph #6: Biosolids Concentration



(#6) Biosolids Concentration

Graph #7: Biogas Production

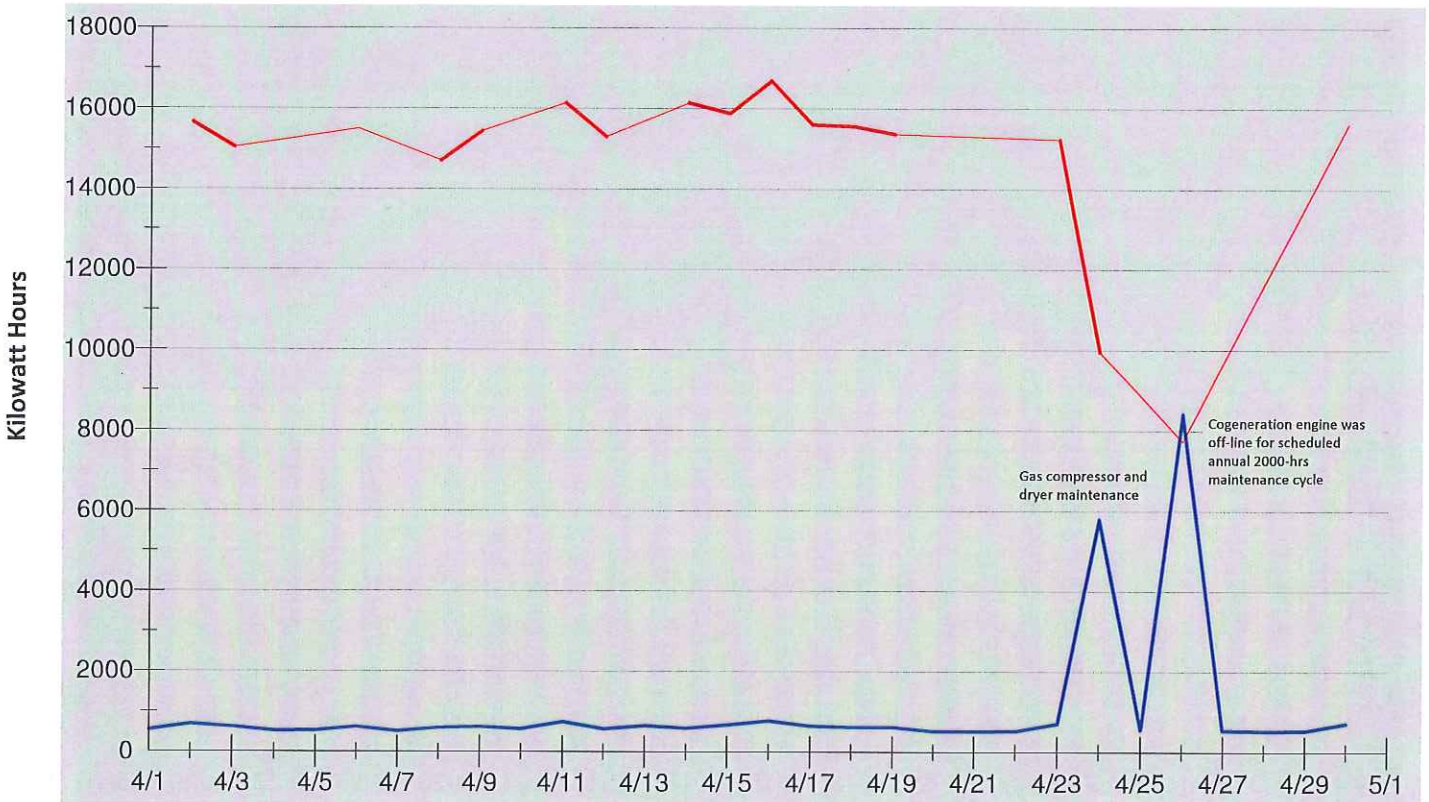


Date (4/1/2018 to 4/30/2018)

▲ Biogas Produced

(#7) Biogas Production

Graph #8: Kilowatt Hours Purchased vs. Kilowatts Produced



Date (4/1/2018 to 4/30/2018)

Utility Power

Kilowatts Produced

(#8) Kilowatt Hours Purchased vs. Kilowatts Produced



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager 

Subject: Performance Metric Report – April 2018

Recommendation: Accept the April 2018 Performance Metric report.

Performance Summary: The Agency’s performance in operations and maintenance activities, regulatory and environmental compliance, and public education and outreach met or exceeded our metric goals/targets. Noteworthy metrics or variances are described below.

Table I – Treatment/Process Metrics

Influent flows decreased through April as rain events began to reduce in intensity and frequency, and the treatment facilities are now being transitioned to the dry weather mode of operation. Land application of biosolids at the Solano County site began in mid-April and should continue through mid-October, unless the next wet weather season begins earlier in the fall. Effluent quality is very good, and treatment removal rates for TSS and BOD are both over 97% and Mercury removal exceeds 93%.

Table II – Employee Metrics

Training highlights included Confined Space Awareness for operations, maintenance, and some technical services staff; San Quentin State Prison access refresher training for staff who require regular access to operate and maintain the SQ main pump station; Employee Assistance Program (EAP) orientation from the Agency’s new provider, Clairmont, that was attended by most staff; and several field staff received classification-specific training for personal development.

Table III - Environmental and Regulatory Compliance Metrics

There weren’t any NPDES permit exceedances in April, and all regulatory reports were submitted on schedule. FOG and source control inspections continue to be fewer than planned due to limited staff resources.

Table IV - Public Outreach

There were seven odor alerts posted to the website, and the Agency did not receive any public odor complaints. Alerts were posted for a taking primary clarifiers and an aeration tank out of service for the transition to the dry weather operations, and monthly chlorine contact tanks preventative maintenance.

Public education events include staff attendance at public outreach events, school classroom and/or juggler show presentations, and Agency tours. Events over the past month are presented below with the event date and number of attendees.

Public Outreach Events

For both events, 95 attendees visited the public education booth and took the environmental quiz.

<u>Date</u>	<u>Event</u>	<u>Attendees</u>
4/6/18	North Bay Watershed Association Conference	20
4/12/18	Novato Chamber Business Exposition	75

School Events – Juggler Show Presentation

No school presentations in April.

CMSA Tours

<u>Date</u>	<u>School</u>	<u>Students</u>
4/22/18	Dominican University	8

Attachment:

- April 2018 Performance Metric Report

CMSA CY18 PERFORMANCE METRICS – April 2018

TABLE I - TREATMENT/PROCESS METRICS

Metric	Definition	Measurement	Range/Target/Goal
1) Wastewater Treated	Volume of wastewater influent treated and disposed, in million gallons (Mg)	405.6 Mg	165 – 820 Mg
2) Biosolids Reuse	Alternate Daily Cover (ADC) at the Redwood Landfill, in wet tons (wt) Fertilizer and soil amendment at land application sites, in wet tons (wt) Bio-Fertilizer production at the Lystek facility, in wet tons (wt)	332.5 wt 87.5 wt 139.6 wt	360 – 665 wt
3) Conventional Pollutant Removal	Removal of the conventional NPDES pollutants - Total Suspended Solids (TSS) and Carbonaceous Biological Oxygen Demand (cBOD) a. tons of TSS removed; % TSS removal b. tons of organics removed (cBOD); % cBOD removal	381.6 tons; 98.3% 311.1 tons; 97.6%	> 85% > 85%
4) Priority Pollutants Removal	Diversion of priority NPDES metals from discharge to the S.F. Bay: a. % Mercury b. % Copper	93.9% 90.3%	88 – 99% 84 – 98%
5) Biogas Production	Biogas generated in our anaerobic digesters, in million cubic feet (Mft ³) Natural gas (methane) equivalent of the biogas, in million cubic feet (Mft ³)	8.62 Mft ³ 5.52 Mft ³	6.0 to 9.5 Mft ³ 3.8 to 6.1 Mft ³
6) Energy Produced	Energy produced from cogeneration of generated biogas and purchased natural gas - in kilowatt hours Cogeneration system runtime on biogas, <i>in hours (hrs.); % time during month</i> Biogas value (natural gas cost equivalent)	451,253 kWh 610 hrs; 85.0% \$24,829	380 to 480,000 kWh 540 hrs.; 75% \$15,000 to \$30,000
7) Efficiency	The cost to operate and maintain the treatment plant per million gallons of wastewater treated, in dollars per million gallons Energy used, kilowatt hours, per million gallons treated	\$887/Mg 1,190 kWh/Mg	\$451-\$1,830/Mg (wet - dry) 670 - 2,400 kWh/Mg

Table II – EMPLOYEE METRICS

Metric	Definition	Measurement	Target/Goal
1) Employee Training	Hours of internal training – safety, web-based, project, vendor, etc. Hours of external training – employment law, technical, regulatory, etc.	Internal = 153 External = 7	variable
2) Work Orders	Preventative maintenance (PM) labor hours Planned corrective maintenance (CM) labor hours; % of CM+UCM hrs. Unplanned corrective maintenance (UCM) labor hours; % of CM+PM hrs. Ratio of PM to total corrective maintenance (CM + UCM);	588 hrs 695 hrs (90.0%) 80.5 hrs (12.0%) 0.76	300 – 500 hrs ≥ 70% total CM hrs ≤ 30% total hours ≥ 0.45
3) Overtime Worked	Monthly hours of OT worked; <i>Year to date hours of OT (YTD)</i> % of normal hours worked; <i>% Year to date (YTD)</i>	85 hrs; (578.5 hrs) 1.4%; (2.0%)	< 5%

CMSA CY18 PERFORMANCE METRICS – April 2018

Table III - ENVIRONMENTAL AND REGULATORY COMPLIANCE METRICS

Metric	Definition	Measurement	Range/Target/Goal
1) Permit Exceedances	# of NPDES permit exceedances	0	0
2) Regulatory Analyses	# of analyses by the CMSA laboratory for NPDES, Stormwater, and Biosolids regulatory compliance monitoring and reporting	498	150-750
3) Process Control Analyses	# of analyses by the CMSA laboratory for process control monitoring	844	400-1,250
4) Contract Laboratory Analyses	# of analyses by contract laboratories for regulatory compliance reporting	31	0-50
5) Quality Control Testing	# of CMSA performed laboratory analyses for QA/QC purposes	126	100-300
6) Water Quality Sample Analyses	# of ammonia, coliform (total and fecal), enterococcus, and/or sulfide analyses performed for the CMSA member agencies (SSOs, etc.)	0	as-needed
7) Pollution Prevention Inspections	Inspections of industrial and commercial businesses in the Agency's pretreatment and pollution prevention programs and Novato Sanitary District's Mercury Reduction Program – 255 businesses regulated	0	variable
8) FOG Program Inspections	Inspections of food service establishments (FSEs) in the Almonte, TCSD, SD2, RVSD, SRSD, and LGVSD service areas – approx. 309 FSEs are regulated and 58 FSEs have waivers.	13	20 – 50
9) Permits Issued/Renewed	Permits issued for the pretreatment, pollution prevention, and FOG source control programs, and for groundwater discharge	6	variable

Table IV- PUBLIC OUTREACH

Metric	Definition	Measurement	Target/Goal
1) Public Education Events	Attendance at public education outreach events; # of booth visitors; (YTD)	95; (95)	3,500/year
2) School Events	Participation or sponsorship in school outreach events; attendees; (YTD)	0; (936)	variable
3) Agency Tours	Tours given to students and the public; # of people, (YTD)	8; (162)	variable
4) Odor Notifications	Number of odor alerts posted to the Agency website	7	1-10
5) Odor Complaints	Number of odor complaints received from the public	0	0



BOARD MEMORANDUM

May 3, 2019

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager *JD*

Subject: Revised Administrative Policies and Procedures

Recommendation: Approve the revised Administrative Policies - #60, 94, and 95.

Discussion: Earlier this fiscal year, staff prepared a schedule to review and update the Agency's fifty one Administrative Policies and Procedures and intends to have them revised by July. Most of them are detailed procedures to support Board adopted Financial and Personnel Policies, while fourteen are Board adopted Administrative Policies. Over the past several months, the Board has approved eleven of the policies and the final three revised policies are ready for Board review and consideration of approval. Each policy is attached with noteworthy changes shown in red text, and are briefly summarized below.

Employee Award Recognition (#60) – This policy was adopted by the Board several years ago to recognize the Agency and employees who receive awards from industry associations. Since adoption, many employees have received a monetary award and they appreciate the Board's recognition of their achievements. The original and prior versions of the policy had language describing the type of awards in each category, and during the review process staff decided to remove that language to clean up the policy as well as make several minor edits. A new section four was added to address other industry association awards.

Health and Safety (#94) – A high level policy stating the Board's guiding principals for the Agency's Health and Safety Program. Revisions were editorial with the exception of a new safety principal stating employees will not be required to perform an unsafe task.

Safety Incentive Program (#95) – This program replaced the Agency's long time Safety Holiday Benefit in 2014, and is annually revised to improve the program and its eligibility requirements. This revision changes an incentive criteria from suggesting a safety solution to a previously identified hazard to submitting a valid safety hazard with a suggest solution, to motivate staff to think about solutions when a hazard is identified; award points were adjusted accordingly.

Attachments:

- 1) Revised Administrative Policy #60 – Employee Award Recognition
- 2) Revised Administrative Policy #94 – Health and Safety
- 3) Revised Administrative Policy #95 – Safety Incentive Program

POLICY/PROCEDURE#:	60
SECTION:	ADMINISTRATIVE – HUMAN RESOURCES
SUBJECT:	Employee Award Recognition
DATE:	5/8/18 (Board approved)

POLICY

The CMSA Board **recognizes** agency employees when they receive industry-related awards for exceptional individual or organizational accomplishments. This policy sets forth Board actions and monetary award amounts for these employee accomplishments.

PROCEDURE

The Agency and its employees periodically receive recognition from national, state, and regional industry associations. Upon notification from an industry association that the Agency and/or staff members have received an award, the General Manager (GM) will prepare a **report to inform** the Board of the accomplishments. Probationary and regular employees that were employed by the Agency for at least six months during the award's specified time period are eligible for the monetary award. Temporary employees may be eligible for a monetary award, at the GM's discretion, if they meet the six-month employment criteria and their work or work product contributed to the particular award. The industry association, their award categories, the Board monetary award levels, and the eligible employee classifications are detailed below.

I. NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES (NACWA) - PEAK PERFORMANCE

NACWA is the national wastewater industry association that advocates for its members on regulatory, legislative, and judicial issues that could affect or impact the wastewater industry. NACWA has an award program to recognize its members' level of compliance with NPDES permit requirements. The Silver level is awarded for five or less permit exceedances in a year, while the Gold level is awarded for 100% permit compliance. If an agency meets its permit requirements for five consecutive years, **it** achieves the Platinum level. After five years, an agency will remain at the Platinum level if they continue to annually comply with all effluent permit requirements. The following monetary award amounts are for each Agency employee.

Silver:	\$50	Gold - Year 4:	\$400
Gold - Year 1:	\$100	Platinum - Year 5:	\$500
Gold - Year 2:	\$200	Platinum 5+:	\$500
Gold - Year 3:	\$300		

After the Platinum award level (5 years) is attained, and if the Agency continues to have full compliance with its permit requirements, the award amount will remain at the \$500 level.



II. CALIFORNIA WATER ENVIRONMENT ASSOCIATION (CWEA) - REGIONAL AND STATE AWARDS

CWEA is **one of** the State's water and wastewater industry associations. CMSA is a member of the Redwood Section of CWEA, which includes Marin, Sonoma, Napa, and parts of Mendocino and Solano counties.

Each CWEA section has award programs, which are standardized throughout the state, and recognize the achievements of its member agencies and their employees. **Regional award**-winning employees and organizations are automatically included in the statewide competition. CWEA announces the award recipients at their respective regional conferences and the annual state conference, and provides award plaques to the recipients.

The following monetary award amounts are for achieving first place in a regional and state award.

- A. Regional award
 - 1) Organizational: \$100 for each Agency employee
 - 2) Department/workgroup: \$100 for the employee group recommended by the GM
 - 3) Individual: \$100 per award

- B. State Agency award:
 - 1) Organizational: \$250 for each Agency employee
 - 2) Department/workgroup: \$250 for the employee group recommended by the GM
 - 3) Individual: \$250 per award

III. GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) - FINANCIAL REPORTING AND BUDGETING

The GFOA is a national finance association that recognizes public agencies for exceptional financial reporting and distinguished budgeting. The Agency annually prepares a Comprehensive Annual Financial Report (CAFR), a Popular Annual Financial Report (PAFR), and GFOA version of the Board adopted fiscal year budget. The CAFR and Distinguished Budget Presentation award applications are reviewed by an independent panel of finance managers/directors around the country, and must meet specific and strict criteria to be considered for award. The PAFR award applications are judged using more subjective criteria for presentation, readability, creativity, and understandability.

The CAFR award is the Certificate of Achievement for Excellence in Financial Reporting and is the highest form of recognition in governmental accounting and financial reporting. Its attainment represents a significant accomplishment by a government entity and its management. The PAFR award is for an agency's outstanding achievement



in popular annual financial reporting. The Distinguished Budget Presentation award signifies that an agency's budget was deemed to be proficient as a policy document, financial plan, operational guide, and communication device for the agency's business. Recognition by the GFOA includes plaques for each award, and a certificate for the agency's finance manager.

Each finance department employee, and appropriate staff as recommended by the General Manager, will receive a \$100 monetary award for receipt of the CAFR award, a \$100 monetary award for receipt of the PAFR award, and \$100 monetary award for receipt of the Distinguished Budget Presentation award.

IV. OTHER AGENCY AND EMPLOYEE AWARDS

If the Agency and an employee(s) receive noteworthy recognition and an award from another industry association or group, such as the California Association of Sanitation Agencies or the California Sanitation Risk Management Authority, the General Manager may present the award to the CMSA Board and recommend a monetary award.



POLICY/PROCEDURE #:	94
SECTION:	ADMINISTRATIVE – SAFETY AND SECURITY
SUBJECT:	Health and Safety Policy
DATE:	5/8/18 (Board approved)

PURPOSE

Central Marin Sanitation Agency (CMSA) believes that its employees are its most valuable asset. As such, ensuring a safe workplace, free from incidents, is a primary objective at every level of our organization. In support of this objective, to define the details and provide guidance for implementation, the Agency has established a written Health and Safety Program.

Our success has always been dependent on individuals working together; our Health and Safety Program is no exception. Every individual within the organization has a role in ensuring the success of this Program.

To provide guidance for the integration of the health and safety into daily operations, CMSA is committed to the following basic principles:

- Workplace incidents and injuries **and illnesses** are preventable.
- No employee is required to work in an unsafe area.
- **Employees will not be required to perform a task that is unsafe.**
- Employees are encouraged to discuss safety issues, and bring to management's immediate attention any unsafe condition or hazard within the workplace without concern about retaliation or harassment.
- Every employee has the responsibility to work safely. Employees are expected to participate in **safety program** activities, and to accept and follow established safety programs, policies, and work procedures.
- All supervisors and managers are responsible and accountable for the overall administration and effectiveness of the Health and Safety Program within their designated areas of responsibility. The safety of each employee is considered an integral part of the **supervisor's** regular management function.
- All operations will be conducted in accordance with applicable federal, state, and local laws, regulations, and standards. CMSA safety related documents, including an Injury and Illness Prevention Program (IIPP), **can be accessed on the CMSA network.**



POLICY/PROCEDURE #:	95
SECTION:	ADMINISTRATIVE – SAFETY AND SECURITY
SUBJECT:	Safety Incentive Program
DATE:	5/8/18 (Board approved)

PURPOSE

To enhance the overall Safety Program by encouraging employee's active participation. The Incentive Program strives to achieve this by acknowledging employee contributions in several of the key aspects of a sound safety culture such as hazard identification, communication, and training.

GOALS

- Prompt identification and correction of safety hazards;
- Full participation in safety training;
- Consistent demonstration of safe work practices, and
- Zero injuries.

AWARD CRITERIA

The Safety Incentive Program will recognize employee safety program contributions towards the stated goals by awarding points for participation in specific safety activities as identified in the Safety Award Criteria (Table #2) below. The point criteria will be reviewed and revised as appropriate to ensure continued emphasis on the appropriate components of the Safety Program.

PROCEDURE

- I. The Safety Incentive Program functions on a 12-month (July 1 thru June 30) basis with awards provided to employees at the end of that period.
- II. Points are earned and accumulated on an individual basis and expire at the end of the period.
- III. All employees (except temporary and contract) are eligible to earn points toward awards providing they lead at least one qualifying departmental tailgate during the period.
- IV. Eligible employees will have the opportunity to earn monetary rewards for participation as shown in Table #1 below:



Table #1 - Award Levels

Award Level	Total Points	Total Cash Award
Tier 1	200	\$ 50
Tier 2	300	\$150
Tier 3	400	\$300
Tier 4	500	\$450

V. Points will be awarded in the following four categories:

A. Safety Hazard Alert or Near Miss

A valid hazard alert or near miss is a situation that poses a probable unacceptable risk of substantial employee injury for which we may control outcomes. It must be associated with hazards not previously identified or currently being addressed. Additionally, the identified hazard or near miss must not be associated with an employee violation of a policy or procedure.

- 1) A Safety Hazard Alert or Near Miss is to be submitted by the employee to the Safety Director using the Injury and Illness Prevention Program (IIPP) Health and Safety Communication Form, found on the shared drive.
- 2) The Safety **Officer** then evaluates, logs, scans, and forwards the Health and Safety form to the Safety Coordinator for action or further evaluation. The Safety Director retains the authority to act immediately on any severe hazards identified.
- 3) A copy of the form, with the evaluation, recommended action, and the status indicated (accepted or denied) is then forwarded to the appropriate party for completion.
- 4) When an action item is completed or a work order has been written for completion, it shall be so designated on the form and the form forwarded back to the Safety **Officer** for final scanning and filing as per the IIPP, with a copy returned to the submitting employee.
- 5) Employees have the option to appeal the “accept/deny” decision to the General Manager.

B. Safety Hazard Alert/Near Miss with a Suggested Solution

A suggested safety solution to a valid safety hazard/near miss represents a substantial improvement to a genuine risk or problem whether actually implemented or not. It must be a solution not previously identified. A valid safety hazard alert/near miss and its suggested solution receive points for both. Submittal of the hazard and solution can utilize the same process and forms as noted above in item A.



C. Leading Tailgates

Leading a tailgate session encourages employees to actively participate in preparing and conducting qualified departmental tailgates. They are conducted and documented at the department level.

- 1) To qualify, a tailgate session must be safety-related and provide training, training reminders, discuss a hazard, or review a safety procedure.
- 2) The material presented must be accurately conveyed and involve active discussion or a presentation.
- 3) Tailgate sessions must be properly documented by the department including attendance and the details of the information presented using the IIPP Health and Safety Meeting form, found on the shared drive.
- 4) The Tailgate Leader completes the IIPP Health and Safety Meeting form, and the attending manager signs the form certifying the information and attendance as being correct.
- 5) The completed Health and Safety Meeting form is then submitted to the Safety Director for logging, scanning, and filing.

D. Outside Safety Training Participation

Outside Safety Training Participation involves successful completion of seminars or webinars, or conference attendance provided by outside training organizations such as CWEA or CSRMA. These trainings are above and beyond those required or organized for the general employee population.

- 1) To qualify for incentive award points, the activity must be safety-related and pre-approved by the Safety Officer as a qualifying safety training activity. The employee request shall include an agenda, program, or outline of the event.
- 2) If there is a cost involved, the employee seeking outside training must complete the appropriate paperwork and obtain the department manager's authorization.
- 3) Upon successful completion of the outside training event, the employee submits the certificate, receipt, or evidence of successful completion to the Safety Director for logging, scanning, and filing.
- 4) For webinars where multiple employees may participate simultaneously, such as in the conference room, an attendance sheet (certified by a manager) and certificate, receipt, or evidence of completion shall be acceptable.



VI. Specific activities and their point values are identified on Table #2 below:

Table #2: Safety Award Criteria

Action / Activity	Points Awarded	Maximum Available Points	Validated or Certified by	Tracked by
Valid Safety Hazard Alert or Near-Miss	25/Each	300	Safety Officer	Safety Officer
Valid Safety Hazard Alert with Suggested Solution	50/Each	300	Safety Officer	Safety Committee
Lead Qualifying Safety Tailgate	50/Each	200	Dept Manager	Safety Officer
Attend Outside Safety Training/Safety Webinar	50/Each	200	Safety Officer	Safety Officer

VII. Award Tabulation

- A. The employee is responsible for submitting the appropriate completed documentation to the Safety Officer for logging within 10 working days of completion of an Action/Activity to be considered for point awards.
- B. Within 30 days of the end of the award period, the Safety Officer shall ensure all Action/Activity point tallies are submitted to the Administrative Assistant for final tabulation and submittal to the General Manager for approval/distribution of awards.





BOARD MEMORANDUM

May 8, 2018

To: CMSA Commissioners and Alternates
From: Kenneth Spray, Administrative Services Manager
Approved: Jason Dow, General Manager
Subject: FY 2018 Budget Status - Third Quarter Report

Recommendation: Review and accept the Agency's Third Quarter Budget Status Report for the Fiscal Year 2017-18

Summary: We are pleased to present the Agency's fiscal year 2018 Budget Status - Third Quarter Report as of March 31, 2018. Noteworthy is that we have revised issuance of this report by one month to allow time for adjustments and accruals to revenue and expense accounts for more accurate reporting as of the report date. Further refinements of this report will be forthcoming. The tables below reflect budget to actual status for revenues, expenses, and capital in total as of the third quarter ended March 31, 2018. Agency revenues are on track at 74%, debt service contributions are near full collection at 97%, operating expenses a little low at 70%, and capital improvement program spending is at 55%. All of these revenues and expenses in total are tracking well for the third quarter per budget.

Summary Revenue, Expense, and Capital Highlights

Table with 7 columns: Revenues, FY 18 Budget, YTD Cash Received, Outstanding Receivables, Total Revenue, Total Received as % of Budget, Total Revenue Billed as % of Budget. Rows include Agency Revenues, Contributions for Debt Service, and TOTAL REVENUE.

Table with 4 columns: Expenditures, FY 18 Budget, YTD Actual Expenditures, % Spent. Rows include Total Operating Expenses and Capital Improvement Program.

Summary Revenue, Expense, and Capital Highlights (Continued)

- Regional sewer service charges to JPA member agencies are billed quarterly, and the debt service charge to JPA Members for the 2015 revenue bonds is billed semi-annually.
- The Agency retired \$2.25M in outstanding debt principal and paid \$1,712K in interest for the 2015 revenue bonds through March 31, 2018.
- Spending for the capital program to date amounts to \$1.7M.

Revenues

Table I – Agency Revenues

Description	FY 18 Budget	YTD Actual Received	Outstanding Receivables (Invoices)	Total Revenue	Budget Remaining	Total Received as % of Budget	Total Actual & Outstanding as % Budget
Sewer Service Charges	10,893,165	8,169,873	-	8,169,873	2,723,292	75.0%	75.0%
Contract Services	1,228,950	602,279	191,556	793,835	435,115	49.0%	64.6%
Capacity Charges	29,300	129,133	-	129,133	-	440.7%	440.7%
Program Revenues*	143,200	60,450	592	61,042	82,158	42.2%	42.6%
Haulers, Permits & Inspection Fees	226,250	167,566	28,432	195,998	30,252	74.1%	86.6%
Other Non-Operating Revenues	20,000	80,576	-	80,576	(60,576)	402.9%	402.9%
Interest Income	113,500	148,121	-	148,121	(34,621)	130.5%	130.5%
Total Agency Revenues	12,654,365	9,357,998	220,580	9,578,578	3,175,620	74.0%	75.7%
Contributions for Debt Service	4,952,382	4,793,588	63,518	4,857,106	95,276	96.8%	98.1%
TOTAL REVENUE	17,606,747	14,151,586	284,098	14,435,684	3,270,896	80.4%	82.0%

*Countywide Education Program participants have been invoiced and have paid the Agency 100% of the FY18 Budget. Revenue will be recognized each quarter as program expenditures are incurred.

Agency revenues and contributions for debt service are all on track in total for the third quarter ended March 31, 2018. Sewer service charges are billed at the beginning of each quarter and are thus fully collected. Billings for contract services, program revenues, and haulers through March 31 have gone out and are reflected in the total revenue amounts. Contract services is a little low at 64% revenue but represents the work performed and billed to date. Program revenues are on a cost reimbursement basis for materials and supplies and there is less agencies associated with the public education program resulting in lower revenue recognized. Capacity charges received are for CMSA fees in connection with new construction and have far exceeded the nominal budget. Other non-operating revenues consists primarily of infrequent amounts for FEMA reimbursement for landslide repairs evaluation, and dividends received for

workers compensation and general liability insurance programs for better experience than actuarially estimated. Interest is up as rates

Revenues (Continued)

have increased substantially from approximately .6% to approximately 1.5%. Debt service collections from JPA members occurs semi-annually and has been collected.

Table II – Revenues & Expenditures for Contracted Agency Services

Table II below consists of Contract Services and Program Revenues from Table I as of the third quarter ended March 31, 2018. Actual expense incurred by CMSA excludes contract administration overhead that ranges from 5%-22% depending upon each contract. The SQP wastewater service contract does not include overhead as the fee is based upon wastewater flow and strength; however, the SQP pump station maintenance and operations fee does include overhead.

Service Contract	FY 18 Budgeted Revenue	Actual Revenue Received	Invoiced Outstanding	Total Revenue	Actual CMSA Expenses	Frequency of Invoicing
SQSP Wastewater Services	589,690	343,986	98,282	442,268	442,268	Monthly through March
SQSP Pump Station Maintenance	108,110	70,501	18,018	88,520	79,183	Monthly through March
SD#2 Pump Stations	403,400	164,161	74,039	238,199	188,705	Monthly through March
SQ Village Wastewater Services	49,950	10,500	1,217	11,717	10,202	Monthly through March
Revenue for Health & Safety Program	91,500	50,840	592	51,432	47,535	Quarterly through March
Countywide Education Program	51,700	9,610	-	9,610	8,169	Annual through June 2018*
LGVSD - FOG & Pollution Prevention	16,500	5,020	-	5,020	4,137	Quarterly through December
RVSD - FOG	21,500	2,772	-	2,772	2,525	Quarterly through December
SRSD - FOG	25,600	4,493	-	4,493	4,089	Quarterly through December
TCSD - FOG	2,200	-	-	-	-	Quarterly
SD #2 - FOG	7,500	845	-	845	771	Quarterly through December
NSD - Dental Amalgam	3,000	-	-	-	-	Quarterly
Almonte SD-FOG	1,500	-	-	-	-	Quarterly
TOTAL SERVICE CONTRACT REVENUE	1,372,150	662,729	192,148	854,877	787,583	

*See explanation at Table 1

San Quentin Prison services are active contracts with services performed through the third quarter ended March 31, 2018. SD#2 pump station maintenance is performed continuously with a delay in projects. SQ Village has reduced work requested by the customer. The health and safety program has suspended activity till replacement of the H&S manager position.

Countywide public education program activity is down due to less expenses to date. FOG inspections are temporarily reduced due to a long-term injury/illness reducing available staff.

Expenses

Table III – Operating Expenditures by Category

Description	FY 18 Budget	3rd Quarter Budget (75%)	Year-to-Date Actual Expenditures	Budget Remaining	% Spent
Salaries & Wages	5,401,800	4,051,350	3,838,730	1,563,070	71.1%
Benefits	2,561,100	1,920,825	1,882,375	678,725	73.5%
Chemicals & Fuel	1,069,500	802,125	743,054	326,446	69.5%
Biosolids Disposal	387,700	290,775	265,758	121,942	68.5%
Permit Testing & Monitoring	179,500	134,625	99,929	79,571	55.7%
Repairs & Maintenance	382,500	286,875	279,219	103,281	73.0%
Insurance	261,200	195,900	229,035	32,165	87.7%
Utilities	350,500	262,875	207,640	142,860	59.2%
General & Administrative	868,800	651,600	539,858	328,942	62.1%
TOTAL OPERATING EXPENSES	11,462,600	8,596,950	8,085,598	3,377,002	70.5%

Table IV – Operating Expenses by Department

Description	FY 18 Budget	3rd Quarter Budget (75%)	Year-to-Date Actual Expenditures	Budget Remaining	% Spent
Administration*	4,554,500	3,415,875	3,330,936	1,223,564	73.1%
Maintenance	2,008,700	1,506,525	1,413,982	594,718	70.4%
Operations	3,150,600	2,362,950	2,166,959	983,641	68.8%
Technical Services	1,748,800	1,311,600	1,173,721	575,079	67.1%
TOTAL OPERATING EXPENSES	11,462,600	8,596,950	8,085,598	3,377,002	70.5%

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

Expenses in total are tracking well for the third quarter ended March 31, 2018. Expenses in total are less than straight-line projection at 70% versus 75% as of the third quarter. There are two employees out on long-term injury/illness that are not incurring salary and benefit costs. Insurance expenses appear to be high but are actually lower than budgeted because insurance premiums for the year are fully paid and are less than budget. There are no unusual items with operating expenses and they are a little low but consistent with budget.

Expenses – (Continued)

Chemicals are approximately 70% spent and are a good indication of the continuous nature of plant operation. Ferric chloride is higher due to more purchases in preparation for the wet weather season. The table below shows chemical purchases as a percent of budget and total deliveries year to date through March 31, 2018.

<u>Chemicals</u>	<u>Expenditures as % of Budget</u>	<u>Comments</u>
Ferric Chloride	104%	14 deliveries through March 2018
Polymer-Cationic	69%	2 deliveries through January 2018
Odor Control	31%	2 deliveries through January 2018
Nitrate	52%	17 deliveries through October 2017
Hydrogen Peroxide	83%	19 deliveries through March 2018
Sodium Hypochlorite	70%	41 deliveries through March 2018
Sodium Bisulfite	76%	27 deliveries through March 2018

Insurance premium costs are reflected below showing the various insurance programs the Agency participates in. General liability and workers compensation are pooled insurance programs for the self-insured retention portion with excess insurance and reinsurance for coverage amounts above the self-insured retention. Property, pollution liability, and crime bond coverages are fully insured with group insurance policies. All policy premiums have been paid in full as of the third quarter ended March 31, 2018.

<u>Description</u>	<u>FY 18 Premium</u>	<u>Status</u>
Property Insurance	49,921	FY 18 paid in full
General Liability & Auto	18,246	FY 18 paid in full (FY18 prepaid FY19 through December 2018)
Pollution Liability	809	FY 18 paid through April 2018
Employee/Commissioners Bond	2,200	FY 18 paid in full
Workers Compensation	133,593	FY 18 paid in full

Capital

Table V – Capital Improvement Program

The Agency has a robust capital program totaling approximately \$48M over a ten-year period. The program utilizes in-house labor for the management of certain projects the costs of which are capitalized into the projects. The program also includes indexed costs to keep pace with rising prices. The table below reflects the adopted budget for the fiscal year 2018 and the progress of project payments in relation to the project budget as a whole. Capital projects in total are approximately 50% spent with certain projects contingent upon certain variable factors such as local economic conditions and weather factors.

Description	FY 18 Adopted Budget	Budget Transfers	FY 18 Adjusted Budget	Year-to-Date Actual Expenditures	Budget Remaining	% Spent*
Salaries & Benefits	185,200	-	185,200	48,476	136,724	26.2%
Facility Improvements	1,740,600	(20,000)	1,720,600	1,005,569	715,031	58.4%
General Equipment	584,300	-	584,300	350,032	234,268	59.9%
Liquids Treatment Equipment & Systems	635,700	20,000	655,700	209,210	446,490	31.9%
Solids Treatment & Energy Generation Equipment & Systems	671,800	-	671,800	119,646	552,154	17.8%
TOTAL	3,817,600	-	3,817,600	1,732,934	2,084,666	45.4%

Central Marin Sanitation Agency
Monthly Budget to Actual Project Report
Capital Improvement Program

For Period 09 Ending March 31, 2018 75% of FY 2017-18

GL Account Number	Project Title	PM	Total Project Costs							Contract Remaining and Purchase Order Encumbrances	Current Year					Comments		
			Planned for Fiscal Year(s)	Total Estimated Project per FY18 CIP Budget	Total Contract(s)	Total Payments-to-Date	Total Contract(s) Remaining	Total Project Costs-to-Date	Project Under (Over)		Project % Spent	Annual Budget Amount	Budget Transfers	Adjusted Annual Budget	YTD Project Payments		Annual (Over) Under	Annual % Spent
Facility Improvements																		
7300-103-10	Effluent Strg Pond Rehab	TSM	FY 22-23	1,221,800												No funding for this project in FY 18		
7300-700-10	Agency Facilities Master Plan	TSM	FY 17-18	490,000	494,438	426,889	67,549	426,889	63,111	87.12%	67,549	260,000	260,000	238,573	21,427	91.76%	The condition assessment, OWRP, biosolids dewatering, blending reduction alternatives, secondary treatment, solar power generation, biosolids management alternatives, and sea level rise tasks are complete. Carollo is working on the biogas utilization and nutrient removal technical memorandums.	
7300-956-00	Industrial Coat/Concrete Rehab	TSM		545,500								65,000	65,000		65,000	0.00%	Staff began preparing contact document to seal concrete cracks throughout the plant structures and apply coating in the SBS room and vault.	
7300-987-00	Outfall Inspection/Repairs	EM		737,800								32,200	32,200		32,200	0.00%	The outfall inspection will be completed in May.	
7400-103-10	Maintenance Fcilty Modification	TSM	FY 12-18	1,588,740	1,362,693	1,342,057	20,636	1,457,667	131,073	91.75%	35,962	800,000	(26,238)	773,762	703,189	70,573	90.88%	The project is complete and the Notice of Completion has been filed with the County. Excess funds in this account will be transferred to cover overages in other CIP accounts.
7400-600-00	Hillside Slope Stabilization	TSM		650,500	20,500	19,706	794	54,889	595,611	8.44%	794	400,000	400,000	22,569	377,431	5.64%	Cal OES approved reimbursement funding for the emergency debris removal released payment. The geotechnical engineer is completed their preliminary engineering study. The study was submitted Cal OES and FEMA for review.	
7400-956-00	Facility Paving/Site Work	EM		400,000								148,400	148,400		148,400	0.00%	Staff prepared the bid documents that include paving around the maintenance building. The bid documents have been reviewed and will be presented to the Board for adoption in May	
7400-960-00	Facility Roofs Rehab	EM	FY 14-19,20-21	1,035,892	60,238	58,230	2,008	58,530	977,362	5.65%	5,600	35,000	6,238	41,238	41,238	100.00%	Gutter repairs are complete and a budget transfer was submitted to cover the overage related to additional scaffolding.	
			SUBTOTAL	\$ 6,670,232	\$ 1,937,869	\$ 1,846,883	\$ 90,987	\$ 1,997,976	\$ 1,767,156	29.95%	\$ 109,905	\$ 1,740,600	\$ (20,000)	\$ 1,720,600	\$ 1,005,569	\$ 715,031	58.44%	
General Equipment																		
7300-672-00	Process Control	ISA		349,900								37,900	37,900	10,587	27,313	27.93%	Modbus converters were ordered for various plant projects. Cellular router ordered for remote PLC work.	
7300-672-10	Security/Fire Systems	EM		31,200								13,900	13,900		13,900	0.00%	Staff is preparing a contract to address inspection findings. Equipment will be purchased as needed.	
7300-683-00	Above Ground Fuel Storage Tank	TSM		147,400								35,000	35,000		35,000	0.00%	A maintenance contract was issued to replace the fuel station leak monitoring system controller.	
7410-851-00	IT Hrdwr/Communication Eqp	ISA		226,600								56,900	56,900	21,937	34,963	38.55%	Lobby display PC and TV ordered. Filtering for solids handling rack ordered and installed. VOIP phones for staff ordered and installed.	
7420-701-00	Agency Vehicle Replacement	MS		724,200								51,000	51,000	41,573	9,427	81.52%	The environmental services analyst vehicle has arrived to the Agency and is in service.	
7430-958-00	Laboratory Equipment	ESM		358,500								166,600	166,600	160,637	5,963	96.42%	The LIMS and WIMS systems were purchased and are fully operational. Three samplers, an analytical balance, and a chlorine analyzer were purchased.	
7450-002-00	Electrical Equipment	EIS		742,200								120,100	120,100	65,193	54,907	54.28%	Two motors for the dyster blowers and two MOV's for the 30" valves for secondary flow control	
7450-002-10	Plant Lighting	MS		145,700								26,000	26,000	25,956	44	99.83%	The majority of lighting has been purchased and installed for the fiscal year.	
7450-102-00	Process Instrumentation	EIS		482,600								51,900	51,900	24,148	27,752	46.53%	No significant activity this quarter.	
7450-105-00	Electrical Distribution Rehab	MS		1,574,000								25,000	25,000		25,000	0.00%	No activity this quarter.	
			SUBTOTAL	\$ 4,782,300	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ 584,300	\$ -	\$ 584,300	\$ 350,032	\$ 234,268	59.91%	
Liquids Treatment Equipment and Systems																		
7300-685-00	Bio-Tower Rotary Dstrb Rplcmnt	TSM	FY 19	131,900					131,900	0.00%							No funding for this project in FY 18	
7300-700-00	Plant Pumps	MS		677,600								74,800	74,800	31,949	42,851	42.71%	Staff ordered new process waste pumps specified for replacement.	
7300-719-00	Chemical Pumps	MS		853,400								113,000	113,000	52,519	60,481	46.48%	Staff is working with vendors to procure a self contained sodium bisulfate pumping skid to better dose for wet weather flows.	
7300-720-00	Gates Rehabilitation	MS		688,100								35,000	35,000	508	34,492	1.45%	Triangle pit sluice gate replacement has been ordered and staff is awaiting delivery	
7300-727-00	Headworks Equipment	MS		1,267,900								50,000	20,000	70,000	1,647	68,353	2.35%	Headworks odor scrubber fan project has been awarded to Monterey Mechanical and equipment has been ordered. Installation was delayed due to part damage during shipping. A replacement part was ordered and construction will be complete in late May.
7300-981-00	Odor Control System Improvements	TSM	FY 15-27	4,476,020	563,446	422,165	141,281	422,394	4,053,626	9.44%		28,500	28,500	2,825	25,675	9.91%	Construction was accepted as complete and record drawings has been prepared. This project is complete.	
7300-983-00	Process Tank Maintenance	MS		699,600								85,000	85,000	10,253	74,747	12.06%	Safe entry gates for chlorine contact tank entries are complete. Staff is working to acquire quotes for air diffuser replacements throughout the process influent channels.	
7300-990-00	Secondary Clarifiers Rehab	MS		993,200										33,152	(33,152)		A contractor was hired to address severely corroded pipes. Funds will be transferred from other accounts to address the negative balance.	
7300-995-00	Aeration System Rehabilitation	TPM		61,100								20,100	20,100	18,061	2,039	89.86%	Diffuser membranes have been purchased and installed.	
7400-965-00	Primary Clarifier Improvement	MS		911,100								33,400	33,400	27	33,373	0.08%	Staff is working to acquire quotes for water piping replacement throughout the primary clarifiers.	
7400-966-00	Critical Buried Pipe Inspect'n	TSM	FY 17,19,27	463,149	59,630		59,630		463,149	0.00%							No funding for this project in FY 18.	
7430-855-00	Chemical Tanks	MS		451,200								40,000	40,000	35,836	4,164	89.59%	Staff has received replacement costs /procurement authorization and have ordered the replacement ferric storage tank. Delivery occurred in late March.	
7430-857-00	Piping-Valves-Operators	MS		697,700								130,900	130,900	22,431	108,469	17.14%	Staff has received replacement costs and procurement authorization for the biotower basement 30" piping expansion joints Delivery will occur within 4-6 weeks.	
7450-104-10	Influent Flow Meter Replacement	MS		25,000								25,000	25,000		25,000	0.00%	Staff began preparing an request for letter proposals from consultants.	
			SUBTOTAL	\$ 12,396,969	\$ 623,076	\$ 422,165	\$ 200,911	\$ 422,394	\$ 4,648,675	3.41%	\$ -	\$ 635,700	\$ 20,000	\$ 655,700	\$ 209,210	\$ 446,490	31.91%	
Solids Treatment and Energy Generation Equipment and Systems																		
7300-660-00	PG&E Inter-Connection	EM		525,000								525,000	525,000	66,787	458,213	12.72%	PG&E and Carollo are designing on-site and off-site improvements to meet the requirements specified in the new Interconnection Agreement. Improvements are scheduled for construction in May. The MCE PPA was fully executed.	
7300-678-00	Emergency Generator Improvements	TSM	FY 14-15,21-22	2,009,100				15,066	1,994,034	0.75%							No funding for this project in FY 18	
7300-691-00	Digester Insp & Cleaning	OS															No funding for this project in FY 19	
7300-715-00	Centrifuge Maintenance	EM	FY 17,19,21-22	2,103,139	42,589		42,589		2,103,139	0.00%							No funding for this project in FY 18	
7300-722-00	Cogeneration Maintenance	MS		4,474,400								86,300	86,300	29,717	56,583	34.43%	Staff worked with a contracted vendor to perform annual engine control and tuning maintenance.	
7300-724-00	Hot Water Systems	MS		176,000								34,000	34,000	21,251	12,749	62.50%	Staff is working with vendors to contract hot water loop piping insulation replacement	
7300-725-00	Boilers Rehab or Replace	MS		592,400													No funding for this project in FY 18	
7300-977-00	Sludge Recirc Pump Grinders	OS		198,500								18,000	18,000	1,891	16,109	10.50%	Staff have replaced on line unit from stock and are working with vendors to replace critical warehouse stock	
7300-978-00	Biosolids Hoppers-Maintenance	MS		47,000								8,500	8,500		8,500	0.00%	No action this quarter.	
			SUBTOTAL	\$ 10,125,539	\$ 42,589	\$ -	\$ 42,589	\$ 15,066	\$ 4,097,173	0.15%	\$ -	\$ 671,800	\$ -	\$ 671,800	\$ 119,646	\$ 552,154	17.81%	
			GRAND TOTAL	\$ 33,975,040	\$ 2,603,534	\$ 2,269,048	\$ 334,487	\$ 2,435,435	\$ 10,513,005	GRAND TOTAL	\$ 109,905	\$ 3,632,400	\$ -	\$ 3,632,400	\$ 1,684,457	\$ 1,947,942	46.37%	
																		CMSA CIP STAFF COSTS
																		185,200
																		185,200
																		48,476
																		136,724



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates
From: Chris Finton, Treatment Plant Manager
Mark Koekemoer, Laboratory Director
Approved: Jason Dow, General Manager
Subject: **2017/2018 Wastewater Flow Report**

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

Summary: This annual report is prepared to summarize specific flow and process data and other information for CMSA and each collection agency. Below are the reports highlights:

- There were no NPDES permit exceedances during the May, 2017 to April, 2018 monitoring period. CMSA has met or exceeded all of its permit requirements.
- Central Marin had 44 rain days during the wet weather season with 15.4" of rain measured at the Agency's rain gauge.
- CMSA treated approximately 3.81 billion gallons of wastewater over the past year, of which 775.2 million gallons was attributed to storm water inflow/infiltration (I/I) into the gravity collection system.
- Wastewater blending occurred nine times during the wet weather season, when influent flows exceeded the 30 MGD capacity of the secondary treatment system.
- The CMSA peaking factor, average dry weather effluent flow compared to peak wet weather effluent flow, was 10.0 for the largest wet weather event on March 21, 2018.
- The JPA member agency influent flow peaking factors ranged from 11.3 to 12.8, indicating that each system receives significant I/I during rain events. San Quentin State Prison had the lowest peaking factor of 5.7.

I. NPDES Permit Compliance

Total Suspended Solids (TSS) in the final effluent averaged 4.8 mg/L and the Carbonaceous Biochemical Oxygen Demand (CBOD) averaged 6.1 mg/L for the year. Both are well under our NPDES requirements of 30 mg/L and 25 mg/L, respectively. Average percent removal for TSS was 98.6% and CBOD 97.6%, well above our 85% limit. Mercury in the final effluent averaged 0.0034 ug/L, substantially below the 0.066 ug/L Average Monthly Effluent Limit (AMEL) included in the S. F. Bay's Mercury and PCBs Watershed Permit. No permit limits were exceeded during this annual reports monitoring period.

II. Rainfall and Wastewater Flows

The National Oceanic and Atmospheric Association (NOAA) produces seasonal outlook reports to help communities prepare for upcoming weather events and minimize the impact on lives and livelihoods. Forecasters at the NOAA Climate Prediction Center issued the U.S. Winter Outlook report in March 2017 that predicted that the *La Niña* weather pattern, which typically results in dryer, warmer winters in the southern U.S., and wetter, cooler conditions in the northern U.S., was likely to develop in the late fall or early winter of 2017-18. The United States Drought Monitor also stressed that California's latest drought map shows drought conditions, nominally in retreat after March, although the gains appear to be of the fragile and reversible sort.

This wet weather season, varying amounts of rain occurred over 44 rain days, from 0.62" to 2.64" in less than 24 hours as recorded by CMSA's rain gauge. The season started in November producing a total of 3.30" of rain as recorded in San Rafael. In January, a series of small storms moved through the Bay Area and CMSA received 3.2" of rain in six separate events. This storm pattern continued in February and the Agency received an additional 0.62" inches of rain over two days. In March, 5.84" inches occurred in 18 rain days. There was a combined total of 15.4" of rain this past wet weather season as compared to San Rafael's average annual rainfall of 35.2".

Blending was triggered nine times this season when wet weather flows exceeded the secondary process maximum capacity of 30 MGD. Blending occurs when the primary effluent flow is passively diverted around the secondary treatment process, then combines with the secondary effluent prior to disinfection and discharge to the S.F. Bay. The following table shows the monthly rainfall in inches and the total for the season.

TABLE 1 - 2017/2018 Monthly Rainfall in Inches

May 17	Jun 17	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	Total
0.00"	0.00"	0.00"	0.00"	0.00"	0.00"	3.30"	0.00"	3.25"	0.62"	5.84"	2.39"	15.40"

The table below illustrates CMSA, JPA member agencies', and San Quentin total monthly influent flow volumes for the year from May 2017 to April 2018. CMSA treated approximately 3.81 billion gallons of wastewater over that time period.

TABLE 2 - Monthly Flows in million gallons (MG)

Monthly Flows* (in MG)	San Rafael (SRSD)	RVSD	San Quentin	SD2	CMSA Plant Influent	Blend Events
May 2017	107.52	152.32	9.77	30.81	300.43	0
June 2017	95.57	126.21	9.86	27.42	259.06	0
July 2017	95.22	124.34	10.10	22.78	252.44	0
August 2017	95.80	127.35	12.83	17.53	253.51	0
September 2017	95.00	133.45	14.59	9.91	252.95	0
October 2017	89.36	111.16	15.22	25.38	241.11	0
November 2017	110.16	137.40	16.55	33.69	297.80	0
December 2017	92.31	130.67	14.97	27.76	265.71	0
January 2018	154.52	208.98	18.93	44.64	427.06	2
February 2018	99.03	133.23	13.12	24.36	269.74	0
March 2018	214.59	297.53	18.97	54.31	585.40	5
April 2018	145.48	205.38	15.49	39.24	405.60	2
Total Flow*	1,394.57	1,888.01	170.41	357.82	3,810.81	9
Percent of Flow	37%	50%	4%	9%	100%	

*Flows have been rounded

Of the total 3.81 billion gallons treated, the expected dry weather portion of the flow for the year was approximately 3.04 billion gallons, which indicates that CMSA treated about 775 million gallons of wet weather flow.

March had the highest total rainfall of 5.84". CMSA had a peak influent flow of 83.0 MGD during the storm of March 21, resulting in the highest peak influent flow through the plant for the year. When compared to the 2017 three-month Average Dry Weather (ADW) effluent Flow of 8.3 MGD, the peaking factor equals a 10.0. In Metcalf & Eddy's *Wastewater Engineering: Collection and Pumping of Wastewater*, the common range for an infiltration peaking factor is 1 to 4. The CMSA facility and the satellite collection systems generally experience significant peaking factors during the wet weather months.

TABLE 3 - Peak Flows and Peaking Factors

RAIN (a)	SRSD	RVSD	San Quentin	SD2	CMSA
ADW Flow (b)	3.1 MGD	3.9 MGD	0.42 MGD	0.80 MGD	8.3 MGD
Peak Day's Flow (c)	20.5 MGD	26.1 MGD	1.3 MGD	5.3 MGD	53.1 MGD
Peak Flow Rate (c)	35.0 MG	49.9 MG	2.4 MG	9.3 MG	83.0 MG
Peaking Factor	11.3	12.8	5.7	11.6	10.0

(a) Peak flows based on rainfall events in March 2018. Total Rainfall for the period March 1, to March 31, 2018 was 5.84"

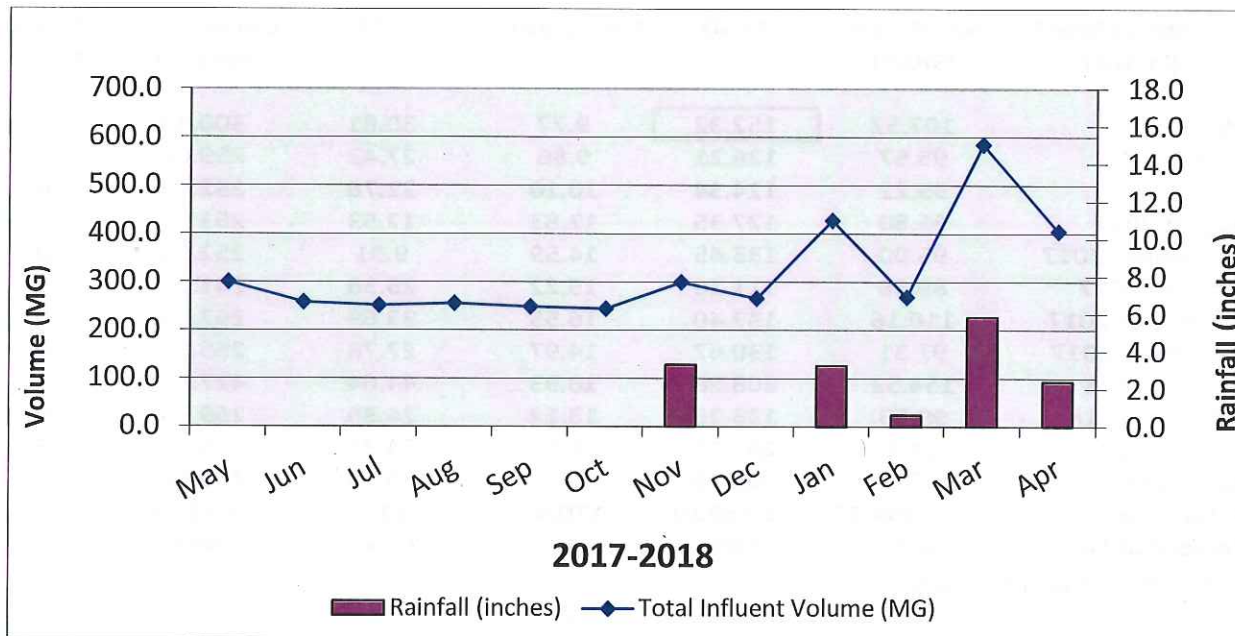
(b) Average Dry Weather influent Flow calculated based upon influent flow from July, 2017 to September, 2017.

(c) Peak flow and Daily Maximum flow dependent on area's rainfall. Values reported based upon March 21, 2018 storm event

I. Process:

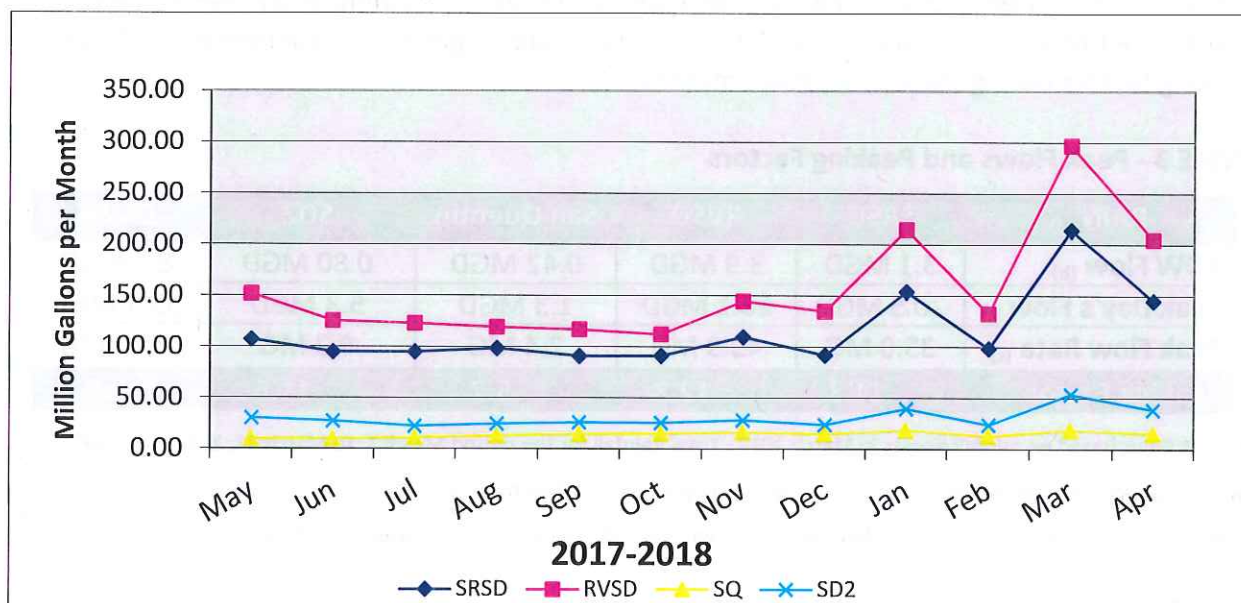
Provided below are graphical and tabular representations of wet weather indicators and affected performance indicators.

GRAPH 1 – Total Influent Volume and Monthly Rainfall Totals



As indicated in Graph 1 above, there was a substantial increase in the amount of rainfall particularly in the months of January and March. For the 2017-2018 reporting period, CMSA received a total rainfall of 15.4 inches and 3.81 billion gallons of influent. These rainfall totals are substantially lower than the previous year, as annual rainfall for 2016-2017 was 54.05 inches and influent flow total was 5.18 billion gallons.

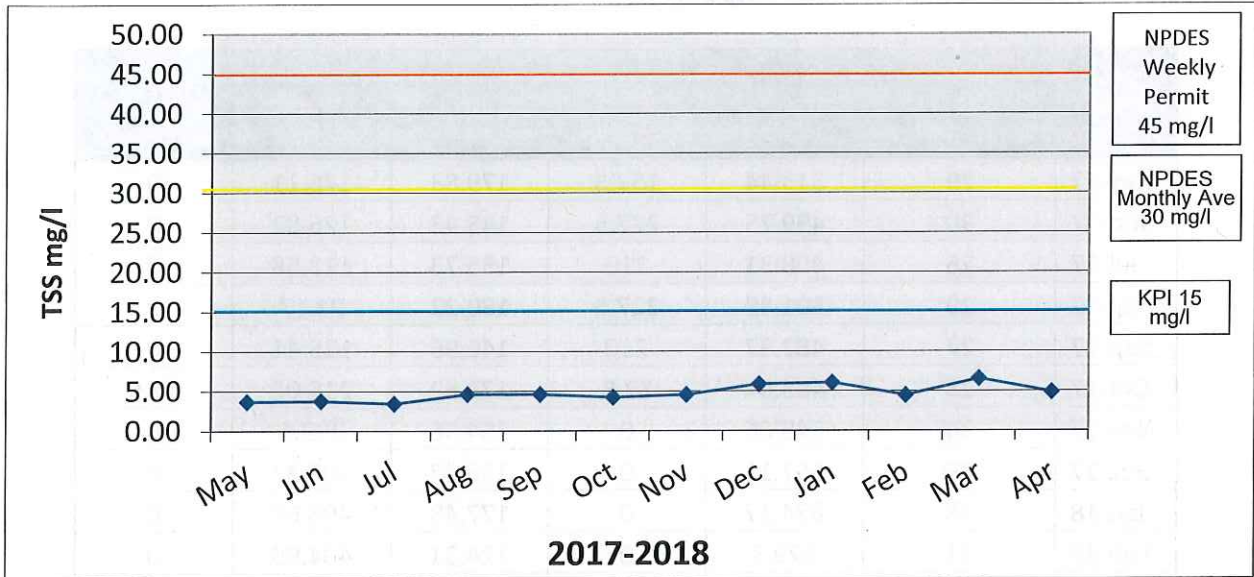
GRAPH 2 – Total Volume by Agency



As evidenced in the data provided in Tables 1 and 2 and summarized in Graph 2 above, there was a substantial decrease in influent flow from CMSA’s member agencies as compared to the

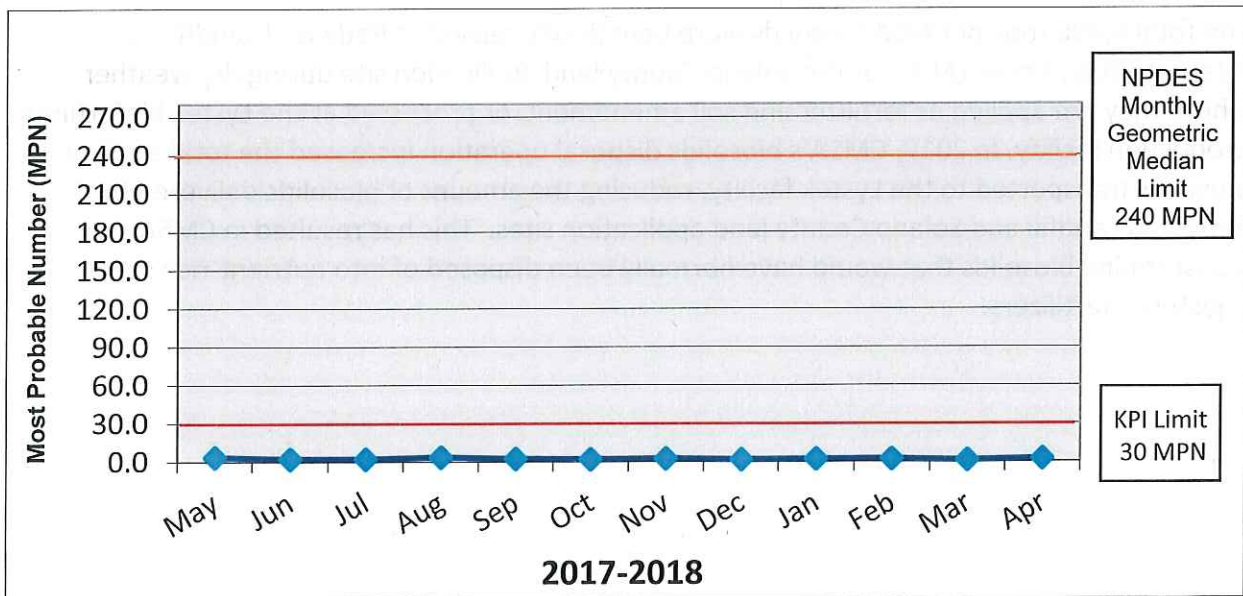
previous year. For example, for the January 2017 monitoring period, SRSD’s influent volume was 338.7 MG, whereas for the January 2018 period, SRSD’s influent volume was 152.3 MG, a 122% decrease in flow. This decrease in member agency flows is evidenced throughout all the member agencies.

GRAPH 3 – Effluent Total Suspended Solids



Graph 3 above, Effluent Total Suspended Solids, illustrates effluent quality in relation to the elevated flows indicated in February and March 2018. This year, operations staff managed the processes and equipment in service to match seasonal changes. In spite of high flows, each monthly TSS average remained in single digits, and well below the Agency’s Key Performance Indicator (KPI) of 15 mg/l. However, effluent water quality is affected by elevated I&I events within the collection system.

GRAPH 4 – Total Coliform



Graph 4 illustrates the Total Coliform, an indicator of CMSA’s disinfection and blending processes. As evidenced in this graph, blending events due to high influent flows did not impact compliance within the monthly geometric median, and is the result of CMSA effectively managing the disinfection and overall secondary treatment processes.

TABLE 4 – Biosolids Production and Disposal

Date	Total Number of Loads	Total Tons	Solano Land App	Lystek	Redwood Landfill ADC	Dos Palos Compost
May-17	29	513.44	157.5	179.83	176.11	0
Jun-17	30	499.75	227.5	145.43	126.82	0
Jul-17	26	458.31	210	135.73	112.58	0
Aug-17	29	501.89	227.5	180.22	94.17	0
Sep-17	27	482.37	210	146.96	125.41	0
Oct-17	28	493.64	87.5	172.62	216.02	17.5
Nov-17	34	548.06	0	154.56	393.5	0
Dec-17	33	557.11	0	136.47	408.37	0
Jan-18	38	674.17	0	177.48	496.69	0
Feb-18	31	529.3	0	124.31	404.99	0
Mar-18	37	678.12	0	143.88	534.24	0
Apr-18	32	559.62	87.5	139.62	332.5	0
Total	374	6,495.78	1,207.50	1,837.11	3,421.40	17.50

For this report, the defined wet weather period was from October through April, and as indicated in the table above, 4,040 wet tons were hauled during this period whereas, during the dry weather months, 2,456 wet tons were hauled. This represents a 17.5% increase in biosolids production associated with wet weather events.


The total 6,496 tons of CMSA biosolids were beneficially reused at Redwood Landfill as Alternate Daily Cover (ADC), at the Solano County land application site during dry weather where they are applied as fertilizer and soil amendment, or processed at the Lystek biofertilizer production facility. In 2017, CMSA’s biosolids disposal operation increased the total amount of biosolids transported to the Lystek facility, reducing the amount of biosolids delivered to the Redwood Landfill and Solano County land application sites. This has resulted in CMSA transforming biosolids that would have normally been disposed of into nutrient-rich state registered fertilizers.



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Brian Thomas, Technical Services Manager
Jason Dow, General Manager 

Subject: **PG&E Interconnection Design Project – Engineering Design Services
Amendment #1 (CMSA Contract No. 18-03)**

Recommendation: Approve Amendment #1 to the PG&E Interconnection Design Project’s Professional Services Agreement with Carollo Engineers, and authorize the General Manager to execute the amendment.

Summary: CMSA and Carollo Engineers (Carollo) entered into a Professional Services Agreement (PSA) in July 2017 to design the necessary improvements to CMSA’s cogeneration facility electrical system to allow for delivery of renewable power to the PG&E local electrical grid. Carollo’s original scope of work is based on the improvements required in the PG&E Interconnection Agreement (IA). PG&E’s design review and approval process has required more submittals and coordination meetings than anticipated in Carollo’s original scope of work.

Staff recommends approving Amendment #1 to Carollo’s PSA to update and submit a revised PG&E G5 form and drawings to PG&E for approval, and to participate in additional meetings as needed to finalize the design and construction of on-site improvements.

Discussion: CMSA’s electrical cogeneration system currently powers the Agency’s facilities for an average of 23 hours per day with biogas as its fuel source. There have been numerous days when CMSA could have generated enough electricity to meet the facility’s power demand and supply excess power to the electrical grid. However, CMSA’s previous PG&E IA prohibited CMSA from delivering or exporting power. In July 2016, CMSA began the IA modification process with the goal of being able to export power. As part of the IA modification process, PG&E prepared Initial Review and Supplemental Review reports that identified the specific PG&E off-site and CMSA on-site electrical distribution system upgrades necessary for CMSA to reach its goal. In May 2017, the Board authorized the General Manger to execute a new IA, after which PG&E and CMSA began the process to design and construct the required upgrades.

CMSA hired Carollo to design the on-site improvements that mostly involved installing new protective relays to disconnect the CMSA and PG&E electrical systems in the event of a PG&E electrical distribution system outage. To date, Carollo has prepared multiple submittals for

PG&E to review and has prepared drawings for a contractor to use during the relay installation work. It is expected that PG&E's final approval of their G5 form and construction drawings will occur in early May. Immediately after receiving approval, CMSA will hire a contractor to install the relays and conduct performance testing as required by PG&E.

Concurrently, PG&E has been working on the design and construction of their off-site improvements. These improvements include a new ground fault detection bank (\$45,000), a new PG&E secondary revenue meter (\$5,000), PG&E SCADA system expansion (\$20,000), and system testing (\$10,000). Per the Agreement terms, CMSA is required to fund these improvements by posting a financial security. PG&E is scheduled to complete their work on May 1, 2018.

The IA only allows CMSA to supply power to the electrical grid. A separate power purchase agreement has been executed with Marin Clean Energy for their Feed-In-Tariff power sale program.

Fiscal Impact: Carollo's PSA design fee is \$45,000. If Amendment #1 is approved by the Board, the total PSA fee will be \$57,000, an increase of \$12,000. The adopted FY 18 Capital Improvement Program allocates \$525,000 for the Project work, most of which will be reimbursed through an SRF Green Project Reserve Loan with 75% loan forgiveness. There are sufficient funds remaining in the budget to cover Amendment #1.

Alignment with Strategic Plan: This project is a strategic action to support Goal 3 – Objective 3.1 in the Agency's FY 18 Business Plan as shown below.

Goal Five: CMSA will further incorporate green business principles and consider renewable resource opportunities in its short- and long-term planning.

Objective 3.1: Implement steps to supply the Agency's extra power.

Action 1: Design and implement required improvements power delivery.

Attachment:

- Amendment #1 to Carollo's Professional Services Agreement



AMENDMENT 1

PG&E INTERCONNECTION DESIGN PROJECT (18-03)

PROFESSIONAL SERVICES AGREEMENT – (GL 7300-660-00)

This Amendment to the Agreement is dated this ____ day of May, 2018 and is made by and between Central Marin Sanitation Agency (hereinafter CMSA), a joint powers agency in Marin County, California and Carollo Engineers. (hereinafter Consultant).

RECITALS

- A. CMSA entered into a Professional Services Agreement with Consultant, dated July 18, 2017, to design the necessary improvements to CMSA's cogeneration facility electrical system to allow for delivering renewable power to the PG&E local electrical grid (18-03) for a total contract fee of \$45,000; and
- B. CMSA and Consultant now desire to amend the Agreement to include additional design services related to coordination efforts with PG&E that were greater than anticipated in the original scope of work.

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

- 1) Scope: Add the services in Attachment 1 to the Agreement's Scope of Services. The activities in this amendment include design activities that are generally equivalent to the work described in Task 1.2 of the original contract scope of services.
- 2) Fee: This amendment will increase the total fee by \$12,000. The total fee allowance for Agreement and Amendment 1 is \$57,000.

All other terms and provisions of the Project's Professional Services Agreement dated July 18, 2017 (as amended) remain unchanged.

IN WITNESS THEREOF, the parties have executed this Amendment and accept all terms and conditions this _____ day of May, 2018.

Carollo Engineers

Central Marin Sanitation Agency

Rick Chan, Principal

Jason Dow, General Manager

Attachment:

- Carollo scope and fee proposal dated April 26, 2018



April 26, 2018

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

Subject: Proposal for Amendment #1 to PG&E Interconnection Design Project

Dear Mr. Dow:

Thank you for requesting our proposal for Amendment #1 to PG&E Interconnection Design Project. As requested, Carollo Engineers (Carollo) is submitting the following additional scope of services.

INTRODUCTION

The purpose of this Amendment is to provide additional design services required to prepare application forms, drawings, and other pertinent documentation requested by PG&E to complete PG&E's interconnection requirements.

SCOPE OF SERVICES

Our proposed additional scope of services for this project includes:

- Carollo will complete PG&E's G5 form and mark up Agency's record drawings as necessary to meet PG&E's interconnection requirements.
- Carollo will conduct one site visit to the Agency's wastewater treatment facility and participate in up to four telephone conferences with Agency staff and PG&E representatives as necessary to determine interconnection requirements.

BUDGET

Our proposed budget for this project is \$12,000.

We appreciate your consideration on this Amendment and look forward to working with you. Please do not hesitate to contact us if you have any questions or require additional information on this proposal.

Sincerely,

CAROLLO ENGINEERS, INC.

Jamshid (JD) Dorafsha, P.E.
Associate Vice President




BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Amy Hwang, Assistant Engineer

Approved: Jason Dow, General Manager 

Subject: **FY 2018/19 Chemical Supply Contracts**

Recommendation: Authorize the General Manager to execute procurement agreements for the following Chemical Supply Contracts that were bid through the Bay Area Chemical Consortium (BACC):

1. BACC Bid No. 04-2018 – Evoqua Water Technologies to supply calcium nitrate at a unit price of \$2.11 per gallon, before taxes.
2. BACC Bid No. 06-2018 – Thatcher Company of California to supply ferric chloride at a unit price of \$553.00 per dry ton, before taxes.
3. BACC Bid No. 11-2018 – Univar USA to supply sodium bisulfite at a unit price of \$1.06 per gallon, before taxes.
4. BACC Bid No. 13-2018 – Univar USA to supply sodium hypochlorite at a unit price of \$0.67 per gallon, before taxes.

This year, hydrogen peroxide was not bid through the BACC, as CMSA was the only agency seeking to procure hydrogen peroxide. Upon mutual agreement by both CMSA and our current hydrogen peroxide vendor, Evoqua Water Technologies, the contract will be extended for one additional year at the same unit price, \$2.02 per gallon (before taxes), with all contract provisions remaining the same.

Discussion: CMSA staff reviewed the draft BACC bid documents prior to issuance by the Dublin San Ramon Services District (DSRSD), and provided Agency-specific information such as estimated chemical volumes and delivery criteria to be incorporated into the final bid documents. DSRSD issued Requests for Bids in March. Bids were received, opened, and analyzed by DSRSD staff in April, and award recommendation letters were sent to the participating agencies for each chemical. CMSA staff agrees with DSRSD's award recommendations. Each contract is for one year at a fixed unit price, with three one-year administrative extensions available, upon mutual agreement. The unit price for any succeeding period of service will be determined by negotiation with the chemical vendor. The BACC bid documents do not include an agreement form, and require each agency to enter into their own agreement with each vendor. CMSA's sample chemical procurement agreement is attached and

will be executed with each vendor if approved by the Board. The following is a basic description of the reasons CMSA uses each chemical.

- Calcium nitrate is used to control odors in the plant and in the influent force mains.
- Ferric chloride is used to control sulfide content in biogas, enhance biosolids dewatering processes, and increase suspended solids removal in primary clarifiers during wet weather flows.
- Hydrogen peroxide is used as an oxidizing agent that controls odorous compounds in the wastewater as it enters the treatment plant.
- Sodium bisulfite is a dechlorination chemical used to neutralize residual chlorine in the final effluent prior to discharging into the San Francisco Bay.
- Sodium hypochlorite is used for disinfection of final effluent and recycled water, odor control at various locations, and filament control in the secondary treatment system.

Economic Summary: Chemical unit prices have all increased for FY 19, except hydrogen peroxide. The summary table below shows each chemical’s estimated annual consumption, current unit price before tax, bid unit price before tax, and percent change between the current unit price and the bid unit price.

Chemical	Vendor	Estimated Annual Usage	Current Unit Price	Bid Unit Price	% Change
Calcium Nitrate	Evoqua Water Technologies	180,000 gal	\$2.04/gal	\$2.11/gal	3.54%
Ferric Chloride	Thatcher Company of California	135 dry tons	\$479.00/dry ton	\$553.00/dry ton	15.45%
Hydrogen Peroxide ¹	Evoqua Water Technologies	125,000 gal	\$2.02/gal	\$2.02/gal	0.00%
Sodium Bisulfite	Univar USA	170,000 gal	\$0.97/gal	\$1.06/gal	9.06%
Sodium Hypochlorite	Univar USA	280,000 gal	\$0.55/gal	\$0.67/gal	21.18%

¹ Not bid through the BACC this year; last year’s contract will be extended one additional year with the unit price remaining the same.

Attachments:

- 1) BACC’s Notice of Intent Award Letter of Calcium Nitrate
- 2) BACC’s Notice of Intent Award Letter of Ferric Chloride
- 3) BACC’s Notice of Intent Award Letter of Sodium Bisulfite
- 4) BACC’s Notice of Intent Award Letter of Sodium Hypochlorite
- 5) Sample Agreement to Purchase Chemicals



7399 Johnson Drive
Pleasanton, CA 94588

phone (925) 846-4565
fax (925) 462-0658
www.dsrds.com

May 2, 2018

Evoqua Water Technologies LLC
Attention: Jennifer Miller
2650 Tallevast Road
Sarasota, FL 34243

**Re: Notice of Intent to Award Contract in Response to Bay Area Chemical Consortium (BACC)
Bid No. 04-2018 for Supply and Delivery of Calcium Nitrate**

Dear Ms. Miller,

After completing our review of the bids received in response to the Bay Area Chemical Consortium (BACC) solicitation for calcium nitrate, Bid No. 04-2018, we are pleased to advise you that the bid submitted by Evoqua Water Technologies LLC was determined to be the lowest responsive bid for the supply and delivery of calcium nitrate during the period July 1, 2018 through June 30, 2019.

Enclosed is a copy of the final bid tabulation results. The participating BACC Agencies should be contacting you shortly to discuss entering into contracts with Evoqua Water Technologies for their respective facilities.

Bay Area Chemical Consortium sincerely appreciates your efforts and participation in the competitive bid process.

If you have any questions, please feel free to contact me at (925) 875-2398.

Sincerely,

Gemma Z. Lathi
Administrative Analyst II – Operations
DUBLIN SAN RAMON SERVICES DISTRICT
As Coordinating Agency for the Bay Area Chemical Consortium

Cc: Bay Area Chemical Consortium Member Agencies
Enclosure

BAY AREA CHEMICAL CONSORTIUM

Final Bid Tabulation for Bid No. 04-2018

Supply and Delivery of Calcium Nitrate for Fiscal Year 2018/2019

Open Date: Tuesday, April 10, 2018 at 9:00 a.m. PDT

	Calcium Nitrate Solution unit price per gallon	Nitrate Oxygen unit price per lb	Calcium Nitrate Solution unit price per gallon	Nitrate Oxygen unit price per lb
Name of Bidder	Marin Sonoma Napa	Marin Sonoma Napa	Peninsula	Peninsula
Evoqua Water Technologies	\$2.107000	\$0.479000	\$2.160000	\$0.491000
Thatcher Company of California, Inc.	\$2.310000	\$0.658100	\$2.345000	\$0.668100
Univar USA Inc.	no bid	no bid	no bid	no bid

Lowest responsive bid



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fax (925) 462-0658
www.dsrds.com

May 2, 2018

Thatcher Company of California, Inc.
Attention: Craig N. Thatcher
P.O. Box 27407
Salt Lake City, UT 84127-0407

**Re: Notice of Intent to Award Contract in Response to Bay Area Chemical Consortium (BACC)
Bid No. 06-2018 for Supply and Delivery of Ferric Chloride**

Dear Mr. Thatcher,

After completing our review of the bids received in response to the Bay Area Chemical Consortium (BACC) solicitation for ferric chloride, Bid No. 06-2018, we are pleased to advise you that the bid submitted by Thatcher Company of California, Inc. was determined to be the lowest responsive bid for the supply and delivery of ferric chloride during the period July 1, 2018 through June 30, 2019.

Enclosed is a copy of the final bid tabulation results. The participating BACC Agencies should be contacting you shortly to discuss entering into contracts with Thatcher Company of California for their respective facilities.

Bay Area Chemical Consortium sincerely appreciates your efforts and participation in the competitive bid process.

If you have any questions, please feel free to contact me at (925) 875-2398.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Lathi', is written over the typed name.

Gemma Z. Lathi
Administrative Analyst II – Operations
DUBLIN SAN RAMON SERVICES DISTRICT
As Coordinating Agency for Bay Area Chemical Consortium

cc: Bay Area Chemical Consortium Member Agencies
Enclosure

BAY AREA CHEMICAL CONSORTIUM

Final Bid Tabulation for Bid No. 06-2018

Supply and Delivery of Ferric Chloride for Fiscal Year 2018/2019

Open Date: Tuesday, April 10, 2018 at 9:00 a.m. PDT

Name of Bidder	Unit price per dry ton							
	Central Valley	East Bay	Marin Sonoma Napa	North Bay	Peninsula	Sacramento	South Bay	Tri Valley
Thatcher Company of California, Inc.	\$566.000	\$555.000	\$553.000	\$560.000	\$569.000	\$551.000	\$566.000	\$547.000
Univar USA Inc.	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid
Pencco, Inc.	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid

Lowest responsive bid



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May 2, 2018

Univar USA Inc.
Attention: Jennifer Perras
8201 S. 212th Street
Kent, WA 98032

**Re: Notice of Intent to Award Contract in Response to Bay Area Chemical Consortium (BACC)
Bid No. 11-2018 for Supply and Delivery of Sodium Bisulfite**

Dear Ms. Perras,

After completing our review of the bids received in response to the Bay Area Chemical Consortium (BACC) solicitation for sodium bisulfite, Bid No. 11-2018, we are pleased to advise you that the bid submitted by Univar USA Inc. was determined to be the lowest responsive bid for the supply and delivery of sodium bisulfite during the period July 1, 2018 through June 30, 2019.

Enclosed is a copy of the final bid tabulation results. The participating BACC Agencies should be contacting you shortly to discuss entering into contracts with Univar USA Inc. for their respective facilities.

Bay Area Chemical Consortium sincerely appreciates your efforts and participation in the competitive bid process.

If you have any questions, please feel free to contact me at (925) 875-2398.

Sincerely,

Gemma Z. Lathi
Administrative Analyst II – Operations
DUBLIN SAN RAMON SERVICES DISTRICT
As Coordinating Agency for Bay Area Chemical Consortium

Cc: Bay Area Chemical Consortium Member Agencies
Enclosure

BAY AREA CHEMICAL CONSORTIUM

Final Bid Tabulation for Bid No. 11-2018

Supply and Delivery of Sodium Bisulfite for Fiscal Year 2018/2019

Open Date: Tuesday, April 10, 2018 at 9:00 a.m. PDT

Name of Bidder	25% Solution, Unit Price Per Gallon						40% Solution, Unit Price Per Gallon		
	East Bay	Marin Sonoma Napa	North Bay	Peninsula	Sacramento	South Bay	Central Valley	Peninsula	Sacramento
Brenntag Pacific, Inc.	no bid	no bid	no bid	no bid	no bid	no bid	\$1.70000	\$1.72000	\$1.75000
Chemurgic	\$1.18000	\$1.35000	\$1.36000	\$1.24000	\$1.45000	\$1.24000	\$1.76000	\$1.85000	\$1.80000
Univar USA Inc.	\$1.01000	\$1.05700	\$1.05100	\$1.03200	\$1.65200	\$1.04000	\$1.47100	\$1.34600	\$1.65200

Lowest responsive bid



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Pleasanton, CA 94588

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fax (925) 462-0658
www.dsrds.com

May 2, 2018

Univar USA Inc.
Attention: Jennifer Perras
8201 S. 212th Street
Kent, WA 98032

Re: Notice of Intent to Award Contract in Response to Bay Area Chemical Consortium (BACC)
Bid No. 13-2018 for Supply and Delivery of 12.5% Sodium Hypochlorite

Dear Ms. Perras,

After completing our review of the bids received in response to the Bay Area Chemical Consortium (BACC) solicitation for 12.5% sodium hypochlorite, Bid No. 13-2018, we are pleased to advise you that the bid submitted by Univar USA Inc. was determined to be the lowest responsive bid for the supply and delivery of 12.5% sodium hypochlorite during the period July 1, 2018 through June 30, 2019, for the **North Bay, East Bay, South Bay, Peninsula, Marin-Sonoma-Napa, and Central Valley regions.**

Enclosed is a copy of the final bid tabulation results. The participating BACC Agencies should be contacting you shortly to discuss entering into contracts with Univar USA Inc. for their respective facilities. Each participating agencies will be responsible for individually accepting or rejecting deviations from the bid specifications per Section 2.12 Proposed Deviations from the Specifications by the Bidder.

Bay Area Chemical Consortium sincerely appreciates your efforts and participation in the competitive bid process.

If you have any questions, please feel free to contact me at (925) 875-2398.

Sincerely,

Gemma Z. Lathi
Administrative Analyst II – Operations
DUBLIN SAN RAMON SERVICES DISTRICT

Cc: Bay Area Chemical Consortium Member Agencies
Enclosure

BAY AREA CHEMICAL CONSORTIUM

Final Bid Tabulation for Bid No. 13-2018

Supply and Delivery of Sodium Hypochlorite 12.5% for Fiscal Year 2018/2019

Open Date: Tuesday, April 10, 2018 at 9:00 a.m. PDT

Name of Bidder	Unit price per gallon								Optional Bid Item IN DRUMS Unit price per gal	Optional Bid Item IN CARBOYS Unit price per gal
	Central Valley	East Bay	Marin Sonoma Napa	North Bay	Peninsula	Sacramento	South Bay	Tri Valley	North Bay	South Bay
Olin Chlor Alkali Products	\$0.66900	\$0.66900	\$0.73900	\$0.68900	\$0.72900	\$0.66400	\$0.65900	\$0.64900	no bid	no bid
Univar USA Inc.	\$0.65520	\$0.65390	\$0.66530	\$0.64690	\$0.65230	\$0.77490	\$0.60530	\$0.67220	no bid	no bid

Lowest responsive bid

CMSA Contract No. ____ - ____

AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 20____, by and between the CENTRAL MARIN SANITATION AGENCY, hereinafter referred to as "CMSA," and _____, hereinafter designated as the "Vendor."

WITNESSETH: That the parties hereto do mutually agree as follows:

ARTICLE 1: For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by CMSA, the Vendor agrees with CMSA to service the contract entitled "**Supply and Delivery of _____**" and to perform all work described in the BACC Bid Contract Documents Bid No. _____ and to perform everything required by this agreement.

ARTICLE 2: CMSA promises and agrees with the Vendor to employ and does employ the Vendor to provide the materials and do the work according to the terms and conditions referred to at the unit price as set forth in the bid proposal for Marin-Sonoma-Napa region, and contracts to pay the same, at the time, in the manner, and upon the condition set forth in the specifications; and the parties for themselves, their heirs, executors, administrators, successors and assigns, do agree to the full performance of these covenants.

ARTICLE 3: The BACC Bid Contract Documents Bid No. _____, and all Addenda issued by BACC prior to the opening of bids are incorporated in and made a part of this agreement.

ARTICLE 4: The Vendor is aware of, and hereby agrees to comply with Section 3700 of the Labor Code requiring every employer to be insured against liability for Workers' Compensation or to undertake self-insurance before commencing any of the work.

This Contract's Expiration Date is _____, with an option to extend the contract on a year-to-year basis, not exceed three (3) yearly renewals upon mutual agreements.

IN WITNESS WHEREOF, these parties have caused this contract to be executed the day and year first above written.

Vendor: _____

By: _____

Printed Name: _____

Title: _____

CENTRAL MARIN SANITATION AGENCY

By: _____


Jason R. Dow, General Manager



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager 

Subject: Final Draft 2018 Joint Powers Agreement – Revised Withdrawal Section

Recommendation: Accept the revised Withdrawal Section, and direct staff to incorporate it into the final draft 2018 Joint Powers Agreement.

Summary: The productive and collaborative process to revise the CMSA Joint Powers Agreement (JPA) is nearing completion. After the JPA member agency boards review, discuss, and approve the most recent series of edits and revisions, the final 2018 JPA will be ready for adoption. At last month’s CMSA Board meeting, the Board of Commissioners, serving as an extension of the ad hoc JPA Review Committee, reviewed and accepted the series of JPA section changes since its last meeting. During that discussion, the Board made a few decisions for the Withdrawal section, and directed staff to provide the revised Withdrawal section to the JPA member agencies for legal review.

The JPA member agencies’ managers, governing boards, and/or legal counsels have reviewed the revised Withdrawal section, and only one change was proposed. The complete text of the revised Withdrawal section is below with the addition shown in red text. If accepted by the Board, I will incorporate the Withdrawal section in the final draft JPA, and forward the JPA to the member agencies for presentation to their respective Boards.

SECTION 20. WITHDRAWAL

If a Member’s governing board decides to withdraw from the JPA, the Members will convene a meeting to discuss the withdrawal process and details.

The Member seeking Withdrawal from the JPA shall not receive or be entitled to any financial or other material compensation from CMSA and the remaining Members relating to the Withdrawal. This provision does not pertain to any separate agreement or dispute **not involving withdrawal** between Members.


Pursuant to the 2006 Payment for Treatment Services Agreement between the Members and CMSA or subsequent similar agreements for the payment of indebtedness, a Member cannot withdraw from the JPA until it determines a mechanism and makes a formal commitment to fund its payment obligations to CMSA.



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager 

Subject: **Larkspur Representation on the CMSA Board of Commissioners**

Recommendation: Discuss the Larkspur representation on the CMSA Board, and take action or provide direction to staff, as appropriate.

Summary: During the discussion of the draft 2018 Joint Powers Agreement at the April 12 meeting, the Board asked that the Larkspur representation on the Board be included on the May Board meeting agenda. I informed the Board that when researching this topic in the past, I found several letters and staff reports on the Larkspur representation in historic Board meeting agenda binders, and that I would review and summarize that information for review at the May meeting.

Discussion: CMSA maintains Board meeting agenda binders from the inception of the Agency in 1979. These binders contain each Board meeting's agenda packet, information packet, and handouts. I reviewed this information from 1989, when RVSD began sending CMSA letters about its planned annexation of the Larkspur Sanitation Area, to about mid-1995 after the Amendment to the 1993 Annexation Agreement was approved by RVSD and the Larkspur City Council. The information CMSA had on file did not include any discussion between RVSD and Larkspur about Larkspur withdrawing from the JPA or removing its seat from the Board of Commissioners after the annexation was completed. Rather, the correspondence stated RVSD's intent to acquire the Larkspur seat and appoint a RVSD representative to it. A brief summary of the key events associated with Larkspur's representation on the CMSA Board is below, and more detail on the chronology of the events is presented in the attached February 1995 opinion letter from special counsel LeLand Jordan.

- In January 1990, RVSD's manager, Ned Ongaro, send a letter informing CMSA that RVSD and Larkspur were initiating the annexation which includes RVSD taking over Larkspur's representation on the CMSA Commission. CMSA's Board subsequently discussed the letter, and decided taking any action is premature. (See attachment 1)
- Larkspur's City Council approved the Annexation Agreement in September 1992 that included language stating RVSD must approve the Larkspur appointment until August 1990, when Larkspur's sewer bonds are paid off, and after that date RVSD will appoint the representative. CMSA's legal counsel Jack Govi informed the CMSA Board that the

appointment language conflicts with the JPA, and he is directed to draft alternative language that is consistent with the JPA. (See attachment 2)

- Annexation Agreement is revised to be consistent with JPA, and is executed in June 1993. (See attachment 3)
- In November 1994, the CMSA Board learns that RVSD and Larkspur ratified a side agreement to the 1993 Annexation Agreement that states RVSD must approve of the Larkspur appointment to the CMSA Board, and if an RVSD Board member is a Larkspur resident, then the Larkspur City Council will appoint that individual to the CMSA Board. The CMSA Board discussed this side agreement at several meetings, reviewed its legal counsel's opinion on the side letter, and ultimately hired special counsel, with approval of RVSD and Larkspur, to provide an opinion on the side letter's appointment provision. Leland Jordan, former Marin County Counsel, provided an opinion that the side letter conflicted with JPA. (See attachment 4)
- In response to the Jordan opinion, the 1993 Annexation Agreement was amended to detail an appointment process that complied with the JPA where the Larkspur City Council had the final appointment authority. (See attachment 5)

LAFCO Central Marin Wastewater Report: LAFCO released the draft 2017 Central Marin Wastewater Services Study in May 2017; and it included the following recommendation.

"CMSA should reorganize its governing board structure to limit and/or remove the City of Larkspur's presence within the joint powers authority to better align and weight governance with vested participation among member agencies."

CMSA and each JPA member agency responses to that recommendation are below.

CMSA Response: "CMSA is interested in LAFCO proposing alternative forms of a reorganized CMSA governing board structure given the recommendation, and the process to achieve the recommendation."

RVSD Response: "RVSD agrees with this recommendation. The City of Larkspur has not had financial, regulatory, or functional responsibility for wastewater utility service since 1993. Steps to consider this change should be undertaken with the engagement of both the CMSA Board and the Larkspur City Council. The other JPA agencies should seek to provide reasonable assurance to the Larkspur City Council that the quality of governance and management of the JPA can be relied upon to meet the utility service interests that its citizens share with the rest of the JPA service area population."

SRSD Response: "CMSA and its JPA member agencies are currently reviewing the Joint Powers Agreement, which includes the CMSA governance board structure. The City of Larkspur's presence will be addressed through this review process."

SD2 Response: "Revision of the Joint Powers Agreement (JPA) should address this. Perhaps it makes sense for the JPA Ad hoc and district Manager working group to discuss and make a decision on this."

Attachments:

- 1) RVSD Letter to CMSA titled "SD1 Annexation of the Larkspur Sewage Collection Facilities", dated January 9, 1990
- 2) Original Section 15 from the RVSD/Larkspur Annexation Agreement
- 3) Revised Section 15 from the RVSD/Larkspur Annexation Agreement (renumbered Section 14)
- 4) LeLand Jordan letter to CMSA titled "Representation on the CMSA Commission", dated February 8, 1995
- 5) Amendment to RVSD/Larkspur Annexation Agreement, dated March 15, 1995

JR

ROSS VALLEY SANITARY DISTRICT

NED J. ONGARO, District Manager

SANITARY DISTRICT NO. 1 OF MARIN COUNTY
 2000 LARKSPUR LANDING CIRCLE
 LARKSPUR, CA 94939
 (415) 461-1122

DIRECTORS
 JAMES G. McDONALD
 LEO T. CRONIN
 ROBERT BEEDLE
 DAVID CANEER
 JEROME DRAPER

January 9, 1990

RECEIVED

JAN 10 1989

CENTRAL MARIN
SANITATION AGENCY

Mr. Joseph A. Remley
 General Manager
 Central Marin Sanitation Agency
 1301 Andersen Drive
 San Rafael, CA 94901

RE: Sanitary District No. 1 Annexation of Larkspur Sewage Collection
 Facilities

Dear Joe:

Sanitary District No. 1 and the City of Larkspur are initiating the annexation of the Larkspur sewage pumping and collection facilities into Sanitary District No. 1. Part of the annexation procedure includes the determination of any and all assets and liabilities.

Sanitary District No. 1 is hereby requesting the status of the Larkspur account with CMSA. Of prime importance are the items that are not going to be grant funded, or questionable for grant funding. We would like this information supplied in two ways: (1) the best case scenario, and (2) the worst case scenario.

Sanitary District No. 1's annexation of Larkspur's sewage pumping and collection facilities would include taking over Larkspur's representation on the CMSA Commission. You may wish to discuss this matter with the CMSA commissioners. An amendment to the JPA should coincide with the annexation procedure.

Thank you for your prompt response in this matter. If you have any questions or would like to schedule a meeting, please contact this office.

Very truly yours,


 Ned J. Ongaro
 District Manager

NJO:sff

cc: City of Larkspur

Section 15 Representation on CMSA Board of Commissioners

The CMSA Agreement provides for representation by its member agencies on the CMSA Board of Commissioners. Both CITY and DISTRICT, as CMSA member agencies, are currently represented on the CMSA Board, with CITY having one appointed Commissioner and DISTRICT having two appointed Commissioners out of the total six CMSA Commissioners. Nothing herein shall change or modify representation on the CMSA Board, except that, upon completion of the annexation, CITY's representation on CMSA shall be appointed by CITY with approval by DISTRICT until the final maturity of CITY's outstanding sewer revenue bonds, August 1, 2000. Thereafter, DISTRICT shall appoint CITY's representative to CMSA in accordance with current DISTRICT procedures.

Provided, however, it at any time prior to August 1, 2000, a Larkspur Sanitation Area resident is elected to DISTRICT's Board of Directors, DISTRICT shall appoint the Director residing within the Larkspur Sanitation Area to the CMSA Commission. After August 1, 2000, DISTRICT shall appoint CITY's representative to CMSA in accordance with current DISTRICT procedures.

Section 16 Cooperation of CITY and DISTRICT

CITY and DISTRICT shall cooperate in the transfer of facilities, funds, and other matters to ensure that sanitation service is provided without interruption. CITY shall provide field and administrative staff as reasonably required to assist DISTRICT personnel in locating underground and other facilities, understanding bookkeeping and financial information, determining customer information, and in such other areas to ensure a smooth transition from CITY to DISTRICT.

Section 17 Local Agency Formation Commission Approvals

CITY and DISTRICT have by resolution of their governing bodies approved this Agreement and requested approval of the Marin County Local Agency Formation Commission (LAFCO) for this annexation of the Larkspur Sanitation Area to DISTRICT as stated in this agreement. No modifications shall be made to the agreement without express written approval of both CITY and DISTRICT. If modifications are made to this agreement by other parties or agencies without written approval of CITY and DISTRICT, the LAFCO annexation request will be withdrawn.

Section 18 Intent of Annexation

The intent of this agreement is to allow the Larkspur Sanitation Area to annex to DISTRICT and, following annexation of the Larkspur Sanitation Area to DISTRICT, all of CITY will lie within DISTRICT. Following the annexation, DISTRICT will provide

Section 14 Representation on CMSA Board of Commissioners

The CMSA Agreement provides for representation by its member agencies on the CMSA Board of Commissioners. Both CITY and DISTRICT, as CMSA member agencies, are currently represented on the CMSA Board, with CITY having one appointed Commissioner and DISTRICT having two appointed Commissioners out of the total six CMSA Commissioners. Nothing herein shall change or modify representation on the CMSA Board.

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Section 17 Intent of Annexation

The intent of this agreement is to allow the Larkspur Sanitation Area to annex to DISTRICT and, following annexation of the Larkspur Sanitation Area to DISTRICT, all of CITY will lie within DISTRICT. Following the annexation, DISTRICT will provide sewer collection and other services and, through CMSA, sewer treatment, disposal, and other services to the Larkspur Sanitation Area. This will allow for a more efficient sewer program because of economies of scale due to the larger service area of DISTRICT. Nothing in this agreement is intended to imply or permit the Larkspur Sanitation Area described in Exhibit "A" to de-annex from CITY.

LELAND H. JORDAN
ATTORNEY AT LAW

47 SKYVIEW TERRACE
SAN RAFAEL, CALIFORNIA 94903
TELEPHONE (415) 499-8462

RECEIVED

FEB - 9 1995

CENTRAL MARIN
SANITATION AGENCY

February 8, 1995

Joseph A. Remley, P.E.
General Manager
Central Marin Sanitation Agency
1301 Andersen Drive
San Rafael, California 94901

Re: Joint Exercise of Powers Agreement;
Representation on Central Marin Sanitation Agency Commission

Dear Mr. Remley:

The Central Marin Sanitation Agency Commission has requested my opinion regarding a dispute which has arisen relating to representation on the Commission.

FACTS

On October 15, 1979, Sanitary District No. 1 of Marin County, San Rafael Sanitation District, Sanitary District No. 2 of Marin County and the City of Larkspur executed a Joint Exercise of Powers Agreement creating the Central Marin Sanitation Agency. Section 7 of the Agreement provides that the Commission, which acts as the governing body of the Agency, "shall consist of six commissioners, two appointed by the Governing Board of District No. 1, two appointed by the Governing Board of San Rafael, one appointed by the Governing Board of District No. 2 and one appointed by the City Council of Larkspur." On April 1, 1993, the Local Agency Formation Commission of Marin County approved annexation of a portion of the City of Larkspur to Sanitary District No. 1. Preliminary to that annexation, the City of Larkspur and Sanitary District No. 1 entered into an "Annexation Agreement" establishing the terms and conditions for the annexation. The initial draft of the Annexation Agreement provided, in substance, that, upon completion of annexation:

1. The City's representative on CMSA would be appointed by the City, with approval by District, until the final maturity of City's outstanding sewer revenue bonds, August 1, 2000.
2. If at any time prior to August 1, 2000, a Larkspur Sanitation Area (that portion of the City subsequently annexed to the District) resident is elected to the District's Board of Directors, the District must appoint that person to the CMSA Commission.

Joseph A. Remley, P.E.
February 8, 1995
Page 2

3. After August 1, 2000, the District would appoint City's representative to CMSA in accordance with current District procedures.

Upon examining the draft Annexation Agreement, other members of the CMSA Commission objected to the provision governing appointment of Larkspur's representative. Thereupon, the draft Agreement was revised and on January 6, 1993, the revised Annexation Agreement was executed by Larkspur and Sanitary District No. 1. The final Agreement provided as follows:

"The CMSA Joint Powers Agreement provides for representation by its member agencies on the CMSA Board of Commissioners. Both City and District, as CMSA member agencies, are currently represented on the CMSA Board, with City having one appointed commissioner and District having two appointed commissioners out of the total six CMSA commissioners. Nothing herein shall change or modify representation on the CMSA Board."

Recently, the remaining members of the Commission learned that, on or about January 6, 1993, and notwithstanding the terms of the Annexation Agreement, the City of Larkspur and Sanitary District No. 1 signed a supplemental Agreement entitled "Agreement Confirming Method of Appointment of Central Marin Sanitation Agency (CMSA) Commissioner to Represent the City of Larkspur." This latter Agreement provides, in substance, as follows:

1. Donald Graff, Larkspur's then current appointee to the Commission, would continue until such time as
 - (a) Graff might resign;
 - (b) Another District-approved CMSA Commissioner for Larkspur is appointed by Larkspur; or
 - (c) Until a Larkspur resident is elected or appointed to the District's Board, in which event that Larkspur resident must be appointed by Larkspur as the CMSA Commissioner for Larkspur.
2. Subsequent to August 1, 1998, if a Larkspur resident is not a member of the District's Board, the District shall nominate a Larkspur resident and Larkspur must appoint that nominee as the CMSA Commissioner for Larkspur to serve at the direction and pleasure of the District's Board.

It is the supplemental agreement between Sanitary District No. 1

Joseph A. Remley, P.E.
February 8, 1995
Page 3

and the City of Larkspur which has been called into question by another member of the CMSA Commission.

ANALYSIS

Section 7 of the Joint Exercise of Powers Agreement provides that the governing body of each of the participating agencies shall appoint that agency's representative or representatives on the Commission. Implicit in this provision, I believe, is the intention that each governing board be free to act independently in naming its representative or representatives. The supplemental agreement between the City of Larkspur and Sanitary District No. 1 negates this intention. Under its provisions, once Mr. Graff's membership on the Commission ceases, Sanitary District No. 1 gains veto power over any appointment made by the Larkspur City Council, and, after August 1, 1998, gains full control over any appointment made to the Commission. In my opinion, it is not reasonable to interpret the Joint Powers Agreement as giving to any member the right to unilaterally relinquish its power of appointment to another member.

The supplemental agreement appears contrary to the Joint Exercise of Powers Agreement in still another respect. It provides that, once Mr. Graff leaves the Commission and a Larkspur resident is elected to the Board of Sanitary District No. 1, that elected member must be appointed as Larkspur's representative on the CMSA Commission. Regardless of whether this method of selection has merit, it seems clear that the Joint Powers Agreement did not contemplate that any of its members should be directly elected by the voters of the agency represented.

I have examined the file of the Local Agency Formation Commission of Marin County relating to the proceedings which resulted in the annexation of the Larkspur Sanitation Area to Sanitary District No. 1. The Local Agency Formation Commission approved the annexation on April 1, 1993, by adoption of Resolution No. 92-7. That Resolution required that the annexation be subject to "the terms and conditions specified in the Annexation Agreement between Sanitary District No. 1 (Ross Valley Sanitary District) and the City of Larkspur dated January 6, 1993, as set forth in Exhibit 'B' attached hereto and incorporated herein." Unfortunately, Resolution No. 92-7 contained in the file of the Local Agency Formation Commission did not have the exhibits attached thereto. However, the only executed Annexation Agreement contained in that file is the Agreement dated January 6, 1993, which states that nothing therein "shall change or modify representation on the CMSA

Joseph A. Remley, P.E.
February 8, 1995
Page 4

Board." Government Code Section 56122 provides that the terms and conditions imposed by the Local Agency Formation Commission "shall be enforceable by, between, among, and against any public agency or agencies designated in the term and condition...." Since the supplemental agreement clearly modifies the method of selecting representation on the CMSA Commission, this supplemental agreement may be in violation of Government Code Section 56122.

In a letter dated November 15, 1994, addressed by Jack F. Govi, Deputy County Counsel, to Dave Bernardi, District Administrator of San Rafael Sanitation District, Mr. Govi suggests that the supplemental agreement may violate the common law doctrine of "incompatibility of office." I am not persuaded that this is true. The doctrine of incompatibility of office applies when the same person seeks to serve in two public offices which are inherently incompatible. In such instances, public policy prohibits the same person from simultaneously serving in both offices. Being based in public policy, the limitations imposed by this doctrine cannot be waived by agreement. In my opinion, the parties to the Joint Exercise of Powers Agreement had full discretion in determining how representation on the Commission would be selected. They had the power, had they so desired, to even provide that the public agency created by that Agreement should be governed entirely by one of the governing bodies of the participating agencies. In my opinion, the supplemental agreement between the City of Larkspur and Sanitary District No. 1 fails, not because of the doctrine of incompatibility of offices, but, rather because it contravenes the intent of the Joint Exercise of Powers Agreement and because it may also violate the provisions of Government Code Section 56122.

Mr. Govi, in his letter of November 15, 1994, concludes that the execution of the supplemental agreement has affected a "de facto" withdrawal by the City of Larkspur from the Joint Exercise of Powers Agreement. This argument raises additional complex issues. Because of the limited time available I have not been able to complete my study of these issues. If, following your Commission meeting of February 14, 1995, it is desired that I complete my review of that question, I will do so.

CONCLUSION

It is my conclusion that:

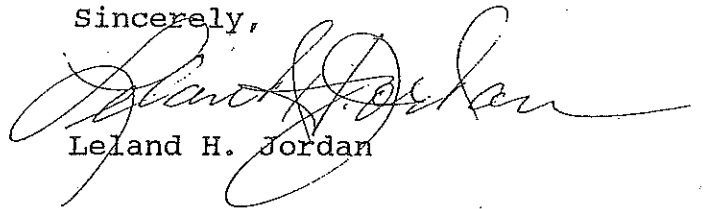
1. The supplemental agreement between the City of Larkspur and

Joseph A. Remley, P.E.
February 8, 1995
Page 5

Sanitary District No. 1 is invalid and cannot affect the selection of representatives on the CMSA Commission, since it is in conflict with the Joint Exercise of Powers Agreement and may well be in violation of Government Code Section 56122.

2. The common law doctrine of "incompatibility of office" is not applicable to the present situation.
3. Further study will be required before I can provide an opinion as to whether execution of the supplemental agreement has affected a de facto withdrawal of the City of Larkspur from the Joint Exercise of Powers Agreement.

Sincerely,



Leland H. Jordan

LHJ:cj
cc: Richard V. Godino, Esq.
Jack F. Govi, Esq.

AMENDMENT TO AGREEMENT**DRAFT**

This agreement entered into this 15th day of March, 1995, by and between the City of Larkspur ("City") and Sanitary District No. 1 of Marin County ("District").

RECITALS

A. In 1979, City and District joined with the City of Corte Madera and the San Rafael Sanitation District to create the Central Marin Sanitation Agency ("CMSA"). The Joint Powers Agreement between the parties creating CMSA provides that the City shall appoint the commissioner to CMSA to represent the City of Larkspur ("Larkspur Commissioner"), and that the City was to determine its method of selection of the person representing the City. The City herein wishes to set forth its method of selection.

B. In 1993, pursuant to an Annexation Agreement, the area of the City was annexed to District and District has provided sewer services to the area of the City since the date of the Annexation Agreement.

C. Under the Annexation Agreement, the City still has financial obligations with regards to sewage collection, has continued as one of the component entities to CMSA, and has continued to appoint one CMSA Commissioner pursuant to the Joint Powers Agreement.

D. In 1993, District and City entered into an agreement regarding the method of appointment of the Larkspur Commissioner. The City and District now wish to amend this agreement.

E. City's current appointee is Jean Mariani and City has requested that she continue as the Larkspur Commissioner.

NOW THEREFORE, be it hereby agreed as follows:

1. The function of the Larkspur Commissioner shall be to represent the citizens of Larkspur and to make decisions which are in the best interest of both the City of Larkspur and the broader interests of the entire CMSA.
2. The Larkspur Commissioner must be a resident of Larkspur and a registered voter.
3. When a vacancy in the position of the Larkspur Commissioner occurs, it shall be filled as follows:
 - (a) Public notice of the vacancy;
 - (b) Opportunity for interested parties to apply;
 - (c) Review of applicants by a committee composed of two persons appointed by District and two persons appointed by City ("Committee");

DRAFT

(d) The Committee shall review the applications and make a recommendation to the Larkspur City Council which shall have the final power to make a decision on the appointment.

(e) If the Committee is unable to agree, the applications shall be sent to the City Council which shall make the final decision.

4. A vacancy shall occur upon the happening of any of the following events:

- (a) death or incapacity of the Larkspur Commissioner;
- (b) resignation from the position by the Larkspur Commissioner;
- (c) Larkspur Commissioner no longer resides in Larkspur;
- (d) Removal from office by the City

5. The Committee shall meet periodically to review the performance of the Larkspur Commissioner and, upon request of City or District, shall meet to make a recommendation and/or provide information to the City regarding the continuation in office of the Larkspur Commissioner. The City shall have the final authority regarding the continuation in office of the Larkspur Commissioner.

6. The Larkspur Commissioner shall submit a written report semi-annually regarding the activities of CMSA and present this report to the Larkspur City Council and to the Board of Directors of District.

7. Upon execution of this amendment, the 1993 agreement between the parties regarding the method of appointment of the Larkspur Commissioner shall be of no further force and effect.

8. This agreement shall remain in force as long as Sanitary District No. 1 of Marin County exists and the Joint Powers Agreement forming CMSA remains in effect.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates indicated below:

**SANITARY DISTRICT NO. 1 OF
MARIN COUNTY**

CITY OF LARKSPUR

Date: March 7, 1995

Date: March 15, 1995

By _____
Brian P. Oliva, President

By _____
Joan M. Lubamersky, Mayor

By _____
Ronald R. Hill, Secretary

By _____
Jean Bonander, City Clerk



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Jacky Wong, Assistant Engineer

Approved: Jason Dow, General Manager *JAD*

Subject: **Pavement Rehabilitation Project – Adopt Contact Documents
(CMSA Contract No. 18-02)**

Recommendation: Adopt the Pavement Rehabilitation Project's construction contract documents, and authorize the General Manager to advertise the contract for public bidding.

Discussion: Most of the treatment facility roadways were constructed in the early 1980s and several areas are due for rehabilitation. The Pavement Rehabilitation Project (Project) will fix these failing asphalt roadway sections. Agency staff surveyed the damaged roadways and prepared construction plans and specifications to rehabilitate approximately 16,000 square feet of roadway in four primary locations. The improvements will address significantly worn and damaged paving, improve drainage, and pave gravel surfaces that experience frequent traffic with heavy equipment. Staff recommends the Board adopt the construction contract documents and authorize the public bidding of the project.

If public bidding is authorized, staff will issue the public bid advertisement immediately after the Board meeting and will bring a construction contract award recommendation to the July Board meeting. Construction is scheduled to begin in August 2018, and will be substantially completed by November 2018. The project's contract documents are available at the Agency's administrative office for Board member and public review. Photos of the project's pavement rehabilitation areas are shown on the following page.

Fiscal Impact: The Engineer's estimate for the project is \$190,000. The proposed FY 18/19 Capital Improvement Program will include sufficient funding to construct the Project in 2018.

Alignment with Strategic Plan: This project is a strategic action supporting Goal 1 - Objective 1.3 in the Agency's FY18 Strategic Business Plan as shown below.

Goal One: CMSA will continue to operate and maintain its wastewater facilities to produce high quality effluent and biosolids, within a changing regulatory environment.

Objective 1.3: Manage the Agency's assets.



Asphalt pavement with cracks and potholes by the Ross Valley Interceptor



Sinkholes and pavement settlement along the Maintenance Building



Gravel surfaces with drainage improvements needed by the Maintenance Annex



Excess wear and road pavement failure by the Solids Handling Building and Digesters



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager JD

Subject: Marin County Civil Grand Jury Report – Consolidation of Sanitation Districts

Recommendation: Provide direction to staff on the preparation of the Agency's response.

Summary: Marin County's 2017/2018 Civil Grand Jury released a report on April 20, 2018, titled "Consolidation of Sanitation Districts." In summary, the report briefly explains the history of special district formation in the county, notes successful local fire agency consolidations, concludes that sanitation/sanitary districts should combine into larger regional agencies to save rate-payer money and more effectively address climate change issues, and specifically references consolidation recommendations in the 2005 Central Marin Regionalization Scenarios Evaluation and the 2017 LAFCO Central Marin Wastewater Study.

Chair Furst and I have discussed the report and recommend the Board form an ad hoc Governance Committee to prepare a draft response to the Grand Jury report, for the Board's review, discussion, and consideration at the June 12 and/or July 10 meeting. Agency responses must be submitted to the Grand Jury Foreperson and Presiding Judge by July 19, 2018.

The report has four recommendations, one of which requires a response from CMSA, RVSD, SD2, and SRSD.

Recommendation 2: "Central Marin Sanitation Agency (JPA), Sanitary District #1 (Ross Valley), Sanitary District #2 (Corte Madera), and the San Rafael Sanitation District should reorganize into a single sanitary/sanitation district. Each entity should complete a reorganization application with Marin LAFCO by 9/30/2018 and announce this action on the agenda of the next Board meeting for public involvement."

In regards to filing a LAFCO consolidation application by 9/20/18, staff learned during the 2007 consolidation planning work that LAFCO requires a significant amount of decisions to be made and evaluations to be completed prior to the submittal of a consolidation application, all of which could not be finished by the proposed filing date.

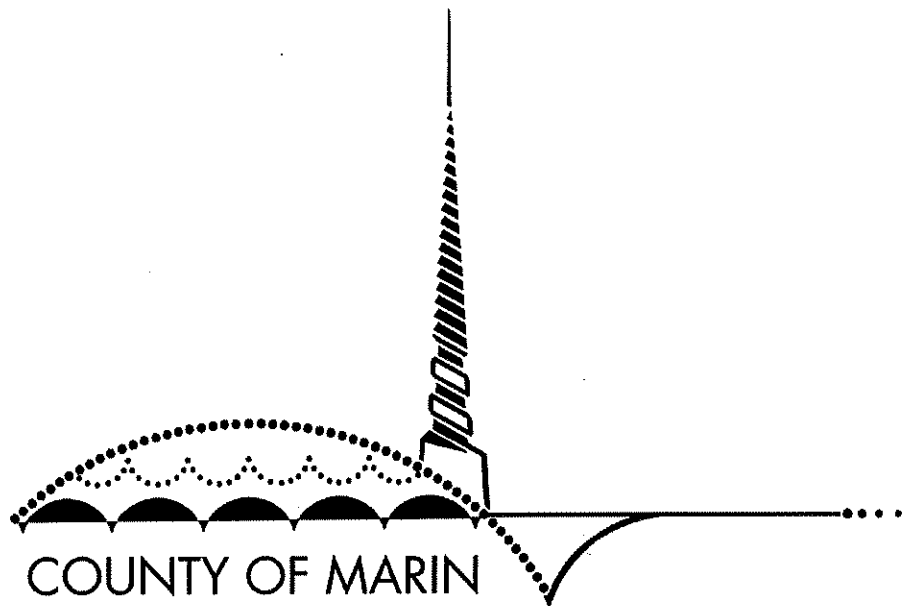
Attachment: Marin County Civil Grand Jury Report – Consolidation of Sanitation Districts

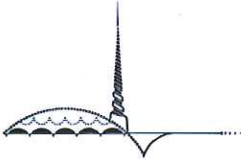
2017-2018 MARIN COUNTY CIVIL GRAND JURY

Consolidation of Sanitation Districts

Report Date: April 13, 2018

Public Release Date: April 20, 2018





Consolidation of Sanitation Districts

SUMMARY

Marin residents support an unusually high number of special districts. These local government entities, such as police, fire and sanitation districts, serve residents daily and are funded through fees and taxes. Each district is governed by a board of directors that decides how money is budgeted and spent. These boards are accountable only to the voters yet public oversight is largely missing. Some Marin districts have responded to budget tightening by sharing resources that led to consolidations, while other districts have responded by increasing their budgets and raising fees. This report examines the merits of consolidating special districts, why certain attempts have succeeded where others have failed, and what path forward is in the best interest of the residents of Marin.

The creation of a high number of special districts in Marin was not by design. It developed over time without a master plan as areas that were once isolated rural communities developed their own services. Today these communities have become connected neighborhoods that are still served by a patchwork of districts.

Consolidation has been recommended repeatedly, most recently in two studies published in 2017. A local Marin study recommends specific sanitary district consolidations.¹ A report by the Little Hoover Commission asks that the State of California remove barriers to district consolidations.² This is not a new idea. A decade earlier an independent consulting firm hired to study the issue by Central Marin Sanitation Agency, Joint Powers Authority (CMSA, JPA) and its member sanitation districts recommended consolidation.³ These studies describe decreased costs, increased efficiency and the use of best practices as benefits.

Several examples exist of successful consolidations in Marin, motivated by budget concerns and cost savings. A police consolidation in central Marin has demonstrated substantial cost savings and fire districts in southern Marin are currently collaborating with the end goal of consolidation.

For decades, attempts to combine sanitary districts have been unsuccessful. We examine why, including the differences in funding schemes, the fear of losing local control, and the lack of oversight.

Increasingly, special districts will be required to respond to climate change challenges, such as sea level rise and increased wildfire risk due to drought. Specific to sanitation, the use of gravity in wastewater systems results in sanitation facilities being located at the lowest elevation, thereby

¹ [“Central Marin Wastewater Services Study.”](#) *Marin LAFCO.*

² [“Special Districts: Improving Oversight & Transparency.”](#) *The Little Hoover Commission.*

³ [“Central Marin Regionalization Scenarios Evaluation,”](#) *Red Oak Consulting.*

exposing them to rising sea levels. Large capital expenditures will be required as Federal and State funds diminish. Consolidated districts will be better able to prepare for these scenarios.

This report discusses the consolidation process itself. The path to move from separate districts to one consolidated district is complex and requires months or years of increased cooperation. It begins with shared service agreements, proceeding to formal contracts and finally consolidation.

BACKGROUND

Marin's Early History Led to a Large Number of Special Districts

The North Pacific Coast Railway was completed in 1875 and some of the large tracts of land in central Marin were subdivided to meet the new demand for homeownership. At that time the county was sparsely populated with small towns along the railway line. Soon the increase in population, combined with failing septic tank systems and poor water quality issues, made improvements necessary.

Consequently, an election was held in 1899 and what would later become the first special district in Marin, Sanitary District Number 1, was formed. Today it is also known as the Ross Valley Sanitary District (RVSD). RVSD brought together the communities of Ross, Kentfield, San Anselmo and Fairfax to solve mutual sanitation problems.⁴

Before the Golden Gate Bridge was completed in 1937, Marin was accessible to the growing San Francisco population only by ferries, resulting in modest growth. The access created by the bridge spurred growth in both primary and vacation homes. World War II brought an increasing number of defense industry workers, many of whom remained in Marin. Small special districts proliferated to serve isolated rural communities. Rapid growth of new residents in the 1950s resulted in further proliferation of special districts. (See Appendix C for a map of current sanitation districts.)

In 2018 our communities are no longer isolated but most of the special districts remain. A few districts have already formally merged while others contract with neighboring districts to provide mandated services, such as sanitation or water, a crucial step in the consolidation process.

⁴ [Ross Valley Sanitary District](#).

APPROACH

The Grand Jury reviewed the complete list of Marin County special districts compiled by the 2013-14 Marin County Civil Grand Jury report, “What Are Special Districts and Why Do They Matter?”⁵ Previously there was no centralized database of all separate political entities within Marin. For the purpose of this study, we will focus on 63 special districts and Joint Powers Authorities (JPAs), which contain studied districts. (Please see the glossary for a definition of JPA and Appendix A for the list of districts.)

- The majority of studied districts are police, fire and sanitation districts.
- Transportation and open space districts were excluded because they are countywide.
- School districts are special districts but were excluded because they were considered to be beyond the scope of this investigation.
- Cities and towns were excluded, however, dependent districts and some departments within cities and towns are considered.

The Jury examined documents including the districts’ audited financial statements, public reports and records, including:

- “Special Districts: Improving Oversight & Transparency.”⁶
- “Central Marin Wastewater Services Study.”⁷
- “Central Marin Regionalization Scenarios Evaluation.”⁸
- “It’s Time to Draw the Line, A Citizen’s Guide to LAFCOs California’s Local Agency Formation Commissions.”⁹
- “What’s So Special About Special Districts? A Citizen’s Guide to Special Districts in California.”¹⁰
- “Special Districts: The Threat of Consolidation and How to Stop It.”¹¹
- “Understanding Proposition 218.”¹²
- “What Are Special Districts and Why Do They Matter?”¹³

The jury interviewed representatives from:

- Marin municipalities and towns.
- County administrator’s office.
- Legal expert for special districts.
- Marin LAFCO.
- Marin JPAs.
- Marin special districts.

The jury toured the Central Marin Sanitation Agency waste treatment facility.

⁵ [“What Are Special Districts and Why Do They Matter?”](#) 2013/2014 Marin County Civil Grand Jury.

⁶ [“Special Districts: Improving Oversight & Transparency.”](#) The Little Hoover Commission.

⁷ [“Central Marin Wastewater Services Study.”](#) Marin LAFCO.

⁸ [“Central Marin Regionalization Scenarios Evaluation.”](#) Red Oak Consulting for CMSA.

⁹ Tami Bui and Bill Ihrke [“It’s Time to Draw the Line A Citizen’s Guide to LAFCOs California’s Local Agency Formation Commissions.”](#) Senate Committee on Local Government.

¹⁰ [“What’s so special about Special Districts? A Citizen’s Guide to Special Districts in California”](#) (4th edition) Senate Local Government Committee.

¹¹ Adam Probolsky [“Special Districts: The Threat of Consolidation and How to Stop It”](#) PUBLICCEO, June 8, 2015.

¹² [“Understanding Proposition 218”](#) Legislative Analyst’s Office, December 1996.

¹³ [Ibid](#)

DISCUSSION

As stated in the introduction, the high number of special districts in Marin is not by design but rather an accident of our history. Several groups have examined the issue and recommended consolidation as the remedy. This report discusses in detail three studies, two published within the past year. The third study and the discussion that follows are focused on sanitation districts and their repeated failures to consolidate. Some consolidations have succeeded in Marin and they are commonplace elsewhere. Finally, the Grand Jury will explain the complicated consolidation process and what actions are in the best interest of Marin.

In 2017, a study conducted by the Little Hoover Commission¹⁴ recommended legislation to remove barriers to special district consolidations, and an unrelated study by Marin LAFCO¹⁵ recommended specific consolidations meriting immediate initiation.

Both of these studies identified the following issues:

- Districts need to prepare for the effects of climate change, including floods, sea level rise, drought, and an increased risk of wildfire.
- Districts should cooperate and combine resources in order to prepare adequately for these events. Fire and police leaders are cooperating in this manner but sanitation districts are not, yet wastewater services are affected by sea level rise and drought more than any other municipal service.
- Decreased redundancy of operations can reduce costs. For example, one administration department supporting one board of directors should cost less than several administration offices each with a board of directors. The increased standardization of policies and practices across similar spheres of influence and the use of best practices will improve service and operations.

In 2005, the Central Marin Sanitation Agency, JPA, and its member districts (Sanitary District #1, Sanitary District #2, San Rafael Sanitary District, and City of Larkspur) commissioned a report titled “Central Marin Regionalization Scenarios Evaluation.”¹⁶ The examiners rejected scenarios in which no consolidations were considered. Instead, they strongly recommended total consolidation of the JPA and its component districts into a single district. Three districts and the JPA agreed to consolidate but the board of RVSD declined and the agreement failed.

Special Districts: Improving Oversight and Transparency **The Little Hoover Commission**

In 2016 and 2017, the Little Hoover Commission analyzed 2,071 of California’s independent special districts and reviewed the state’s role and responsibility in overseeing them. The August

¹⁴ [“Special Districts: Improving Oversight & Transparency.”](#) *The Little Hoover Commission.*

¹⁵ [“Central Marin Wastewater Services Study.”](#) *Marin LAFCO.*

¹⁶ [“Central Marin Regionalization Scenarios Evaluation.”](#) *Red Oak Consulting.*

2017 “Special Districts: Improving Oversight and Transparency”¹⁷ report delved into four primary areas of concern for special districts.

Recommendations included:

- The State of California should simplify and create consistency in the special district consolidation process.
- Oversight of special districts should be improved, specifically, opportunities to bolster the effectiveness of LAFCO.
- The continued need for districts to improve transparency and public engagement.
- The urgency of climate change adaptation in California and the front-line roles that special districts, particularly water, wastewater treatment and flood control districts, play in preparing their communities and defending them from harm.

Central Marin Wastewater Services Study **Marin LAFCO**

In July 2017, Marin LAFCO published the results of the wastewater services review that included recommending consolidations of sanitation districts

One of the three stated objectives of the study is to “... serve as the source document to initiate one or more government reorganizations, such as special district formations, consolidations, and/or dissolutions.” The Grand Jury agrees with several conclusions and recommendations.

Conclusions of the Central Marin Wastewater Services Study included:

- Reorganize Murray Park Sewer Maintenance District (MPSMD) and San Quentin Village Sewer Maintenance District (SQVSMD), two county dependent districts with areas of 0.1 and 0.01 sq. miles respectively, so that both districts are absorbed by Ross Valley Sanitary District (RSVD) with an area of over 26 sq. miles.
 - Conclusion No. 5 of Study: These reorganizations would eliminate two dependent special districts governed by the County of Marin and operating under antiquated statutes in favor of recognizing RVSD as the preferred and more capable service provider going forward.¹⁸
- Explore regional reorganization and consolidation of agencies to align with the Ross Valley watershed and San Rafael Creek watershed.
 - Conclusion No. 6 of Study: Additional Merit to Explore Regional Consolidation. Information collected and analyzed in this study provides sufficient merit for the Commission to further evaluate options to reorganize and consolidate public wastewater services in Central Marin and most pertinently among agencies in the Ross Valley watershed (RVSD, Corte Madera - Sanitary District #2,¹⁹ MPSMD) and San Rafael

¹⁷ [“Special Districts: Improving Oversight and Transparency” California LAFCO](#)

¹⁸ [“Central Marin Wastewater Services Study” Marin LAFCO, pg.29](#)

¹⁹ [Corte Madera - Sanitary District #2. Town of Corte Madera.](#)

Creek watershed (San Rafael Sanitary District,²⁰ Central Marin Sanitation Agency,²¹ SQVSMD).²²

- The commission should consider initiating the dissolution of MPSMD and SQVSMD and place their service areas in RVSD.
 - Recommendation 7. The Commission should consider proceeding with reorganizations to dissolve MPSMD and SQVSMD and concurrently place their respective service areas in RVSD.²³

- The sewer agencies in central Marin should coordinate efforts to establish policies and protocols in addressing the increasing effects of climate change relative to wastewater services.
 - Recommendation 11. The affected agencies in Central Marin should coordinate efforts to establish policies and protocols in addressing the increasing effects of climate change relative to wastewater services. This includes resiliency planning with respect to droughts, storm events, and rising water tables.²⁴

Central Marin Regionalization Scenarios Evaluation **Red Oak Consulting**

In 2005, Central Marin Sanitation Agency (CMSA) commissioned Red Oak Consulting to study regionalization options. It is a comprehensive study addressing topics such as long-term planning, evaluations of existing organizational structures, operations and procedures, and scenarios for regionalization.

The purpose of the report was to analyze issues facing CMSA, leading to the evaluation of its then-current structure against other regionalization solutions.

The report offered the commissioners four possible scenarios for consideration:

- Scenario 1A Joint Powers Agreement (no change).
- Scenario 1B Modified Joint Powers Agreement.
- Scenario 2 Partial combination of one or several of the agencies.
- Scenario 3 Total combination of CMSA and all member agencies.

The examiners rejected scenarios 1A and 2. The remaining options presented by Red Oak Consulting recommended Scenario 1B—implementing modifications to the JPA, while researching and proceeding toward Scenario 3—Total Combination.

The following remarks were prescient since none of the recommendations of the report were adopted:

“The modifications to the JPA could be viewed as ‘stepping stones’ toward total combination... It allows the CMSA and member agencies to focus on their immediate priorities. Additionally, ironing out issues during the execution of such modifications would also facilitate the

²⁰ [San Rafael Sanitary District](#). *City of San Rafael*.

²¹ [Central Marin Sanitation Agency](#)

²² “[Central Marin Wastewater Services Study](#).” *Marin LAFCO*, pg.29

²³ [Ibid.](#) pg.33

²⁴ [Ibid.](#) pg.34

establishment of any new structure. This option allows for the establishment of trust among the participants for continued momentum toward the ultimate goal.

“The total combination (Scenario 3) could easily be pushed aside and, in five years, the Commissioners could find themselves in the same place they are today.”²⁵

Sanitation Districts Should Consolidate

The four districts that cooperate to form the CMSA JPA have considered full consolidation since its inception. This is logical because forming a JPA can be a step in the process of full consolidation. However, all proposals over the years have been rejected, including after the publication of the regionalization report discussed above, which was eventually terminated in 2007 by a vote of the RVSD board of directors.

The 2010-11 Grand Jury focused on the consolidation failure in its report, “Ross Valley Sanitary District: Not Again!”²⁶ The jury noted that it was the third report in five years about this particular district. The report detailed a series of lawsuits that accumulated extensive legal fees in the years between the 2007 failure and the 2010 report.

However, the legal battles did not stop in 2010 and have not been confined to central Marin. The Sausalito–Marin City Sanitary District (SMCSD) is suing the Tamalpais Community Services District (TCSD) for \$500,000 plus interest and legal costs.²⁷ SMCSD claims it was incorrectly charged in a mutual contract.

The RVSD recently sued SQVSD and CMSA over a contract dispute.²⁸ At issue was a contract for services for SQVSD that was awarded to CMSA over RVSD. It is worth pointing out that RVSD is a member district of CMSA.

The Las Gallinas Sanitary District board of directors accepted—under pressure—the resignations of top employees in 2017.²⁹ The resulting investigation of the alleged wrongdoing of the general manager cost the district \$19,500 but did not find any misuse of funds. The district has an annual budget of over \$14 million.

The lawsuits are wasteful, because even when successful, the award simply moves money from one district to another after accumulating large legal bills. If the districts had already been consolidated then decisions regarding best use of funds could be made by regional management rather than being decided in court.

It is important to point out that these are examples of independent districts overseen only by the voters. Dependent districts are also at risk for wasteful spending, though it is more difficult to see

²⁵ [Ibid](#) pg.3-9

²⁶ “[Ross Valley Sanitary District: Not Again!](#)” Marin County Civil Grand Jury.

²⁷ “[Tam Valley Sued by Sewage District in Billing Dispute](#)” *Marin Independent Journal*. 18 August 2017

²⁸ “[Marin Sanitation Agencies End Legal Battle](#)” *Marin Independent Journal*. 28 May 2015

²⁹ “[San Rafael Sewage Chief Soiled by Backflow of Staff Ire](#)” *Marin Independent Journal*. 6 November 2017

because wasteful expenditures can be absorbed by its parent entity. Sanitation District #2 functions as if it were a department of the Town of Corte Madera, leaving open the possibility of staff, supplies, and resources being commingled between the town and district. The district's budget of over \$5.5 million is difficult to correctly assess because of this possibility. The San Rafael Sanitation District is another dependent district that functions as if it were a department of its parent jurisdiction, in this case the City of San Rafael.

Enterprise District Funding Reduces Pressure on Sanitation Districts to Consolidate

Districts that collect and dispose of sewage charge a fee for this service rather than depend entirely on property taxes. When the revenue is lower than needed or desired, the district will raise fees using Proposition 218 rules. Non-enterprise agencies, such as police and fire, cannot increase their funding as easily from municipal annual budgets, creating pressure to do more with less money, which is a strong incentive to consolidate. When savings are realized through shared services, often the desire is to make the savings permanent through consolidation. Sanitation districts have avoided the pressures to consolidate by raising fees.

The Lack of Public Attention Reduces Pressure on Sanitation Districts to Consolidate

The discussion is about the use of public money yet sanitation districts do not attract the attention that is needed for proper oversight. The Grand Jury in 2011 reported, "No one wants to think about sewers or pipes or overflows. They want to flush and forget."³⁰

This year's Little Hoover Commission report also discusses the lack of public interest. "Special districts in general are geographically close to their constituents and provide a limited number of services. This often leads to low public visibility and a lack of engagement. Special districts are often referred to as 'ghost governments, invisible governments and under-the-radar governments.' The public has limited practical ability to understand the workings of the special district and make informed decisions in voting."³¹

This is especially true with sanitation districts. The CMSA JPA-led effort to regionalize was a multi-year process that did not include much input from the community. Although meetings were open, the public was not encouraged to participate.

The "flush and forget" attitude should not be used as an excuse to avoid engagement. Instead, people should be made aware that the discussion is not about the flush, it's about the bill. The public has the strongest oversight power over these districts and transparency is crucial to inform and involve them.

The State of California strongly supports more participation in local elections, and in 2015 passed SB 415, the [California Voter Participation Rights Act](#). This law requires that special districts hold their elections only in March or November in even numbered years, no later than November 2022. The aim is to increase visibility of special districts and the elections of their independent boards.

³⁰ "[What Are Special Districts and Why Do They Matter?](#)" 2013/2014 Marin County Civil Grand Jury

³¹ "[Special Districts: Improving Oversight & Transparency.](#)" The Little Hoover Commission

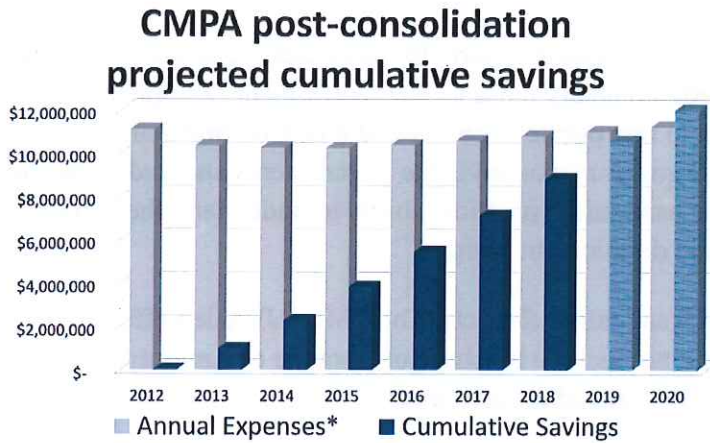
Fear of losing local control is often a reason for withdrawing from the consolidation. This fear is not supported by the facts. The consolidation of police and fire districts in Marin demonstrates that local control was not reduced. During the consolidation process, local control is repeatedly studied and negotiated. Districts are independent and cannot be forced to cooperate or share.

Only if each district agrees can consolidation move forward.

Consolidation has Succeeded in Marin and Elsewhere

Central Marin Police Authority (CMPA) is a recent example of a consolidation process. The police departments of Larkspur, Corte Madera and San Anselmo began sharing services in 2012, guided by a Memorandum of Understanding (MOU) that helped pilot increasing involvement and build trust. A completed JPA consolidation occurred in 2014.³²

This combined entity has a substantially lower need for revenue than the three independent departments combined. The consolidation will save the equivalent of these agencies’ combined annual budgets in just seven years. The main motivation for the consolidation project was to reduce costs. The new department serves the same population with 42 officers compared to a pre-consolidation headcount of 55. (See Appendix B)



*The merger was initiated in 2012 and completed in 2013.
 2012-2014 data is from audited financials
 2015-2018 data is from district budgets
 2019-2020 data has been projected by the Grand Jury

Another area of consolidation is the Southern Marin Fire Protection District, which serves Tamalpais Valley, Almonte, Homestead Valley, Alto, Strawberry, Tiburon, Sausalito, Fort Baker, and Marin Headlands. As a result of sharing services, the new district is projected to save \$315,000 per year while streamlining services and management. “Demonstrated cost savings is

³² [Central Marin Police Authority history](#)

what kept everyone at the table,” said an officer involved with the consolidation project.³³ Currently, some of the shared services include battalion chiefs, equipment and training.

Successful Mergers Outside of Marin

Here are three examples of large districts that demonstrate the advantages of consolidation:

- **Truckee Sanitary District (TSD)** is one of the oldest sanitary districts in the state with boundaries that extend across county lines. It provides wastewater collection and conveyance within Nevada and Placer counties. In the 1960s, TSD annexed the adjacent Donner Lake drainage area in adjoining Placer County in order to help protect the lake water quality. One district in control of one watershed as a sphere of influence is the most efficient model for environmental protection.³⁴
- **East Bay Municipal Utility District**—often referred to as East Bay MUD³⁵—performs both water and sewerage treatment services within Alameda and Contra Costa counties and has a very large sphere of influence. It was first formed in 1923 out of a necessity for stored water and soon started purchasing water rights and reservoir infrastructure. The water system today serves approximately 1.4 million people in a 332-square-mile area. Its smaller wastewater system, added in 1944, was created by election to protect the bay and today serves approximately 685,000 people in an 88-square-mile area. This entity has an annual budget of over 1 billion dollars. It warrants public involvement as it prepares for drought and climate change challenges, improves aging infrastructure in congested urban areas, and attends to hundreds of miles of pipe, yet maintains fresh water quality and release of safely-treated wastewater.
- **Sonoma County Water Agency (SCWA)** is a countywide dependent district whose board members are the county district supervisors. Though SCWA functions like a county government department, it is a separate entity of local government having its defined set purpose: water. This overarching agency oversees public water systems, from collection and distribution of fresh water to the conveyance and treatment of wastewater. It also attends to important water stewardship concerns for the public (flooding, recycling), wildlife (river fish) and environment (groundwater protection). SCWA works with water companies, municipalities, sanitary districts and zones operating eight sanitation systems, while giving resources to drought and climate change projects.³⁶

Marin LAFCO is Underfunded and Understaffed

Special district consolidations require the participation and approval of Marin LAFCO. Currently, the staff consists of one executive officer and one commission clerk. An additional full-time employee is on disability leave.

This level of staffing may be adequate in general but not to handle the additional workload that would be created by initiating the recommendations in this report. The agency is staffed

³³ [Southern Marin Fire Department](#)

³⁴ [Truckee Sanitary District](#)

³⁵ [East Bay MUD](#)

³⁶ [Sonoma County Water Agency](#)

adequately to produce the reports required by law, but handling an influx of requests for consolidations, annexations and other boundary changes will most likely require additional resources.

Marin LAFCO is funded by 42 separate entities divided into three categories. Each category is responsible for one third each:

- Marin County
- Cities and towns
- 30 special districts

These contributions are calculated by the State Controller's office based on revenues and not based on need. The agency itself cannot adjust its revenue so the county should consider voluntarily increasing its contribution beyond its one-third obligation. It is in the best interest of the residents of Marin County to ensure Marin LAFCO is adequately staffed. The county's 2016-2017 contribution was just over \$150,000.³⁷ An increase would allow the agency to hire an additional analyst to handle consolidations. The proven cost savings of consolidations justify this voluntary expense.

Understanding the Consolidation Process

The process does not begin with an agreement to consolidate. First, two or more districts need to identify services that can be shared. Tailored Memorandums of Understanding (MOUs) and formal contracts are used when agreements are made. A fire department, for example, might agree to serve a particular neighborhood not in its own district because its station is closer to that neighborhood. This improves service to the residents in the area by decreasing response times while also reducing costs.

Districts should cooperate on the purchase and use of expensive line items. For example, CMSA and nearby districts maintain their own heavy equipment and software. In some cases these items are not fully utilized by either district and could be easily shared using a simple MOU. This can be repeated in numerous scenarios, such as personnel, capital equipment and contracted services.

³⁷ [Annual Operating Budget](#). *Marin LAFCO*

CONCLUSION

The Grand Jury has determined that Marin has an excessive number of sanitary districts. Small districts are inherently inefficient due to duplication of expenditures and redundancy in operations. Special districts often lack sufficient oversight and accountability. Many have experienced cost and administrative challenges but have operated with very little public oversight. Operational benefits of consolidation are widely recognized and recommended. Marin has already experienced several successful consolidations. The Grand Jury is in support of this trend.³⁸

The Grand Jury recommends several consolidations that can be accomplished within one year. In addition to those actions, the remaining districts should pursue logical consolidations:

- Las Gallinas Sanitation District should consolidate with the to-be-formed central Marin sanitation district.
- Sausalito-Marín City Sanitary District and Tiburon Sanitary District #5 should consolidate with the to-be-formed Southern Marin Sanitation District. (Recommendation No.3)
- Novato Sanitary District should consider a plan to consolidate with the to-be-formed Central Marin Sanitation district. (Recommendation No. 2)
- The ultimate goal should be a countywide water and sanitation agency—Marin Municipal Utilities District (Marin MUD).

³⁸ ["Merging and Dissolving Special Districts"](#) Yale Law School, p.494, 2014

FINDINGS

- F1. Marin County has a large number of sanitary districts.
- F2. Independent sanitary districts are accountable only to district voters.
- F3. The public is not greatly involved in local sanitary district governance.
- F4. The public is not well informed about funding schemes or governance of sanitary districts.
- F5. Marin County's current system of sanitary districts is not cost-efficient.
- F6. Consolidation of sanitary districts in Marin has been recommended multiple times by governmental and non-governmental agencies.
- F7. Well-executed consolidations of sanitary districts will reduce administrative and operating costs.
- F8. Well-executed consolidations of sanitary districts will improve service.
- F9. Sanitation districts need to prepare for sea level rise.
- F10. Marin LAFCO is underfunded and understaffed.

RECOMMENDATIONS

- R1. Marin LAFCO should complete the planned reorganization of Murray Park Sewer Maintenance District and San Quentin Village Sewer Maintenance District with Ross Valley Sanitary District.
- R2. Central Marin Sanitation Agency (JPA), Sanitary District #1 (Ross Valley), Sanitary District #2 (Corte Madera), and the San Rafael Sanitary District should reorganize into a single sanitary/sanitation district. Each entity should complete a reorganization application with Marin LAFCO by 9/30/2018 and announce this action on the agenda of the next board meeting for public involvement.
- R3. Sewerage Agency of Southern Marin (JPA), Almonte Sanitary District, Alto Sanitary District, Richardson Bay Sanitary District, Homestead Valley Sanitary District, Public Works Department of the City of Mill Valley, and Tamalpais Community Services District should reorganize into a single sanitary/sanitation district. Each entity should initiate a reorganization application with Marin LAFCO and announce this action on the agenda of the next board meeting for public involvement.
- R4. The County of Marin should allocate additional funds to Marin LAFCO.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the grand jury requests responses as follows:

From the following elected governing bodies:

- Marin County Board of Supervisors (R4)
- City of Mill Valley, Department of Public Works (R3)
- Almonte Sanitary District (R3)
- Alto Sanitary District (R3)
- Homestead Valley Sanitary District (R3)
- Murray Park Sewer Maintenance District (R1)
- Richardson Bay Sanitary District (R3)
- San Quentin Village Sewer Maintenance District (R1)
- San Rafael Sanitary District (R2)
- Sanitary District #1 (Ross Valley) (R1,R2)
- Sanitary District #2 (Corte Madera) (R2)
- Tamalpais Community Services District (R3)

From the following governing bodies:

- Marin LAFCO (R1)
- Joint Powers Authorities:
 - Central Marin Sanitation Agency (R2)
 - Sewerage Agency of Southern Marin (R3)

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code section 933 (c) and subject to the notice, agenda and open meeting requirements of the Brown Act.

Note: At the time this report was prepared information was available at the websites listed.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

GLOSSARY

Annexation: When a district attaches additional territory to its boundary.

Consolidation: When two or more districts become one.

Contract: A legally binding agreement.

Dissolution: Refers to a district ceasing to exist.

Joint Powers Authority (JPA): An additional government entity created so that two or more special districts or local government entities can share a function.

LAFCO: Local Agency Formation Commission:³⁹ Mandated by the state to regulate and plan local government. Every county, including Marin, has a local office. Its responsibilities include:

- Initiation of special district consolidations
- Special district boundary changes
- Sphere of influence studies
- Service reviews
- Out-of-district service agreements
- Adoption of local policies

The Little Hoover Commission: An independent state oversight agency with a mission to investigate state government operations, such as special districts.

Memorandum of Understanding (MOU): A non-binding, written agreement often setting guidelines, timelines and goals.

Merger: Occurs when one district consumes another.

Special district: A local government entity created to address specific local community needs to tax themselves through public petition, and possible election. Special districts are further defined by their purpose, funding, and governing structure.

- *Single purpose:* A special district can have one purpose, such as a sewer maintenance district, which exists solely to maintain the sewer pipe.
- *Multi-purpose:* A district can provide a combination of services, such as maintaining both a water treatment plant and a community park.
- *Enterprise funding districts* collect service charges as the primary source of revenue, such as a water district that charges based on use.
- *Non-enterprise districts*, such as most fire protection and police districts, receive tax funds and do not charge based on a fee-for-service model.
- *Dependent districts* are governed by a separate entity, such as the county Board of Supervisors or city council.
- *Independent districts* have their own board of directors and do not report to the county Board of Supervisors or any other government agency. Oversight of independent districts is provided directly by the voters.

Reorganization: Combining two or more changes in one proposal.

³⁹ [Marin LAFCO](#)

Sphere of Influence: An established boundary line adopted by LAFCO to designate the boundary and service area for a city or special district.⁴⁰

Sanitary: A category of health and safety codes with powers and functions that involve the maintenance and operation of facilities such as garbage dump sites, garbage collection and disposal systems, sewers, storm water drains, and stormwater recycling and distribution systems.

Sanitation: A category of health and safety codes with powers and function that involve maintaining and operating sewage systems, sewage treatment plants and sewage disposal systems.

⁴⁰ [Sphere of Influence](#)

APPENDIX A

Special districts considered in this investigation:

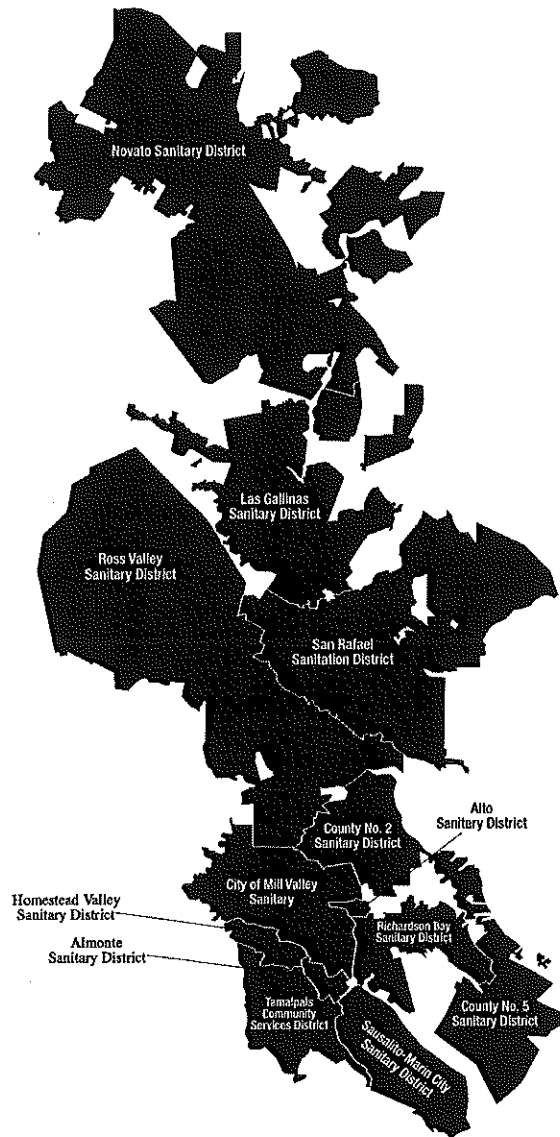
1. Almonte Sanitary District
2. Alto Sanitary District
3. Bel Marin Keys CSD
4. Bolinas Community Public Utility District
5. Bolinas Fire Protection District
6. Bolinas Highlands Permanent Road Division
7. Corte Madera Sanitary District No. 2
8. CSA #1 (Loma Verde)
9. CSA #6 (Gallinas Creek)
10. CSA #9 (Northbridge)
11. CSA #13 (Lucas Valley)
12. CSA #14 (Homestead Valley)
13. CSA #16 (Greenbrae)
14. CSA #17 (Kentfield)
15. CSA #18 (Las Gallinas)
16. CSA #19 (San Rafael)
17. CSA #20 (Indian Valley, Dominga Canyon)
18. CSA #23 (Terra Linda)
19. CSA #25 (Unincorporated Novato)
20. CSA #27 (Ross Valley Paramedic)
21. CSA #28 (West Marin Paramedic)
22. CSA #29 (Paradise Cay)
23. CSA #31 (County Fire)
24. CSA #33 (Stinson Beach)
25. Homestead Valley Sanitary District
26. Inverness Public Utility District
27. Inverness Subdivision No. 2 Permanent Road Division
28. Kentfield Fire Protection District
29. Las Gallinas Sanitary District
30. Marin City CSD
31. Marin County Flood Control and Water Conservation District
32. Marin County Law Library
33. Marin County Lighting District
34. Marin County Open Space District
35. Marin County Transit District
36. Marin Healthcare District
37. Marin Municipal Water District
38. Marin Resource Conservation District
39. Marin/Sonoma Mosquito & Vector Control District
40. Marinwood Community Service District
41. Monte Cristo Permanent Road Division
42. Mt. View Ave - Lagunitas Permanent Road Division
43. Muir Beach Community Services District
44. Murray Park Sewer Maintenance District
45. North Marin Water District
46. Novato Fire Protection District
47. Novato Sanitary District
48. Paradise Estate Permanent Road Division
49. Richardson Bay Sanitary District
50. Ross Valley Sanitary District

51. Rush Creek Lighting and Landscape
52. San Quentin Village Sewer Maintenance District
53. San Rafael Sanitation District
54. Sausalito - Marin City Sanitary District
55. Sleepy Hollow Fire Protection District
56. Southern Marin Fire Protection District
57. Stinson Beach County Water District
58. Stinson Beach Fire Protection District
59. Strawberry Recreation District
60. Tamalpais Community Services District
61. Tiburon Fire Protection District
62. Tiburon Sanitary District #5
63. Tomales Village Community Services District

**APPENDIX B: CENTRAL MARIN POLICE AUTHORITY
POST-CONSOLIDATION ANALYSIS**

Source	2012 Budget \$	2013 Budget \$	2014 Budget \$	2015 Budget \$	2016 Budget \$	2017 Budget \$	2018 Budget \$	2019 Projected	2020 Projected
Expenses	11,095,129	10,348,615	10,251,452	10,226,658	10,371,547	10,578,978	10,790,557	11,006,369	11,226,496
Expenses w/out merge	11,095,129	11,317,032	11,543,372	11,774,240	12,009,724	12,249,919	12,494,917	12,744,816	12,999,712
Annual Savings	-	968,417	1,291,920	1,547,582	1,638,177	1,670,941	1,704,360	1,738,447	1,773,216
Cumul. Savings	-	968,417	2,260,337	3,807,918	5,446,096	7,117,037	8,821,397	10,559,844	12,333,060

APPENDIX C: WASTEWATER AGENCIES IN MARIN COUNTY




Map thanks to The Marin Association of REALTORS®



BOARD MEMORANDUM

May 3, 2018

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager
Kenneth Spray, Administrative Services Manager 

Subject: **Proposed Budget for the Fiscal Year 2018-19**

Recommendation: Review the Fiscal Year 2018-19 Proposed Budget and provide comments and direction to the General Manager as appropriate.

Summary: The proposed budget for the fiscal year 2018-19 consists of five parts: revenues, operating expenses, a 10-year capital improvement plan, a 10-year financial forecast, and an appendix of reference tables specific to budget development. Amounts have been carefully considered subject to review by the General Manager, the Administrative Services Manager, and the Finance Committee in its meeting on April 25, 2018. Also attached for reference information are the preliminary budget documents provided to the Finance Committee. Recommended Board action for the budget consists of first review for comments and direction at the regularly scheduled Board meeting on Tuesday May 8, 2018, and second review and adoption at the regularly scheduled Board meeting on June 12, 2018.

Staff will present the proposed budget at the May 8, 2018 Board meeting. The proposed budget for the fiscal year 2018-19 is enclosed in Board member agenda packets and may alternatively be viewed from the Agency website at www.cmsa.us/finance.

Analysis: The proposed budget provides funding requirements and funding sources necessary to provide services to the Agency's customers in a responsible and cost effective manner.

Highlights

- Budgeted base salaries reflect adopted salary schedules for the fiscal year 2018-19 by step for each employee
- 44 employees, including the addition of a new Laboratory Analyst.
- The CalPERS employer rate for Classic employees increased approximately 0.5%, to 12.2%, with an increase in ongoing payments for lump sum unfunded liability in the amount of approximately \$100K. The employer rate for the PEPR group increased from 6.5% in FY 18 to 6.842% next fiscal year
- Health care costs rise at 4.5% in January 2019
- Retiree health benefits are consistent between years for actual payments to retirees with an approximate \$50K decrease in plan funding due to changes in connection with implementation

of a new accounting pronouncement, GASB 75, versus the previous accounting pronouncement, GASB 45

- Chemical costs increase overall approximately 5% due to increases in unit costs of most chemicals
- General & Administrative costs are down overall due to completion of NPDES permit renewal and cumulative effect of other accounts. All other accounts are generally consistent
- Service charges increase 3.5% for year 1 of the Board adopted five-year revenue plan
- The capital fee increased \$181K also in accordance with the five-year revenue plan
- Capacity charges are budgeted in a nominal amount, \$30K, to reflect the revenue source
- Contract service revenues are down for San Quentin as a reduction of 3-year average flow and strength
- Interest income, although nominal, increased due to rising interest rates to 1.5%
- The capital program will be financed from, and in this order, (1) capacity charges, (2) coverage fees, (3) the capital fee, (4) reserve usage, and (5) debt proceeds in future years

Personnel

Funded positions are 44 full time employees (FTEs) with no part-time or shared employees between departments. This makes for a stable workforce and predictable-manageable budgeting. The Agency carefully monitors its organizational position-structure and strives to modify responsibilities where possible to meet changing needs or improve service delivery, if possible, without increasing staff. There is a new position included in the budget for a Laboratory Analyst to provide additional resources for the Agency to comply with the increasing ELAP standards.

Retirement rates increase approximately 0.5% and 0.3% for the Classic employee group and the PEPRA group, respectively. The Agency retirement account with CalPERS reflects a funded ratio of approximately 79% and an unfunded accrued liability of approximately \$8M as of June 30, 2018. The unfunded liability began with historical plan changes and is ongoing due to financial market stress. CalPERS actuaries and analysts are smoothing rate increases to reduce impact on member public agencies. It is important to note that the Agency's "normal" cost employer rate is 12.2 percent of payroll.

Health care costs continue to increase but at a much slower rate than in the past. We once saw 10 percent annual increases in health care premiums and now see mild increases in the 5 percent area. Health care costs have also been capped at the Kaiser rate specific to each employee, with the excess paid by the employee if a more expensive plan is selected. Residual flex dollars for certain eligible employees are also capped at the residual amount as of July 1, 2014 for savings to the Agency.

Workers compensation insurance for work-related injuries is provided through the California Sanitation Risk Management Authority, a pooled risk program with other California sanitation and water utility districts. The Memorandum of Coverage (MOC) provides for 100% of eligible claims with no risk retention in the form of deductibles. Insurance premiums decreased a little for the FY 2018-19 due to a reduction in the experience modification factor, known as the X-mod, from a previous factor of 1.03 to 0.82, a 20% drop for no lost time accidents over the previous year.

Although the premium did decrease due to the X-mod reduction, it also increased for the scheduled increase in payroll. The premium calculation is a function of payroll cost by employee position classification.

The Agency has a post-retirement health care plan to assist retirees with the costs of health care after retirement. Eligible employees of the plan are entitled to employee-only lifetime medical benefits, decreasing to a Medicare subsidized plan after age 65. The annual actuarially required contribution for the plan is approximately \$250K with an approximate \$2.5M unfunded liability remaining. The obligation for the plan will decrease over time through attrition of retirees receiving the benefit, and because employees hired after July 1, 2010 do not receive this benefit.

The post-retirement health care plan had been accounted for and reported on based upon the requirements of GASB Statement No. 45, which has been superseded and replaced by GASB Statement No. 75. The main differences between the two are that the new pronouncement requires reporting the unfunded liability on the face of the balance sheet, has increased footnote disclosures, and has different methods applied to calculate what is known as the actuarially determined contribution (ADC) versus the GASB 45 actuarially required contribution (ARC). The ARC calculation included a component for the cost of retirees receiving the benefit as well as a component for the cost to fund the plan. If the employer paid the full amount of the ARC, there was no liability reported on the books. The ADC focuses on reporting the total unfunded liability on the books, and the increase in the liability is essentially the amount of expense to record in the books. The difference in calculating the ADC resulted in a decrease of \$50K for the fiscal year 2018-19. The amount of the ADC may increase or decrease by public agency for differing reasons per the Agency's actuary, and public agencies determine their own funding amounts to fund a plan as of a certain time.

For employees hired after July 1, 2010, the Agency provides a defined contribution plan for provide post-retirement medical benefits to retirees. The plan is known as MARA, medical after retirement account, and is managed by a third-party administrator (TPA) as a Section 115 trust. The Agency contributes 1 ½ percent of base salary to each eligible employee's account. MARA expenses will increase over time as each new employee will receive the MARA benefit. The Agency recently changed the MARA TPA to a new provider that delivers a higher level of service. Employees have online access to their accounts and 24/7 live customer service, and have been very pleased with the new MARA TPA.

General and Administrative

General and Administrative accounts are generally consistent between years with minor variations, except for regulatory and various professional services that account for the majority of the change. Regulatory services decrease due to near completion of a consultant contract in connection with NPDES permit renewal. The administration budget contains adequate provision for professional associations and employee training and development, and contains adequate provision for legal, regulatory; audit, and other professional consultants. One noteworthy item is renegotiation of internet and telephone services for an overall price increase of approximately \$60 per month and a speed increase from 15 mbs to 100 mbs.

Insurance costs for insurance other than workers' compensation are very consistent between years with little variation. Claim deductibles are a small amount and occur infrequently usually in connection with vehicle repairs.

Plant Operations, Materials, and Supplies

Purchases of materials and supplies for maintenance accounts are generally consistent between years with only minor variations. The Agency has a strong supply of critical spare parts and equipment in its inventory. The budget has adequate provision for plant maintenance.

For chemical costs, the Bay Area Chemical Consortium opened the FY 19 chemical procurement bids reflecting unit cost increases for most chemicals used by CMSA. The chemical budget increases approximately \$60K in total with increases in most chemicals. Biosolids hauling and reuse fees increase by the San Francisco Bay Area CPI in the amount of 3.2%. Utilities used consist of natural gas, electricity, water, and garbage. Costs for these utilities are budgeted approximately \$40K lower for reductions in solid waste handling, and natural gas, and electricity purchased versus cogenerated. For permit testing and monitoring, lab supply expenses are down due to one-time purchases of specific lab equipment and supplies in the current year. Underground storage tank testing is on a three-year cycle with no testing needed for a couple of years. Source control costs increased by about \$28K for the planned purchase of new program management software for the lab.

Capital Program

There are numerous capital projects identified and included within the 10-year CIP schedule totaling approximately \$48M with approximately \$3M reflected for the FY 19. The Agency's Capital Project Team will prioritize and schedule these projects based upon the needs of the Agency and those with the highest risk to the Agency. The CIP schedule is divided into four sections: Facility Improvements, General Equipment, Liquids Treatment Equipment and Systems, and Solids Treatment and Energy Generation. Funding for the FY 19 projects is from capacity charges, debt service coverage fees, the capital fee, and unrestricted capital reserves.

Revenues

The Agency's largest revenue source is from service charges to member agencies. The total amount of service charges needed to fund the budget is allocated between the members based upon their rolling average three-year flow and strength. The flow-strength allocation table is included in the appendix to the budget. The Board approved a new five-year revenue plan in February 2018 for predictability and budgeting. Total revenue from the JPA members increases 3.5% of the average service area EDU rate in accordance with the revenue plan. The capital fee also is part of the revenue plan and is also allocated based upon wastewater flow-strength. The debt service charge is a function of the annual debt service due plus 25 percent coverage in accordance with the 2015 refunding revenue bond indenture. Revenues collected from the debt service coverage are used to finance the capital program. On the subject of coverage, the Agency's revenue-cost structure maintains debt service coverage in the area of approximately 150 percent in accordance with bond indenture requirements (min 125%) and rating agency expectations.

Contract service revenues are down due primarily to reduction of the San Quentin wastewater treatment fee due to a reduction in San Quentin's three-year average wastewater flow and strength

relative to the JPA members. Budgeted revenue from San Quentin includes fees for debt service, pump station operations, and wastewater treatment. Interest income with the Local Agency Investment Fund, LAIF, has been at historically low levels for many years since the 2008 financial crisis. The LAIF rate has interestingly increased from approximately 0.6 percent to approximately 1.5 percent in FY 19.

There are several other minor financing sources for the FY 19, and the Agency is anticipating receiving an SRF Green Project Reserve loan with 75% debt forgiveness for ongoing CIP planning level studies, and will avoid spending up to \$500K in capital reserve.

Agency reserve levels are healthy standing at total reserves of approximately \$14M depending on how much is spent on capital. Reserve levels are well above the minimum required level of 25 percent of operating costs.

10-Year Financial Forecast

The Agency updates a 10-year financial forecast each fiscal year to accompany the annual budget. The Forecast is a long-term budgetary examination of Agency operations and shows revenues, operating expenses, capital expenses, and reserve balances. It provides a strategic perspective to guide the Board in making decisions on the direction for future budgets, wastewater service revenues, and the funding and use of reserves.

Alignment with Strategic Plan: The project is a strategic action supporting Goal 2- Objective 2.3 in the Agency's FY 18 Strategic Business Plan as shown below.

Goal Two: CMSA will continually improve financial management practices to ensure transparency, financial sustainability, and sound fiscal principles.

Objective 2.3 Prepare transparent financial documents.

Attachments: The following attachments were provided to and reviewed with the Board's Finance Committee at its April 25, 2018 meeting.

1. Funding Requirements and Sources Summary
2. Schedule of Revenues and Other Financing Sources (2 pages)
3. Schedule of Revenue Allocation Tables
4. Summary of Expenditures by Departments and Category
5. Summary of Changes of Capital Improvement Program

Enclosure:

1. Proposed Fiscal Year 2018-19 Budget

FUNDING REQUIREMENTS AND SOURCES SUMMARY

Funding Requirements	Actual 2016-17	Fiscal Year 2017-18	Year-End Projection 2017-18	Fiscal Year 2018-19	Amount Increase (Decrease)	Percent Increase (Decrease)
<i>Operating: (SCHED 2)</i>						
Salaries and Wages	\$ 5,347,208	\$ 5,401,800	\$ 5,102,952	\$ 5,555,200	\$ 153,400	2.8%
Employee Benefits	2,443,406	2,561,100	2,469,085	2,758,700	197,600	7.7%
Chemicals & Fuels	1,113,251	1,069,500	1,025,627	1,126,900	57,400	5.4%
Biosolids Management	353,400	387,700	379,908	400,300	12,600	3.2%
Permit Testing & Monitoring	110,973	179,500	165,751	148,800	(30,700)	-17.1%
Maintenance & Repairs	380,240	382,500	383,565	363,500	(19,000)	-5.0%
Utilities	318,900	350,500	277,490	311,200	(39,300)	-11.2%
Insurance	210,950	261,200	229,035	250,800	(10,400)	-4.0%
General & Administrative	697,499	868,800	604,115	879,600	10,800	1.2%
Operating before debt and capital	10,975,827	11,462,600	10,637,528	11,795,000	332,400	2.9%
Debt Service (SCHED 1)	4,109,744	3,961,906	3,961,906	3,973,206	11,300	0.3%
Operating before capital	15,085,571	15,424,506	14,599,434	15,768,206	343,700	2.2%
Capital Improvements	\$ 2,389,382	\$ 3,817,600	\$ 2,449,176	\$ 2,962,200	(855,400)	-22.4%
Total requirements	\$ 17,474,953	\$ 19,242,106	\$ 17,048,610	\$ 18,730,406	\$ (511,700)	-2.7%
Funding Sources (SCHED 1)	Actual 2016-17	Fiscal Year 2017-18	Year-End Projection 2017-18	Fiscal Year 2018-19	Amount Increase (Decrease)	Percent Increase (Decrease)
Service Charges	\$ 9,865,358	\$ 10,263,165	\$ 10,263,165	\$ 10,622,376	\$ 359,211	3.5%
Capital Fee	530,000	630,000	630,000	811,258	181,258	28.8%
Debt Service Charge	4,960,117	4,952,382	4,952,382	4,966,508	14,126	0.3%
Capacity Charges	330,079	29,300	330,000	30,091	791	2.7%
Contract Service Revenues	1,442,550	1,228,950	920,752	1,198,948	(30,002)	-2.4%
Program Revenues	134,324	143,200	79,235	146,030	2,830	2.0%
Haulers, Permits & Inspections	302,922	226,250	231,368	221,450	(4,800)	-2.1%
Other Revenues	26,003	20,000	28,470	20,000	-	0.0%
Interest Income	113,085	113,500	122,109	215,760	102,260	90.1%
Other Financing Sources	-	-	-	-	-	-
Subtotal funding sources	17,704,438	17,606,747	17,557,481	18,232,421	625,674	3.6%
Reserve (Increase) Usage	(229,485)	1,635,359	(508,871)	497,985	(1,137,374)	-69.5%
Total funding sources	\$ 17,474,953	\$ 19,242,106	\$ 17,048,610	\$ 18,730,406	\$ (511,700)	-2.7%

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

Account #	Description	Actual 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Amount Increase (Decrease)	Percent Increase (Decrease)
<u>Service Charges to Members¹</u>						
4010-000-00	SRSD	\$ 4,231,633	\$ 4,249,977	\$ 4,340,303	\$ 90,326	2.1%
4010-000-00	RVSD	4,762,416	5,162,372	5,363,238	200,866	3.9%
4010-000-00	SD #2	871,309	850,816	918,836	68,020	8.0%
Totals		<u>\$ 9,865,358</u>	<u>\$ 10,263,165</u>	<u>\$ 10,622,377</u>	<u>\$ 359,212</u>	3.5%
<u>Capital Fee to Members¹</u>						
4010-000-00	SRSD	\$ 227,337	\$ 260,883	\$ 331,480	\$ 70,597	27.1%
4010-000-00	RVSD	255,853	316,890	409,604	92,714	29.3%
4010-000-00	SD #2	46,810	52,227	70,174	17,947	34.4%
Totals		<u>\$ 530,000</u>	<u>\$ 630,000</u>	<u>\$ 811,258</u>	<u>\$ 181,258</u>	28.8%
<u>Debt Service Cost to Members²</u>						
4011-000-00	SRSD	\$ 1,852,642	\$ 1,859,855	\$ 1,865,160	\$ 5,305	0.3%
4011-000-00	RVSD	2,152,400	2,131,911	2,137,992	6,081	0.3%
4011-000-00	SD #2	575,641	579,510	581,163	1,653	0.3%
4011-000-00	SQSP	379,434	381,106	382,193	1,087	0.3%
Totals		<u>\$ 4,960,117</u>	<u>\$ 4,952,382</u>	<u>\$ 4,966,508</u>	<u>\$ 14,126</u>	0.3%
<u>Capacity Charges</u>						
4020-010-00	SRSD	\$ 168,677	\$ 11,720	\$ 12,036	\$ 316	2.7%
4020-020-00	RVSD	52,769	11,720	12,036	316	2.7%
4020-030-00	SD #2	108,633	5,860	6,018	158	2.7%
Totals		<u>\$ 330,079</u>	<u>\$ 29,300</u>	<u>\$ 30,091</u>	<u>\$ 791</u>	2.7%

Note 1: See flow-strength tables in appendix A

Note 2: See EDU allocation table in appendix A

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

Account #	Description	Actual 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Amount Increase (Decrease)	Percent Increase (Decrease)	Notes
<u>Contract Service Revenues</u>							
4601-000-00	San Quentin State Prison Wastewater Services	\$ 813,946	\$ 589,690	\$ 569,745	\$ (19,945)	-3.4%	O&M plus capital * 3.89% (see appendix)
4601-001-00	San Quentin State Prison Pump Station Maint	139,616	108,110	111,570	3,460	3.2%	Bay Area CPI Jan-Jan at 3.0%
4602-000-00	San Quentin Village Wastewater Services	68,500	49,950	45,297	(4,653)	-9.3%	FY18 budget to Marin County PW
4600-000-00	SD#2 Pump Stations	420,488	403,400	394,536	(8,864)	-2.2%	FY18 Corte Madera PS Budget
4031-000-00	LGVS - FOG & pollution prevention	16,163	16,500	16,500	-	0.0%	Source control service estimate
4033-000-00	RVSD - FOG	13,659	21,500	21,500	-	0.0%	Source control service estimate
4034-000-00	SRSD - FOG	15,519	25,600	25,600	-	0.0%	Source control service estimate
4035-000-00	TCSD - FOG	1,587	2,200	2,200	-	0.0%	Source control service estimate
4036-000-00	SD #2 - FOG	5,558	7,500	7,500	-	0.0%	Source control service estimate
4038-000-00	Almonte SD - FOG	1,270	1,500	1,500	-	0.0%	Source control service estimate
4037-000-00	Novato SD - Dental Amalgam	2,576	3,000	3,000	-	0.0%	Source control service estimate
	Total contract service revenues	\$ 1,498,882	\$ 1,228,950	\$ 1,198,948	\$ (30,002)	-2.4%	
<u>Program Revenues</u>							
4070-000-00	Health & Safety Program	\$ 89,953	\$ 91,500	\$ 86,600	\$ (4,900)	-5.4%	Shared program with Novato Sanitary
4080-001-00	County-wide Public Education Program	44,371	51,700	59,430	7,730	15.0%	Multi-agency program budget
4080-002-00	Outside Safety Training	-	-	-	-	-	
	Total program revenues	\$ 134,324	\$ 143,200	\$ 146,030	\$ 2,830	2.0%	
<u>Haulers, Permits & Inspection</u>							
4030-000-00	Permit and Inspection Fees	\$ 18,246	\$ 24,000	\$ 24,000	\$ -	0.0%	Permitting of regulated businesses
4050-010-00	Revenue from Haulers - Septic	84,762	70,000	75,000	5,000	7.1%	\$83.30 per 1,000 gal plus sampling fee
4050-020-00	Revenue from Haulers - RV	510	250	250	-	0.0%	\$10 per load
4050-030-00	Revenue from Haulers - FOG	94,889	90,000	75,000	(15,000)	-16.7%	Tiered pricing per fee ordinance
4050-035-00	Revenue from Haulers - Liquid Waste	506	2,000	4,200	2,200	110.0%	Price negotiated per truckload
4050-040-00	Revenue from Foodwaste Disposal	47,675	40,000	43,000	3,000	7.5%	Tipping fee from Marin Sanitary Service
	Total haulers, permits & inspection	\$ 246,588	\$ 226,250	\$ 221,450	\$ (4,800)	-2.1%	
<u>Interest Income</u>							
4910-002-00	Interest Income - LAIF	\$ 110,275	\$ 112,000	\$ 210,000	\$ 98,000	87.5%	LAIF yield at 1.5%
4910-011-00	Investment Interest - CAMP	2,810	1,500	5,760	4,260	284.0%	CAMP yield at 1.6%
	Total interest income	\$ 113,085	\$ 113,500	\$ 215,760	\$ 102,260	90.1%	
<u>Other Revenues</u>							
4990-000-00	Other non-operating revenue	\$ 21,758	\$ 20,000	\$ 20,000	\$ -	0.0%	Miscellaneous infrequent items
4990-011-00	CAMP non-operating revenue	-	-	-	-	-	
	Total other revenues	\$ 21,758	\$ 20,000	\$ 20,000	\$ -	0.0%	

CENTRAL MARIN SANITATION AGENCY
Preliminary Budget for the Fiscal Year 2018-19
SCHEDULE OF REVENUE ALLOCATION TABLES

Description	Fiscal Year 2017-18	Fiscal Year 2018-19	Amount Increase (Decrease)	Percent Increase (Decrease)
Flow-Strength Allocation Table (for service charges and capital fee)				
	36M Flow 36M Strength	36M Flow 36M Strength		
SRSD	41.41%	40.86%		
RVSD	50.30%	50.49%		
SD #2	8.29%	8.65%		
Totals	<u>100.00%</u>	<u>100.00%</u>		
Allocation of Service Charges to Members				
	\$ 10,263,166	\$ 10,622,376	\$ 359,210	3.5%
SRSD	4,249,977	4,340,303	90,326	2.1%
RVSD	5,162,372	5,363,238	200,866	3.9%
SD #2	850,816	918,836	68,020	8.0%
Totals	<u>\$ 10,263,165</u>	<u>\$ 10,622,377</u>	<u>\$ 359,212</u>	3.5%
Allocation of Capital Fee to Members				
	\$ 630,000	\$ 811,258	\$ 181,258	28.8%
SRSD	260,883	331,480	70,597	27.1%
RVSD	316,890	409,604	92,714	29.3%
SD #2	52,227	70,174	17,947	34.4%
Totals	<u>\$ 630,000</u>	<u>\$ 811,258</u>	<u>\$ 181,258</u>	28.8%
Debt Service Cost - Refunding Revenue Bonds Series 2015				
Service charges-debt service principal	\$ 2,250,000	\$ 2,330,000	\$ 80,000	3.6%
Service charges-debt service interest	1,711,906	1,643,206	(68,700)	-4.0%
Subtotal debt service	3,961,906	3,973,206	11,300	0.3%
Service charges-debt service coverage	990,477	993,302	2,825	0.3%
Total debt service cost	<u>\$ 4,952,383</u>	<u>\$ 4,966,508</u>	<u>\$ 14,125</u>	0.3%
EDU Count (for debt service allocation)				
SRSD (Effective FY 2017-18 fixed at 19,545)	19,545	19,545	-	0.0%
RVSD (Effective FY 2017-18 fixed at 22,404)	22,404	22,404	-	0.0%
SD #2 (Effective FY 2017-18 fixed at 6,090)	6,090	6,090	-	0.0%
SQSP (Effective FY 2017-18 fixed at 4,005)	4,005	4,005	-	0.0%
Total EDU's	<u>52,044</u>	<u>52,044</u>	<u>-</u>	0.0%
Allocation of Debt Service Costs to Members				
SRSD	\$ 1,859,855	\$ 1,865,160	\$ 5,305	0.3%
RVSD	2,131,911	2,137,992	6,081	0.3%
SD #2	579,510	581,163	1,653	0.3%
SQSP	381,106	382,193	1,087	0.3%
Totals	<u>\$ 4,952,383</u>	<u>\$ 4,966,508</u>	<u>\$ 14,125</u>	0.3%
Total billed charges to JPA members	<u>15,845,549</u>	<u>16,400,142</u>	<u>\$ 554,593</u>	3.5%

Central Marin Sanitation Agency
Proposed FY 2018-19 Operating Budget

Summary of Expenditures by Departments and Category

Operating Expenditures by Department	FY 17-18	FY 17-18	FY 18-19	% Change	
	Adopted Budget	Projected Year End Expenditures	Proposed Budget	FY19 Proposed Budget from FY18 Adopted Budget	
ADMINISTRATION	4,554,500	4,257,915	4,714,000	3.5%	
MAINTENANCE	2,008,700	1,929,078	1,918,900	-4.5%	
OPERATIONS	3,150,600	2,902,183	3,236,500	2.7%	
TECHNICAL SERVICES	1,748,800	1,548,352	1,925,600	10.1%	
TOTAL	11,462,600	10,637,528	11,795,000	2.9%	

Operating Expenditures by Category	FY 17-18	FY 17-18	FY 18-19	% Change	
	Adopted Budget	Projected Year End Expenditures	Proposed Budget	FY19 Proposed Budget from FY18 Adopted Budget	Proposed % of Budget
SALARIES	5,401,800	5,102,952	5,555,200	2.8%	47.1%
BENEFITS	2,561,100	2,469,085	2,758,700	7.7%	23.4%
SUB-TOTAL	7,962,900	7,572,037	8,313,900	4.4%	70.49%
CHEMICALS & FUELS	1,069,500	1,025,627	1,126,900	5.4%	9.6%
BIOSOLIDS MANAGEMENT	387,700	379,908	400,300	3.2%	3.4%
PERMIT TESTING & MONITORING	179,500	165,751	148,800	-17.1%	1.3%
MAINTENANCE & REPAIRS	382,500	383,565	363,500	-5.0%	3.1%
UTILITIES	350,500	277,490	311,200	-11.2%	2.6%
INSURANCE	261,200	229,035	250,800	-4.0%	2.1%
GENERAL & ADMINISTRATIVE	868,800	604,115	879,600	1.2%	7.5%
SUB-TOTAL	3,499,700	3,065,491	3,481,100	-0.5%	29.51%
TOTAL	11,462,600	10,637,528	11,795,000	2.9%	100.00%

Benefit Expenditures	FY 17-18	FY 18-19	Change	% Change	
	Adopted Budget	Proposed Budget		FY19 Proposed Budget from FY18 Adopted Budget	Benefits as a Percent of Total Revenue
					\$ 18,730,406
RETIREMENT (CALPERS CLASSIC, PEPRA, UAL)	1,030,600	1,195,000	164,400	16.0%	6.38%
<i>RETIREMENT - CALPERS CLASSIC</i>	<i>493,498</i>	<i>523,151</i>	<i>29,653</i>		<i>2.79%</i>
<i>RETIREMENT - CALPERS PEPRA</i>	<i>55,400</i>	<i>74,100</i>	<i>18,700</i>		<i>0.40%</i>
<i>RETIREMENT - CALPERS UNFUNDED ACCRUED LIABILITY</i>	<i>481,702</i>	<i>597,749</i>	<i>116,047</i>		<i>3.19%</i>
RETIREMENT - CALPERS SURVIVORS	2,700	2,700	-	0.0%	0.01%
RETIREMENT - SOCIAL SECURITY/MEDICARE	84,000	84,300	300	0.4%	0.45%
CALPERS MEDICAL - ACTIVE EMPLOYEES	908,500	983,600	75,100	8.3%	5.25%
DENTAL - ACTIVE EMPLOYEES	117,000	123,100	6,100	5.2%	0.66%
LIFE INSURANCE, AD&D, LTD - ACTIVE EMPLOYEES	25,100	28,700	3,600	14.3%	0.15%
VISION - ACTIVE EMPLOYEES	11,600	12,500	900	7.8%	0.07%
MARA - ACTIVE EMPLOYEES	34,600	46,300	11,700	33.8%	0.25%
CALPERS MEDICAL - RETIRED EMPLOYEES	198,200	204,500	6,300	3.2%	1.09%
ANNUAL OPEB CONTRIBUTION	107,400	43,100	(64,300)	-59.9%	0.23%
BENEFIT ADMINISTRATION FEES	6,400	7,900	1,500	23.4%	0.04%
TOTAL *	2,526,100	2,731,700	205,600	8.1%	14.58%

* Benefit line items for administration fees, uniforms and unemployment benefits are excluded from the Benefit Expenditures FY 18-19 table.

Proposed FY 18-19 Capital Improvement Program – Summary of Changes

Category	FY 17-18 Proposed Budget	FY 17-18 Projected Actuals	FY 18-19 Proposed Budget	# of Activities
Facility Improvements	\$ 1,740,600	\$ 1,084,768	\$ 532,500	6
General Equipment	584,300	488,213	429,600	7
Liquid Treatment Equipment and Systems	635,700	487,977	1,370,900	11
Solids Treatment and Energy Generation	671,800	203,000	445,000	7
Staff Costs	185,200	185,200	184,200	2.0 FTE
Total	\$3,817,600	\$2,449,176	\$2,962,200	31

FY 17-18 Projected Actuals

Projected total spending is expected to be 64% of the adopted budget amount. Of the \$1.37 million in unexpended budgeted funds, most is associated with the Hillside Slope Stabilization project delay caused by the retirement of the FEMA project manager (\$350K), PG&E Interconnection Agreement Modification study reimbursement allowance not needing to be fully utilized (\$425K), and the Facility Paving (\$148K) and Industrial Coating (\$55K) projects being differed to summer projects in FY19.

FY 18-19 Priority Projects

- 1) Industrial Coatings (\$215K): Rehabilitate epoxy coatings in the SBS chemical storage room and SBS and hypochlorite spill vaults. Also in a separate contracts, seal cracks in the underground gallery walls and apply new epoxy paint in chlorine contact tanks 5 & 6.
- 2) PG&E Interconnection Agreement Modifications (\$100K): Complete the PG&E interconnection agreement modification process and install electrical equipment to allow for power export.
- 3) Hillside Slope Stabilization (\$35K): Design and construction of retaining walls to repair the landslides in the hillside adjacent to Andersen Drive. FEMA has approved funding to repair the slope failures, and is currently evaluating the pre-design geotechnical report. The FY19 budget is net of the anticipated FEMA reimbursement.
- 4) Pavement Rehabilitation Project (\$175k): Bid, award, and construction of pavement repair and rehabilitation in the vicinity of the solids handling building, maintenance covered parking area, and new maintenance storage building.

5) Gates Rehabilitation (\$436K): Replace the hydraulic system used to open and close primary clarifier gates with an electronic actuator system that will be operated with CMSA's SCADA system.

6) Secondary Clarifier Rehabilitation (\$325K): Repair corrosion on mechanical equipment, metal structural components and pipes inside a clarifier, and replace the turntable drive. This is the first year of a four year program to rehabilitate all four secondary clarifiers.

7) Process Piping (\$190K): Perform an interior inspection of large diameter buried pipelines in the treatment plant. The project potentially includes internal sealing of some or all of the elastomeric joints and other external pipe repairs, based on inspection results.

8) Cogeneration System Maintenance (\$145K): Onsite cogeneration engine upper end rebuild and replacement of turbo chargers and an allowance to survey potential cogeneration technologies for the planned design of a new cogeneration system.