



Central Marin Sanitation Agency

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

April 17, 2025, 12:00pm
1301 Anderson Drive, San Rafael CA 94901

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

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AGENDA

1. **Call Meeting to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Approve/Revise Agenda**
5. **Open Period for Public Participation:** Members of the public may directly address the Committee on any item appearing on the Agenda. They may address the Committee when the item is called by the Committee Chair, and he indicates it is the time for the public to speak to the agenda item. Public comments can also be submitted via email to jdow@cmsa.us, and will be shared with the Committee at the meeting, summarized during the Open Period for Public Participation, and included in the meeting proceedings.
6. **Meeting Minutes – March 20, 2024**
Recommendation: Approve meeting minutes as presented or with revisions.

7. **RSG Final Report – Evaluation of Proposed Service Agreement between CMSA and SRSD**
Recommendation: Receive the RSG presentation on the final report and provide direction to staff, as appropriate.
8. **Revised SRSD Management and Operations Service Agreement Schedule**
Recommendation: Review and discuss the revised schedule and provide direction to staff.
9. **Revised Draft SRSD Management and Operations Service Agreement**
Recommendation: Review and discuss the revised draft Agreement, and provide direction to staff.
10. **Draft SRSD Property Use Agreement**
Recommendation: Review the draft property use agreement and provide comments.
11. **SRSD Contract Development Expense Tracking Report**
Recommendation: Receive the SRSD Contract Development Expense Tracking Report.
12. **Committee Member Oral Reports**
13. **Items for Next Meeting Agenda**
14. **Confirm/Schedule next Meeting Date – May 8, 2025**
14. **Adjourn**

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



Central Marin Sanitation Agency

**AD-HOC COMMITTEE OF CMSA JPA MEMBER REPRESENTATIVES
TO CONSIDER THE JPA'S ORGANIZATION
DEVELOPMENT FUTURE**

**March 20, 2025
Meeting Minutes**

1. Call Meeting to Order

2. Pledge of Allegiance

3. Roll Call

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

Committee Absent: None

Staff Present: Jason Dow, General Manager; Tiffany Elam, Administrative Specialist

Public Present: Doris, Toy, SRSD General Manager; Paul Causey; Felicia Newhouse; Michael Colantuono, RVSD counsel; Sara Court, RSG Representative; Jessica Gonzales, RSG Representative

4. Approve Agenda/Revise Agenda

The committee reviewed approved the agenda.

Comments from the Public

There were no comments from members of the public.

5. Open Period for Public Participation

There were no comments from members of the public.

6. Meeting Minutes – February 20, 2025

The committee moved to pass the minutes.

Comments from the Public

There were no comments from members of the public.

7. RSG Draft Report - Evaluation of Proposed Service Agreement between CMSA and SRSD

GM Dow introduced RSG representatives Sara Court and Jessica Gonzales to present the draft report.

RSG Representative Jessica thanked the committee for their contributions and presented the Service Agreement Evaluation Check-in PowerPoint.

RSG stated RSG's role was to provide an independent and objective assessment of the proposed service agreement between CMSA and SRSD which included reviewing the draft agreement and historical documents, interviewing stakeholders to gather perspectives and identify key themes, summarize findings and providing actionable recommendations for clarity in support of the JPA.

Sarah presented the six recommendations made by RSG, defining clear governance authority for SRSD and CMSA, expanding on financial and pension liabilities, increasing financial transparency, establishing clear performance metrics for service quality and efficiency, conducting a comprehensive legal review with defined timelines, and centralizing information sharing for transparency and alignment.

Committee Member DiGiovanni asked RSG clarifying questions regarding the six recommendations, noting four recommendations were tangible service agreement language and two recommendations seemed process oriented. Committee Member DiGiovanni also asked if RSG could provide indemnification language for the service agreement, and if they believed the draft report provided was sufficient to address stakeholder concerns.

Sarah stated based on the stakeholder interviews and follow up questions, RSG believed the report was sufficient. Sarah concurred that some recommendations were tangible to be utilized in developing the agreement and others were process oriented to address stakeholder concerns. Sarah noted each JPA agency would have the opportunity to have the draft agreement vetted through appropriate legal avenues to ensure consensus and alignment on the revised agreement when it moves forward.

Jessica stated, she believed RSG did a very thorough job of transcribing all notes and feedback from stakeholders, which was a crucial component in their analysis.

Chair Beckman stated he saw the report as a blueprint to developing the service agreement language.

Committee Member Gaffney requested the service agreement language distinguish roles by clearly identifying staff responsibilities. He noted the agreement should include CMSA/SRSD Board, CMSA/SRSD Staff or CMSA/SRSD along with role and or responsibility.

The Committee and GM Dow concurred.

The Committee asked clarifying questions regarding SRSD overhead costs, staff direct billing, recovery costs and shared costs.

Sarah noted that section six of the agreement included an annual review of the overhead processes, were reasonable in tracking non-tracked expenses and would allow for potential reassessment on an annual basis.

The committee discussed the overhead percentage rate and asked if RSG believed it was a valid way to move forward.

Jessica stated the overhead cost was reasonable and noted overhead costs should be reviewed and compared against actual costs during the annual financial review.

The Committee agreed to review each recommendation and note, if additional information, recommendations or clarity was needed.

The Committee discussed recommendation one, clarifying SRSD's ongoing approval authority and oversight role. The committee requested the collection system staff job descriptions and responsibilities be defined in the report and the agreement.

GM Dow stated the working group would create a key to define positions.

Chair Beckman clarified, the SRSD Board would have authority to approve the scope of work provided under the contract, however, the SRSD Board would not have oversight or authority over the CMSA Board.

GM Dow stated the budget would include line-item costs approved by the SRSD Board and that the SRSD Board would also adopt CMSA Financial Policies to ensure continuity.

The Committee discussed signature authority for SRSD contracts and who would sign for contracts specific to SRSD service agreements.

The Committee discussed recommendation two, expand oversight of long-term pension liabilities and had no additional requests.

GM Dow noted a detailed budget sheet would be prepared and referenced in the service agreement, and would be similar to a prepared cost isolation framework.

The Committee discussed recommendation four, establish clear performance metrics for service quality and efficiency.

GM Dow stated CMSA would meet with the SRSD Board, who would determine the metrics, measurements, and targets to be tracked.

Paul Causey clarified that element nine of the SSMP provides the KPI's and which are included in the scope of services.

The Committee discussed recommendation five, conduct comprehensive legal review and a potential timeline for CMSA legal review.

GM Dow stated after completion of the draft document all agencies would have the opportunity to review.

The Committee discussed recommendation six, centralized information sharing for transparency and alignment. The committee asked RSG for clarity.

RSG stated the intent of recommendation six was to make records easily accessible and centralized to create and foster trust within the JPA.

The Committee discussed the frequency of reporting to the CMSA Board and determined that the CMSA Board would determine the frequency of tracking and reporting.

The Committee agreed to provide RSG with final comments on draft report by March 21, 2025.

Comments from the Public

There were no comments from members of the public.

8. Revised SRSD Management and Operations Service Agreement Schedule

GM Dow provided the committee with the updated draft service agreement schedule prepared by the SRSD contract development working group. GM Dow stated the updated schedule included the comments from the last meeting.

GM Dow stated the committee would receive a revised agreement at the next April 2025 meeting.

The Committee discussed next steps and requested GM Dow provide an updated schedule at the April meeting, and agreed to cancel the May 15, 2025, meeting.

Comments from the Public

There were no comments from the public.

9. SRSD Employee Hiring Process

GM Dow summarized the memo related to the hiring process for transitioning SRSD employees to CMSA.

The Committee discussed potential union feedback regarding the employee probationary period for transitioning SRSD employees.

GM Dow stated per Agency MOU and in accordance with Agency policy, all new employment agreements include probationary periods as part of the hiring process. GM Dow noted CMSA would also engage with the union, once a signed agreement was approved and prior to any service deliveries, to complete and approve a letter of understanding and incorporate additional classifications.

The Committee asked clarifying questions regarding the internal recruitment process and potentially altering policies to allow for SRSD only hiring.

GM Dow clarified that CMSA would follow current policies and procedures, stating hiring SRSD staff would be authorized in the Board approved agreement.

Comments from the Public

There were no comments from members of the public.

10. Contract Development Expense Tracking

GM Dow summarized the CMSA expenses which included GM time and rate tracking.

Comments from the Public

There were no comments from members of the public.

11. Committee Member Oral Reports

None.

Comments from the Public

There were no comments from members of the public.

12. Items for Next Meeting Agenda

GM Dow discussed scheduling a Finance Committee Meeting.

The Committee agreed to Thursday, May 1, 2025, to hold the Finance Committee meeting.

13. Confirm/Schedule next Meeting Date – April 17, 2025

Meeting Adjourned

Respectfully submitted,

Jason Dow, General Manager

Tiffany Elam, Administrative Specialist



BOARD MEMORANDUM

April 15, 2025

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

From: Jason Dow, General Manager

Subject: RSG Final Report - Evaluation of Proposed Service Agreement between CMSA and SRSD

Recommendation: Receive the RSG presentation on the final report and provide direction to staff, as appropriate.

Discussion: RSG has prepared and submitted the final report, and will present it to the Committee at the April 17 meeting. RSG will not be revising the final report with any Committee member or JPA agency comments. Comments can be provided to me prior to or at the meeting, for inclusion in the meeting proceedings on the CMSA website and distributed to the JPA agencies and other stakeholders as directed by the Committee.

Attachment:

- Final Report: Evaluation of Proposed Service Agreement between CMSA and SRSD – 3/28/25

Evaluation of Proposed Service Agreement between Central Marin Sanitation Agency (CMSA) and San Rafael Sanitation District (SRSD)

Central Marin Sanitation Agency
Final Report - March 28, 2025

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INTRODUCTION

As a Joint Powers Authority (JPA), the Central Marin Sanitation Agency (CMSA) provides wastewater treatment and disposal services to three member agencies: Ross Valley Sanitary District (RVSD), San Rafael Sanitation District (SRSD), and Sanitary District No. 2 of Marin County (SD2). In response to ongoing challenges with personnel recruitment and retention, SRSD evaluated alternative management structures that could provide it with greater long-term sustainability and ultimately, identified a transition of responsibilities to CMSA as the optimal structure.

To address SRSD's challenges with personnel recruitment and retention, and enhance service delivery, CMSA and SRSD are exploring a Management and Operations Service Agreement ("Agreement") that, if approved, would transition SRSD's collection and conveyance operations to CMSA. Under this Agreement, CMSA would assume responsibility for staffing, regulatory compliance, Board support coordination, and overall management of SRSD's operations.

Given CMSA's role as a JPA with multiple member agencies, this transition introduces structural and operational changes that require careful evaluation to support alignment with JPA member interests and long-term service objectives. At the request of the CMSA Board, RSG has conducted an independent assessment of the proposed Agreement. This analysis includes a review of historical documents, stakeholder interviews, and a comprehensive analysis encompassing comparable service structures and other relevant factors. The objective of this evaluation is not to explore alternative options, but rather to identify areas within the Agreement that may benefit from further refinement to enhance transparency, facilitate informed decision-making, and support a well-structured transition.

As a result of its analysis, RSG offers actionable recommendations to refine the Agreement, address stakeholder considerations, and enhance operational clarity. This report provides a framework for decision-makers to navigate the transition, ensuring that all perspectives are considered, the Agreement reflects the intent and shared priorities of the parties involved, and the long-term service objectives of the JPA are preserved.

This report generally references CMSA and SRSD as the principal parties of the Agreement. Wherever possible and necessary for clarity, specific references are made to distinguish between distinct entities within each agency—such as the CMSA Board or General Manager, and SRSD's Board or operational staff. This approach is intended to ensure that the report accurately reflects the responsibilities and actions of the correct parties within the context of the Agreement.

EXECUTIVE SUMMARY

This report evaluates the proposed Management and Operations Service Agreement ("Agreement") between CMSA and SRSD and explores key areas where additional clarification may support a successful transition.

RSG's evaluation includes a review of historical documents, stakeholder interviews, and a comprehensive analysis encompassing comparable service structures and other relevant factors. Based on this evaluation, RSG offers the following recommendations:

1. **Governance & JPA Balance:** Clarify the SRSD Board's Ongoing Approval Authority and Oversight Role.
2. **Financial & Pension Liabilities:** Expand on Oversight of Long-Term Pension Liabilities.
3. **Financial & Pension Liabilities:** Increase Financial Transparency.
4. **Operational Services:** Establish Clear Performance Metrics for Service Quality and Efficiency.
5. **Legal & Indemnification Provisions:** Conduct a Comprehensive Legal Review with Defined Timelines.
6. **Process & Transparency:** Centralize Information Sharing for Transparency and Alignment.

BACKGROUND

COUNTY OF MARIN & REGIONAL CONSIDERATIONS

Marin County is home to multiple special districts responsible for wastewater collection and treatment services. In Central Marin, governance of these services has historically been structured around independently managed districts, each overseeing its own collection system, while regional agencies such as CMSA provide wastewater treatment.

Discussions about enhancing service efficiency, financial sustainability, and climate resilience have been ongoing at both the regional and state levels. The 2018 Marin County Civil Grand Jury Report and the Little Hoover Commission highlighted opportunities to improve wastewater governance, increase operational efficiencies, and strengthen long-term planning. More recently, the 2025 Marin Local Agency Formation Commission (LAFCO) Central Marin Wastewater Study recommended that CMSA and its member agencies continue evaluating service improvements, particularly among agencies in the Ross Valley and San Rafael Creek Watersheds. LAFCO further suggested that if SRSD and CMSA move forward with the proposed transition, an annual review of cost savings, employee retention, and service delivery efficiency should be conducted to assess whether further regional coordination could enhance accountability and effectiveness.

While full consolidation is not being proposed in the draft Agreement, this report acknowledges that the broader goal of optimizing service delivery and governance structures remains relevant to this evaluation. SRSD is actively reassessing whether its current governance and operational structure is the most effective model for sustainable service delivery, aligning with broader regional efforts to enhance service models, financial sustainability, and long-term wastewater management.

CENTRAL MARIN SANITATION AGENCY (CMSA)

The Central Marin Sanitation Agency (CMSA) was established in 1979 as a Joint Powers Authority (JPA) under Section 6500 of the California Government Code. CMSA provides wastewater treatment and disposal services to its three member agencies: Ross Valley Sanitary District (RVSD), San Rafael Sanitation District (SRSD), and Sanitary District No. 2 of Marin County (SD2). CMSA's service area spans approximately 36.5 square miles, encompassing the jurisdictional boundaries of its three member agencies. The agency's wastewater treatment plant, located in San Rafael, receives, treats, and disposes of wastewater from local collection systems. While CMSA is responsible for treatment, individual JPA member agencies, as well as the San Quentin Rehabilitation Center, manage collection and conveyance infrastructure within their respective jurisdictions.

In addition to serving its JPA members, CMSA operates under contractual agreements to provide wastewater services for the San Quentin Rehabilitation Center, wastewater collection system operation services to the San Quentin Village Sewer Maintenance District, and pump station and force main operation and maintenance services to Sanitary District #2. CMSA also

provides contracted services to several local agencies, for pollution prevention, Fats, Oils and Grease, and mercury reduction source control program administration.

CMSA is governed by a five-member Board of Commissioners, with representation from each Joint Powers Authority (JPA) member agency. SRSD and RVSD, as the two largest agencies, each appoint two commissioners, while SD2 appoints one. The Board appoints a General Manager, who serves at will and is responsible for overseeing all agency operations. The current General Manager, Jason Dow, oversees a workforce of 48 full-time employees for CMSA's wastewater treatment and disposal services.¹

JPA MEMBER AGENCIES

The San Rafael Sanitation District (SRSD) is responsible for wastewater collection in the central and southern areas of San Rafael, including several unincorporated communities such as Country Club, Bayside Acres, and California Park. As a dependent special district, SRSD operates under the governance of a three-member board, with two representatives appointed by the San Rafael City Council and one by the Marin County Board of Supervisors. Daily operations are overseen by an at-will District Manager, who manages service delivery, regulatory compliance, and district administration in coordination with the board.

The Ross Valley Sanitary District (RVSD) provides wastewater collection services to several communities within Ross Valley, including Fairfax, Ross, San Anselmo, and Larkspur, as well as unincorporated areas such as Sleepy Hollow, Kentfield, and Greenbrae. RVSD operates as an independent special district, allowing it to function separately from other local government entities. It is overseen by a five-member Board of Directors, elected at large by district residents. The district's General Manager, appointed by the Board, is responsible for overseeing 35 full-time employees across engineering, operations, and administration.

The Corte Madera Sanitary District No. 2 (SD2) serves the Town of Corte Madera, as well as portions of Tiburon, Greenbrae, and Paradise Cay. SD2 operates as a subsidiary of the Town of Corte Madera, meaning it does not have an independent governing board. Instead, the Corte Madera Town Council, as the SD2 Board, oversees the district's governance, ensuring that wastewater services align with broader municipal policies and priorities. The Director of Public Works for Corte Madera serves as the District Manager, responsible for managing SD2's operations and contractual agreements².

OVERVIEW OF THE DRAFT SERVICE AGREEMENT

The Management and Operations Service Agreement ("Agreement") between the Central Marin Sanitation Agency (CMSA) and the San Rafael Sanitation District (SRSD) proposes a transition of SRSD's collection and conveyance operations to CMSA. The Agreement outlines

¹ Marin Local Agency Formation Commission, *Municipal Service Review - Central Marin Wastewater Study*, February 2025.

² Ibid.

a phased transition of operational responsibilities from SRSD to CMSA, including the hiring of 17 employees currently employed by the City of San Rafael under SRSD, who will subsequently become staff of CMSA (hereafter referred to as "transferring employees"), oversight of collection system infrastructure, and financial and administrative management. The following sections summarize the key provisions of the Agreement.

Scope of Services and Operational Responsibilities

CMSA will assume full responsibility for the operation, maintenance, and administration of SRSD's wastewater collection system, including:

- ☐ Wastewater Collection System Management – Maintaining SRSD's 132 miles of gravity pipelines, 13 miles of pressure pipelines, 33 pump stations, and associated assets.
- ☐ Regulatory Compliance – Ensuring SRSD's compliance with state and federal discharge requirements, managing spill response and reporting, and overseeing the Sewer System Management Plan (SSMP).
- ☐ Financial and Administrative Oversight – Handling budget development, financial reporting, capital improvement planning, and accounts payable.
- ☐ Employee Management – Hiring transferring employees, overseeing staff assignments, and ensuring personnel integration with CMSA.
- ☐ Emergency Response and Extraordinary Services – Providing 24/7 emergency response to system failures, natural disasters, and other urgent incidents.
- ☐ Public Outreach and Customer Relations – Managing customer service requests, community engagement, and public education efforts.

Implementation Timeline and Phased Transition

The Agreement outlines a four-phase transition plan for the transfer of responsibilities:

- ☐ Phase I: Hiring of Transferring Employees & Initial Service Transition
- ☐ Phase II: Employee Relocation to CMSA Facilities
- ☐ Phase III: Staff Assessment & Future Integration Planning
- ☐ Phase IV: Full Service Integration & Program Refinement

Financial Structure and Cost Allocations

The Agreement establishes a financial model in which SRSD fully reimburses CMSA for services provided. Key financial provisions include:

- ☐ No Cost Burden on Other JPA Members – The Agreement states that services to SRSD will not result in increased costs to other CMSA member agencies.

- ❑ Direct Billing for Services – CMSA will invoice SRSD monthly for operational costs, including transferring employee salaries and benefits, materials, supplies, equipment, and professional services.
- ❑ Overhead Allocation – A 5% overhead factor will be applied to transferring employee salaries and benefits to account for all indirect and non-tracked expenses.
- ❑ Annual Budget – The CMSA General Manager will provide the SRSD Board with a draft annual line-item budget, including adjustments to CMSA staff labor rates.
- ❑ Annual Expense Review – The CMSA General Manager shall prepare and submit to the CMSA Board a detailed summary of SRSD scope of work expenses as compared to the approved service budget annually, including an evaluation of overhead charges.

Staffing and Employee Transition

The Agreement includes provisions on the transition of SRSD City employees to CMSA employment. This transition includes:

- ❑ Hiring of SRSD’s Current City Employees – CMSA will hire all current SRSD City employees, maintaining their original hire dates for benefits and leave accruals.
- ❑ Employee Classification – Salary ranges will be set before the Agreement’s effective date and periodically adjusted per CMSA personnel policies for unrepresented and union-represented employees. Salary schedules will be included in Exhibit E of the Agreement.
- ❑ Pension and Retirement Benefits – SRSD will resolve any outstanding MCERA unfunded pension liabilities (UAL) before the effective date, and CMSA will establish a pension trust fund for future CalPERS UAL contributions. Each fiscal year, CMSA will hire an actuary to assess the CalPERS UAL for transferring employees, with SRSD covering both the actuary fee and annual UAL amount.
- ❑ Union and Labor Considerations – Transferring employees will transition out of existing City of San Rafael labor agreements and into CMSA’s employment policies and bargaining agreements.

The Proposed Initial Phase Organizational Chart is included as Exhibit A.

Governance and Decision-Making Framework

The Agreement describes the governance structure between CMSA and SRSD, which includes:

- ❑ SRSD Board’s Responsibilities – While CMSA assumes day-to-day operational control, the SRSD Board will continue to set policy direction, approve required SRSD business items, and provide feedback on CMSA’s performance.

- CMSA Board's Responsibilities - The CMSA General Manager will report directly to the CMSA Board and will also provide regular reports to the SRSD Board regarding service delivery outcomes. CMSA's Board shall be responsible for ensuring that CMSA complies with the terms and provisions of the Agreement.

Termination and Dispute Resolution

The Agreement includes termination provisions in the event of contract dissolution:

- One-Year Termination Notice - Either party may terminate the Agreement with one calendar year's written notice.
- Employee Reversion Plan - If termination occurs within five years, SRSD must offer to rehire employees or arrange alternative service agreements.
- Binding Mediation and Arbitration - Any disputes will be resolved through mandatory mediation, followed by binding arbitration if necessary.

HISTORY OF ACTION TAKEN

The following chronology outlines the key actions taken by SRSD and CMSA in evaluating potential changes to SRSD's service delivery model. Driven by SRSD's need to address staffing challenges and ensure long-term operational sustainability, this process began in August 2021 with an Organizational Review and Analysis Report conducted by Municipal Resource Group. The report identified key operational challenges and included a proposed workplan to guide potential improvements.

Over the past two years, SRSD has collaborated with consultants, stakeholders, and other agencies to explore viable solutions. These efforts led to the development of a draft Management and Operations Service Agreement, which remains under review. This section provides a detailed account of key milestones, highlighting critical discussions, decision points, and ongoing efforts. A summary of this chronology is provided in Exhibit B: History of Action Taken - Chronology.

Initial Discussions and Exploration of Options (Feb. – Nov. 2023)

The SRSD Board initiated discussions at a Special Study Session on February 3, 2023, to explore potential alternatives for addressing ongoing staffing challenges. To support this effort, SRSD engaged consultant Paul Causey in April 2023 to assess strategic planning options and recommend potential service models. Over the following months (August – October 2023), the SRSD Board evaluated nine staffing and service structure alternatives before narrowing the options to three potential pathways in November 2023.

Stakeholder Engagement and Information Gathering (Nov. – Dec. 2023)

SRSD conducted interviews with key agencies, including SRSD staff, Marin LAFCO, San Rafael Human Resources, and Retirement System Administrators, to gather background information

and assess feasibility. In December 2023, SRSD requested that the CMSA Board authorize the CMSA General Manager to participate in exploring an alternative service option with CMSA. This request, and subsequent CMSA Board approval, officially included the CMSA General Manager in discussions for the proposed transition. Prior to this official action, the General Manager had been indirectly aware of strategic planning efforts through mentions at periodic management meetings. Additionally, SRSD informed the City of San Rafael of its interest in evaluating this option.

Continued Discussions and Formation of CMSA Ad-Hoc Committee (March – May 2024)

From March to May 2024, SRSD continued discussions with San Rafael Human Resources to assess employee transition requirements and potential impacts. Simultaneously, SRSD held independent conversations with CMSA and RVSD to explore agreement options and potential service structures. Finally, in May 2024, SRSD formally requested, via letter, that the CMSA Board authorize an exploration of an alternative service option with CMSA. In response, the CMSA Board approved the request, directing staff to draft a service agreement and establish an Ad Hoc Committee to review and refine the agreement.

Development and Refinement of the Draft Agreement (June 2024 – Feb. 2025)

From June 2024 to February 2025, the CMSA JPA Ad Hoc Committee met regularly to review and provide feedback on preliminary versions of the draft Agreement. Concurrently, a working group comprised of SRSD representatives (Doris Toy and Paul Causey) and the CMSA General Manager (Jason Dow) held separate discussions to refine the Agreement and supporting documents based on the committee's input and evolving considerations.

Independent Review of Draft Agreement (Nov. 2024 – Present)

In November and December 2024, SRSD and RVSD representatives met independently to discuss the draft Agreement, leading to the possibility of engaging an independent third party for further evaluation. In December 2024, CMSA hired RSG to conduct an independent review and comprehensive assessment of the draft Agreement.

In January and February 2025, RSG conducted interviews with JPA member agencies and held regular check-ins with the CMSA General Manager to provide progress updates and obtain clarifications and/or request additional materials as appropriate.

On February 20, 2025, RSG presented the draft key findings and observations on the Agreement, along with a TOWS analysis based on feedback from the interviewed stakeholders, to the CMSA JPA Ad Hoc Committee. The Ad Hoc Committee was able to provide clarifications and further contextual information at the meeting and throughout the following week, allowing for comprehensive engagement and response from committee members. Following this meeting, additional comments were received from SRSD and RVSD. These have been documented in Exhibit E, which also includes a summary of the action items discussed at the meeting.

On March 20, 2025, RSG presented the draft report to the CMSA JPA Ad Hoc Committee. This meeting enabled committee members to discuss and clarify the report and its recommendations. While it is typically standard practice for Ad Hoc Committee agendas and materials to be distributed two days before the meeting, in this instance, the draft report and related materials were disseminated on March 14, 2025. This provided the committee members with a full week to review the materials and provide feedback at the March 20, 2025, Committee meeting. Additionally, members were given until the following day, March 21, 2025, to submit any further written comments. Following this meeting, additional comments were received from RVSD. These have been documented in Exhibit F, which also includes a summary of the action items discussed at the meeting.

APPROACH

This section of the report identifies RSG’s approach and methodology for assessing the proposed Agreement. Our approach consisted of the following key steps:

- Review of Historical Documents

RSG conducted a comprehensive review of historical documents related to CMSA and SRSD governance and operations. This included draft agreements, board meeting materials, and governance documents to establish a foundational understanding of the existing service structure and the proposed Agreement.

- Stakeholder Engagement and Interviews

To gain direct insights, RSG interviewed key stakeholders from each JPA member agency, including representatives from SRSD, RVSD, SD2, and consultants to gather perspectives and priorities related to the draft Agreement.

- Research and Analysis

RSG conducted a comprehensive analysis of various factors, including an evaluation of Threats, Opportunities, Weaknesses, and Strengths (TOWS analysis) informed by stakeholder interviews, along with comparative research of similar governance transitions within other agencies and sanitation districts.

This approach enabled RSG to conduct a thorough and objective evaluation of the proposed Agreement, identifying key areas for refinement and further consideration.

METHODOLOGY

REVIEW OF HISTORICAL DOCUMENTS

RSG developed this report by analyzing publicly available records from CMSA and its member agencies, as well as relevant documents from local and regional wastewater agencies in California. This review included:

Governance Reports

- 2018 Marin County Civil Grand Jury Report on Special District Consolidation - Examined the benefits and challenges of consolidating special districts in Marin County.
- 2025 Marin Local Agency Formation Commission (LAFCO) Central Marin Wastewater Study - Reviewed the wastewater service structures of local agencies in Central Marin County.

Draft Service Agreements

- Draft Agreements (December 12, 2024, and January 21, 2025) - Defined the proposed transition of SRSD's operational responsibilities to CMSA.

Organizational & Financial Planning Documents

- Initial and Post-Transition Organizational Charts (November 2024) - Outlined anticipated staffing and reporting structure changes under the Agreement.
- Overhead Concepts (December 12, 2024) - Detailed CMSA's proposed overhead structure for SRSD services.

Stakeholder Reports & Materials

- RVSD Commissioned White Paper (October 22, 2024) - Summarized RVSD's concerns regarding the proposed Agreement.
- SRSD Board Meeting Materials (August-December 2023) - Provided insight into SRSD's evaluation of alternative governance models.
- Organizational Review and Analysis Report by Municipal Resource Group (August 2021) - Provided SRSD with an analysis of key operational challenges and included a proposed workplan to guide potential improvements.
- CMSA JPA Ad Hoc Committee Meeting Materials - Documented the timeline of discussions and key decisions made by the Ad Hoc Committee.

Other Provided Documents

- Throughout RSG's evaluation, RVSD provided additional documentation including materials related to the Draft 2025 Marin Local Agency Formation Commission (LAFCO) Central Marin Wastewater Study, copies of draft service agreements, and various letters and correspondence exchanged regarding the proposed Agreement.

This review provided critical background information, ensuring that RSG's analysis was rooted in documented policies and historical context.

STAKEHOLDER INTERVIEWS

As part of this report, RSG conducted stakeholder interviews to gain insight into each agency's perspective on the proposed Management and Operations Service Agreement, as well as key priorities, areas of alignment, and outstanding concerns. These discussions played a crucial role in identifying governance, financial, and operational considerations that may impact the transition.

RSG conducted four structured virtual interviews with representatives from each JPA member agency and SRSD's consultant, using a consistent set of guiding questions to ensure a comprehensive and comparative analysis:

- SRSD: Mayor Kate Colin, Dean DiGiovanni, Doris Toy, Kerry Gerchow
- RVSD: Tom Gaffney, Mary Sylla, Felicia Newhouse, Michael Colantuono
- SD2: Councilmember Eli Beckman, RJ Suokko
- Consultant: Paul Causey

In addition to these stakeholder interviews, RSG held regular check-in meetings with CMSA General Manager, Jason Dow, as the lead client contact. These discussions provided status updates on different aspects of the Agreement, clarified elements of the process, and guided further information gathering.

The stakeholder interviews provided valuable insights into the perspectives, priorities, and concerns of each participating agency. From these conversations, six overarching themes emerged, highlighting both areas of alignment and aspects requiring further clarification:

1. Governance & JPA Balance
2. Financial & Pension Liabilities
3. Operational Services
4. Employee Transfer
5. Legal & Indemnification
6. Process & Transparency

These themes shaped the next phase of analysis and provided a framework for assessing various aspects of the proposed transition.

TOWS ANALYSIS

As part of this report, RSG conducted a TOWS analysis (Threats, Opportunities, Weaknesses, and Strengths) following stakeholder interviews to further examine the factors shaping the proposed Agreement. This framework first identifies external factors that may impact the transition, then evaluates internal resources and challenges that will influence how those factors can be managed. The TOWS analysis is included as Exhibit C: TOWS Analysis Presented on February 20, 2025, to CMSA JPA Ad-Hoc Committee.

For each of the six key themes identified during stakeholder interviews, RSG evaluated:

- Threats (External Risks): Structural or operational risks that could complicate or disrupt the transition if not addressed.
- Opportunities (External Drivers for Change): Areas where strategic improvements could facilitate a smoother and more effective transition.
- Weaknesses (Internal Gaps or Challenges): Limitations or uncertainties that could create obstacles to a successful implementation.
- Strengths (Internal Resources & Advantages): Existing assets, expertise, or frameworks that could support a successful transition.

At the core of the TOWS analysis are Threats and Opportunities, which highlight key risks and areas where improvements could strengthen the proposed Agreement. These external factors reflect priorities among stakeholders and help frame the critical issues that should be addressed to support alignment among JPA members. The Weaknesses and Strengths provide insight into CMSA and SRSD's capacity to navigate these challenges. Weaknesses identify concerns or limitations within the proposed Agreement, while Strengths highlight existing resources, dynamics or operational efficiencies that could support a successful transition. Together, these internal factors help clarify what elements of the Agreement may need refinement and where existing frameworks can help facilitate the transition.

The TOWS analysis serves as a foundation for the assumptions and recommendations that follow in this report. By systematically evaluating external challenges alongside internal capabilities, this assessment ensures that the proposed path forward is both responsive to key risks and opportunities and aligned with practical considerations and existing capabilities.

The TOWS analysis was presented at the February 20th, 2025, CMSA JPA Ad Hoc Committee meeting, where Committee members had an opportunity to provide additional clarification. It is important to note that the analysis reflected stakeholder perspectives captured during interviews. In some cases, the concerns raised had already been addressed or were in the process of being addressed by the working group, highlighting the ongoing nature of discussions and refinements to the Agreement. Further details on specific key issues raised

and corresponding clarifications provided by the CMSA General Manager can be found in Exhibit D: Key Issues Raised and Clarifications.

RESEARCH ON COMPARABLE SERVICE STRUCTURES

As part of this report, RSG researched comparable service transitions to identify best practices and provide insights relevant to the proposed CMSA-SRSD transition. The ongoing efforts between the City of Sausalito and Sausalito-Marin City Sanitary District offers valuable examples of functional consolidation strategies and considerations for integrating operations. Similarly, the consolidation of the Mill Valley Fire Department (MVFD) and the Southern Marin Fire Protection District (SMFD) offers insights into actions that support a successful transition.

Case Study: City of Sausalito and Sausalito-Marin City Sanitary District Transfer Discussions

The City of Sausalito and the Sausalito-Marin City Sanitary District (SMCSD) have been exploring the consolidation of their sewer collection systems to address staff recruitment and retention challenges, improve operational reliability, and enhance service delivery. The proposed transfer would integrate the City's sewer collection operations into SMCSD, a special district responsible for wastewater conveyance, treatment, and disposal in the region.

Phase I - Feasibility Study

In 2020, the City of Sausalito and SMCSD commissioned a Phase I Consolidation Feasibility Study to evaluate whether integrating Sausalito's sewer collection system into SMCSD would be a viable option³. The study assessed four potential alternatives, analyzing the operational and financial impacts of each approach.

The study methodology included a comprehensive assessment of both agencies' sewer infrastructure and financial structures. The City of Sausalito's collection system was evaluated alongside SMCSD's conveyance, treatment, and disposal system to compare service models and identify potential challenges. Additionally, a capital program evaluation was conducted to assess future investment needs and infrastructure maintenance requirements. Detailed financial analysis was also included, with an evaluation of sewer rates, financial operations and obligations, and projected cost impacts of different service models.

Overall, the feasibility study established a structured, data-driven foundation for decision-making, prioritizing transparency, financial sustainability, and operational efficiency. It concluded that if consolidation were pursued, a Phase II Implementation Plan would be necessary to address governance adjustments, financial obligations, and operational integration. This next phase would provide a clear roadmap for transitioning responsibilities and ensuring long-term service stability.

³ City of Sausalito and Sausalito-Marin City Sanitary District, *Sewer Collection Consolidation Feasibility Study, Phase I*, June 9, 2020.

Phase II - Implementation Plan

In December 2024, the Sausalito City Council approved a Memorandum of Understanding (MOU) with SMCSD, which will formalize next steps toward streamlining services. This agreement outlines necessary actions such as public outreach, a transfer schedule, and addressing existing sewer system debt. While still in the early stages, this process demonstrates a structured approach to evaluating service transitions, emphasizing due diligence, stakeholder engagement, and financial planning to guide decision-making.

Key Considerations

While the CMSA-SRSD transition may differ in scope and structure, the Sausalito-SMCSD approach provides useful insights into key considerations when integrating service responsibilities between agencies:

- ❑ Financial Evaluation - Conducting thorough financial impact assessments is essential for maintaining fiscal stability.
- ❑ Operational Transition Planning - A structured implementation plan ensures clarity in roles, responsibilities, and service expectations. Key steps include setting a transition timeline, addressing financial and legal requirements, coordinating workforce impacts, and assessing infrastructure needs.
- ❑ Regulatory & Compliance Considerations - Identifying any regulatory approvals, reporting obligations, and environmental compliance requirements in advance helps avoid unforeseen challenges.

Case Study: Mill Valley Fire Department and Southern Marin Fire District Consolidation

One relevant example of a successful transition in Marin County is the consolidation of the Mill Valley Fire Department (MVFD) and the Southern Marin Fire Protection District (SMFD). This transition was guided by extensive planning, financial and operational analysis, and stakeholder engagement to ensure long-term stability. While this transition differs in scope and service type from the CMSA-SRSD Agreement, it provides relevant insights into the importance of thoroughly evaluating governance options and ensuring financial sustainability for a successful service integration.

Governance and Oversight

While the governance structure of the Mill Valley-SMFD consolidation is not directly applicable to the CMSA-SRSD transition, it provides a useful example of how careful planning can ensure fair and equitable representation for all stakeholders.

Recognizing the importance of oversight and continuity, the agencies explored multiple governance options to ensure Mill Valley residents had a voice in the expanded district. The final recommendation established an Advisory Committee composed of representatives from both agencies to serve as a governance bridge until the next Board of Directors election. The approach ensured a smooth transition without necessitating immediate changes to the Board

structure, highlighting the benefits of balancing representation and operational continuity in similar service integrations.

Evaluation and Financial Analysis

The Mill Valley-SMFD consolidation was informed by several years of analysis. Starting in 2014, MVFD and SMFD operated under formal shared services agreements, which provided an opportunity to evaluate collaboration before pursuing a permanent merger. By 2021, the agencies launched a formal study to analyze fiscal sustainability, governance, and operational efficiencies, and contracted to conduct an independent assessment. The findings confirmed that consolidation was the most cost-effective and operationally sound path forward.⁴

Key components of the evaluation process included:

- ❑ Fiscal Impact Assessments – Evaluated long-term financial sustainability and cost efficiencies of consolidation.
- ❑ Unfunded Actuarial Pension Liability (UAL) Assessment – The MCERA 2022 South Marin Fire Mill Valley Study estimated the financial impact of transitioning MVFD employees into the SMFD under the Marin County Employees’ Retirement Association (MCERA).⁵
- ❑ Property Tax Transfer Agreements – Established financial terms to ensure the merger would be fiscally neutral.
- ❑ Personnel Transfer Agreements – Defined compensation, benefits, and employment terms for MVFD personnel transitioning to SMFD, ensuring clarity and continuity for affected employees.

This comprehensive financial and operational planning helped mitigate risks, align stakeholder expectations, and promote transparency—key factors in the successful execution of the merger.

Key Considerations

While the Mill Valley-SMFD consolidation process embarked on a longer timeline than Sausalito-SMCSFD, or what may be anticipated for CMSA and SRSD, the process highlights several key factors that contributed to its success:

- ❑ Governance Transition Planning – Thoughtful governance planning, including the exploration of multiple governance options, can ensure fair representation for all stakeholders and address concerns about oversight and continuity.

⁴ Southern Marin Fire Protection District, *Staff Report: Proposed Consolidation of the Mill Valley Fire Department and Southern Marin Fire District*, October 3, 2022.

⁵ Marin County Employees’ Retirement Association. *Impact of City of Mill Valley Fire Joining the Southern Marin Fire District as of June 30, 2022*. March 2, 2022.

- Thorough Financial and Operational Studies – A deliberate evaluation process provided clear, data-driven insights into the fiscal sustainability and operational viability of the transition.

DRAFTING RECOMMENDATIONS

RSG's recommendations were developed through a structured evaluation process that incorporated research, stakeholder input, and comparative analysis of similar service transitions, as detailed in the previous sections. RSG's recommendations can support CMSA and SRSD in addressing key challenges and clarifying uncertainties regarding the transition and timeline. By identifying areas for refinement and improvement, the recommendations provide a framework for well-structured transition that supports alignment among JPA members.

To ensure that recommendations were grounded in research and stakeholder priorities, RSG followed a two-step approach:

- Assumptions – Identifying key inferences based on the available information, including stakeholder discussions, historical documents, and operational analysis. These assumptions helped establish the underlying expectations for how the transition would function.
- Recommendations – Based on these findings, RSG developed targeted recommendations to improve clarity, mitigate risks, and ensure that the transition framework is structured to support long-term success.

The recommendations are designed to provide a blueprint for decision-makers as they finalize the proposed Agreement with the goal of moving toward implementation. The following sections outline the assumptions that shaped our analysis, and the recommendations that respond to the identified challenges and opportunities.

ASSUMPTIONS

Governance and JPA Balance Assumptions

- Consideration: The Agreement does not explicitly define the SRSD Board's approval authority and oversight responsibilities, leading to concerns about operational decision-making.
- Assumption: A well-structured governance framework will help establish expectations for decision-making and prevent disagreements between CMSA staff and the SRSD Board over jurisdictional approval.
- Basis: Stakeholder interviews revealed concerns about the level of the SRSD Board's ongoing oversight and decision-making authority, particularly when it comes to policy direction.

Financial & Pension Liability Assumptions

- Consideration: The methodology for handling future pension obligations requires further clarification, particularly regarding how salary growth, staff turnover and retirement, and long-term liabilities will be managed.
- Assumption: Regular actuarial reviews and scenario analyses will help mitigate financial uncertainties related to pension costs and ensure long-term sustainability.
- Basis: Stakeholder interviews revealed concerns about the long-term impact of pension liabilities, particularly how promotions and salary increases could affect future costs. Additionally, best practices from agency transitions, such as the Mill Valley-SMFD consolidation, demonstrate that actuarial modeling and detailed pension financial planning are important in estimating pension cost burdens.

Operational Services Assumptions

- Consideration: The proposed Agreement does not clearly define how the success of the transition will be monitored or evaluated.
- Assumption: Establishing clear operational expectations and measurable performance benchmarks will help ensure accountability, efficiency, and service quality.
- Basis: Stakeholder interviews highlighted that a successful transition could be captured by key performance metrics, including spill rates, leaks, fines, and infrastructure maintenance. Marin LAFCO recommended that if SRSD and CMSA move forward with their transition, an annual review of cost savings, employee retention, and service delivery efficiency should be conducted to assess whether further regional coordination could enhance accountability and effectiveness.

Legal and Indemnification Assumptions

- Consideration: Stakeholder discussions raised concerns that the legal review process could be prolonged, potentially delaying implementation.
- Assumption: Minimizing legal review delays or uncertainties about risk exposure can streamline finalizing the Agreement.
- Basis: Researched transition models revealed that establishing a defined legal review timeline and conducting a thorough risk assessment upfront streamline the process and prevent unnecessary delays.

Process and Transparency Assumptions

- Consideration: Lack of transparency, or information-sharing, in the process could result in distrust among JPA member agencies.
- Assumption: A successful transition requires clear and consistent communication among all JPA members to maintain alignment and prevent misunderstandings.
- Basis: JPA member agencies that are not direct parties to the Agreement (RVSD and SD2) have raised questions about aspects of the transition, some of which have already been addressed, indicating that information is not being shared in a centralized manner. Best practices from similar service transitions have documented the evaluation process, ensuring all stakeholders remain informed throughout the process.

RECOMMENDATIONS

Recommendation #1: Clarify the SRSD Board's Ongoing Approval Authority and Oversight Role

To promote transparency and alignment among JPA members, the Agreement should clearly define the SRSD Board's approval authority and oversight responsibilities in ongoing operations. A well-structured governance framework will help establish expectations for decision-making, operational autonomy, and areas where the SRSD Board's input and approval is required.

Key considerations for clarification include:

- Clarify Decision-Making Authority and Approval Triggers – Clearly define which operational decisions the CMSA General Manager can make independently, and which require SRSD Board approval, particularly for major expenditures and service modifications. While Section 10 of the Agreement outlines responsibilities requiring the SRSD Board's approval, the Agreement should further clarify whether actions outside of these defined responsibilities may be approved solely by the CMSA General Manager. RSG recommends adding language to Section 10 to explicitly delineate the CMSA General Manager's discretion, ensuring a clear decision-making framework and avoiding potential ambiguity in operational authority.
- Enhance Resolution Process – While Section 9 outlines a formal mediation and arbitration process for major disputes, the Agreement should establish a structured approach for resolving minor disagreements between CMSA staff and the SRSD Board related to day-to-day oversight and operational decision-making. A more immediate resolution mechanism would help prevent minor disputes from escalating, which may be time-consuming and impact service delivery.

Note on Outstanding Issues: While RSG recognizes that further clarifying the oversight roles of CMSA staff and the SRSD Board, along with expanding the resolution process, will significantly improve clarity regarding operational decision-making, it is important to note RVSD's continued concerns. RVSD has stated that issues related to Governance & JPA Balance cannot be adequately addressed by any modifications to the Agreement language, believing that only the dissolution of the SRSD governing board would resolve these issues. This stance presents a significant challenge to the consensus of the Agreement and remains an unresolved issue. Details of this concern have been documented in Exhibit F, which should be considered in ongoing and future discussions.

Recommendation #2: Expand on Oversight of Long-Term Pension Liabilities

To promote financial stability and ensure long-term sustainability, CMSA should establish a structured oversight process for pension liabilities. While current plans include annual actuarial evaluations and SRSD-specific pension funding, additional safeguards can help address stakeholder concerns about long-term cost implications. Lessons from other

successful transitions, such as the Mill Valley Fire Department and Southern Marin Fire District consolidation, demonstrate the importance of proactive financial planning in managing long-term obligations.

Key considerations for clarification include:

- Formalize CMSA Board Review – Provide CMSA’s Board with an opportunity to review actuarial evaluations. Modify Section 23 of the Agreement to explicitly provide CMSA’s Board with an opportunity to review actuarial evaluations annually, including methodologies, key assumptions, and long-term funding projections. This clarification will help ensure alignment with JPA member priorities and financial sustainability.
- Conduct Scenario Analyses – Expand Section 23 of the Agreement to require the actuary to perform scenario analyses modeling the potential long-term impacts of salary growth, employee promotions, and employee turnover and retirement on pension liabilities. These analyses will help provide clarity on the long-term sustainability of pension obligations, following best practices used in other service transitions.

Recommendation #3: Increase Financial Transparency

To ensure clarity in cost allocation and prevent unintended cross-subsidization, CMSA should expand its approach to cost tracking and validation. This will help provide greater confidence in financial planning and address concerns raised by JPA members.

Key considerations for clarification include:

- Develop a Cost Isolation Framework – Establish an expanded methodology for tracking and allocating costs beyond basic budget separation, ensuring that expenses related to SRSD operations are fully identified and distinctly accounted for. This framework could include:
 - Defining Cost Categories – Clearly distinguish between direct costs (e.g., staffing, maintenance), shared services costs (e.g., legal, administrative support), and overhead costs (e.g., utilities, IT, minor administrative tasks) to ensure proper allocation.
 - Tracking Hidden and Unforeseen Costs – Implement regular reviews of cost categories to identify emerging financial liabilities, such as deferred infrastructure maintenance or regulatory compliance costs.
 - Accountability for Unforeseen Liabilities – Clarify in Section 4 of the Agreement that SRSD is responsible for funding unexpected costs related to its assets or operational risks, preventing financial burden shifts onto other JPA members.
- Review and Adjustment of Overhead Charges – RSG observed that the Overhead Concepts document developed by the working group is comprehensive, and the methodology for direct charging for the majority of SRSD services is deemed

reasonable. To ensure continued appropriateness and transparency, RSG recommends the following enhancements related to overhead charges:

- Annual Adjustments - Expand Section 6 of the Agreement to detail the process by which annual adjustments to overhead charges will be evaluated and implemented, allowing for transparency and adaptability to changing financial circumstances.
- Standardize a 10% Overhead Rate - Align the overhead rate for CMSA JPA staff working on SRSD tasks with existing CMSA practices by standardizing it at 10%.
- Clarify the 5% Overhead Factor - Provide a detailed explanation in Section 4 of the Agreement of what the 5% overhead factor entails. Additionally, revise the language in Section 4 related to the 5% overhead factor to allow for flexibility in making future adjustments to this percentage without requiring amendments to the Agreement.

Recommendation #4 - Establish Clear Performance Metrics for Service Quality and Efficiency

To ensure accountability and evaluate whether the transition is achieving its intended objectives, SRSD, with CMSA's assistance, should define measurable performance benchmarks that align with operational goals and regulatory compliance standards. These benchmarks should be incorporated into the Agreement or Scope of Work or referenced in a supplemental document as a reporting requirement, providing JPA member agencies with visibility into operational effectiveness.

Key considerations for clarification include:

- Define Performance Expectations – Establish reporting requirements for key operational benchmarks, including spill rates, leaks, fines, and rate stability to track service efficiency.
- Enhance Infrastructure Monitoring – Implement quantifiable infrastructure metrics, such as Inflow & Infiltration (I&I) reduction, pipeline maintenance efforts, and system condition assessments, to evaluate ongoing maintenance effectiveness.

Recommendation #5 - Conduct a Comprehensive Legal Review with Defined Timelines

To ensure clarity, mitigate risks, and prevent delays, all parties should conduct a comprehensive legal review of the Agreement before finalization.

Key considerations for clarification include:

- Establish a Legal Review Timeline – Set a structured timeline for completing legal review, with key milestones to prevent any single party from delaying the process.
- Assess Risk Exposure – Conduct a legal analysis to identify any areas of risk, including pension liabilities, labor agreements, and financial obligations.

Recommendation #6: Centralize Information Sharing for Transparency and Alignment

To foster alignment and collaboration among all JPA members, CMSA and SRSD should centralize key information and establish clear communication protocols. While both agencies have taken steps to work through transition details, other JPA members (RVSD and SD2) have raised questions about aspects that may have already been addressed or are in progress. A more structured approach to information-sharing would help ensure all stakeholders remain informed and engaged.

Key considerations for clarification include:

- Formalize Information Sharing – Establish a policy or process for the consolidation and sharing of all preliminary and final documents related to the Agreement and the strategic planning process. This includes financial evaluation reports, pension liability assessments, implementation plans, and other relevant historical documents as reviewed and listed in the “Review of Historical Documents” section of this report. Ensure that these documents are made available on a centralized data source accessible by all JPA members, as well as appropriate public platforms to ensure a comprehensive record of actions taken is accessible to stakeholders and the public.
- Enhance Communication Protocols – Establish regular updates or briefings to ensure JPA members remain informed about key decisions and transition progress. Consider adding a section to the Agreement that formalizes CMSA’s responsibility to provide periodic reports to the CMSA Board and distribute them to all JPA member agencies.

FRAMEWORK FOR ACTION

This report and its recommendations aim to serve as a blueprint for the CMSA JPA Ad Hoc Committee and the working group to build upon and refine as they continue their efforts towards finalizing a draft Agreement. While these recommendations address many core challenges, it is crucial to acknowledge that they do not resolve all outstanding issues or differences of opinion that have emerged during this process. Therefore, RSG is providing this framework to support the Ad Hoc Committee and the working group to resolve outstanding issues and implement these recommendations. Key strategies for successful agreement implementation include:

- Acknowledge Outstanding Issues: It is vital to recognize that while significant progress has been made, not all concerns have been fully resolved. These unresolved issues should continue to be documented and addressed in subsequent discussions.
- Flexibility in Recommendations: The recommendations provided in this report are intended as a framework, not prescriptive solutions. The Ad Hoc Committee and the working group are encouraged to adapt these recommendations as needed, not only to align with the evolving needs of the JPA but also to consider additional adjustments that may facilitate the successful progression of the Agreement.
- Finalizing the Draft Agreement: Finalizing the draft Agreement requires a collaborative and transparent effort. It is essential that the Ad Hoc Committee engages in thorough discussions of all outstanding issues during public meetings to ensure comprehensive stakeholder involvement. Subsequently, the working group, comprised of Doris Toy, Paul Causey, and Jason Dow, is tasked with refining the draft Agreement based on the feedback received from these meetings. If specific concerns arise regarding the working group's reflection of the Ad Hoc Committee's feedback in the draft Agreement, mechanisms should be in place to invite direct input from committee members. For example, providing a structured method for submitting targeted, written suggestions on specific sections or language will help ensure that the draft Agreement accurately reflects the broader Committee's feedback.

CONCLUSION

As a Joint Powers Authority (JPA), CMSA is structured to serve the collective interests of its three member agencies—SRSD, RVSD, and SD2. The proposed transition represents an operational shift that requires careful coordination, transparency, and ongoing collaboration to support alignment with the shared values and responsibilities of all JPA members. A well-structured transition will depend not only on the technical and financial components of the Agreement but also on maintaining trust and open communication among all stakeholders.

The primary goal of this transition is to ensure that SRSD remains a successful wastewater collection agency while addressing longstanding challenges with staff recruitment and retention. By shifting operations under CMSA and increasing wages to a more competitive level, there is potential to attract and retain higher-quality staff, ultimately leading to more consistent service provision and operational reliability. A well-supported workforce, combined with clearly defined service expectations, will help SRSD sustain long-term success as a collection agency.

As discussed throughout this report, successful transitions of this scale require clear governance structures, financial oversight, and defined service expectations. The findings and recommendations in this report highlight key areas where additional clarity, documentation, or procedural refinements could support a smoother process moving forward. These include ensuring consistent information-sharing among all JPA members, clarifying SRSD's ongoing oversight role, strengthening financial and pension liability tracking, and defining measurable performance benchmarks for service quality.

Moving forward, a structured and transparent implementation process will be essential to mitigating potential challenges. By taking steps such as centralizing key information, formalizing reporting expectations, and maintaining an inclusive dialogue among all JPA members, CMSA and SRSD can navigate this transition effectively while upholding their commitments to operational efficiency, financial responsibility, and service reliability.

Ultimately, the proposed transition is not just a change in service administration but an opportunity to reinforce the collaborative principles of the JPA structure. With thoughtful planning and a commitment to shared responsibility, this transition can serve as a model for effective inter-agency partnerships and long-term service sustainability.

EXHIBIT A: PROPOSED INITIAL PHASE ORGANIZATIONAL CHART

DRAFT

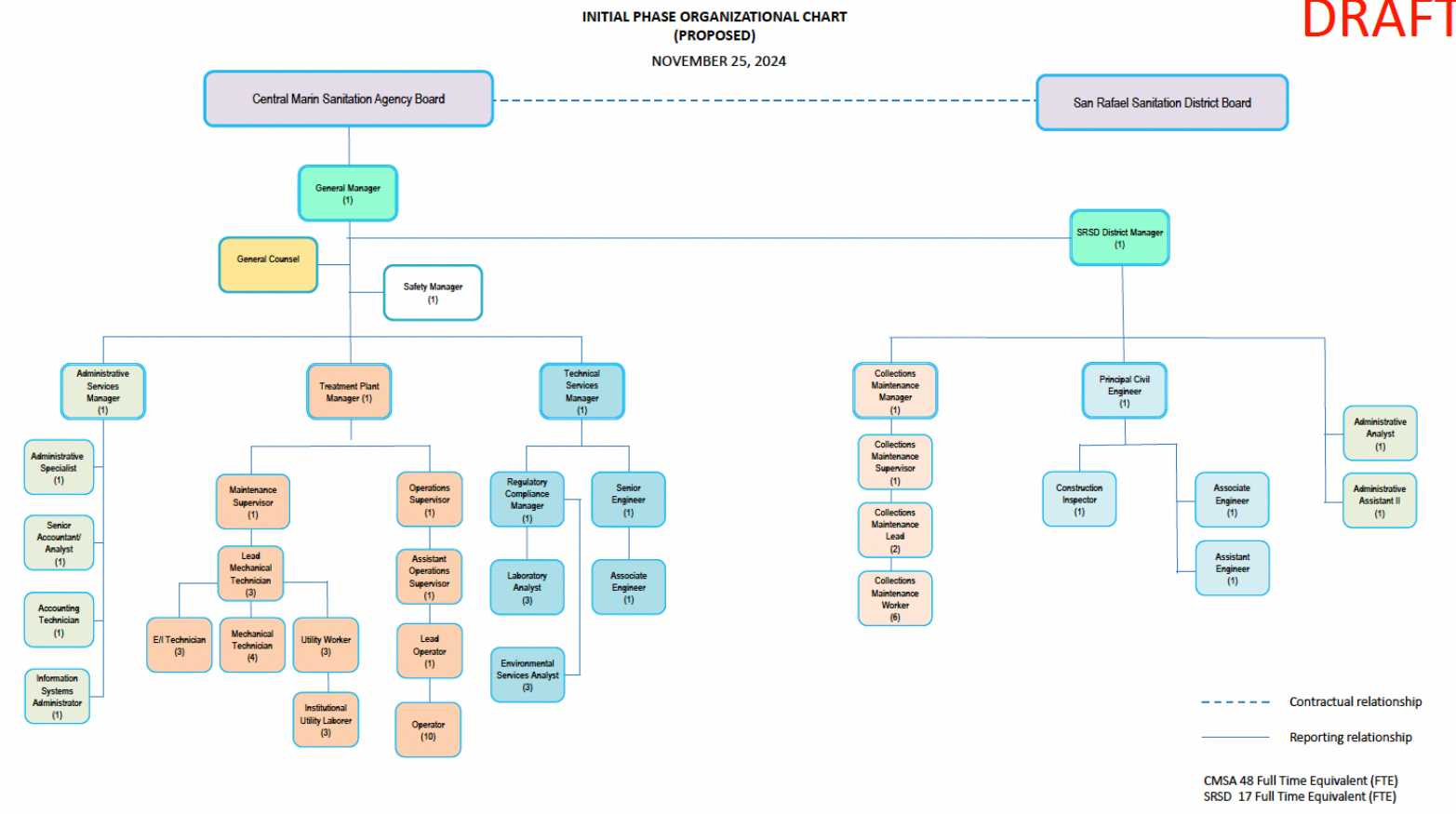


EXHIBIT B: HISTORY OF ACTION TAKEN - CHRONOLOGY

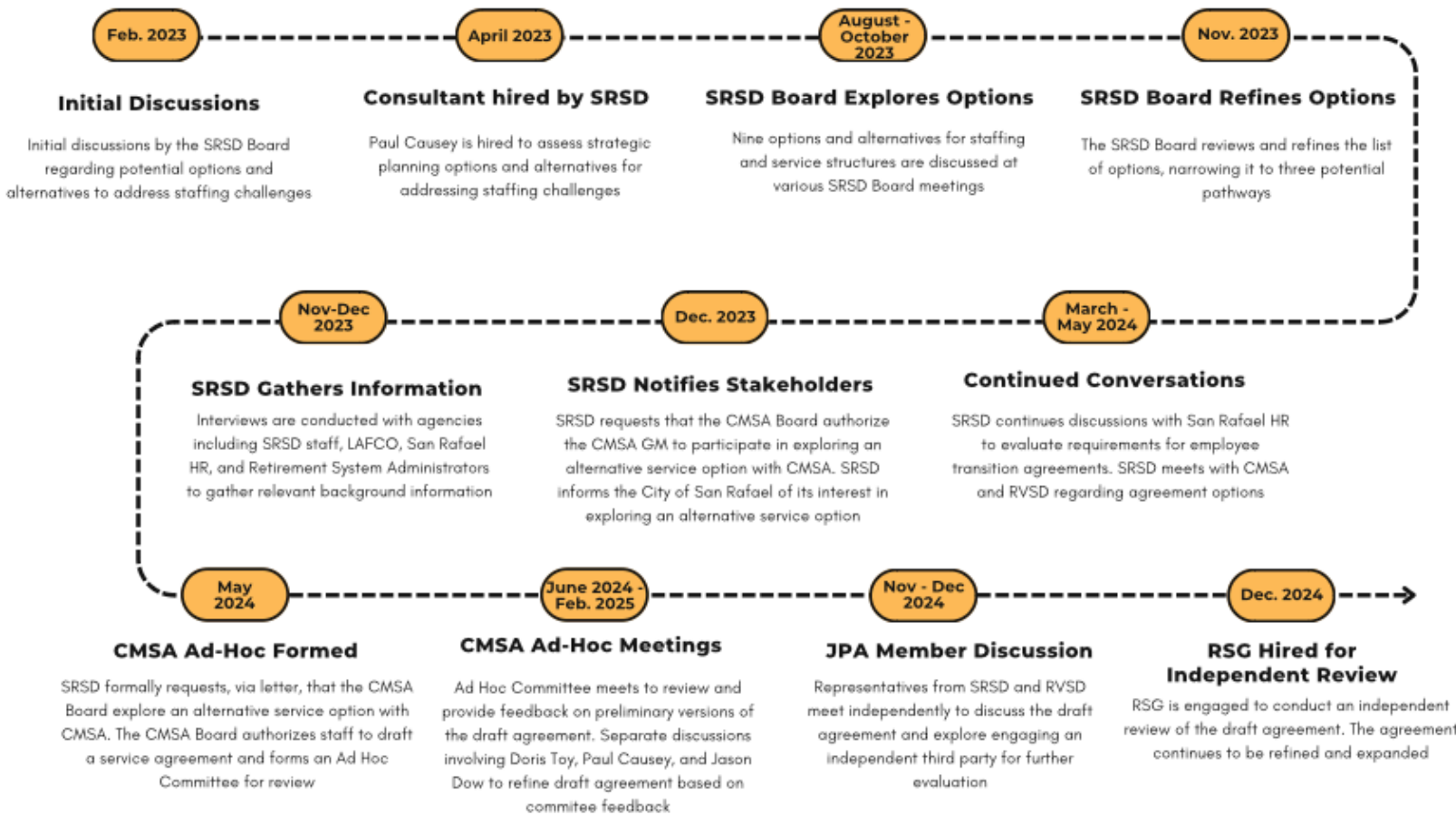
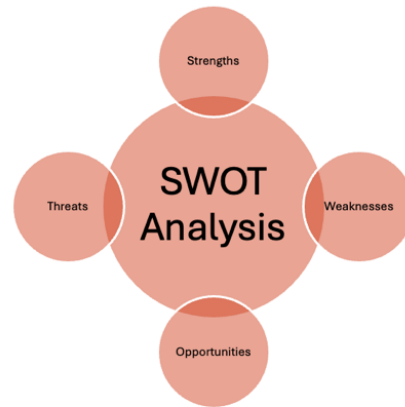


EXHIBIT C: TOWS ANALYSIS PRESENTED ON FEBRUARY 20, 2025, TO CMSA JPA
AD- HOC COMMITTEE



Stakeholder Interviews – Key Findings

1. Governance and JPA Balance
2. Financial & Pension Liabilities
3. Operational Services
4. Employee Transfer
5. Legal & Indemnification
6. Process and Transparency



Governance and JPA Balance

Strengths (What's working well?)	Weaknesses (Concerns or challenges identified)	Opportunities (What can we clarify?)	Threats (Risks if left unaddressed)
<ul style="list-style-type: none"> JPA member agencies share a commitment to regional coordination Consolidation has the potential to improve efficiencies 	<ul style="list-style-type: none"> The agreement may impact the existing governance structure and balance within the JPA Questions remain about decision-making authority and oversight 	<ul style="list-style-type: none"> Define clear governance roles and responsibilities, specifically around SRSD's approval authority and/or level of oversight 	<ul style="list-style-type: none"> Potential for perceived or actual governance imbalance, leading to stakeholder concerns Lack of clarity could impact trust and collaboration among JPA members



Governance and JPA Balance

Strengths (What's working well?)	Weaknesses (Concerns or challenges identified)	Opportunities (What can we clarify?)	Threats (Risks if left unaddressed)
<ul style="list-style-type: none"> JPA member agencies share a commitment to regional coordination Consolidation has the potential to improve efficiencies 	<ul style="list-style-type: none"> The agreement may impact the existing governance structure and balance within the JPA Questions remain about decision-making authority and oversight 	<ul style="list-style-type: none"> Define clear governance roles and responsibilities, specifically around SRSD's approval authority and/or level of oversight 	<ul style="list-style-type: none"> Potential for perceived or actual governance imbalance, leading to stakeholder concerns Lack of clarity could impact trust and collaboration among JPA members



Operational Services

Strengths (What's working well?)	Weaknesses (Concerns or challenges identified)	Opportunities (What can we clarify?)	Threats (Risks if left unaddressed)
<ul style="list-style-type: none"> CMSA already provides some collection services effectively The same employees currently performing SRSD collection services will continue in their roles, minimizing disruption Combining treatment and collection services could enhance coordination and improve long-term system efficiency 	<ul style="list-style-type: none"> Uncertainty around CMSA's experience in sewer collection system maintenance, repairs, and rate-setting could present operational challenges Collection services involve significant public-facing interactions, which may introduce additional operational complexities Differing perspectives on whether collection falls within the original scope of the JPA's intended role 	<ul style="list-style-type: none"> Identify areas where additional resources or expertise may be needed Define clear operational expectations to ensure service quality and efficiency, including: <ul style="list-style-type: none"> ➤ Performance benchmarks (e.g., spills, leaks, fines, rate adjustments) ➤ Infrastructure maintenance ➤ Customer service roles and responsibilities 	<ul style="list-style-type: none"> If not structured properly, the transition could create inefficiencies or service disruptions



Employee Considerations

Strengths (What's working well?)	Weaknesses (Concerns or challenges identified)	Opportunities (What can we clarify?)	Threats (Risks if left unaddressed)
<ul style="list-style-type: none"> The transition is expected to improve staff retention and morale for SRSD employees Shifting away from city-based pay scales could make salaries more competitive in the market Employees currently performing these duties will continue in their roles, minimizing operational disruption 	<ul style="list-style-type: none"> The hiring and integration process remains unclear, including employee vetting, background verification, and qualifications Uncertainty remains about whether the transition will effectively address long-term staffing challenges Pay scale details are still undetermined, requiring further clarity and substantiation Concerns about how the oversight of additional employees may impact CMSA functions and staffing/resource allocation 	<ul style="list-style-type: none"> Define a clear process for hiring and vetting transitioning employees, including background checks and qualifications Provide clarity on how salaries will be structured and adjusted over time Develop a comprehensive integration plan to ensure a smooth transition for incoming and existing employees 	<ul style="list-style-type: none"> Ambiguity regarding employee transfer process and release from the City of San Rafael could require extensive coordination or delays Lack of clarity on workspace logistics (e.g. where employees will be housed) could create operational inefficiencies and coordination challenges



Legal and Indemnification

Strengths (What's working well?)	Weaknesses (Concerns or challenges identified)	Opportunities (What can we clarify?)	Threats (Risks if left unaddressed)
<ul style="list-style-type: none"> The draft agreement provides framework for operational and legal responsibilities, built off an existing CMSA agreement 	<ul style="list-style-type: none"> Legal teams have not yet conducted a full review of the agreement Concerns remain about whether indemnification provisions are sufficient to fully protect JPA members from financial and legal liabilities The agreement is modeled after a contract that may differ in scope and complexity 	<ul style="list-style-type: none"> Conduct a comprehensive legal review to identify potential risks or gaps before finalizing the agreement Identify areas where indemnification provisions could be strengthened Establish a clear timeline for legal review 	<ul style="list-style-type: none"> Insufficient indemnification protections may expose JPA members to financial or legal liability Lack of clarity in key agreement terms could result in future disputes and implementation challenges



Process and Transparency

Strengths (What's working well?)	Weaknesses (Concerns or challenges identified)	Opportunities (What can we clarify?)	Threats (Risks if left unaddressed)
<ul style="list-style-type: none">• The JPA structure provides an established framework that supports collaboration• Public meetings and ad-hoc committee discussions have provided opportunities for stakeholder input	<ul style="list-style-type: none">• Concerns remain about whether all stakeholders had a sufficient opportunity to provide input• Some stakeholders feel the process was predetermined or moved quickly, limiting opportunities to fully explore alternatives	<ul style="list-style-type: none">• Continue to provide transparency on financial details to ensure risks are fully understood• Ensure that due diligence is clearly documented to reinforce confidence in the transition• Establish expectations for ongoing communication and reporting	<ul style="list-style-type: none">• Lack of transparency in the process could result in distrust among JPA members• Misalignment among the partners could delay a smooth transition

EXHIBIT D: KEY ISSUES RAISED AND CLARIFICATIONS

This exhibit outlines key issues identified in stakeholder discussions and the corresponding clarifications provided by the CMSA General Manager, offering insight into how these concerns are or plan to be addressed in the draft Agreement and transition process.

Governance & JPA Balance

Key Issue: The Agreement may shift the governance balance within the JPA, raising questions about SRSD's ongoing approval authority and level of oversight in operations.

Clarification:

- The CMSA Board structure (2:2:1) will remain unchanged unless formally approved by all members. The CMSA and SRSD Boards will continue to operate separately.
- The CMSA Board will not make decisions on SRSD business—SRSD's Board will retain decision-making authority over budget, audits, rate increases, and procurement above the GM's signature authority.
- CMSA's Board will monitor that CMSA is fully reimbursed for all SRSD service expenses, and that CMSA staff are performing the Agreement's scope of work.

Financial & Pension Liabilities

Key Issue: Additional clarity may be needed on the long-term funding strategy for pension liabilities, including potential cost increases from promotions or retirements over time.

Clarification:

- SRSD transitioning employees will transition from MCERA to CalPERS and SRSD will pay off all unfunded liabilities before the transition. CMSA will not assume any pension liabilities.
- An actuary will determine required annual contributions, and SRSD will fully fund a trust for pension obligations.
- If an SRSD transitioning employee leaves CMSA for a higher salary, an actuary will calculate the impact on the SRSD UAL each year.

Key Issue: Questions remain about how overhead costs are calculated and whether 5% is an appropriate factor.

Clarification:

- CMSA staff will track SRSD-related work via timesheets; tasks under 15 minutes will be classified as overhead.
- Overhead covers utilities, untracked staff time, and minor expenses listed in the 'Overhead Concepts' document developed by SRSD and CMSA.

- All SRSD non-labor expenses will be directly charged to SRSD (e.g. materials, supplies, contractors, equipment).
- The 5% overhead factor is a fixed rate, as nearly all expenses are reimbursed, rather than based on external benchmarking.
- Under the Agreement, an annual evaluation of overhead charges will be performed, and adjustments proposed as necessary.

Operational Services

Key Issue: The transition could introduce operational complexities, particularly due to the public-facing nature of collection services.

Clarification:

- SRSD transitioning employees will continue in their roles under CMSA management.
- CMSA has experience managing service contracts for 11 agencies and does not anticipate operational disruptions.
- The SRSD Manager will report to CMSA's GM to ensure smooth integration.

Employee Considerations

Key Issue: Questions remain about the hiring and integration process, particularly regarding employee vetting, background checks, and qualifications.

Clarification:

- Transitioning employees will transfer directly without open recruitment. They will be subject to:
 - Medical exam (drug testing)
 - Functional capacity testing
 - Background checks
 - One-year probationary period
- Transitioning employees will retain accrued leave, leave accrual rates, and seniority within their group.
- The memorandum titled 'Procedure to Hire SRSD Employees' was drafted by CMSA and provided to all JPA member agencies on March 11, 2025, providing further context on the employee hiring process.

Key Issue: Salary ranges for transferring employees are not specified in the Agreement.

Clarification:

- Salary ranges will be determined based on a market survey of CMSA's 13 comparator organizations.
- For legal reasons, salary ranges will not be included in the Agreement until CMSA's union approves them, which will occur after Agreement approval.

- SRSD's Board previously approved a three-year rate increase to account for higher salary and benefit costs and increased capital program funding.
- SRSD transitioning engineers with equivalent classifications to CMSA engineers will be placed within the same compensation range. For all other transitioning positions, no direct classification currently exists within CMSA's structure.

Key Issue: Concerns about CMSA's GM workload and additional oversight responsibilities.

Clarification:

- The GM anticipates spending 10-15% of their time on SRSD initially, with a phased reduction over time.
- CMSA's GM remains an exempt employee and will work as needed to fulfill responsibilities.
- The SRSD Manager will report to the CMSA GM and ensure the Agreement's scope is performed.

Key Issue: Uncertainty about workspace logistics for SRSD employees at CMSA.

Clarification:

- The CMSA GM will determine workspace arrangements, and SRSD will cover associated costs.
- A "Site License Agreement" provision has been added to the draft Agreement, detailing workspace and relocation contingencies.
- If relocation is necessary, options will be presented to the SRSD Board for discussion and evaluation, as SRSD will be responsible for funding the relocation.

EXHIBIT E: DIRECTION AND COMMENTS FROM THE FEBRUARY 20, 2025, CMSA JPA AD HOC COMMITTEE MEETING

Action Items:

At the February 20, 2025 CMSA JPA Ad Hoc Committee Meeting, RSG was advised to make the following updates to the "History of Action Taken" chronology:

- Add that in November/December 2024, discussions about the draft agreement occurred independently between SRSD and RVSD, contributing to the formation of the agreement with RSG.
- Clarify that there were two notifications and requests regarding SRSD partnership with CMSA (December 2023 and May 2024). Specify that the May 2024 notification was a formal request via letter.

SRSD Additional Comments:

Following the meeting, additional comments were provided by City of San Rafael Mayor Kate Colins to CMSA GM Jason Dow on February 21, 2025:

1. Timeline – Additional Dates for Consideration

RSG may want to consider incorporating the following key meetings into the project timeline to provide a more complete picture of stakeholder engagement:

- March 5, 2024 (11:00 AM): Meeting with GM Moore (CMSA), RVSD Chair Boorstein, GM Toy (SRSD), and myself.
- March 8, 2024: GM Moore, GM Toy, Director Bushey, and I toured the Kerner facility (not sure if this is relevant, but wanted to include it).
- May 23, 2024: Meeting between Chair Boorstein and myself.
- October 8, 2024: Meeting with RVSD Attorney, Director Sylla, AGM Newhouse, Gerchow, and myself.

2. Packet Input – "History of Action Taken" Correction

In the "History of Action Taken" section, the February 2023 entry refers to "internal discussions," but this is incorrect. That meeting was a publicly noticed meeting, and the report should be updated accordingly.

3. Framing of RVSD's Role & Potential Litigation Risks

The presentation focuses on governance considerations within the JPA but does not acknowledge RVSD's stated intent to litigate if SRSD moves forward with this agreement. While RVSD has publicly expressed support for consolidation, its actions have not aligned

with that position. Given the potential legal and financial implications, it would be valuable for the final assessment to recognize this dynamic and how it may impact governance and stakeholder relations.

4. Workforce Integration – A Strength, Not a Weakness

The employee transition plan is well-developed, and CMSA's labor agreements will improve retention and morale. The presentation notes this as a strength but also raises concerns about hiring, vetting, and qualifications. Since SRSD employees will continue in their roles with minimal disruption, these concerns should be balanced with the fact that the transition plan is structured to ensure continuity. While additional clarity on physical workspace assignments would be helpful, the overall transition plan should be framed as a well-prepared process rather than an area of uncertainty.

5. Financial Stability & Pension Considerations

The presentation raises questions about long-term pension obligations and financial commitments. While it is reasonable to seek clarity on cost allocation, the draft agreement already establishes that SRSD will fully reimburse expenses, ensuring no financial burden on other JPA members. Additionally, SRSD has budgeted for the increased costs, and CMSA has a defined rate structure in place. This level of financial planning should provide a stronger sense of stability than what is currently reflected in the assessment.

6. Process & Transparency – Recognizing the Extensive Public Engagement

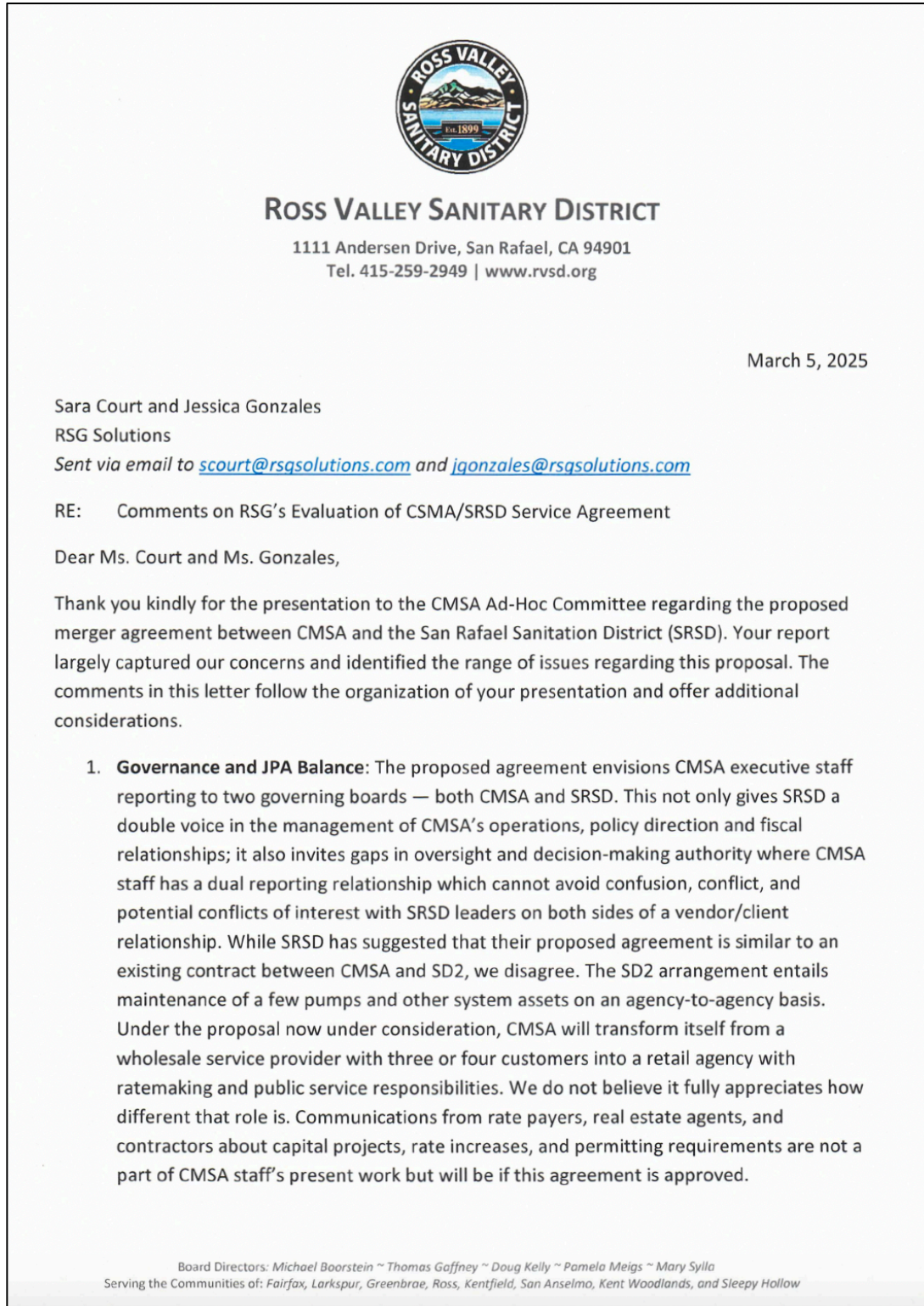
The presentation suggests that some stakeholders felt the process was predetermined or moved quickly. However, SRSD has engaged in multiple public study sessions, a board retreat, and ongoing discussions since 2021 (when MRG completed their review of SRSD), demonstrating a deliberate and open process. It may be helpful to highlight these efforts more explicitly to ensure that the report accurately reflects the level of public engagement that has taken place.

7. Regional Benefits & Long-Term Best Practices

The final report should place greater emphasis on the broader benefits of this transition. This agreement represents a step toward regional consolidation, which has been a longstanding goal in Marin County and aligns with best practices in wastewater management. The transition enables more efficient service for ratepayers, workforce stability, and cost benefits through streamlined operations. These outcomes should be a central takeaway in evaluating the success of this transition.

RVSD Additional Comments:

Following the meeting, comments were provided to RSG by RVSD Assistant General Manager Felicia Newhouse on March 5, 2025:



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2. **Finance and Pension Liabilities:** Post-merger, the SRSD workforce would be better paid and this – it is asserted – would result in improved recruitment and retention for the collection system jobs. But SRSD employees gaining more generous pension benefits as CMSA employees will more likely cause earlier retirements. SRSD should realistically model when its workforce can be expected to turn over and at what cost. An actuary would be required to estimate the cost difference of the more generous pension benefits so they can be allocated to SRSD and not to CMSA’s other member agencies. An actuary can advise whether pension costs can be allocated via formula or whether future uncertainties will require periodic estimates of these costs. In addition, we suggest that the potential liability of CMSA’s three member agencies for its pension obligations under Government Code section 6508.2 upon its termination or reorganization also bears mention in your report.
3. **Operational Services:** There will be legacy costs transferred to CMSA that should be charged to SRSD that are difficult to identify and estimate at the outset. Some costs relate to SRSD’s infrastructure, which may have unfunded maintenance, hidden capital costs, and the risk of higher operating costs or spills, generating RWQCB fines. Does CMSA know what it is taking on and have a plan to address it? Is CMSA able to isolate these costs to SRSD, rather than exposing cross-subsidy by CMSA’s other customers? What about costs related to SRSD’s regulatory compliance — are its WDRs and capital improvement plans current and legally compliant? Or do these represent hidden costs to CMSA, too? And what of the indirect cost impacts related to CMSA’s operations? For example, what is the opportunity cost of the CMSA land to be devoted to housing 17 SRSD employees? Can CMSA still pursue recycled water and other capital improvements if it devotes treatment plant real estate to housing SRSD staff? Finally, can the CMSA member agencies trust that CMSA staff will fairly and accurately allocate these myriad costs to SRSD?
4. **Employee Considerations:** There is a stepwise tension between vetting SRSD’s employees before hiring them and achieving necessary agreements with labor unions. And there are other conundrums about the proposed workforce integration — if the workforces are not integrated, workplace friction and inefficiencies may follow. If they are integrated, it will be much more difficult to identify costs that should fairly be allocated to SRSD. SRSD may have problematic employees that CMSA would hire to avoid friction with SRSD’s bargaining units. Since CMSA does not intend to confer with its own labor unions until after the SRSD agreement has been approved, it exposes CMSA to legal

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and practical risks of negotiating leverage by CMSA's unions. CMSA bargaining groups may lose (or claim to lose) work or promotional opportunities to SRSD's workforce. Even more likely, they will demand greater compensation to which they could argue entitlement as more highly trained treatment plant operators as compared to the collection system classifications. How will CMSA staff calculate the costs owed by SRSD incurred by future labor negotiations that result in additional compensation to CMSA employees?

5. **Legal and Indemnification:** While the four agencies' counsel will certainly want to review and discuss how indemnification terms are drafted, the current concern is how they are conceived — the deal points rather than how they are expressed. CMSA and SRSD should clarify which is responsible for the legacy risks and costs to CMSA resulting from the merger as to employees' pensions, vetting, etc.; as to SRSD's physical infrastructure; and as to its regulatory compliance. When legal or contractual issues arise between the two boards, who must sit out during deliberations and votes?
6. **Process and Transparency:** As RSG notes, CMSA and SRSD should allow sufficient time for the four agencies' counsel to review and confer on drafting issues once the scope and terms are settled. Once made, this contract will be very difficult to revise or dissolve and may govern these parties' relationships for many years. It is at the beginning of crafting such an agreement that is the time to develop a clear, understandable and fair process to extricate both parties from the agreement. If that is not in place, years later when relationships are frayed and litigation is at play, it is too late to execute a smooth or cost-effective process. CMSA must engage subject matter experts to ensure that the agreement is crafted to protect both parties by clearly laying out of all issues, roles and responsibilities.
7. **Alternatives:** We recognize that CMSA contracted with RSG for a scope of services that does not include review of alternatives to the proposed contract between SRSD and CMSA. However, we think you should be aware of the practical alternatives to meet SRSD's stated purpose to address its claimed difficulty in recruiting and retaining staff. That awareness is necessary to allow you to meaningfully review the proposal before us. Such alternatives include: (i) administrative separation of SRSD from the City of San Rafael so it can set its own agency personnel policies and pay what is needed to attract and retain staff; (ii) a LAFCO proceeding to change SRSD from a Sanitation District to a Sanitary District with an independently elected board of directors, further separating it

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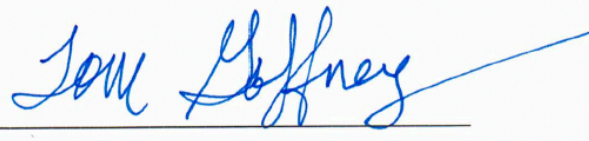
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from the City of San Rafael; (iii) contract for services with another sewer collection agency like Ross Valley Sanitary District or Las Gallinas Valley Sanitary District, (iv) a merger of SRSD with another agency, perhaps Las Gallinas Valley Sanitary District, so the City of San Rafael could have one sewer provider, or (v) a merger of CMSA with all of its member agencies, not just SRSD, eliminating the risk of cross-subsidies among them inherent in the current proposal.

Lastly, the history of communications between RVSD and SRSD has been questioned. We believe it's clear that RVSD was not invited for stakeholder input to SRSD's "strategic planning" until after they and CMSA's staff had committed to the current proposal. In any event, it is sufficient to observe there are different views on this. It would be best to avoid any future misunderstandings as this proposal is presented to the public. To that end, what is the plan for community engagement? Do CMSA and SRSD intend to make a fundamental change in how SRSD provides services and CMSA's role in serving its member agencies without public engagement beyond Brown Act requirements? RVSD believes that some form of public outreach is appropriate before this agreement is concluded as it will not be easily undone.

Sincerely,



Mary Sylla
RVSD Board President/CMSA Commissioner

Tom Gaffney
RVSD Board Director/CMSA Ad-Hoc Member

Cc: CMSA General Manager Jason Dow
CMSA Commissioner Eli Beckman
CMSA Ad-Hoc Member Dean DiGiovanni

EXHIBIT F: DIRECTION AND COMMENTS FROM THE MARCH 20, 2025, CMSA JPA AD HOC COMMITTEE MEETING

Action Items:

At the March 20, 2025, CMSA JPA Ad Hoc Committee Meeting, the following Action Items were discussed for each recommendation in the report:

Recommendation #1:

- Working Group: Clarify or implement a definitions section in the Agreement to delineate roles of SRSD (Board/Staff) and CMSA (GM/Board), reducing potential confusion.
- RSG: Increase the clarity in the report concerning roles of SRSD and CMSA.
- Working Group: Amend the Agreement to clarify SRSD Board approval for any actions beyond given signature authority.
- Working Group: Introduce a process in the Agreement to handle minor disputes efficiently.

Recommendation #2:

- RSG: Include impacts of retiring employees in the annual actuarial review process.

Recommendation #3:

- RSG: Refine the recommendation in the report to expand on overhead charges and overhead methodology.
- Working Group:
 - Establish a detailed budget sheet highlighting distinctions between direct costs, shared services, and overhead costs.
 - Revise the Agreement to permit annual adjustments to overhead charges and clarify SRSD's responsibilities regarding unexpected costs.
 - Revise the Agreement to include a 10% overhead rate for CMSA JPA staff working on SRSD tasks, aligning with existing practices.
 - Revise section 4 of the Agreement to specify what the 5% overhead factor entails.

Recommendation #4:

- Working Group:
 - Include performance metrics in the Agreement or reference the SMMP or specific KPIs.

- Include periodic reports to the CMSA board to foster trust in the transition's success.

Recommendation #5:

- Working Group: Integrate a legal review step into the Agreement draft schedule.

Recommendation #6:

- Working Group: Add a clause to the Agreement that establishes CMSA's obligation to provide periodic reports to the CMSA Board and distribute them to all JPA member agencies, promoting transparency and ongoing communication.

RVSD Additional Comments:

Following the meeting, comments were provided to RSG by RVSD Assistant General Manager Felicia Newhouse on March 21, 2025:

On behalf of the Ross Valley Sanitary District Board of Directors, RVSD Board President and CMSA Commissioner Mary Sylla, and RVSD Board Director and CMSA JPA Ad-hoc Committee Member Tom Gaffney, submit the following comments on the RSG draft report evaluating the proposed merger agreement between CMSA and SRSD:

- As discussed at the meeting and agreed by the Committee, in both the report and in the proposed agreement, references to "CMSA" should always specify "CMSA Board" or "CMSA General Manager". Similarly, references to SRSD should specify who that means. For example, SRSD staff is actually City of San Rafael staff, and in the future will be CMSA staff, so that is confusing. It's also confusing that the SRSD Board (Mayor Kate Colin, Maribeth Bushey, and Dennis Rodoni) is different from the CMSA Commissioners who represent SRSD (Dean DiGiovanni, Maribeth Bushey, and sometimes Alan Zahradnik and Marc Solomon).
- The report states that the objective of the evaluation "is not to explore alternative options" (Introduction, page 1). Regardless, the report should absolutely make the recommendation to explore alternative options considering the Governance & JPA Balance issues which cannot be resolved by any agreement language short of dissolving the SRSD governing board. This merger of the two agencies while preserving the separate authority of the SRSD Board is poised to promote confusion and disharmony among the CMSA JPA members.
- In the report's History of Action Taken, the initial discussions by SRSD were documented to have started in February 2023. It should be made clear who was involved in those discussions, and specifically, when the CMSA's general manager was aware of these discussions.

- In Recommendation #1 "Clarify SRSD's Ongoing Approval Authority and Oversight Role" (page 19), CMSA GM Jason Dow offered that the resolution process would be that the CMSA GM and the SRSD Board President would get together to resolve minor disputes. This is not an acceptable framework because the CMSA GM does not represent RVSD favorably. This will be an ongoing trust and confidence issue that needs to be addressed.
- In Recommendation #3 "Increase Financial Transparency" (page 20), how will new employees, such as the proposed new CMSA HR staff cost be allocated? And how will increased costs for existing CMSA staff who demand higher wages after the merger be allocated?
- In Recommendation #6 "Centralize Information Sharing for Transparency and Alignment" (page 21), this should be written in more clear and direct language and should be the second recommendation after Governance & JPA Balance. At the Committee meeting, Jason Dow responded to this discussion point as if it were a matter of regular (quarterly or annual) reports to the CMSA Board after the agreement was signed when in fact it is regarding the process of preparing the proposed agreement in the first place. Communication from the CMSA GM to the whole of the JPA membership has been lacking from the beginning which is why RVSD is aggrieved. A good example of this is the lack of transparency in Jason Dow's staff report for this item which fails to mention that comments on the draft RSG report would be due the day after the Ad-hoc Committee meeting. The staff report states that "RSG would like the Committee to discuss and provide comments on the draft report, and agree on revisions at the meeting to include in the final report." This is vague and misleading when in fact the comments due on the draft report were established by the CMSA GM as contract manager and could have been more clearly stated. Neither RVSD nor SRSD were aware of this timeline. It has been very difficult, as RSG notes, for all of the JPA membership to obtain information about "key decisions and transition progress". Documents regarding the merger agreement process dating from the SRSD August 2021 "Organizational Review and Analysis Report" conducted by Municipal Resource Group have not been shared by Jason Dow to RVSD and are not available on the SRSD website. Another example would be the draft CMSA/SRSD agreement document itself. The RSG draft report recommendations refers to specific sections of the draft agreement which do not align with the most recent publicly available agreement document (December 2024) because, according to Jason Dow, the agreement has since been updated by the "working group" (Jason Dow, Paul Causey and Doris Toy) but has not been shared publicly. How is the Ad-hoc Committee, let alone RVSD representatives, supposed to comment on the RSG recommendations to the agreement without the recent agreement document?
- Exhibit D "Key Issues Raised and Clarifications" (page 29), this is an example of where, in the opening sentence, "CMSA" should be replaced by "the CMSA General Manager". CMSA GM Dow was given the "key issues" and responded with his own

"clarifications" (i.e., counterpoints). The clarification regarding the CMSA Board structure as 2:2:1 is questionable. The CMSA/SRSD Board structure will be 5:2:1.

- o RVSD repeats its request to understand the evaluation of alternatives to the CMSA/SRSD merger, including SRSD's opportunity to establish itself as an independent special district thereby avoiding the conflicts created by the proposed agreement. The impetus for the proposal was SRSD recruitment and retention issues; however, SRSD is fully staffed and pay increases have been approved by the City of San Rafael, including for the SRSD GM (which, as noted above, will likely cause a compaction issue with the CMSA GM). Lastly, RVSD notes that while the CMSA GM was appointed the contract manager, the RSG study was commissioned equally by SRSD and RVSD (\$20k/each) and RVSD respectfully requests that our comments be given appropriate consideration of the future consequences ahead for political dysfunction of the CMSA JPA.



BOARD MEMORANDUM

April 15, 2025

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

From: Jason Dow, General Manager

Subject: Revised SRSD Management and Operations Service Agreement Schedule

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

Discussion: Staff prepared a draft SRSD Management and Operations Service Agreement Schedule and presented it to the Committee at the March 20 meeting. The attached schedule was revised based on Committee direction. The regular 5/15 meeting was rescheduled to 5/8, if needed.

Staff is seeking Committee comments on the upcoming activity dates.

Attachment:

- Draft SRSD Management and Operations Service Agreement Schedule – 4/15/25

SRSD MANAGEMENT AND OPERATIONS SERVICE AGREEMENT SCHEDULE
Revised Draft (4/15/2025)

DATE	TYPE OF MEETING	DESCRIPTION
2/20	Ad Hoc	RSG attends meeting to review scope & work status; Jason presents schedule & scope changes. (done)
Week of 2/24	SRSD/CMSA Staff	Discuss RSG questions and preliminary findings/recommendations. (done)
3/20	Ad Hoc	RSG presents draft report and receives comments; committee to consider and select some agreement revisions; Jason presented revised schedule, SRSD employee hiring process, and SRSD retirement info. (done)
Week of 3/24	SRSD/CMSA Staff	Prepare agreement revisions based on Ad Hoc direction.
4/17	Ad Hoc	RSG presents final report; Review revised agreement, draft property use agreement; and budget outline. Committee direction to update agreement and other documents, if needed. Direction to send revised agreement to JPA agencies on 4/21 or bring agreement to 5/8 meeting.
Week of 4/21	SRSD/CMSA Staff	If needed, prepare agreement revisions.
5/8	Ad Hoc	If needed, review draft Agreement and provide direction.
5/12	SRSD/CMSA Staff	Distribute draft agreement to JPA member agencies.
5/12 – 6/27	n/a	JPA members' agreement review period. Two regular Board meetings for each agency. RVSD (5/21, 6/18); SRSD (5/23, 6/20); SD2 (5/20, 6/3, 6/17).
7/1	n/a	JPA member comments due to CMSA. Brandon Halter to coordinate legal comment review.
Week of 7/7	SRSD/CMSA Staff	Discuss JPA comments. Revise draft agreement.
7/17	Ad Hoc	Present final draft Agreement with JPA comments; committee to decide on which comments to incorporate into the Agreement.
Week of 7/21	SRSD/CMSA Staff	Prepare final agreement.
7/25		FINAL AGREEMENT Distributed.
Week of 8/4	SRSD Special Board Mtg	Agreement on Agenda for approval.
8/12/25	CMSA Board Mtg	Agreement on Agenda for approval.



BOARD MEMORANDUM

April 15, 2025

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

From: Jason Dow, General Manager

Subject: Revised Draft SRSD Management and Operations Service Agreement

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

Discussion: Staff and the Committee last reviewed the revised draft SRSD Service Agreement at the December 3 meeting, and since then, the SRSD working group has revised the draft Agreement several times. Since the Agreement template was presented to the Committee at its June 2024 meeting, the draft Agreement has been revised fifteen times. In March, the draft Agreement sections were reorganized with most of the operative items (1-15) moved to the beginning of the agreement followed by the legal sections. Other noteworthy changes are shown in red text, which staff will present at the meeting.

Attachment:

- Draft SRSD Management and Operations Service Agreement – March 31, 2025

**SAN RAFAEL SANITATION DISTRICT
MANAGEMENT AND OPERATIONS SERVICE AGREEMENT**

March 31, 2025

This Agreement dated _____ is between the CENTRAL MARIN SANITATION AGENCY (CMSA or Agency) and SAN RAFAEL SANITATION DISTRICT (SRSD).

WHEREAS, CMSA was duly formed, a regional treatment plant was constructed and has been operating since January 1985; and

WHEREAS, SRSD is a special district formed in 1947 pursuant to Health and Safety Code Section 4700, et seq. with all of its employees currently employed by the City of San Rafael (hereinafter referred as City); and

WHEREAS, SRSD is a member of CMSA and a signatory to that Joint Powers Agreement (JPA) dated December 2019 for the treatment and disposal of wastewater and biosolids, source control, and environmental laboratory services; and

WHEREAS, this Agreement is entered into pursuant to Health and Safety Code Section 4742 providing for agreements between governmental agencies for the type of management and operations services to be provided by CMSA, and

WHEREAS, SRSD's mission is to protect the public health and the environment through proactively planning and operating a fiscally responsible and safe wastewater collection system; and

WHEREAS, SRSD has had difficulties recruiting and retaining employees through the City; and

WHEREAS, each JPA agency, (SRSD, Ross Valley Sanitary District and Sanitary District #2) have individual agreements with CMSA, where CMSA developed and implemented, and is now administering a Fats, Oils, and Grease (FOG) source control programs within their service areas; and

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

WHEREAS, the expenses for the services provided by this agreement shall be full reimbursed by SRSD including all overhead costs for CMSA general services; and

WHEREAS, the services provided to SRSD shall not result in increased costs to other JPA members; and

WHEREAS, SRSD and CMSA now desire to enter into a management and operations agreement for management, administration, operations, and maintenance of SRSD, including hiring of SRSD's current City employees; and
NOW, THEREFORE, it is agreed as follows:

1. Definitions:

- City: City of San Rafael
- City Employees: Employees that work exclusively for SRSD before the Effective Date.
- CMSA: Central Marin Sanitation Agency; a joint powers authority
- CMSA Board: five-member board of CMSA
- CMSA GM: CMSA's General Manager
- CMSA JPA employees: Employees of CMSA that perform the JPA services
- SRSD: San Rafael Sanitation District; a California special district
- SRSD Board: three-member board of the SRSD
- SRSD District Manager: CMSA employee that is assigned to manage and administer the Agreement's scope of work after the Effective Date
- SRSD Employees: Employees that exclusively provide service to SRSD after the Effective Date

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

3. Scope of Services: CMSA hereby agrees to hire all current ~~SRSD's~~ City employees on the day they each resign employment from the City, and thereafter provide SRSD with the scope of services as specified in more detail in "Exhibit B". After hiring ~~SRSD's~~ the City employees, CMSA shall provide all of the SRSD Board administration and all labor and materials necessary to perform the stated services in a professional and competent manner based on direction from the SRSD Board in accordance with accepted professional practices and standards as well as the requirements of federal, state, and local laws.

CMSA and SRSD agree that the Management and Operations Agreement shall be performed in the following phases and with the purpose of ultimately transitioning all SRSD services to CMSA during the defined term of the agreement or as maybe amended in the future:

- a. Phase I: Hire of City Employees and Begin Scope of Services
- b. Phase II: Employee Relocation to CMSA
- c. Phase III Staff Assessment for future integration
- d. Phase IV: Integration Implementation

4. **Extra Ordinary Services, Acts of God Services:** CMSA shall respond to all extra ordinary services or acts of God twenty-four (24) hours a day, seven (7) days week. In the event of an emergency during regular business hours, CMSA shall notify the SRSD Board of the emergency.

CMSA shall take all necessary actions to prevent or minimize adverse effects upon SRSD or others' property or to public health and safety resulting from the emergency, and restore SRSD normal operations as soon as reasonably possible. The SRSD Board authorizes CMSA to retain outside consultants and contractors, as needed, to respond to and address the emergency situation.

CMSA will notify the SRSD Board, in writing, of: 1) the emergency action as soon as practicable thereafter, but in no event later than twenty-four (24) hours after CMSA becomes knowledgeable of the emergency event; and 2) whether additional work will be needed

5. **Agreement Term:** This Agreement shall remain in full force and effect for five years, and thereafter from year to year unless the Agreement is terminated or amended by mutual agreement of all parties to the agreement.
6. **Effective Date:** The Agreement's effective date shall be established by the CMSA GM after the satisfactory completion of the following activities:
- a. CMSA Board approves the SRSD employees job descriptions.
 - b. CMSA GM meets and confers with SEIU, and the SRSD employee job classifications are added to the CMSA/SEIU collective bargaining agreement
 - c. City employees are hired by CMSA
 - d. MCERA unfunded pension liability for the City employees is paid off
 - e. A site use agreement is approved by the CMSA and SRSD Boards.
7. **SRSD Board and CMSA Board Responsibilities:** CMSA GM will present and the SRSD's Board shall approve:
- a. annual draft and final operating and capital budgets
 - b. annual financial audit
 - c. loans, bonds, and other forms of indebtedness
 - d. pension liability report and authorize funding the pension trust
 - e. sewer rate studies and sewer rate increases
 - f. multi-year capital improvement program and its funding plan
 - g. setting sewer service charges to fully fund the annual operating and multi-year capital program; to ensure CMSA is fully reimbursed for all its expenses for providing the contract services
 - h. professional service contracts above the CMSA GM authority
 - i. constructions and maintenance contracts above the CMSA GM authority

- j. procurement of materials, supplies, and equipment **above the CMSA GM authority**
- k. public education and outreach programs to SRSD customers,
- l. negotiation and payment of fines and enforcement penalties for non-compliance with regulatory requirements
- m. CMSA financial and administrative policies to align the SRSD and CMSA business practices and staff authorities.

SRSD's Board shall also provide the CMSA GM with feedback on the performance of the CMSA assigned SRSD District Manager.

SRSD Board grants the CMSA GM with decision making authority for all SRSD business needed to comply with the scope of work, in compliance with CMSA financial, contracting, and procurement policies.

SRSD Board will coordinate with the CMSA GM and SRSD District Manager to identify the type of and reporting frequency for operational performance metrics.

CMSA's Board shall:

- a. Ensure that CMSA complies with the terms and provisions of this agreement **and CMSA policies**, and provides the services in Exhibit C.
- b. **Provide direction to the CMSA GM on the type and frequency of SRSD service provision reports for presentation to the CMSA Board, and to share the reports with the CMSA JPA member agencies.**

8. Reimbursement of Expenses

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

Compensation shall include all the following elements, as applicable.

- a. Salaries and benefit expenses, including overtime and standby, for **SRSD and CMSA JPA employees** to perform the scope of services.
- b. Procurement of materials, supplies, and equipment.
- c. Professional service, construction, maintenance repair, and other contract service expenses.
- d. Insurance, public education and outreach, and all other direct expenses.

- e. An 5% overhead factor on the annual **SRSD employee total compensation** budget estimate for the **SRSD services** to cover all indirect and non-tracked **minor** expenses.
- f. **A 5% overhead factor on CMSA JPA employees' weighted rates that provide services.**
- g. Extraordinary and Acts of God services.
- h. **Unforeseen operational and capital expenses**

If an SRSD employee performs work for CMSA, the monthly SRSD invoice will include a credit to SRSD for the appropriate fully burdened labor expenses.

9. **Annual Budget:** CMSA **GM** shall develop a draft annual line-item budget for the routine services needed to comply with the Exhibit C provisions, and a five-year capital improvement budget. **The budget will include performance measures and operational metrics as approved by the SRSD Board.** The draft budget will include adjustments to **SRSD and CMSA JPA employee** labor rates. The draft budget will be submitted to the SRSD Board in March, and the final draft budget submitted in May.
10. **Annual Expense Review:** CMSA **GM** shall prepare and submit to the CMSA Board a detailed summary of SRSD scope of work, **unplanned, and extra ordinary** expenses as compared to the approved service budget, **which will include all direct expense categories, shared service areas, and the overhead** charges. An evaluation of overhead charges will be performed, and adjustments proposed as necessary.
11. **City Employees Hired by CMSA:** CMSA agrees to hire the City employees and place them in the Classifications shown in Exhibit D at the appropriate level in the compensation range. CMSA agrees to establish the employee hire date as the date the employee started with the City. **Exhibit E provides the tentative salary ranges for each SRSD employee classification. The final salary ranges will be approved by the CMSA Board before the Effective Date.**
12. **Transfer of City Employee Leave Balances:** CMSA agrees to establish leave balances for each of the **City** employees hired based upon the leave balance remaining at the City as of the employee's resignation from the City. Leave balances will be adjusted **using each City employee's compensation** rate when hired by CMSA. CMSA further agrees to utilize the original hire date for the employees at the City for purposes of computing both CMSA vacation and sick leave accrual rates.
13. **SRSD Unfunded Pension Liabilities:** SRSD **Board** shall direct the payment and resolution of any MCERA unfunded actuarial pension liabilities (UAL) prior to the effective date of this Agreement and before the **City** employees transfer to CMSA. The UAL payment will be based on each employee's compensation level after they transfer to CMSA.

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

14. OPEB Benefits: City employees shall maintain their OPEB benefit after resignation from the City and hired by CMSA. Each SRSD employee's offer of employment letter will show the employee OPEB benefits that will be provided by CMSA and annually reimbursed by SRSD upon retirement.

15. Property Use Agreement: SRSD employees shall have use of specific areas on the CMSA property for placement of two modular office buildings and storage facilities, and district vehicle parking. SRSD shall pay CMSA a monthly property lease fee. Prior to the effective date, the SRSD and CMSA Boards will approve the Property Use Agreement.

16. Indemnification:

- a. CMSA agrees to hold the SRSD free and harmless and to indemnify SRSD, and their officers, officials, employees, and agents from all claims, demands, damages, liabilities, losses and costs of whatever nature for negligent acts or negligent omissions arising from or connected with or related to CMSA's performance of services and/or work under this Agreement, with the exception of services and/or work performed by CMSA contractors or consultants as provided below and sole or active negligence or intentional acts of SRSD. As used in this paragraph, "negligent acts or omissions" shall include but not be limited to any work performed under this Agreement that is: 1) a substantial factor of damage caused to public or private property which is the subject of an inverse condemnation claim made against SRSD; 2) in violation of any applicable federal, state or local laws; and 3) set forth by Section 8.e.
- b. Nothing in section 8.a. above shall require CMSA to indemnify, hold harmless or defend SRSD if a gravity main, force main, interceptor, or pump station fails, overflows, or otherwise causes damages or costs, provided that the failure, overflow, or other cause of the damage was not connected with, related to, or the result of work performed under this Agreement. The intention of this subsection is to allow CMSA to be free of liability to SRSD where the failure, overflow, or other problem is due to a cause that is outside CMSA's normal scope of services under this Agreement. Notwithstanding the above, in the event that concurring causes described by section 8.a. and this section 8.b. result in damage, CMSA shall be responsible for that portion of the damage attributable to its negligent acts or omissions as that term is used in section 8.a.

- c. SRSD agrees to hold CMSA free and harmless and to indemnify CMSA and its officers, officials, employees and agents from all claims, demands, damages, liabilities, losses and costs of whatever nature arising from, connected with, or related to SRSD's responsibilities in this agreement.
- d. In the event CMSA utilizes outside contractors or consultants in connection with the work provided for through this Agreement, CMSA shall require the outside contractor or consultant to execute a written contract which shall include a provision indemnifying and holding harmless, to the fullest extent permitted by law, SRSD, its officers, officials, agents and employees from all claims arising from the acts or omissions of the outside contractor or consultant. In addition, CMSA shall require the outside contractor or consultant to obtain and maintain general liability insurance in an amount of not less than \$2 million or an amount that is approved by SRSD. CMSA shall further require that SRSD, its officers, agents and employees be added as an additional insured under this general liability insurance policy. CMSA shall also require that every outside contractor or consultant possess workers compensation insurance, if applicable, and, if relevant, errors and omissions insurance. All indemnification, hold harmless and insurance provisions and forms required by this section shall be subject to prior approval of the SRSD Board. If CMSA fails to comply with the terms and conditions of this paragraph, CMSA shall be responsible for all claims, damages, injuries and costs incurred by the SRSD in connection with the services performed by the outside contractor or consultant. Compliance by CMSA with the requirements of this paragraph shall relieve CMSA from any liability or hold harmless obligations to SRSD arising out of the acts or omissions of the work by the outside contractor or consultant except that CMSA shall hold SRSD free and harmless, and shall indemnify SRSD, for all claims arising from CMSA's own intentional acts, negligence or errors and omissions in connection with the work performed by such outside contractors or consultants.
- e. CMSA need not require the indemnification, hold harmless, and insurance provisions detailed in Section 8.d. when hiring material and equipment vendors, or septage haulers or similar service providers.
- f. The obligations contained in this indemnification provision shall survive the termination of this Agreement.

17. Regulatory Reporting: CMSA shall be responsible for meeting the current and any future State Water Resources Control Board (SWRCB) and San Francisco Bay Regional Water Quality Control Board's (RWQCB) Waste Discharge Requirements for Sanitary Sewer Systems including the designation of appropriate legally responsible officials and data submitters. CMSA shall also be responsible for all sanitary sewer spill notification, reporting and documentation requirements to comply with the most current Statewide Waste Discharge Requirements for Sanitary Sewer Systems (WDR).

CMSA will report spills to the Office of Emergency Services, and other required regulatory agencies based on the then most current requirements. CMSA personnel shall follow reporting procedures in the SRSD Spill Emergency Response Plan (SERP) and SRSD standard operating procedures.

CMSA shall annually report the status of the NPDES and WDR permit compliance to the SWRCB, RWQCB, and the SRSD Board.

18. Dispute Resolution: For disagreements or disputes that arise concerning interpretation, implementation and/ or enforcement of any of the terms or subject matter of this Agreement, the CMSA General Manager and SRSD Board president shall first meet to discuss the disagreement in an attempt to resolve it to both parties' satisfaction. If they cannot reach agreement on a resolution, the SRSD Board President and CMSA Board Chair will meet to resolve the matter.

If resolution is not reached, SRSD and CMSA (Parties), shall submit such dispute to mandatory mediation before an agreed-upon mediator, each Party to pay an equal share of the mediation fees, and each Party to pay its own attorneys' fees and legal costs. Should the Parties be unable to agree upon a mediator, they shall agree upon a mediation service and shall have that service select a mediator for them.

Should mediation be unsuccessful, then the Parties each agree that they shall submit their dispute to binding arbitration before a mutually agreeable arbitrator. If they cannot agree upon an arbitrator, they shall select an arbitration service which shall select an arbitrator for them. Each Party shall pay an equal portion of the arbitration fees and each Party shall pay its own attorneys' fees and legal costs, it hereby being agreed that the arbitrator shall have no authority to award attorneys' fees or costs to any prevailing Party.

The Parties each hereby expressly waives any and all rights to have disputes under this Agreement decided by court action, court trial, jury trial or any other legal action of any kind or type, other than the mandatory mediation and binding arbitration process specified above. However, in emergency or extraordinary circumstances, either or both Parties may seek equitable or injunctive relief to preserve the status quo pending occurrence of the mediation / arbitration process specified above. It is the express intent of both the Parties to have any and all disputes under this Agreement resolved by the above specified mediation/ arbitration process and in as timely and economical manner as possible.

19. Termination:

- a. Notice. The performance of work under this Agreement may be terminated by either Party in accordance with this Section by supermajority vote of the terminating Party's Board. Any such termination shall be effectuated by notice of one (1) calendar year advance written notice of termination specifying the extent to which performance of

work under the Agreement is terminated in an orderly, seamless manner and the date upon which such termination becomes effective.

- i. Actions Following Termination Notice. Upon receipt of a written notice of termination, and except as otherwise expressly agreed upon by both the Parties, the Parties, if applicable, shall: (1) stop work under the Agreement on the date and to the extent specified in the written notice of termination; (2) place no further orders or contracts for materials, services, or facilities, except as may be necessary for completion of such portion of the work under the Agreement as is not terminated; (3) terminate all orders and contracts to the extent that they relate to the performance of work terminated by the notice of termination of this Agreement; (4) settle all outstanding liabilities and all claims arising out of such termination of orders and contracts, with the approval or ratification of the non-terminating Party; (5) complete any such part of the work as shall not have been terminated by the notice of termination; and (6) take any other such action as may be necessary, which shall be agreed to by both Parties.
 - ii. Compensation. The terminating Party shall be compensated for the reasonable costs of termination, and any other compensable costs incurred before termination, if any.
- b. Responsibility and Management of Workforce Management
- i. General. If termination of this Agreement occurs within five (5) years following the effective date of this Agreement, then during the one (1) year notice period, SRSD shall offer to hire all prior City employees and/or full-time employees equivalents working on the SRSD contract services that exclusively work for SRSD, as either SRSD employees or employees of another agency upon execution of a service agreement with another agency.
 - ii. Workforce Management. During this one (1) year notice period prior the effective termination date, both Parties will manage the overall workforce to avoid or minimize any adverse impact on all employees resulting from fluctuations in volume or level of services resulting from the termination of this Agreement.

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

If to the CMSA:	General Manager Central Marin Sanitation Agency 1301 Andersen Drive San Rafael, CA 94901
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If to the SRSD:	Board President
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San Rafael Sanitation District
1400 Fifth Avenue
San Rafael, CA 94901

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

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

23. Reports, Plans and Documents: CMSA shall keep and maintain records of expenditures, emergency services, customer complaints, maintenance activities, and performance metrics. CMSA shall provide the SRSD Board with monthly and annual reports associated with the scope of services in a format that is acceptable to SRSD Board.

All reports, drawings, calculations, plans, specifications, and other documents prepared or obtained pursuant to the terms of this Agreement shall be the property of the SRSD. In addition, information prepared or obtained under this Agreement shall be made available, upon request, to CMSA.

CMSA shall store and manage SRSD and old City documents and reports

24. Prior Agreements: This Agreement shall neither affect the JPA, dated December 2019, nor any of the amendments to that Agreement.

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

26. Force Majeure: Any provision, delay, or stoppage which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or requisitions or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, epidemics or pandemics, gubernatorial orders, orders of the County of Marin Health Officer, or other causes beyond reasonable control of the party obligated to perform hereunder, shall excuse performance by such party for a period equal to the duration of such prevention, delay, or stoppage.

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

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

29. Exhibits:

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

San Rafael Sanitation District

Central Marin Sanitation Agency

Kate Colin, President

Eli Beckman, Chair

Attest: Maribeth Bushey, Secretary

Attest: Dean DiGiovanni, Vice-Chair

Exhibit A-1 – SRSD Sewer System Assets

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

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

Exhibit A-2 – Pump Stations

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

Exhibit B – Scope of Services - Routine District Operations

CMSA provides all staffing, regulatory compliance, Board support coordination and services necessary for the proper management, and administration and operation of SRSD, including all owned and operated SRSD assets shown in the Exhibits A above. Those activities provided through this Agreement are generally outlined and described below or as directed by SRSD following execution of this Agreement.

CMSA shall be responsible to determine the necessary staffing levels to perform the SRSD Scope of Services during the Agreement's term.

1. SRSD Board Administration

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

2. Financial Management and Administration

- a. Expense Tracking (Phase I): CMSA shall establish a separate SRSD fund in the CMSA financial management system for the proper tracking of all payroll expenses associated with this agreement.
- b. Banking and Investments (Phase III): CMSA shall establish a separate SRSD bank account, and shall be responsible for managing all SRSD investments.
- a. Payroll Administration (Phase I): all payroll administration for employees hired by CMSA to perform services for SRSD from the date of employment. Provide necessary financial information for the SRSD financial management consultant to properly manage the SRSD accounts payable and financial reporting.
- b. Annual Operating Budget (Phase I) – Prepare and submit draft and final SRSD budgets as coordinated and directed by the SRSD Board.
- c. Annual Capital Budget (Phase I) – Annually prepare a capital budget and update the multi-year capital improvement program (CIP). The CIP updates will be based on regular asset evaluations and condition assessments, collection system master planning, staff input, and regulatory requirements.
- d. Accounts Payable (Phase III): Provide transition of all SRSD accounts payables and financial reporting to CMSA from the SRSD financial management consultant and thereafter provide full SRSD financial operations and recordkeeping. CMSA shall be

responsible for all billing and reporting for services to SRSD pursuant to Section 4 of this agreement.

- e. Annual Service Charge Billing and Administration (Phase I): CMSA shall coordinate with the County of Marin all SRSD sewer service charge billing requirements.

3. Human Resources and Staffing (Phase I)

CMSA shall provide all necessary hiring and human resources support services for employees designated with the management and operations of the SRSD collection system. Initially, CMSA will provide these services with CMSA and assigned SRSD staff. In the future, if CMSA determines the need to hire Human Resource staff, the cost for the position will be shared with SRSD.

4. Emergency Response Services (Phase I)

CMSA shall be responsible for emergency response for all SRSD assets and shall provide necessary spill event responsibilities for compliance with the State of California Waste Discharge Requirements for Sanitary Sewer Systems. In addition, CMSA shall respond to and track all SRSD customer complaints from initial calls to final resolution., CMSA will report all emergency response services to the SRSD Board.

5. Staff Training and Development (Phase I)

CMSA shall be responsible to assure that all employees providing services to SRSD are properly trained, including training for designated officials and all CMSA staff required for complete compliance with all spill event reporting and documentation.

- 6. Customer Relations and Outreach (Phase I)** – CMSA shall be responsible for all SRSD customer relations , updating the SRSD website, and public outreach authorized by the SRSD Board related to SRSD activities and programs.

7. Operation and Maintenance of SRSD Assets

CMSA shall operate and maintain the SRSD assets according to the SRSD Board adopted performance goals in the SRSD adopted Sewer System Management Plan (SSMP), SRSD standard operating procedures, and in compliance with the State Waste Discharge Requirements Order No. WQ 2022-0103-DWQ. The WDR requires SRSD to implement the following agency specific requirements based upon the size and complexity of the SRSD sanitary sewer system:

- a. Regulatory information and goals for managing the sewer system to reduce numbers and volumes of spills.
- b. A management structure and organization chart that manages SRSD including identification of designated officials (LROs and DSs) and their contact information responsible for each Element of the SSMP and the Change log.

- c. The legal authorities for the proper management and operation of the sewer program.
- d. A description of the major elements of the operations and maintenance program performance including proper training for all employees managing and operating the sewer program.
- e. Standards for the design and construction of sewer program assets.
- f. Policies and procedures for responding to and reporting all system spills to protect the public and Waters of the State.
- g. A defined program for materials and/or discharges that could cause blockages in the sewer system including the proper disposal of any materials removed.
- h. Definition of the agency program for the evaluation, system capacity assurance and capital improvements including repairs, renewal and replacement.
- i. Provision for monitoring performance results, program management effectiveness and program modifications including how the agency will adapt the SSMP and the program from agency experience and industry technological improvements across the industry.
- j. Regular internal audits of the SSMP and the WDR every three (3) years for compliance with the State and agency's SSMP requirements.
- k. A program of regular communications on spills and discharges, on the development, implementation and update of the SSMP with elected officials, the public and satellite systems or other utility systems within the service area.
- l. The SSMP must also contain an SSMP Change Log that contains all changes to the SSMP between governing board adoptions of the SSMP.

The operations and maintenance activities outlined in the SSMP shall include the following activities either now or in the future:

- a. Operations and maintenance of Exhibits A-1 and A-2 sewer system assets including any additions authorized by SRSD ,the State of California, or the San Francisco RWQCB on sanitary sewer systems subsequent to the effective date of this agreement.
- b. Regular condition assessment of all sewer system assets.
- c. Mapping management associated with sanitary sewers in the service area.
- d. Lateral inspection program.
- e. O&M requirements for SRSD in the CMSA NPDES permit.
- f. Contracting and coordination of contractors working on SRSD sewer assets.
- g. Response to and documentation of customer interactions and requests for service in the SRSD service area.
- h. Regular renewal and replacement of assets based on condition assessment evaluations.
- i. Other mutually agreeable operations and maintenanc

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

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

Exhibit E: Employee Classification Changes

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

Exhibit F: Salary Schedule

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

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



BOARD MEMORANDUM

April 15, 2025

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

From: Jason Dow, General Manager

Subject: Draft SRSD Property Use Agreement

Recommendation: Review the draft property use agreement and provide comments.

Discussion: If the SRSD Service Agreement is approved, SRSD employees will relocate from the City of San Rafael's Public Works Building to new modular offices in the CMSA corporation yard. The revised draft SRSD Service Agreement includes a new Property Use Agreement section (#15) that references a separate agreement that would need to be approved by the SRSD and CMSA Boards. The attached draft SRSD Property Use Agreement is based on the 2007 Agreement between CMSA and RVSD when RVSD had separate modular buildings for a Board room, administrative offices, and field crew offices. The draft Property Use Agreement includes a starting monthly lease fee that is equivalent to the monthly fee paid by Marin Airporter.

Attachment:

- Draft SRSD Property Use Agreement – March 26, 2025

DRAFT SRSD PROPERTY USE AGREEMENT (March 26, 2025 version)

This Agreement is by and between San Rafael Sanitation District (SRSD) and the Central Marin Sanitation Agency (CMSA) with regard to relocation of SRSD facilities and operations onto CMSA property. The Effective Date of this Agreement shall be the same date as that agreement titled San Rafael Sanitation District Management and Operations Services Agreement.

Recitals

Whereas, SRSD and CMSA each operate regional wastewater facilities.

Whereas, CMSA operates regional wastewater facilities on property located at 1301 Andersen Drive, San Rafael, CA (the Property),

Whereas, SRSD operates a large sewer collection system,

Whereas, CMSA by separate service agreement will become the collection system operator for SRSD,

Whereas, the Property includes a corporation yard, a portion of which is vacant and currently not required for wastewater operations,

Whereas, SRSD desires to move its administrative and crew offices, equipment and supplies, and related facilities to portions of the CMSA Property,

Whereas, SRSD and CMSA have a working group to prepare this Agreement, and a JPA Ad Hoc committee to review the Agreement,

Whereas, all current District employees will become employees of CMSA on the effective date of the San Rafael Sanitation District Management and Operations Services Agreement.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing recitals are incorporated herein by reference.
2. SRSD Relocation.

Scope. CMSA hereby grants SRSD the right to use and occupy the portions of the CMSA Property as shown on **Exhibit A** hereto (Site), for purposes of relocation, installation, and operation of SRSD Facilities. Such Facilities shall include, but not be limited to, storage of SRSD containers and stock, installation of structures and/or

facilities reasonably necessary to accommodate SRSD employees and operations, including but not limited to an office, crew building, corporation yard utilities, and parking for SRSD vehicles, together with ancillary utilities. **Exhibit A** is attached as two site maps that show the general layout and position of the office and crew rooms, and storage areas in the vicinity of the CMSA maintenance annex.

2.1 Term. The parties shall cooperate to accomplish such relocation on or before January 1, 2026. The Term of this Agreement shall commence as of the Effective Date, and expires five (5) years after the Effective Date. The Term may thereafter be extended as needed if requested in writing by SRSD Board and approved by the CMSA Board.

2.2 Termination. Either party may terminate this Agreement by providing six months written notice to the other party. Upon termination of this Agreement or expiration of the Term, SRSD shall remove its Facilities and other property, equipment, and fixtures from the Property.

3. Site Improvements. SRSD and CMSA shall work cooperatively to develop and implement site improvement plans and secure permits from the City of San Rafael ("Improvement Plans") for the installation of SRSD Facilities and the construction of necessary SRSD funded site improvements to the relocation.

SRSD shall (a) prepare the draft and final Improvement Plans for CMSA approval; and (b) prepare the permit applications and supporting documentation for submittal to the City of San Rafael; (c) Reimburse CMSA for its expenses to accommodate the site improvements and relocation.

4. Public Access to SRSD. The public may park in either the visitor or employee parking lots, but will not be allowed vehicular access beyond the normally closed treatment plant security gate. Members of the public, vendors, or service providers must sign-in at the CMSA administrative building. During CMSA's normal business hours, CMSA will promptly notify SRSD employees if the public signs-in, and SRSD employees will escort the public to SRSD facilities.

5. Property Lease Fee: CMSA will invoice SRSD at the beginning of each quarter the Property Lease Fee. The initial Fee amount is: x,xxx, and will increase on July 1, each year, in accordance with the Consumer Price Index – All Urban Consumers (San Francisco, Oakland, San Jose Area: Base 1984 = 100) as published by the United States Department of Labor, Bureau of Labor Statistics.

6. Property needed for Future Use. If CMSA determines that the SRSD Facilities' location is needed to construct new or expanded wastewater treatment systems, CMSA will notify the SRSD Board and work with them to determine an appropriate Facilities relocation site. All CMSA expenses associated with relocating the SRSD Facilities will be reimbursed by SRSD.

7. Indemnification: The indemnification provisions in the San Rafael Sanitation District Management and Operations Services Agreement shall be applicable to this agreement.

8: Insurance: SRSD and CMSA shall maintain their current property and general liability insurance coverage types and limits through CSRMA during the term of this Agreement.

9. Jurisdiction: this Agreement is made and entered into in Marin County in the State of California and shall be interpreted, construed, and enforced in accordance with the laws of the State of California without reference to its choice of laws rules.

10. Miscellaneous: If any provision of this Agreement is declared invalid or is unenforceable for any reason, that provision shall be deleted from this document and shall not invalidate any other provision contained in the Agreement.

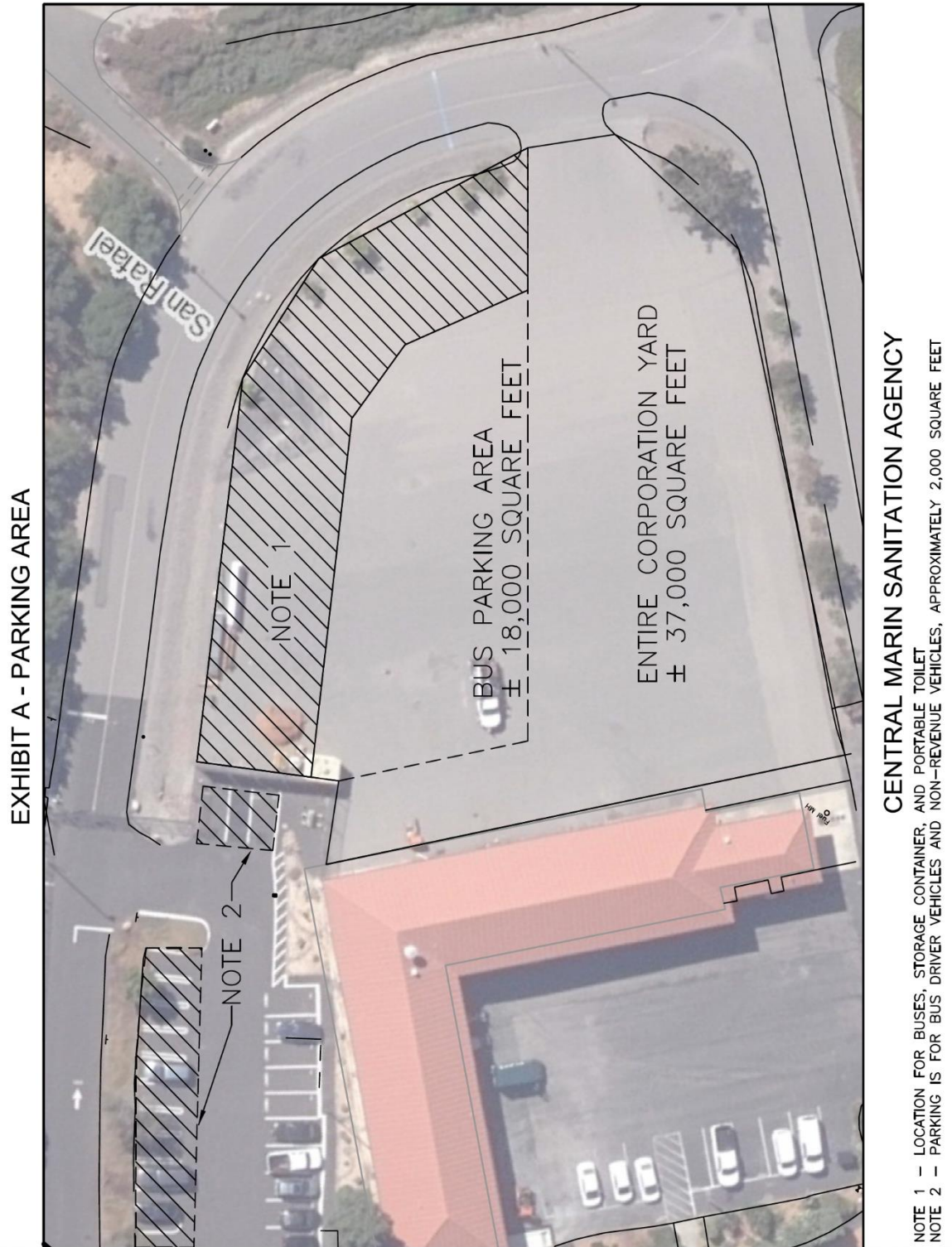
Each individual executing this Agreement on behalf of each party represents and warrants that they are duly authorized to execute and deliver this Agreement on behalf of such party and that such execution is binding upon such party.

All Exhibits attached to this Agreement are incorporated by reference. Any modifications or amendments to the Agreement must be approved in writing by each party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth opposite their signature:

	CENTRAL MARIN SANITATION AGENCY
DATED: June __, 2025	By: _____
	, Commission Chair
DATED: June __, 2025	By: _____
	, Commission Secretary
	San Rafael Sanitation District
DATED: June __, 2025	By: _____
	Kate Colin, Board President
DATED: June __, 2025	By: _____
	Maribeth Bushey , Board Secretary

Exhibit A: CMSA Property Areas





BOARD MEMORANDUM

April 15, 2025

To: Ad Hoc JPA Committee

From: Jason Dow, General Manager

Subject: SRSD Contract Development Expense Tracking Report

Recommendation: Accept the SRSD Contract Development Expense Tracking Report.

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

SRSD Contract Expense Tracking	Amount
Total expenses through 3/31/25	\$66,058*
SRSD reimbursed to date	\$42,010
CMSA March invoice	\$24,048

* includes GM costs: 108 hours at \$274/hr