

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

**Minutes of Tuesday, September 13, 2011
7:00 P.M.**

CALL MEETING TO ORDER

Chair Dupar called the meeting to order at 7:05 p.m. A quorum was present.

Members Present:

Boro, Dupar, Guasco, Hartzell, Johnson, Levine (for Heller)

Members Absent:

Heller

Staff Present:

Mary J. Brown, Recording Secretary; Rob Cole, Environmental Services Manager; Chris Finton, Treatment Plant Manager; Hank Jen, Finance Manager; Ken Katzen, Senior Engineer

Public Present:

Jack F. Govi, County Counsel's Office; Doris Toy, SRSD District Manager.

OPEN PERIOD

There were no comments made in public open time.

CONSENT CALENDAR

Commissioner Johnson stated that she would like to remove Item 4.g. Revised Smoking Policy—Personnel Policy #402 for further discussion.

Commissioners Johnson and Hartzell asked for clarification of current smoking areas, and where the new designated smoking areas are, and asked how the proposed ash cans work. GM Dow responded to their questions and spoke about where the ash cans will go and clarified approximately how many feet the two smoking areas are from the buildings. He explained that there are very few employees who smoke.

Action

M/s Levine/Hartzell to approve the consent calendar:

- a. Minutes of July 12, 2011
- b. Treasurer's Report—Operating Account—July & August 2011
- c. Treasurer's Report—Revenue Bond— July & August 2011
- d. Schedule of Investments— July & August 2011
- e. Performance Metric Report—July & August 2011
- f. NPDES and Process Report—July & August 2011
- g. Revised Smoking Policy—Personnel Policy #402
- h. Modification of Sodium Bisulfite Contract Cost Adjustment Index

The motion carried with the following vote:

AYES: Boro, Dupar, Guasco, Hartzell, Levine

NOES: Johnson

ABSTAIN: None

**UNDERPAYMENT OF CMSA
SEWER SERVICE AND DEBT
SERVICES INVOICES**

GM Dow referred to the staff report and explained that there are two components related to this item, the RVSD underpayment of Sewer Service and Debt Service Invoices, and the RVSD protest letter in regard to CMSA's revised Financial Policy.

He reviewed the history of this item, explaining the sequence of events related to RVSD's underpayment of invoices. He distributed a recommendation from Chair Dupar related to this item.

Alternate Commissioner Levine asked about CMSA's request that RVSD pay the invoices "immediately" as stated in the proposed recommendation, and what further action will be taken if the invoices are not paid. The Board agreed to define the term "immediately" as three days, or by Friday, September 16.

Commissioner Johnson asked if the Board understood that RVSD were not collecting as much money from their rate payers, so they don't have the money to pass on as payment of the CMSA invoices. Commissioner Boro responded that the same reasoning applies to the other JPA members covering the difference for RVSD's reduced payment, and explained how RVSD's lesser payment than expected affects the other members. He suggested that moving forward with arbitration was a way of resolving the issue.

Commissioner Guasco referred to the protest letter from RVSD's attorneys and asked if CMSA opposes the information in that letter, in particular, the accounting of RVSD's instances of reporting to CMSA. GM Dow referred to a timeline of the correspondence and phone calls between CMSA and RVSD and explained that staff has a record of these communications and of the efforts CMSA made to try and gain more information and clarity regarding RVSD's reported EDU count, with minimal response. Commissioner Guasco requested a copy of the timeline, and GM Dow responded that he would provide him with a copy.

Action

M/s Boro/Hartzell to direct Chair Dupar and staff to prepare a letter to the RVSD Board advising them to pay their upcoming quarterly CMSA Regional Charge and Debt Service invoices and to immediately (defined as 5:00pm on September 16, 2011) pay the August 22, 2011 supplemental invoices for FY11-12 first quarter sewer service and first semi-annual debt service billing pursuant to the JPA Agreement and the Agency's Revenue Management Financial Policy; and that failure to pay the invoices will result in the further action of CMSA beginning the arbitration process. The motion carried with the following vote:

AYES: Boro, Dupar, Hartzell, Levine

NOES: Guasco, Johnson

ABSTAIN: None

GM Dow referred to RVSD's attorney's protest letter and spoke about the draft response from the Agency, prepared by Chair Dupar. He noted that the EDU counts adopted in RVSD's FY 12 budget were about 800 EDUs higher than stated in the protest letter and that RVSD used the lower EDU estimate in their invoice payment to

CMSA. Chair Dupar suggested that the Board should not mediate/arbitrate for San Quentin EDU count determination as recommended in the protest letter.

Commissioner Boro expressed his dissatisfaction with how things stand and urged the Board to move forward and act by sending the letter and beginning arbitration for the underpayment.

Action

M/s Boro/Hartzell to send the letter titled "Response to Ross Valley Sanitary District's August 2, 2011 Protest Letter" with the corrected EDU count numbers, and to strike the words "through mediation" from the last paragraph. The motion carried with the following vote:
AYES: Boro, Dupar, Hartzell, Levine
NOES: Guasco, Johnson
ABSTAIN: None

CMSA REGIONAL CHARGE ALTERNATIVE STUDY

GM Dow reviewed the staff report and explained that the JPA authorizes the Board to establish the Regional Charge. He explained the historical methodology of how the charge has been determined (through EDU count allocation), and stated that there are other available methods of establishing the Regional Charge such as flow and flow/strength. He explained the study is in the Agency's FY 12 workplan and the recommendation to select a rate study consultant and develop a scope of work to review the possible benefits of other methodologies.

Commissioner Johnson asked if there is an estimated cost of the study. GM Dow stated that there isn't one, and that the Agency will evaluate submitted proposals and negotiate a fee based on a scope of work, and make a recommendation to the Board based on the final draft scope.

Action

M/s Levine/Hartzell to authorize the General Manager to select a rate study consultant and prepare a Regional Charge Alternative Study Professional Services Agreement for Board consideration. The motion carried with the following vote:
AYES: Boro, Dupar, Hartzell, Levine
NOES: Guasco, Johnson
ABSTAIN: None

CALIFORNIA DEPARTMENT OF CORRECTIONS REQUEST FOR A SAN QUENTIN PRISON WASTEWATER SERVICES PROPOSAL

GM Dow reviewed the staff report and explained that CMSA received a request for a proposal from the California Department of Corrections for comprehensive wastewater services including operation and maintenance of San Quentin's entire pump station (wet and dry sides), and maintenance of the forcemain, and to treat and dispose of the prison's wastewater and biosolids. GM Dow explained that the first step in the process is to meet with corrections staff to prepare a scope of work.

Action

M/s Levine/Hartzell to have staff prepare a comprehensive San Quentin State Prison wastewater services proposal for submittal to the Department of Corrections. The motion carried with the following vote:
AYES: Boro, Dupar, Hartzell, Levine
NOES: Guasco, Johnson
ABSTAIN: None

**NATIONAL ASSOCIATION OF
CLEAN WATER AGENCIES
(NACWA) 6-YEAR PLATINUM
PEAK PERFORMANCE
AWARD**

GM Dow explained that the National Association of Clean Water Agencies awarded CMSA its 6-Year Platinum Peak Performance Award for 100% environmental permit compliance for six consecutive years. He stated that this accomplishment is the result of CMSA staff team effort and thanked the CMSA employees for their work.

Commissioner Boro stated he would like to thank staff and address the recognition of the employees after the Board heard the next item on the agenda.

The Board agreed to accept the award.

**GOVERNMENT FINANCE
OFFICERS ASSOCIATION'S
(GFOA) FINANCIAL
REPORTING AWARDS**

GM Dow reviewed the staff report and announced that the Government Finance Officers Association awarded the Agency its Certificate of Achievement for Excellence in Financial Reporting for the FY10 Comprehensive Annual Financial Report, and the Award for Outstanding Achievement in Popular Financial Reporting for FY10 for the Popular Annual Financial Report. He thanked the Finance staff for all their work on preparing the reports.

Commissioner Johnson asked to see any GFOA recommended improvements to the CAFR, and GM Dow stated that he wasn't aware of any, but that he would ask staff to review the GFOA's letter and send any recommendations in it to her.

Chair Dupar reminded the Board that both the NACWA Award (previous agenda item) and the GFOA Award are subject to the Employee Award Recognition Policy. Under that policy, all employees would receive \$100 for the NACWA Award. Commissioner Boro suggested that the employees also receive a catered lunch to celebrate the awards, and the majority of the Board agreed.

Commissioner Johnson asked for clarification of the award amount for the NACWA award (previous agenda item) and stated that she believed the employees should receive \$500 for each Platinum Award. Chair Dupar reminded the Board that the reason the policy was created was to provide consistency and direction for recognizing the awards, and he suggested that if the Board would like to revisit the award dollar amounts, the policy could be brought back to the Board for consideration next month.

The Board agreed to move forward with a catered lunch to recognize the NACWA award, to award the Finance Staff with \$100 each for their work on the GFOA awards, and to agendize a revised Employee Award Recognition Policy that recognizes employees receiving the Platinum Peak Performance Award by awarding them \$500 each.

**AERATION BLOWER
REPLACEMENT
CONSTRUCTION CONTRACT
AWARD**

GM Dow referred to the staff report and recommended award of the Aeration Blower Replacement Construction Contract to Western

Water Constructors. He stated that Western Water was the lowest bidder, with a lump-sum bid price of \$467,338. He reminded the Board that CMSA worked with Western Water Constructors during construction of the Wet Weather Improvement projects, and several other capital projects over the past few years.

Commissioner Johnson asked why the lowest bid was so far below the Engineer's Construction Cost Estimate of \$888,375. GM Dow responded that he would follow up with Carollo Engineers and Western Water to determine why the estimate was higher than the bid proposal, and said he would report back via his verbal update at the next Board meeting.

Action

M/s Boro/Levine to award the Aeration Blower Replacement Construction Contract to Western Water Contractors for the lump-sum bid price of \$467,338, and authorize the General Manager to execute the contract documents. The motion carried unanimously.

**CMSA'S SECOND 5-YEAR
STRATEGIC BUSINESS PLAN
(2011-2016)**

GM Dow referred to the staff report and to a tri-fold brochure that he distributed which summarizes the Strategic Business Plan (SBP). He briefly reviewed the history of this item. He explained that staff integrated the Board's revisions from the July Board meeting, and he referenced a handout he passed out that illustrates how the strategic actions will be administered and tracked. He stated that around each September over the next five years, he will make a report to the Board reviewing which actions have been completed and initiated over the past year, and the status of the work outlined in the SBP.

Action

M/s Hartzell/Levine to adopt the Agency's second 5-year Strategic Business Plan. The motion carried with the following vote:

AYES: Boro, Dupar, Hartzell, Levine

NOES: Guasco, Johnson

ABSTAIN: None

**DRAFT CMSA RESPONSES
TO THE
RECOMMENDATIONS IN THE
2011 GRAND JURY REPORT:
ROSS VALLEY SANITARY
DISTRICT—NOT AGAIN**

GM Dow reviewed the staff report and explained that the Civil Grand Jury issued findings and recommendations in a report titled "Ross Valley Sanitary District—Not Again," and explained that an ad hoc governance committee comprised of Commissioners Dupar, Boro, and Hartzell prepared draft responses to two of the recommendations. He explained that approved Board revisions to the recommendations will be included in the final response that will be brought to the Board at their October meeting for consideration of approval.

Action

Commissioner Guasco stated that RVSD is also responding to the report, and also to CMSA's response, which he said he believes is inaccurate.

M/s Boro/Hartzell to approve as presented the governance committee's draft responses to the grand jury report recommendations, and to approve sending the response to the Grand Jury. The motion carried with the following vote:

AYES: Boro, Dupar, Hartzell, Levine

NOES: Guasco, Johnson

ABSTAIN: None

BREAK

Chair Dupar called a five-minute break, and the Board reconvened in open session at 8:49 p.m.

**NORTH BAY WATERSHED
ASSOCIATION (NBWA) REPORT**

Commissioner Hartzell gave an informational report of the September 9, 2011 North Bay Watershed Association meeting that included a presentation about Delta water health and the geographical changes that have occurred and are occurring in the Delta waterways.

**VERBAL REPORT BY
COMMISSIONERS**

GM Dow reviewed his handout highlighting Agency business, including:

- The Wet Weather Improvement Project warranty items have been completed by Western Water Constructors.
- There were 168 applications received during the recruitment for the Environmental Services Analyst position.
- The Marin Wastewater Agencies' added the EcoFair Marin to its annual public education calendar.
- The US EPA is adding dental office regulation to the Federal Pretreatment Program.
- GM Dow gave a wastewater collection, treatment, and disposal presentation and tour of CMSA facilities to the Marin County Grand Jury.
- CASA reports that the SWRCB will increase NPDES permit fees by 61%; CMSA budget is \$40K for this year, an increase of 21% over FY11.

GM Dow gave an update regarding the San Quentin Pump Station telemetry system. CMSA is discussing options with RVSD to replace the telemetry system, all of which involve CMSA building and installing the new system.

Commissioner Johnson reported that she attended the recent Special District Institute Conference, and she said she learned that Prop 26 may impact sewer connection fees if the Proposition applies to CMSA. She said there are provisions in the Proposition mandating that all costs related to some fees cannot be allocated toward things not associated with the fee. She advised keeping informed of the progress of this Proposition.

BREAK

Chair Dupar called a break at 9:12 p.m.

CLOSED SESSION

The Board convened in Closed Session (Government Code Section 54954.5) at 9:15 p.m.

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
California Government Code §54956.9(a).

Name of Case: *Sanitary District No. 1 of Marin County v. Sanitary District No. 2 of Marin County, et al.*, Marin County Superior Court
Case Number: CV1002427

OPEN SESSION

The Board reconvened in Open Session at 9:20 p.m. The Board reported the following action:

Action

M/s Hartzell/Boro to approve the settlement agreement between Sanitary District No. 1, Sanitary District No. 2, and CMSA. The motion carried unanimously.

DATE OF NEXT MEETING

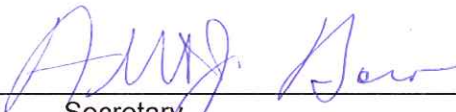
The next regular commission meeting is scheduled for October 11, 2011 at 7:00 pm.

ADJOURN

The meeting was adjourned at 9:22 p.m.



Recording Secretary



Secretary

Note: The minutes are an official record of the Board meeting. There is also an official audio record, available on the Agency's website at www.cmsa.org, and an official video record. Please contact CMSA at 415-459-1455 for information about receiving a copy of these records.