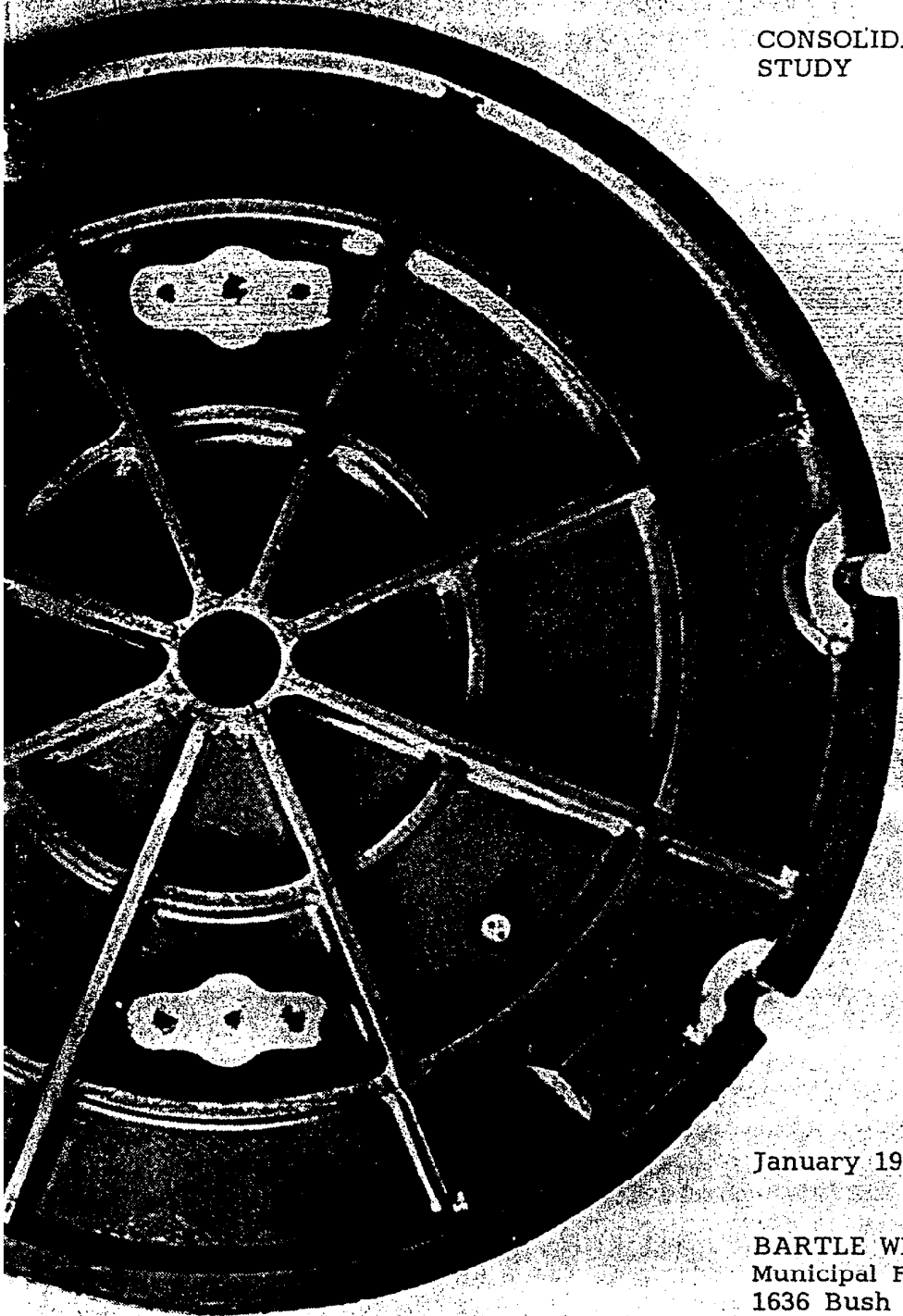


CENTRAL MARIN  
SANITATION AGENCY


CONSOLIDATION ALTERNATIVES  
STUDY



January 1984

BARTLE WELLS ASSOCIATES  
Municipal Financing Consultants  
1636 Bush Street  
San Francisco 94109

415/775-3113



Bartle Wells Associates  
Municipal Financing Consultants  
1636 Bush Street  
San Francisco 94109  
415 775-3113

January 5, 1984

Central Marin Sanitation Agency  
PO Box 3536  
San Rafael CA 94912

Attention: Joseph A. Remley, General Manager

Subject: Consolidation Alternatives Study

This letter-report supplements our draft submitted in November 1983. As a result of our review, and as a result of meetings with CMSA board members, CMSA staff, local agency staffs, and two local agency boards, we have developed methods for possible further cost sharing among the sewerage agencies of central Marin County.

Our review of alternatives included an examination of a full-scale reorganization into one of the many types of public agencies with wastewater powers. This review includes a possible merger of existing districts into one larger district covering all of central Marin. Finally, we also examined the potential for additional joint contractual services to be provided by CMSA to the member agencies.

#### CONCLUSIONS AND RECOMMENDATIONS

Based on our review, we believe a full-scale consolidation or merger will not result in major cost savings for wastewater operations. However, additional special contractual services by CMSA would likely result in some cost savings and in higher standards of collection-system preventive maintenance.

The existing joint powers agreement allows CMSA to provide additional cooperative services on an as-requested basis to the member agencies. CMSA will employ a number of experts whose services could be made available at reasonable cost to member agencies on request. These services, which CMSA could provide via contract, include:

- o Pump and pump station maintenance and repairs
- o Emergency (24-hour) service crews
- o Collection system repairs
- o Purchase of major collection system maintenance & repair equipment for sharing by all agencies
- o Force main repairs and maintenance

## INTRODUCTION

Bartle Wells Associates was retained by the Central Marin Sanitation Agency, with the concurrence of its members agencies, to explore consolidation alternatives for wastewater collection. This review attempts to further the consolidation efforts made thus far, which have resulted in the implementation of a regional wastewater transportation, treatment, and disposal program.

The creation of CMSA has facilitated the construction of wastewater projects which will serve throughout the foreseeable future, at cost levels lower than those each member agency could have achieved independently.

A similar situation exists with collection sewer operations and other wastewater functions. Our task, therefore, was to examine further possibilities for regional cooperation or consolidation, to provide additional economies of scale in wastewater operations.

## INSTITUTIONAL CONSIDERATIONS

Two general institutional forms may carry out wastewater management programs in California—statutory agencies and joint powers arrangements. The statutory agency operating under general enabling legislation may be local in nature; or it may be regional, such as the County Sanitation Districts of Los Angeles County. A joint powers contractual arrangement may create a special board or commission, as

with CMSA; or it may in effect consist of service contracts, administered by one of the parties, under joint exercise of powers agreements. Enabling legislation for statutory agencies provides the powers and functions of these institutional forms, and is reviewed below, followed by a description of the forms of joint powers arrangements. A review of possible institutional forms will provide the basis for evaluating the existing agencies' ability to implement a regional wastewater management programs.

#### STATUTORY LOCAL AGENCIES

Fifteen statutory local governmental forms in California have the power to provide sewerage service. These agency forms are identified below.

---

#### AGENCIES PROVIDING SEWERAGE SERVICE

---

Agency	Legislative Code Reference	Abbreviation
City	G-34000 ff	City
County	G-23000 ff	County
California water district	W-34000 ff	Cal. WD
Community facilities district	H-4600 ff	CFD
Community services district	G-61000 ff	CmSD
County sanitation district	H-4700 ff	CSD
County service area	G-25210 ff	CSA
County water district	W-30000 ff	CWD
County waterworks district	W-55000 ff	CWWD
Irrigation district	W-20500 ff	ID
Municipal utility district	PU-11501 ff	MUD
Municipal water district	W-71000 ff	MWD
Public utility district	PU-15501 ff	PUD
Sanitary district	H-6400 ff	SD
Sewer maintenance district	H-4860 ff	SMD

---

G = Government Code  
 H = Health & Safety Code  
 PU = Public Utilities Code  
 W = Water Code

---

The following summaries describe some of the key powers of the agency forms listed above.

City - A city has broad wastewater powers, including all those necessary to provide service, allow financing, promote regional programs, and provide local control.

County - A county has broad wastewater powers, including all those necessary to provide service, allow financing, and promote regional programs. Control of a localized project is indirect, through the county board of supervisors.

California Water District (Cal.WD) - A California water district is a landowner district and may provide wastewater functions only if authorized by a vote at a districtwide election. The financing powers of such a district are subject to review and limitation by the state treasurer.

Community Facilities District (CFD) - A community facilities district is not an agency, but rather a financing vehicle used to enable a city to acquire, construct, or improve works providing specified services. The area served may include unincorporated area only if it also includes at least one city in the same county.

Community Services District (CmSD) - A community services district provides for an unincorporated area basically the same services as for a city. However, such a district's formation charter may otherwise restrict services. The district's governing board may be either an elected board of directors or the county board of supervisors.

County Sanitation District (CSD) - A county sanitation district is formed mainly to provide wastewater services. A county sanitation district may include all or part of a city, provided the city council approves. Likewise, upon approval of the governing board of any other agency providing wastewater services, a county sanitation

district may include all or part of that agency. Depending on the agencies included, a county sanitation district's governing board usually includes the presiding officer of each overlapping agency.

County Service Area (CSA) - A county service area is formed by resolution of the county board of supervisors to provide specific services, including those for wastewater. All or any portion of a city may be included, only by the vote of a majority of the city council.

County Water District (CWD) - A county water district is formed mainly for water-related functions, but also has broad wastewater powers. Such a district may include incorporated as well as unincorporated areas. Formation requires a vote of the electorate.

County Waterworks District (CWND) - A county waterworks district is usually formed by the county board of supervisors to accomplish a specific project, including wastewater projects. A county waterworks district may be formed to overlap one or more cities and unincorporated territory, but may not overlap another district.

Irrigation District (ID) - An irrigation district may provide wastewater service only if a majority of the voters within the district approve. An irrigation district must be formed from land that can receive irrigation from a common source (i.e., one drainage basin).

Municipal Utility District (MUD) - Enabling legislation for a municipal utility district provides full wastewater powers. Formation requires voter approval in every overlapped district providing the same type of service. Fewer than ten such districts exist in California. East Bay Municipal Utility District, in the Oakland area, is the only such district providing a regional water and wastewater program.

Municipal Water District (MWD) - A municipal water district has full wastewater powers in addition to broad water powers. This could help to coordinate reclamation projects. A municipal water district normally

overlaps existing cities and agencies. The district's five-member board is elected from zones within the district.

Public Utility District (PUD) - A public utility district is empowered to perform a broad variety of public services, including wastewater-related services. Such a district may be formed only in unincorporated areas.

Sanitary District (SD) - A sanitary district is specifically empowered to perform wastewater functions. Sanitary districts may overlap cities and other special districts to provide regional wastewater programs. Such a district is governed by an independent board of directors.

Sewer Maintenance District (SMD) - Sewer maintenance districts formed in California have generally been established to construct collection sewers in a limited service area and often contract with another agency for treatment and disposal. A sewer maintenance district is governed by the county board of supervisors.

#### AUTHORITY FOR JOINT POWERS AGENCIES

In addition to implementation by a statutory agency, wastewater management plans may be carried out by two or more agencies through a joint exercise of powers agreement. California law authorizes governmental agencies to contract with each other to implement sewerage functions as well as many other types of mutual service programs. Most of the existing major regional sewerage agencies in the state were created through or obtain substantial powers through joint powers legislative authority. Most of the water quality management programs will rely in some degree on interagency contracts based on such powers.

The basic enabling authorization is contained in Chapter 5 of the Government Code (§6500 ff), referred to as "Joint Exercise of Powers Agreements." These broad powers cover many areas of intergovernmental arrangements including the full range of wastewater management

areas. Two or more agencies with common powers are needed to create a joint powers authority.

The major needs of central Marin's wastewater program allow selection from among the alternative forms. Some of the area's special requirements will automatically eliminate certain forms from further consideration. Specific requirements of the central Marin area include:

- o Functional Authority - Power to provide wastewater collection, treatment, disposal, and reclamation.
- o Area Served - Ability to provide service in unincorporated and incorporated territories.
- o Financing Powers - Power to issue revenue bonds and notes, and to collect fees and charges for services.
- o Governing Body - Ability of board to represent area served either directly by election or by appointment of elected officials representing overlapped agencies.
- o Formation Procedure - Ability to be formed by agreement among governing boards without overly cumbersome formation procedures.

The table following shows a matrix of central Marin's requirements compared to the powers of the alternative agencies. As the table shows, only three agency forms meet all of the study area's wastewater requirements. They are: a joint powers agency, a sanitary district (with some qualifications), and a county sanitation district (also with qualifications).

A brief summary below explains the reasons for selection among the various agency types.

The cities in central Marin have all the powers necessary to operate wastewater facilities. However, no city's boundaries coincide with those of the study area. For this reason also, the city council does not represent all study area voters. No city in central Marin is providing full wastewater services.

---

INSTITUTIONAL SELECTION CRITERIA

---

	City	County	Cal.WD	CFD	CmsD	CSD	CSA	CWD	CWWD	ID	MUD	MWD	PUD	SD	SMD	JP agency
Functional authority	x	x	x		x	x	x	x	x		x	x	x	x		x
Area served		x	x			x	x	x			x			x		x
Financing powers	x	x	x		x	x	x	x	x		x	x	x	x	x	x
Governing body	x				x	0		x		x	x	x	x	x		x
Formation procedure	x	x		x		x	x		x					0	x	x
Recommended alternatives:						x								x		x

---

An 'x' indicates the authority to meet CMSA's needs is sufficient; an '0' indicates a special circumstance explained in the text; a blank space indicates the authority is insufficient to meet the needs.

---

Marin County includes the entire study area, but also includes much other territory. Some of the county's electors, therefore, reside outside the study area. Marin County is not currently providing major wastewater functions.

A California water district is a landowner form of district and therefore does not provide for direct representation of the electorate. In addition, formation of such a district would be difficult.

A community facilities district is used to provide service to all or part of an incorporated community and surrounding areas under certain conditions. The district does not allow for direct representation to the unincorporated areas. Such a district does not enjoy the functional authority to provide a wastewater program for central Marin.

A community services district provides a full schedule of services, but only in unincorporated areas.

A county sanitation district, such as San Rafael Sanitation District, meets all of the criteria of the study area wastewater project. Such a district possesses full wastewater authority and financing powers. A new county sanitation district could be formed over the study area, including incorporated and unincorporated areas, and existing wastewater districts. Formation of a county sanitation district requires a resolution by the county board of supervisor following approval by each wastewater agency included. The governing board of a regional county sanitation district is comprised of the presiding officers of each wastewater agency overlapped (including the county, in this case). For central Marin this would prove a cumbersome composition—the mayors of San Rafael, Larkspur, Corte Madera, Ross, San Anselmo, and Fairfax; three county supervisors (one each for San Quentin Village SMD, Murray Park SMD, and other unincorporated areas); and the board presidents of San Rafael Sanitation District and Sanitary District Nos. 1 and 2. Such a board would total 12 directors. A new county sanitation district would overlap, rather than dissolve, the existing agencies.

A new sanitary district could be formed by merger of existing cities and districts into a new sanitary district. Formation would proceed following public election unless the boards of San Rafael SD and Sanitary District Nos. 1 and 2, and the Larkspur city council, voted unanimously for merger into the new district. Within each agency, the merger must be approved by a majority of those voting. If the measure receives a majority vote in three agencies and not in the other, the three approving local agencies could merge. Of the available alternative forms of a new statutory agency, a sanitary district is the best candidate.

The county service area and county waterworks district forms meet most of the requirements of the wastewater program. However, both

such districts are governed by the county board of supervisors and therefore would preclude direct representation limited to the service area. In addition, a county waterworks district within city limits would be governed by the city council.

The county water district and municipal utility district forms are endowed with broad wastewater powers. Each uses a separate board of directors, thus providing direct representation to the service area's electorate. A major drawback to each form is the difficulty of forming such a district, especially when existing districts must be overlapped.

A municipal water district, such as Marin Municipal Water District (MMWD), has broad wastewater powers. The MMWD service area extends beyond central Marin, and board members could therefore be elected from outside central Marin. MMWD was no operational experience with wastewater.

A public utility district has broad wastewater authority and financing capability. However, a public utility district cannot include incorporated areas and a new one is difficult to form.

A sewer maintenance district is not intended to serve as a regional wastewater management agency.

Two forms of joint powers agency are possible candidates for regional wastewater management agency for central Marin. For each form, specific terms and powers are required to implement a recommended engineering program. Powers to perform some functions, such as collection systems operation and maintenance and customer billing, may or may not be assigned to the local agencies, while the joint powers agreement may provide for sewage collection, treatment, transmission, and disposal.

With the joint powers agency form, such as Central Marin Sanitation Agency, a new public agency is created. The agency's governing board is usually composed of representatives from the member agencies,

and voting is sometimes based on population served. Formation is accomplished by approval of the contract document which creates the agency.

With a lead-agency form of joint powers agreement, no new agency is created; rather, one of the agencies is appointed to perform a service under contract. This form of joint powers arrangement is usually used when one of the agencies is functionally dominant in the area. The governing board of the lead agency makes decisions regarding the performance of contracted services. Often the appointed agency has a proven track record. None of the agencies is dominant in central Marin, and the existence of CMSA clearly favors agency form of joint powers arrangement.

#### LOCAL AGENCY REQUIREMENTS

Because any proposed consolidation would impact the existing operations of each local agency, it is necessary to anticipate any adverse consequences of such a consolidation. We met with representatives of each agency to discuss current collection system operations. Below is a summary of some of the key issues, which were also discussed in our November submittal.

City of Larkspur - Larkspur provides collection sewer functions within about half of its corporate limits. Two members of the city's six-man public works crew are assigned to sanitation, but all six members of the crew are used as needed, sometimes on drainage work, road work, or sanitation. If two members of the public works crew were transferred, some emergency functions would occasionally be understaffed.

Sanitary District No. 1 - This district serves the largest share of residential population within central Marin, and maintains a fairly low sewer service charge and large and reasonable reserves. In addition, upon startup of the new CMSA sewage treatment plant, the district's

plant site is an asset of considerable value. The district is concerned about use of their assets to reduce costs in other service areas.

Of the four CMSA member agencies, only SD No. 1 is unrelated (either directly or indirectly) to a city. If a consolidation is successful, only the SD No. 1 service area would be directly unrepresented in the future.

Sanitary District No. 2 - This district receives a share of its revenues from the Special Districts Augmentation Fund. A merger might jeopardize these revenues.

SD No. 2 is contemplating providing drainage and flood control services within its boundaries, and requires that these powers be preserved.

The district and town are served by the same staff. Very little savings, if any, would result from a merger.

San Rafael Sanitation District - The district does not provide collection sewer functions within San Rafael, and contracts for collection sewer functions in unincorporated areas. A merger would affect the City of San Rafael's collection system functions more than those of the district.

City of San Rafael - The city owns and operates collection sewers within its boundaries, and operates San Rafael SD's collection sewers in unincorporated areas by contract. The city's public works crews provide functions other than sanitation, and any transfer of crew members would affect the remaining functions.

#### CONSOLIDATION OR CONTRACT

The most promising statutory agency consolidation alternative is a merger of the four local agencies to form a new sanitary district. However, local concerns would likely make such a merger difficult for

the member agency governing boards and voters to accept. These concerns would favor retention of the existing agencies and contracting with CMSA for special services.

Table 1 compares the formation of a new sanitary district and the special-services contracting arrangement. In most respects, the consolidation and the contract relationship are similar. Both have broad financial powers and good credit, allow for local representation, and are fully empowered to provide all levels of wastewater functions. Many of the operational efficiencies of a consolidation—such as shared crews, availability of experts, and ability to improve wastewater services—are also possible with a contract relationship.

The main advantage of a full consolidation is to remove five agencies from wastewater functions and replace them with one larger agency. With a full consolidation, four local agencies could be dissolved, and the Cities of San Rafael and Larkspur would cease providing wastewater functions.

Table 2 shows an estimate of the cost savings that could result from a full consolidation. Figures are budgeted costs from local agency records for 1983/84 and as estimated by Bartle Wells Associates. Note that, for the City of Larkspur and Sanitary District No. 2, very few cost savings can be shown. Both sanitary sewer programs are run on a part-time basis by city staff and crews. The biggest cost item is for the salaries, equipment, and supplies of the sewer crews, but this cost must be paid regardless of the form of agency adopted.

The bulk of estimated cost savings for San Rafael Sanitation District are in office and administrative staff and insurance. To some extent, both of these expenses will continue, but a consolidation would allow the opportunity to reduce these costs and share them over a larger base.

Sanitary District No. 1 is currently the only full-service wastewater agency in central Marin. Some of the administrative staff and office

TABLE 1  
 CENTRAL MARIN SANITATION AGENCIES  
 REORGANIZATION COMPARISON

Issue	Consolidation	Joint Powers Agency
<u>Representation:</u>	<p>Elected by voters            Specified by act used            Direct popular representation            Eliminates local agency wastewater roles            Eliminates communication problem            Reduces local customer contact</p>	<p>Appointed by local agencies            Flexible - based on contract            Indirect popular representation            Coordinated with local agencies            Reduces/may eliminate communication problem            Maintains local customer contact</p>
<u>Financial:</u>	<p>Broad financial base            Unified financial resources            Good bonding credit            Uniform customer classification            Eliminates cost allocation            Requires a plan for existing debt            Administrative cost-saving potential</p>	<p>Broad financial base            Split financial resources            Good bonding credit            Uniform customer classification            based on contract            Cost allocation continues            Existing debt not affected            Slightly higher local admin. costs</p>
<u>Operations:</u>	<p>Regional equipment purchases            Experts available            Full-time sewer crews            More resources to improve facilities            Improvements &amp; expansion unified</p>	<p>Shared or local equipment purchases            Contract for experts            Crews perform other municipal functions            Resources limited to each agency            Improvements &amp; expansion determined            by local agencies</p>
<u>Planning:</u>	<p>One wastewater planning agency</p>	<p>Localized planning continues</p>
<u>Formation:</u>	<p>Requires popular vote unless all boards agree</p>	<p>Boards vote on contract</p>
<u>Gov't Efficiency:</u>	<p>One wastewater agency</p>	<p>Six wastewater agencies</p>

TABLE 2  
 CENTRAL MARIN SEWERAGE AGENCIES  
 POTENTIAL COST SAVINGS WITH CONSOLIDATION

	City of Larkspur	Sanitary District No. 1	Sanitary District No. 2	San Rafael SD
Sewer crew	2.0 men <sup>1</sup>	district crews	part of town staff	contract w/ San Rafael
Attorney	-- <sup>2</sup>	\$ 9,700	\$1,000	\$ 2,000
Accountant	-- <sup>3</sup>	---	2,300	2,400
Directors fees	none	10,800	none	7,200
Office building	-- <sup>5</sup>	-- <sup>6</sup>	-- <sup>7</sup>	-- <sup>6</sup>
Office & admin. staff	-- <sup>8</sup>	102,800	-- <sup>9</sup>	50,000 <sup>10</sup>
Office supplies	--	10,400	1,200	2,300
Corporation yard	-- <sup>11</sup>	-- <sup>6</sup>	-- <sup>12</sup>	-- <sup>6</sup>
Insurance	-- <sup>13</sup>	22,800	4,700	28,300

- 1 - Shared public works crew.
- 2 - City attorney.
- 3 - City accountant.
- 4 - Included with attorney costs.
- 5 - City hall.
- 6 - Currently SRSD and SD No. 1 own treatment plant sites, which include space for equipment and office buildings.
- 7 - Town hall.
- 8 - City staff.
- 9 - Town staff.
- 10 - Estimated.
- 11 - City yard, and at pump station.
- 12 - Shared with town.
- 13 - City program.

costs may be transferred as a result of the startup of the new CMSA treatment plant. Again, much of these costs would continue but would be shared over a larger base and possibly reduced where duplication now exists.

While a full consolidation appears a logical choice, local needs are better met by contractual arrangements. For two of the local agencies—Larkspur and SD No 2—it is difficult to show much, if any, cost savings from consolidation. Both of these agencies use city staffs to perform the work as part of their duties. The majority of collection system maintenance is performed by crews that also work on other city functions, and sewer mainrenance costs will continue regardless of the form of agency that results.

San Rafael Sanitation District, unlike the other three local agencies, does not operate or maintain sewers within most of its service area. The district and the City of San Rafael would need to agree on system operations before voters could rationally decide on a consolidation scheme.

Sanitary District No. 1 is the largest sewerage agency in central Marin. Given a consolidation of some form, the district would become the only agency not represented in the future by a city. The district would naturally require assurances that future boards would not decide matters that would adversely affect its existing situation. But the actions of future governing boards cannot be predicted. Sanitary District No. 1 may show cost reductions from the startup of the new treatment facility, as the district's current administrative costs include time for administering treatment and disposal on behalf of Larkspur and Sanitary District No. 2.

Finally, our review shows that the local agencies are currently providing wastewater functions efficiently and inexpensively. The difficulty in showing further cost savings points to this fact. No agency employs a large staff, and the use of shared personnel reduces costs further. Most of the advantages of a full consolidation can be realized by contractual arrangements. Furthermore, a system of special contracts for service has a much greater chance for implementation than a public agency consolidation.

## CONTRACTUAL OPERATIONS

We see several areas in which service contracts between CMSA and the member agencies appear likely to provide cost savings and/or better standards of service.

- o Pump Repairs and Maintenance - CMSA will employ mechanics and pump repair personnel to service the many pumps and related facilities in and around the new treatment plant. In addition, the treatment plant has a fully equipped repair shop. Pump repair and maintenance is fairly expensive; Larkspur alone shows about \$10,000 for routine and emergency pump repair and maintenance. Much of this work is contracted out to private firms.
- o Emergency (24-hour) Service Crews - CMSA must staff the plant 24 hours a day. No other agency maintains 24-hour staffing except on an emergency recall basis. CMSA could arrange with the local agencies either to provide this service or to provide personnel as a supplement to local crews. Because much of the emergency work is performed by outside contractors on a force-account or overtime basis, costs for such repairs would be high.
- o Force Main Repairs and Maintenance - CMSA already plans to maintain the force mains into the plant. This is another area in which an experienced crew with better equipment could eliminate the need for outside contractors.
- o Major Equipment Purchase and Operation - Several local agencies expressed the need for a vacu-flush truck for cleaning sewers. Jointly, central Marin could justify such equipment; individually, some of the agencies could not. Given the size of the full CMSA service area, the equipment could be in continuous use to prevent problems, rather than resolving them as they occur under emergency (or at least more costly) circumstances. A television and sewer-line repair vehicle may likely be justified over the entire CMSA service area. Other equipment could also be economically shared by the local agencies.

These and other special service contracts could be jointly developed along the following general lines:

- o CMSA outlines services to be provided.
- o CMSA establishes preliminary cost of each service.
- o CMSA polls local agencies for type and amount of services required.
- o CMSA and agencies agree on service contract terms and conditions.
- o CMSA finalizes costs of service for some period (say one year).
- o CMSA and local agencies execute service agreements.
- o CMSA purchases any required equipment and makes personnel adjustments necessary to support the service contract program.

The CMSA joint powers agreement already allows the agency to contract with local agencies to provide special services without further amendment. Section 5 empowers the agency to provide wastewater collection, maintenance, and operation for either sole use facilities (one agency) or joint-use facilities. Section 5 also grants the agency the power to enter into contracts to perform its functions.

#### ARRANGEMENTS FOR SAN RAFAEL SANITATION DISTRICT AND THE CITY OF SAN RAFAEL

Within most of the boundaries of San Rafael Sanitation District (SRSD), the City of San Rafael owns and operates the sewer collection lines. In unincorporated areas, the city maintains collection lines by contract. With startup of the new treatment facilities, much—but not all—of SRSD's function will be eliminated. As a practical matter, SRSD could choose to contract the remainder of its services (maintenance of pumps, force mains, and interceptor sewers) either to the City of San Rafael or to CMSA. Either agency could provide these services, although CMSA will more likely be better equipped, as mentioned earlier.

Until the early 1970's, SRSD was very nearly a city department. This arrangement was both efficient and cost-effective. As treatment standards rose and sewer service expanded into unincorporated areas, the sewerage function was separated from the city. The level of district operation is now decreasing and the situation is reversing.

Based on our examination, we believe SRSD should reorganize itself as prior to 1974, operating in conjunction with the City of San Rafael, mainly because there is no method of sewer maintenance more efficient than the current shared use of the city's public works crews. Other plans would add some new costs, although they may also result in higher standards of preventive maintenance. The city, on behalf of the district, could then contract with CMSA for pump station maintenance and repair and other special services.

#### CORPORATION YARD

A major element of the new operation will remain as the SRSD and SD No. 1 treatment plant sites are sold. Both SRSD and SD No. 1 will require office space and corporation yards. SRSD's operations would likely transfer to become a department of either the City of San Rafael or CMSA. As essentially a part of either agency, SRSD would require no additional office space and crews would become employees of the city or the agency.

For SD No. 1, both new office space and a corporation yard are required. An examination of space available at the CMSA facilities should be made. However, the agency and district should have separate quarters, as shared offices would be confusing and shared repair facilities would be unworkable.

\* \* \* \* \*

This letter-report concludes our work on the consolidation review. The final phase of CMSA's consolidation efforts must determine which services the agency may economically provide to its members, and will develop costs and and service contract terms and conditions for performing such services.

Central Marin Sanitation Agency  
January 5, 1984  
Page 20

We are prepared to assist the agency in the final phase as part of our existing contract and fee limitations.

Very truly yours,

BARTLE WELLS ASSOCIATES

*Thomas E. Gaffney*

Thomas E. Gaffney  
President

TEG:mt  
R33A