

SANITARY DISTRICT NO. 1 OF MARIN COUNTY REGULAR BOARD MEETING MINUTES

Monday, January 7, 2008
6:45 p.m.

Board Meeting Room
1301 Andersen Drive
San Rafael, CA

Members Present: Sue Brown, President
Patty Burke, Secretary
Patrick Guasco
Marcia Johnson
Steven Vanni

Members Absent: None

Staff Present: Vivian Housen, Interim District Manager
Eric Stassevitch, District Engineer
Michelle Kenyon, District Counsel
Eva Waskell, Recording Secretary

Public Present: The names reflected are those who signed in on the attendance sheet: Vic Canby; Jon Elam; however, there were two (2) additional members of the public present.

Item #1-ORDER The meeting was called to order by President Brown at 6:50 p.m. President Brown led the Pledge of Allegiance. Roll call was taken and a quorum was present.

Item #2-APPROVAL OF AGENDA President Brown asked that the Board address Item No. 12, discussion of a lateral grant program, whenever Mr. John Elam arrives to give his presentation. She also suggested that Item 11 be placed after Item 6.

M/S Johnson/Guasco to approve the Agenda, as amended. The motion carried unanimously.

Item #3-OPEN TIME FOR PUBLIC Bruce Baum, 1165 Butterfield Road, San Anselmo, noted that documents for Item 5a of the Consent Calendar were not on the document table. President Brown replied that she would be pulling Item 5a from the Consent Calendar.

Item #4-APPROVE REGULAR ADJOURNED MEETING MINUTES OF OCTOBER 25, 2007, SPECIAL MEETING MINUTES OF OCTOBER 29, 2007 AND REGULAR MEETING MINUTES OF OCTOBER 2, NOVEMBER 6 AND DECEMBER 4, 2007
President Brown stated that the minutes would each be considered separately.

Director Johnson made the following changes to the October 2 minutes: Page 5 (bottom page, last line, Board agreed to cancel meetings through 12/2007); page 7 (advantages/disadvantages were developed by Paul Causey); page 8 (top of page, 2nd sentence, the two would form new department divisions under CMSA's leadership and last paragraph, add ... at the August 28 CMSA meeting); and page 14 (second to last paragraph Director Johnson supported an alternate solution to dealing with the issue).

District Counsel Kenyon noted that these proposed changes would be incorporated after confirmation with the tape record by staff.

M/S Johnson/Guasco to approve the Regular Meeting Minutes of October 2, 2007, as amended. The motion carried unanimously.

Director Johnson amended page 5, last sentence of the October 25, 2007 minutes by deleting, under advantages / disadvantages, "from the Red Oak 2005 study."

M/S Johnson/Burke to approve the Regular Meeting Minutes of October 25, 2007, as amended. Vote: Ayes: Brown; Burke; Guasco; Johnson; Abstain: Vanni. The motion carried.

Director Johnson deleted the following sentence on page 2 of the October 29, 2007 minutes, "A Board member replied... referring to the Red Oak Study."

Mr. Bruce Baum noted that the title of the minutes should indicate a special Board meeting.

M/S Johnson/Guasco to approve the Special Meeting Minutes of October 29, 2007, as amended. Vote: Ayes: Brown; Guasco; Johnson; Vanni; Abstain: Burke. The motion carried.

M/S Burke/Vanni to approve the Regular Meeting Minutes of November 6, 2007 as presented. The motion carried unanimously.

Director Johnson clarified a statement on page 11 of the December 4, 2007 minutes to read "\$9 million over 3 years versus \$7 million over 2 years."

District Engineer Stassevitch corrected an item on page 7, item 7 to read, "...and it may be difficult to determine costs without itemized and well defined receipts." Also, second to last paragraph, the "Resident at 190 Canyon Road raised house plumbing to alleviate pumping and will be paid based on itemized receipts."

M/S Guasco/Johnson to approve the Regular Meeting Minutes of December 4, 2007, as amended. The motion carried unanimously

Item #5-CONSENT CALENDAR The Board reviewed the Consent Calendar:

- a) Approve District Treasurer's Financial Report for September, October and November 2007
- b) Approve Progress Payments for Capital Improvement Projects:
 - i) Cascades Sewer Rehabilitation Project, D'Arcy & Harty Construction, Progress Billing Nos. 3 and 4 in the amounts of \$63,511.39 and \$97,517.92, respectively
- c) Accept Cascade Sewer Rehabilitation Project, D'Arcy and Harty Construction Inc., Authorize Board President and Secretary to Execute Resolution No. 1294 Approving Final Acceptance, and Authorize Interim District Manager to File Notice of Completion for the Project
- d) Approve Contract Change Order
 - i) Change Order No. 6, in the Amount of \$2,232.00, for the Cascades Sewer Rehabilitation Project (CIP 676), D'Arcy & Harty Construction
 - ii) Change Orders 5, 7 and 8 in the amount of \$68,237.86, for the FY 2007 Sewer Rehabilitation Project No. 1 (CIP 680), Ranger Pipelines
 - iii) Change Orders 8, 9 and 10, in the Amount of \$15,464.82, for the Site Grading and Improvement Project (CIP 930) Ghilotti Construction, Inc.

President Brown pulled Item 5a from the Consent Calendar and stated that this item would be discussed at a future meeting after more complete information is available.

Director Johnson pulled Items 5c and 5d-i, ii, iii.

M/S Guasco/Burke to approve Item 5b of the Consent Calendar. The motion carried unanimously.

M/S Guasco/Brown to approve Item 5c of the Consent Calendar without further discussion, other than the item being out of order as discussed below. The motion carried unanimously.

Director Johnson commented on the order of items on the Consent Agenda regarding Change Order No. 6 in Items 5d-i. She advised that the Change Order approval should precede project acceptance.

Director Johnson commented on 5d-ii (Change Order No. 7) and noted that the dates on the work tags do not match the dates on the change order.

District Engineer Stassevitch clarified that Director Johnson was referring to tags that were not related to Change Order No. 7; the only work tag for Change Order No. 7 is the single tag directly behind the CO form.

Director Johnson asked why Change Order No. 8 was being brought forward for approval now, after the work has been completed.

Mr. Stassevitch replied that staff approved the work behind this Change Order before the contractor proceeded. The Change Order documents approve final costs for the work. All Change Orders greater than \$10,000 must be approved by the Board. He added that related to this specific change order there will be an associated credit to the contract for other work not required.

Director Johnson stated her understanding from previous District Manager Causey was that contractor activities were stopped because the contractor brought contaminated soil onto the site. She asked why we would be responsible for additional payment to the contractor. Mr. Stassevitch replied that the Change Order is for work not related to this stop-work order.

Director Johnson noted that Ghilotti charged the District for six hours of transportation costs to San Leandro, which seemed high.

Regarding Change Order No. 9 in Item 5d-iii, Director Johnson stated her understanding that the plan scale is mislabeled. Thus, the contractor underestimated the actual cost and is now asking for a cost increase. She asked whether the incorrect measurements were the contractor's responsibility of the District.

Mr. Stassevitch replied that this Change Order is related to an error on the contract plans.

Regarding Change Order No. 10, Director Johnson questioned the approximately \$6,000 charge for four hours of crew time. She also asked if the hauling charge for transportation between our property at Larkspur Landing and here was \$400.00.

Mr. Stassevitch replied in the affirmative to both questions.

Director Johnson asked about the purchase of deleted materials, whether the materials were purchased before staff told the contractor not to do so, and whether these materials were now the District's property.

Mr. Stassevitch replied to all questions in the affirmative. The contractor was paid for materials, but not associated work.

Director Johnson asked that each Change Order be provided as a separate item.

Interim District Manager Housen noted that Change Orders of this amount typically do not come before a Board for approval. She ask whether the Board would like staff to implement a policy that incorporates the current \$10,000 limit on smaller jobs, but a more reasonable limit on larger projects, stated as a percentage of the bid amount. A limit of five to ten percent of the bid amount is common on larger projects.

CMSA General Manager Dow stated that on the Wet Weather project, staff has approval authority up to \$100,000 and emergency authority up to \$200,000. He stated that he would share the CMSA Change Order policies with District staff.

President Brown directed staff to explore the issue and bring back information for the Board's consideration at a future meeting.

M/S Johnson/Brown to approve Items 5d-i, 5d-ii and 5d-iii. The motion carried unanimously.

Item #6-RESOLUTION NO. 1296, A RESOLUTION OF THE GOVERNING BODY OF SANITARY DISTRICT NO. 1 OF MARIN COUNTY PROPOSING AN ELECTION BE HELD IN ITS JURISDICTION; REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY OTHER ELECTION CONDUCTED ON SAID DATE; AND REQUESTING ELECTION SERVICES BY THE REGISTRAR OF VOTERS

President Brown stated that this item relates to two seats on the RVSD Board that are coming up for re-election in June.

Interim District Manager Housen reviewed the staff report and said that the District has received a letter and a sample resolution from the Registrar of Voter required adding the two open seats to the June election. A Resolution based on the information from the Registrar of Voters is included in the Board packet. Ms. Housen recommended that the Board adopt Resolution No. 1296.

Director Johnson noted that the packet from the Registrar of Voters includes instructions related to measures, not elected officials.

Ms. Housen replied that staff will review the wording and will make sure that the correct documentation is on file with the County related to the upcoming election.

Director Vanni stated that page two of the letter from the Registrar of Voters contains information about candidates.

Bruce Baum, 1165 Butterfield Road, San Anselmo asked if the \$1.50 per voter charge to the District was normal. This would mean that the election cost for about 28,000 registered voters would be roughly \$42,000.

President Brown replied that she believes that this amount reflects the historical cost.

Director Vanni added that costs will change depending on the number of people voting. However, the stated cost seems accurate.

M/S Johnson/Vanni to adopt Resolution No. 1296, a resolution of the governing body of Sanitary District No. 1 of Marin County proposing an election be held in its jurisdiction on

June 3, 2008; requesting the Board of Supervisors to consolidate with any other election conducted on said date; and requesting election services by the registrar of voters. The motion carried unanimously.

Item #11-ACCEPTANCE OF RESIGNATION BY BOARDMEMBER GUASCO AS CMSA COMMISSIONER AND APPOINTMENT OF NEW CMSA REPRESENTATIVE AND, IF NECESSARY, ALTERNATE REPRESENTATIVE Interim District Manager Housen reviewed the staff report and recommended the Board accept the resignation of Board member Guasco as CMSA Commissioner and nominate and approve a new CMSA representative and an alternate.

M/S Burke/Brown to nominate Marcia Johnson as CMSA representative and Pat Guasco as the alternate. Vote: Ayes: Brown; Burke; Guasco; Johnson; Noes: Vanni. The motion carried.

Item #7- CONSIDERATION AND DISCUSSION OF CONSOLIDATION/REGIONALIZATION ISSUES President Brown asked staff for an update of the study with Vavrinek, Trine, Day & Co. (VTD) and the financial analysis.

Interim District Manager Housen reported that the VTD study is expected to begin after the annual audit for 2007 is completed. This audit is ongoing; she asked for further updates on the audit from District Engineer Stassevitch.

Mr. Stassevitch stated that the draft audit report will be ready at the end of January. VTD will start the consolidation financial analysis using preliminary findings from the audit report, and before completion of the audit report.

Regarding the advantage/disadvantage discussion, Ms. Housen reported that she plans to review reports from the three prior consolidation studies, and update the advantage/disadvantage matrix accordingly. She would also like an opportunity to review and include information contained in a June 5, 2007 letter from RVSD to the CMSA in this matrix.

President Brown stated that this letter is important because it describes the six key areas of concern to the Board that should be addressed as part of any discussion of consolidation. She concurred with the approach of integrating historical information into the matrix.

Ms. Housen reported that the Board has received an evaluation of governance issues developed by District Counsel, and asked for further direction regarding this discussion.

District Counsel Kenyon added that the memorandum introduced many items related to governance. She noted that if the Board has any particular issues they would like to discuss, they should let her or Ms. Housen know. Staff will develop a subsequent report to

help clarify the issues of concern or interest, and will schedule a time for further discussion at a subsequent Board meeting.

President Brown replied that she has questions that she will forward to staff.

Director Johnson observed that under consolidation, the other member agency governing bodies will remain and the RVSD Board will cease to exist. This is a unique scenario where the various members are not gaining or losing the same level of representation. In the context of governance and regarding at-large elections, Central Contra Costa Sanitary District received a special exception and passed special legislation to elect representatives by districts. She asked that staff research this option further – find out the effort and timeline required. She believes that this sort of governance structure would better protect the towns that comprise the District.

Ms. Kenyon confirmed that this process requires special legislation. However, she does not know how long the process took at CCCSD, and would research this information further.

Director Johnson stated that this issue is one of the prime concerns for her as related to governance. She continued by saying that one of the critical findings must be that LAFCO will support this special effort without any issue, and that consolidation is a benefit to the ratepayers. She added that if the District can't prove a cost savings to the ratepayers, LAFCO won't approve the consolidation. She feels comfortable that the financial and other analyses are prudent, as compared to spending up to \$1.4M through the CMSA contract. She added that it would be embarrassing to spend \$1.4M to get an answer and find that the answer is no.

President Brown directed staff to agendize a discussion of the governance memo, and in particular, the issues that Director Johnson brought to the Board's attention. She added that if the Board has other issues they would like to discuss, they should provide this information to staff.

Bruce Baum, 1165 Butterfield Road, San Anselmo asked if it would be possible to review the governance memo.

Ms. Kenyon replied that the memo is a confidential document. However, the information contained in this document will become public at the February meeting, when it is agendized by staff.

Mr. Baum asked for clarification about the situation with Larkspur. He asked whether, given the annexation of Larkspur to Ross Valley, the CMSA representative for Larkspur is responsible for being part of the Ross Valley discussions. He asked why Larkspur should continue to have an independent voice. He noted that if consolidation goes through, it

sounds like only Ross Valley will lose their representation and not Larkspur, which doesn't make sense since Larkspur is annexed to Ross Valley.

Ms. Kenyon replied that this was a good question that would be clarified in the public discussion about consolidation. It is important to understand how the newly consolidated agency will be formed, and how the governing body will be selected.

Mr. Baum stated that he has attended the CMSA meetings for six years and has yet to see a Larkspur representative discuss issues as part of RVSD. He asked whether Larkspur would retain only one seat on the consolidated Board.

Ms. Kenyon replied that this question should be discussed further when agendaized for a future meeting.

Vic Canby, 22 Crescent Lane, San Anselmo asked why the information in the governance memo is confidential.

Ms. Kenyon replied that any correspondence between legal counsel and the Board is confidential due to the attorney-client privilege provided by law. The Board can choose to make that information public, which it is doing tonight. However, until this takes place, the information cannot be disseminated in a public manner.

Mr. Canby stated that the public needs to understand consolidation issues. He asked whether Counsel is trying to protect the Board.

Ms. Kenyon replied that she does not have right to make the document public because this privilege is protected by law. Only a majority of the Board can make this information public.

President Brown agreed that this is a matter of process, and the document information will be made public when agendaized at the February meeting, along with discussion of Mr. Canby's concerns and a review of the issue of Larkspur representation regarding the annexation.

Ms. Kenyon stated that she has not yet undertaken this research as part of the governance evaluation and asked the Board if they wanted to just raise the Larkspur issue in February or complete a thorough examination by February.

Director Johnson asked how a Board could legislate something like Larkspur attendance at meetings.

President Brown asked CMSA General Manager Dow if he could answer this question.

Mr. Dow replied that the 1993 annexation agreement between the City of Larkspur and RVSD includes a provision that the City of Larkspur will appoint a representative to the CMSA Commission. From a sanitary sewer/collection system perspective, RVSD represents the Larkspur service area. But from a wastewater treatment and disposal perspective, Larkspur's City Council can appoint a representative.

Mr. Dow added that about three years ago, the RVSD Board received a legal opinion from their prior counsel stating that the Larkspur seat should not be included as part of the CMSA Board. CMSA addressed this issue and decided that it is really a Larkspur/RVSD matter. The discussion returned to Larkspur, which decided that it did want to maintain the Board seat.

Vic Canby, 22 Crescent Lane, San Anselmo said that LAFCO is taking action in terms of redefining boundaries within Ross Valley and Larkspur. These boundaries are important in terms of the sanitary district because they could bring in approximately 2,000 housing units which will directly impact District flows over time. In terms of assessing the value of consolidation, there are some major points in the action by LAFCO that will impact the District and Central Marin. These decisions are already public and should be taken into consideration by the Board.

Ms. Kenyon stated that governance issues, including questions discussed at this meeting will be agendized for the February meeting. Also, there may be additional information that needs to be provided based on direction from the Board.

President Brown confirmed that the governance discussion will begin in February and a discussion of the financial analysis will take place at some time in the near future.

Ms. Housen clarified that staff will not have answers to all of the questions discussed by February.

Director Johnson stated that this will begin the discussion on governance, which will continue over time.

President Brown directed staff to prepare a report on governance for future discussion, and continue progress on the financial analysis and further development of the advantages /disadvantages matrix.

Item #8-AUTHORIZATION FOR INTERIM DISTRICT MANAGER TO ADDRESS PARAGRAPH 7 OF THE CMSA/RVSD PROPERTY USE AGREEMENT Interim District Manager Housen reviewed the staff report and said that a letter had been sent to the CMSA Board in early December asking for a grace period on the decision regarding permanent facilities. The issue was brought before the CMSA Board in December and it did not pass. Therefore, before January 15 a letter needs to be provided to CMSA regarding the District's intentions related to permanent facilities.

Ms. Housen stated that staff is not prepared to make a recommendation to the Board at this time regarding the letter. She would like to review the CMSA Board packet that she received this evening before constructing this letter. Ms. Housen asked the Board to authorize the CMSA representatives, staff, and District Counsel to prepare a letter to CMSA for submittal by January 15.

Director Johnson asked if the letter would be completed in time for the CMSA meeting tomorrow night.

District Counsel Kenyon replied that she wasn't sure the letter, a response to Paragraph 7 of the CMSA/RVSD Property Use Agreement, could be completed by all those involved by tomorrow night.

Director Johnson stated that in December, the District had successfully obtained a one-year agreement extension, which was a great success.

Bruce Baum, 1165 Butterfield Road, San Anselmo asked for a definition of the word "formally" which occurs in the second part of Paragraph 7, in, "RVSD has been formally discussing consolidation." He recalled that CMSA said they would suspend discussion for the rest of 2007. He did not believe that they had formally withdrawn. He asked whether there is an issue with the second paragraph.

Ms. Kenyon asked whether there is consensus on the Board that the Board believes that the intent of the second paragraph of Paragraph Number 7 is that regionalization discussions are still ongoing. She added that RVSD hasn't withdrawn from regionalization. Also, staff has not received a letter documenting formal withdrawal from SRSD.

President Brown asked the question of CMSA General Manager Dow, who replied that he has received a letter from the San Rafael Sanitation District stating that they have withdrawn from the current regionalization discussion.

Director Johnson commented that if the District is the only JPA member agency formally discussing regionalization, this clause likely does not apply.

Ms. Kenyon agreed that the clause is off the table since San Rafael took the option away by formally withdrawing themselves.

Director Burke stated that the District has worked hard on this issue in an effort to make it work, but got a late start. She added that Mr. Dow has attended all of the District meetings and has seen that the Board hasn't analyzed all of the issues currently under discussion, like others have. She emphasized that the District has worked in good faith, and was very upset upon reading the CMSA minutes and seeing how the District was being described as arrogant or questioning. In fact, the Board is doing what the law

requires, i.e., looking into whether or not consolidation is the right thing to do. She added that those who have been in the game for a long time like Mayor Boro should have helped bring the new District Board members along. This didn't happen, and now the District is being treated as if it sabotaged the whole effort.

Bruce Baum, 1165 Butterfield Road, San Anselmo, stated his understanding of the SRSD letter as being that they're withdrawing until RVSD gets its act together. He added that this doesn't mean that consolidation is completely off the table.

Ms. Kenyon replied that the interpretation of the second part of paragraph 7 goes back to the intent of the District. For this reason, she would like to get consensus from the Board as to where discussions are with regard to consolidation. Is CMSA still considering consolidation if one member has decided not to consolidate, and a second has decided to withdraw temporarily from discussions?

Director Johnson returned the discussion to the issue of intention related to permanent facilities. She stated that now would not be a good time to have permanent facility discussions with CMSA. From what she has seen recently, she doesn't believe that CMSA would offer beneficial terms in any such agreement. She is not in favor of siting permanently at CMSA.

Director Vanni expressed concern that this letter should be developed by the full Board, and asked why it should take the Board so long to make a decision on permanent facilities. The only two options are to stay at CMSA permanently or move back to Larkspur. He added that to move back to Larkspur after spending \$2.5M to move to CMSA might raise some concerns with the constituents. He stated that he is not in favor of appointing an ad hoc committee to write the letter and send it directly to CMSA before getting Board approval.

Director Vanni stated that he plans to vote no on the motion because he doesn't agree that Board members should not get to participate in the final draft of the letter.

Ms. Housen replied that staff has recommended this action because there is so little time between now and the January 15 deadline to review the most recent CMSA perspective on this item, and to develop a response, which is due on January 15.

Ms. Kenyon clarified that between now and January 15, staff will not be able to make a recommendation about a location for permanent facilities.

Director Vanni suggested that the District inform CMSA that the District is working on an answer, but does not have one yet, and will place the item on the February agenda for discussion.

Director Johnson noted that the District would then be out of compliance with agreement requirements.

Director Brown asked for a motion. M/S Brown/Burke to authorize the CMSA Commissioners, Interim District Manager, and District Counsel to develop and submit a letter that responds to Paragraph 7 of the CMSA/RVSD Property Use Agreement. Vote: Ayes: Brown, Burke, Guasco, Johnson; Noes: Vanni. The motion carried.

Item #12-DISCUSSION AND DIRECTION TO STAFF REGARDING CONTINUED DEVELOPMENT OF LATERAL REPLACEMENT PROGRAM OPTIONS

Interim District Manager Housen noted that under the Consent Decree, the District is obligated to investigate options for lateral programs. The Board has already heard about two different programs at Stege Sanitary District (which has an ordinance) and Castro Valley Sanitary District (which has a grant program). Tonight's presentation from Jon Elam about a loan program will help round out the options for the Board's review. The North Bay Watershed Association is also looking at lateral programs.

President Brown introduced Mr. Elam, General Manager of the Tamalpais Community Service District (TCSD), who will discuss their 10-year lateral replacement loan program.

Mr. Elam provided two photographs, one of the Tamalpais Watershed and the other of a typical sewer replacement map. TCSD has 29 miles of sewers and 800 manholes. They are implementing a sewer replacement master plan that began in 2004 (\$5M including cost of laterals). They have completed all high-need areas except for one street.

TCSD conducts public outreach for this program. They initially videotape the lateral for approximately \$350.00 (no up-front money is requested); the resident receives a copy of this tape. Roto Rooter currently has the CCTV contract.

Once people see the video of their lateral, the need for repair and/or replacement usually becomes self-evident. The program is supported by realtors-buyers who have started asking for information and/or resolution about their sewer lines. Having the information available has helped in the sale of homes.

The program is financed through 20-year bonds, and is voluntary. The residents prefer TCSD to do the work in lieu of private contractors, because they will get a better price. Lateral replacement is included in the mainline replacement contract as a unit price line item. Often the contractor inserts a much lower cost for the lateral repair in order to recover more payment up front with the mainline repair. This benefits the resident. Payment is made through the property tax assessment.

Director Guasco was very enthusiastic about this loan program and praised Mr. Elam for his efforts.

Vic Canby, 22 Crescent Lane, San Anselmo asked who is responsible for lateral stubs in this system. Mr. Elam replied that in the TCSD area, the property owners' responsibility lies between the house and the property line. Mr. Elam and Mr. Canby discussed the difficulties associated with replacing laterals located under hardscape (sidewalks, asphalt, etc.)

Director Johnson asked whether the mainline contractor would also complete the lateral replacements.

Mr. Elam replied that the videotaping is handled separately by the District, and then the mainline contractor completes all pipeline work.

Bruce Baum, 1165 Butterfield Road, San Anselmo, asked for the current sewer rates per household. Mr. Elam replied that rates are \$550 this year, which includes debt service payments of \$250,000 a year. Debt service will reduce to \$200,000 next year. The annual sewer budget, including treatment costs, is close to \$2M.

Mr. Canby asked how the repair areas were prioritized.

Mr. Elam replied that first the District reviewed the history of repairs and areas with high I/I.

Mr. Canby asked if low-lying areas and subsidence were included in the criteria.

Mr. Elam answered in the affirmative.

Mr. Elam continued by stating that the program is well-supported by the public and the District Board. This is not the type of program that you can start and then stop. Once one neighborhood has had its laterals replaced, the next area wants to the same opportunity. The program needs to be a long-term commitment.

Director Johnson asked whether there was a measurable difference in I/I after lateral replacement.

Mr. Elam replied affirmatively. Mr. Elam and Director Johnson discussed the Las Gallinas lateral ordinance effort briefly, during which Mr. Elam noted that improved public outreach would have helped this process.

Director Johnson noted that the NBWA effort isn't moving forward quickly, and that the District should be a leader in this regard.

President Brown replied that the NBWA study is forthcoming. However, this is a regional approach, and not a single program.

Director Johnson commented that the District is pursuing an aggressive CIP, and is repairing lots of pipe. It would be a missed opportunity to not replace the laterals at the same time.

Ms. Housen stated that staff would review this and the other options in greater detail, and would consider legal ramifications, cost, public, and other issues.

District Engineer Stassevitch suggested that the loan program be implemented as a beta-test on the Creek Cascade project, which is currently in design.

Ms. Housen advised that staff needs to review the options more closely before implementing a program, to make sure that the program is appropriate and feasible.

Mr. Canby emphasized the need to coordinate lateral replacement work with floodplain studies, resolution of storm drainage problems, and other items as these are all interrelated.

President Brown thanked Mr. Elam for his presentation and stated that she would like to continue this discussion with Mr. Elam in the future. She asked staff to also investigate a successful lateral program that is in place in Vallejo.

Ms. Housen replied that staff would look further into the programs already discussed, and also the Vallejo program.

Item #9-AUTHORIZATION FOR INTERIM DISTRICT MANAGER TO SIGN LETTER FROM CMSA TO DOCUMENT CONCURRENCE WITH PROPOSED CHANGES AND CLARIFICATIONS TO THE CMSA/RVSD PROPERTY USE AGREEMENT RELATED TO LAND USAGE Interim District Manager Housen reviewed the staff report and explained that the proposed letter exchanges land usage within the context of the existing Property Use Agreement. The storage pods have been relocated for a variety of reasons and the former pod storage area is no longer required. CMSA needs that land for the contractors who are working on the expansion of the treatment plant. The District could benefit from greater usage of the corporation yard.

President Brown asked about the provision to increase the hours of the shared administrative assistant to 40 hours per week. Ms. Housen replied that the letter also provides an increase in the administrative assistant's commitment from 28 to 40 hours per week to reflect current staffing needs (the District would pay for half of these hours or 20 hours per week) and also changes the billing period from quarterly to monthly to reflect current practice. She expressed her support of these changes.

Director Johnson asked to include the word "approximately" on page 2, in front of the ½ acre description, to be consistent with other discussions about property use.

CMSA General Manager Dow and Ms. Housen concurred with this change.

Director Johnson asked whether this agreement would require action by the CMSA Board.

Mr. Dow replied that the Board has already provided him the authority to execute this agreement without the need for further authorization.

M/S Brown/Guasco to authorize the Interim District Manager to execute the attached letter providing changes in the CMSA/RVSD Property Use Agreement. The motion carried unanimously.

ITEM #10-AUTHORIZE THE INTERIM DISTRICT MANAGER TO WORK WITH CMSA TO EXECUTE COMMUNICATION PLAN FOR FOR FATS, OILS, AND GREASE CONTROL PROGRAM Interim District Manager Housen reviewed the staff report and gave an update of the FOG Ordinance and the draft letters and workshop notice that have been developed so far.

CMSA General Manager Dow reported that this FOG program is modeled after the one developed and implemented for Las Gallinas and San Rafael Sanitation Districts. Hot spots are identified and any Food Service Establishments (FSEs) located. The FSEs receive a letter describing the program; this letter includes a sample permit for those FSEs that are upstream of hot spots. The exception would be FSEs that are not upstream of hotspots receive a waiver. Mr. Dow added that the letter mailing will be preceded by a public workshop, potentially in February. The location will be selected to be close to the FSEs.

Director Johnson asked what CMSA is charging RVSD for the FOG program. Mr. Dow replied that the costs are in the Agreement and are broken down by function and the number of FSEs regulated under the program. The costs include recovery of CMSA staff time plus 10 percent overhead, which is the same rate charged to SRSD (not the 20+% described in the agreement). He agreed to provide a credit for any overhead previously charged at the higher rate.

Director Johnson asked for a ballpark figure for cost.

Mr. Dow replied that for the past several months the cost has been about \$500-600 per month. This will increase once the on-site inspections begin. For example, San Rafael's invoices reached about \$1,500-2,500 per month at one point. Costs will decrease toward the end of the program.

President Brown asked if the number of FSEs with hot spots in San Rafael and Ross Valley are significantly different. Mr. Dow replied that San Rafael's numbers are larger. San Rafael has about 200 FSEs and about 100 of those are hot spots. Mr. Dow estimates that Ross Valley has about 100 FSEs and probably two thirds of those are hot spots.

Ms. Housen noted that now that the actual number of hot spots is known, staff would review the projected cost information in the agreement.

Mr. Canby asked if a waiver would be provided to FSEs upstream of hotspots that are old establishments. It would be a serious matter to condemn a business.

Director Johnson noted that San Rafael came up with alternate ways for FSEs to come into compliance that weren't too cumbersome.

Mr. Dow agreed that the Ordinance gives staff some discretion as far as enforcement. However, enforcement is required.

M/S Guasco/Johnson to authorize the Interim District Manager to work with CMSA to distribute outreach materials and conduct a public meeting related to implementation of the District's FOG control program, and to review the existing Agreement for this work, in light of new information on Food Service Establishments, to develop the initial cost for the work of this program. The motion carried unanimously.

Item #13-AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS: CATHODIC PROTECTION IMPROVEMENTS AND INSPECTION PROJECT AND WOODLAND/COLLEGE/GOODHILL CAPACITY IMPROVEMENT PROJECT District Engineer Stassevitch reviewed the staff report and described the work to be done for the two projects.

Director Johnson asked that staff provide separate staff reports in the future. She asked whether Kentfield Forcemain project footage was included in the Consent Decree mileage.

Mr. Stassevitch replied that the footages were taken from Capital Improvements Program which has a series of projects laid out on a fiscal year basis. The plan was designed with the Consent Decree in mind and the goal is to accomplish two or more miles per year.

Director Johnson asked for definition of "planning dollars."

Mr. Stassevitch replied that planning dollar amounts are reflected in the Long Range Financing Plan and contain contingencies appropriate for planning level estimates.

Director Johnson asked how much money would be spent in which budget year for the Kentfield project.

Mr. Stassevitch explained that the project would occur over two fiscal years, with design this year and possibly some construction, then the balance of construction the next fiscal year.

Ms. Housen added that staff's intention for future staff memos is to provide the total project cost as well to delineate the cost of the portion of the work under discussion, such as design or construction.

Director Johnson said she that did not recognize the name, "Cathodic Protection Improvement and Inspection Project," and asked whether it is a planned CIP.

Mr. Stassevitch replied that the project is a comprehensive evaluation of our needs related to protecting our force main system. It involves inspection and evaluating the current condition and verifying to see that our pipes have anodes in the right place. This project was included in the CIP, but for last year.

Director Johnson asked about the pipeline replacement diameters listed for the Woodland Project.

Mr. Stassevitch replied that staff would review the document and make any needed corrections.

Director Johnson asked for a definition of relief sewer.

Mr. Stassevitch replied that there are different flow patterns throughout the year. All of this has to do with capacity.

Ms. Housen added that a relief sewer is a new pipe that provides overflow capacity to supplement an existing pipe. In some situations, installing a second line is less costly or more feasible than enlarging an existing line.

Director Guasco stated that he is familiar with the area under discussion and he supported the adding of capacity. He believes that the whole region up to Evergreen and all of the tributaries that lead into the roadway should also be included in the rehabilitation because they're adding tremendous flow to the main sewers. The pipes are clay, and are not in good shape.

Ms. Housen noted that staff would review this area to determine whether these pipes have been problematic in the past.

Director Guasco stated that the Cathodic Protection Project will only be as good as its long-term maintenance.

Director Johnson asked whether adding the cost of design to the current expenditures will be a problem.

Ms. Housen replied that spending for the fiscal year has been slower than planned, so there should be adequate funds for project design.

M/S Brown/Johnson to authorize the Interim District Manager to issue two separate Requests for Proposals for Engineering Design Services; one for Cathodic Protection Improvements and Inspection; the other for the Woodland/College/Goodhill Capacity Improvement Project. The motion carried unanimously.

Item #14-NOMINATE OR CHOOSE NOT TO NOMINATE A BOARD MEMBER TO SERVE AS AN ALTERNATE SPECIAL DISTRICT MEMBER OF THE MARIN LOCAL AGENCY FORMATION COMMISSION BOARD AND AUTHORIZE THE BOARD PRESIDENT AND BOARD SECRETARY TO EXECUTE THE REQUIRED NOMINATION FORM M/S Johnson/Guasco to table this item for the next meeting. The motion carried unanimously.

Item #15-STAFF'S VERBAL REPORT Ms. Housen had nothing further to report. Mr. Stassevitch stated that there was a very serious storm recently and the crew handled it well. There was only one incident in Fairfax and the crew was on top of it.

Item #16-BOARD OPEN TIME There were no reports from Board members.

Item #17- CLOSED SESSION The Board adjourned to Closed Session at 10:10 p.m. regarding ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION, pursuant to Government Code Section 54956.9 (1 case).

The Board reconvened to Open Session at 10:15 p.m.

No reportable was action taken.

Item #18-ADJOURNMENT The Board adjourned at 10:16 p.m.

Patty Burke
Secretary of the Board