

ALTO SANITARY DISTRICT
MINUTES OF THE MEETING OF WEDNESDAY, APRIL 26, 2017

1. Call to Order and Roll Call:

Chairman Stanley Bransgrove called the meeting to order at 7:34 p.m.
 Other board Members present: Directors Janis Bosenko, Todd Gates, Tania Kennedy, and Roger Gainer.
 Board Members absent: none
 Staff present: Manager Bill Hansell.

2. Adoption of the Agenda:

Motion: To adopt the agenda as presented.
Moved: Kennedy, seconded by Gainer.
Vote: Ayes: Unanimous

3. Visitors to the Meeting and Open Time for Public Expression:

No visitors attended the meeting.

4. Consent Calendar:

- a. Minutes of the Meetings of 03/22/17.
- b. Financial Report for March 2017 and List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$307,254.61 after adjusting for all revenues and warrants cleared or not cleared by the meeting date. After payment of the proposed warrants and application of deposits, it will have a balance of \$290,704.39 (not incl. pending tax revenue.) The Reserve Fund has a balance of \$216,851.38. The most recent Personnel Payment account balance is \$3,661.72. The following warrants were included for approval:

Warrants to be issued:

<u>Check</u> #	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00093	Alto Sanitary District	Personnel Payment Account	3,800.00
00094	Bill Hansell	Office copies, ink, pkg	58.32
00095	AT&T	Office Telephone 41538836960732	93.34
00096	Consumer Cellular	Cell Phone Acct #102040632	21.75
00097	Nute Engineering	General Engineering & Laterals	2,631.00
00098	Nute Engineering	CIP Engineering	7,845.11
00099	Roto-Rooter Plumbers	USA work	774.00
00100	Roto-Rooter Plumbers	Repair Work on Main	402.00
00101	SASM	2017 Liability Insurance	886.00
00102	Marin County Registrar of Voters	Election Date Change Costs	38.70
Total Warrants:			16,550.22

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Motion: To approve the Consent Calendar, as submitted.
Moved: Bosenko, seconded by Kennedy
Vote: Ayes: Unanimous

5. New Business:

a. FY2016-17 Audit Proposal:

Hansell presented the proposal by Terry Krieg, CPA, for the audit of the District's FY2016-17 finances. Gainer noted that the District has been served well by Terry Krieg and should continue. Hansell mentioned that agencies should periodically change auditors but concurred with Gainer that it was premature. Gates asked about associated risk with auditors and Gainer noted industry standards.

Motion: To accept the Audit Services Proposal from Terry Krieg, CPA.
Moved: Gainer, seconded by Kennedy.
Vote: Ayes: Unanimous

b. Capital Improvement Project FY2016-17 – Progress Update:

Hansell reviewed work to date on the CIP including property owner outreach. Gainer asked about the implications for owners who refused consent on improvements within the easement. Hansell referred to the District's Ordinance which allows the District to access the easement as well as to correct deficiencies at the owner's expense should they not cooperate in the project. Hansell pointed out that more than half of the 24 owners affected by the project signed for the information mailer that was sent out. He is pursuing communication with the remaining owners and delivered second notices to those properties. Hansell stated the District's policy regarding video inspections and that he has informed the owners of SASM's inspection reimbursement and loans/grants program. With regards to the schedule, the contractor has supplied bonds/insurance paperwork and Nute Engineering has been in contact on moving forward.

Gates stated that the letter sent to the homeowners could have been clearer. There was a lot of information but the directions were confusing. Hansell agreed that future letters should be written from a lay person's perspective and not an engineer's.

Gainer asked about the deadline for homeowner permission slips. Hansell said the next step is the Pre-Con Mtg and that while the deadline is this week for responses the different sections of main replacement will allow more time for contact with some owners than others. Hansell noted that the District's Ordinance empowers the manager to deal with any holdouts and will not impede work on the main replacement.

c. Resolution 2017-02: FY2016-2017 Budget Amendment – CIP Cost Revision:

Hansell presented the revised budget which accommodates the previously approved FY2016-17 CIP as well as some minor adjustments to operating expenses based upon actual to date.

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Motion: To adopt Resolution 2017-02: FY2016-2017 Budget Amendment.
Moved: Gainer, seconded by Bosenko.
Vote: Ayes: Unanimous

- d. Properties Requiring Sewer Lateral Inspections/Repairs – Progress Update:
Hansell presented the notices sent to owners whose properties were in violation of the District’s Lateral Ordinance and explained the procedures for pursuing compliance. Two spreadsheets were provided: one for overdue inspections related to property sales and the other for those triggered by construction projects. The board discussed the details on various addresses listed in the reports.
Hansell also presented revised Alto District forms (Lateral Inspection, Permit Application, and Connection Fee Worksheet) which have been improved for consistency and clarity. Hansell stated that the Fee List will be revised next since it uses terms that homeowners may not understand. Gainer noted that it’s helpful to have a fresh set of eyes review these forms.
- e. Draft FY2017-2018 Budget – Review:
Hansell reviewed the first draft of the budget and explained that operating revenue is going to increase based upon the previously approved annual service fee increase. He noted that the District’s share of SASM will increase by 28% and that has been reflected in the expenses. Hansell explained that he also analyzed the projected cash flow to make sure that the District’s reserve account would not need to be accessed during the dry revenue months. It appears that the end of year balance will be sufficient to carry the District’s operational expenses to the next revenue period in December. The Board appreciated the draft and it will be agendized for review and approval prior to start of the fiscal year.

6. Manager’s Report:

In addition to the written report, Hansell highlighted the following:

- a. Research into hardship relief progressed somewhat but Hansell has to follow up with Mill Valley on their flow-based metering approach. Kennedy asked about the LilyPad non-profit issues and Hansell agreed that they were not relevant to requests for annual fee reductions but have to do with new affordable units and connection fees.
- b. With regards to lateral inspection compliance, Gainer asked about escrowing funds during property sales. Hansell said he would have further dialogue with County Counsel.
- c. The Grand Jury Report on Housing Affordability has been included for review and future discussion/response.
- d. A fix for the lateral problem at 27 Shell is proceeding.
- e. A draft contract with Nute is still pending.
- f. The LAFCO Work Plan has been included for review but does not seem to affect the District.
- g. Receipt from the County on the Election Date change was received.
- h. MVRS fees notice for the coming year was included.
- i. EDU Counts will be updated in July.
- j. The insurance update has been included.
- k. CSDA trial membership was noted and Hansell expressed his prior experience with CSDA benefits.

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7. Reports on Outside Meetings:

- a. SASM Board Meeting on 04/20/17 – Gainer reported on the meeting and noted in particular the following:
- _ The annual working meeting lasted 3 ½ hrs and covered many topics. It started with a discussion of the “Deep Green” option for SASM’s power delivery. The Board will be reviewing a presentation from PG&E prior to a decision on Deep Green.
 - _ The Treatment Plant’s CIP is out to bid and SASM is concerned about lack of response from contractors and/or elevated pricing.
 - _ MarinMap membership was discussed. Hansell noted that it is still in Alto’s interest to remain a member and he hopes a deal can be struck to maintain access.
 - _ EPA approval of SASM’s lateral program to reduce I&I: The agency is still waiting for approval on its request that all lateral improvements be counted toward the required compliance and not just ones benefitting from the grants/loans program.
 - _ Gainer noted that SASM was not in the news over the past year and that is always a good thing.
 - _ SASM confirmed its mission statement and Gainer read the full text.
 - _ Gainer pointed out the upcoming wetland’s education day.
 - _ The Sea Level study was recognized.
 - _ A consultant, Vivian Housen, made a presentation on I&I and options for updated studies. Gainer stated the problem with gutter and sump pump connections to the system and the need for further smoke testing. There are also some cross connections with storm drains which are problematic. Hansell asked if Gainer understood from the presentation what the consultant’s suggested course of action was, as he found it confusing. Gainer said that there was a diminishing return on further studies compared to improvement projects which actually would fix the problem.
 - Bosenko asked if this issue would best be addressed by education and notification with the residents. Gainer said he wanted to discuss that during open time. Gainer referred to the future CIP work that will address SASM’s main replacement projects. Bransgrove asked about the Sea Rise topic and Gainer confirmed that a protective berm was part of the potential CIP work.
- b. District Manager’s Meeting on 04/12/17 – Hansell reported that the meeting was a preview for all the issues that Roger just described.

8. Future Agenda Items:

- a. Bransgrove asked to check on the annual Ethics Training sessions for the board.
- b. Gainer asked that coordinated inter-agency notifications be looked into for topics such as prescription drug disposal, prohibited rain leader tie-ins, etc. Kennedy asked if this could be part of the info cards distributed with the garbage collection. Gainer suggested post cards that are well designed as they stand out.
- c. Gates asked if the rate calculation discussion should be agendized. Hansell said he still needs info from Mill Valley. Gainer suggested that he contact Sausalito as well.

9. Directors’ Open Time:

- a. Gainer announced that the Annual Sewer Band Concert is coming up.
- b. Gainer said that he will not be the SASM rep in the Fall and is still deciding on his board

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tenure.

- c. Bosenko asked about the dinner for Director Femenia. Hansell said he still needs to check on available dates. It was determined that a Monday evening would be best.
- d. Bosenko asked what happened with the LAFCO rep election. Gates stated that he placed in the race but, unfortunately, it was third (out of three.)
- e. President Bransgrove & Director Gainer signed the approved checks.

10. Adjournment:

Motion: To adjourn the meeting at approximately 9:00 p.m.

Moved: Bosenko, seconded by Kennedy

Vote: Ayes: Unanimous

Minutes respectfully submitted by Bill Hansell.

**THE NEXT REGULAR MEETING WILL BE HELD IN THE
CONFERENCE ROOM OF THE SEWERAGE AGENCY OF
SOUTHERN MARIN, 450 SYCAMORE AVENUE, MILL VALLEY
AT 7:30 P.M., WEDNESDAY, MAY 24, 2017**