

**ALTO SANITARY DISTRICT**  
**MINUTES OF THE REGULAR MEETING OF WEDNESDAY, NOVEMBER 22, 2017**

**1. Call to Order and Roll Call:**

President Janis Bosenko called the meeting to order at 7:37 p.m.  
Other board Members present: Directors Todd Gates, Tania Kennedy, and Marc Nash.  
Board Members absent: Roger Gainer  
Staff present: Manager Bill Hansell.

**2. Adoption of the Agenda:**

*Motion: To adopt the agenda as presented.*  
*Moved: Kennedy, seconded by Nash.*  
*Vote: Ayes: Unanimous*  
*Nays: None*

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

There were no visitors to the meeting.

**4. Consent Calendar:**

- a. Minutes of the Meetings of 10/25/17.
- b. Financial Report for October 2017 and November 2017 List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$305,477.30 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 \$292,370.42 (not incl. any pending tax revenue.) The Reserve Fund has a balance of \$217,718.46. The most recent Personnel Payment account balance is \$3,548.89. The following warrants were included for approval:

<u>Check #</u>	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00163	Alto Sanitary District	Personnel Payment Account	4,900.00
00164	Bill Hansell	Office copies, ink	59.74
00165	AT&T	Office Telephone 41538836960732	117.56
00166	Consumer Cellular	Cell Phone Acct #102040632	21.80
00167	Roto-Rooter Plumbers	USA work	981.00
00168	Nute Engineering	CIP Engineering	1,186.50
00169	Nute Engineering	Lateral Oversight	3,809.00
00170	Nute Engineering	Reporting (SSRAP)	2,803.00
00171	CSDA	2018 Membership Renewal	1,097.00
00172	Ryan Canepa	5 Meadow Dr (Reimburse 2nd Unit)	2,048.00
00173	Marin County DPW	2018 Annual Encroachment Permit	490.00
		Total Warrants:	17,513.60

**ALTO SANITARY DISTRICT**  
MINUTES OF THE REGULAR MEETING OF WEDNESDAY, NOVEMBER 22, 2017

*Motion: To approve the Consent Calendar, as submitted.*  
*Moved: Kennedy, seconded by Gates*  
*Vote: Ayes: Kennedy, Nash, Gates*  
*Nays: None*  
*Abstain: Bosenko*

**5. New Business:**

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

Hansell asked Pippin Cavagnaro from Nute Engineering to update the board on the current status of the CIP. Cavagnaro noted that the Contractor finished the work several weeks ago but had not wrapped up final requirements because the company started working on other projects. There was an issue with pressure testing where one of the last lines failed but that was repaired. Cavagnaro felt that overall the workmanship was adequate but minimal. Particular items of concern were discussed with the Contractor. The main remaining problem is submittal of paperwork. A hand written copy of the completed units and lengths were submitted earlier today. Approximately \$10,000 of Change Orders have been requested but the total completed work amount is less than the bid. With the Change Orders the project appears to be a wash and approximately equal to the bid amount. Cavagnaro asked for revisions to certain markups. Cavagnaro is expecting to present a final progress payment request and retainer release at the December meeting.

Bosenko said she was surprised in the lack of follow-up by the Contractor given that there are more capital projects coming up. Gates asked if the delays have cost Nute extra work and billing. Cavagnaro said there have been additional fees charged and Hansell confirmed that the engineering costs to date have been 20% of the contract cost. Cavagnaro agreed that is higher than it should have been. He said he would consider that in final negotiations on the change order requests.

Hansell commented on estimates for engineering costs for the next project and how he is relating the current costs to that. He would like to wrap up this project so that we can discuss future administrative roles and responsibilities next year.

Bosenko asked about the next step if the contractor does not submit the work in the next week. Cavagnaro asked for a decision on charging liquidated damages at \$500/day if a deadline is not met on a.) finishing the billing, b.) revising the change orders, c.) completing one repair, d.) correcting as-builts, and e.) agreeing to a video inspection in 12 months. Gates suggested sending a letter formalizing this and Bosenko said the deadline should be 12/01/17. Cavagnaro agreed to draft a letter for Hansell to review and mail along those lines.

b. Capital Improvement Project FY2017-18 – Planning Update:

Hansell reviewed the recent history of CIP costs and it seems that the District will have around \$350K for the next CIP project and a similar annual amount going forward. He pointed out that this assumes the Board chooses to spend those funds on capital costs in lieu of moving some of it into the Reserve Fund (currently at \$217K.) Last year, the board decided it would be better to spend the money on capital projects as potential construction cost appreciation was assumed to be higher than savings rates. Hansell would like the board to confirm whether the District should continue to operate under that assumption or to move some portion into the reserve. The original target for the reserve was \$500K to \$800K.

**ALTO SANITARY DISTRICT**  
MINUTES OF THE REGULAR MEETING OF WEDNESDAY, NOVEMBER 22, 2017

Gates recalls that the reserves were a much-discussed priority of the board previously and there was some investigation into other ways to fund the projects via financing. Kennedy discussed the history of dry-loan periods in the past for operating expenses. Hansell shared his experience on that with other CSD's but the District is not anticipating that problem for operation costs. Cavagnaro presented a map of the District showing the long-term CIP planning which is based on the priorities coming out of the large spill that occurred years ago. He explained that the project order was determined by cleaning records from Roto-Rooter and some large projects were pushed back since they will require higher expenses that the District may need to save for. Hansell asked if lower cost projects could be combined together to optimize the District's CIP budget and how it would impact efficiency if separate lines were simultaneously underway. Cavagnaro's preference is to work on the easement lines since access to them is more difficult. Hansell asked about the reverse-grade problem with the line on Shell. Cavagnaro's proposal for that line is to make an improvement to the Mill Valley section by open cutting to change the grade. Given the large expense for such a project, Cavagnaro suggests just continuing to clean the line more frequently.

Combining a number of different lines planned for the next few years was discussed. For the December meeting, Hansell requested that Nute propose a CIP with a total budget of \$350K but one that includes bid alternates so the board can decide whether some of the funding will go to reserves. Cavagnaro said he would proceed on that.

c. Connection Fees for Second Units – Policy Update:

Hansell confirmed that the board received a recommendation from County Counsel to no longer enforce any second unit connection or fixture unit charges that might conflict with recent California laws.

*Motion: To not enforce any portions of Ordinance 2015-02 with regards to second unit connection fees or fixture unit charges that conflict with current California state law.*

*Moved: Kennedy, seconded by Gates*

*Vote: Ayes: Bosenko, Kennedy, Nash, Gates*

*Nays: None*

d. Public Outreach for Alto Sanitary District Issues:

Nash researched the information posted by Zero Waste Marin and Save Our Bay. Since other work has been spearheaded by Director Gainer, the board will follow-up with him at the next meeting. Hansell asked to confirm that the Board does not want to send the recent Zero Waste Marin grant to SASM (which is what Homestead Valley Sanitary District decided to do.)

Bosenko confirmed that but also does not want to repeat any work that SASM is doing. Hansell noted that there will probably be overlap with the MVRS recycling issue that is pending.

Cavagnaro pointed out that any outreach on lateral issues is also an opportunity to educate about the District's permit and inspection policies. Hansell thanked Nash for his research work.

e. MVRS Recycling Issue:

In general, Bosenko indicated her concern about sending recycling abroad. Increased costs to MVRS for single stream recycling has led to a proposal to either splitting the collection schedule or seeking increased fees. Gates feels that a third option was not presented which would be for MVRS to bear the market change in the cost and wait until the next cycle to adjust their fees. The board agreed that neither of the options presented should be accepted.

**ALTO SANITARY DISTRICT**  
**MINUTES OF THE REGULAR MEETING OF WEDNESDAY, NOVEMBER 22, 2017**

- f. Properties Requiring Sewer Lateral Inspections/Repairs:  
Hansell stated that progress is being made and further details will be provided at a future meeting.

**6. Manager's Report:**

The written report was reviewed but no questions were asked.

**7. Reports on Outside Meetings:**

- a. SASM Board Meeting – The November meeting was canceled.
- b. District Managers' Meeting – Hansell said the SASM manager raised the issue of developing common standards and specs for all the agencies. Hansell noted that Alto's are only a couple of years old while some of the other agencies are much older. Cavagnaro discussed efforts in the past to create a Marin County standard. He suggested joint discussions with the Mill Valley engineering manager on this subject.  
The managers also reviewed the pump station work and the bid packages for the treatment plant. Homestead Valley and TCSD have also had project work done recently.

**8. Future Agenda Items:**

Hansell reminded the directors that elections for the 2018 board officers would be held in the December meeting.

**9. Directors' Open Time:**

No comments were made.

**10. Adjournment:**

*Motion: To adjourn the meeting at approximately 9:21 p.m.*

*Moved: Kennedy, seconded by Nash*

*Vote: Ayes: Bosenko, Kennedy, Nash, Gates*

*Nays: None*

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, DECEMBER 27, 2017**