

ALTO SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF WEDNESDAY, MARCH 28, 2018

1. Call to Order and Roll Call:

President Janis Bosenko called the meeting to order at 7:40 p.m.
 Other board Members present: Secretary/Treasurer Tania Kennedy, Directors Roger Gainer, Todd Gates, and Marc Nash.
 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: Bosenko, Gainer, Gates, Kennedy, Nash
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 02/28/18.
- b. Financial Report for February 2018 and March 2018 List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$437,852.51 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 \$400,862.20 (not incl. any pending tax revenue.) The Reserve Fund has a balance of \$218,288.97. The most recent Personnel Payment account balance is \$3,793.05. The following warrants were included for approval:

Warrants to be issued:

<u>Check #</u>	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00213	Alto Sanitary District	Personnel Payment Account	4,000.00
00214	Bill Hansell	Printer Ink	10.81
00215	AT&T	Office Telephone 41538836960732	118.18
00216	Consumer Cellular	Cell Phone Acct #102040632	21.92
00217	Nute Engineering	CIP Engineering FY2017-18	16,082.90
00218	Nute Engineering	Lateral Oversight	354.00
00219	Nute Engineering	Gen Engineering - 70 N Knoll Annex	192.00
00220	Nute Engineering	Gen Engineering - Maintenance Mtg	937.00
00221	Roto-Rooter Plumbers	USA	606.50
00222	Roto-Rooter Plumbers	Cleaning	10,340.00
00223	Roto-Rooter Plumbers	Unscheduled Services (SSO)	4,168.00
00224	Roto-Rooter Plumbers	Main repair at 38 Meadow	1,645.00
		Total Warrants:	38,476.31

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

5. New Business:

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

Pippin Cavagnaro with Nute Engineering discussed the scope of the CIP project including particular construction challenges to each of the lines intending to be replaced. The bid results were reviewed. Details on the low bid were discussed including the contractor's experience since the company is relatively new. Cavagnaro explained his research into the background as well as a bid form error by the contractor that was in the District's favor. The contractor stood by the overall price and stated that the unit price was incorrect. Gainer asked if Cavagnaro was comfortable with the selection. Cavagnaro said that the crew has experience and that their bonding looks acceptable so far.

Gates asked what Nute's estimate was and Cavagnaro stated \$225K on the base where the contractor came in at \$173K and +/- \$150K on the add alt with the contractor at +/- \$109K. The contract is for 60 calendar days with liquidated damages if the project is not finished after that. Gainer asked if approval could be accepted based on bonding and Cavagnaro agreed that would be the contingency for award. Hansell pointed out that the total of the base award plus the add alt would be under \$300K and given the influx of tax revenue in April, the cash flow should be sufficient to complete the project. Hansell said he is somewhat concerned about the line item and unit pricing costs that are so much lower in the leading bid compared to the others but given the overall savings the District would have funds if necessary to deal with errors and increased management and could still bring the total project cost in lower than the other bids. Hansell confirmed that Nute will need to remain diligent in their project management. He also said the added soft costs (i.e. management) for the project will still keep the total cost under budget.

Hansell reviewed the private lateral list associated with the project and discussed progress on notifications and work with homeowners. He explained his recommendation to homeowners to wait until the main was replaced so that the District could supply the property line clean-out rather than the resident installing it in advance.

Motion: To accept the low bid from Glossage Engineering Inc for the CIP work contingent upon confirmation of all bonding and insurance.
Moved: Gainer, seconded by Kennedy
Vote: Ayes: Bosenko, Gainer, Gates, Kennedy, Nash
Nays: None

b. Public Outreach for Alto Sanitary District Issues – Discuss options & priorities:

Director Nash presented materials he gathered for consideration including web and print based info. The board discussed the advantages/disadvantages of the various ads and it was suggested

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that a simple single message would be best to start with. Director Nash said he would forward info to Hansell to follow up.

c. Draft FY2018-19 Budget Review:

Hansell reviewed the first draft for next year's budget. The revenue includes the increased service charge previously planned for in the 218 process. Total revenue should increase by approximately 15%. In terms of expenses, the SASM charge will increase and is listed as the amount estimated by SASM staff. Most of the expense categories remain consistent with the current year although some changes were noted. Legal costs are estimated to increase due to some pending topics. Admin costs are expected to increase slightly. Payroll is listed as unchanged but Hansell asked the board to consider a CPI increase for his salary. September marks the end of his second year at Alto and there has not been any change since he started. It would be appreciated personally but it is also good practice because if a manager stays in a position a long time and there is no CPI increase then the District is faced with a larger expense jump at the time of transition.

Gates asked about how the CIP expenses are tracked and estimated relative to the budget. Hansell explained how some CIP costs were spanning multiple fiscal years so it can be confusing. He also said that the budget shows relative changes to the fund balance but does not list the total account balance. From what he has reviewed, it appears the District will be able to continue doing annual CIP projects in the \$300K range. Gates said that he is interested in seeing what funds are available for transfer to the reserve account after this CIP is finished.

d. Courtney Lane Shared Private Main – Notice to Owners of Maintenance Issue

Hansell described the shared private main on Courtney and the lateral inspection that revealed the question of ownership and maintenance. Hansell received a response from County Counsel recommending that a contract be established between the District and the homeowners prior to the start of any regular maintenance work. Bosenko asked if the District could just take over the private main but Cavagnaro recommended that the line should be brought up to code prior to the District's acquisition of it and given its current condition that would involve the homeowners paying for replacement first. He argued that they would probably not want to do that and would prefer to pay a service fee for maintenance. Gainer stated that any contract should include indemnification for the District. Bosenko asked if the HOA could pay Roto-Rooter directly which seems possible. Hansell is concerned that the HOA does not seem to be active so there may be no entity that can respond or organize payments.

As a side note, Hansell would like to know what other similar conditions like this existing in the neighborhood. Cavagnaro described a couple more he is aware of. Hansell described recent issues with Birds Nest Court involving a main that the District owns under a private street owned by the apartment complex. The owners complained about the condition of the road around the man hole covers and expressed concern that the covers and/or main was failing. Hansell asked Roto-Rooter to inspect the line and they confirmed that the line was in good shape.

Hansell asked Nute to catalogue other situations like this so they can be managed. He will work with counsel to send the Courtney Lane homeowners a letter about the issue. Gates asked if the District should require replacement given its non-conformity. Hansell said that the Ordinance

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would allow for that but the District may want to start with the maintenance issue first.

6. Manager's Report:

The District did not have any new spills in March but the repair cost was listed for the late February event on Meadow. A substantial amount of maintenance was recently conducted. There will be some additional cleanings later in the Fall. Hansell mentioned the history of 70 Knoll Rd which will be applying for annexation to the District for service. The topic will be listed on a future agenda and will take some time to work out as it involves approvals from LAFCO as well as a service agreement with the District. Hansell is working with counsel and Nute on the wording of the agreement and the responsibilities for cost to extend the District's main on Thomas Drive. The expiration of board seats was mentioned and Hansell will agendize a resolution required by the County to consolidate the election in the Fall prior to the deadline for submittal.

7. Reports on Outside Meetings:

- a. SASM Board Meeting of 03/15/18 – Gainer reported that he attended his last meeting as SASM representative. Most of the meeting covered the audit but Gainer also noted the annual report showing all the accomplishments over the past year. Gainer said that the Board directed SASM management to develop unified specs for the agencies and Nute will be working on that. He noted that Alto's specs were just revised a few years ago.
- b. District Managers' Meeting of 03/14/18 – Hansell said the meeting covered the same issues described by Gainer but added that there was some discussion on the "FOG" program, i.e. Fats, Oils, and Grease. Alto does not have any restaurants so that issue is constrained to household disposal.

8. Future Agenda Items:

- a. Select an alternate rep for SASM Board
- b. District election

9. Directors' Open Time:

Hansell stated that his family is expecting a baby boy on 05/31/18 so he should be available for the May meeting (05/25/18) but will have to confirm as the date approaches.

10. Adjournment:

Motion: To adjourn the meeting at approximately 9:26 p.m.

Moved: Kennedy, seconded by Gainer

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

Nays: None

Minutes respectfully submitted by Bill Hansell.

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**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, APRIL 25, 2018**