

ALTO SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF WEDNESDAY, APRIL 25, 2018

1. Call to Order and Roll Call:

President Janis Bosenko called the meeting to order at 7:34 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: Gainer, seconded by Kennedy.

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 03/28/18.

b. Financial Report for March 2018 and April 2018 List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$400,939.29 after adjusting for all revenues and warrants cleared by the meeting date. After payment of the proposed warrants and application of deposits, it will have a balance of \$371,490.48 (not incl. any unreported tax revenue.) The Reserve Fund has a balance of \$218,288.97. The most recent Personnel Payment account balance is \$3,785.22. The following warrants were included for approval:

Warrants to be issued:

<u>Check</u> <u>#</u>	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00225	Alto Sanitary District	Personnel Payment Account	3,700.00
00226	Bill Hansell	Printer Ink	20.03
00227	AT&T	Office Telephone	118.29
00228	Consumer Cellular	Cell Phone	21.89
00229	Nute Engineering	CIP Engineering FY2017-18	5,129.10
00230	Nute Engineering	Lateral Oversight	1,593.00
00231	Nute Engineering	Gen Engineering - 70 N Knoll Annex	182.00
00232	Roto-Rooter Plumbers	USA	1,310.00
00233	Roto-Rooter Plumbers	Cleaning	7,519.50
00234	Roto-Rooter Plumbers	Unscheduled Services (Birds Nest Ct)	1,675.00
00235	Roto-Rooter Plumbers	Main repair at 12 Lomita	2,887.00
00236	BreakPoint Sales	Information Mailers Contract	5,022.00
00237	SASM	2018 CSRMA Liability Insurance	844.00

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Total Warrants: 30,021.81

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

5. New Business:

a. MVRS Rate Increase Request:

Hansell introduced Jim Iavarone with Mill Valley Refuse Service to discuss the proposed service rate increase. Iavarone stated that the City of Mill Valley has hired R3 Consulting to analyze the request and make a recommendation which will also be available to the Alto Board. Gainer asked if the percentage increase is similar to Mill Valley and Iavarone confirmed that it was. Gates asked if R3 would audit all the financials and Iavarone said that R3 has requested 3-yr prior info as well as methods for projection of recycling costs. Kennedy asked if R3 was the consultant for prior reports and Iavarone confirmed that they had done it at least two times before. Gainer asked if the idea to split the rate increase to list it as a “temporary surcharge” based on current conditions plus the regular increase would be acceptable. Iavarone said he would be amenable to that understanding that they are trying to find a longer terms solution to the recycling cost problem. He believes it would be a good way to communicate to the agencies and the public the scale of the problem. Gainer noted that it’s important to use this opportunity to further educate the public on proper recycling. Iavarone said that they will be publishing a print advertisement explaining the problem with contamination and the issue with China’s reduction in accepting waste. The Chinese market is now producing its own recycling needs internally so other countries are being investigated as options. Gates asked if dual-stream was even viable given this and Iavarone explained details on the separation issues and said that dual-stream has its own issues. Mixed plastics are a significant problem. Even though different types of plastic may be labeled as “type 1” they may not be able to be mixed. The processing cost for increased separation is hard to predict. Bosenko asked if there were domestic destinations instead of foreign ones. Iavarone noted that the law requiring diversion of 50% of waste assumed that a market would subsequently develop to accept the recyclables but China became the main resource with few other options. Iavarone said that there are new technologies for separating waste but they have high capital investment costs. Kennedy asked about bio-degradable containers. Iavarone said those are directed to garbage and not recycling. Some containers break down but they are still plastic and that type cannot be mixed with other plastic even when they have a non-plastic component. Gainer asked if there is anything else that Iavarone needs from the Board prior to the presentation of the report. Iavarone mentioned the dual-stream pilot program that MVRS is starting. If that works, Marin Sanitary has stated a cost of \$17/ton versus the current \$72/ton for accepting recyclables (versus \$0/ton a year ago.) Kennedy asked for more details on dual-stream and Iavarone explained the process and options. Gates asked what motivated the other agencies to switch to dual-stream containers & trucks. Iavarone said that it was Marin Sanitary’s mission to do that and up until this year there was no financial reason to go that way. Iavarone said that the concept sounds good but there are technical challenges with the trucks. Iavarone said that MVRS will be offering stickers to repurpose existing cans as recyclable containers or will have new containers available. There will be a learning curve

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on what is feasible in the District and MVRS will have to see what capital investments are necessary for dual-stream. Hansell asked for clarification on the contract with the bottom line being that whatever increased costs are associated with solving this crisis will be paid by the customer since the basis of the contract is cost-plus. Gates asked if the increased expenses MVRS experienced since the last contract amount would be added to the next contract and Iavarone said that is not allowed. Hansell mentioned that Zero Waste Marin wants to discuss how this situation will affect recycling in general. Iavarone said that MVRS is in communication with Zero Waste Marin on a consistent basis re: the achievability of state and local goals. Bosenko said that her feeling is that shipping recyclables to other countries is not “zero-waste.” Gainer quoted the state bills dictating recycling and diversion. Bosenko thanked Iovarone for attending the meeting and looks forward to seeing the report from R3 Consulting. The proposal will need to be reviewed and approved again before the end of June.

b. 2017-2018 Marin County Civil Grand Jury report “Consolidation of Sanitation Districts”:

Hansell said that he needs to look up the prior response from the District on consolidation. While the issue came up briefly during the prior SASM board meeting, he assumes that there will be a joint response. Hansell was surprised by the lack of depth in the report. Gates noted the focus on central Marin. Gainer remarked on problems with the central Marin agencies. He also noted the lawsuit by Sausalito against TCSD and the lack of representation that TCSD has on the Sausalito board. Hansell read the specific paragraph that the Grand Jury requires a response to. Gainer would like LAFCO to substantiate that Alto would see cost savings as opposed to expense increases for staff, related benefits, and equipment. Kennedy commented on the unfortunate timing of this report coming so soon after a rate increase and how that might influence an assumption that consolidation would trigger savings. Hansell discussed the relationship of this report to LAFCO’s next review of sanitary districts. Gainer and Kennedy reminded the board of work during the last election to canvas the neighborhood. Hansell asked about inequities between the agencies in the revenue column which would influence the feasibility of consolidation. Gainer said that the last time this was looked at expenses would increase for the District. Gates asked what the process will be for response. Hansell said the issue will be discussed with the other managers and that SASM will have its own response. Gainer said that he agrees that the issue has to be looked at and there may be a different conclusion than the last time it was analyzed but he is concerned about consolidating with certain agencies that have been historically problematic.

c. Resolution 2018-02 – A resolution 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 Marin County Elections Department.

Motion: To approve Resolution 2018-02 as stated.
Moved: Gainer, seconded by Kennedy.
Vote: Ayes: Bosenko, Gainer, Gates, Kennedy, Nash
Nays: None

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

Hansell explained that the project is slowly getting started due to an error on the insurance and bonding papers that failed to include the add alts in the scope. Hansell said that the contractor is ready to start video inspections of the lines. Gainer asked about the replacement of the temporary repair of the main next to 16 Lomita Dr which will be permanently fixed by the CIP. He asked Hansell to check on the drainage there and noted a subgrade box that is filled with bricks which appeared odd. Hansell said he would ask Nute to look at it when they are reviewing the main work.

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

Hansell looked into graphic designers and printers since the last meeting and he spoke to Greg Knell with Breakpoint Sales who worked on similar mailers for Novato and Central Marin. Hansell has included the proposal in the current board packet and checked with Zero-Waste Marin to make sure that they were OK with the use of the grant money for the proposal. The board agreed that the proposal looked good and Hansell will move forward executing it.

f. Draft FY2018-19 Budget Review:

The draft was presented. Hansell requested that the board consider a CPI increase for his position. Gainer requested a closed session for the next meeting and Hansell said he would add that to the agenda. Gainer asked if there was enough funding for engineering costs. Hansell stated that the budget seems OK but he can bump it up slightly for a greater margin of error. Bosenko asked if the MarinMap membership is going to go up. Hansell said that the hope is that it will go down if Mill Valley can agree to drop their individual membership but that still has to be discussed.

g. Alternate Representative to SASM Board:

Motion: To appoint Marc Nash as alternate representative to the SASM Board.

Moved: Gates, seconded by Kennedy.

Vote: Ayes: Bosenko, Gainer, Gates, Kennedy, Nash
Nays: None

6. Manager's Report:

Hansell presented the EDU count given to SASM for calculating the District's share. Overall, the count went down. There were no spills last month. Roto-Rooter informed Hansell that they will be changing their billing dates to reduce their collection schedule. In contrast, Hansell noted problems with Nute in receiving invoices in a timely manner. Hansell is responding to the request from 70 Knoll Rd for a draft service agreement and main extension contract which will eventually have to be approved by LAFCO as the property falls outside Alto's boundaries. The agreement will not be signed without further review by counsel and the board so the issue is still on hold. Gainer wants to make sure that Alto is not liable for any private lateral issues with their property when the extension is built. Hansell completed an inspection at 71 Shell Rd to verify whether an additional unit had been added but it was just a bedroom and bathroom with no kitchen and therefore will not have a second EDU charge. Hansell reviewed the election filing period from 7/16 to 8/10 which will include Directors Gainer, Kennedy, and Nash.

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7. Reports on Outside Meetings:

- a. SASM Board Meeting of 04/19/18 – Gates reported that he attended the Camino Alto pump station ribbon cutting and it was a nice event. The Board authorized emergency repairs at the break that occurred near the Strawberry Recreation Center. The meeting was also the annual workshop and the Board discussed priorities for the next year. The Board could not discuss the Grand Jury Report yet because it had not been officially released. Gainer shared a photo of his attendance at the CIP ground breaking ceremony.
- b. District Managers' Meeting of 04/11/18 – Meeting was cancelled.

8. Future Agenda Items:

- a. Closed Session to discuss the District Manager's position

9. Directors' Open Time:

Nothing to report.

10. Adjournment:

Motion: To adjourn the meeting at approximately 9:03 p.m.

Moved: Kennedy, seconded by Gates

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, MAY 23, 2018**