

ALTO SANITARY DISTRICT
MINUTES OF THE MEETING OF MONDAY, FEBRUARY 24, 2016

1. Call to Order and Roll Call: Chairman Stanley Bransgrove called the meeting to order at 7:31 p.m. Board Members present: Directors Janis Bosenko, Pedro Femenia, Roger Gainer and Todd Gates. Also present, Manager Roger Paskett.
2. Visitors to the Meeting and Open Time for Public Expression: There were no visitors from the public.
3. Closed Session pursuant to Government Code Section 54957 PUBLIC EMPLOYEE PERFORMANCE EVALUATION Title: District Manager – Immediately after bringing the meeting to order the board went into Closed Session and manager Paskett was asked to leave the room.
4. Report on Closed Session – Paskett was brought back into the room. Chairman Bransgrove informed Paskett that the board unanimously approved a \$1,600 bonus to him for the very excellent work that he has been doing. Paskett thanked the board for their vote of confidence and took it to mean that he is doing the right things on behalf of the board.
5. Minutes of the Meeting of January 27: Chairman Bransgrove called for a motion to approve the minutes as submitted. Action taken: M/S Femenia/Gates that the minutes of the meeting of January 27 be approved as submitted; approved 5-0
6. Manager's Report: Paskett reported that there was very little activity this month. There was no sewer maintenance, there were no sewer overflows, and no inspections to report. Nute Engineering continues to work on the plans for the CIP at the Islamic Center parking lot but there is nothing to report at this time.

Paskett reported to the board that he had done some investigation to understand how road moratoriums work in order to answer the question raise at the January meeting, “why have sewer laterals been installed on Shell Road while it is under a moratorium?”. The answer is that each construction project is taken on a case-by-case basis so that even though the County has a rule to make the contractor re-pave the entire road, 40 feet in either direction of the cut in the street, the actual amount of repair required could be far less, depending on the current road condition. Director Gainer asked if the District also replaced the lower lateral while replacing the sewer mains recently. These repairs were made on roads that are now under moratorium. If lower laterals were replaced then it will make our job much easier to convince residents to fix their laterals because they will have only the portion on their property to do. Paskett did not know the answer to the question but would find out from Nute Engineering and report back to the board.

7. Reports on outside meetings
 - a. SASM Boar Meeting – Director Gainer attended the February 18th SASM board meeting and reported:
 - i. Private Lateral Replacement Program (PLRP) has only two years left before SASM must meet its goal of 400 TV inspections and 200 lateral replacements. With about half of the goal met we may not meet the goal, requiring SASM to pay back the \$600,000 seed money to the State as a penalty.
 - ii. Prop 218 consultant – Richardson Bay Sanitary District and Tamalpais Community Services District hired a consultant to help them market their rate increase when they did it last year. It cost them \$20,000. That amount is probably too much for Alto.

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- iii. Sutton Manor Pump Station is over budget because the lowest bid is higher than the estimated amount.
 - iv. During wet weather the wastewater plant had high flows due to Inflow and Infiltration but no spills resulted and there were no violations to report.
 - v. Subsequent to the meeting Director Gainer discussed the idea of the member agencies piggy-backing on the SASM bond with Mill Valley City Manager Jim McCann. McCann said he would get back to him after he talks to the bond broker. Gainer hopes to get an answer by next week.
- b. District Manager's Meeting – Manager Paskett reported that Bridget VanBelleghem of the Marin County Planning Department gave a presentation at the meeting to present their project of assessing how communities will be affected by sea level rise over the next 30 years or so. She asked the managers in attendance to complete a survey describing the vulnerabilities of their districts and the possible adverse effects on District assets.
8. Financial Report and List of Disbursements Paskett reported that income this month was \$28,373.42. With January warrants amounting to \$14,946.26 a balance of \$248,265.90 was left in the O&M account. After expenses this month the account will hold a balance of \$161,621.05. The personnel payment account had a balance of \$763.03 after payroll last month. The reserve account had no activity and has a balance of \$200,000. The following list of expenses (check nos. 1005 to 1009) was submitted for approval.

FUND 72200

Ending Balance 12/31/15, Beginning Balance 1/01/16		234,657.16
December Income Adjustment - County Finance 2/09/16	181.58	234,838.74

Revenues:

Prop Taxes - Current Unsecured	7.40	
Prop Taxes - Supplemental - Current Year Secured	277.86	
Prop Taxes - Redemptions	2.31	
State Homeowners Prop Tax Relief	85.85	
Public Housing Sewer Service Charge	28,000.00	
Total Revenues		28,373.42

Debits:

Checks issued 1/27/16 (00997 thru 01004)		<u>(14,946.26)</u>
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Ending Balance in Fund 72200 as of 1/31/16 **248,265.90**

FUND 34120

Balance on 1/01/2016		200,000.00
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Revenues:

None	<u>0.00</u>	
Total Revenues		0.00

Debits:

None

Ending Balance in Fund 34120 as of 1/31/16 **200,000.00**

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LIST OF EXPENSES FOR 2/24/16

<u>CHECK</u>	<u>PAY TO</u>	<u>FOR</u>	<u>AMOUNT</u>
		Personnel Payment	
1005	Alto Sanitary District	Account	3,200.00
1006	Roto-Rooter	Location - January	193.50
1007	AT&T	Telephone Service	68.80
1008	Marin County Tax Coll.	County Counsel for 2nd Quarter	871.25
1009	SASM	Member Agency Assmnt - Pymt #1	82,310.50
			(86,644.05)
Balance in Fund 72200 after payment of above:			161,621.85

PERSONNEL PAYMENT ACCOUNT

Ending Balance 1/16/2016	912.25	
Deposit 2/01/2016	<u>3,000.00</u>	
		3,912.25
August Withdrawals		
Payroll	1,612.73	
IRS Tax Payment	1,174.58	
Employment Devel Edd Eftpmt	74.93	
Employment Devel Edd Eftpmt #2	274.98	
	Total Withdrawals	(3,137.22)
	Bank Fees	(12.00)
Ending Balance 2/12		763.03

Action Taken: M/S Gainer/Bosenko to approve the financial report and pay the above listed expenses;
 Approved 5-0.

9. New Business

- a. Item 9a: Consider Factors Requiring a Sewer Service Fee Rate Increase – Director Gainer opened the discussion with the affirmation that if we are going to pay for the mandated capital improvement projects slated for the next ten years as well as pay our share of SASM’s capital projects we are going to have to raise our sewer service fees. Gainer also impressed upon the group that, because the Proposition 218 process for raising fees takes about four months to complete we don’t have a lot of time to get this done. If we don’t raise rates this year we will have to dip into reserves to pay our bills, which would deplete our funds. Manager Paskett related information he collected last year when he thought a rate increase was imminent. Paskett suggested that there are two immediate tasks before us; 1) decide if, in fact, we need to raise the sewer fees now and 2) if we do raise rates, how

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will we implement the increase schedule. Director Bosenko suggested our CIP program could be considered discretionary which may give us some room in our budget thus reducing the pressure on our budget. Director Gainer countered that we are already behind in rehabilitating our collection system so we cannot delay our CIP program much, if at all. Director Femenia reminded us that we could utilize our \$200,000 reserves to attenuate the rate increase. He suggested that we could also borrow money from Marin County for the same purpose. In the end, directors Gainer and Gates agreed to form a sub-committee to study our options and report back to the board next meeting.

- b. Item 9b: Present Mill Valley Refuse Service – Draft Agreement – Manager Paskett gave a brief explanation that a new agreement is being drawn up to update the original agreement signed in June, 1965. Since then there have been fifteen updates to the original agreement, the last occurring in 1992. The latest update expired on December 31, 2015 and rather than drafting a sixteenth supplemental, Mill Valley Refuse Service is presenting a fresh rewrite as worked out with their lawyers and our counsel, Jack Govi. The relationship with MVRS with the District was explained to the new board members and what our responsibilities are in overseeing the contract with them. Director Bosenko reminded the board that the last time representatives from MVRS attended our meeting that they promised her an accounting of how many residents were taking advantage of the two yard cleanups allotted to them each year. She never heard back.

Manager Paskett was directed to:

1. Invite representatives of MVRS to the next board meeting to answer questions about the new contract.
 2. Find out if MVRS is advertising the Yard Cleanup adequately.
 3. Ask MVRS for statistics on how many people take advantage of the yard cleanup each year.
- c. Item 9c: Review Compensation for Directors of Special Districts – Director Gainer introduced the item because he is anticipating extra work for studying the impending rate increase and wanted to make sure that board members would be compensated for their time. Manager Paskett confirmed that California Code Section 5784.15 allows up to \$100 per meeting that Directors attend. Furthermore, Section 6489 of the California Health and Safety Code allow sanitary district directors to receive the per-meeting fee for up to six meetings per month.

10. Director's Open Time

- a. Director Femenia informed the board that he has not seen any signs of life at former director Joyce Miles' house. He thought that she might have been taken to Texas by her attendant.
- b. Manager Paskett asked the directors what address they wanted to place on the Statement of Facts Roster of Public Agencies Filing.
- c. Director Bosenko asked how the website development was going. Paskett said that he hasn't done anything since the last meeting but he is still looking for bios from the directors that he can use.

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11. Adjournment: M/S Bosenko/Femenia; approved 5-0. 8:45 pm

Minutes respectfully submitted by Roger Paskett

**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, MARCH 23, 2016**