

ALTO SANITARY DISTRICT
MINUTES OF THE MEETING OF MONDAY, APRIL 20, 2016

1. Call to Order and Roll Call: Chairman Stanley Bransgrove called the meeting to order at 7:33 p.m. Board Members present: Directors Pedro Femenia, Roger Gainer and Janis Bosenko. Also present, Manager Roger Paskett. Director Todd Gates was absent
2. Visitors to the Meeting and Open Time for Public Expression: There were no visitors from the public.
3. Minutes of the Meeting of March 23: Chairman Bransgrove called for a motion to approve the minutes as submitted. Action taken: M/S Gainer/Bosenko that the minutes of the meeting of March 23 be approved as submitted; approved 4-0
4. Manager's Report: Manager Paskett reported on the following:
 - a. USA locations - five.
 - b. Lateral Sewer Repairs – one. 7 Walker had their illegal second unit lateral replaced. The inspection revealed that the sewer lateral from the main house was not proper and a 180 Conditional Use letter was sent to the owner to have it fixed.
 - c. Sewer overflows – none.
 - d. Fixture Count Inspections – none. But there is construction at 24 Shell Road that will add fixtures and will require a sewer lateral inspection before the final inspection from the County.
 - e. Roto-Rooter continued its annual cleaning program, this month cleaning about 2,360 feet of sewer main. Root accumulation found in most pipes.
 - f. Shell-Lomita Adverse Grade Study – Nute Engineering has not presented their report to the SASM board yet but preliminary findings indicate that the best solution to the adverse grade may be replacing the 6-inch sewer main between manhole 110.01 on Shell Road and manhole L18 on Lomita Drive with a 12-inch sewer. Replacing this section of pipe would have to be done with an open trench method as pipe-bursting would not remove the sags in the line.
 - g. 2015-16 CIP Project – the bid opening will be on May 18th at 2:00 pm at the SASM conference room and the winning bid will be presented to the board for approval at the May 25th meeting.
5. Reports on outside meetings
 - a. SASM Board Meeting – No report because the April SASM board meeting hasn't happened yet.
 - b. (District Manager's Meeting – Manager Paskett reported the following:
 - i. Rate Increases in each district – RBSD hired a consultant for \$20,000 to help them perform a rate study to establishing a sound basis for the new rates RBSD will be charging. RBSD's fliers, produced by the consultant, were handed out to the Directors for review. Director Gainer thought that having a rate study is a good idea.
 - ii. Marin Map – Mark Grushayev asked the managers if they were using Marin Map's services and if they felt it was worth it to continue membership. None of the managers said they were using it directly. Based on this, Mr. Grushayev may request that SASM discontinue membership at a future board meeting.

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- iii. Sewer Standards – Mark Grushayev, being impressed with the set of standards that Alto Sanitary adopted last year, asked if the managers were interested in adopting a set of standards common to all districts. There was no interest from the managers so the idea was dropped.
- iv. Summer Construction – Mill Valley will be starting work in June (once school gets out for the summer) on the section of Miller Avenue between Willow and Reed Streets. Some SASM sewers will be replaced as part of this project. At the same time, SASM will be replacing the force main on Camino Alto between Miller and Sycamore Avenues. Both projects will be going on at the same time so expect traffic congestion.

6. Financial Report and List of Disbursements Paskett reported that income this month was \$643.19. With March warrants amounting to \$16,788.49 a balance of \$149,168.34 was left in the O&M account. After expenses this month the account will hold a balance of \$134,667.68. The personnel payment account had a balance of \$357.60 after payroll last month. The reserve account had no activity and has a balance of \$200,000. The following list of expenses (check nos. 0001 to 0007. Note the numbers are starting over because the County implemented a new processing system and issued us new checks) was submitted for approval.

LIST OF EXPENSES FOR 4/20/16

<u>CHECK</u>			
<u>NUM</u>	<u>PAY TO</u>	<u>FOR</u>	<u>AMOUNT</u>
0001	Alto Sanitary District	Personnel Pymt Account	3,200.00
0002	Nute Engineering	Engineering work for February-March	4,666.98
0003	Roto-Rooter	Location, Annual Maintenance continue	5,621.75
0004	AT&T	Telephone Service	68.80
0005	Consumer Cellular	Cell Phone	22.13
0006	SASM	Annual CSRMA Insurance Pymt	621.00
0007	Roger Paskett	Office Fund - Prop 218 notice printing	<u>300.00</u>
			14,500.66

Action Taken: M/S Gainer/Bosenko to approve the financial report and pay the above listed expenses; Approved 4-0.

7. Unfinished Business

- a. Grand Jury Report: 2015-16 Web Transparency Report Card: Bringing Marin County's Local Governments to Light – Manager Paskett opened the topic by briefly stating the Grand Jury's recommendations for improving our web transparency and their requirement for us to reply by June 10, 2016. Paskett noted that two of the three recommendations have been implemented on the Alto website. The third recommendation will take time to complete. The board reviewed the responses that were proposed in this item and agreed that they were appropriate.
M/S Gainer/Femenia that the Board direct manager Paskett to send the Marin County Grand Jury the responses proposed in this item (Item 7a) by June 10, 2016; approved 4-0.

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- b. Sewer Service Fee Rate Increase – Status Report on Funding Capital Improvement Plan – Manager Paskett explained that this status report was presented because of the possibility that the strategy that we are counting on of piggy-backing on with the SASM bond may not be approved and so other financing options should be explored. Paskett passed out reports not included in the board packet (but attached to these minutes) that show three pay-as-you-go scenarios for rehabilitating 80% of our collection system; one 15-yr and two 20-year CIP schedules. Director Gainer expressed that he was pushing for piggy-backing onto the SASM bond because he thought we were required to complete repairs in 10 years. Manager Paskett said that he was under the same impression. But after checking on this assumption he found it to be wrong. What is important to the EPA is that we have a plan and show progress.

Director Gainer proposed to the board that we should back off from trying to get bond money and extend our CIP plan to whatever is manageable. Paskett suggested that the pay-as-you-go approach be used to develop the basis for a budget for next fiscal year with a projection for completing all sewer repairs in 15 and 20 years. Director Gainer suggested that the firm who performed Richardson Bay Sanitary District's rate study might look at our district as well so that we could have a strong basis for the amount we are raising fees.

M/S Gainer/Bosenko that the manager Paskett contact the firm who performed Richardson Bay Sanitary District's rate-increase marketing campaign to give Alto Sanitary District a proposal to perform only the rate study portion of the work; approved 4-0.

8. Director's Open Time

- a. Director Bosenko asked if there was any news on the whereabouts of Joyce Miles. Director Gainer mentioned that he had seen some activity at the house. Director Femenia said he would ask a friend of Joyce's and get back to the board by next meeting.

9. Adjournment: M/S Gainer/Bosenko; approved 4-0. 8:15 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, MAY 25, 2016**

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Proposed five-year budget with 80% of Alto's lines rehabilitated in **15 years**.

PROJECT	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
ALTO CAPITAL PROJECTS										
55-77 Lomita easments	165,600									
49-47 Lomita easments			99,600							
SASM pump sta. pipe grade (?)		74,375								
Tower/Meadow to Meadow/Shell		189,000								
2-4 Lomita easments			94,800							
49 - 59 Lomita easments				60,000						
Intersection Shell/Lomita /w SASM				48,125						
63 - 71 Shell			103,250							
Walker St.				85,750						
Crystal Ct.				49,000						
Neila					138,250					
Lomita easment to Shell Rd					52,800					
Year 5 through year 10 projection						263,945	263,945	263,945	263,945	263,945
ALTO CAPITAL PROJECTS TOTAL \$3.8M:	165,600	263,375	297,650	242,875	191,050	263,945	263,945	263,945	263,945	263,945
(SASM % increase)	(28%)	(28%)	(8%)	(8%)	(6%)	(5%)	(5%)	(5%)	(5%)	(5%)
SASM ASSESSMENT (projected)	212,643	272,182	293,957	317,474	336,522	353,348	371,016	389,566	409,045	429,497
O&M BUDGET	126,865	130,671	134,591	138,629	142,788	147,071	151,484	156,028	160,709	165,530
RESERVE FUND ±	50,000	50,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL ANNUAL COST	\$555,108	\$716,229	\$746,198	\$718,978	\$690,360	\$784,365	\$806,444	\$829,539	\$853,699	\$878,972
cost per EDU (581.3)	\$954.94	\$1,232.12	\$1,283.67	\$1,236.84	\$1,187.61	\$1,349.33	\$1,387.31	\$1,427.04	\$1,468.60	\$1,512.08

Average per year (for 10 years)	\$757,989.07
Average cost per EDU per year (581.3)	\$1,303.96

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Proposed five-year budget with 80% of Alto's lines rehabilitated in **20 years**.

PROJECT	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
ALTO CAPITAL PROJECTS										
55-77 Lomita easments	165,600									
49-47 Lomita easments			99,600							
SASM pump sta. pipe grade (?)		74,375								
Tower/Meadow to Meadow/Shell		189,000								
2-4 Lomita easments			94,800							
49 - 59 Lomita easments				60,000						
Intersection Shell/Lomita /w SASM				48,125						
63 - 71 Shell			103,250							
Walker St.				85,750						
Crystal Ct.				49,000						
Neila					138,250					
Lomita easment to Shell Rd					52,800					
Year 5 through year 10 projection						189,297	189,297	189,297	189,297	189,297
ALTO CAPITAL PROJECTS TOTAL \$3.8M:	165,600	263,375	297,650	242,875	191,050	189,297	189,297	189,297	189,297	189,297
(SASM % increase)	(28%)	(28%)	(8%)	(8%)	(6%)	(5%)	(5%)	(5%)	(5%)	(5%)
SASM ASSESSMENT (projected)	212,643	272,182	293,957	317,474	336,522	353,348	371,016	389,566	409,045	429,497
O&M BUDGET	126,865	130,671	134,591	138,629	142,788	147,071	151,484	156,028	160,709	165,530
RESERVE FUND ±	50,000	50,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL ANNUAL COST	\$555,108	\$716,229	\$746,198	\$718,978	\$690,360	\$709,717	\$731,796	\$754,891	\$779,051	\$804,324
cost per EDU (581.3)	\$954.94	\$1,232.12	\$1,283.67	\$1,236.84	\$1,187.61	\$1,220.91	\$1,258.90	\$1,298.63	\$1,340.19	\$1,383.66

Average per year (for 10 years)	\$720,665.07
Average cost per EDU per year (581.3)	\$1,239.75

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Proposed five-year budget with 80% of Alto's lines rehabilitated in **20 years**. Flat CIP

PROJECT	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
ALTO CAPITAL PROJECTS										
55-77 Lomita easments	165,600									
49-47 Lomita easments			99,600							
SASM pump sta. pipe grade (?)		74,375								
Tower/Meadow to Meadow/Shell		189,000								
2-4 Lomita easments			94,800							
49 - 59 Lomita easments				60,000						
Intersection Shell/Lomita /w SASM				48,125						
63 - 71 Shell			103,250							
Walker St.				85,750						
Crystal Ct.				49,000						
Neila					138,250					
Lomita easment to Shell Rd					52,800					
Year 5 through year 10 projection						189,297	189,297	189,297	189,297	189,297
ALTO CAPITAL PROJECTS +3%/Year:	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
(SASM % increase)	(28%)	(28%)	(8%)	(8%)	(6%)	(5%)	(5%)	(5%)	(5%)	(5%)
SASM ASSESSMENT (projected)	212,643	272,182	293,957	317,474	336,522	353,348	371,016	389,566	409,045	429,497
O&M BUDGET	126,865	130,671	134,591	138,629	142,788	147,071	151,484	156,028	160,709	165,530
RESERVE FUND ±	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL ANNUAL COST	\$559,508	\$628,854	\$660,728	\$694,648	\$724,412	\$752,274	\$781,310	\$811,569	\$843,108	\$875,982
cost per EDU (581.3)	\$962.51	\$1,081.81	\$1,136.64	\$1,194.99	\$1,246.19	\$1,294.12	\$1,344.07	\$1,396.13	\$1,450.38	\$1,506.94

Average per year (for 10 years)	\$733,239.15
Average cost per EDU per year (581.3)	\$1,261.38