

**ALTO SANITARY DISTRICT**  
MINUTES OF THE MEETING OF WEDNESDAY, JUNE 28, 2017

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

Chairman Stanley Bransgrove called the meeting to order at 7:35 p.m.

Other board Members present: Directors Janis Bosenko, Roger Gainer, Todd Gates, and Tania Kennedy.

Board Members absent: None

Staff present: Manager Bill Hansell.

**2. Adoption of the Agenda:**

*Motion: To adopt the agenda with 5a advanced as the first item of business.*

*Moved: Bosenko, seconded by Gainer.*

*Vote: Ayes: Unanimous*

**3. New Business:**

- a. Capital Improvement Project FY2016-17: Pippin Cavagnaro with Nute Engineering presented a progress update. Cavagnaro noted that this is the first time that the District has had a CIP with the full force of the Lateral Ordinance. He pointed out that Hansell has been diligent in pursuing lateral inspections and balancing the load of that work with Nute as a resource. A number of pipes have repairs required and shared pipes have been discovered. Kennedy asked if shared laterals are grandfathered in. Cavagnaro said that would be addressed during the upcoming EDU count, i.e. whether these laterals are for second units that are not being billed for. Generally, the GC started with good intent and resident contact but became overwhelmed with the schedule early on. After digging to discover locations his crew started to wear on residents' patience. At this point, "C" line pipe has been installed.

Cavagnaro discussed various issues with particular addresses and how they are being handled. He explained that the GC initially offered to fix private laterals but given his labor contract he cannot offer competitive rates relative to local plumbers. Cavagnaro then reviewed the GC's verbal request for additional project time. Gainer asked if the GC was requesting additional funds and was told that there were some additional expenditures that the GC wants to be reimbursed for. Some expenses are related to private properties and may need to be back-charged to the homeowners.

Hansell noted the residents' concerns/complaints about schedule and that Nute should address this with the GC. Hansell stated that GC requests for time extensions relative to private lateral work are not justified since the District pointed out in the pre-con mtg that the GC should prioritize the District's schedule over additional private contracts. Cavagnaro said that the GC is going to be enlarging his crew and that will help. Gainer asked for Cavagnaro's recommendation on accepting additional contract days. Cavagnaro suggested offering a portion of the days but pushing back on the add cost claims.

Gates asked if a new schedule has been provided. Cavagnaro outlined the latest target dates from the GC as well as his response. Gates is not ready to grant any additional time at this point since the written schedule has not been updated and there seems to be an apparent

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lack of strategic focus. Cavagnaro confirmed that formal change orders have not been submitted. Gates suggests waiting to see if the GC increases his pace and questioning whether any extra work actually correlates to extra days. Hansell emphasized the impact on residents' patience if the work pace does not pick up. Kennedy asked if the GC had planned for contingency in his schedule. Cavagnaro pointed out that the schedule was set in the bid docs.

Cavagnaro stated that the GC has not submitted any payment requests to date. Hansell asked Cavagnaro to make sure the GC knows the next payment opportunity is at the 7/26/17 meeting. Gainer indicated that the next meeting is near the deadline for the project so no change order requests will be considered before then. Bransgrove asked if the change order process was in the contract and Cavagnaro confirmed it was and explained the different CO triggers.

Cavagnaro noted that from the standpoint of lateral improvements, this CIP will be a success even though homeowners are having to deal with deferred maintenance issues. Gainer asked if Cavagnaro will be returning at a later date to discuss the next CIP. Cavagnaro agreed he would be happy to do that.

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

No visitors attended the meeting.

**5. Consent Calendar:**

- a. Minutes of the Meetings of 05/24/17.
- b. Financial Report for May 2017 and List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$551,184.48 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 \$444,942.97 (not incl. pending tax revenue.) The Reserve Fund has a balance of \$217,025.15. The most recent Personnel Payment account balance is \$3,383.99. The following warrants were included for approval:

Warrants to be issued:

<u>Check #</u>	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00112	Alto Sanitary District	Personnel Payment Account	3,800.00
00113	Bill Hansell	Office copies, ink, pkg	16.23
00114	AT&T	Office Telephone 41538836960732	101.00
00115	Consumer Cellular	Cell Phone Acct #102040632	21.78
00116	Nute Engineering	General Engineering & Laterals	3,144.00
00117	Nute Engineering	CIP Engineering	6,850.50
00118	Roto-Rooter Plumbers	USA work	774.00
00119	Roto-Rooter Plumbers	Annual Cleaning	2,077.50
00120	SASM	2016/17 Assessment - 2 <sup>nd</sup> Installmnt	101,202.50
		Total Warrants:	117,987.51

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*Motion:* To approve the Consent Calendar, as submitted.  
*Moved:* Gainer, seconded by Kennedy  
*Vote:* Ayes: Unanimous

**6. New Business:**

- a. Properties Requiring Sewer Lateral Inspections/Repairs – Progress Update:  
Hansell reviewed updates on the lateral tracking of inspections due to property sales and building permits. Many have been moved on to the master list since they are now waiting for permit apps to do repair work. Gainer acknowledged that a lot of property issues were being addressed. Hansell then reviewed the master list of permits already in progress. In terms of management hours, there is ongoing work to deal with. There are some old permits that have been stalled and need follow up time. Hansell stated that permits are not issued until fees are paid for. Gainer asked if fees could be added to the tax bill. Hansell said yes but the priority is getting the work done after the permit is issued so it would be most effective to incentivize the total cost burden if the District has to do the repairs rather than just the permit cost. Hansell said that we are making progress and collecting fees but there is still more to do. He presented a summary of fees collected to show the benefit of reimbursing District expenses on this effort.
- b. Draft FY2017-2018 Budget – Review:  
Hansell reviewed the Budget to Actuals for the current FY as a reference for next year’s draft. Budget tracking to date looks good. Hansell pointed out that expenses for the current CIP will carry over to next year since no requests for payments have been made to date. Most of the draft budget is similar to last month’s review. Hansell described added costs such as CSDA membership and its benefits. Gainer asked if CSDA has reps that might make a presentation of their resources in the Fall. Hansell confirmed he would pass on that request. The MarinMap membership cost is included and Hansell described the benefits to the District as well as an application for \$3,000 in reimbursement costs that are available. Gainer asked that for the next twelve months we track the time Nute spends adding data to MarinMap.  
Hansell indicated that a separate line-item expense has been added per instructions at the May board meeting to allow for special project management costs such as the CIP and lateral repairs tracking. Bosenko described her review with Kennedy of the management hours to date and agreed that a separate allowance for those expenses should be made. Gainer asked if it would make sense to hire an outside bookkeeper for some of the work. Hansell said that previously he attempted to do that for a different agency and the problem was the minimal time commitment. Gainer requested that we continue the subject to a later meeting so the best solution can be found.  
The CIP funds were reviewed. Bosenko asked if funds would be moved to the Reserve account. Hansell said that previous discussions indicated it would be best to not increase the Reserve fund further but instead to proceed with CIP’s, although the board could move funds at any time if that were desired.

*Motion:* To approve the Draft FY2017-2018 budget, as submitted.  
*Moved:* Gainer, seconded by Kennedy

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*Vote: Ayes: Unanimous*

- c. Resignation of President Bransgrove –  
Hansell outlined the process for seeking a new director and accepting applications. An appointment will be made at the August board meeting and notices will be posted as required in advance of that date.
- d. Response to Grand Jury Report “Overcoming Barriers to Housing Affordability” –

*Motion: To approve and forward the draft response*

*Moved: Gainer, seconded by Kennedy*

*Vote: Ayes: Unanimous*

**7. Manager’s Report:**

The written report was reviewed and no additional items discussed.

**8. Reports on Outside Meetings:**

- a. SASM Board Meeting – 06/15/17  
Director Bosenko attended in Gainer’s absence. There was animated discussion about bids which exceeded SASM’s projections. Three bids were received and the lowest bid was \$25M while the budget was \$20M. Bosenko outlined the reasons for the overage and said that SASM decided not to accept any bids but will be going out for new bids after revisions to the specs. A subcommittee was formed to work with the engineers on moving forward.
- b. District Managers’ Meeting – 06/14/17  
Other than those topics covered by Bosenko’s description of the board meeting, Hansell said that he raised the issue of “info flyers” at the managers’ meeting and distributed examples he was given of previous SASM mailers. He suggested that the board consider if/when they would like to send out similar mailers in the future.

**9. Future Agenda Items:**

- a. Hansell reminded the board that at the next meeting a new President should be selected.

**10. Directors’ Open Time:**

- a. President Bransgrove stated that it has been a pleasure to work with the Board and felt good to be a part of the community for so long. Gainer said he will miss collaborating with Bransgrove and the “steady hand” Bransgrove brought to board leadership. Hansell presented a card and small gift on behalf of the board.
- b. President Bransgrove & Director Gainer signed the approved checks.

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**11. Adjournment:**

*Motion: To adjourn the meeting at approximately 9:30 p.m.in appreciation of President Bransgrove's 32 years of service to the District.*

*Moved: Gainer, seconded by Bosenko*

*Vote: Ayes: Unanimous*

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, JULY 26, 2017**