

ALTO SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF WEDNESDAY, DECEMBER 27, 2017

1. Call to Order and Roll Call:

President Janis Bosenko called the meeting to order at 7:30 p.m.

Other board Members present: Directors Roger Gainer, Todd Gates, Tania Kennedy, 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 11/27/17.

b. Financial Report for November 2017 and December 2017 List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$292,523.25 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 \$115,428.78 (not incl. any pending tax revenue.) The Reserve Fund has a balance of \$217,718.46. The most recent Personnel Payment account balance is \$3,651.51. The following warrants were included for approval:

Warrants to be issued:

<u>Check #</u>	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00174	Alto Sanitary District	Personnel Payment Account	4,400.00
00175	Bill Hansell	Printer Ink	21.62
00176	AT&T	Office Telephone	117.55
00177	Consumer Cellular	Cell Phone	21.80
00178	Nute Engineering	CIP Engineering FY2016-17	1,524.00
00179	Nute Engineering	Lateral Oversight	1,658.00
00180	Nute Engineering	CIP Engineering FY2017-18	546.00
00181	SWRCB	Annual Permit Fee	2,088.00
00182	Terry E Krieg CPA	FY2016-17 Audit (1st Billing)	5,500.00
00183	Westland Contractors	FY2016-17 CIP Prog Pmt #2	150,082.90
00184	Westland Contractors	FY2016-17 CIP Retention Pmt	13,093.60
		Total Warrants:	179,053.47

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Motion: To approve the Consent Calendar, as submitted.
Moved: Gates, seconded by Nash
Vote: Ayes: Bosenko, Gates, Kennedy, Nash
Nays: None
Abstain: Gainer (Absent from November mtg)

5. New Business:

- a. Resolution 2017-04 – A Resolution Accepting Completion of the FY2016-17 Capital Improvement Project:

Hansell confirmed that the work is complete and reviewed the final invoices from the contractor. Hansell pointed out that the contractor purchased additional days from the District for the extra time it took to submit the paperwork, and that the contractor agreed to return within a year to video the lines to check for any movement.

Motion: To approve Resolution 2017-04 – A Resolution Accepting Completion of the FY2016-17 Capital Improvement Project and releasing payment to the contractor.
Moved: Gainer, seconded by Kennedy
Vote: Ayes: Bosenko, Gainer, Gates, Kennedy, Nash
Nays: None

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

Hansell reviewed the prior discussion with Nute Engineering about CIP planning of the mains as well as the associated budgets, and the board's direction to spend funds on necessary improvements in lieu of increasing reserves and in anticipation of construction cost increases. In November, Nute was directed to proceed with planning for the next line replacements but to also include the engineering costs as that item was not reviewed in advance of last year's project. The new proposal was then discussed and Hansell outlined CIP expenses to date in the current fiscal year. Essentially, the current year's CIP is not being paid for until the next fiscal year due to summer construction schedules and invoices/payments that lag behind the actual work. Gainer asked about the net revenue from the end of the previous fiscal year. Hansell explained that the presentation numbers were not showing the account balances described in the financial packet each month. Hansell discussed the draw-down of the account balances during the dry months between property tax revenues. During the past year the District was able to use the net revenue to avoid borrowing money for operations. He would like to study how much net revenue will continue to be needed each year to maintain that standard. Gainer asked that a discussion of the reserves be placed on the January agenda. He would like to move funds into the reserves if there is money available for that.

Gates asked that we project forward for FY18-19 to plan for the balance between revenue assigned to that year's CIP versus more reserve funding. Gainer said that we have to consider our SASM payments moving forward and Hansell agreed that he is filling in that info regularly in the budget process.

The board reviewed the three mains proposed by Nute for improvement. Gainer asked if Nute had any discussions with Mill Valley on the Shell Rd adverse grade line. Hansell said that was

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discussed extensively in the past board meeting and Nute's opinion was to continue to clean the line due to the challenges associated with replacing it. Gainer agreed that it could be discussed at a later date.

Motion: To accept the proposed CIP as drafted with the schedule moved up by one month and to move forward with engineering

Moved: Gainer, seconded by Kennedy

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

c. Draft FY2016-17 Audit – Review:

Hansell reported the process is complete and the accounting process was smooth. The auditor was quick to respond with the draft. He noted that a change was made to the auditor's statement regarding mandatory paid sick days for part-time employees which is a recent California law. Hansell said that the District should adopt a resolution in the near future confirming that the District provides this mandatory benefit and clarifies whether the maximum hours are accrued or granted in full at the beginning of each year. No questions were asked about the draft and it will be presented at the January meeting for approval.

d. Election of Officers for the Alto Sanitary District Board of Directors for Calendar Year 2018:

Motion: To elect Director Bosenko as President for 2018

Moved: Gainer, seconded by Kennedy

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

Motion: To elect Director Director as Secretary/Treasurer for 2018

Moved: Gainer, seconded by Bosenko

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

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

Gainer will distribute the material he has to the sub-committee. He has material from prior work on the relevant subjects to create postcards.

6. Manager's Report:

The written report was reviewed. Kennedy asked if there was any more info from Roto-Rooter on what was cleaned out of the Shell Rd main. Hansell said he needs to check with Roto-Rooter for that specific information. Gates asked about overdue responses from property owners who have been issued a Notice To Repair or a lateral inspection request. Hansell said it has generally been a quiet month but he will follow up more in January. He explained that as part of the audit the attorney was contacted to confirm any pending litigation or legal issues the District faces and County Counsel responded that some of the lateral issues are pending but will be addressed in an attempt to minimize consultant costs and achieve a satisfactory resolution. Hansell said that he will

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be spending more time in the beginning of 2018 using the special project funds to pursue those problem properties. He hopes to eliminate many off the list by the Spring.

7. Reports on Outside Meetings:

- a. SASM Board Meeting of 12/21/17 – Gainer reported that there were three bids that came in under the revised engineering estimate. The contract was awarded for a \$14.79M base bid and \$2.51M alternates for a total of \$17.30M. The project is on schedule and prep work is beginning in the next few weeks with construction in March. SASM has an RFP out for construction management. The lateral program funding is complete but SASM has voluntarily added some funding for it to continue.

The other item discussed at the meeting was a potential increase in refuse collection fees by MVRS due to new limitations on recyclables exported to China. MVRS is going to propose rate increases but has not been clear on the exact amount. Kennedy said this is another reason why the District needs to educate its residents about proper recycling practices. Gates shared his understanding of the District’s contract which allows for rate increases every July 1st. Bosenko stated her concern about shipping refuse abroad which she feels is not a responsible policy. Hansell said he was curious that MVRS has not had to change from single stream collection to separated bins/trucks as, for example, Marin Sanitary provides for its customers, or that it can continue to not plan for that. Gates asked what the sentiment was of the other SASM agencies on MVRS’s proposal. Gainer said there has yet to be a response but it will have to be dealt with soon. Hansell said that MVRS previously wrote that they would reach out to all the managers individually but he has yet to be contacted.

Gainer reminded the board that he will continue to serve as the SASM rep until the March meeting but then Gates will need to take over at the April meeting.

- b. District Managers’ Meeting of 12/13/17 – Hansell said that the managers covered the same items that were just described in the SASM meeting.

8. Future Agenda Items:

Gainer asked that the budget reserve issue be placed on the agenda,

9. Directors’ Open Time:

Gainer thanked the board for understanding his absence at the November meeting to celebrate his 30th anniversary. Gainer also noted the Spotswood article in the Marin IJ regarding the SASM pump station design at the Redwoods. Gainer emphasized that Redwoods community members were involved in the design process and the final plan reflected their requests. Bosenko pointed out that the Lomita pump station fence looks good but PG&E is doing a poor job at their adjacent site.

10. Adjournment:

Motion: To adjourn the meeting at approximately 8:40 p.m.

Moved: Kennedy, seconded by Gainer

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

Nays: None

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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, JANUARY 24, 2018**