

ALTO SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF WEDNESDAY, JANUARY 24, 2018

1. Call to Order and Roll Call:

Secretary/Treasurer Tania Kennedy called the meeting to order at 7:30 p.m.
Other board Members present: Directors Roger Gainer, Todd Gates, and Marc Nash.
Board Members absent: Janis Bosenko
Staff present: Manager Bill Hansell.

2. Adoption of the Agenda:

Motion: To adopt the agenda as presented.
Moved: Gainer, seconded by Nash.
Vote: Ayes: 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 12/27/17.
- b. Financial Report for December 2017 and January 2018 List of Payments to be approved.

The Financial Report noted that the Operations Fund has a balance of \$517,847.02 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 \$438,714.42 (not incl. any pending tax revenue.) The Reserve Fund has a balance of \$217,718.46. The most recent Personnel Payment account balance is \$4,056.58. The following warrants were included for approval:

Warrants to be issued:

<u>Check #</u>	<u>Payee</u>	<u>For</u>	<u>Amount</u>
00185	Alto Sanitary District	Personnel Payment Account	4,100.00
00186	Bill Hansell	Printer Ink	56.50
00187	AT&T	Office Telephone 41538836960732	117.63
00188	Consumer Cellular	Cell Phone Acct #102040632	21.82
00189	Nute Engineering	CIP Engineering FY2016-17	967.00
00190	Nute Engineering	Lateral Oversight	1,092.00
00191	Nute Engineering	CIP Engineering FY2017-18	5,909.40
00192	Nute Engineering	SASM Report, Emails, files, lat table	1,712.00
00193	Roto-Rooter Plumbers	Nov '17 Cleaning	1,757.50
00194	Roto-Rooter Plumbers	Nov '17 USA	817.50
00195	SASM	2017/18 Assessment First Installmnt	132,699.00
00196	Loretta Figueroa	FY16_17 Audit Bookkeeping	1,836.25
		Total Warrants:	151,086.60

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

5. New Business:

- a. Resolution 2018-01 – A Resolution Adopting the Appropriation Limit for Fiscal Year 2017-18 and the Appropriations Subject to Limit for Fiscal Year 2017-18:

Hansell presented the appropriations limit calculations for FY17-18. There were no questions from the Board.

Motion: Resolution 2018-01 – A Resolution Adopting the Appropriation Limit for Fiscal Year 2017-18 and the Appropriations Subject to Limit for Fiscal Year 2017-18.
Moved: Gainer, seconded by Nash
Vote: Ayes: Gainer, Gates, Kennedy, Nash
Nays: None

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

Hansell stated that the CIP drawings have progressed but the homeowner notices have not been sent out yet per the schedule. Hansell reviewed the schedule dates but there are no board actions needed at this point. Bids are expected prior to the March board meeting.

- c. Final FY2016-17 Audit:

Gainer stated that the audit looks consist with past records and should be accepted as complete. There were no other board comments.

Motion: To accept the Final FY2016-17 Audit as presented.
Moved: Gainer, seconded by Nash
Vote: Ayes: Gainer, Gates, Kennedy, Nash
Nays: None

- d. District Reserves – Discuss policy and FY17_18 reserve goals.:

Gainer said that it seems a decision on reserves should be postponed until CIP bids are returned. Hansell agreed and pointed out that if the CIP turns out to be a \$472K project, then by November there will be \$96K left in operations. That will be augmented by tax revenue starting in December and the balance will rise again to +/- \$535K. During the later summer and early fall months the District spends an average of \$11K-\$12K on operations expenses, so if the board wishes to move \$90K to the reserves account there will still be half a month's expense reserves left in December prior to the tax revenue. Gainer indicated that it would be better to wait to award the CIP and then determine the amount to move to reserves, especially given the small amount of interest that the reserve account earns. Hansell said that exercise of forecasting the cash flows for the next couple of years was helpful as the District's practice of using the County

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as its bank sometimes makes the current balances less tangible. He said that payments to SASM will continue to increase due to the treatment plant CIP and the District needs to anticipate the impact of the rise of Alto's annual share from currently +/--\$275K to +/--\$450K. While service fees will increase again to \$1500/ EDU per the Ordinance they will then level off and future Alto CIP budgets may be constrained to +/--\$300K or less. Gainer said that is the reason why the CIP schedule should be front loaded. Gates asked about the bond payment schedule and Gainer said that the bond payment starts low while the work begins but then increases later. Gates asked if the reserve should be built up as intended to \$500K-\$700K. Gainer said that we are still behind in improvements so the District should catch up on projects first.

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

Hansell confirmed that the \$5000 Zero-Waste Marin grant is back in the accounts and needs to be spent by May. Gainer said he would supply materials to the subcommittee (Kennedy and Nash) that could be used for that purpose. Hansell said that he posted an interesting podcast on New York's sewerage treatment and recycling practices. That post generated a question on whether Alto was spending CIP funds yet and Hansell replied with a detailed answer. It was suggested that further social media posts would help convey Alto's work.

6. Manager's Report:

The written report was reviewed. There were no cleanings or USA calls for the month. Hansell will be planning a meeting with Nute and Roto-Rooter to coordinate maintenance activities prior to next month's board meeting. A summary of lateral issues was discussed. Of the outstanding Notices to Repair, a couple are proceeding but some are still stuck. Gainer asked if further warnings were sent. Hansell did have some correspondence but there are others that Hansell needs to discuss with County Counsel. Kennedy appreciates that the District has made a lot of progress with lateral repairs compared to a year ago.

7. Reports on Outside Meetings:

- a. SASM Board Meeting of 01/18/18 – Gainer reported that the meeting was focused on the award of the CIP. He said that there were negotiations with Carollo Engineers on charges for revising the bid docs and that the construction administration phase is being bid out separately. Hansell asked if there was discussion about increased recycling costs from MVRS. Gainer said that the board has not heard more and was expecting MVRS to approach the agencies individually.
- b. District Managers' Meeting of 01/10/18 – Hansell said that the discussion covered the same issues Gainer described.

8. Future Agenda Items:

None were requested.

9. Directors' Open Time:

Gainer was happy to see that schedules were in the works to tour the treatment plant. Gates said he will attend and Kennedy, Nash, and Hansell have already done so.

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Hansell asked for updated signatures on the bank account cards. He also needs confirmation that the online ethics training has been completed from each director. Finally, the annual Form 700 financial disclosures need to be returned by March.

10. Adjournment:

Motion: To adjourn the meeting at approximately 8:13 p.m.

Moved: Gainer, seconded by Nash

Vote: Ayes: Gainer, Gates, Kennedy, Nash

Nays: None

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, FEBRUARY 28, 2018**