



The Mission of the Las Gallinas Valley Sanitary District is to protect public health and the environment by providing effective wastewater collection, treatment, and recycling services.

DISTRICT BOARD
Megan Clark
Rabi Elias
Russ Greenfield
Craig K. Murray
Judy Schriebman

DISTRICT ADMINISTRATION
Chris DeGabriele,
Interim General Manager
Michael Cortez,
District Engineer
Mel Liebmann,
Plant Manager
Susan McGuire,
Administrative Services Manager
Greg Pease,
Collection System/Safety Manager

BOARD MEETING AGENDA

February 8, 2018

MATERIALS RELATED TO ITEMS ON THIS AGENDA ARE AVAILABLE FOR PUBLIC INSPECTION AT THE DISTRICT OFFICE, 300 SMITH RANCH ROAD, SAN RAFAEL, DURING NORMAL BUSINESS HOURS

NOTE: Final board action may be taken on any matter appearing on agenda.

GENERAL SESSION – 4:00 P.M.

1. PUBLIC COMMENT PERIOD:

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

5 minutes – Approximately 4:05 p.m.

CLOSED SESSION – 4:05 P.M.

- 2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS** – Pursuant to Government Code § 54956.8 Regarding Assessor Parcel Numbers: 155-121-14, 155-121-15, 155-121-16, 155-121-17, 155-121-18, 155-121-30, 155-011-11 and 155-011-12. Real Property Negotiator is the District Counsel. District may negotiate with representatives of the Silveira family. Under negotiation: Price and Terms of Payment.

- 2. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:** Significant exposure to litigation pursuant to subdivision (b) of Gov. Code Section 54956.9 - One potential case.

25 minutes – Approximately 4:30 p.m.

GENERAL SESSION – 4:30 P.M.

1. PUBLIC COMMENT PERIOD:

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

5 minutes – Approximately 4:35 p.m.

2. 1-41

2. PUBLIC HEARING FOR ORDINANCE NO. 172 AMENDING TITLE 4, CHAPTER 1 – REGULATING SOLID WASTE, RECYCLABLE AND ORGANIC MATERIALS, AND THE COLLECTION, REMOVAL AND DISPOSAL THEREOF INCLUDING THE GARBAGE AND REFUSE RATE ADJUSTMENT FOR 2018 AND GARBAGE FRANCHISE FEE

Board to consider the adoption of Ordinance No. 172, An Ordinance amending Title 4, Chapter 1 of the District Ordinance Code and increasing the garbage and refuse rate by 5.57%. Representatives of Marin Sanitary Service and Garth Schultz of R3 Consulting Group will be in attendance to discuss the 2018 Rate Application Report.

Possible expenditure of funds: No, all costs to be paid by District (non-City of San Rafael) customers.

Staff recommendation: Board Adopt Ordinance No .172, An Ordinance Amending Title 4, Chapter 1 of the District Ordinance Code and adjusting the garbage and refuse rate by 5.57%.

30 minutes – Approximately 5:05 p.m.

3. CONSENT CALENDAR:

These items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.

3A. 1-8
3B. 1-4
3C. 1-6
3D. 1
3E. 1
3F. 1-6
3G. 1-5

- A. Approve the Board Minutes for January 11 and January 18, 2018
- B. Approve the Warrant Lists for January 26 and February 8, 2018
- C. Approve Board Compensation for January 2018
- D. Approve Interim General Manager Authority to Award Contract Amendment 16 to Cornerstone Environmental Group for Plant Process Audit and Hot Water Heat Loop Review
- E. Approve SCADA Historian Software Upgrade
- F. Approve Resolution 2018-2112 – A Resolution Approving Board Finance Policies
- G. Approve Resolution 2018-2113 – A Resolution Accepting the Primary Digester Improvements 2016

Possible expenditure of funds: Yes, Items B - E

Staff recommendation: Adopt Consent Calendar – Items A through G.

5 minutes – Approximately 5:10 p.m.

4.1-3

4. ACCESSORY DWELLING UNITS

District Counsel will update Board on legislation regarding Accessory Dwelling Units. Information only.

5 minutes – Approximately 5:15 p.m.

5. 1-2

5. BOARD PRESIDENT APPOINTMENTS FOR 2018

Board President will appoint Board Members to attend various meetings and/or committees.

Possible expenditure of Funds: No.

Staff Recommendation: A matter of Board President’s determination.

5 minutes – Approximately 5:20 p.m.

6.1

6. 2018 STRATEGIC PLAN UPDATE

2018 Strategic Plan update from the Interim General Manager. Information only – Verbal.

10 minutes – Approximately 5:30 p.m.

7A. 1
7B. 1
7C. 1

7. STAFF/CONSULTANT REPORTS:

- A. Interim General Manager Report – Verbal
- B. Board Meeting Schedule Modification
- C. General Manager Search Firms – Verbal

5 minutes – Approximately 5:35 p.m.

8A.- 8I. 1

8. BOARD REPORTS:

- A. LAFCO - Verbal
- B. Gallinas Watershed Council / Miller Creek Watershed Council– Verbal
- C. JPA Local Task Force on Solid and Hazardous Waste – Verbal
- D. NBWA – Verbal
- E. NBWRA – Verbal
- F. Engineering Subcommittee – Verbal
- G. Human Resources Subcommittee – Verbal
- H. Other Reports – CASA – Verbal

10 minutes – Approximately 5:45 p.m.

9A. 1
9B. 1

9. BOARD REQUESTS:

- A. Board Meeting Attendance Requests – Verbal
- B. Board Agenda Item Requests – Verbal

5 minutes – Approximately 5:50 p.m.

10. 1-10

10. VARIOUS ARTICLES AND MISCELLANEOUS DISTRICT CORRESPONDENCE:

5 minutes – Approximately 5:55 p.m.


11. ADJOURNMENT

5 minutes – Approximately 6:00 p.m.

AGENDA APPROVED:	Megan Clark, Board President	David Byers, Legal Counsel
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CERTIFICATION: I, Teresa Lerch, District Secretary of the Las Gallinas Valley Sanitary District, hereby declare under penalty of perjury that on or before February 5, 2018, at 4:00 p.m., I posted the Agenda for the Board Meeting of said Board to be held February 8, 2018, at the District Office, located at 300 Smith Ranch Road, San Rafael, CA.

DATED: February 5, 2018



 Teresa L. Lerch
 District Secretary

The Board of the Las Gallinas Valley Sanitary District meets regularly on the second and fourth Thursday of each month. The District may also schedule additional special meetings for the purpose of completing unfinished business and/or study session. Regular meetings are held at the District Office, 300 Smith Ranch Road, San Rafael.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 472-1734 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.



Consent _____
Staff/Consultant Reports _____
Agenda Item 2

Agenda Summary Report

Date February 8, 2018

To: Chris DeGabriele, General Manager *CD*
From: Susan McGuire, Administrative Services Manager *SM*
Mtg. Date: February 8, 2018
Re: Public Hearing for Ordinance No. 172 Amendment of Title 4, Chapter 1 –
Regulating Solid Waste, Recyclable and Organic Materials and the Collection,
Removal and Disposal Thereof Including the Garbage and Refuse Rate
Adjustment for 2018 and Garbage Franchise Fee

INTRODUCTION:

The District typically holds an initial review of the proposed rate increase each year and schedules a public hearing for January or February to set the maximum collection rates to be charged by MSS for that calendar year. Notice of the public hearing is published twice in the Marin Independent Journal. Information on the proposed rates that MSS will charge is available at the District’s office and on the District’s website for at least 10 days prior to the public hearing. The Board reviewed the rate request at its January 11, 2018 meeting and set the public hearing for Thursday, February 8, 2018 at 4:30 p.m.

EXECUTIVE SUMMARY:

This report details the 2018 rate adjustment proposal necessary for Marin Sanitary Service (MSS) to provide refuse, recycling and organics/compost hauling and processing for customers (“rate payers”) in the unincorporated areas of the District. Rate payers include residential homeowners, apartment owners, commercial property owners, and other businesses and tenants. The proposed rate adjustment will increase rates by 5.57% over 2017 levels for all rate payers. It includes adjustments based on an agreed-upon rate setting methodology the District has with Marin Sanitary Service and is based upon an independent third-party review of expenses and revenues by R3Consulting Group, Inc. (R3). The proposed rate adjustment of 5.57% is consistent with that proposed for other District customers located within the City of San Rafael jurisdiction.

BACKGROUND:

I. Franchise Agreement

Las Gallinas Valley Sanitary District (the District) has a franchise agreement with Marin Sanitary Service (MSS) for refuse collection and recycling services. The District entered into a Revised and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market, and Dispose of Solid Waste, Recyclables, and Organic Materials (Agreement) on February 28, 2013. The term of the Agreement is from February 28, 2013 through December 31, 2033 and contains a provision for automatic annual extensions each year for an additional 12 months beginning December 31, 2014 if certain conditions are met.



The collection rates are based on the contractor's allowable costs of operations pursuant to the Agreement. A detailed review of MSS' operations is conducted every three years, most recently in 2015 for setting the 2016 rates. For the rates during the interim two-year period (2017 and 2018), annual summary reviews are conducted based on the last detailed analysis. Summary reviews incorporate the use of indices, except for key expenses which are significant costs and/or have changes more than a typical CPI adjustment such as fuel, disposal, depreciation and interest.

Several jurisdictions in Marin that have contracts with MSS and utilize a similar rate setting methodology have joined together as a Franchisors' Group to share information and reduce costs: San Rafael, Larkspur, Ross, the Las Gallinas Valley Sanitary District, and the County of Marin, including areas within the Ross Valley Sanitary District boundaries. The Franchisors' Group meets several times per year to oversee MSS's operations, to review MSS's rate proposals, and to supervise the work of the consultant conducting the rate review. The results of the 2018 rate review are presented in the Proposed Rate Increase section of this report.

The 2013 amendment to the Franchise Agreement included many new provisions in order to help stabilize rates and adjust to changes in the industry and MSS's services. Among the new provisions are comprehensive annual reporting to describe progress and achievements in meeting zero waste goals through programs and activities approved by the Franchisors' Group, public education reporting, and reporting on new technologies and industry best practices to enhance progress towards zero waste. The Annual Report is included as Attachment C.

II. Environmental Initiatives and Goals

While perhaps the original purpose of refuse service had to do with public health and safety around sanitation, it is increasingly geared more toward making progress on waste reduction and climate change goals, which are also forms of public health and safety. The State of California has adopted several pieces of legislation mandating significant reductions of waste hauled to the landfill, recognizing the embedded environmental impacts and greenhouse gas emissions associated with them.

Cities, Towns and the County of Marin formed the Marin County Hazardous and Solid Waste Management Joint Powers Authority (JPA). The JPA is the group charged with complying with the California Integrated Waste Management Act of 1989. The goal of the Act is to reduce the flow of materials to landfills. The JPA also has a local task force made up of representatives from industry, the environmental community and Marin's cities, towns and special districts. The JPA is funded by tipping fees at Redwood Landfill. The District belongs to the Marin County Hazardous and Solid Waste JPA Local Task Force on Solid and Hazardous Waste. The JPA prepared a Zero Waste Feasibility Study in December 2009 which identified a goal of "achieving zero waste in the next five to 17 years." Zero Waste has been defined as 94% diversion, taking into account the need for producer responsibility and product stewardship, which is beyond local control.

In summary, the overall industry is moving from "bringing garbage to the landfill" to "resource hauling" including transport to recyclers and re-users to find the next highest and best use with the landfill being the last option. MSS has been a leader in this movement, as they have invested in facilities and technologies to divert materials from the landfill, including the construction of the Marin Resource Recovery Center, Marin Recycling Center, and investments in the F2E (food-to-energy) program with Central Marin Sanitation Agency.

III. Marin Sanitary Services and Programs



MSS provides residential, commercial and multi-family refuse services. In addition, MSS provides trash and recycling pick-up for the District's facilities.

Residential service includes single-family units and three or fewer units in a single structure. The District's residential customers receive weekly trash, recycling, and organics/compost collection services. Residential customers also receive twice yearly residential curbside collections of up to 14 additional bags/cans of yard waste, recycling, and/or garbage; and twice yearly residential on-call collection of up to two large items each time.

Commercial service includes all businesses and residential apartment buildings with four or more units. Commercial customers receive separate trash and recycling containers as well as cardboard pickup, and may choose from a variety of carts, bins, and commercial compactors. In addition, customers are offered the choice of two commercial organics diversion programs. Customers with significant amounts of pre-consumer food waste may participate in the F2E program. Commercial customers with post-consumer food waste, food soiled papers, and yard waste may participate in the commercial composting program. All commercial services can be picked up from one to six times per week.

Multi-family buildings are classified as commercial customers since they are a business enterprise and operate differently than single family homes. They receive separate trash, recycling, and organics containers depending on the area available for can storage. MSS works with apartment managers and tenants to develop 'green teams' to increase recycling and composting at their complexes.

In addition, MSS does the majority of the outreach for the District in compliance with the State's Mandatory Commercial Recycling and Mandatory Composting laws (AB 341 and AB 1826), which place requirements on businesses to recycle and compost, and also requires the District to provide for annual monitoring and notifications to non-compliant businesses. MSS has also assisted with an illegal dumping abatement program by responding to calls of illegal dumping along the roadways within the unincorporated portions of the District boundaries. Staff received four complaints this past year regarding these items and turned them over to MSS for collection. MSS was very responsive to staff requests and was able to resolve the complaints within a day.

Proposed Rate Increase

Rate Review and Methodology

Over the past ten years rate adjustments have ranged from less than one percent to over 10% with an average of 5.03%. Last year's adjustment was 5.71%. Waste haulers around the state are experiencing financial losses due to recycling and increases in labor and benefits expenses, among other things. In the past year other Bay Area jurisdictions have experienced rate adjustments ranging from approximately 15% in San Francisco to more than 50% in Piedmont, with similar adjustments in many other Bay Area jurisdictions. This is the result of many factors, including a growing amount of solid waste, recycling and compostables, increasing requirements to divert waste from the landfill, increasing costs of processing recyclables and compostables, decreasing value of recyclable materials, and the cost of capital and equipment to implement new standards and requirements.

Adjustments

MSS submitted their 2018 summary rate application in November with a proposed 8.06% increase over 2017 rates. R3 reviewed the application and all relevant documents and financial schedules with MSS, and recommends at 5.57% rate adjustment for 2018.



The full rate review and proposed adjustments are contained in the R3 Report (Attachment B). The following table (Table 3 from the R3 Report) contains a summary of the rate increase components, which reflect projected costs for 2018 utilizing the current agreed upon rate setting methodology in the Franchise Agreement.

**Table 3
Summary of Rate Increase Components by Category**

Rate Adjustment Factor Component Percentages			
Category	Adjustment Factor Related to 2016 and 2017	Adjustment Factor Related to 2018	Total
Wages	0.00%	0.87%	0.87%
Benefits (including workers comp)	0.00%	0.44%	0.44%
Fuel & Oil	0.09%	0.89%	0.98%
Disposal	0.24%	0.00%	0.24%
Depreciation and Interest	0.00%	0.93%	0.93%
Maintenance	0.00%	0.13%	0.13%
Other Operating Costs ¹	0.00%	0.74%	0.74%
Subtotal Operations	0.33%	4.00%	4.33%
Revenue Shortfall Net of Changes in Total Expenses	0.00%	1.24%	1.24%
Rate Adjustment Factor	0.33%	5.24%	5.57%

¹ Includes profit and general & administrative costs (e.g., public education, customer service, etc.).

The following is a summary of the reasons underlying the rate request broken out by major rate categories. Much of this year’s adjustment relates to the agreed upon indices stipulated in the current rate setting methodology, Exhibit B1 in the Franchise Agreement.

WAGES: This is adjusted by an agreed upon index, the year over year change in the Consumer Price Index (CPI), which is 3.1% to the applicable wage base.

BENEFITS: This is adjusted based on actual workers compensation insurance costs as well as the applicable CPI adjustment for other benefits.

FUEL AND OIL: Most of this is due to the applicable CPI of 9.1% for this category. However, a small portion was due to the annual “true-up” of costs looking back to 2016 and 2017 actuals.

DISPOSAL: This is due to a “true-up” of real costs accumulated in 2016 and 2017 compared to projections of amounts of waste taken to landfill and the charges incurred.

DEPRECIATION AND INTEREST: These two categories are composed of allocated costs associated with financing facilities and equipment, including upgrading and modernizing MSS’s fleet, which are more fuel efficient and use cleaner technology.



MAINTENANCE: This is adjusted by the applicable CPI increase.

OTHER OPERATING COSTS: This is primarily due to an adjustment to the applicable CPI increase for General and Administrative costs (G&A), but also includes a very small increase in projected JPA fees. These fees are based on amount of waste delivered to the landfill. G&A includes costs such as public outreach, professional fees, and computer hardware/software.

REVENUE SHORTFALL NET OF CHANGES IN TOTAL EXPENSES: This is primarily the result of the under realization of projected 2017 revenues which were part of the 2017 rate application process.

Rate Payer Categories and Comparisons

With the above recommendation, the cost of a 32 gallon residential landfill cart would be increased approximately \$1.74 per month, from \$31.31 to \$33.05. The cost of commercial service for a 3 yard landfill dumpster picked up once per week would be increased by approximately \$25.26 per month, from \$453.55 to \$478.81. Recycling is included in all accounts. Businesses with a vigorous recycling program can reduce their regular container size or pickup schedule resulting in lower rates.

R3 conducted a survey of Bay Area refuse haulers as part of the rate review, included in Attachment B. It summarizes the survey data for residential 30-35 gallon can weekly service with curbside recycling and organics pickup. Of note in reviewing the survey, the District's and Marin Franchisor Group's rates are the proposed amounts for 2018; for other comparator agencies they are the currently available rates for 2017 and may not include any proposed increases for 2018.

The 2018 proposed rate of \$31.31 in the District is lower than the Marin County average of \$37.83 and the Bay Area average, which is \$34.83. Attachment B also compares the District's three-yard commercial bin (once a week) service to those of all Bay Area cities and agencies with similar services. The District's rate of \$478.81 is lower than the Marin County average which is \$501.43, and higher than the Bay Area average, which is \$419.36. However, it is important to note that all jurisdictions provide different services and levels of services, making apples-to-apples comparisons problematic. The District's rates have traditionally been comparable with rates in other Bay Area jurisdictions, while often providing more services.

As in previous years, staff is recommending that the rate adjustment be applied across the board to all residential, multi-family and commercial service accounts. Actual rates for all services are provided in Attachment A.

Next Steps

Subsequent to adopting new rates for 2018, the Franchisors' Group will continue to work with R3 and MSS to complete the meet-and-confer process to determine the resolution of the recycling revenue fund losses and to update the rate setting methodology.

The tentative timeline follows:

March-June 2018	Rate setting methodology and meet-and-confer completed
August 2018	MSS 2019 base-year rate application due
August-November 2018	Base-year rate application review completed
November-December 2018	New methodology and 2019 rates brought to Councils/Boards

STAFF RECOMMENDATION:



Board to adopt the proposed Garbage and Refuse collections rates effective January 1, 2018.

FISCAL IMPACT:

The attachment to the Ordinance (marked Attachment A) contains the complete rate request. As shown, the 5.57% overall increase is applied to all customer types and service options. If approved, these rates are projected to satisfy the District's contractual obligations to meet the MSS revenue requirement including franchise fees.

PERSON TO BE NOTIFIED:

District residents and commercial customers to be notified through publishing Ordinance 172 or a summary thereof in the Marin Independent Journal and posted on the District's website.

Attachments:

- Attachment A Ordinance 172, An Ordinance Amending Chapter 1, An Ordinance Regulating Garbage, Rubbish, Waste Matter and Refuse, and the Collection, Removal and Disposal Thereof
- Attachment B Review of Marin Sanitary Service 2018 Rate Application submitted to the Marin Franchisors' Group by R3, including the Bay Area Rate Survey in Attachment 3

**BOARD OF DIRECTORS OF THE
LAS GALLINAS VALLEY SANITARY DISTRICT**

ORDINANCE NO. 172

**AN ORDINANCE AMENDING CHAPTER 1, AN ORDINANCE REGULATING SOLID
WASTE, RECYCLABLE AND ORGANIC MATERIALS, AND THE COLLECTION,
REMOVAL AND DISPOSAL THEREOF, TITLE 4 – GARBAGE SERVICE, AS
AMENDED, OF THE ORDINANCE CODE OF THE LAS GALLINAS VALLEY
SANITARY DISTRICT.**

The Board of Directors of the Las Gallinas Valley Sanitary District, Marin County, California, does ordain as follows:

Appendix A of Title 4, Chapter 1 of the Las Gallinas Valley Sanitary District Ordinance Code is amended to read as follows:

Las Gallinas Valley Sanitary District
Residential Refuse Collection Rates
 Effective 1/01/2018: 5.57% Rate Increase

<i>Residential Service (Bundled service includes 1 cart for garbage, 1 cart for organics and 1 split cart for recycling)</i>	
Weekly Service Rates	2018 Flat Rate
	Monthly Rate (Billed Quarterly)
20 gallon cart	\$28.10
32 gallon cart	\$33.05
64 gallon cart	\$66.11
96 gallon cart	\$99.16
Low income - 20 gal* cart	\$22.43
Low income - 32 gal* cart	\$26.45
Low income - 64 gal* cart	\$52.89
Additional Organics Cart Rental (35 or 64 gallon cart)	\$1.94
Additional Split Cart Rental (64 or 96 gallon cart)	\$1.94

*Must meet PG&E CARE program eligibility requirements

Distance Charges	Per cart, Each way
Distance 5' - 50'	\$4.53
Distance Over 50'	\$5.83

Additional Residential Service Fees per Occurrence

Cart Replacement Fee	Not to exceed \$90.00
Return Fees - Off day	\$18.50
Return Fees - Same day	\$6.00
Resume Service/Late Fee	\$35.00
Compaction fee (cart)	\$10.00
Contamination (cart)	\$10.00
Overload (cart)	\$10.00
Cart Exchange	\$15.00
Extra bag/can garbage	\$10.00
Extra bag/can yard waste	\$5.00
Steam Clean (cart)	\$15.00
Special Collection	\$25.00
Special handling	\$20.00
Bulky item fees per items	Enquire for prices

Las Gallinas Valley Sanitary District
Commercial Refuse Collection Rates
 Effective 1/01/2018: 5.57% Rate Increase

COMMERCIAL CARTS, BINS, ROLL-OFFS, COMPACTORS	Collections per Week						Additional one time empty
	1	2	3	4	5	6	
Garbage							
20 gallon	\$28.74	\$57.48	\$86.22	\$114.96	\$143.70	\$172.44	\$6.63
32 gallon	\$33.81	\$67.62	\$101.43	\$135.24	\$169.05	\$202.86	\$7.80
64 gallon	\$67.62	\$135.24	\$202.86	\$270.48	\$338.10	\$405.72	\$15.60
96 gallon	\$101.43	\$202.86	\$304.29	\$405.72	\$507.15	\$608.58	\$23.41
1 yard	\$236.64	\$473.85	\$710.49	\$947.13	\$1,184.28	\$1,420.87	\$54.61
2 yard	\$357.73	\$690.71	\$1,023.44	\$1,356.14	\$1,689.12	\$2,021.82	\$82.55
3 yard	\$478.81	\$907.57	\$1,336.39	\$1,765.15	\$2,193.96	\$2,622.78	\$110.49
4 yard	\$632.20	\$1,239.32	\$1,846.58	\$2,453.65	\$3,060.80	\$3,668.14	\$145.89
5 yard	\$785.59	\$1,571.08	\$2,356.78	\$3,142.15	\$3,927.64	\$4,713.51	\$181.29
6 yard	\$909.74	\$1,724.39	\$2,539.13	\$3,353.78	\$4,168.53	\$4,983.28	\$209.94
10	\$1,445.36	\$2,740.74	\$4,035.83	\$5,331.04	\$6,626.52	\$7,921.68	\$333.54
18	\$2,372.02	\$4,444.78	\$6,517.49	\$8,590.32	\$10,663.25	\$12,735.96	\$547.39

*Sizes may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency. Requests will be assessed and approved by Route Manager.

Garbage Compactors	Per Empty
Roll-off Compactor Tipping fee per ton	\$114.72
Roll-off Compactor Hauling charge	\$232.99
Roll-off Compactor Special handling	Rates vary by job
Stationary Front Loader (Per compacted yard)	\$97.16

Organics (F2E or Compost)	Collections per Week						Additional one time empty
	1	2	3	4	5	6	
32 gallon	\$15.96	\$31.92	\$47.88	\$63.84	\$79.80	\$95.76	\$3.68
64 gallon	\$31.92	\$63.84	\$95.76	\$127.68	\$159.60	\$191.52	\$7.37
1 yard	\$111.72	\$223.44	\$335.16	\$446.88	\$558.60	\$670.32	\$25.78
2 yard	\$223.44	\$446.88	\$670.32	\$893.76	\$1,117.20	\$1,340.64	\$51.56
3 yard	\$335.16	\$670.32	\$1,005.48	\$1,340.64	\$1,675.80	\$2,010.96	\$77.34
10 yard	\$1,011.75	\$2,023.50	\$3,035.25	\$4,047.00	\$5,058.75	\$6,070.50	\$233.48

*Roll-offs for organics available on request at 30% discount on above garbage rates

Additional Commercial Service Fees per Occurrence	Fee
Cart Replacement Fee	\$90
Bin Repair/Replacement Fee	Varies by size not to exceed current replacement value
Return Fee - Cart -same day	\$6.00
Return Fee - Cart -off day	\$18.50
Return Fee - Bin	\$30.00
Resume Service/Late Fee	\$35.00
Compaction fee (cart)	\$10.00
Compaction fee (bin)	\$37.00
Contamination (cart)	\$10.00
Contamination (bin)	\$37.00
Overload (cart)	\$10.00
Overload (bin)	\$37.00
Cart Exchange	\$15.00
Bin Exchange	\$93.00
Extra bag/can garbage	\$10.00
Extra bag/can yard waste	\$5.00
Steam Clean (cart)	\$15.00
Steam Clean (bin)	\$93.00
Steam Clean (compactor/roll-off)	\$200.00
Lock Set-up Admin Fee	\$20.00
Lock/Key pad Fee	\$5.00
Gate/Enclosure Fee	\$20.00
Special Service Fee	Not to exceed \$125.00 per service
Overweight Charge Per Ton (Comm'l boxes exceeding 300lbs/yard)	\$172.31
Box Rental Fee	Fee varies per size
Distance Charges	Per cart/bin, Each way
Distance 5' - 50'	\$4.53
Distance Over 50'	\$5.83

Las Gallinas Valley Sanitary District
Multi-Family Dwellings
Effective 1/01/2018: 5.57% Rate Increase

Multifamily Dwellings CARTS, BINS, ROLL-OFFS, COMPACTORS

Garbage	Collections per Week						Additional one time empty
	1	2	3	4	5	6	
20 gallon	\$28.09	\$56.18	\$84.27	\$112.36	\$140.45	\$168.54	\$6.48
32 gallon	\$33.05	\$66.10	\$99.15	\$132.20	\$165.25	\$198.30	\$7.63
64 gallon	\$66.10	\$132.20	\$198.30	\$264.40	\$330.50	\$396.60	\$15.25
96 gallon	\$99.15	\$198.30	\$297.45	\$396.60	\$495.75	\$594.90	\$22.88
1 yard	\$218.56	\$378.65	\$538.68	\$698.77	\$858.85	\$1,018.95	\$50.44
3 yard	\$478.81	\$907.57	\$1,336.39	\$1,765.15	\$2,193.90	\$2,622.66	\$110.49
10 yard	See Commercial rates						
18 yard							
20 yard							
25 yard							

*Sizes may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency. Requests will be assessed and approved by Route Manager.

Recycling and Organics carts provided at no additional charge.

Minimum service level is 32 gallons per unit or equivalent volume

Garbage Compactors	Per Empty
Roll-off Tipping fee per ton	\$114.72
Roll-off Special handling	Rates vary by job
Hauling charge	\$232.99
Stationary Front Loader (Per compacted yard)	\$97.16

Additional MFD Service Fees per occurrence

Cart Replacement Fee	\$90.00
Bin Repair/Replacement Fee	Varies by size not to exceed current replacement value.
Return Fee - Cart -same day	\$6.00
Return Fee - Cart -off day	\$18.50
Return Fee - Bin	\$30.00
Resume Service/Late Fee	\$35.00
Compaction fee (cart)	\$10.00
Compaction fee (bin)	\$37.00
Contamination (cart)	\$10.00
Contamination (bin)	\$37.00
Overload (cart)	\$10.00
Overload (bin)	\$37.00
Cart Exchange	\$15.00
Bin Exchange	\$93.00
Extra bag/can garbage	\$10.00
Extra bag/can yard waste	\$5.00
Extra bin empty	Varies depending on bin size. Based on monthly rate and single empty.
Steam Clean (cart)	\$15.00
Steam Clean (bin)	\$93.00
Steam Clean (compactor/roll-off)	\$200.00
Lock Set-up Admin Fee	\$20.00
Lock/Key pad Fee	\$5.00
Gate/Enclosure Fee	\$20.00
Special Service Fee	Not to exceed \$125.00 per service
Overweight Charge Per Ton (Comm'l boxes exceeding 300lbs/yard)	\$172.31
Box Rental Fee	Fee varies per size
Distance Charges	Per cart/bin, Each way
Distance 5' - 50'	\$4.53
Distance Over 50'	\$5.83

All other ordinances and parts of ordinances inconsistent herewith are hereby repealed.

* * * * *

I hereby certify that the foregoing is full, true, and correct copy of the Ordinance duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District of Marin County, California, at a meeting hereof held on February 8, 2018, by the following vote of members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

Teresa Lerch, District Secretary
Las Gallinas Valley Sanitary District

APPROVED:

Megan Clark, President
Las Gallinas Valley Sanitary District

(seal)

FINAL REPORT

**Review of Marin Sanitary Service's 2018
Rate Application**



SUBMITTED TO:

Marin Franchisors' Group

January 2, 2018

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- 3 Bay Area Rate Survey
- 4 Chart of 2018 Residential 32-Gallon Rates
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January 2, 2018

Ms. Cristine Alilovich
Assistant City Manager
City of San Rafael
1400 Fifth Avenue
San Rafael, CA 94919-1560

Mr. Dan Schwarz
City Manager
City of Larkspur
400 Magnolia Avenue
Larkspur, CA 94939

Mr. Ernest Klock
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County of Marin
Department of Public Works
3501 Civic Center Drive, Suite 304
San Rafael, CA 94903

Mr. Joe Chinn
Town Manager
Town of Ross
31 Sir Francis Drake Blvd
Ross, CA 94957

Ms. Susan McGuire
Administrative Services Manager
Las Gallinas Valley Sanitary District
300 Smith Ranch Road
San Rafael, CA 94903

Subject: Review of Marin Sanitary Service's 2018 Rate Application, Final Report

Dear Ms. McGuire, Ms. Alilovich, Mr. Klock, Mr. Schwarz and Mr. Chinn,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached Final Report detailing the results of our review of Marin Sanitary Service's 2018 Rate Application for the Marin Franchisors' Group. For consistency and comprehension, the form and content of this Report and associated Attachments mirror that of prior rate adjustment reports prepared for the Franchisors' Group by others in prior years.

Marin Sanitary Application for 2018 Rate Adjustment

On November 26, 2017, Marin Sanitary Service (MSS) submitted its application for an 8.06% increase to its solid waste rates, to be effective January 1, 2018, with an included option to adjust that increase downwards by 0.83% for a 7.23% increase based on a proposal to lengthen depreciation schedules for new capital equipment (trucks) from seven to ten years. A summary of the 8.06% rate adjustment request is included in Attachment 1.

R3 conducted a review of the application based on the rate methodology agreed to via the Franchise Agreements between MSS and the cities of San Rafael and Larkspur, the Town of Ross, the County of Marin, and the Las Gallinas Valley Sanitary District (LGVSD), collectively referred to as the "Franchisors' Group". Our review included a thorough assessment of all relevant documents for completeness and compliance with the procedures agreed upon by MSS and the Franchisors' Group, and verified the mathematical accuracy and logical consistency of the supporting schedules.

Based on our review of the application, we have determined that a rate increase of 5.57% is appropriate to compensate MSS for its projected 2018 expenses. We have reviewed our findings with MSS, and they are in agreement with the proposed adjustments to their rate application and the recommended 5.57% rate increase for 2018, as shown in Attachment 2.

2018 Rate Adjustment Components

Table 1, below, shows the rate components based on the change in expenses and net revenue between the 2017 approved rate application and the 2018 recommended rate adjustment. Table 1 is referenced in the following description of adjustments.

Table 1
Comparison of 2017 Approved Expenses to 2018 Recommended Expenses

Category	2017 Approved Rate Application	2018 Recommended Rate Application	Change	Component Percentage
Wages	7,816,029	8,058,326	242,297	0.87%
Benefits (including workers comp)	4,508,989	4,631,180	122,191	0.44%
Disposal Fees	3,987,388	4,054,315	66,927	0.24%
Fuel & Oil	582,323	853,982	271,659	0.98%
Maintenance Expense	1,857,599	1,892,893	35,294	0.13%
Depreciation	2,640,288	2,801,360	161,072	0.58%
Other Operating Costs ⁽¹⁾	3,626,681	3,726,395	99,714	0.36%
Total Operating Expenses	25,019,297	26,018,451	999,154	3.60%
Operating Profit	2,626,335	2,731,218	104,883	0.38%
Interest Expense	429,390	525,881	96,490	0.35%
Total Expenses/Revenue Requirement	28,075,022	29,275,550	1,200,528	4.33%
\$343,034 in Projected Revenue Shortfall Net of Changes in Total Expenses				1.24%
Recommended 2018 Rate Adjustment Factor				5.57%

⁽¹⁾ Includes general & administrative costs (e.g., public education, customer service, etc.).

R3 reviewed MSS's calculations for each of the categories summarized in Table 1 and is recommending specific corrections to certain categories, which are discussed in more detail in Section 4 of this Report. The recommended 2018 rate adjustments by category (including R3's corrections) are further described below, with more specifics included in Sections 3 and 4 of this Report.

Wages (0.87%)

The wages expense component contributes 0.87% to the overall recommended 5.57% rate adjustment. The increase in wages is due to applying the applicable CPI index (3.1%) to the 2017 approved wage base. It should be noted that the 2017 wage base included an adjustment for an accounting position that was

approved in 2013 as part of the operations improvement plan but remained unfilled until 2016; this adjustment remains in 2018.

Benefits (0.44%)

The benefits expense component contributes 0.44% to the overall recommended 5.57% rate adjustment. The increase in benefits is the sum of two adjustments: an increase in workers compensation expense (6.5%) and, for other employee benefits (excluding workers compensation), an increase in the applicable CPI index (1.9%) as applied to the 2017 approved benefit base. It should be noted that this benefits component also included a prior 2017 adjustment for the accounting position that remained unfilled until 2016.

Disposal (0.24%)

The disposal expense contributes 0.24% to the overall recommended 5.57% rate adjustment. The increase is entirely due to the difference in actual expenses for 2016 and 2017 vs. projected expenses for those years, and is a "true-up" of those prior expenses. The projection for 2018 is slightly less than the projection for 2017, and is the product of the annual change in disposal cost per ton (by the applicable CPI or contract price, depending upon waste stream) and projected 2018 tonnage. Adjustments reducing the amount of disposal that were identified in 2017 will also be continued into 2018.

Fuel and Oil (0.98%)

The fuel expense component contributes 0.98% to the overall recommended 5.57% rate adjustment. The increase is mostly (91%) attributable to increases in the applicable CPI index (9.4%), yielding a higher amount of forecasted fuel expense in 2018 compared to 2017. The remaining 9% of the increase is related to "true-ups" in forecasted vs. actual fuel and oil expenses in 2016 and 2017, as allowed under the rate adjustment methodology.

Maintenance (0.13%)

The maintenance expense component contributes 0.13% to the overall recommended 5.57% rate adjustment. The increase is due to applying the applicable CPI index (1.9%) to the 2017 approved maintenance costs.

Depreciation (0.58%)

The depreciation expense component contributes 0.58% to the overall recommended 5.57% rate adjustment. The increase is due to added depreciation costs for replacement vehicles, equipment, and building repairs in 2016 and 2017, along with forecasted expenses for 2018.

This amount reflects \$374,184 in adjustments to depreciation expense compared to MSS's 2018 rate application, which are attributed to the deferred purchase (to 2019) of two collection vehicles originally scheduled for 2018, adjustments to the allocation of depreciation expenses between MSS jurisdictions, and the change from a seven-year to a ten-year depreciation period for assets purchased on or after January 1, 2017.

Other Operating / G&A (0.36%)

The "other operating costs" component contributes 0.36% to the overall recommended 5.57% rate adjustment. General and Administrative (G&A) costs other than Marin County JPA fees were increased by the change in CPI (3.1%). G&A includes costs such as public outreach, professional fees, and computer hardware/software.

The Marin County JPA fees are adjusted to reflect anticipated charges by the County, which are projected to increase by \$4,856 over 2017.

Profit (0.38%)

MSS's profit component, which is an agreed upon "operating margin" of 90.5%, contributes 0.38% to the overall recommended 5.57% rate adjustment, which is entirely due to the overall increase in expenses noted above. This is calculated as a function of total operating expenses (recommended at \$26,018,450) divided by 90.5%, less total operating expenses, yielding \$2,731,218 in 2018. This value has been adjusted downward from MSS's original application by \$41,236 as a result of adjustments to operating expenses which are discussed in this Report.

Interest (0.35%)

The interest expense component contributes 0.35% to the overall recommended 5.57% rate adjustment, and is not an expense that is subject to the calculation of MSS' profit.

This amount reflects \$123,863 in adjustments to interest expense compared to MSS' 2018 rate application, which are attributed to the deferred purchase of two collection vehicles originally scheduled for 2018 (\$11,156 of the adjustment) as well as adjustments to the allocation of interest expense between MSS franchising agencies (\$77,450 of the adjustment) and a refinement of MSS's calculation of the original forecasted 2018 interest expense (\$35,257 of the adjustment).

Projected Revenue Shortfall Net of Changes in Total Expenses (1.24%)

MSS' total expenses – including operating expenses, profit, and interest – are projected to increase by \$1,200,526 from 2017 to 2018, after accounting for the adjustments included in this Report. The projected revenue shortfall at current rates is \$1,543,560; net of increased expenses, there is a revenue shortfall of \$343,034 projected for 2018, accounting for 1.24% of the overall recommended 5.57% rate adjustment. This revenue shortfall is the result of revenue shortfalls in 2017 that are expected to continue into 2018, as well as modest assumptions for new revenue shortfalls in 2018.

* * * * *

We appreciate the opportunity to submit our Final Report to the Marin Franchisors' Group. Should you have any questions regarding this Report or need any additional information, please contact me by phone at (510) 292-0853 or by email at gschultz@r3cgi.com.

Sincerely,

R3 CONSULTING GROUP



Garth Schultz | Principal

Background

Description of Current Services

Marin Sanitary Service (MSS) provides franchised refuse, recyclable materials, and organics collection and processing services to the residents and businesses in the cities of San Rafael and Larkspur, the Town of Ross, the County of Marin, and the Las Gallinas Valley Sanitary District (LGVSD). MSS and its non-franchised related entities – Marin Recycling and Resource Recovery Association (MRRRA) and the Marin Resource Recovery Center (MRRC) – also provide solid waste, recyclable-materials, and organics collection and processing services to the residents and businesses of the towns of San Anselmo and Fairfax. MSS also provides non-franchised debris box, street sweeping, and document shredding services to residents and businesses throughout the County of Marin that contract for their services.

MSS delivers refuse collected from waste generators within the Franchisors' Group service area to the MSS transfer station and then transports it to the Redwood Sanitary Landfill, which is an unrelated party. MSS delivers recyclable materials to the non-franchised MRRRA where materials are processed and marketed. MSS delivers recyclable-rich loads of refuse (typically commercial) and separated organics loads (collected from residents) along with public self-haul loads to the non-franchised MRRC where recyclable materials are separated from the waste stream, processed, and marketed.

The MRRC delivers the residual waste to the MSS transfer station. This residual waste was transferred to Keller Canyon Landfill through June 2016. MSS signed a new agreement with Potrero Hills Landfill beginning July 2016 for disposal of the residual material. MSS delivers franchised organics to the MRRC for processing before transferring to Redwood for composting. MSS provides other programs to the Franchisors' Group, including a Food-to-Energy program, outreach and education to commercial and multi-family customers (to meet the obligations of State Laws AB 341 and AB 1826, which require commercial recycling and organics collection) and other related services.

Current Rate Adjustment Methodology

The Rate Adjustment Methodology was developed in cooperation with MSS, approved by the Franchisors' Group in 2001, and revised in 2012. The individual jurisdictions amended their agreements with MSS to include this methodology as Exhibit B - Contractors Revenue Requirement and Rate Adjustment. Section 3 of this Report describes the current methodology in more detail and includes findings from the application of the methodology to MSS' 2018 Rate Application.

Anticipated Changes to Rate Adjustment Methodology

The Franchisors' Group and R3 have been working to revise the rate setting methodology with MSS to meet the following goals:

1. Streamline and simplify the rate setting process in order to spend less time and consultant cost annually;
2. Achieve more transparency for rate payers in the annual rate setting process; and

Section 1

Background

3. Develop a new process to address fluctuations in recycling revenues, and address ongoing recycling losses.

A new methodology is intended to address rate fluctuations, while maintaining an emphasis on responsible solid waste management, good value to customers, and reduction of waste to landfill. This is all part of a meet-and-confer negotiation process triggered by a deficit in the "recycling revenue fund" which has an accumulated deficit of over \$800,000 since established in 2013.

Because of the anticipated new methodology, the Franchisors' Group and MSS had planned to complete a complex cost-based rate adjustment for 2018 rates (one year ahead of schedule) so that the new streamlined rate setting methodology could take effect for 2019 rates. However, as review of the cost-based adjustment proceeded, it was determined that results of the review would not be available in time for 2018 rate setting. As a result, the Franchisors' Group and MSS agreed to revert to the (less complex and scheduled) index-based rate adjustment process for 2018 rates in order to stay on schedule for the 2018 rate adoption process.

With these considerations in mind, the Franchisors' Group requested that MSS submit its indexed rate application for the 2018 rate year instead. MSS submitted the application on November 26, with a requested rate adjustment of 8.06% (with an offer to extend the depreciation schedule for new trucks resulting in a 7.23% increase).

Next Steps for 2018 and 2019

In 2018, MSS will prepare, and R3 and the Franchisors' Group will review, a cost-based rate application for a 2019 rate adjustment. Simultaneously, MSS, R3 and the Franchisors' Group will finalize updates to the rate setting methodology (which would take effect for 2020 rate setting) and complete the meet and confer process to determine means of resolving the deficit in the recycling revenue fund. The recycling revenue fund will continue to remain in place in 2018. It is possible that further deficits could accrue in 2018, though MSS has reported that the recycling deficit did not grow in 2017.

Anticipated Timeline

January-February 2018	2018 Rates brought to Councils/Boards
March-June 2018	Rate setting methodology and meet-and-confer completed
August 2018	MSS 2019 base-year rate application due
August-November 2018	Base-year rate application review completed
November-December 2018	New methodology and 2019 rates brought to Councils/Boards

Section 2

Rate Review
Approach

Rate Review Approach

R3 Scope of Review

The Franchisors' Group engaged R3 to perform a review of the Application in accordance with the Rate Adjustment Methodology. These procedures included the following activities:

- Reviewing MSS management's actual achievement of, and projections for, revenues for the 12-month periods ending December 31, 2016, and 2017.
- Comparing the results to MSS's audited financial statements for rate year 2016 and year-to-date revenues for 2017, and requesting explanations for variances.
- Reviewing the appropriateness of MSS management's classification of expenses into the various expense categories.
- Reviewing MSS management's calculation of rate year 2018 indexed expenses and comparing them to the calculated expenses for 2017, and the calculated changes to the indices.
- Reviewing MSS management's projection of other expenses including:
 - Workers' Compensation, which has been reviewed by determining if the base wages, established as part of the prior year detail review, were properly multiplied by the applicable premium rates from MSS' insurance carrier.
 - Disposal Expense for solid waste tons transferred at MSS' transfer station, which has been reviewed by evaluating MSS' projection for 2018 disposal expense and MSS adjustments for the previous projections for Rate Years 2016 and 2017 based on historical trends, management's plans, and adjustment to the disposal rates.
- Compiling rates currently in effect in other municipalities in Marin County, as well as neighboring jurisdictions in other counties.
- Preparing a written report that documents our findings and recommendations.

Limitations

This review was substantially different in scope than an examination in accordance with Generally Accepted Auditing Standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. However, Chiao Smith McMullin + McGuire, An Accountancy Corporation, issued an unqualified opinion of MSS' 2016 financial statements. The unqualified opinion denotes that the financial statements of MSS were presented fairly in all material respects.

Our conclusions are based in part on the review of MSS' projections of its financial results of operations. Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected, and the difference may be significant.

Section 2

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Rate Review
Approach

R3

Section 3

MSS Projection
Methodology
(Index Year)

MSS Projection Methodology (Index Year)

Projected costs for 2018 are based on costs developed during the last indexed review which occurred in 2016 setting rates for 2017. In projecting the 2018 costs, MSS included the direct costs for the Franchisors' Group garbage collection, the transfer station, and recycling collection.

Some costs are allocated between MSS jurisdictions based on performance metrics. For example, maintenance and administrative costs are allocated among the agencies served by MSS using truck route hours and an average of projected revenue, annual customer counts, and department's percentage of wages, respectively. Depreciation and interest costs are allocated similarly. Management salaries are allocated to departments based upon actual time spent by management related to that department.

R3 reviewed and recommended adjustments to allocation methodologies for depreciation and interest as part of this review, and found other allocations to be calculated accurately and appropriate for the purposes of the 2018 rate application.

Expense Projections

MSS projected its 2018 expenses (less non-allowable costs such as: donations, fines for penalties, certain attorney's fees, goodwill, etc.) for each expense category by:

- Basing wage and salary expenses on 2017 expenses increased by the percentage change in the average annual San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (Urban Wage Earners; 1982-1984=100) for June 2016 and 2017;
- Basing benefits expense, excluding Workers' Compensation expense, on the projected 2017 benefits expense increased by the percentage change in the annual average Employment Cost Index - Benefits (Private Industry Workers; 1982-1984=100) for June 2016 and 2017;
- Calculating Worker's Compensation expense by multiplying the 2017 wage projection by the applicable premium rates from the Contractor's insurance carrier for 2018;
- Forecasting projected 2018 disposal expense using projected tons multiplied by the applicable disposal/processing rate for 2018, plus adjustments for 2016 actual disposal expenses, and estimated 2017 disposal expenses calculated based on actual 2016 results and year-to-date 2017 results;
- Forecasting projected 2018 fuel and oil expense as follows:
 - Projected Year (2018) Fuel Expense - gallons established in the most recent detail year review (2016) at the average price per gallon based on actual year to date purchases; plus,
 - Current Year (2017) Expense Adjustment -gallons established in the most recent detail year review (2016) at the average price per gallon based on actual year to date purchases less the 2017 fuel expense established during the previous review; plus,
 - Revised Prior Year (2016) Expense Adjustment - gallons established in the prior detail year review (2016) at the average price per gallon based on actual fuel

R3

Section 3

MSS Projection
Methodology
(Index Year)

purchases for 2016 less the 2016 fuel expense established during the previous review.

- Forecasting projected 2018 equipment and vehicle maintenance expense was based on the projected maintenance expense for 2017 increased by the percentage change in the annual average Motor Vehicle Related Index (All Urban Consumers, U.S. City Average; 1982-1984=100) for June 2016 and 2017;
- Forecasting projected 2018 depreciation and lease expense based on MSS's actual depreciation expense plus projected depreciation on anticipated purchases in the Rate Year (allocation of depreciation of trucks to the Franchisors' Group and other operations was based on truck usage metrics);
- Forecasting projected 2018 JPA Fees based on tons collected for the Franchisors' Group by MSS for the period determined and rate established by the JPA;
- Forecasting projected 2018 other operating / general and administrative expense based on projected 2017 expense increased by the percentage change in the annual average San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index (All Urban Wage Earners; 1982-1984=100) for June 2016 and 2017; and
- Forecasting projected 2018 interest expense based on MSS's actual interest from its loan amortization schedules for actual and projected capital, and adjusting 2017 expenses for any projected asset purchases from the prior rate year which were not purchased in the projected time period.

Revenue Projections

In order to mitigate significant differences in the forecasted and actual revenues received R3 applied a 99.75% revenue achievement factor to the projection of 2018 revenues at current 2017 rates, meaning that the anticipated revenues for 2018 (without rate adjustment) are projected to be 0.25% less than forecasted based on year-to-date 2017 trends.

MSS has not achieved forecasted revenues in most prior years, which is primarily due to customer "migration" from larger and more expensive solid waste subscription levels (larger container sizes and/or greater collection frequency) to smaller and cheaper service levels (smaller container sizes and/or lesser collection frequency) as a result of increased recycling and/or composting participation. This ongoing trend reduces revenue to MSS without necessarily reducing expenses.

The recommended 0.25% reduction in revenue achievement modeled in the recommended 2018 rate adjustment is less than has been recorded in prior years, and forecasts less of a revenue shortfall than has actually been realized in prior years. This is the result of expectations that economic growth and lessened migration will offset larger differences in the forecasted and actual revenues that MSS may receive in 2018. R3 has reviewed the recommended revenue achievement factor with MSS, and MSS has agreed to it.

Profit Projections

MSS calculated its 2018 profit by applying the agreed-upon 90.5% pre-tax operating ratio to its 2018 total projected expenses that are eligible for profit. This calculation automatically recalculated MSS profit after accounting for adjustments to expenses as noted elsewhere in this report.

Calculated Rate Adjustment Factor

The Rate Adjustment Factor equals the Total Contractor's Revenue Requirement for the coming Rate Year divided by the Gross Rate Revenues. Gross Rate Revenues mean the statements of charges for services rendered by Contractor, to owners or occupants of property, including residential and commercial premises, for the collection of materials pursuant to the Agreement, net of a reasonable allowance for uncollectible accounts, and adjusted for the anticipated 99.75% revenue achievement.

MSS calculated the 2018 Rate Adjustment to be a 7.23% increase, including a MSS proposal to increase the depreciation period of recent (on or after January 1, 2017) and planned 2018 vehicle purchases from seven to ten years (without this change, the requested rate adjustment would have been 8.06%). R3 recommends the ten-year depreciation period option as it is consistent with depreciation of vehicles in other operations that we have reviewed, and also reduces the necessary rate increase in this and future rate years (if the new depreciation term continues to be applied in the future).

Please note that the adjustments related to the change from seven to ten-year depreciation are included as recommended adjustments in this Report. Likewise, the MSS proposed 2018 rate adjustment is shown at the seven-year depreciation amount of 8.06% in the following tables and in Attachment 1. After accounting for the adjustments recommended by R3 and agreed to by MSS, the recommended rate 2018 rate adjustment is 5.57%, 1.66% less than MSS's requested adjustment of 7.23% (and 2.49% less than the 8.06% increase without the change in depreciation).

Section 3

MSS Projection
Methodology
(Index Year)

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Section 3

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MSS Projection
Methodology
(Index Year)

R3

Section 4

Proposed Adjustments to MSS Rate Application

Proposed Adjustments to MSS Rate Application

This section provides a summary of the R3 recommended adjustments to the MSS 2018 Rate Application, and the rationale for those adjustments. R3's recommended projections for MSS' operations are shown in Table 2 below, and are discussed in more detail following the table.

Please note that the MSS application includes depreciation at seven years; the adjustment to ten-year depreciation is addressed in the "Recommended Adjustments" column of Table 2.

Table 2
Summary of Adjustments to 2018 Rate Application

Expenses: Current MSS Operations		MSS Application	Recommended Adjustments	R3 Adjusted Application
1	Wages	8,058,326	-	8,058,326
2	Benefits	4,607,674	23,506	4,631,180
3	Disposal Fees	4,096,468	(42,153)	4,054,315
4	Fuel & Oil	853,982	-	853,982
5	Maintenance Expense	1,892,893	-	1,892,893
6	Depreciation/Leases	3,175,545	(374,185)	2,801,360
7	Other Operating/G&A	3,726,395	-	3,726,395
8	Total Operating Expenses	26,411,283	(392,832)	26,018,451
9	Operating Profit	2,772,454	(41,236)	2,731,218
10	Interest Expense	649,744	(123,863)	525,881
11	Revenue Requirement	29,833,481	(557,930)	29,275,550
12	Projected Revenue (at current rates)	31,763,512	165,010	31,928,522
13	Less: Franchise Fees	(3,160,455)	(16,289)	(3,176,744)
14	Less: Street Sweeping	(72,000)	(24,000)	(96,000)
15	Less: Refuse Vehicle Impact Fee	(1,117,857)	-	(1,117,857)
16	Add: Non-Regulated Revenues	194,066	-	194,066
17	Net Revenues (at current rates)	27,607,266	96,867	27,731,988
18	Total Surplus/ (Deficit) (Line 17 - Line 12)	(2,226,217)	682,655	(1,543,562)
19	Rate Adjustment Factor (-Line 18 ÷ Line 17)	8.06%	(2.49%)	5.57%

Section 4

Proposed
Adjustments to
MSS Rate
Application

Adjustments to 2017 Projected Expenses for Current Operations

Wages

R3 reviewed and does not recommend an adjustment to MSS' projected 2018 Wages expense (Table 2, Line 1).

It should be noted that prior adjustments in 2017 (reduction in wages of \$17,642 to limit the wages for the accounting position to the amount approved as part of the Operations Improvement Plan that remained unfilled until 2016) are automatically carried forward to the 2018 projection, as the 2018 projection escalated the 2017 approved wages expense (including the prior reduction) by CPI. CPI for this expense category yields an increase of 3.1% for 2018.

Benefits

R3 reviewed and recommends increasing benefit expense by a net of \$23,506 due to the following (Table 2, Line 2):

- Increase benefits, other than workers' compensation, by \$3,712. MSS' application calculated these costs based on an annual average change in the Employment Cost Index (ECI) (yielding a 1.8% increase) instead of the year over year change as prescribed by the agreement (yielding a 1.9% increase) an error that also occurred in 2017 and of which MSS has been made aware; and
- Increase workers' compensation by \$19,794 due to an updated (and final) insurance quote that was higher than MSS initially expected.

Disposal Fees

R3 reviewed and recommends reducing disposal fees by \$42,153 for the following (Table 2, Line 3):

- Reduce disposal by \$27,901 for projected growth in F2E tonnage as the program adds new customers and the second route, which is a continuation of an adjustment made in 2017; and
- Reduce disposal by \$14,252 to eliminate an extra scale charge and Non-Franchisor areas for bulky waste and illegal dumping charges, which is also a continuation of an adjustment made in 2017.

Fuel & Oil

R3 reviewed and does not recommend an adjustment to MSS' projected 2018 fuel expense (Table 2, Line 4).

Maintenance Expense

R3 reviewed and does not recommend an adjustment to MSS' projected 2018 maintenance expense (Table 2, Line 5).

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Section 4

Proposed
Adjustments to
MSS Rate
Application**Depreciation/Leases**

R3 reviewed and recommends reducing depreciation by \$374,185 for the following (Table 2, Line 6):

- Reduce depreciation by \$176,921 to account for the change in depreciation period from seven to ten-years for recently purchased and planned 2018 truck purchases;
- Reduce depreciation by \$26,250 to account for the deferral of the purchase of two trucks originally planned for 2018 but which MSS has agreed to defer until 2019; and
- Reduce depreciation by \$171,014 due to updated calculations for allocating depreciation between MSS contracting agencies.

Other Operating / G&A

R3 reviewed and does not recommend an adjustment to MSS' projected 2018 Other Operating / G&A expense (Table 2, Line 7).

Operating Profit

R3 reviewed and recommends reducing MSS' projected operating profit by \$41,236 (Table 2, Line 9) which is a result of net decreases in operating costs described above.

Interest Expense

R3 recommends reducing MSS' projected interest expense by \$123,863 due to the following (Table 2, Line 10):

- Reduce interest by \$11,156 to account for the deferral of the purchase of two trucks originally planned for 2018 but which MSS has agreed to defer until 2019;
- Reduce interest by \$77,450 due to updated calculations for allocating interest between MSS contracting agencies; and
- Reduce interest expense by \$35,257 due to MSS updating calculations for the amount of overall 2018 interest.

Adjustments to Projected Revenue at Current Rates**Projected Revenue at Current Rates**

R3 recommends increasing projected revenue at current rates by \$165,010 due to an updated 99.75% revenue achievement projection for 2018, as compared to MSS's original proposal of a revenue achievement factor of 99.23% (Table 2, Line 12).

Franchise Fees

R3 reviewed and recommends an increase to MSS' projected Franchise Fees (Table 2, Line 13) in the amount of \$16,289, which is due to the increase in projected revenue and current rates noted above.

R3

Section 4

Proposed
Adjustments to
MSS Rate
Application**Street Sweeping Fees**

R3 reviewed and recommends correcting the amount of street sweeping fees (resulting in a decrease in available revenues) by \$24,000 to show pass-through street sweeping fees for Ross Valley North (RVSD-N) that MSS inadvertently did not include in the rate application (Table 2, Line 14). Rates for Ross Valley North customers already include these pass-through costs (meaning costs not subject to MSS profit), which are not paid by other Franchisor's Group rate-payers. This same correction was made in the 2017 rate application.

Vehicle Impact Fees

R3 reviewed the Vehicle Impact Fees noted in MSS's rate application (Table 2, Line 15), and finds them to be appropriate for rate setting purposes, with no adjustment necessary.

Non-Regulated Revenues

R3 reviewed and does not recommend an adjustment to MSS' projected Franchise Fees (Table 2, Line 16).

R3

Section 5

Recommended
Rate
Adjustment

Recommended Rate Adjustment

2018 Recommended Adjustment

Based on a recommend revenue requirement of \$29,275,550 (Table 2, Line 11) and projected net revenues of \$27,731,988 (Table 2, Line 17) for the calendar year 2018 resulting from our recommended adjustments to MSS' application, a 5.57% Rate Adjustment Factor has been calculated, to be effective January 1, 2018.

The approved rate setting methodology allows for certain expenses to be revised each year when more accurate information is known. The difference between the original projections and the revised projections are allowed to be included in the current year rate adjustment. Table 3 shows the components of the rate increase based on adjustments related solely to the 2018 projections and the adjustments related to revised projections from 2016 and 2017.

Table 3
Summary of Rate Increase Components by Category

Rate Adjustment Factor Component Percentages			
Category	Adjustment Factor Related to 2016 and 2017	Adjustment Factor Related to 2018	Total
Wages	0.00%	0.87%	0.87%
Benefits (including workers comp)	0.00%	0.44%	0.44%
Fuel & Oil	0.09%	0.89%	0.98%
Disposal	0.24%	0.00%	0.24%
Depreciation and Interest	0.00%	0.93%	0.93%
Maintenance	0.00%	0.13%	0.13%
Other Operating Costs ¹	0.00%	0.74%	0.74%
Subtotal Operations	0.33%	4.00%	4.33%
Revenue Shortfall Net of Changes in Total Expenses	0.00%	1.24%	1.24%
Rate Adjustment Factor	0.33%	5.24%	5.57%

¹ Includes profit and general & administrative costs (e.g., public education, customer service, etc.).

As shown, the recommended rate increase of 5.57% includes components that result from revised projections related to 2016 and 2017 as well as components that relate to the current application, as shown in Table 3. The impact of prior year "true-ups" to this 2018 rate application is minimal, with only 0.33% of the overall rate adjustment being attributed to change in expenses in prior years. This is primarily due to the difference between the 2016 actual disposal expense as compared to the projected 2016 disposal expense included in the 2017 rate application, which accounts for 0.24% of the recommended 2018 adjustment. A small 0.09% of the adjustment is due to "true-ups" for fuel and oil related to actual vs. projected expenses in 2016 and 2017.

R3

Section 5

Recommended
Rate
Adjustment

Proposed 2018 Rates

The following table summarizes, by jurisdiction, the current and proposed 32-gallon residential rates, the most common subscription level. Note that rates for the County of Marin are estimated based on the recommended 5.57% rate adjustment applied to the 2017 rates for County area; actual County rates will be determined by a separate process, using the approved 2018 rate adjustment factor.

Table 4
Residential 32-Gallon Rate Summary

Jurisdiction	Current Rate (\$/mo.)	Proposed Rate (\$/mo.)	\$ Difference
San Rafael	\$35.81	\$37.80	\$1.99
Las Gallinas Valley Sanitary District	\$31.31	\$33.05	\$1.74
Larkspur	\$41.13	\$43.42	\$2.29
Ross	\$34.22	\$36.13	\$1.91
County of Marin - RVSD-S*	\$38.54	\$40.69	\$2.15
County of Marin*	\$38.00	\$40.12	\$2.12
County of Marin - RVSD-N* (Sleepy Hollow)	\$41.01	\$43.29	\$2.28
County of Marin - RVSD-N* (Oak Manor)	\$40.28	\$42.52	\$2.24

Survey of Comparable Rates

Attachment 3 shows the results of R3's survey of solid waste rates as of December 2017 for jurisdictions located throughout the Bay Area. For the purpose of comparing the Franchisors' Group rates to other jurisdictions in Attachments 3, 4 and 5 we have applied the 5.57% rate adjustment for 2018 to the current Franchisors' Group rates.

The Franchisors' Group residential rates for a 32-gallon container (the most frequent residential service level) will range from \$33.05 (LGVSD) to \$43.42 (Larkspur). The survey shows the Franchisors' Group average residential rate for 32-gallon service \$39.63 with RVSD-N included (and \$38.53 without) is within the range of normal when compared to other Marin County jurisdictions. Attachment 4 graphically compares the Franchisors' Group residential rates for a 32-gallon container to one another as well as to the average of Marin County rates for similar service.

The Franchisors' Group commercial rates for a 3-cubic yard bin serviced 1 time per week (the most requested commercial service level) range from \$463.86 (Town of Ross) to \$695.15 (RVSD-N). The average rate for the Franchisors' Group is \$550.76 with RVSD-N, and \$502.63 without. The average rate is higher when compared to the other three Marin County jurisdictions that have this level of service. Attachment 5 compares the Franchisors' Group commercial rates for a 3-cubic yard bin serviced one time per week to the average Marin County rate and all other jurisdictions' average rate for similar service levels.

These survey results are presented as an indication of the reasonableness of the resulting rates for 2018. Conclusions should not be immediately drawn from this information because rate comparisons are intrinsically difficult and often misleading. This results from differences in issues such as those listed below. At the direction of the Franchisors' Group, R3 would be happy to prepare additional background information on how these factors may change for

R3

comparison agencies in the future, and provide addition context regarding the rates shown (for example, as a result of recent acquisitions as with the recent Recology acquisition of Novato Disposal).

- The types and ranges of services provided;
- The level of subscription to solid waste services by residential, commercial, and industrial customers;
- The ratio of residential to commercial and industrial customers;
- The terrain in which the service is performed;
- Disposal, transfer and process costs, and amounts per capita;
- Rate structures; and,
- Governmental fees (e.g., franchise fees, vehicle impact fees, etc.).

Section 5

Recommended
Rate
Adjustment

R3

Section 5

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Recommended
Rate
Adjustment

R3

**Marin Sanitary Service
2018 Rate Application - Franchisors' Group
MSS Proposed Rate Calculation**

Expense Allocation (Percentage of Total Revenues)			44.24%	19.26%	8.55%	15.79%	2.56%	2.12%	6.20%	1.27%	100.00%
			San Rafael	Las Gallinas- City of S.R.	Las Gallinas- County	Larkspur	RV-N	Ross	RVSD	County	Total
Expenses: Current MSS Services											
1	Rate Application Operating Expenses:										
2	Wages	\$ 8,058,326	\$ 3,565,227	\$ 1,552,275	\$ 689,257	\$ 1,272,671	\$ 206,030	\$ 170,555	\$ 499,688	\$ 102,623	\$ 8,058,326
3	Benefits	\$ 4,607,674	2,038,563	887,576	394,111	727,701	117,806	97,522	285,717	58,679	4,607,675
4	Disposal Fees	\$ 4,096,468	1,812,391	789,103	350,385	646,965	104,736	86,702	254,017	52,169	4,096,468
5	Fuel & Oil	\$ 853,982	377,825	164,502	73,044	134,871	21,834	18,075	52,954	10,876	853,981
6	Maintenance Expense	\$ 1,892,893	837,468	364,628	161,906	298,949	48,396	40,063	117,376	24,106	1,892,892
7	Depreciation/Leases	\$ 3,175,545	1,404,949	611,705	271,616	501,522	81,190	67,210	196,912	40,441	3,175,545
8	Other Operating/G&A	\$ 3,726,395	1,648,661	717,815	318,732	588,519	95,274	78,869	231,070	47,456	3,726,396
9											-
10	Total Operating Expenses	26,411,283	11,685,084	5,087,604	2,259,051	4,171,198	675,266	558,996	1,637,734	336,350	26,411,283
11	Operating Profit	90.5%	2,772,455	1,226,611	534,058	237,138	437,861	70,884	58,679	171,917	2,772,455
12	Interest Expense		649,744	287,465	125,160	55,575	102,616	16,612	13,752	40,290	649,745
13	Revenue Requirement	29,833,481	13,199,160	5,746,822	2,551,764	4,711,675	762,762	631,427	1,849,941	379,932	29,833,483
Revenues											
14	Route Revenues (2018 Projected at 2017 Rates)		13,816,309	6,019,873	2,369,748	5,442,038	874,162	671,179	2,131,251	438,952	31,763,512
15											-
16	Adjusted Route Revenues		13,816,309	6,019,873	2,369,748	5,442,038	874,162	671,179	2,131,251	438,952	31,763,512
17	Less: Franchise Fees		(1,381,631)	(601,987)	(25,000)	(544,204)	(131,124)	(90,978)	(319,688)	(65,843)	(3,160,455)
18	Less: Street Sweeping								(48,000)	(24,000)	(72,000)
19	Less: Vehicle Impact Fee		(306,318)	(137,282)		(568,400)	(42,155)		(63,702)		(1,117,857)
20	Net Regulated Revenues		12,128,360	5,280,604	2,344,748	4,329,434	700,883	580,201	1,699,861	349,109	27,413,200
21	Non-Regulated Revenues	194,066	85,860	37,383	16,599	30,649	4,962	4,107	12,034	2,472	194,066
22	Adjusted Total Revenues (At Current Rates)		12,214,220	5,317,987	2,361,347	4,360,083	705,845	584,308	1,711,895	351,580	27,607,266
23	Revenue Surplus/(Shortfall)		(984,940)	(428,835)	(190,417)	(351,592)	(56,917)	(47,119)	(138,046)	(28,352)	(2,226,217)
24	Calculated Rate Adjustment		8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%

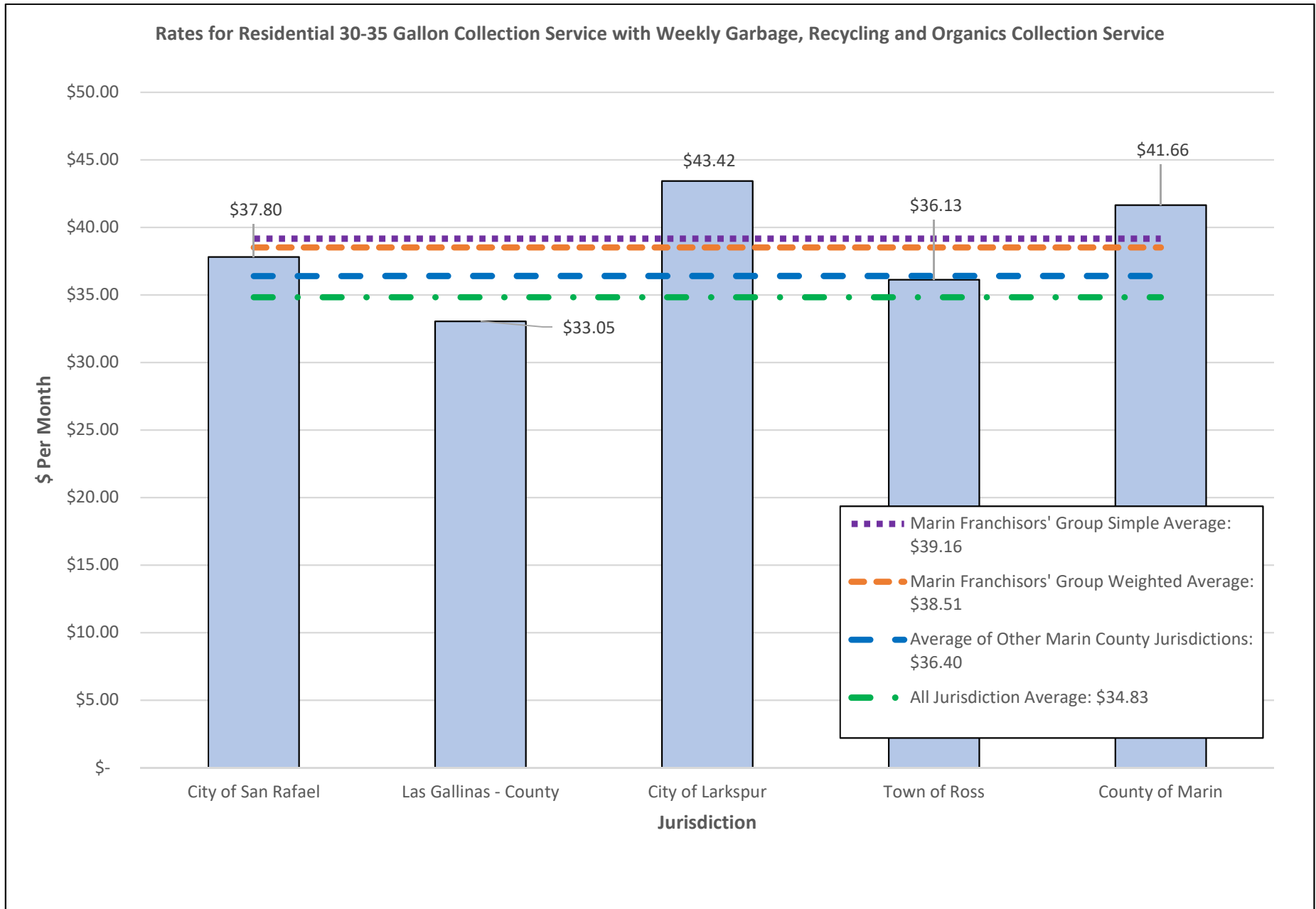
**Marin Sanitary Service
2018 Rate Application - Franchisors' Group
R3 Adjusted Rate Calculation**

Expense Allocation (Percentage of Total Revenues)		44.28%	19.28%	8.56%	15.81%	2.47%	2.12%	6.21%	1.27%	100.00%	
		Las Gallinas-		Las Gallinas-							
<u>Expenses: Current MSS Services</u>		San Rafael	City of S.R.	County	Larkspur	RV-N	Ross	RVSD	County	Total	
1	Rate Application Operating Expenses:										
2	Wages	\$ 8,058,326	\$ 3,567,982	\$ 1,553,481	\$ 689,738	\$ 1,274,353	\$ 199,203	\$ 170,664	\$ 500,179	\$ 102,726	\$ 8,058,326
3	Benefits	\$ 4,631,180	2,050,546	892,797	396,398	732,380	114,484	98,082	287,456	59,037	4,631,180
4	Disposal Fees	\$ 4,054,315	1,795,128	781,589	347,022	641,154	100,223	85,865	251,650	51,683	4,054,315
5	Fuel & Oil	\$ 853,982	378,117	164,630	73,095	135,050	21,111	18,086	53,006	10,886	853,982
6	Maintenance Expense	\$ 1,892,893	838,116	364,911	162,019	299,344	46,793	40,089	117,491	24,130	1,892,893
7	Depreciation/Leases	\$ 2,801,361	1,240,358	540,045	239,777	443,010	69,250	59,329	173,880	35,711	2,801,360
8	Other Operating/G&A	\$ 3,726,395	1,649,935	718,373	318,954	589,296	92,117	78,920	231,297	47,503	3,726,395
9											-
10	Total Operating Expenses	26,018,452	11,520,182	5,015,826	2,227,003	4,114,587	643,181	551,035	1,614,959	331,676	26,018,451
11	Operating Profit	90.5% 2,731,218	1,209,301	526,523	233,774	431,918	67,516	57,843	169,526	34,817	2,731,218
12	Interest Expense	525,881	232,844	101,379	45,012	83,163	13,000	11,137	32,641	6,704	525,881
13	Revenue Requirement	29,275,551	12,962,327	5,643,728	2,505,789	4,629,668	723,697	620,015	1,817,126	373,197	29,275,550
Revenues											
14	Route Revenues (2018 Projected at 2017 Rates)	13,888,084	6,051,146	2,382,059	5,470,309	878,704	674,666	2,142,323	441,232	31,928,522	
15											-
16	Adjusted Route Revenues	13,888,084	6,051,146	2,382,059	5,470,309	878,704	674,666	2,142,323	441,232	31,928,522	
17	Less: Franchise Fees	(1,388,808)	(605,115)	(25,000)	(547,031)	(131,806)	(91,451)	(321,348)	(66,185)	(3,176,744)	
18	Less: Street Sweeping	-	-	-	-	(24,000)	-	(48,000)	(24,000)	(96,000)	
19	Less: Vehicle Impact Fee	(306,318)	(137,282)	-	(568,400)	(42,155)	-	(63,702)	-	(1,117,857)	
20	Net Regulated Revenues	12,192,957	5,308,750	2,357,059	4,354,878	680,743	583,215	1,709,272	351,047	27,537,921	
21	Non-Regulated Revenues	194,066	85,926	37,412	16,611	30,690	4,797	4,110	12,046	2,474	194,066
22	Adjusted Total Revenues (At Current Rates)	12,278,883	5,346,162	2,373,670	4,385,568	685,540	587,325	1,721,318	353,521	27,731,988	
23	Revenue Surplus/(Shortfall)	(683,444)	(297,566)	(132,119)	(244,100)	(38,157)	(32,690)	(95,808)	(19,676)	(1,543,562)	
24	Calculated Rate Adjustment	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%	

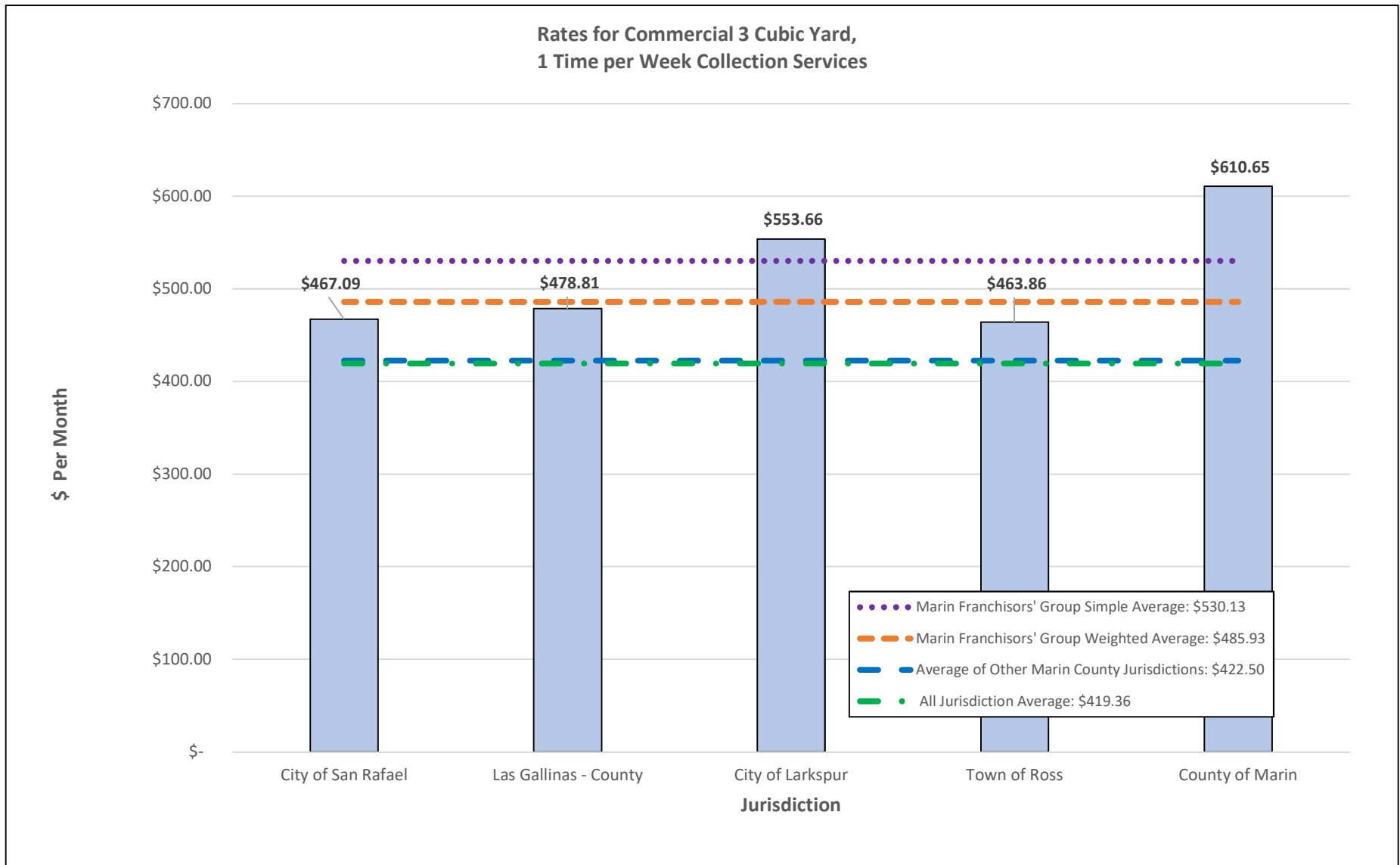
Bay Area Rate Survey

Jurisdiction	County	Effective Dates	Residential Single Family				Commercial			
			20 Gal.	30-35 Gal.	60-64 Gal.	90-96 Gal.	1 YD Bin	1 YD Bin	3 YD Bin	3 YD Bin
			1x/Week	3x/Week	1x/Week	3x/Week				
City of Alameda	Alameda	7/1/2017	\$ 31.38	\$ 39.60	\$ 65.07	\$ 90.88	\$ 150.87	\$ 461.63	\$ 452.60	\$ 1,384.90
City of Albany	Alameda	5/1/2017	\$ 37.53	\$ 42.03	\$ 72.64	\$ 103.24	\$ 167.47	\$ 502.41	\$ 502.41	\$ 1,507.23
City of Berkeley (District 1 & 2)	Alameda	7/1/2017	\$ 25.43	\$ 40.68	\$ 81.31	\$ 121.92	\$ 161.89	\$ 456.15	\$ 448.02	\$ 1,330.75
City of Berkeley (District 3)	Alameda	7/1/2017	\$ 26.53	\$ 42.35	\$ 84.66	\$ 126.96	\$ 161.89	\$ 456.15	\$ 448.02	\$ 1,330.75
City of Dublin	Alameda	7/1/2017	N/A	\$ 22.06	\$ 40.52	\$ 58.98	\$ 140.44	N/A	\$ 354.50	N/A
City of Emeryville	Alameda	1/1/2017	\$ 11.17	\$ 18.49	\$ 36.97	\$ 55.46	\$ 110.10	\$ 330.30	\$ 330.30	\$ 990.90
City of Fremont	Alameda	1/1/2017	\$ 31.21	\$ 31.89	\$ 34.99	\$ 51.47	\$ 93.09	N/A	\$ 209.26	N/A
City of Livermore	Alameda	7/1/2017	\$ 28.46	\$ 37.67	\$ 57.54	\$ 90.41	\$ 116.72	\$ 364.16	\$ 350.16	\$ 1,115.62
City of Newark	Alameda	1/1/2016	\$ 27.32	\$ 30.37	\$ 53.79	\$ 77.19	\$ 123.09	\$ 383.96	\$ 325.58	\$ 887.88
City of Oakland	Alameda	7/1/2017	\$ 39.41	\$ 44.93	\$ 80.08	\$ 120.88	\$ 224.80	\$ 674.32	\$ 535.32	\$ 1,605.90
City of Piedmont	Alameda	7/1/2017	\$ 52.39	\$ 55.11	\$ 65.02	\$ 76.90	\$ 171.06	\$ 482.54	N/A	N/A
City of Pleasanton	Alameda	UNKNOWN	N/A	\$ 33.80	N/A	\$ 45.48	\$ 168.23	\$ 440.27	\$ 480.43	\$ 1,296.55
City of San Leandro	Alameda	9/1/2017	\$ 10.20	\$ 20.46	\$ 40.86	\$ 61.32	\$ 133.47	\$ 346.94	\$ 355.54	\$ 995.95
City of Union City	Alameda	7/1/2016	\$ 27.86	\$ 34.82	\$ 69.69	\$ 104.51	\$ 144.66	\$ 399.57	\$ 379.10	\$ 1,033.18
Castro Valley Sanitary District	Alameda	7/1/2017	\$ 25.94	\$ 40.23	\$ 69.86	\$ 99.49	\$ 285.93	\$ 857.92	\$ 760.74	\$ 2,131.76
Oro Loma Sanitary District (L1)	Alameda	9/1/2017	\$ 8.84	\$ 17.64	\$ 35.32	\$ 52.95	\$ 115.40	\$ 299.95	\$ 307.36	\$ 860.99
Oro Loma Sanitary District (L2)	Alameda	9/1/2017	\$ 8.84	\$ 17.64	\$ 35.32	\$ 52.95	\$ 115.40	\$ 299.95	\$ 307.36	\$ 860.99
Oro Loma Sanitary District (L3)	Alameda	9/1/2017	\$ 10.20	\$ 20.46	\$ 40.86	\$ 61.32	\$ 133.47	\$ 346.94	\$ 355.54	\$ 995.95
City of Richmond	Contra Costa	1/1/2017	\$ 28.31	\$ 34.35	\$ 65.25	\$ 97.02	\$ 234.79	\$ 597.40	\$ 538.47	\$ 1,477.85
City of San Pablo	Contra Costa	1/1/2017	\$ 24.45	\$ 29.73	\$ 57.69	\$ 86.46	\$ 234.74	\$ 594.88	\$ 544.06	\$ 1,491.48
City of El Cerrito	Contra Costa	1/1/2018	\$ 35.54	\$ 47.14	\$ 94.61	N/A	\$ 319.07	\$ 892.97	N/A	N/A
City of Hercules	Contra Costa	1/1/2017	\$ 30.39	\$ 35.62	\$ 62.79	\$ 90.77	\$ 265.67	\$ 669.24	\$ 609.41	\$ 1,663.98
City of Pinole	Contra Costa	1/1/2017	\$ 28.82	\$ 34.12	\$ 60.70	\$ 88.09	\$ 223.60	\$ 565.92	\$ 507.04	\$ 1,385.82
Unincorporated West Contra Costa	Contra Costa	1/1/2017	\$ 25.81	\$ 31.56	\$ 60.44	\$ 90.04	\$ 223.60	\$ 565.92	\$ 507.04	\$ 1,385.82
Town of Fairfax	Marin	1/1/2107	\$ 26.64	\$ 31.93	\$ 63.86	\$ 95.79	\$ 187.74	\$ 444.68	\$ 440.13	\$ 1,152.10
Town of San Anselmo	Marin	1/1/2017	\$ 29.62	\$ 38.71	\$ 77.49	\$ 116.23	N/A	N/A	\$ 635.33	\$ 1,906.12
City of Belvedere	Marin	7/1/2015	\$ 37.42	\$ 46.25	\$ 78.47	\$ 110.69	\$ 205.43	\$ 567.46	N/A	N/A
City of Novato	Marin	UNKNOWN	\$ 12.21	\$ 19.53	\$ 39.03	\$ 58.57	N/A	N/A	\$ 254.44	\$ 631.33
West Marin	Marin	1/1/2015	\$ 17.87	\$ 27.09	\$ 50.81	\$ 81.23	N/A	N/A	\$ 309.25	\$ 701.50
City of Sausalito	Marin	1/1/2017	N/A	\$ 39.95	N/A	N/A	\$ 157.78	N/A	\$ 473.33	N/A
Tamalpais Com. Service Dist. ¹	Marin	7/1/2017	N/A	\$ 47.78	\$ 72.13	\$ 97.87	\$ 316.52	\$ 949.56	N/A	N/A
Town of Tiburon	Marin	7/1/2015	\$ 34.59	\$ 39.02	\$ 71.05	\$ 102.54	\$ 185.67	\$ 506.76	N/A	N/A
Town of Corte Madera	Marin	7/1/2015	\$ 27.61	\$ 32.47	\$ 65.11	\$ 97.75	\$ 151.87	\$ 409.79	N/A	N/A
City of Mill Valley	Marin	7/1/2016	\$ 37.39	\$ 41.23	\$ 68.85	\$ 96.41	\$ 182.64	\$ 491.52	N/A	N/A
RVSD - N (Oak Manor)	Marin	1/1/2018	\$ 26.58	\$ 42.52	\$ 86.35	\$ 130.72	\$ 231.67	\$ 695.15	\$ 695.15	\$ 2,085.49
RVSD - N (Sleepy Hollow)	Marin	1/1/2018	\$ 27.44	\$ 43.29	\$ 89.12	\$ 134.93	\$ 231.67	\$ 695.15	\$ 695.15	\$ 2,085.49
City of San Rafael	Marin	1/1/2018	\$ 32.14	\$ 37.80	\$ 75.62	\$ 113.42	N/A	N/A	\$ 467.09	\$ 1,301.01
Las Gallinas - County	Marin	1/1/2018	\$ 28.10	\$ 33.05	\$ 66.11	\$ 99.16	\$ 236.65	\$ 710.49	\$ 478.81	\$ 1,336.39
City of Larkspur	Marin	1/1/2018	\$ 36.92	\$ 43.42	\$ 86.84	\$ 130.26	\$ 275.69	\$ 826.80	\$ 553.66	\$ 1,451.76
Town of Ross	Marin	1/1/2018	\$ 30.70	\$ 36.13	\$ 72.25	\$ 108.37	N/A	N/A	\$ 463.86	\$ 1,391.45
County (RVSD - S)	Marin	1/1/2018	\$ 24.46	\$ 40.69	\$ 84.26	\$ 131.40	\$ 338.65	\$ 858.58	\$ 523.73	\$ 1,375.28
County - Marin Franchisors' Group	Marin	1/1/2018	\$ 24.11	\$ 40.12	\$ 83.10	\$ 129.60	N/A	N/A	\$ 528.59	\$ 1,380.24
City of Campbell ¹	Santa Clara	7/1/2017	\$ 20.74	\$ 27.15	\$ 54.29	\$ 81.44	\$ 135.60	\$ 410.71	\$ 271.21	\$ 821.43
City of Cupertino	Santa Clara	11/1/2017	N/A	\$ 25.49	\$ 20.99	\$ 76.49	N/A	N/A	\$ 250.51	\$ 751.52
City of Los Altos	Santa Clara	7/1/2017	\$ 30.98	\$ 33.36	\$ 66.74	\$ 100.10	\$ 130.91	\$ 392.75	\$ 392.74	\$ 1,178.27
City of Milpitas	Santa Clara	12/1/2017	\$ 32.22	\$ 35.02	\$ 41.19	\$ 47.32	\$ 116.21	\$ 286.19	\$ 263.93	\$ 747.15
City of Monte Sereno ¹	Santa Clara	7/1/2017	\$ 23.78	\$ 31.12	\$ 62.25	\$ 93.37	\$ 181.94	\$ 551.15	\$ 363.88	\$ 1,102.29
City of Mountain View	Santa Clara	7/1/2017	\$ 22.10	\$ 32.25	\$ 64.50	\$ 96.75	\$ 103.80	\$ 352.60	\$ 310.90	\$ 974.55
City of Palo Alto	Santa Clara	7/1/2017	\$ 27.81	\$ 50.07	\$ 100.15	\$ 150.22	\$ 178.54	\$ 549.36	\$ 437.20	\$ 1,388.28
City of San Jose	Santa Clara	7/1/2017	N/A	\$ 33.19	\$ 66.38	\$ 99.57	\$ 140.61	\$ 402.66	\$ 196.38	\$ 561.63
City of Santa Clara	Santa Clara	7/1/2017	\$ 20.63	\$ 26.17	\$ 38.82	\$ 51.47	\$ 81.44	\$ 235.65	\$ 228.10	\$ 647.41
City of Sunnyvale	Santa Clara	1/1/2017	N/A	\$ 39.38	\$ 47.03	\$ 54.69	\$ 173.80	\$ 485.00	\$ 416.21	\$ 1,209.37
City of Saratoga ¹	Santa Clara	7/1/2017	\$ 22.58	\$ 29.54	\$ 59.09	\$ 88.63	\$ 193.82	\$ 587.37	\$ 387.64	\$ 1,174.75
Town of Los Altos Hills	Santa Clara	7/1/2017	\$ 29.86	\$ 41.63	\$ 83.28	\$ 124.90	\$ 104.82	\$ 220.76	\$ 164.03	\$ 383.57
Town of Los Gatos ¹	Santa Clara	7/1/2017	\$ 20.91	\$ 27.47	\$ 54.94	\$ 82.41	\$ 159.77	\$ 484.05	\$ 319.54	\$ 968.10
Marin Franchisors' Average			\$ 28.81	\$ 39.63	\$ 80.46	\$ 122.23	\$ 262.87	\$ 757.23	\$ 550.76	\$ 1,550.89
Marin County Average without MFG			\$ 27.92	\$ 36.40	\$ 65.20	\$ 95.23	\$ 198.24	\$ 561.63	\$ 422.50	\$ 1,097.76
Marin County - All			\$ 28.36	\$ 37.83	\$ 72.38	\$ 107.94	\$ 225.16	\$ 650.54	\$ 501.43	\$ 1,399.85
All City Average			\$ 26.70	\$ 34.83	\$ 63.32	\$ 92.21	\$ 179.64	\$ 513.41	\$ 419.36	\$ 1,209.79
Marin Franchisors' Group Average without RVSD - N			\$ 29.40	\$ 38.53	\$ 78.03	\$ 118.70	\$ 283.66	\$ 798.62	\$ 502.63	\$ 1,372.69

¹ 1 CY not available, reflected here for 1.5 CY



Note: This chart compares anticipated 2018 Marin Franchisors' Group rates to current 2017 rates for all other jurisdictions.



Note: This chart compares anticipated 2018 Marin Franchisors' Group rates to current 2017 rates for all other jurisdictions.



The image shows a mobile browser interface. At the top, there is a navigation bar with several icons: a back arrow, a menu icon, a forward arrow, a speaker icon, a printer icon, a share icon, a text icon, and a font size icon. Below the navigation bar, the URL www.lgvsd.org is displayed. The main content area shows a document titled "Legal Notice" with a sub-header "NOTICE OF PUBLIC REVIEW HEARING TO DISCUSS PROPOSED ORDINANCE NO 172 TO AMEND GARBAGE COLLECTION RATES FOR 2018". The text of the notice describes a public hearing by the Las Gallinas Valley Sanitary District on Thursday, February 8, 2018, at 4:30 PM, regarding proposed ordinance No. 172. The notice also mentions that the ordinance can be viewed on the district's website or at the front gate bulletin board from January 22 to February 8, 2018. At the bottom of the notice, it is dated "NO. 84 JAN. 24, FEB. 1, 2018".

Screen clipping taken: 2/1/2018 9:22 AM

MINUTES JANUARY 11, 2018

1
2
3 THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT MET IN
4 OPEN SESSION ON JANUARY 11, 2018, AT 4:00 P.M., AT THE DISTRICT OFFICE, 300 SMITH
5 RANCH ROAD, SAN RAFAEL, CALIFORNIA.

6
7 **BOARD MEMBERS PRESENT:** M. Clark, R. Elias, R. Greenfield and C. Murray,

8
9 **BOARD MEMBERS ABSENT:** J. Schriebman

10
11 **STAFF PRESENT:** Chris DeGabriele, Interim General Manager (Also
12 present for Closed Session); Teresa Lerch, District
13 Secretary

14
15 **OTHERS PRESENT:** David Byers, District Counsel,

16
17 **ANNOUNCEMENT:** President Greenfield announced that the agenda had
18 been posted as evidenced by the certification on file
19 in accordance with the law

20
21 **PUBLIC COMMENT:** President Greenfield addressed the Board and Staff.

22
23 Pursuant to Government Code section 54954.2(b)(2), Byers requested adding item CONFERENCE
24 WITH REAL PROPERTY NEGOTIATORS be added to the Closed Session.

25
26 **ACTION:**

27 Board approved (M/S Murray/Elias 4-0-1-0) adding Conference with Real Property Negotiators to the
28 Agenda.

29 AYES: Clark, Elias, Greenfield and Murray.
30 NOES: None.
31 ABSENT: Schriebman.
32 ABSTAIN: None.
33

34 THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT ADJOURNED TO
35 CLOSED SESSION ON JANUARY 11, 2018 AT 4:03 PM, AT THE DISTRICT OFFICE, 300 SMITH RANCH
36 ROAD, SAN RAFAEL, CALIFORNIA.

37
38 Lerch left the meeting at 4:03 p.m.

39
40 **CLOSED SESSION:**

41
42 **CONFERENCE WITH REAL PROPERTY NEGOTIATORS** – Pursuant to Government Code §
43 54956.8 Regarding Assessor Parcel Numbers: 155-121-14, 155-121-15, 155-121-16, 155-121- 17,
44 155-121-18, 155-121-30, 155-011-11 and 155-011-12. Real Property Negotiator is the District
45 Counsel. District may negotiate with representatives of the Silveira family. Under negotiation: Price
46 and Terms of Payment.

47
48 **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:** Significant exposure to
49 litigation pursuant to subdivision (b) of Gov. Code Section 54956.9 - One potential case.

50
51 **ADJOURNMENT:**

52
53 **ACTION:**

54 The Board of Directors of the Las Gallinas Valley Sanitary District reconvened the Regular Session
55 on January 11, 2018 at 4:37 p.m.

56
57 **STAFF PRESENT:** Teresa Lerch, District Secretary; Susan McGuire,
58 District Treasurer;
59
60 **OTHERS PRESENT:** Garth Schultz, R3 Consulting Group, Inc ; Patty
61 Garbarino, Joe Garbarino, and Roger Williams from
62 Marin Sanitary Service;
63
64 **REPORT ON CLOSED SESSION:**
65 President Greenfield reported that there were no reportable actions in Closed Session.
66
67 **PUBLIC COMMENT:** None.
68
69 **INTERIM GENERAL MANAGER REPORT:** DeGabriele updated the Board regarding a Blending event
70 on January 8th and mentioned that we will need a Special Board meeting on January 18, 2018 regarding
71 the Secondary Treatment and Recycled Water Treatment Project.
72
73 **REVIEW GARBAGE AND REFUSE RATE ADJUSTMENT FOR 2018 AND SET PUBLIC HEARING**
74 Garth Schultz from R3 Consulting Group reviewed the methodology and rate review report for a 2018
75 rate increase in garbage rates. Discussion ensued.
76
77 **ACTION:**
78 Board approved (M/S Murray/Elias 4-0-1-0) scheduling the Public Hearing for February 8, 2018 to
79 consider adoption of a retroactive increase to existing garbage and refuse rates effective January 1,
80 2018. Hearing to be held at the District office at 4:30 p.m.
81
82 AYES: Clark, Elias, Greenfield and Murray.
83 NOES: None.
84 ABSENT: Schriebman.
85 ABSTAIN: None.
86
87 **BOARD ELECTIONS – PRESIDENT, VICE PRESIDENT, TREASURER AND SECRETARY**
88 Board elected a President, Vice President, Treasurer and Secretary. Chris DeGabriele thanked Russ
89 Greenfield for his service during 2017.
90
91 **ACTION:**
92 Board nominated (M/S Murray/Greenfield 4-0-1-0) Megan Clark to serve as President for 2018.
93
94 AYES: Clark, Elias, Greenfield and Murray.
95 NOES: None.
96 ABSENT: Schriebman.
97 ABSTAIN: None.
98
99 Greenfield turned the meeting over to President Clark.
100
101 **ACTION:**
102 Board nominated (M/S Greenfield/Clark 4-0-1-0) Craig Murray to serve as Vice President for 2018.
103
104 AYES: Clark, Elias, Greenfield and Murray.
105 NOES: None.
106 ABSENT: Schriebman.
107 ABSTAIN: None.
108
109
110
111

112 **ACTION:**
113 Board nominated (M/S Murray/Elias 4-0-1-0) Susan McGuire to serve as Treasurer for 2018.

114
115 AYES: Clark, Elias, Greenfield and Murray.
116 NOES: None.
117 ABSENT: Schriebman.
118 ABSTAIN: None.

119 **ACTION:**
120 Board nominated (M/S Elias/Murray 4-0-1-0) Teri Lerch to serve as Secretary for 2018.

121
122 AYES: Clark, Elias, Greenfield and Murray.
123 NOES: None.
124 ABSENT: Schriebman.
125 ABSTAIN: None.

126
127 **BOARD PRESIDENT APPOINTMENTS**

128 Discussion ensued. DeGabriele will meet with the Board President and Board members to review the
129 nature of the committee involvement and bring it back to a future meeting for further discussion.

130
131 **MODIFICATION OF EMPLOYMENT AGREEMENT BETWEEN LAS GALLINAS VALLEY SANITARY**
132 **DISTRICT AND MICHAEL CORTEZ, DISTRICT ENGINEER, ROBERT LIEBMAN, PLANT MANAGER,**
133 **SUSAN MCGUIRE, ADMINISTRATIVE SERVICES MANAGER AND GREG PEASE, COLLECTION**
134 **SYSTEM AND SAFETY MANAGER**

135 District Counsel and the Board discussed the Modification of employment agreements.

136
137 **ACTION:**
138 Board approved (M/S Elias/Greenfield 4-0-1-0) amending the employment contracts of the
139 Management Group to confirm accordingly and to be retroactive to the date of execution of each
140 respective contract.

141 AYES: Clark, Elias, Greenfield and Murray.
142 NOES: None.
143 ABSENT: Schriebman.
144 ABSTAIN: None.

145
146 THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT ADJOURNED TO
147 CLOSED SESSION ON JANUARY 11, 2018 AT 5:54 PM, AT THE DISTRICT OFFICE, 300 SMITH RANCH
148 ROAD, SAN RAFAEL, CALIFORNIA.

149
150 Lerch, McGuire left the meeting at 5:54 p.m.

151
152 **CLOSED SESSION:**

153
154 **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:** Significant exposure to
155 litigation pursuant to subdivision (b) of Gov. Code Section 54956.9 - One potential case.

156
157 **ADJOURNMENT:**

158
159 **ACTION:**
160 The Board of Directors of the Las Gallinas Valley Sanitary District reconvened the Regular Session
161 on January 11, 2018 at 6:15 p.m.

162
163 Byers left at 6:15 p.m.

164
165 **STAFF PRESENT:** Teresa Lerch, District Secretary; Susan McGuire,
166 District Treasurer;

167 **OTHERS PRESENT:** None.

168

169 **REPORT ON CLOSED SESSION:**

170 President Greenfield reported that there were no reportable actions in Closed Session.

171

172 **PUBLIC COMMENT:** None.

173

174 **CONSENT CALENDAR:**

175 These items are considered routine and will be enacted, approved or adopted by one motion unless a request
176 for removal for discussion or explanation is received from the staff or the Board.

177 A. Approve the Board Minutes for December 12, December 14, December 22, 2017 and January 2, 2018

178 B. Approve the Warrant Lists for December 28, 2017 and January 11, 2018

179 C. Approve Board Member Compensation for December, 2017

180 D. Approve Microturbine Service Agreement

181 E. Approve Canada Goose Management

182 F. Approve Conference Attendance for Megan Clark, Rabi Elias, Russ Greenfield and Judy Schriebman
183 – NBWA Day on April 6 in Petaluma

184

185 Items D and E were pulled for discussion.

186

187 **ACTION:**

188 Board approved (M/S Greenfield/Murray 4-0-1-0) the Consent Calendar Items A, B, C and F.

189 AYES: Clark, Elias, Greenfield and Murray.

190 NOES: None.

191 ABSENT: Schriebman.

192 ABSTAIN: None.

193

194 Items D and E were discussed.

195 **ACTION:**

196 Board approved (M/S Greenfield/Murray 4-0-1-0) the Consent Calendar Items D and E.

197 AYES: Clark, Elias, Greenfield and Murray.

198 NOES: None.

199 ABSENT: Schriebman.

200 ABSTAIN: None.

201

202 **STAFF / CONSULTANT REPORTS:**

203 A. Draft Winter Newsletter – McGuire reported. Via Consensus, Board approved the Draft Winter
204 Newsletter.

205 B. Electronic Payment Process Update – McGuire reported.

206 C. Biogas Energy Recovery System – Update – DeGabriele reported.

207

208 **BOARD REPORTS:**

209 A. LAFCO – Verbal – Murray reported.

210 B. Gallinas Watershed Council / Miller Creek Watershed Council – Verbal – Greenfield and Murray
211 reported.

212 C. JPA Local Task Force on Solid and Hazardous Waste – Verbal – Greenfield reported.

213 D. NBWA – Verbal – Clark reported.

214 E. NBWRA – Verbal – Elias reported.

215 F. Operations Control Center – Verbal – no report.

216 G. Engineering Subcommittee – Verbal – Elias and DeGabriele reported.

217 H. Human Resources Subcommittee – Verbal – Clark reported.

218 I. Other Reports – None.

219

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BOARD REQUESTS:

- A. Board Meeting Attendance Requests – Via consensus, the Board approved Murray attending the IRWA Course 900 Principles of Real Estate Engineering – January 25th and 26th in San Francisco.
- B. Board Agenda Item Requests – Board would like status on the Floating Solar Panel Project and an update from Liebmann regarding his discussion with the other Sewer Agencies about the flyer on the Sewer Lateral Assistance Program.

VARIOUS ARTICLES AND MISCELLANEOUS CORRESPONDENCE:

Discussion ensued.

ADJOURNMENT:

ACTION:

Board approved (M/S Elias/Clark 4-0-1-0) adjoining the meeting at 7:08 p.m.

- AYES: Clark, Elias, Greenfield and Schriebman.
- NOES: None.
- ABSENT: Schriebman
- ABSTAIN: None.

The next Special Board Meeting is scheduled for January 18, 2018 at the District Office.

ATTEST:

Teresa Lerch, District Secretary

APPROVED:

Megan Clark, Board President

SEAL

1 **SPECIAL MEETING MINUTES OF JANUARY 18, 2018**

2
3 THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT MET IN OPEN
4 SESSION ON JANUARY 18, 2018, AT 3:31 PM, AT THE DISTRICT OFFICE, 300 SMITH RANCH
5 ROAD, SAN RAFAEL, CALIFORNIA.
6

7 **BOARD MEMBERS PRESENT:** M. Clark, R. Elias, R. Greenfield, and C. Murray (arrived
8 at 3:35 pm)
9

10 **BOARD MEMBERS ABSENT:** J. Schriebman

11
12 **STAFF PRESENT:** Chris DeGabriele, Interim General Manager (Present for
13 Closed Session);
14 Teresa Lerch, District Secretary

15
16 **OTHERS PRESENT:** Patrick Richardson, District Counsel;

17
18 **ANNOUNCEMENT:** President Clark announced that the agenda had been
19 posted as evidenced by the certification on file in
20 accordance with the law
21

22 **PUBLIC COMMENT:** None

23
24 **ADJOURNMENT:**

25
26 **ACTION:**

27
28 THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT ADJOURNED TO
29 CLOSED SESSION ON JANUARY 18, 2018, AT 3:33 P.M., AT THE DISTRICT OFFICE, 300 SMITH RANCH
30 ROAD, SAN RAFAEL, CALIFORNIA.
31

32 Lerch left at 3:33 p.m.
33

34 **CLOSED SESSION:**

35
36 **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:** Significant exposure to
37 litigation pursuant to subdivision (b) of Gov. Code Section 54956.9 - One potential case.
38

39 **CONFERENCE WITH REAL PROPERTY NEGOTIATORS** — Pursuant to Government Code
40 § 54954.2(b)(2); Property: 4238 Redwood Blvd; Agency Negotiator: District Counsel.
41

42 **ADJOURNMENT:**

43
44 **ACTION:**

45 The Board of Directors of the Las Gallinas Valley Sanitary District reconvened the Regular Session on
46 January 18, 2018 at 3:56 pm.
47

48
49 **STAFF PRESENT:** Michael Cortez, District Engineer, Mel Liebmann, Plant
50 Manager; Teresa Lerch, District Secretary; Susan
51 McGuire, District Treasurer, Greg Pease,
52 Collections/Safety Manager
53

54 **OTHERS PRESENT:** None

55
56 **PUBLIC COMMENT:** None

57 **REPORT ON CLOSED SESSION:**
58 President Clark reported that there were no reportable actions in Closed Session.

59
60 **CONSENT CALENDAR:**
61 These items are considered routine and will be enacted, approved or adopted by one motion unless a request for
62 removal for discussion or explanation is received from the staff or the Board.

63 A. Approve Wastewater Treatment Plant Operator Recruitment, Hiring and Salary Negotiation.

64
65 Item A was discussed.

66
67 **ACTION:**
68 Board approved (M/S Elias/Greenfield 4-0-1-0) the Consent Calendar Item A.

69 AYES: Clark, Elias, Greenfield and Murray

70 NOES: None.

71 ABSENT: Schriebman.

72 ABSTAIN: None.

73
74 **SECONDARY TREATMENT AND RECYCLED WATER TREATMENT FACILITY UPGRADE PROJECT**

75 Board received an update from DeGabriele on the Secondary Treatment and Recycled Water Treatment Facility
76 Upgrade project. Discussion ensued.

77 **ACTION:**
78 Board approved (M/S Murray/Greenfield 4-0-1-0) giving the Interim General Manager Authority to Award Contract
79 Amendment 1 to Brown & Caldwell for Additional Services for the Secondary Treatment and Recycled Water
80 Treatment Facility Upgrade and the Authority to Award the Contract for Construction Management Services Task
81 1 for the Secondary Treatment and Recycled Water Treatment Facility Upgrade

82
83 AYES: Clark, Elias, Greenfield and Murray

84 NOES: None.

85 ABSENT: Schriebman.

86 ABSTAIN: None.

87
88 **STAFF / CONSULTANT REPORTS:**

89 A. Administrative Department Report – December 2017 – McGuire reported.

90 B. Collection Department Report – December 2017 – Pease reported.

91 C. Engineering Department Report – December 2017 – Cortez and Liebmann reported.

92 D. Operations Department Report – December 2017 – Liebmann reported.

93
94 **BOARD REQUESTS:**

95 A. Board Meeting Attendance Requests – None.

96 B. Board Agenda Item Requests – Murray would like staff to look into the project bid set cost process
97 and an update on submitting an application to LAFCO regarding rule enforcement in Reclamation.

98
99 **ADJOURNMENT:**

100
101 **ACTION:**
102 Board approved (M/S Murray/Elias 4-0-1-0) the adjournment of the meeting at 5:22 p.m.

103
104 AYES: Clark, Elias, Greenfield, Murray

105 NOES: None.

106 ABSENT: Schriebman.

107 ABSTAIN: None.

108
109 The next regular Board Meeting is scheduled for February 8, 2018 at the District Office.

110
111

112 ATTEST:

113

114

115

116 _____
Teresa Lerch, District Secretary

117

118

119 APPROVED:

120

121

122

123 _____
Megan Clark, Board President

124

125 SEAL

Las Gallinas Valley Sanitary District
Warrant List
01-26-18

Agenda Item 3B
Date February 8, 2018
Notes/Explanation

	Date	Num	Vendor/Description	Amount	Notes/Explanation
1	1/26/2018	15466	Alliant Insurance Services, Inc.	\$ 193.00	
2	1/26/2018	15467	AT&T	\$ 1,646.25	1/7-2/6/18 land lines and pump station alarms
3	1/26/2018	15468	AT&T Teleconference Services	\$ 76.15	
4	1/26/2018	ACH	Bank of Marin Cardmember Services	\$ 11,935.37	Statement closing date 01/04/18; purchases over \$1000 = iPad Pro (Cortez) \$1079; Diego Truck Repair, Meyers pump removal and install \$1540.27
5	1/26/2018	15469	Breakpoint Sales	\$ 392.40	
6	1/26/2018	15470	Brown and Caldwell	\$ 3,681.44	Secondary Treatment Upgrade progress billing Nov/Dec 2017 work
7	1/26/2018	ACH	Calif. Public Employees Retirement System	14,955.41	Pension contribution employee and employer for 1/19/18 paydate
8	1/26/2018	ACH	CalPERS Supplemental Income 457 Plan	5,304.60	Employee salary deferrals for 1/19/18
9	1/26/2018	ACH	CalPERS Fiscal Services Division	11,280.00	Jan 2018 OPEB
10	1/26/2018	ACH	CalPERS Health	29,445.55	Feb 2018 Health premiums Retirees/Actives
11	1/26/2018	ACH	Elias, Rabi	200.00	
12	1/26/2018	ACH	Federal Express	105.39	
13	1/26/2018	ACH	Greenfield, Russ	200.00	
14	1/26/2018	15472	Marin Ace	83.18	
15	1/26/2018	ACH	Murray, Craig	100.00	
16	1/26/2018	15473	Operating Engineers Local No. 3	872.40	
17	1/26/2018	ACH	Retiree Burgess	592.00	
18	1/26/2018	ACH	Retiree Cummins	183.34	
19	1/26/2018	ACH	Retiree Cutri	528.52	
20	1/26/2018	ACH	Retiree Emanuel	249.30	
21	1/26/2018	ACH	Retiree Gately	592.00	
22	1/26/2018	ACH	Retiree Guion	212.97	
23	1/26/2018	ACH	Retiree Kermoian	183.34	
24	1/26/2018	ACH	Retiree Mandler	183.34	
25	1/26/2018	ACH	Retiree Memmott	338.25	
26	1/26/2018	ACH	Retiree Petrie	197.76	
27	1/26/2018	ACH	Retiree Pettey	592.00	
28	1/26/2018	ACH	Retiree Pickrel	183.34	
29	1/26/2018	ACH	Retiree Provost	249.30	
30	1/26/2018	ACH	Retiree Reetz	499.68	
31	1/26/2018	ACH	Retiree Reilly	183.34	
32	1/26/2018	ACH	Retiree Vine	183.34	
33	1/26/2018	ACH	Schriebman, Judy	200.00	

Las Gallinas Valley Sanitary District
Warrant List
01-26-18

Date	Num	Vendor/Description	Amount	Notes/Explanation
1/26/2018	ACH	Timmons Group	770.00	
TOTAL			<u>\$ 86,592.96</u>	

APPROVER		
FINANCE	<i>[Signature]</i>	1/26/2018
GENERAL MANAGER	<i>[Signature]</i>	1/26/2018
BOARD MEMBER	<i>[Signature]</i>	1/29/2018

Las Gallinas Valley Sanitary District
Warrant List
02-08-18 DRAFT

	Date	Num	Vendor/Description	Amount	Notes/Explanation
1	1/18/18	<i>Petty Cash</i> 182	CWEA - RES	210.00	Tour/Dinner Santa Rosa
2	1/24/2018	<i>Petty Cash</i> 183	Secretary of State	1.00	
3	2/1/2018	<i>Petty Cash</i> 184	Mark Williams	26.21	
4	1/19/2018	ACH	ADP, LLC	137,807.55	Payroll and processing fees 1/19/18
5	2/2/2018	ACH	ADP, LLC	99,911.99	Payroll and processing fees 2/2/18
6	2/8/2018	ACH	Direct Dental Administrators, LLC	996.00	
7	2/8/2018	ACH	Direct Dental Administrators, LLC	309.12	
8	2/8/2018	ACH	Direct Dental Administrators, LLC	94.55	
9	2/8/2018	TBD	A and P Moving Inc	106.20	
10	2/8/2018	TBD	All Star Rents	24.27	
11	2/8/2018	TBD	AnchorCM	6,055.00	Lower Miller Creek channel maintenance - CM agreement
12	2/8/2018	TBD	ArcSine Engineering	84,115.47	secondary treatment recycled water Upgrade Project Design Support split 85/15 between projects (Jul 17 - Dec 17)
13	2/8/2018	TBD	Bank of Marin	27,723.45	Loan #1
14	2/8/2018	TBD	Bank of Marin	19,612.19	Loan #2
15	2/8/2018	TBD	Bay Area Air Quality Management District	572.00	
16	2/8/2018	TBD	Borges & Mahoney Co.	2,186.31	Chemical analyzer parts and spare PM kits
17	2/8/2018	TBD	Byers Law Office	15,008.23	Legal services Jan 2018
18	2/8/2018	TBD	CA State Board of Equalization	196.70	
19	2/8/2018	TBD	Cal Microturbine	10,878.00	5 YR FPP for Capstone Microturbines
20	2/8/2018	TBD	Caltest Analytical Laboratory	2,509.02	Samples 11/30-12/29/17
21	2/8/2018	TBD	Contractor Compliance and Monitoring, Inc	848.50	
22	2/8/2018	TBD	Core Utilities, Inc.	3,501.33	IT services Jan 2018
23	2/8/2018	TBD	Cornerstone Environmental Group, LLC	4,853.88	BERS work through 12/29/17
24	2/8/2018	TBD	CWEA -CA Water Environment Assoc	355.00	
25	2/8/2018	TBD	Du-All Safety, LLC	2,408.00	Monthly safety contract
26	2/8/2018	TBD	EOA, Inc.	5,248.08	Technical support for Regulatory Permits (Dec 2017)
27	2/8/2018	TBD	Fishman Supply Co.	115.38	
28	2/8/2018	TBD	GE Water & Process Technologies/Zenon	5,370.00	24/7 Customer Support; Insight Basic Service Annual Fee
29	2/8/2018	TBD	Grainger	201.30	
30	2/8/2018	TBD	Gregory Equipment, Inc.	33,900.00	Primary Biofilter feed pump #1 replacement
31	2/8/2018	TBD	IEDA, Inc.	6,900.00	Labor relations FY 17/18
32	2/8/2018	TBD	Liebert Cassidy Whitmore	2,485.00	Legal services through 12/31/17
33	2/8/2018	TBD	McPhail Fuel Company	1,538.80	Propane

Las Gallinas Valley Sanitary District
Warrant List
02-08-18 DRAFT

	Date	Num	Vendor/Description	Amount	Notes/Explanation
34	2/8/2018	TBD	Nute Engineering	2,880.00	Property Matter services from 12/1-31/17
35	2/8/2018	TBD	Orion Protection Services Group, Inc.	318.50	
36	2/8/2018	TBD	Pacific EcoRisk, Inc.	3,565.00	Chroni Toxicity Testing
37	2/8/2018	TBD	Redwood Security Systems	186.00	
38	2/8/2018	TBD	Regional Government Services Authority	3,700.00	Recruitment of Interim GM
39	2/8/2018	TBD	Sun Life Financial - DISABILITY	1,449.18	Disability
40	2/8/2018	TBD	Univar USA Inc.	9,854.57	Sodium bisulfite/hypochlorite deliveries
41	2/8/2018	TBD	Vision Service Plan	375.30	
			TOTAL	\$ 498,397.08	

Agenda Item 3C
Date February 8, 2018
January 2018

Directors' Meeting Attendance Recap

<u>Name</u>	<u>Total Meetings</u>
Megan Clark	6
Rabi Elias	6
Russell Greenfield	6
Craig Murray	5
Judy Schriebman	1
Total	<u>24</u>

Meeting Date: 2/8/2018
Paydate 2/2/2018



300 Smith Ranch Road, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE

Director's Name: MEGAN CLARK Month: JANUARY 2018

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
Jan. 2 nd ^{incl}	Special	X	
Jan. 11 th	Regy	X	
Jan. 18 th	Regy	X	
TOTAL		3	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
Jan 3 rd	NBWA REG	X	
Jan. 5 th	" Conf.	X	
Jan. 31 st	" Conf.	X	
CASA JAN. 24 & 25 & 26	CASA		XXX
TOTAL		3	3

TOTAL MEETINGS CHARGED: 6

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Megan Clark
 Signature
MC 2/1/18
 Approved By/ Date

1/25/18
 Date
2/2/18
 Pay Date



300 Smith Ranch Road, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE

Director's Name: Rabi Elias Month: January 2018

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1-17-18	Regular Mtg	✓	
TOTAL			

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1-2-18	Special Mtg.	✓	
1-18-18	Special Mtg.	✓	
1-22-18	North Bay Water	✓	
1-23-18	Travel day CASA conf. Palm spr.	✓	✓
1-24-18	CASA conf. Palm springs	✓	
TOTAL	1-25-18 CASA conf. Palm springs	✓	
	1-26-18 (CASA conf. Palm spring		✓
TOTAL MEETINGS CHARGED:		6	

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

R. Elias
 Signature
PM 1/18
 Approved By/ Date

1-18-18
 Date
2/8/18
 Pay Date



300 Smith Ranch Road, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE

Director's Name: Russ Greenfield Month: Jan 2018

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1-11-18	Reg	✓	
TOTAL		1	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1-2-18	Special	✓	
1-18-18	Special	✓	
1-24 25+26/18	CASA	✓✓	
TOTAL		5	

TOTAL MEETINGS CHARGED: 6

I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Russ Greenfield
 Signature
Om 2/1/18
 Approved By/ Date

1-18-2018
 Date
2/1/18
 Pay Date



300 Smith Ranch Road, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE

Director's Name: MURRAY, Craig K. Month: January 2018

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1/2,18/18	Special Board Meeting	XX	
1/11/18	Board Meeting	X	
1/11/18	JPA Meeting w/Sausalito MC SD - Financing Authority Tasks		X
TOTAL		3/4	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1/25,26/17	IRWA Course 900 Principles of Real Estate Engineering, PG&E San Francisco	XX	
1/31/18	EPA Webinar: National Stormwater Calculator for Managing Runoff Using Green Infrastructure		X
1/7,15,27/18	Merrydale Road/Gallinas Creek Headwater Litter Removal c/o City of San Rafael		XXX
1/17/18 1/5/18	Crisis Intervention and Active Shooter Training – DuAll Safety Portable CNG Fill System Trailer Review – Daytech, Fairfield, CA		XX
TOTAL		2/8	

TOTAL MEETINGS CHARGED:	5
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I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

 Signature

 Approved By/ Date

 January 29, 2018

 Date

 Pay Date



300 Smith Ranch Road, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE

Director's Name: JUDY SCHRIEBMAN Month: JAN 2018

Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1/2	Special mtg	✓	
TOTAL		1	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
TOTAL			

TOTAL MEETINGS CHARGED:	1
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I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Las Gallinas Valley Sanitary District.

Judy Schrieberman
 Signature
JS
 Approved By/ Date

1-29-18
 Date
1/2/18
 Pay Date



Agenda Summary Report

Date February 8, 2018

To: Chris DeGabriele, PE, Interim General Manager *CD*
From: Michael P. Cortez, PE, District Engineer *MC*
Mtg. Date: February 8, 2018
Re: Approve Interim General Manager Authority to Award Contract Amendment 16 to Cornerstone Environmental Group for Plant Process Audit and Hot Water Heat Loop Review

BACKGROUND:

During the initial start-up of the Biogas Energy Recovery System (BERS) approximately one year ago, BioCNG encountered issues with poor quality and low quantities of digester gas that prevented proper operation of the microturbines. The District implemented measures to increase digester gas production and address potential leaks or areas experiencing air intrusion. Since those improvements were made, there has been an increase in digester gas quality and quantity enabling BioCNG to successfully test and keep at least one (1) microturbine running. The quality of the digester gas still remains in question, which negatively impacts the BERS ability to meet SAJ1616 quality renewable natural gas (RNG) for use in the compressed natural gas (CNG) flusher trucks.

In addition, during design of the BERS, Cornerstone was instructed to tie into the existing hot water loop, with minimal adjustments to the existing hot water loop system. This approach resulted in limiting the flexibility and efficiency of the hot water loop after the new portions of the loop were installed. Based on these system inefficiencies, Cornerstone has prepared a scope of work to address these items.

In response to staff request, Cornerstone Environmental Group (Cornerstone) has submitted a proposal in the amount of \$39,080 to provide engineering services for an audit of the wastewater treatment plant processes and infrastructure related to digester gas production, including a detailed review of the current hot water heat loop configuration.

STAFF RECOMMENDATION:

Board approve Interim General Manager authority to award Contract Amendment 16 to Cornerstone Environmental Group for Plant Process Audit and Hot Water Heat Loop Review.

FISCAL IMPACT:

\$39,080

PERSON(S) TO BE NOTIFIED:

Cornerstone Environmental Group



Consent 3E
Staff/Consultant Reports _____
Agenda Item _____

Agenda Summary Report

Date February 8, 2018

To: Chris DeGabriele, Interim General Manager *CD*
From: Mel Liebmann, Plant Manager *ML*
Mtg. Date: February 8, 2018
Re: SCADA Historian Software Upgrade

BACKGROUND:

The current SCADA database used by the Operations Department for the collection, analysis and presentation of plant and pump station process data needs to be upgraded. The existing database (circa 2002) functionality for operations staff is limited in ability to query, present and analyze data. Additionally, the number of licensed monitoring points will be insufficient to accommodate additional process features of the Secondary Treatment Recycled Water Treatment Facility Upgrade project. This software upgrade will allow staff to create reports and trends without extensive training or assistance from an integration firm.

The Rockwell Automation Factory Talk Historian software was selected for the features, ease of integration, licensing, support and seamless functionality with the District's current Rockwell Automation Factory Talk View SCADA software. The Interim General Manager has received the purchase and determined that this database software purchase meets a specific need and provides greater efficiency by being compatible with the existing SCADA software.

STAFF RECOMMENDATION:

Board approve the purchase of SCADA Historian software upgrade package.

FISCAL IMPACT:

\$20,099.60

PERSON TO BE NOTIFIED:

Paul Bjonerud of Buckles-Smith



Consent 3F

Staff/Consultant Reports _____

Agenda Item _____

Agenda Summary Report

Date February 8, 2018

To: Chris DeGabriele PE, Interim General Manager *CD*
From: Susan McGuire CPA, Administrative Services Manager *SM*
Mtg. Date: February 8, 2018
Re: Resolution 2018-2112 - A Resolution Approving Board Finance Policies

BACKGROUND:

The Board adopted a comprehensive set of policies in July 2009. Periodically these policies are updated and brought back to the Board for review and modification.

Policy F-100 provides credit card limits for staff by position. The Operations department routinely purchases items via credit card. This reduces the accounting tasks related to setting up new vendors and allows the District to accumulate a cash rebate on the credit card. The current monthly credit card limit for the Plant Manager is \$7,500; however some months he may need to exceed this amount and have to use other manager's cards to complete purchases.

Staff surveyed other agencies to determine how much their management positions are permitted to charge per month. There were a wide range of responses; however the consistent theme was that it depended on the needs of the position. Staff proposes retaining a per purchase limit of \$7,500 for the Plant manager, since this is consistent with the Purchasing Policy in F-90 but to increase the monthly limit to \$10,000 to allow for needed purchasing authority.

STAFF RECOMMENDATION:

Board approve changing Board policy F-100 Credit Cards section F-100-30 to increase the monthly credit card limit for the Plant Manager to \$10,000.

FISCAL IMPACT:

None.

PERSON TO BE NOTIFIED:

None.

F-100 CREDIT CARDS

Purpose

This policy establishes who gets credit cards, the controls over their use, repayment, and required documentation.

F-100-10 Cancelled Cards. On May 8, 2003 Board Members cancelled their credit cards, and there is no current authorization for cards.

F-100-20 Distribution. Credit cards shall be provided to District Staff members as determined necessary for the position by the General Manager upon approval of the Board.

In order to maintain security over District issued credit cards, staff shall maintain possession of their District issued credit cards and not loan them to other staff for use.

F-100-30 Limits on Purchases and Credit Card Limits. Credit card purchases shall be limited to:

- Budgeted District expenses.
- District business related seminar and conference expenses to include lodging, travel, meals, conference registration, and other appropriate expenses.
- Meal expenses, as well as the meal expense of a guest if the breakfast/lunch/dinner meeting includes necessary discussion of District business with the guest.
- Spouse or guest expense under very limited circumstances and only when paying for the spouse or guest in another manner is difficult or cumbersome. Reimbursement to the District, accompanied by an expense receipt, shall be made in a timely manner.
- Other instances deemed appropriate by the General Manager.

Credit Card Limits Per Month

General Manager	Up to	\$20,000
Plant Manager	Up to	\$ 7,500 \$10,000
District Engineer	Up to	\$ 7,500
Collection and Safety Manager	Up to	\$ 7,500
Administrative Services Manager	Up to	\$ 7,500
District Administrative Assistant	Up to	\$ 5,000
Administrative/Financial Specialist I/II	Up to	\$ 2,000
Assistant/Associate Engineer	Up to	\$ 5,000
Environmental Services Director	Up to	\$ 5,000
Plant Operations and Maintenance Supervisor	Up to	\$ 5,000
Buildings and Ground Maintenance Worker	Up to	\$ 1,000

F-100-40 Review. The General Manager shall review District employee credit card purchases and determine the adequacy of receipts.

F-100-50 Revocation. A majority vote of the Board is required to revoke the use of a card by the General Manager. The General Manager may revoke the use of a credit card by an employee for violation of the credit card and/or purchasing policy.

F-100-60 Prohibitions. Unauthorized use of a credit card or use of a credit card for personal purchases is strictly prohibited.

F-100-70 Use of Personal Credit Cards for District Business. Employees who are issued District credit cards are required to use them for District business unless administratively unfeasible.

Employees who do not have District issued credit cards may use personal cards to pay for travel expenses, emergency purchases and incidental items related to District business up to \$2,500.

Use of personal credit cards for District purchases other than outlined above requires prior approval by the General Manager.

Resolution No. 2018-2112	Date Approved: February 8, 2018
President of the Board	Supersedes: February 23, 2017

RESOLUTION NO. 2018-2112

A RESOLUTION APPROVING BOARD FINANCE POLICIES

THE LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Board of Directors has determined that a comprehensive list of Policies and Procedures for the Board of Directors is in the best interest of the District.

WHEREAS, the Board of Directors has compiled a comprehensive list of Policies and Procedures to serve as the rules and regulations of the Board of Directors.

WHEREAS, the Board of Directors did adopt such comprehensive list of Policies and Procedures on July 9, 2009,

WHEREAS, such policies may need to be updated,

NOW THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District approves the following revised policy section: F – 100 Credit Cards, a copy of which is attached as Exhibit A.

The previously approved Board Policy F- 100 is hereby revoked and declared null and void.

If any policy or portion of a policy contained within the Policies and Procedures is in conflict with rules, regulations, or legislation having authority over the Las Gallinas Valley Sanitary District, said rules, regulations or legislation shall prevail.

The Policies and Procedures shall remain in effect until amended by at least a majority vote of the Board of Directors.

* * * * *

I hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on the 8th of February 2018, by the following vote of the members thereof:

- AYES, and in favor thereof Members:
- NOES, Members:
- ABSENT, Members:
- ABSTAIN, Members:

Teresa Lerch, District Secretary

APPROVED:

Megan Clark, President of Board of Directors

F-100 CREDIT CARDS

Purpose

This policy establishes who gets credit cards, the controls over their use, repayment, and required documentation.

F-100-10 Cancelled Cards. On May 8, 2003 Board Members cancelled their credit cards, and there is no current authorization for cards.

F-100-20 Distribution. Credit cards shall be provided to District Staff members as determined necessary for the position by the General Manager upon approval of the Board.

In order to maintain security over District issued credit cards, staff shall maintain possession of their District issued credit cards and not loan them to other staff for use.

F-100-30 Limits on Purchases and Credit Card Limits. Credit card purchases shall be limited to:

- Budgeted District expenses.
- District business related seminar and conference expenses to include lodging, travel, meals, conference registration, and other appropriate expenses.
- Meal expenses, as well as the meal expense of a guest if the breakfast/lunch/dinner meeting includes necessary discussion of District business with the guest.
- Spouse or guest expense under very limited circumstances and only when paying for the spouse or guest in another manner is difficult or cumbersome. Reimbursement to the District, accompanied by an expense receipt, shall be made in a timely manner.
- Other instances deemed appropriate by the General Manager.

Credit Card Limits Per Month

General Manager	Up to	\$20,000
Plant Manager	Up to	\$10,000
District Engineer	Up to	\$ 7,500
Collection and Safety Manager	Up to	\$ 7,500
Administrative Services Manager	Up to	\$ 7,500
District Administrative Assistant	Up to	\$ 5,000
Administrative/Financial Specialist I/II	Up to	\$ 2,000
Assistant/Associate Engineer	Up to	\$ 5,000
Environmental Services Director	Up to	\$ 5,000
Plant Operations and Maintenance Supervisor	Up to	\$ 5,000
Buildings and Ground Maintenance Worker	Up to	\$ 1,000

F-100-40 Review. The General Manager shall review District employee credit card purchases and determine the adequacy of receipts.

F-100-50 Revocation. A majority vote of the Board is required to revoke the use of a card by the General Manager. The General Manager may revoke the use of a credit card by an employee for violation of the credit card and/or purchasing policy.

F-100-60 Prohibitions. Unauthorized use of a credit card or use of a credit card for personal purchases is strictly prohibited.

F-100-70 Use of Personal Credit Cards for District Business. Employees who are issued District credit cards are required to use them for District business unless administratively unfeasible.

Employees who do not have District issued credit cards may use personal cards to pay for travel expenses, emergency purchases and incidental items related to District business up to \$2,500.

Use of personal credit cards for District purchases other than outlined above requires prior approval by the General Manager.

Resolution No. 2018-2112	Date Approved: February 8, 2018
President of the Board	Supersedes: February 23, 2017

RESOLUTION No 2018-2113

**A RESOLUTION ACCEPTING THE
PRIMARY DIGESTER IMPROVEMENTS 2016
FOR**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, Western Water Constructors, Inc., of Santa Rosa, California, executed a contract on November 22, 2016 in the amount of \$473,000 to complete PRIMARY DIGESTER IMPROVEMENTS 2016 project, JOB NO. 16600-03, scope defined in Contract Documents and Specifications dated October 2016 prepared by District staff, for District ownership and maintenance;

WHEREAS, the District has authorized change orders in the total amount of \$79,889.81, for a total final project cost of \$552,889.81; and

WHEREAS, Michael P. Cortez, District Engineer for the Las Gallinas Valley Sanitary District by a Notice of Completion dated February 8, 2018, a copy of which is attached hereto as Exhibit A, has acknowledged that the aforementioned improvements have been installed, tested by the District, and found to be acceptable to the District, for District ownership and maintenance.

NOW, THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District herein approves the Notice of Acceptance of Completion for recordation with the Marin County Recorder.

* * * * *

I hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on the 8th day of February 2018, by the following vote of the members thereof:

- AYES, and in favor thereof, Members:
- NOES, Members:
- ABSTAIN, Members:
- ABSENT, Members:

Teresa Lerch, District Secretary
Las Gallinas Valley Sanitary District

APPROVED:

(seal)

Megan Clark, President Board of Directors

Exhibit A

Notice of Acceptance of Completion
PRIMARY DIGESTER IMPROVEMENTS 2016

Recorded at the Request of:
Las Gallinas Valley Sanitary District

When Recorded Mail to:
Las Gallinas Valley Sanitary District
300 Smith Ranch Road
San Rafael, CA 94903

Space above this Line for Recorder's Use

NOTICE OF ACCEPTANCE OF COMPLETION
LAS GALLINAS VALLEY SANITARY DISTRICT
MARIN COUNTY, CALIFORNIA
PRIMARY DIGESTER IMPROVEMENTS 2016

NOTICE IS HEREBY GIVEN, Pursuant to Section 3093 of the Civil Code of the State of California, that Michael P. Cortez, District Engineer for the Las Gallinas Valley Sanitary District, Marin County, California, on the 8th day of February 2018, did file with the Secretary of said District a Statement of Completion of the following described work, the PRIMARY DIGESTER IMPROVEMENTS 2016 project, Job No. 16600-03, the contract for doing which was awarded to Western Water Constructors, Inc., of Santa Rosa, California, and entered into on November 22, 2016. A copy of said Statement of Completion is attached hereto and incorporated by reference herein as Attachment 1.

That said work and improvements are public improvements owned and held by said District for the benefit of the public, and were actually completed on 10th day of November, 2017. Acceptance of completion of said work was ordered by the District Board on February 8, 2018 and the name of the surety on the contractor's Faithful Performance Bond and Payment Bond for said project is Fidelity and Deposit Company of Maryland.

That said work and improvements consisted of the performing of all work and furnishing of all labor, materials, equipment and all utility and transportation services required for the installation of the PRIMARY DIGESTER IMPROVEMENTS 2016 project, all as more particularly described in the plans and specifications approved by the Board of Directors of said District on October 13, 2016.

The site of the construction and improvements was in and around 300 Smith Ranch Road, San Rafael, CA 94903.

OWNER: Las Gallinas Valley Sanitary District
300 Smith Ranch Road
San Rafael, CA 94903

VERIFICATION

I, the undersigned, declare that I am the Interim General Manager and duly authorized representative for the Las Gallinas Valley Sanitary District, Marin County, California, and that I have read the foregoing notice, know its contents, and that the facts therein stated are true to the best of my knowledge and belief.

I certify (or declare) under penalty of perjury that the forgoing is true and correct.

Executed at San Rafael, California, this _____ day of February 2018.

LAS GALLINAS VALLEY SANITARY DISTRICT

Chris DeGabriele, Interim General Manager

ATTACHMENT 1

STATEMENT OF COMPLETION

**PRIMARY DIGESTER IMPROVEMENTS 2016
(JOB NO. 16600-03)**

I, Michael P. Cortez, District Engineer, for the Las Gallinas Valley Sanitary District, Marin County, California, do hereby certify that work and improvements described in the contract, which was entered into by and between Las Gallinas Valley Sanitary District and Western Water Constructors, Inc., of Santa Rosa, California, dated November 22, 2016, was completed to my satisfaction on November 10, 2017.

That said work and improvements are more particularly described in the Contract Documents dated October 2016, prepared by Nute Engineering, approved by the Board of Directors of said District, and advertised for public bidding on October 13, 2016.

I understand that neither the determination of completeness of the work, nor acceptance of the work by the District, shall operate to bar claims against the Contractor under the terms of the guarantee provisions of the Contract Documents.

Dated: February 8, 2018

By: _____
Michael P. Cortez, PE
District Engineer

MEMORANDUM

TO: Board of Directors LGVSD

FROM: Patrick M.K. Richardson District Counsel

DATE: January 31, 2018

SUBJECT: SB 229 – Amending Gov. Code Sec. 65852.2
[Second units in single-family and multifamily residential zones; creation by ordinance; conditional use or special use permits; ordinance to limit housing opportunities]

BACKGROUND: This Memorandum is a follow-up to a previous Memo regarding SB 1069 and AB 2299 passed by the Legislature back in 2016, which amended certain provisions of Gov. Code § 65852.2 [Second units in single-family and multifamily residential zones; creation by ordinance; conditional use or special use permits; ordinance to limit housing opportunities]. A copy of the previous memo is attached hereto for your reference.

This also follows the Marin County Grand Jury’s Report which advocated for various local agencies to reduce barriers to the development of low-income/affordable housing and “Affordable Dwelling Units” (“ADUs”).

The previous amendments specifically affects how the District’s ability to assess “connection fees” or “capacity charges” for new “accessory dwelling unit” (ADU) when part of an existing residential unit. In general, the amended Gov. Code § 65852.2 does not allow the District to charge a “connection fee” or “capacity charge” or require a new or separate utility connection for an ADU if the ADU falls within certain parameters, i.e., if it is contained within the existing space of a single-family residence or accessory structure. If the ADU falls outside of those parameters, the District can continue to impose such “connection fees” or “capacity charges.”

Initially, there was debate whether Gov. Code § 65852.2 actually applied to Sanitary Districts as the statutory language did not specifically apply the statute to Sanitary Districts. However, new legislation (SB 229/AB 494) seemingly cleaned up this discrepancy and it appears that Gov. Code § 65852.2 does now apply to agencies such as the District.

Cal. Gov't Code § 65852.2 reads in part as follows:

“(e) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit to create within a zone for single-family use one accessory dwelling unit per single-family lot if the unit is contained within the existing space

of a single-family residence or accessory structure, including, but not limited to, a studio, pool house, or other similar structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence. A city may require owner occupancy for either the primary or the accessory dwelling unit created through this process.

(f)(1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) Accessory dwelling units shall not be considered by a local agency, special district, or water corporation to be a new residential use for the purposes of calculating connection fees or capacity charges for utilities, including water and sewer service.

(A) For an accessory dwelling unit described in subdivision (e), **a local agency, special district**, or water corporation shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(B) For an accessory dwelling unit that is not described in subdivision (e), a local agency, **special district**, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.”

There still remains unclear under the statute under what circumstances a district can require that a property owner must make a direct connection to a district’s sewer main through a new lateral sewer connection.

Procedure: It should be noted that Sec. 65852.2(b) requires the following:

“(b) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives an application for a permit to create an accessory dwelling unit pursuant to this subdivision, the local agency shall approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a) within 120 days after receiving the application.”

COUNSEL’S RECOMMENDATION: With the new statutory scheme in mind, it will be necessary to review and amend the District’s current ordinances that relate to connection fees or capacity charge imposed on new ADUs in order to comply with the new law and how other agencies have crafted their local ordinances. This will primarily affect Title 2, Chapter 1 of the “Ordinance Code.” (“Sanitary Code of the Las Gallinas Valley Sanitary District of Marin County”).

MEMORANDUM

TO: Board of Directors LGVSD

FROM: David J. Byers, Esq. /Patrick M.K. Richardson District Counsel

DATE: December 8, 2016

SUBJECT: SB 1069 & AB 2299 – Amending Gov. Code Sec. 65852.2
[Second units in single-family and multifamily residential zones; creation by ordinance; conditional use or special use permits; ordinance to limit housing opportunities]

BACKGROUND: The Legislature has passed two companion bills, SB 1069 and AB 2299 which amends certain provisions of Gov. Code § 65852.2 [Second units in single-family and multifamily residential zones; creation by ordinance; conditional use or special use permits; ordinance to limit housing opportunities].

The new amendments specifically affects how the District’s ability to assess “connection fees” or “capacity charges” for new “accessory dwelling unit” (ADU”) when part of an existing residential unit.

In general, the amended Gov. Code § 65852.2 does not allow the District to charge a “connection fee” or “capacity charge” or require a new or separate utility connection for an ADU if the ADU falls within certain parameters, i.e., if it is contained within the existing space of a single-family residence or accessory structure. If the ADU falls outside of those parameters, the District can continue to impose such “connection fees” or “capacity charges.”

The new law also requires that a local agency that adopts an ordinance providing for the creation of ADUs shall submit a copy of that ordinance to the Department of Housing and Community Development within sixty (60) days after adoption.

COUNSEL’S RECOMMENDATION: It will be necessary to review and amend the District’s current ordinances that relate to connection fees or capacity charge imposed on new ADUs in order to comply with the new law. This will primarily affect Title 2, Chapter 1 of the “Ordinance Code.” (“Sanitary Code of the Las Gallinas Valley Sanitary District of Marin County”).

Therefore, Counsel recommends and requests authority to proceed with amending Title 2, Chapter 1, of the Code and related sections.



Agenda Summary Report

Date February 8, 2018

To: Chris DeGabriele, Interim General Manager *CD*
From: Teri Lerch, District Secretary *TL*
Mtg. Date: February 8, 2018
Re: Board President Appointments for 2018

BACKGROUND:

Every year the Board President appoints Board Members to attend various meeting and/or committees. The committee assignments for **2017** were as follows:

Committee	Regular Member	Alternate Member
NBWA	Clark	Schriebman
NBWA Communications Committee	Clark	None
NBWA Tech Committee	Schriebman	Clark
NBWRA	Elias/Clark	None
JPA Local Task Force**	Greenfield	None
Gallinas Watershed Council	Schriebman	None
Marin LAFCO**	Murray	None
MMWD Recycled Water Negotiations	Murray/Schriebman	None
Energy Committee	Murray	None
CSRMA	Williams	Greenfield
Flood Zone 7**	Greenfield	None
Policy Advisory Committee for the Gallinas Creek Watershed Program	Greenfield/Schriebman	None
Sea Level Rise	Clark	None
Laterals	Greenfield	None
Operations Control Center Committee	Elias	Clark
Engineering Subcommittee	Elias/Greenfield	None
Human Resources Subcommittee	Clark/Murray	None

At the January 11, 2018 meeting the Board discussed the suggested assignments and concurred that the Board President and the Interim General Manager would review to make a recommendation at a future meeting. That review took place on January 29, 2018. The following committee/meeting assignments are recommended for 2018:

Committee	Regular Member	Alternate Member
NBWA/NBWA Tech Advisory Committee	Schriebman	Megan
NBWA Communications Committee/Conf.	Clark	
NBWRA	Elias	
JPA Local Task Force**	Greenfield	
Gallinas Watershed Council	Schriebman	Greenfield
Marin LAFCO**	Murray	
Energy Committee	Murray	
CSRMA	Greenfield	
Engineering Subcommittee Includes Operations Control Center Committee	Elias/Greenfield	
Human Resources Subcommittee	Clark/Murray	



**Appointments made by JPA Local Task Force and Marin LAFCO not LGVSD

STAFF RECOMMENDATION:

A matter of Board President's determination.

FISCAL IMPACT:

N/A

PERSON TO BE NOTIFIED:

Teresa Lerch

2/08/2018

BOARD AGENDA ITEM REQUESTS

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

2/08/2018

BOARD AGENDA ITEM REQUESTS

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation



Consent _____
Staff/Consultant Reports ____
Agenda Item 7B

Date February 8, 2018

Agenda Summary Report

To: Chris DeGabriele PE, Interim General Manager *CD*
From: Teri Lerch, District Secretary *TL*
Mtg. Date: February 8, 2018
Re: 2018 Board Meeting Schedule Modifications

BACKGROUND:

The District Board Meetings are regularly scheduled on the second and fourth Thursdays of each month. Occasionally, Special Meetings are scheduled or Board Meetings need to be cancelled and rescheduled to accommodate scheduling conflicts.

Staff is proposing the following schedule changes:

1. Scheduling the Budget Workshop on Friday, April 13th.
2. Due to the Interim General Manager's pre-scheduled time off, cancelling the March 8th and 22nd Board Meetings and rescheduling the regular Board meeting to Thursday, March 15th and scheduling a Special Board Meeting for Wednesday, March 28th.

STAFF RECOMMENDATION:

Board approve cancelling the March 8th and 22nd Board meetings and holding Special Meetings on March 15th and 28th and April 13th.

FISCAL IMPACT:

N/A

PERSON TO BE NOTIFIED:

Public noticing in accordance with District policy and as required under the Brown Act.

2/08/2018

BOARD AGENDA ITEM REQUESTS

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

2/8/2018 BOARD REPORTS

Agenda Item 8A

LAFCO

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8B

Gallinas Watershed Council/Miller Creek Watershed Council

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8C

JPA Local Task Force on Solid and Hazardous Waste

- Separate item to be distributed at Board meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8D

NBWA

- Separate item to be distributed at Board meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8E

NBWRA

- Separate item to be distributed at Board meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8F

Engineering Subcommittee

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8G

Human Resources Subcommittee

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8H

Other Reports - CASA

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation



**BOARD MEMBER
MEETING ATTENDANCE REQUEST**

Date: _____ Name: _____

I would like to attend the _____ Meeting
of _____

To be held on the _____ day of _____ from _____ a.m. / p.m. and
returning on _____ day of _____ from _____ a.m. / p.m.

Actual meeting date(s): _____

Purpose of Meeting: _____

Frequency of Meeting: _____

Estimated Costs of Travel (if applicable): _____

Please submit to the District Administrative Assistant, no later than 2:00 p.m. on the
Friday prior to the Board Meeting.

For Office Use Only

Request was Approved Not Approved at the Board Meeting held on _____.

2/08/2018

BOARD AGENDA ITEM REQUESTS

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Susan McGuire

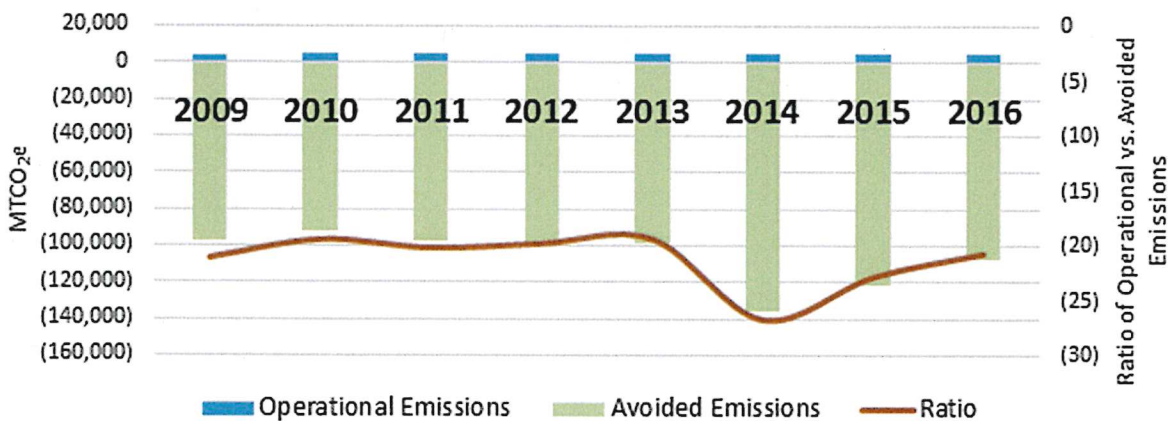
Subject: FW: Air Pollution Compliance for 2018
Attachments: CARB Report - January 2018.pdf

From: Kim Scheibly [<mailto:Kim.Scheibly@marinsanitary.com>]
Sent: Thursday, January 18, 2018 10:54 AM
Subject: Air Pollution Compliance for 2018

Dear Municipalities,

Marin Sanitary Service is proud to announce that we have completed another year of Greenhouse Gas (GHG) reporting. We have been a Climate Action Leader since 2006 with the California Climate Action Registry. This is a voluntary greenhouse gas emissions non-profit agency recognized by the California Air Resources Board (CARB). Understanding the greenhouse gas impacts from our activities, and how those impacts are mitigated, guides the development and implementation of our programs and management strategies. Since 2006, we have annually tracked our operational emissions. In 2009, we started tracking our avoided emissions. The majority of our emissions are from direct mobile combustion, which includes all of our on and off-road vehicles. The figure below depicts the history of MSS's avoided emissions and demonstrates how MSS' Net-Zero offsets have been steadily improving. We have fully offset our direct emissions on average 21 times - well beyond Net-Zero! We now have three Parker E3 Hydraulic Hybrid Refuse Trucks that use RunWise[®] technology—which are decreasing our emissions further. RunWise[®] is a unique hydrostatic drive combined with brake energy recovery capabilities that delivers dramatic fuel savings, lowers noise levels, reduces brake wear and improves vehicle performance. The RunWise[®] technology is on the Environmental Protection Agency (EPA) National Clean Diesel Campaign's Emerging Technologies List and can decrease fuel usage up to 50 percent resulting in lower carbon emissions. All three trucks continue to perform well and are using ~40% less fuel.

Operational vs. Avoided Emissions



Attached you will find two documents (combined in one pdf). The first is the Municipality form showing MSS air pollution compliance. You may have already completed this form meeting the January 31st deadline. In case you have not, this is a courtesy copy. The second is a document showing Marin Sanitary Service's CARB compliance for 2018.

Please contact me if you have any questions about this email or the documents.

Sincerely,
Kim

PK

ZEROWASTEMARIN

PROTECTING OUR RESOURCES TOGETHER

Dear LTF Members:

(Sent by email and USPS (with USB drive enclosure))

Every five years, staff is required by regulation* to solicit comments from the Task Force (LTF) on Marin County's Integrated Waste Management Plan (also referred to as the Regional Agency Integrated Waste Management Plan - RAIWMP). While this process is still required by statute, CalRecycle does not often encourage agencies to revise its planning documents and directs local jurisdictions to note changes in program implementation in the annual Electronic Annual Report (EAR) submitted every August. The EAR acts as the Integrated Waste Management Plan tool.

We request that LTF members review the Integrated Waste Management Plan documents and submit comments, if any, by March 1, 2018. Please email any comments with the subject line "LTF Five Year Review" to Judith Silver at jsilver@marincounty.org.

Following the comment period deadline, the JPA will complete and submit the RAIWMP Review Report to the California Department of Resources Recycling and Recovery (Cal Recycle) and include any and all comments from LTF Members. The Integrated Waste Management Plan documents and the draft 2018 Report Checklist are being sent to you via US mail on a USB drive. If you don't get it or can't access it, please contact Judith Silver for assistance jsilver@marincounty.org.

The Integrated Waste Management Plan documents include:

- A. SRRE and Household Hazardous Waste Element (HHWE)
- B. Nondisposal Facility Element (NDFE)
- C. Countywide Siting Element (SE)
- D. Summary Plan

Separate from the Plan documents, but also provided for reference are:

- 1. A copy of the 2013 Review Report
- 2. A draft of the 2018 Review Report

=====
*The California Code of Regulations, Title 14, Chapter 9, Article 8, states the requirements of the 5 Year Integrated Waste Management Plan Review process and specifies the LTF's role in that process. Comments received from the Local Task Force will be reviewed by staff and included as an Exhibit to the Report when it is submitted to CalRecycle.
=====

Thank you,

Judith Silver

www.ZeroWasteMarin.org

(415) 473-6647

Letter was sent
to
10.3.18
JS



About the logo: We wanted something that was recognizable, when you saw it you knew it was us. The logo is based on the old cartographers symbol for water found on maps. So if it's about water, you will find it here; North Bay WATER.

Building on the NBWRA

Agencies build on successful regional partnership with expanded activities to manage water supply for the future.

For the last 15-years, local water and wastewater agencies have worked together under the umbrella of the North Bay Water Reuse Authority (NBWRA) to develop and implement an ambitious recycled water program than when completed will have secured over \$50M in federal and state grant assistance to construct \$175M in new infrastructure delivering 25,000 AFY of recycled water throughout the North Bay.

What the NBWRA clearly demonstrated, is that by working together as a region, we can accomplish far greater things than individual entities can do on their own.

Introducing North Bay WATER Utilizing All Waters of the North Bay

North Bay leadership recognizes it's time for an expanded program – looking beyond recycled water – with a robust initiative providing planning and funding support for surface water, stormwater and groundwater management projects. We are calling this new program, NorthBay WATER - Regional Water Supply Reliability. NorthBay WATER plans to continue the NBWRA's watershed based approach and will expand membership to include new agencies interested in conducting studies and securing funding for projects leading to a resilient and sustainable water supply.

Water is the foundation that supports all aspects of the North Bay's high-quality of life.

The first planning study to be undertaken is a Drought Contingency Plan (DCP) for the region. The DCP planning process works closely with agencies to identify and integrate project priorities into the regional plan for future implementation. For more information regarding the DCP, please see the back side of this document.

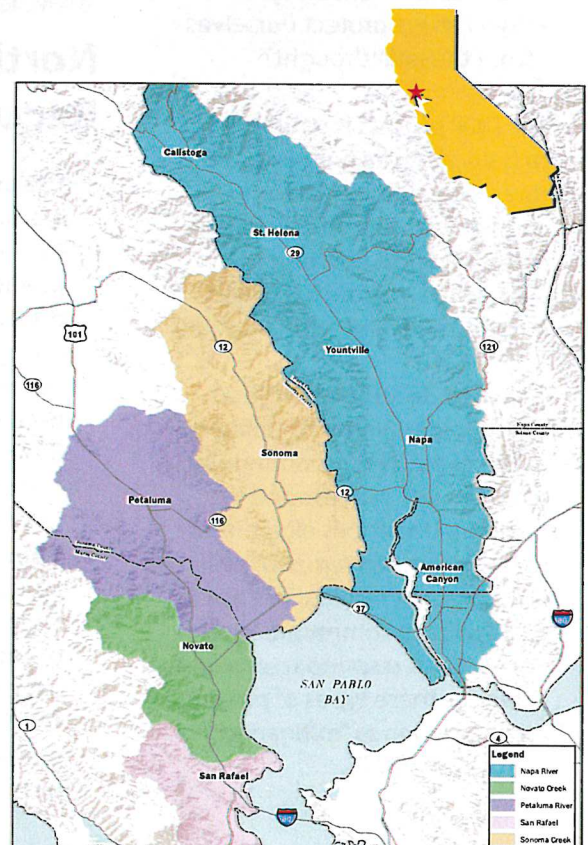
NorthBay WATER will also build on ongoing advocacy work with federal and state administrations and elected officials in two key areas:

- policy to incentivize regional approaches to water management be it surface, storm, recycled or groundwater and
- securing funding assistance for project implementation.

NorthBay WATER advocacy will continue establishing the region as a strong voice for regional water resource priorities in both Sacramento and Washington DC

A Reliable Water Supply for the North Bay's Future

Water is the foundation that supports all aspects of the North Bay's high-quality of life. Thriving communities, productive agriculture and vibrant environmental resources define the region. By working together, we can continue to develop projects and support management activities to ensure a long-term resilient, stable water supply for all.





Funding Available

The Bureau of Reclamation's Drought Response Program supports a proactive approach for non-Federal partners to prepare for and respond to drought. There is funding for Drought Planning and for Drought Resiliency Projects.

Drought Contingency Planning

Most drought contingency planning processes are structured to address the following questions:

- How will we recognize the next drought in the early stages?
- How will drought affect us?
- How can we protect ourselves from the next drought?

The DCP process is structured to help planners answer these three questions and to encourage an open and inclusive planning effort that employs a proactive approach to build long-term resiliency to drought.

Drought Resiliency Projects

"Drought Resiliency" is defined as the capacity of a community to cope with and respond to drought. Under this element of the program, Reclamation will fund drought resiliency projects that will help communities prepare for and respond to drought. Typically, these types of projects are referred to as "mitigation actions" in a DCP.

Drought Contingency Planning Steps Required to Initiate the North Bay DCP

Establish a Drought Planning Task Force made up of interested stakeholders within the planning area that want to actively participate in developing the Drought Contingency Plan. The Task Force must have diverse membership representing multiple interests in the planning area.

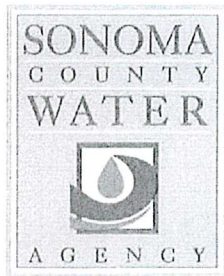
Develop a Detailed Work Plan and submit to Reclamation for review and acceptance before substantive work on the DCP begins.

Develop a Communication and Outreach Plan that explains how stakeholders and the public will be involved in the planning process.



North Bay Drought Contingency Plan Requires Six Elements

- 1. Drought Monitoring:** Establish a process for monitoring water availability, and a framework for predicting the probability of future droughts or confirming an existing drought. Includes process for the collection, analysis, and dissemination of water availability and other drought-related data to define stages of drought, mitigation and response actions.
- 2. Vulnerability Assessment:** Evaluate and assess the risks and impacts of drought and the contributing factors that could impact critical resources in the Plan area. This information will support development of potential mitigation and response actions.
- 3. Mitigation Actions:** Identify, evaluate and prioritize actions and activities that will build long-term water supply resiliency and mitigate risks posed by drought.
- 4. Response Actions:** Identify, evaluate and prioritize actions and activities that can be implemented in a drought and are triggered during different stages of drought to provide quick benefits.
- 5. Operational and Administrative Framework:** Determine local responsibility for undertaking the actions necessary to implement and the DCP.
- 6. Plan Update Process:** Develop a process and schedule for monitoring, evaluating and updating the Plan.



CF/70-700-16 Among Parties (Agree Setting Forth
Requirements of ARRA and Title XVI Grants
Awarded by U.S. Bureau of Reclamation for
NSPBRRP) TW# 09/10-158 (ID 2535)

January 25, 2018

Attn: Ms. Beverly Breen
U.S. Bureau of Reclamation
Mid-Pacific Region
2800 Cottage Way
Sacramento, CA 95825

**RE: REQUEST FOR 2-YEAR EXTENSION OF PERFORMANCE PERIOD FOR
AGREEMENT NO. R10AC20093**

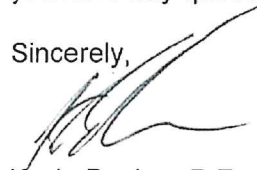
Dear Ms. Breen:

The North Bay Water Reuse Authority (NBWRA) requests that the Performance Period (Sept 27, 2010 through Sept 30, 2018), for Agreement No. R10AC20093, be extended. A NBWRA Member Agency (Las Gallinas Valley Sanitary District, LGVSD) has received bids on their Secondary Treatment and Recycled Water Treatment Facility Upgrade Project (LGVSD Project). Reports from the apparent low bidder on the LGVSD Project indicate that critical electrical items will require an extended construction lead time, excluding the submittal review process. The critical electrical items include relocation of power supply service to the existing LGVSD Wastewater Treatment Plant requiring new overhead power transmission lines, transformers and motor control centers, the majority of which is proprietary work to be performed by Pacific Gas and Electric Company (PGE). As you are aware the natural disasters, which occurred in Northern California in fall 2017, have resulted in increased workload on PGE and other available electrical contractors. Award of the LGVSD Project is anticipated in late March 2018.

NBWRA request a two year extension of the existing Performance Period, for Agreement No: R10AC20093, which is from September 27, 2010 through September 30, 2018 to new Performance Period of September 27, 2010 through September 30, 2020.

Please let me know if this request is approved. Please do not hesitate to call me (707) 521-1865, if you have any questions about the request.

Sincerely,


Kevin Booker, P.E.
NBWRA Administrator

cc: SCWA: Jake Spaulding
USBR: Vanessa Emerzian
LGVSD - Susan McGuire, Mike Cortez
NBWRA: Chuck Weir

rw S:\Clerical\Pinks\01-22-2018\FINAL Phase 1 2_year extension letter.doc

89-unit senior care facility OK'd

SAN RAFAEL

Windsor-based company has sites throughout state

By Keri Brenner

kbrenner@marinij.com @KeriWorks on Twitter

After a nearly two-hour hearing, San Rafael planning commissioners this week gave their blessing to a new 89-unit senior care facility in Terra Linda.

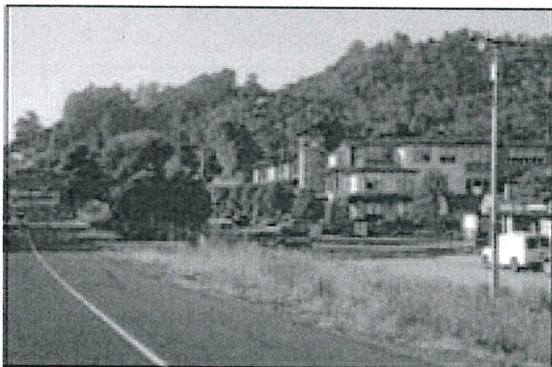
The commission voted 6-1 Tuesday to grant Windsor-based Oakmont Senior Living a conditional use permit to build the threestory, 83,000-square-foot care center at 3773 Redwood Highway.

Commissioner Larry Paul cast the sole “no” vote, saying he would have liked to see several exterior design changes to break up the building’s roof line.

“I think the use is fine,” Paul said. “It just needs a little more work and to go back to the design review board.”

Others said they were satisfied the plans had already gone through three design reviews and were in compliance with the city’s 2020 General Plan and all other relevant regulations.

“I can see how this project has evolved in a positive way,” said Commissioner Jack Robertson. “I feel comfortable with supporting the project tonight, and I’d love



A photo illustration of how the senior-living facility on Redwood Highway in San Rafael will look.

CITY OF SAN RAFAEL VIA DIGITAL REALM

to get it started as soon as you guys can get it out of the ground.”

The property is the former site of Hudson Street Design, a home design showroom that closed in January 2016, said Eric Ziedrich of Healdsburg, the store’s owner. Hudson Street Design, which was at the Terra Linda site

since 2010, still operates a headquarters in Healdsburg, he said.

Under the plans approved Tuesday, Oakmont Senior Living will demolish the existing building and construct a “hybrid” residential and commercial facility. The “hybrid” term refers to a mix of types of housing, including: 23 assisted care dwelling units with private kitchens and bathrooms; 28 “memory care” units; and 38 assisted care units. Also included is a 51-space underground parking garage.

Pending lawsuits

City officials said they were not in a position to comment on two pending lawsuits lodged last year against Oakmont Senior Living regarding facilities elsewhere in the Bay Area. In September, four senior citizens filed suit in Alameda Superior Court, accusing the company of fraudulent practices that allegedly deprived them of necessary care, according to published reports. Then in November, relatives of former residents of the Oakmont of Villa Capri in the Fountaingrove area of Santa Rosa said they were suing over allegations that their family members were abandoned by employees during the North Bay wildfires.

“We have a general plan, a municipal code and state laws, all of which govern our process of granting land use entitlements,” said San Rafael City Attorney Rob Epstein. “We don’t get involved in regulation and enforcement uses by others — those are to be decided in another forum.”

Raffi Boloyan, the city’s planning manager, agreed.

“That’s not something that’s in the city’s purview,” he said, adding that the state has agencies that regulate care facilities. “We regulate whether the land uses are compatible — our reviews are based on design, aesthetics and land use.”

Oakmont officials could not be reached for comment on the lawsuits.

Disaster planning

Planning commissioners on Tuesday asked Oakmont staff about the evacuation plans for the San Rafael center, given the problems reported at Villa Capri during the North Bay wildfires.

“What happens if we have a major disaster — fire or earthquake — how are you going to get people out of the second and third floors — especially those who have cognitive disabilities or mobility issues?” said Commissioner Jeff Schoppert.

Oakmont project manager Hannah Daugherty said at the meeting that more than 329 units were evacuated in Fountaingrove the first night of the fires and that all of those who were evacuated were “accounted for and safe.”

“I know what you read, but there were heroic efforts made by many that night,” Daugherty said. “It was one of the worst fires in our history.” She said a detailed evacuation plan has been established for the Terra Linda site.

Daugherty said Oakmont is a family-owned company that operates more than 20 assisted living facilities throughout the state. Each facility has a concierge service to offer transportation to residents, she said.

Other amenities include a fitness center, hydrotubs, movie theater, massage rooms, wellness center with licensed nurses on staff and concierge physicians if desired.

Architect Robert South said he appreciated the “good guidance” from San Rafael city staff during the three design review hearings that started in November 2016. He said he has increased the building setbacks and added a clock tower that will be visible from the freeway — among other changes.

Workforce housing

Later in the hearing, Schoppert proposed adding a condition that once the building opens, the company collect information from employees as to where they live in order to increase the city's databank on workforce housing. He said city leaders have noted difficulties in staffing such facilities with local residents due to the high cost of housing in Marin.

"This is an issue we're going to struggle with as we go forward," Schoppert said. "I don't think that yours is the last application we're going to see for an assisted living, end of life, congregate care facility."

Commissioners did not vote in favor of Schoppert's motion to add the condition, however, and it failed 6 to 1. They said it was not appropriate for such data gathering to be mandated by the planning process.

"We clearly have an affordable housing issue," said Commissioner Sarah Loughran. "We clearly have a need for more data.

"But I'm not sure that putting a requirement on this applicant makes a lot of sense," she added. "I think there's other ways to get data."

She suggested such plans as surveying each facility in person or using cellphone data from the Transportation Authority of Marin to track where people are traveling from.

Plans for an Oakmont center were proposed in Novato last July, but the project is still in the design review phase, according to the Novato city website.

District elections the right move for San Rafael

Editorial

The San Rafael City Council has voted 5-0 to remove a legal bull's-eye from City Hall. The council, after a few months of workshops and public discussions, voted to overhaul its council elections, establishing four geographic council districts.

Until 2020, council elections will be at large, as they have been during most of the city's history.

But a lawyer has threatened San Rafael and many cities across California with violating the state Voting Rights Act, which is aimed at reducing political hurdles facing minority communities. The council's vote to make the transition to district elections protects the city from getting sued and entangled in a costly legal battle, one that other cities have fought, lost and spent millions on in the process.

The council agreed not to tilt its charter, deciding to retain a separately elected mayor subject to an at-large vote. This format makes sense and underscores the citywide nature of the mayor's leadership position.

Yet, it is unlikely the council would have moved to district elections if it hadn't been faced by a legal threat. Even though Mayor Gary Phillips voted for the change, he questioned whether electing representatives by district would mean neighborhoods will get more attention.

Members of the council, he said, are elected by the entire city and strive to represent all of San Rafael.

Whether the change detracts from that citywide focus depends on who is elected and the demands of voters who put him or her into office.

Realistically, the downside of the change is that in an effort to bolster demographic representation, it might set the local political stage for turf battles between council members. Council members might also take less interest in matters beyond their district boundaries.

Vocal supporters of district elections have pointed to the fact that the council has never had a member who lived in the city's largest, most-diverse neighborhood — the Canal area.

Formation of districts should open the door for more candidates to run for council and, at least, reduce the cost of running a campaign.

Now, the city needs to present its plan for drawing the lines for the four districts. That process needs to be public-focused and led by a broad-based citizens committee that reflects every corner of San Rafael.

San Rafael has the opportunity to create a model for a fair and inclusive process, not a decision based on politics.

Certainly, this is a change that would have been better brought about by local grassroots, not a lawsuit filed by an out-of-town attorney and out of fear of fighting a costly legal battle defending the status quo. Given the legal corner the City Council found itself in, it is a prudent decision to move forward with district elections and a strong promise to carefully draw the lines based on representation, not politics.

Friday, January 26, 2018
2:00 PM

cityofsanrafael.org
sanrafael.org/district-elections
thomas.ahrens@cityofsanrafael.org
http://www.cityofsanrafael.org/meetings

Legal Notice	Legal Notice
CITY OF SAN RAFAEL	
NOTICE OF PUBLIC HEARING	
The City Council of the City of San Rafael will hold a public hearing:	
DATE/TIME/PLACE: Monday, February 5, 2018, at 7:00 p.m. City Hall Council Chambers, 1400 Fifth Avenue, San Rafael	
PURPOSE: Public Hearing: On February 5, February 20, March 5, March 19, and April 16, 2018, at 7:00 p.m. in the City Council Chambers located at 1400 Fifth Avenue, the City Council of the City of San Rafael will conduct Public Hearings regarding establishing single-member council districts in which to conduct by-district elections for the City Council members, and the potential sequence of elections in such districts. At the first two public hearings, the public is invited to provide input regarding the composition of the districts and the appropriate criteria to consider in creating the districts. At the second two public hearings, the public is invited to provide input regarding the content of the draft map or maps and the proposed sequence of elections. At the final public hearing, the City Council will vote to approve or defeat an ordinance establishing district-based elections. Comments can also be submitted via e-mail to Lindsay.lara@cityofsanrafael.org. More information about the establishment of single-member districts for by-district elections, including draft maps when they become available, will be included on the City's website at https://www.cityofsanrafael.org/district-elections . It is anticipated that draft maps will be made available on approximately February 26, 2018. In the event changes are necessary to the public hearing schedule noted above, a new notice will be published in accordance with law.	
IF YOU CANNOT ATTEND: You may send a letter to Lindsay Lara, Interim City Clerk, City of San Rafael, P.O. Box 151560, San Rafael, CA 94915-1560. You may also hand deliver a letter to the City Clerk prior to the meeting.	
FOR MORE INFORMATION: You may contact Lisa Goldfien, Assistant City Attorney, at (415) 485-3081. Office hours are Monday through Friday, 8:30 a.m. to 5:00 p.m.	
SAN RAFAEL CITY COUNCIL	
/s/ LINDSAY LARA LINDSAY LARA, Interim City Clerk No. 98 January 26, 2018	
CITY OF SAN RAFAEL NOTICE OF PUBLIC HEARING	
You are invited to attend the City Council hearing on the following project:	
HEARING DATE: Monday, February 5, 2018 at 7:00 P.M.	

Screen clipping taken: 1/26/2018 2:00 PM