



101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
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www.LGVSD.org

MANAGEMENT TEAM
Interim General Manager, Chris DeGabriele
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
Ronald Ford
Craig K. Murray
Judy Schriebman
Crystal J. Yezman

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.

BOARD MEETING AGENDA

February 17, 2022

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Governments' ability to respond to COVID-19 Pandemic based on Guidance for Gatherings issued by the California Department of Public Health. The Executive Order specifically allows local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, in order to protect public health, which was due to end on September 30, 2021 (Exec. Ord. N-08-21). However, the Legislature passed AB 361 which provides local agencies with the ability to meet remotely during proclaimed state emergencies under modified Brown Act requirements, similar in many ways to the rules and procedures established by the Governor's previous Executive Orders. - In light of this – the February 17, 2022 meeting of the LGVSD Board will be held via Zoom electronic meeting. There will be NO physical location of the meeting. Due to the current circumstances, there may be limited opportunity to provide verbal comments during the meeting. Persons who wish to address the Board for public comment or on an item on the agenda are encouraged, but not required, to submit comments in writing to the Board Secretary (tlerch@lgsd.org) by 5:00 pm on Wednesday, February 16, 2022. In addition, Persons wishing to address the Board verbally must contact the Board Secretary, by email (tlerch@lgsd.org) and provide their Name; Address; Tel. No.; and the Item they wish to address by the same date and time deadline for submission of written comments, as indicated above. Please keep in mind that any public comments must be limited to 3 minutes due to time constraints. Any written comments will be distributed to the LGVSD Board before the meeting.*

**Prior to the meeting, participants should download the Zoom app at:
<https://zoom.us/download>.*

REMOTE CONFERCING ONLY

Join Zoom Meeting online at: <https://us02web.zoom.us/j/83256681071>

OR

By teleconference at: +16699009128 Meeting ID: 832 5668 1071

**MATERIALS RELATED TO ITEMS ON THIS AGENDA ARE AVAILABLE FOR
PUBLIC INSPECTION ON THE DISTRICT WEBSITE WWW.LGVSD.ORG**

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

Estimated
Time

OPEN SESSION:

4:00 PM

1A. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. 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.

CLOSED SESSION:

4:05 PM

2A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9: One case.

OPEN SESSION:

4:30 PM

1. PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. 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.

4:35 PM

2. 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.

- A. Approve the Board Minutes for January 20, 2022
- B. Approve the Warrant List for February 17, 2022
- C. Approve Board Compensation for January 2022
- D. Approve Murray CASA Washington DC Conference Feb 28 – March 1, 2022
- E. Approve Resolution 2022-2238 – Remote Meetings
- F. Approve Resolution 2022-2239 – Adopting a Revised Pay Schedule for All Employees of the District
- G. Approve Resolution 2022-2240 – Amending the Employment Agreement with Interim General Manager Chris DeGabriele
- H. Receive Annual Comprehensive Financial Report for period ending June 30, 2021

Possible expenditure of funds: Yes, Item B through D, F and G.

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

-
- 4:45 PM** **3. INFORMATION ITEMS:**
 STAFF/CONSULTANT REPORTS:
1. General Manager's Report – Verbal
 2. District Correspondence – Written
 3. Department Reports – Administration/Collections/Engineering - Written
- 5:15 PM** **4. APPROVE SECOND AMENDMENT TO MARIN SANITARY SERVICE FRANCHISE AGREEMENT AND SET HEARING FOR ORDINANCE NO. 189 AMENDING TITLE 4 REGULATING SOLID WASTE AS REQUIRED BY SB 1383**
 Board to review the Second Amendment to the Revised and Restated Exclusive Franchise Agreement between Marin Sanitary Service and Las Gallinas Valley Sanitary District and set a hearing date for Ordinance No. 189 Amending Title 4 Regulating Solid Waste in accordance with SB 1383 requirements.
- 5:45 PM** **5. APPROVE CONTRACT AGREEMENT FOR HUMAN RESOURCES CONSULTING SERVICES**
 Board to review and approve contract agreement with either CPS HR Consulting or Regional Governmental Services to provide Human Resources Consulting Services to the District for 2-years, billing based on actual hours, with the total estimated cost not to exceed \$138,000.
- 6:15 PM** **6. SPRING NEWSLETTER TOPICS**
 Board to review the suggested Spring Newsletter Topics.
- 6:30 PM** **7. PUBLIC COMMENT**
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- 6:35 PM** **8. BOARD MEMBER REPORTS:**
1. CLARK
 - a. NBWA Board Committee, NBWA Conference Committee, 2022 Operations Control Center Ad Hoc Committee, Other Reports
 2. FORD
 - a. NBWRA, Gallinas Watershed Council, Marin Special Districts Association, 2022 Ad Hoc Engineering Committee re: STPURWE, 2022 Operations Control Center Ad Hoc Committee, 2022 Human Resources Committee, 2022 Ad Hoc CSA 18 Ad Hoc Review committee, Other Reports
 3. MURRAY
 - a. Marin LAFCO, CASA Energy Committee, 2022 GM Recruitment Ad Hoc Committee, Other Reports
 4. SCHRIEBMAN
 - a. JPA Local Task Force, 2022 Legal Services Ad Hoc committee, 2022 Biosolids Ad Hoc Committee, 2022 Human Resources Ad Hoc committee, Other Reports
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5. YEZMAN

- a. Flood Zone 7, CSRMA, 2022 Ad Hoc Engineering Committee re: STPURWE Engineering Subcommittee, 2022 Legal Services Ad Hoc Committee, 2022 GM Recruitment Ad Hoc Committee, Marin Special Districts, 2022 Biosolids Ad Hoc committee, 2022 Ad Hoc CSA 18 Ad Hoc Review committee, Other Reports

6:45 PM

9. BOARD REQUESTS:

- A. Board Meeting Attendance Requests – Verbal
- B. Board Agenda Item Requests – Verbal
- C. Recent Board Agenda Item Requests –now included in Administration Department Report- see item 3.2 this agenda

6:50 PM

10. VARIOUS INDUSTRY RELATED ARTICLES

6:55 PM

11. ADJOURNMENT

FUTURE BOARD MEETING DATES: MARCH 3 AND MARCH 17, 2022

AGENDA APPROVED:	Judy Schriebman, Board President	Patrick Richardson, 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 14, 2022, 4:00 p.m., I posted the Agenda for the Board Meeting of said Board to be held February 17, 2022, at the District Office, located at 101 Lucas Valley Road, Suite 300, San Rafael, CA.

DATED: February 10, 2022



 Teresa L. Lerch
 District Secretary

The Board of the Las Gallinas Valley Sanitary District meets regularly on the first and third 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, 101 Lucas Valley Road, Suite 300, San Rafael, CA.

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.

2/17/2022

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. 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.

2/17/2022

CLOSED SESSION

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

AGENDA ITEM 1

2/17/2022

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. 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.

MEETING MINUTES OF JANUARY 20, 2022

THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT MET IN OPEN SESSION BY ZOOM CONFERENCE ON JANUARY 20, 2022 AT 4:01 PM AND STAFF BY ZOOM CONFERENCE AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300 CONFERENCE ROOM, SAN RAFAEL, CA. 94903

BOARD MEMBERS PRESENT: M. Clark, R. Ford, C. Murray, J. Schriebman and C. Yezman

BOARD MEMBERS ABSENT: None.

STAFF PRESENT: Teresa Lerch, Board Secretary; Dale McDonald, District Treasurer; Mike Cortez, District Engineer

OTHERS PRESENT: Patrick Richardson and Dave Byers, District Counsel; John Biscoe and Lawrence Bazel, Briscoe Ivester & Bazel LLP; Chris DeGabriele;

ANNOUNCEMENT: President Schriebman announced that the agenda had been posted as evidenced by the certification on file in accordance with the law

1. PUBLIC COMMENT: None.

ACTION:

THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT ADJOURNED TO CLOSED SESSION ON JANUARY 20, 2022 , AT 4:03 PM, BY ZOOM CONFERENCE AND AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300, CONFERENCE ROOM, SAN RAFAEL, CALIFORNIA.

Lerch left at 4:03 pm.
McDonald left at 4:30 pm

CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of Government Code § 54956.9: Two potential cases.

ADJOURNMENT:

ACTION:

The Board of Directors of the Las Gallinas Valley Sanitary District reconvened the Regular Session on January 20, 2022 at 4:40 pm.

BOARD MEMBERS PRESENT: M. Clark , R. Ford, C. Murray, J. Schriebman, C. Yezman

STAFF PRESENT: Dale McDonald, District Treasurer; Teresa Lerch, District Secretary; Mike Cortez, District Engineer; Greg Pease, Collection and Safety Manager

OTHERS PRESENT: Pat Richardson, District Counsel; Chris DeGabriele. Rose Radford, R3 Consulting; Justin Wilcock, Marin Sanitary Service;

PUBLIC COMMENT: None.

REPORT ON CLOSED SESSION: President Schriebman reported the Board has hired the firm of Briscoe Ivester & Bazel LLP regarding some anticipated litigation. There was a unanimous vote by the Board to hire this firm.

2. 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.

- A. Approve Resolution 2022-2235 Remote Meetings
- B. Approve the Board Minutes for December 16 and January 4, 2022
- C. Approve the Warrant List for January 20, 2022
- D. Approve Board Member compensation for December 2021

ACTION:

Board approved (M/S Murray/Ford 5-0-0-0) the Consent Calendar items A through D.

AYES: Clark, Ford, Murray, Schriebman and Yezman
NOES: None.
ABSENT: None.
ABSTAIN: None.

3. INFORMATION ITEMS:

STAFF / CONSULTANT REPORTS:

- 1. Acting General Manager's Report – McDonald reported.
- 2. District Correspondence - no discussion.
- 3. Quarterly Financial Reports and Treasurer's Report as of December 31, 2021 – McDonald reported.

4. DRAFT ORDINANCE 189 ORGANIC RECYCLING SB 1383 AND SET PUBLIC HEARING

Rose Radford from R3 Consulting gave a presentation to the Board. Ms. Radford and Justin Wilcock from Marin Sanitary Service answered questions from the Board. The Board suggested revisions to the draft Ordinance and requested that this item be brought back to the February 17 Board meeting. A red-line version of the Draft Ordinance will be sent to the Board prior to the February 17 Board meeting.

5. AWARD CONTRACT FOR GENERAL MANAGER EXECUTIVE SEARCH

Board and staff discussed awarding a contract for the General Manager Executive Search.

ACTION:

Board approved (M/S Yezman/Ford 5-0-0-0) awarding a contract for the General Manager Executive Search to Bob Murray and Associates.

AYES: Clark, Ford, Murray, Schriebman and Yezman.
NOES: None.
ABSENT: None.
ABSTAIN: None.

6. INTERIM GENERAL MANAGER'S AGREEMENT

Board reviewed the Interim General Manager's Agreement for Chris DeGabriele. Discussion ensued.

ACTION:

Board approved (M/S Clark/Murray 5-0-0-0) the Interim General Manager's Agreement with Chris DeGabriele effective January 31, 2022.

AYES: Clark, Ford, Murray, Schriebman and Yezman.
NOES: None.
ABSENT: None.
ABSTAIN: None.

7. APPROVE RESOLUTION 2022-2037 AUTHORIZING SUBMITTAL OF APPLICATION FOR PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS

Board reviewed Resolution 2022-2037 authorizing Dale McDonald to submit applications for SB 1383 local assistance grant program. Discussion ensued.

ACTION:

Board approved (M/S Yezman/Ford 5-0-0-0) authorizing Dale McDonald to submit applications for SB 1383 local assistance grant program.

AYES: Clark, Ford, Murray, Schriebman and Yezman.

NOES: None.

ABSENT: None.

ABSTAIN: None.

8. APPROPRIATE VEHICLE RESERVE FUNDS FOR FY 2021-2022 SERVICE TRUCK PURCHASE

Board discussed the purchase of a Service Truck in the amount of \$220,000.

ACTION:

Board approved (M/S Ford/Murray 5-0-0-0) funding from the vehicle Reserve Fund and authorizing the interim General Manager to purchase a Service Truck up to the amount of \$220,000.

AYES: Clark, Ford, Murray, Schriebman and Yezman.

NOES: None.

ABSENT: None.

ABSTAIN: None.

9. APPROVE AWARD OF CONTRACT FOR THE DEVELOPMENT OF AN EMERGENCY MANAGEMENT SYSTEM

Board reviewed the award of contract for the development of an Emergency Management system.

ACTION:

Board approved (M/S Clark/Ford 5-0-0-0) awarding a contract for development an Emergency Management system to Preparative Consulting in the amount of \$ 67,661.

AYES: Clark, Ford, Murray, Schriebman and Yezman.

NOES: None.

ABSENT: None.

ABSTAIN: None.

10. APPROVE SECONDARY TREATMENT PLANT UPGRADE AND RECYCLED WATER EXPANSION PROJECT CHANGE AUTHORIZATION – CLEARWELL BYPASS.

Board reviewed the change authorization for a Clearwell Bypass line for the Secondary Treatment Plant Upgrade and Recycled Water Expansion Project.

ACTION:

Board approved (M/S Ford/Murray 5-0-0-0) the change authorization in the amount of \$253,844. From contingency funds for a Clearwell Bypass line for the Secondary Treatment Plant Upgrade and Recycled Water Expansion Project.

AYES: Clark, Ford, Murray, Schriebman and Yezman.

NOES: None.

ABSENT: None.

ABSTAIN: None.

11. PUBLIC COMMENT: None

12. BOARD MEMBER REPORTS:

1. CLARK

a. NBWA Board Committee –no report

b. NBWA Conference Committee – no report

c. 2022 Operations Control Center Ad Hoc Committee – verbal report

d. Other Reports–no report

2. FORD

- a. NBWRA – verbal report
- b. Gallinas Watershed Council– no report
- c. 2022 Engineering Ad Hoc Committee re: Secondary Treatment Plant Upgrade – no report
- d. 2022 Operations Control Center Ad Hoc Committee – no report
- e. 2022 Human Resources Ad Hoc Committee –no report
- f. 2022 CSA 18 Review Ad Hoc Committee – no report
- g. Marin County Special Districts Association – no report
- h. Other Reports – no report

3. MURRAY

- a. Marin LAFCO – verbal report
- b. CASA Energy Committee– no report
- c. 2022 GM Recruitment Ad Hoc Committee - verbal report
- d. Other Reports – no report

4. SCHRIEBMAN

- a. JPA Local Task Force– no report
- b. 2022 Legal Services Ad Hoc Committee – no report
- c. 2022 Biosolids Ad Hoc Committee – no report
- d. 2022 Human Resources Ad Hoc Committee – verbal report
- e. Other Reports- no report

5. YEZMAN

- a. Flood Zone 7– no report
- b. CSRMA – verbal report
- c. 2022 STPURWE Engineering Ad Hoc Committee– verbal report
- d. 2022 GM Recruitment Ad Hoc Committee – no report
- e. 2022 Legal Services Ad Hoc Committee – no report
- f. 2022 CSA 18 Review Ad Hoc Committee – no report
- g. Other Reports–no report

13. BOARD REQUESTS:

- A. Board Meeting Attendance Requests – none.
- B. Board Agenda Item Requests- Clark requested listing pending agenda items in request order, grant funding, COVID vaccination policy and a Board secretary salary update. Schriebman requested off topic agenda items and parliamentary procedures.
- C. Board Secretary Lerch reminded the Board of the upcoming meetings:

February 3, 2022	4 pm	Regular Board Meeting
February 10, 2022	10 am	Harassment Training
February 17, 2022	4 pm	Regular Board Meeting

12. MISCELLANEOUS DISTRICT CORRESPONDENCE:

Discussion ensued.

13. ADJOURNMENT:

ACTION:

Board approved (M/S Ford/Clark 5-0-0-0) the adjournment of the meeting at 7:12 p.m.

- AYES: Clark, Ford, Murray, Schriebman and Yezman.
- NOES: None.
- ABSENT: None.
- ABSTAIN: None.

The next Board Meeting is scheduled for February 3, 2022, 4 PM by Zoom Meeting at the District Office.

ATTEST:

Teresa Lerch, District Secretary

APPROVED:

Crystal J. Yezman, Board Vice-President

SEAL

Agenda Item 2B
Date February 17, 2022

Las Gallinas Valley Sanitation District Warrant List 2/17/2022 DRAFT							
	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
1	2/17/2022	EFT1	ADP Payroll	352,544.38		352,544.38	2/11/2022 Payroll & Processing Charges Plus Severance Package.
2	2/17/2022	ACH	A& P Moving	84.70		84.70	Document Storage - February
3	2/17/2022	N/A	All Star Rents	1,245.05		1,245.05	Rentals- Post Hole Digger & Stump Grinder, Excavator
4	2/17/2022	N/A	Aqua Engineering	34,701.38		34,701.38	STPURWE- Consulting & Engineering Services - December
5	2/17/2022	N/A	Aramark	224.42		224.42	Uniform Laundry Service week of 1/31
6	2/17/2022	ACH	Bellecci & Associates	3,834.00		3,834.00	Oakmont Project Sewer Inspection Services & Plumbing Fixture Review. 800 Upper Rd. Sewer Review Inspection Review. Work Performed was Invoiced for Payment.
7	2/17/2022	N/A	Bullseye Telecom	111.61		111.61	Monthly Charge for Add' Trunk Lines.
8	2/17/2022	ACH	Byers Law Office	15,012.50		15,012.50	Legal Services- January
9	2/17/2022	EFT	CalPERS Required Contribution	520.75		520.75	Pre-Fund GASB Payment - February
10	2/17/2022	N/A	CD & Power	2,530.00		2,530.00	Generator Maintenance and Repair
11	2/17/2022	N/A	City of Foster City	1,560.00		1,560.00	3 Job Postings on CALOPPS
12	2/17/2022	ACH	Contractor Compliance & Monitoring	5,234.23		5,234.23	Labor Compliance- January
13	2/17/2022	ACH	Core Utilites	2,700.00		2,700.00	IT Services- January
14	2/17/2022	N/A	CPM Construction	4,900.00		4,900.00	STPURWE- On -Call Estimating Support - January
15	2/17/2022	ACH	Custom Tractor Service	44,444.29		44,444.29	Mowing, Clearing Berms, O & M of Pivots, Misc. Dozer and Excavator Work
16	2/17/2022	N/A	D.W. Nicholson Corporation	154,064.87		154,064.87	Marin Lagoon Pump Station Improvments
17	2/17/2022	N/A	Danadjieva Hansen Architects	28,367.50		28,367.50	Consulting & Architectural Design for OCC Building
18	2/17/2022	EFT	Direct Dental	290.00		290.00	Dental Payment - February
19	2/17/2022	ACH	Du-All Safety	4,728.00		4,728.00	Safety and Training for LGVSD- January
20	2/17/2022	ACH	Fastenal Company	466.34		466.34	Misc. Supplies
21	2/17/2022	N/A	Federal Express	142.49		142.49	Lab Shipment to Air Technology Labs.
22	2/17/2022	ACH	Fishman Supply Company	186.84		186.84	Coffee Cups
23	2/17/2022	ACH	Ford, Ron	200.00		200.00	Medical Reimbursement- February
24	2/17/2022	ACH	Gardeners Guild	1,179.00		1,179.00	Grounds Maintenance- February
25	2/17/2022	ACH	Grainger	249.20		249.20	Misc. Supplies
26	2/17/2022	ACH	Hanford ARC	5,061.00		5,061.00	Weed Manangement & Irrigation Maintenance- January
27	2/17/2022	N/A	Hazen and Sawyer	4,722.50		4,722.50	Digester Room MCC-2 Upgrade- January
28	2/17/2022	ACH	HDR Engineering	4,079.00		4,079.00	Compost Facility Feasibility Study, Operational Planning for Biosolids Management

**Las Gallinas Valley Sanitation District
Warrant List 2/17/2022 DRAFT**

	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
29	2/17/2022	ACH	Kennedy Jenks Consulting	926.90		926.90	Alternative Funding & Grant Consulting
30	2/17/2022	ACH	Kenwood Energy	2,096.25		2,096.25	Solar Panel Replacement Assistance
31	2/17/2022	N/A	Lodi Truck & Equipment Repair	875.00		875.00	Mobile Truck Repair on Ford F550
32	2/17/2022	N/A	Marin Ace	134.28		134.28	Misc. Supplies
33	2/17/2022	N/A	McMaster-Carr	132.07		132.07	Flame Retardent Tubing
34	2/17/2022	N/A	McPhail Fuel Company	2,709.49		2,709.49	Propane Purchase
35	2/17/2022	ACH	Murray, Craig	279.00		279.00	Medical Reimbursement- February, Dental Payment
36	2/17/2022	N/A	North Bay Petroleum	2,458.96		2,458.96	Unleaded & Diesel Fuel
37	2/17/2022	N/A	North Valley Labor Compliance Services	150.00		150.00	Labor Compliance Services for LMC Revegetation Maintenance Services
38	2/17/2022	N/A	Operating Engineers Local #3	556.56		556.56	Union Dues Paydate 2/11/22
39	2/17/2022	N/A	Rathlin Properties	9,071.00		9,071.00	Rent at 101 Lucas Valley Rd.
40	2/17/2022	ACH	Retiree Augusto	145.65		145.65	Retiree Health - March
41	2/17/2022	ACH	Retiree Burgess	153.53		153.53	Retiree Health - March
42	2/17/2022	ACH	Retiree Cummins	153.53		153.53	Retiree Health - March
43	2/17/2022	ACH	Retiree Cutri	440.30		440.30	Retiree Health - March
44	2/17/2022	ACH	Retiree Emanuel	232.94		232.94	Retiree Health - March
45	2/17/2022	ACH	Retiree Gately	158.44		158.44	Retiree Health - March
46	2/17/2022	ACH	Retiree Guion	158.44		158.44	Retiree Health - March
47	2/17/2022	ACH	Retiree Johnson	702.40		702.40	Retiree Health - March
48	2/17/2022	ACH	Retiree Kermoian	153.53		153.53	Retiree Health - March
49	2/17/2022	ACH	Retiree Mandler	153.53		153.53	Retiree Health - March
50	2/17/2022	ACH	Retiree McGuire	625.00		625.00	Retiree Health - March
51	2/17/2022	ACH	Retiree Memmott	153.53		153.53	Retiree Health - March
52	2/17/2022	ACH	Retiree Petrie	145.65		145.65	Retiree Health - March
53	2/17/2022	ACH	Retiree Pettey	153.53		153.53	Retiree Health - March
54	2/17/2022	ACH	Retiree Reetz	456.06		456.06	Retiree Health - March
55	2/17/2022	ACH	Retiree Reilly	153.53		153.53	Retiree Health - March
56	2/17/2022	ACH	Retiree Vine	153.53		153.53	Retiree Health - March
57	2/17/2022	ACH	Retiree Wettstein	667.00		667.00	Retiree Health - March

**Las Gallinas Valley Sanitation District
Warrant List 2/17/2022 DRAFT**

	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
58	2/17/2022	ACH	Retiree Williams	667.00		667.00	Retiree Health - March
59	2/17/2022	N/A	Satcom Global	160.57		160.57	Monthly Charge- Satalite Phones
60	2/17/2022	ACH	Schriebman, Judy	200.00		200.00	Medical Reimbursment- February
61	2/17/2022	ACH	Service Truck Depot	201,135.01		201,135.01	2022 Dodge Ram 5500- Collections Truck
62	2/17/2022	N/A	Smartcover Systems	1,769.00		1,769.00	Warranty Renewal
63	2/17/2022	ACH	Thatcher Company	1,096.72		1,096.72	Hydrochloric Acid
64	2/17/2022	N/A	United Site Services	602.55		602.55	Porta Potties for Water Stopages - Jan/Feb
65	2/17/2022	ACH	Univar	10,200.30		10,200.30	Sodium Bisulfite & Sodium Hypochlorite
66	2/17/2022	N/A	Verizon Wireless	4,398.66		4,398.66	District Cell Phones - January
67	2/17/2022	N/A	Vortex	1,275.12		1,275.12	Repair on Front door at Plant
68	2/17/2022	N/A	Water Components & Building Supplies	135.72		135.72	Misc. Valves
69	2/17/2022	EFT	WEX	50.00		50.00	FSA Administration
70	2/17/2022	ACH	Yezman, Crystal	200.00		200.00	Medical Reimbursment- February

Do not change any formulas below this line.

TOTAL \$ 919,624.33 \$ - \$ 919,624.33

EFT1	EFT1 = Payroll (Amount Required)	352,544.38	352,544.38	Approval: Finance GM Board
EFT2	EFT2 = Bank of Marin loan payments	0.00	0.00	
PC	Petty Cash Checking	0.00	0.00	
>1	Checks (Operating Account)	0.00	0.00	
N/A	Checks - Not issued	256,998.80	256,998.80	
EFT	EFT = Vendor initiated "pulls" from LGVSD	860.75	860.75	
ACH	ACH = LGVSD initiated "push" to Vendor	309,220.40	309,220.40	
	Total	\$ 919,624.33	\$ 919,624.33	

Difference: \$ _____

STPURWE Costs 39,601.38

Agenda Item 2C
Date February 17, 2022

Directors' Meeting Attendance Recap

<u>Name</u>	<u>Total Meetings</u>
Megan Clark	6
Ron Ford	6
Craig Murray	6
Judy Schriebman	6
Crystal Yezman	6
Total	<u>30</u>

Meeting Date: 2/17/2022
Paydate: 2/25/2022



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Megan Clark Month: January 2022

Board Members shall be compensated for up to the legal limit of six (6) meetings 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
4 th	Special - Board candidates	X	
6 th	Reg.	X	
18 th	Special occ presentation	X	
20 th	Reg.	X	
TOTAL		4	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1 st	occ ad hoc committee	X	
12 th	,	X	
TOTAL		2	

Total Meetings for which I am Requesting Payment: 6
Max of six (6) per Health & Safety Code §4733

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 1/27/22
 Director Signature Date
[Signature] 2/1/2022
 Administrative Services Manager Approved Date
[Signature] 1/28/22
 Board Secretary Received Date



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Roy Ford Month: JANUARY 2022

Board Members shall be compensated for up to the legal limit of six (6) meetings 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
01/06	REGULAR BOARD MEETING	✓	
01/10	HR AD HOC COMMITTEE	✓	
01/12	O.C.C. AD HOC	✓	
01/18	SPECIAL BOARD MEETING	✓	
TOTAL		4	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
01/19	O.C.C. AD HOC	✓	
01/20	REGULAR BOARD	✓	
TOTAL		2	

Total Meetings for which I am Requesting Payment: 6
Max of six (6) per Health & Safety Code §4733

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.

Ronald Ford
 Director Signature

01/25/2022
 Date

[Signature]
 Administrative Services Manager Approved

2/2/2022
 Date

[Signature]
 Board Secretary Received

1/25/22
 Date



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: MURRAY, Craig K. Month: January 2022

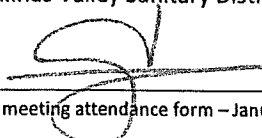
Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1/4/22	Board Member Interviews	X	
1/6/22	Board Meeting	X	
1/7/22	Ad Hoc Committee - GM	X	
1/18/22	Special Meeting	X	
1/20/22	Marin Public Financing Authority Joint Powers Authority (JPA) Meeting w/Sausalito-Marín City Sanitary District		X
1/20/22	Board Meeting	X	
TOTAL		5/6	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
1/16,30/22	Merrydale Road/Las Gallinas Creek Headwater Litter Removal c/o City of San Rafael: 1/16 0.5 hours; 1/30 2.0 hours		XX
1/25/22	Safe Routes 2 School Task Force – Hwy 101/Merrydale Rd. to Venetia Valley		X
1/26/22	Annual Legal Update – International Right of Way Association (IRWA); Wendel Rosen		X
1/27/22	CASA Air Quality, Climate Change & Energy (ACE) Workgroup Meeting	X	
TOTAL		1/5	

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6/11
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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.

 Craig K. Murray

January 24, 2022



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director Signature

Administrative Services Manager Approved

Board Secretary Received

Date

2/1/22
Date

1/25/22
Date



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903

Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Judy Schriebman Month: Jan. 2022

Board Members shall be compensated for up to the legal limit of six (6) meetings 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. 4	Board Interviews	X	
Jan. 6	Regular mtg	X	
Jan. 10	HR Ad hoc Committee	X	
Jan. 18	OCC workshop	X	
Jan. 20	Regular mtg	X	
TOTAL		5:5	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
Jan. 5	GWC mtg	X	
TOTAL		1:1	

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6:6
--	------------

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.

Judy Schriebman

Jan. 25, 2022

Director Signature

Date

[Signature]
Administrative Services Manager Approved

2/1/22
Date

[Signature]
Board Secretary Received

1/25/22
Date



101 Lucas Valley Road, Suite 300, San Rafael, CA 94903
 Office: 415.472.1734 Fax: 415.499.7715

BOARD MEMBER ATTENDANCE FORM

Director's Name: Yezman Month: Jan 2022

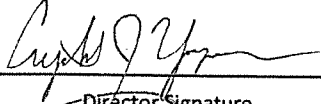
Board Members shall be compensated for up to the legal limit of six (6) meeting per month and one (1) per day. Board members are limited to four (4) conferences or seminars per year. For multi-day conferences, compensation shall be at a maximum of one (1) meeting per day.

REGULAR and SPECIAL MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
01/04/22	Special Board Mtg	X	
01/06/22	Regular Board Mtg	X	
01/18/22	Special Board Mtg	X	
01/20/22	Regular Board Mtg	X	
TOTAL		4	

OTHER MEETINGS		CHARGING DISTRICT	
Date	Description of meeting	Yes	No
01/07/22	GM Ad Hoc Meeting	X	
01/19/22	GM Ad Hoc Meeting	X	
01/20/22	CSRMA Board Meeting		X
01/26/22	MSDA Board Meeting		X
TOTAL		2	

Total Meetings for which I am Requesting Payment: Max of six (6) per Health & Safety Code §4733	6
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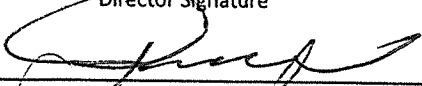
I hereby certify that the meetings as set forth above are true and correct and are for the purpose of conducting official business for the Lad Gallinas Valley Sanitary District.



Director Signature

01/26/22

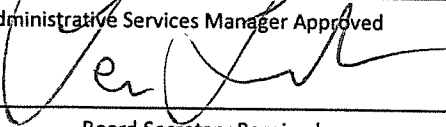
Date



Administrative Services Manager Approved

2/1/22

Date



Board Secretary Received

1/26/22

Date

AGENDA ITEM 2D
DATE February 17, 2022



BOARD MEMBER CONFERENCE/ MEETING ATTENDANCE REQUEST

Date: 2/2/22 Name: MURRAY, CRAIG K.

I would like to attend the WASHINGTON DC POLICY FORUM Meeting
of CASA

To be held on the 28th day of FEB. from 8 a.m. / p.m. to
1st day of MARCH from 5 a.m. / p.m.

Location of meeting: WASHINGTON DC

Actual meeting date(s): FEB. 28 + MARCH 1 + TRAVEL DAY IN + TRAVEL DAY OUT

Meeting Type: (In person/Webinar/Conference) CONFERENCE

Purpose of Meeting: CASA CONFERENCE DISTRICT REP.

Meeting relevance to District: MEET + PROMOTE FEDERAL AGENDA

	YES	NO
Request assistance from Board Secretary to register for Conference:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Request assistance from Board Secretary to register for Hotel:	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Board Directors to book their own transportation including Airfare, taxi and/or shuttles.

Frequency of Meeting: 1X

Estimated Costs of Travel (if applicable): \$2,500.

Date submitted to Board Secretary: _____

Board approval obtained on Date: _____

Please submit this form to the Board Secretary no later than 1 week prior to the Board Meeting.



Item Number 2E
GM Review W

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: February 17, 2022
Re: Proclaiming a Local Emergency Exists and Authorization for Continued Remote Teleconference Meetings of the Board
Item Type: Consent X Action _____ Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X .

STAFF RECOMMENDATION

Adopt Resolution No. 2022-2238 to allow continued use of remote teleconference for District public meetings per Gov. Code Sec. 54953.

BACKGROUND

On September 20, 2021, Governor Newsom signed AB 361. The legislation provides that local agencies subject to the Brown Act may continue to hold certain public meetings via video/teleconference as they have done during the COVID-19 emergency declared by Governor Gavin Newsom on March 4, 2020.

The legislation allows such meetings to continue during a proclaimed state of emergency if state or local officials have recommended measures to promote social distancing. Local government meetings are indoor meetings that are sometimes crowded, involve many different and unfamiliar households, and can last many hours. The District's COVID-19 Prevention Program promotes social distancing between individuals for the safety of both employees and the public.

The proposed resolution provides the Board the option to continue to hold remote video / tele-conference meetings when appropriate while the state proclamation of emergency remains in place.

To continue with AB 361 remote video/teleconference meetings, the District must reconsider the circumstances of the emergency **every 30 days** and determine that either the state of emergency continues to directly impact the ability of the members to meet safely in person; or, state or local officials continue to impose or recommend measures to promote social distancing. These findings must be made by majority vote. Gov. Code § 54953(e)(3).

PREVIOUS BOARD ACTION

On September 30, 2021 the Board adopted Resolution No. 2021-2226 to allow continued use of remote teleconference for District public meetings. The Board confirmed continued use of remote teleconference meetings by adopting subsequent resolutions monthly.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None

RESOLUTION NO. 2022-2238

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S ORDER, DATED MARCH 4, 2020, IN CONTINUING EXECUTIVE ORDERS, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT FOR THE PERIOD OF FEBRUARY 17, 2022 THROUGH MARCH 19, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the LAS GALLINAS VALLEY SANITARY DISTRICT ("District") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of LAS GALLINAS VALLEY SANITARY DISTRICT's Board of Directors are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Number 2021-2235 on January 20, 2022, finding that the requisite conditions exist for the Board of Directors of the LAS GALLINAS VALLEY SANITARY DISTRICT to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, a State of Emergency has been proclaimed by Governor Gavin Newsom, dated March 4, 2020 and continuing; and

WHEREAS, effective, August 3, 2021, the Public Health Officer of The County of Marin ("Health Officer"), in keeping with Health Orders from the California Department of Public Health, required all individuals to wear face coverings when indoors in workplaces and public settings, with limited exemptions, and recommends that businesses make face coverings available to individuals entering the business on the basis Since April 2021, the SARS-CoV-2 B.1.617.2 (Delta) variant has been circulating in Marin County. This variant is highly transmissible in indoor settings and requires multi-component prevention strategies to reduce spread. Despite high vaccination rates, Marin County is experiencing substantial levels of community transmission due to the Delta variant. While most COVID-19 cases are among unvaccinated residents, the proportion of breakthrough cases is increasing. Hospitalizations have also increased, primarily among unvaccinated persons. Marin County is also seeing a concerning uptick in cases among staff and residents in long-term care facilities; and

WHEREAS, on December 1, 2021 the State of California and the San Francisco Department of Public Health have confirmed a case of the Omicron variant in California which poses a new significant risk to the health and safety of attendees of an in-person meeting of the Board of Directors of the District; and

WHEREAS, evolving COVID-19 variants continues to pose a significant risk to the health and safety of attendees at an in-person meeting of the Board of Directors of the District; and

WHEREAS, the Board of Directors does hereby find that, as noted by the Governor, the California Department of Public Health and the Marin County Public Health Officer, that a State of Emergency continues to exist in regard to the Covid-19 outbreak and its Delta and Omicron variant, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California, the California Department of Public Health and the Public Health Officer of The County of Marin; and
and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the Board of Directors of LAS GALLINAS VALLEY SANITARY DISTRICT shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District will continue to:

1. Clearly advertise the means by which members of the public can observe a public meeting or offer comment during a meeting remotely, via either a call-in or internet-based option;
2. Provide the relevant remote access information to members of the public looking to attend a meeting of a local agency legislative body. This information includes, but is not limited to: phone numbers, passwords, URLs, email addresses, etc., such that members of the public are able to attend the meeting remotely;
3. Ensure that the public remains able to connect to a meeting and offer public comment by the means previously advertised in the meeting notice or agenda; and
4. In the event that meetings are interrupted by technological or similar technical disruptions must first resolve those issues before taking any other action(s) on items on the meeting agenda.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF LAS GALLINAS VALLEY SANITARY DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and due to the continuing Covid-19 pandemic and its Delta variant, which would present an imminent risk to the health and safety of the Board of Directors and members of the public at an in-person meeting due to the confined space in which the Board of Directors meeting are normally held.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020 and continuing through follow-up Executive Orders, the most recent being Executive Order N-08-21, issued June 11, 2021.

Section 4. Remote Teleconference Meetings. The General Manager and Staff of the LAS GALLINAS VALLEY SANITARY DISTRICT are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) March 19, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors of LAS GALLINAS VALLEY SANITARY DISTRICT may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

* * * * *

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 regular meeting thereof held on February 17, 2022, by the following vote of the members thereof:

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

Teresa Lerch, District Secretary

APPROVED:

Judy Schriebman, President



Item Number 2 F
GM Review CD

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lgvSD.org
Meeting Date: February 17, 2022
Re: Resolution Approving Revised Pay Schedule Showing Corrected Salary for the General Manager Position, Effective July 1, 2021

Item Type: Consent X Action _____ Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X .

STAFF RECOMMENDATION

That the Board adopt the attached Resolution 2022-2239 approving a salary Pay Schedule that includes the corrected General Manager wage of \$22,399 per month, effective July 1, 2021.

BACKGROUND

The Pay Schedule of Wages, historically adopted annually by July 1, was delayed in 2021 to allow negotiations to be completed between Operating Engineers Local 3 and the Las Gallinas Valley Sanitary District on a successor Memorandum of Understanding ("MOU") agreement. Employment Agreements with District management and unrepresented employees that were set to expire on June 30, 2021 were extended to allow negotiations to be completed with its represented employees.

The General Manager's employment agreement was terminated on November 18, 2021 prior to management Employment Agreements being finalized. The Pay Scheduled adopted on December 16, 2021 did not include the correct monthly salary for the General Manager position. The salary of the General Manager was established by the Board on January 21, 2021 and the contract in-place at the time of termination included a 3.25% Cost-of-Living Adjustment (COLA), effective July 1, 2021, which was not represented on the Pay Schedule.

The attached Pay Schedule corrects the General Manager monthly salary to \$22,399. No other changes to the Pay Schedule were made. The Pay Schedule must be adopted to meet California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations section 570.5 (2 CCR § 570.5).

PREVIOUS BOARD ACTION

August 19, 2021, the Board adopted the District Pay Schedule for represented employees, effective July 1, 2021.

On December 16, 2021, the Board adopted the District Pay Schedule, updating it to include unrepresented employees, effective July 1, 2021.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The fiscal year 2021-22 budget provides for the COLA pay increase.

RESOLUTION NO. 2022-2239

**A RESOLUTION ADOPTING A REVISED PAY SCHEDULE FOR
ALL EMPLOYEES OF THE DISTRICT**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the District adopted the Pay Schedule for represented employees, effective July 1, 2021, on August 19, 2021 while awaiting completion of management contracts; and

WHEREAS, the District approved employment agreements with management and unrepresented employees on December 2, 2021 requiring the Pay Schedule be updated; and

WHEREAS, the District adopted the Pay Schedule for management and unrepresented employees, effective July 1, 2021, on December 16, 2021; and

WHEREAS, there was an error on the Pay Schedule adopted December 16, 2021 showing the incorrect monthly salary for the General Manager position; and

WHEREAS, the District wishes to correct the Pay Schedule to reflect the actual salary paid to the General Manager, including a Cost-of-Living Adjustment of 3.25%, effective as of July 1, 2021; and

WHEREAS, the District wishes to have only one published Pay Schedule for all employees; and

WHEREAS, the Las Gallinas Valley Sanitary District ("District") has contracted with CalPERS to provide certain retirement benefits to its employees; and

WHEREAS, the governance of retirement benefits provided to public employees in the state of California is governed by California Government Code Title 2, Division 5, Part 3 Public Employees' Retirement System; and

WHEREAS, the Board of Administration of the Public Employees' Retirement System has promulgated regulations to implement requirements of the governing law; and

WHEREAS, the California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations section 570.5 (2 CCR § 570.5) states that

"(a) For purposes of determining the amount of "compensation earnable" pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws;
- (2) Identifies the position title for every employee position;

- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate".

THEREFORE, BE IT RESOLVED that the Board of Directors of the Las Gallinas Valley Sanitary District does hereby adopt the revised Pay Schedule Effective July 1, 2021 for all employees, which is attached as Exhibit A and is included by reference, in accordance with the requirements of the California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations section 570.5 (2 CCR § 570.5).

* * * * *

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 regular meeting thereof held on February 17, 2022, by the following vote of the members thereof:

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

Teresa L. Lerch, District Secretary
Las Gallinas Valley Sanitary District

APPROVED:

(seal)

Judy Schriebman, Board President



Las Gallinas Valley Sanitary District
Salary Pay Schedule as of July 1, 2021

EXHIBIT A

Full Time Positions	Monthly Salary							
	Step 1	Step 2	Step 3	Step 4	Step 5	Longevity 5% ⁽²⁾	Longevity 3% ⁽³⁾	Longevity 2% ⁽⁴⁾
Administrative Assistant	5,895	6,190	6,499	6,824	7,165	7,523	7,749	N/A
Administrative/Financial Specialist	8,126	8,532	8,959	9,407	9,877	N/A	N/A	N/A
Administrative Services Manager	14,339	15,056	15,809	16,600	17,429	N/A	N/A	N/A
Assistant Engineer	8,970	9,418	9,889	10,383	10,903	11,448	11,791	N/A
Associate Engineer	10,929	11,475	12,049	12,651	13,284	13,948	14,366	N/A
Civil Engineering Technician	7,182	7,541	7,918	8,314	8,730	9,167	9,442	N/A
Collection System/Maintenance/Safety Manager	13,990	14,689	15,423	16,195	17,004	17,855	18,390	18,758
Collection System Operator ⁽¹⁾	5,611	5,891	6,186	6,495	6,820	N/A	N/A	N/A
Collection System Operator I ⁽¹⁾	5,895	6,190	6,499	6,824	7,165	N/A	N/A	N/A
Collection System Operator II	6,193	6,503	6,828	7,169	7,528	7,904	8,141	N/A
Collection System Operator III	6,669	7,003	7,353	7,721	8,107	8,512	8,767	N/A
Collection System Operator Lead	7,182	7,541	7,918	8,314	8,730	9,167	9,442	N/A
CMMS Technician	7,182	7,541	7,918	8,314	8,730	9,167	9,442	N/A
District Engineer	14,698	15,433	16,204	17,014	17,865	18,758	19,321	19,708
District Secretary	7,734	8,121	8,527	8,954	9,401	9,871	10,168	N/A
Electrical Instrumentation Technician	7,734	8,121	8,527	8,954	9,401	9,871	10,168	N/A
Environmental Services Director	9,901	10,396	10,916	11,461	12,034	12,636	13,015	N/A
Laboratory Analyst-in-Training ⁽¹⁾	6,836	7,178	7,537	7,914	8,309	N/A	N/A	N/A
Laboratory Analyst I ⁽¹⁾	7,182	7,541	7,918	8,314	8,730	N/A	N/A	N/A
Laboratory Analyst II	7,928	8,324	8,740	9,177	9,636	10,118	10,422	N/A
Laboratory Analyst III	9,194	9,654	10,136	10,643	11,175	11,734	12,086	N/A
Maintenance Supervisor	10,402	10,922	11,468	12,042	12,644	13,276	13,674	N/A
Plant Manager	14,339	15,056	15,809	16,600	17,429	18,301	18,850	19,227
Plant Operator-in-Training ⁽¹⁾	6,193	6,503	6,828	7,169	7,528	N/A	N/A	N/A
Plant Operator I ⁽¹⁾	6,507	6,832	7,174	7,532	7,909	N/A	N/A	N/A
Plant Operator II	7,182	7,541	7,918	8,314	8,730	9,167	9,442	N/A
Plant Operator III	7,928	8,324	8,740	9,177	9,636	10,118	10,422	N/A
Plant Operator Lead	8,537	8,964	9,412	9,883	10,377	10,896	11,223	N/A
Plant Operations Supervisor	10,402	10,922	11,468	12,042	12,644	13,276	13,674	N/A
Skilled Maintenance Worker I ⁽¹⁾	6,193	6,503	6,828	7,169	7,528	N/A	N/A	N/A
Skilled Maintenance Worker II	7,182	7,541	7,918	8,314	8,730	9,167	9,442	N/A
General Manager ⁽⁵⁾	22,399							

How to Use this Pay Scale: Steps 1 through 5 are the regular levels for all positions.

- (1) Represented employees in entry level classifications and unrepresented employees hired after 7/1/2016 are not eligible for longevity pay.
- (2) Longevity Pay equal to 5% of salary is given beginning on the 7th year of employment, longevity shown is for employees at top regular step 5.
- (3) Additional Longevity Pay equal to 3% of salary is given beginning on the 11th year of employment, longevity shown is for employees at top regular step 5.
- (4) Additional Longevity Pay equal to 2% of salary is given beginning on the 16th year of employment for management hired prior to 7/1/2016.
- (5) The General Manager position is a contract position with 3.25% COLA effective 7/1/21. The salary was established by the Board of Directors on 1/21/2021.

Resolution No. 2022-2239

Adopted _____



Item Number 26
GM Review LD

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lgvSD.org
Meeting Date: February 17, 2022
Re: First Amendment to Employment Agreement with Chris DeGabriele, Interim General Manger

Item Type: Consent Action Information Other
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Board to approve Resolution No. 2022-2240 amending the Employment Agreement for Interim General Manager Chris DeGabriele to reflect the compensation paid to the prior General Manager as reported to CalPERS for the period July 1, 2021 through November 2021.

BACKGROUND

On November 18, 2021, the General Manager position of the Las Gallinas Valley Sanitary District became vacant. Chris DeGabriele was appointed as Interim General Manager on January 20, 2022 and executed an Employment Agreement with the District on January 21, 2022. The term of employment began on January 31, 2022.

A correction to Hourly Compensation was identified. The corrected hourly rate is \$129.23 calculated in accordance with CalPERS regulations as follows: \$268,790.00 / 2080 hrs. = \$129.23 (rounded).

This amount is equivalent to the monthly salary that is on the District approved Salary Pay Schedule for the General Manager position.

PREVIOUS BOARD ACTION

Resolution No. 2022-2236 was adopted January 20, 2022 appointing Chris DeGabriele Interim General Manager.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The cost increase is \$4.07 per hour, anticipated to be approximately \$4,230 over 6 months.

Attachments:

1. Resolution No. 2022-2240 and First Amendment to Agreement Between Las Gallinas Valley Sanitary District and Chris DeGabriele (Interim General Manager)

RESOLUTION NO. 2022-2240

**RESOLUTION OF BOARD OF DIRECTORS OF LAS GALLINAS VALLEY
SANITARY DISTRICT AMENDING THE EMPLOYMENT AGREEMENT WITH
INTERIM GENERAL MANAGER CHRIS DEGABRIELE**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, Government (Gov.) Code section 21221(h) of the Public Employees' Retirement Law governs CalPERS retiree appointments to vacant interim positions requiring specialized skills during recruitment for a permanent appointment; and

WHEREAS, Chris DeGabriele was appointed as Interim General Manager by the Las Gallinas Valley Sanitary District Board on January 20, 2022, effective January 31, 2022; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$22,399 per month and the hourly equivalent is \$129.23 the minimum base salary for this position is \$22,399 per month and the hourly equivalent is \$129.23 as reflected on the Salary Pay Schedule of the District; and

WHEREAS, the hourly rate paid to Chris DeGabriele will be \$129.23 per hour, retroactive to January 31, 2022; and

WHEREAS, Chris DeGabriele has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate.

NOW THEREFORE IT IS HEREBY RESOLVED that the Las Gallinas Valley Sanitary District hereby amends the Employment Agreement of Chris DeGabriele as described herein and detailed in the attached document, Exhibit A - First Amendment to Employment Agreement dated February 17, 2022.

* * * * *

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 February 17, 2022, 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:

Judy Schriebman, Board President
Las Gallinas Valley Sanitary District

(SEAL)

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN LAS GALLINAS VALLEY SANITARY DISTRICT
AND
CHRIS DEGABRIELE (INTERIM GENERAL MANAGER)

DATED FEBRUARY 17, 2022

WHEREAS, On January 21, 2022, the Board of Directors of the Las Gallinas Valley Sanitary District (“District”), and Chis DeGabriele (“DeGabriele”), the Interim General Manager for the District, agreed to the terms of an Employment Agreement (“Agreement”), whereby the District and DeGabriele agreed to a term of employment that commenced on January 31, 2022, to continue until the District hires a permanent General Manager or until it is terminated by either party; and

WHEREAS, the District and DeGabriele have agreed to amend the “Hourly Compensation” pay of DeGabriele and that said increase shall be retroactive to DeGabriele’s start date of January 31, 2022;

IT IS HEREBY AGREED that, as noted in “Section, 4: Compensation” paragraph A., DeGabriele “Hourly Compensation,” as noted in said paragraph is amended to read as follows:

“District shall pay Employee at the rate of \$129.23 for each hour of service Employee provides to the District until Employee is reinstated to active CalPERS service. This hourly rate is calculated in accordance with CalPERS regulations as follows: \$268,790.00 /2080 hrs. = \$129.23 (rounded). Employee's compensation shall be payable biweekly (every other week) at the same time as all District employees receive their regular paychecks. Employee shall not be entitled to receive payment or credit for, and District shall not pay or credit Employee for, overtime, compensated time off in lieu of overtime or other compensation except as expressly provided in this Agreement.”

Judy Schriebman, President of
The Board of Directors of the
Las Gallinas Valley Sanitary District

Date

Chris DeGabriele, Interim General Manager

Dated

ATTEST:

Teresa Lerch, District Secretary

(Seal)

APPROVED AS TO FORM:

Patrick M.K. Richardson, District Counsel



Item Number 24
GM Review LD

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcdonald@lgvsd.org
Meeting Date: February 18, 2021
Re: 2020-21 Annual Comprehensive Financial Report

Item Type: Consent Action Information Other
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION:
Receive report. No action required. Informational only.

BACKGROUND:
The Annual Comprehensive Financial Report (ACFR) is a slightly embellished version of the annual Financial Audit presented and approved annually by the Board.

The Financial Audit, presented under the Financial Section of the ACFR pages 1-68, was previously presented the Board. The ACFR was prepared by District staff in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). The ACFR reports and follows recommended guidelines by the Government Finance Officers Association (GFOA) of the United States and Canada. The ACFR allows comparisons to other government agencies on a statistical basis.

Issuing the ACFR and applying for the GFOA Certificate of Excellence (COA) award is typically done every year. Normally the COA application must be submitted by December 31 of each year but this year the District requested and was granted an extension to file due to delay in presentation of the audited financial statements. The GFOA COA was applied for on January 31, 2022, within the extension deadline.

This document is being presented to the Board to publicly document our final Audited Financial Statements / ACFR. The document has been posted on our District website and is being submitted to financial institutions as required or requested.

PREVIOUS BOARD ACTION:
The Board received the audited 2020-21 Financial Statements with auditors' report on December 16, 2021.

ENVIRONMENTAL REVIEW:
N/A

FISCAL IMPACT:
None



Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2021 and 2020





Primary clarifier sludge pump facilities



Annual Comprehensive Financial Report

Fiscal Years Ended June 30, 2021 and 2020

Chris DeGabriele
Interim General Manager

Prepared by:

Dale McDonald
Administrative Services Manager



Reclamation Ponds



Commissioning of the BioWheels Aeration Tanks in March 2021



Demolition related to Treatment Plant Upgrade Project

Las Gallinas Valley Sanitary District

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INTRODUCTORY SECTION



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January 31, 2022

To the Ratepayers and Honorable Board of Directors of
Las Gallinas Valley Sanitary District
San Rafael, California

It is our pleasure to submit this Annual Comprehensive Financial Report (ACFR) of the Las Gallinas Valley Sanitary District (the District) for the fiscal year ended June 30, 2021 (FY2021). This report was prepared by the District staff that collected and analyzed the financial statements and other information presented herein.

This ACFR was prepared by District staff in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). Recommended guidelines by the Government Finance Officers Association (GFOA) of the United States and Canada were also followed.

California law requires that every local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

The management of the District assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive system of internal controls that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The District's basic financial statements have been audited by Cropper Accountancy Corporation, a registered public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP and are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. The independent auditors have issued an unmodified ("clean") opinion on the Las Gallinas Valley Sanitary District's financial statements for the fiscal year ended June 30, 2021. Their audit report is presented as the first component of the financial section of this report.

The ACFR represents the culmination of all budgeting and accounting activities engaged in by management during the fiscal year. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) which is presented after the independent auditors' report. This letter of transmittal and introduction is designed to complement the MD&A and should be read in conjunction with it.

FINANCIAL CONTROLS AND ACCOUNTING SYSTEMS

Internal Controls

To ensure that accounting data is compiled and properly recorded, and to permit the preparation of financial statements in accordance with generally accepted accounting principles, the management staff of the District is responsible for establishing and maintaining an accounting system and internal controls structure. These controls are designed to ensure that the assets of the District are adequately protected from loss, theft, unauthorized use or disposition, or other misuse. The internal controls structure is designed to provide reasonable, but not absolute, assurance that this objective is met while recognizing that: (1) the cost of the controls should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. We believe that the District's internal accounting controls adequately safeguard its assets and provide reasonable assurance that financial transactions are recorded properly and are free of any material misstatements.

Budgetary Controls

The District is not required by statute to adopt a budget; however, in its commitment to maintain fiscal responsibility, the District adopts an annual budget prior to June 30th each year. In preparation for drafting a budget, management staff meets with the District's Board of Directors (the Board) to update the Strategic Plan to determine the strategic goals and vision for the upcoming year. The budget outlines and reflects the major elements of the upcoming fiscal year operating and capital plans, from which management allocates funds that are necessary for specific departmental activities and capital projects. In June 2021, the Board accepted a two-year sewer rate study and adopted a budget with 5-year capital improvements plan for 2021 through 2025, which includes a significant investment toward the construction of a new Operations and Control Center Building at the wastewater treatment plant facility. Management integrates these priorities into the annual budget. Budgetary control is maintained at the detailed line-item level. The General Manager (GM) may approve expenditures in excess of budgeted amounts up to \$15,000; for items in excess of this the Board must be informed as soon as administratively feasible. For consultant contracts the GM's signature authority is up to \$60,000.

Accounting System

Las Gallinas Valley Sanitary District is an independent special district. The District's accounting structure, insofar as practical and in accordance with GAAP, complies with the Uniform System of Accounts for Waste Disposal Districts provided by the California State Controller's office.

The District reports its activities as an Enterprise Fund under the broad category of funds called proprietary funds. The District uses the full accrual basis of accounting. The District tracks expenditures by department, with each department delineated by function and specific activity, in order to provide management and the Board with better cost control measures. At the end of each fiscal year, these costs are combined to arrive at the financial position and results of operations reflected in the District's basic financial statements.

HISTORY AND PROFILE OF THE DISTRICT

The District was established on April 6, 1954 pursuant to the California Health and Safety Code, Division 6 – Sanitary District Act of 1923. It is located approximately two miles northeast of the City of San Rafael and 20 miles north of San Francisco. It covers an area of about sixteen square miles in the northern part of the City of San Rafael and surrounding unincorporated areas in Marin County, California, including the communities of Lucas Valley, Marinwood, Santa Venetia and Terra Linda. The District's boundaries are Hamilton Field (a former air force base) to the north, San Pablo Bay to the east, and central San Rafael to the south. The District serves a population of approximately 30,000 people. The District is primarily residential and built out, resulting in a fairly stable customer base. As of July 1, 2029, the connections are 97.4% residential (12,948 units) and 2.6% commercial/industrial (348 units); however, the revenue from these connections is 77.45% residential and 22.55% commercial.

Financing Activities

The District has been planning a multi-year, multi-million-dollar Secondary Treatment Plant Upgrade and, Recycled Water Expansion (STPURWE) construction project for several years. This project will upgrade the treatment plant to meet more stringent regulatory requirements and allow the District to fully serve Marin Municipal Water District's recycled water customers. The District received bids in November 2017 however due the impact of design complexities on operations during construction, the bids were in excess of available funds. The project has been redesigned and rebid during 2018 and is now under construction. The \$41 million in bond proceeds that were issued in 2017 to fund the projects has been drawn down and exhausted in October 2020. In addition, the District secured \$12 million in additional financing from the California Infrastructure & Economic Developmental Bank (iBank) for the STPURWE project which has been drawn down \$5,909,093 in 2021.

Sewage Collection

- The District operates a sanitary sewer collection system comprised of approximately 105 miles of gravity sewer lines, 6.72 miles of force mains, and 28 pump stations. There are 2,985 manholes and approximately 52.5 miles of privately owned laterals.
- The District regularly performs smoke testing of the District to detect leaks in sewer mains and laterals. It is a process whereby smoke is blown into the sewer mains, lower and upper laterals, to determine where there may be cracked pipes or storm water cross connections. This process helps to identify where there may be Infiltration and Inflow (I&I) into the sewage collection system. I&I is a major concern for wastewater treatment plants since large storms may produce flows that overwhelm the capacity of the sewage collection system and possibly the plant, resulting in sewage spills, plant violations, overflows and fines.
- The District continuously televises its sewer mains; the process requires four years to televise all of the system. Televising these lines allows District staff to identify future repair and replacement projects, as well as monitor the integrity of the system.

Sewage Treatment

- The District operates a sewage treatment plant with a permitted dry weather average capacity of 2.92 million gallons per day (MGD).
- The District treated an average daily flow of 2.05 MGD of sewage per day in FY 2020-21.
- The District's treatment plant uses primary treatment to separate the solids from the wastewater; trickling filters and deep bed filters to provide secondary treatment. Treated effluent is disposed of through discharge pipes into Miller Creek which flows to San Pablo Bay during discharge season, November through May. Discharge coincides with wet weather when treated effluent can be diluted by higher levels of bay water due to rain.
- All readily settleable solids and grit are removed from the wastewater stream; grit is then disposed of in a landfill. The solids are treated by gravity thickening and anaerobic digestion, and then pumped to one or more of three storage ponds, where they are typically retained for one year prior to surface disposal. The treatment plant produces 1.5 Million Gallons of Class B biosolids at 3% solids per year.

Reuse of Treated Wastewater

- The District is producing recycled water year-round to meet increasing demand during the dry months of summer and fall. In the past, recycled water was predominately used during the summer months, which aligned with the District's non discharge period of June through October.
- The District has a water reclamation project on 385 acres of diked bay lands located to the northeast of the treatment plant. This project includes a 20-acre wildlife marsh pond, 40 acres of storage ponds, 200 acres of irrigated pasture, and 3.5 miles of public trails which are part of the San Francisco Bay Trail. During 2020, 95.9 million gallons were diverted to the District's water reclamation project.
- The District delivers effluent to Marin Municipal Water District (MMWD), which further treats it so that it can be used for irrigation of landscapes, including golf courses and playing/recreation fields, dual plumbing for toilet flushing, cooling water uses, and car washes within the District's boundaries. In 2017, the District reached an agreement with MMWD to expand the District's recycled water treatment plant to provide tertiary treated wastewater which can then be distributed to MMWD's customers. MMWD decommissioned its existing plant, which is located on the District's property, to allow for construction of STPURWE project. As part of the agreement, MMWD made a capital contribution towards the existing facility and makes payments towards outstanding debt which was issued to build the existing facility and for the expansion. The expansion began construction in December 2018 and the recycled water facility was completed in March 2021 with treatment plant upgrade scheduled for completion in late 2022.
- The District's new expanded recycled water treatment facility, online since March 2021, has a design capacity of over 5 million gallons per day. The completed expansion effectively quadrupled its capacity. The recycled water delivery from the expanded facility is now being provided to the North Marin Water District (NMWD) and the Marin Municipal Water District (MMWD), who then sell it for use in landscape irrigation, car washes, cooling towers, commercial laundries, and toilet flushing. The District produced 36.97 million gallons to NMWD and 51.28 million gallons for MMWD during FY 2020-21.

Lab and Public Outreach

- The District operates its own lab which collects samples, completes analysis, and performs other testing to comply with the plant discharge permit issued by the State Water Resources Control Board.
- Central Marin Sanitation Agency and District lab staff members manage the source control program. This includes a Fats Oils and Grease (FOG) Program that is designed to prevent customers from discharging substances that are harmful to the sewage treatment process or that may cause clogs to sewer mains and pump stations.
- Lab staff members participate in the Marin County Sanitation Agencies Public Education Program. This program allows participating agencies to combine resources and have a unified message to educate the public about the proper disposal of and to collect pharmaceuticals, mercury, batteries and other household hazardous waste in the County. They participate in programs with school children, the Marin County Fair and various farmers' markets and festivals.
- The District offers tours of the plant treatment works and enhanced wetlands upon request from schools, community groups and other members of the public.
- The District produces a newsletter twice a year to educate the public about the sewer collection system, treatment plant and their sewer laterals. Staff has noted an increase in knowledge by homeowners regarding maintaining their sewer laterals.
- The District has a website at www.lgvsd.org where it posts current developments, public education topics and information about what is happening at the Board meetings, the plant and in the District.
- The District was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation during July 2015, 2017 and 2019 in recognition of its outstanding efforts to promote transparency and good governance. The award period that began in 2019 was extended through 2022 due to the COVID pandemic.

Solid Waste (Garbage) Services and Recycling

The District manages the refuse hauling service for the unincorporated areas in its District. The franchise has been awarded to Marin Sanitary Service which provides curbside recycling, solid waste, yard waste and food scraps hauling, and safe hazardous waste disposal services that are helping achieve Marin County's goal of zero waste.

Compared to neighboring jurisdictions, the District's customers in the unincorporated area enjoy one of the lowest garbage and recycling rates. As of January 1, 2021, residential customers pay a monthly service fee of \$34.96 for a 20-gallon cart and \$41.12 for a 32-gallon cart. This is below the Marin County average of \$47.35 per month for a 32-gallon cart.

ECONOMIC CONDITIONS AND OUTLOOK

The District is comprised primarily of residential units with commercial and some light industrial areas. It is substantially built out with in-fill developments in pockets of undeveloped land and redevelopment of commercial areas that were built over twenty years ago. The District does not

expect significant number of or large new, customers in the near future. A capital facilities charge study was performed during 2015. The study reviewed the capital facilities plan developed by staff and the Board during 2015. The capital facilities charge is \$6,666 effective July 1, 2021 and will be adjusted by the Engineering News Record Construction Cost Index for San Francisco each July.

The Board adopted a two-year rate review and capital improvement plan in June 2021, which provides for an annual sewer user charge rate of \$1,029 effective July 1, 2021 up to \$1,122 as of July 1, 2022. This rate, when combined with the average property tax revenue received by the District per single family dwelling unit, is below the average for neighboring agencies in Marin County. Each year, the Board reviews the operating and capital needs of the District to determine the revenue requirements in setting the upcoming rate.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Las Gallinas Valley Sanitary District for its ACFR for the year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This ACFR is the culmination of the hard work and dedication of many District employees and the audit team under the direction of John Cropper, CPA of the accounting firm Cropper Accountancy Corporation. Las Gallinas Valley Sanitary District staff would like to acknowledge the support of the Board for its continuing direction and oversight in providing value to the community of San Rafael.



Chris DeGabriele
Interim General Manager



Dale McDonald
Administrative Services Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Las Gallinas Valley Sanitary District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Las Gallinas Valley Sanitary District
Annual Comprehensive Financial Report

Mission Statement

Our Mission

The Mission of the Las Gallinas Valley Sanitary District is to protect public health and our environment, providing effective wastewater collection, treatment, and resource recovery.

Vision

Recognizing that sanitation and wastewater treatment is vital to protecting the public health, the District will:

- manage our treatment and collection systems in a planned and sustainable way to reduce impact on natural resources;
- strive for zero spills;
- meet or exceed regulatory requirements for treatment (effluent, emissions and biosolids);
- strive toward beneficial recycling of wastewater, biosolids and other resources using safe and effective processes and systems to achieve our zero-waste vision;
- collaborate with neighboring agencies to achieve efficiencies for the public;
- cooperate with stakeholders to leverage opportunities for protecting the bay and regional water resources for the people we serve;
- maintain a safe, high quality workplace to promote a sustainable, motivated, long-term and cohesive workforce;
- increase public education, participation, acceptance and understanding of what we do;
- responsibly manage the refuse franchise; and
- consider climate change, sea level rise and flooding when developing and designing new projects.

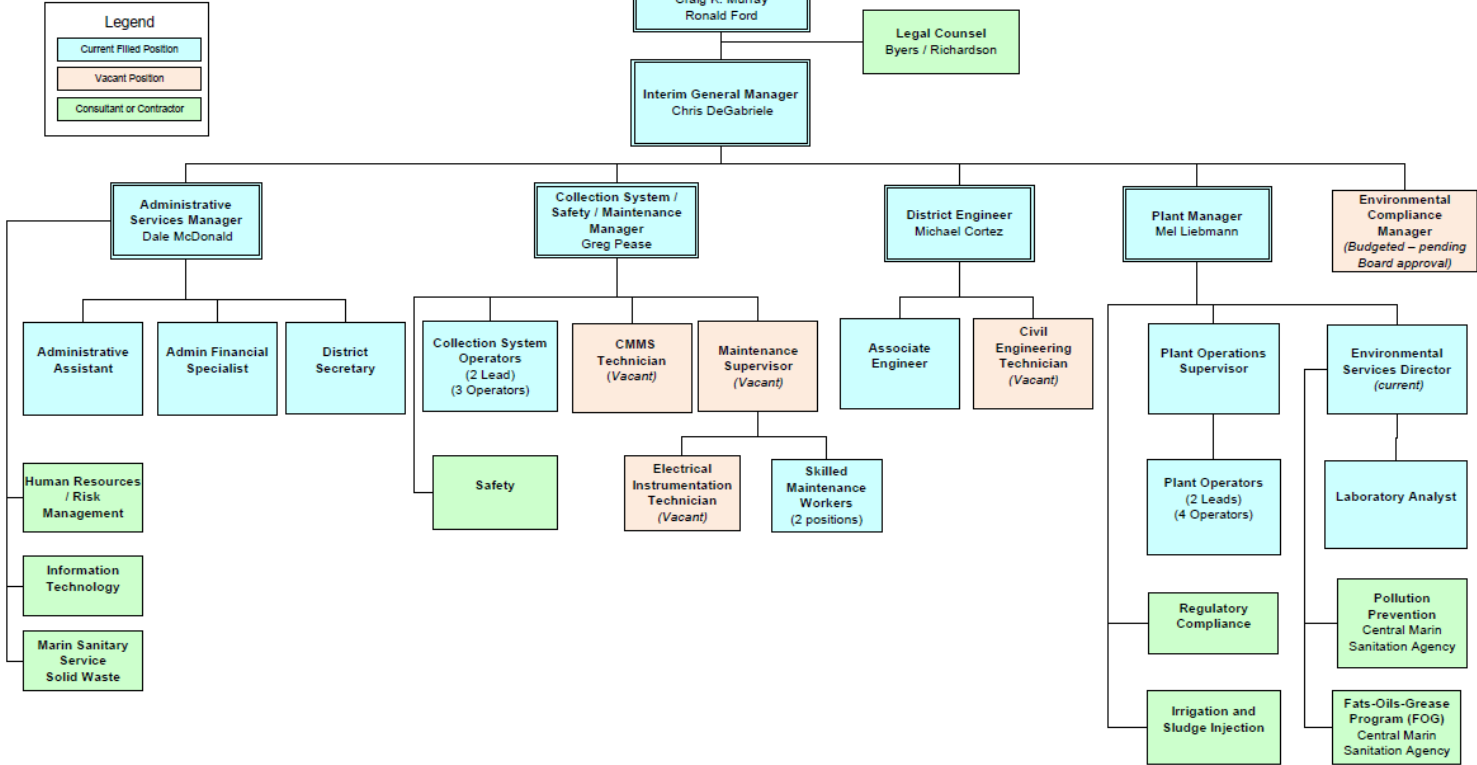
Our Core Values

- Protect Public Health and the Environment.
- Provide High Quality Customer Service.
- Use Public Funds Responsibly.
- Maintain a Safe, Challenging, Positive Workplace.

Las Gallinas Valley Sanitary District Annual Comprehensive Financial Report



2022 Organizational Chart



1/31/2022

Las Gallinas Valley Sanitary District
Annual Comprehensive Financial Report
Directory of Officials

Board of Directors

Craig K. Murray	Director	12/10/2020 – 12/10/2024 ⁽¹⁾
Rabi Elias ⁽²⁾	Director	12/13/2018 – 12/04/2021 ⁽¹⁾
Megan Clark	Director	12/13/2018 – 12/13/2022 ⁽¹⁾
Judy Schriebman	Director	12/10/2020 – 12/10/2024 ⁽¹⁾
Crystal Yezman	Director	12/10/2018 – 12/10/2022 ⁽¹⁾
Ronald Ford ⁽²⁾	Director	01/06/2022 – 12/13/2022 ⁽¹⁾

Administration

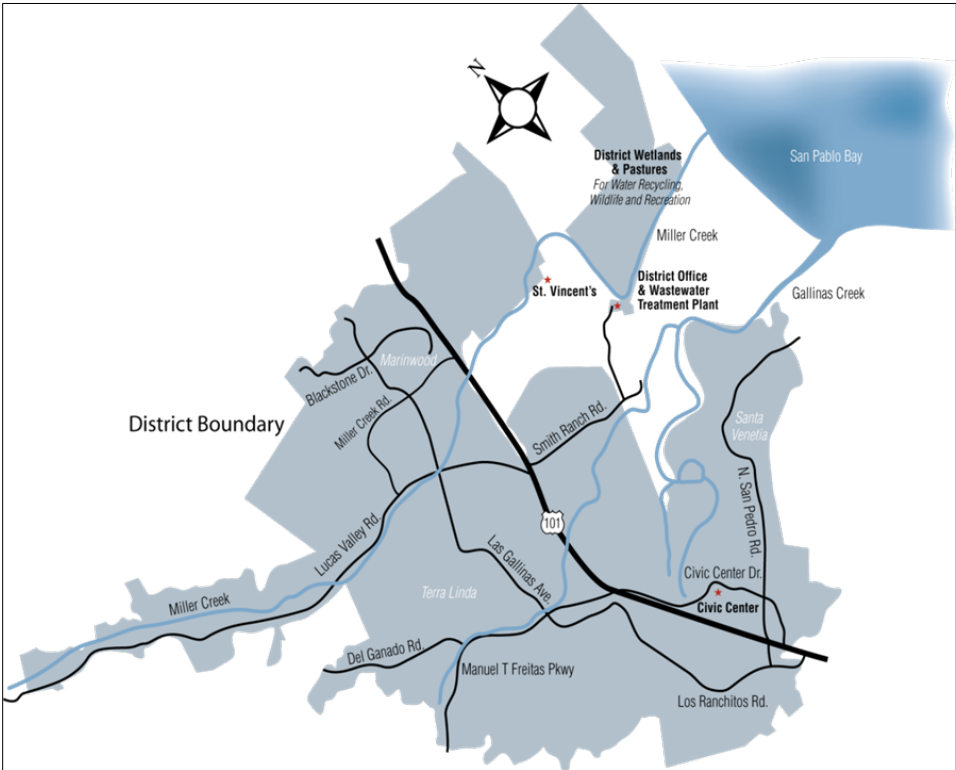
Mike Prinz, P.E.	General Manager ⁽³⁾
Chris DeGabriele	Interim General Manager ⁽³⁾
Michael P. Cortez, P.E.	District Engineer
Teresa Lerch	District Secretary
Mel Liebmann	Plant Manager
Greg Pease	Collection System/Safety Manager
Dale McDonald	Administrative Services Manager

⁽¹⁾ The California Voter Participation Rights Act amended the Elections Code to prohibit the District from holding its elections in years other than when a statewide election occurs. The law also allowed Board members to extend their terms by one year to coincide with the next statewide election date.

⁽²⁾ Director Elias resigned on December 4, 2021. Director Ford was appointed on January 6, 2022 to serve out the term.

⁽³⁾ General Manager Prinz's last day of employment with the District was on November 18, 2021. Interim General Manager Chris DeGabriele began employment on January 31, 2022.

Las Gallinas Valley Sanitary District
Annual Comprehensive Financial Report
District Service Area





Walkers in reclamation

FINANCIAL SECTION



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Financial Statements

With Auditors' Report Thereon

Fiscal Years Ended June 30, 2021 and 2020



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Las Gallinas Valley Sanitary District

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Las Gallinas Valley Sanitary District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Las Gallinas Valley Sanitary District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Las Gallinas Valley Sanitary District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Pension and Other Post-Employment Benefit schedules as shown in the table

of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Las Gallinas Valley Sanitary District's basic financial statements. The introductory section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021 on our consideration of Las Gallinas Valley Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Las Gallinas Valley Sanitary District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Las Gallinas Valley Sanitary District's internal control over financial reporting and compliance.


CROPPER ACCOUNTANCY
Walnut Creek, California
December 10, 2021

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

The following discussion and analysis of the Las Gallinas Valley Sanitary District's (the District) financial performance provides an overview and analysis of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. Please read it in conjunction with the District financial statements and accompanying notes, which follow this section.

USING THIS ANNUAL REPORT

This annual report consists of five parts: Management's Discussion and Analysis, Financial Statements, Required Supplementary Information, Supplementary Information and Statistical Section. The Financial Statements also include notes that explain in more detail some of the information contained in those statements.

REQUIRED FINANCIAL STATEMENTS

District financial statements report information about the District's use of accounting methods similar to those used by private sector companies. The Statement of Net Position includes all District assets and liabilities that provide information about the nature and amounts of investments in resources and obligations to creditors. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of District operations and management of investments over the past year and can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts, cash disbursements and net changes in cash resulting from operations, investing, and capital and noncapital financing activities.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is whether or not the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District activities in a way that will help answer this question. These two statements report the net position of the District and changes from year to year. The difference between assets and liabilities (net position) is one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether the financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

Changes in Net Position

The District's net position increased by \$4,548,184 in 2021 and \$3,351,039 in 2020. The following Condensed Statements of Net Position shows these changes.

CONDENSED STATEMENTS OF NET POSITION Fiscal years ended June 30, 2021, 2020 and 2019

ASSETS	2021	2020	2019
Current assets	\$ 37,315,807	\$ 43,569,861	\$ 68,828,159
Capital assets	109,758,748	95,864,951	\$ 69,350,571
Other noncurrent assets	7,334,214	1,290,103	1,305,176
Total Assets	154,408,769	140,724,915	139,483,906
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	43,394	52,862	62,329
Pension plan	967,924	955,903	946,585
Other post employment benefits	717,833	801,963	371,208
Total deferred outflows of resources	1,729,151	1,810,728	1,380,122
LIABILITIES			
Current liabilities	5,876,776	5,870,657	5,758,439
Noncurrent liabilities	59,680,155	51,143,570	53,242,942
Total Liabilities	65,556,931	57,014,227	59,001,381
DEFERRED INFLOWS OF RESOURCES			
Pension plan	112,815	219,367	180,601
Other post-employment benefits	1,037,161	419,220	330,256
Total deferred inflows of resources	1,149,976	638,587	510,857
NET POSITION			
Net investment in capital assets	52,497,294	47,892,850	18,764,185
Restricted	900,246	9,527,818	37,516,009
Unrestricted	36,033,473	27,462,161	25,071,596
Total net position	\$ 89,431,013	\$ 84,882,829	\$ 81,351,790

Analysis of Condensed Statements of Net Position

- Current assets decreased by \$6,254,054 in 2021 as funds were used to pay for construction of the Secondary Treatment Plant Upgrade Recycled Water Expansion (STPURWE) project.
- Capital assets, net of accumulated depreciation, increased by \$13,893,797 in 2021 and \$26,514,380 in 2020 primarily due to the treatment plant upgrade and completion of larger portions of the recycled water expansion project.

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

- Deferred outflows of resources decreased by \$81,577 in 2021 and increased by \$430,606 in 2020 due to the changes in the pension and other postemployment retirement benefits related items in accordance Government Accounting Standards Board No. 68, *Financial Reporting for Pension Plans* (GASB No. 68) and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75).
- Current liabilities in 2021 increased by \$6,119 and by \$112,218 in 2020 related to major construction expenditures for plant improvements.
- Noncurrent liabilities had increased by \$8,536,585 in 2021 primarily due to addition of the IBank installment fund long term notes payable. In 2020 payables decreased by \$2,099,372 primarily due to scheduled long-term debt repayments.
- Deferred inflows of resources increased \$511,389 in 2021 and decreased \$127,730 in 2020 due to scheduled amortization and changes in the actuarial assumptions related to GASBS No. 68 and 75.
- Restricted funds as of June 30, 2021 is primarily restricted for future debt service, \$900,130 in Certificates of Deposits held as investments. The remaining balance of \$116 is related to the 2017 Bond held on deposit at U.S. Bank, the Trustee for the bond. The California State Treasurer's Local Agency Investment Funds (LAIF) Bond Fund which held the 2017 Bond funding was exhausted in 2021 to pay for the ongoing capital construction costs associated with the STPURWE Project. The bond proceeds were reduced from \$8,632,794 in 2020 to \$116 in 2021. It is planned that the current restricted assets will be used in future years for capital improvements.
- Unrestricted funds of \$36,033,473 as of June 30, 2021 includes \$25,702,059 held in LAIF investments, of which \$8,034,573 is designated for District reserves; operating working cash flow, capital reserves, rate stabilization, emergency repair reserves, and vehicle equipment reserves.

Las Gallinas Valley Sanitary District
Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

Changes in Net Position

Changes in District net position can be determined by reviewing the following Condensed Statements of Revenues, Expenses, and Changes in Net Position.

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION**
Fiscal years ended June 30, 2021, 2020 and 2019

REVENUE	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue			
Sewer use charges	\$ 15,170,106	\$ 14,831,995	\$ 14,228,877
Recycled water fees	123,155	67,288	63,463
Miscellaneous	331,856	65,401	42,905
Nonoperating Revenue			
Tax revenues	1,555,409	1,524,094	1,353,767
Interest income and other	500,234	650,436	616,625
Total Revenue	<u>17,680,760</u>	<u>17,139,214</u>	<u>16,305,637</u>
EXPENSES			
Operating expenses	12,049,968	13,038,339	8,692,030
Nonoperating expenses	1,992,232	1,453,877	856,897
Total Expenses	<u>14,042,200</u>	<u>14,492,216</u>	<u>9,548,927</u>
Excess or deficiency before Capital Contributions	<u>3,638,560</u>	<u>2,646,998</u>	<u>6,756,710</u>
CAPITAL CONTRIBUTIONS			
Connection fees	-	-	-
Intergovernmental	463,395	514,720	463,143
State grants	446,229	369,321	173,894
Total Capital Contribution	<u>909,624</u>	<u>884,041</u>	<u>637,037</u>
Change in Net Position	<u>4,548,184</u>	<u>3,531,039</u>	<u>7,393,747</u>
Net position - beginning of year	<u>84,882,829</u>	<u>81,351,790</u>	<u>73,958,043</u>
Net position - end of year	<u>\$ 89,431,013</u>	<u>\$ 84,882,829</u>	<u>\$ 81,351,790</u>

Analysis of Changes in Statements of Revenues, Expenses and Changes in Net Position

- Operating Revenue of the District increased in 2021 due primarily to a 2.28% increase in sewer use charge revenue. This increase builds upon the increase of 4.24% in 2019. Recycled water fees are based on production to meet demand and costs incurred by the District. Deliveries to Marin Municipal Water District (MMWD) began in March 2021 and

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

along with year-round recycled water deliveries to North Marin Water District (NMWD) recycled water fee revenue increased 83.03% over 2020.

- Operating expenses decreased by \$988,371 in 2021 or 7.58% from \$13,038,339 to \$12,049,968. This was primarily attributable to the one-time allocation of \$1,000,000 to the Vehicle & Equipment Reserve Fund (VERF) received in 2020. If you were to factor out the VERF revenue in 2020 it would have resulted in a slight increase in operating expenses equal to 0.1%.
- Nonoperating revenues decreased by 5.47% or \$118,887 in 2021. Property taxes paid by the County increased by \$31,315 or 2.05% while interest income decreased by 23.09% as interest rates on LAIF funds fell and money was withdrawn for use on the STPURWE project.
- Nonoperating expenses increased by \$538,355 in 2021 compared to increase of \$596,980 in 2020. For assets that are financed with tax-exempt debt (2017 Bond and IBank Loan), the interest income earned on unexpended funds is offset against the interest expenditures in determining the amount of interest to be capitalized (GASB No.89). Loan principal and interest payments to IBank began in 2019.
- Capital Contributions from Connection Fees are primarily dependent on the level of densification of existing development with the District. In recent years, the development has consisted of the decentralized development rather than new greenfield development. Connection fees charged to developers to reserve system capacity are recorded as liabilities (unearned connection fees) until the connections are actually made which can take upwards of a year for larger projects. Once connections are made, the fees are recognized as increases to capital contributions. There were no recognized capital contributions for connection fees in 2021. The intergovernmental contributions are from MMWD for its allocation of capacity in the existing recycled water treatment facility and its proportionate share of the expanded facility which is undergoing construction.

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had \$109,758,748 invested in capital assets. The District's cost basis of capital assets increased by \$16,938,452, from \$155,362,608 at the beginning of the year to \$172,301,060 at the end of the year, due to construction related to the following major capital activities:

- Recycled Water Facility Expansion Phase 1 completed
- Portions of the ongoing Secondary Treatment Plant Upgrade project
- Air Release Valve and Vault Replacement Pump Station project
- Purchase of new collection system vehicles
- Various pump station improvements

The following summarizes the District's capital assets for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Disposals/ Charge off	Transfers/ Reclass	Balance June 30, 2021
Land	\$ 2,867,571	\$ -	\$ -	\$ -	\$ 2,867,571
Construction-in-progress	39,356,096	16,447,538	-	-	55,803,634
Subsurface lines	35,513,005	5,860	-	-	35,518,865
Facilities and equipment	77,625,936	485,054	-	-	78,110,990
	155,362,608	16,938,452	-	-	172,301,060
Less: Accumulated depreciation	(59,497,657)	(3,044,655)	-	-	(62,542,312)
Capital assets, net of accumulated depreciation	<u>\$ 95,864,951</u>	<u>\$ 13,893,797</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 109,758,748</u>

Additional information on the capital assets can be found in Note 6 of the notes to the financial statements of this report.

Long-Term Obligations

As of June 30, 2021, the District has total long-term obligations of \$62,509,793 related to compensated absences for staff, the actuarially determined net pension liability, net other postemployment benefits, and debt issued for the purchase and construction of capital assets.

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

The following is a summary of long-term obligations for the year:

Long-Term Obligations

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Personnel Related Obligations				
Compensated Absences	\$ 499,581	\$ 117,940	\$ (188,005)	\$ 429,516
Net Pension Liability	3,419,231	315,689	-	3,734,920
Net Other Post Employment Benefits	1,948,431	-	(907,922)	1,040,509
	<u>5,867,243</u>	<u>433,629</u>	<u>(1,095,927)</u>	<u>5,204,945</u>
Notes Payable				
Bank of Marin	3,457,784	-	(442,402)	3,015,382
Municipal Finance Corporation	3,888,800	-	(580,000)	3,308,800
State Revolving Fund	2,893,080	-	(207,352)	2,685,728
California Infrastructure and Economic Development Bank (iBANK)	(329,134)	12,000,000	(339,008)	11,331,858
2017 Revenue Bonds	35,475,000	-	(1,030,000)	34,445,000
Premium on 2017 Revenue Bonds	2,639,433	-	(121,353)	2,518,080
	<u>48,024,963</u>	<u>12,000,000</u>	<u>(2,720,115)</u>	<u>57,304,848</u>
Total Long-Term Obligations	<u>\$ 53,892,206</u>	<u>\$ 12,433,629</u>	<u>\$ (3,816,042)</u>	<u>\$ 62,509,793</u>

Additional information on the long-term debt can be found in Note 8 of the notes to the financial statements of this report.

ECONOMIC FACTORS, RATES AND BUDGETARY CONTROL

The District is a California Special District maintained as an enterprise fund. As a special district, charges to customers are made only to those who receive services. The District is not typically subject to general economic conditions such as increases or decreases in property tax values or other types of revenues that vary with economic conditions such as sales taxes. However, it does receive approximately 10% of its budget from property taxes which are dependent upon property tax valuations. The COVID-19 pandemic could have an impact on property values, but delinquent property tax payments will not materially impact the District as it participates in an optional alternative method for allocating delinquent property tax revenues. Using the accrual method of accounting under the Teeter Plan, Marin County allocates property tax revenues based on the total amount of property taxes billed, but not yet collected. The Teeter Plan allows counties to finance property tax receipts for local agencies, such as the District, by borrowing money to advance cash to each taxing jurisdiction in an amount equal to the current year's delinquent property taxes. There is always the possibility the State legislature changes the law in how future property tax revenue is allocated to special districts but the risk to the District remains small as just over 10% of its revenue comes from property taxes. Sewer Service

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

Charges imposed by the District are placed on the property tax roll as a special assessment and, like property taxes under the Tetter Plan, delinquent tax payments by property owners will not materially impact the District. Accordingly, the District sets its user rates and capacity charges to cover the costs of operation, maintenance and recurring capital replacement and debt financed capital improvements, plus increments for known or anticipated changes in program costs.

The District, as a wastewater collection and treatment plant operator, is subject to increasing regulatory compliance regulations. These regulations require upgrades to plant and equipment, as well as increased staff to effectively operate the system. The District reviewed its operating and capital needs during 2015 in order to establish sewer service rates for the years beginning July 1, 2015 through June 30, 2020. The rates for July 1, 2020 through June 30, 2021 were established in anticipation of the completion of a three-year rate study which was completed in April 2021. Most of the rate increase is for planned capital improvements, the largest of which is the upgrade to the treatment plant to improve wastewater processes to meet regulatory requirements.

The expected revenue from sanitary service charges is as follows:

Fiscal Year	Price per Sanitary Unit	Expected Total Revenue	Status
2017-18	\$ 867	\$ 13,438,500	Approved June 2017
2018-19	\$ 898	\$ 13,919,000	Approved June 2018
2019-20	\$ 927	\$ 14,368,500	Approved June 2019
2020-21	\$ 968	\$ 15,289,361	Approved June 2020
2021-22	\$ 1,029	\$ 15,648,637	Approved June 2021

The District and its Board adopts an annual budget to serve as its formal financial plan. The Board sets all fees and charges required to fund the District's operations and capital programs. The budget is used as a key control device (1) to ensure Board approval for amounts set for operations and capital projects; (2) to monitor expenses and project progress; and (3) as compliance that approved spending levels have not been exceeded. All operating activities and capital activities of the District are included within the approved budget.

Las Gallinas Valley Sanitary District

Management's Discussion and Analysis

Fiscal Years Ended June 30, 2021 and 2020

The District is monitoring the changes in the current financial and credit markets. Reserve funds are invested in two ways. The majority of funds are invested in the Local Agency Investment Fund (LAIF), which is an investment pool managed by the Treasurer of the State of California. The Treasurer's office is regularly informing the pool members of the impact of changes in the investment landscape on the portfolio. The balance is held in savings accounts with the local Bank of Marin. Community based banks tend to be more conservative in their lending decisions and retain funds within the locality. Funds on deposit with the bank are covered by insurance from the Federal Deposit Insurance Corporation up to \$250,000. In addition, the funds are collateralized 110% by securities held in trust.

REQUEST FOR INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of the District finances and demonstrate District accountability for the money it received. If you have any questions about this report, or need additional financial information, contact the Administrative Services Manager at 101 Lucas Valley Rd., Suite 300, San Rafael, CA 94903.

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BASIC FINANCIAL STATEMENTS



Las Gallinas Valley Sanitary District

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents:		
Unrestricted	\$ 36,810,514	\$ 34,272,931
Restricted - bond proceeds	116	8,632,794
Receivables:		
Connection fees	-	20,156
User charges	-	7,078
Interest	20,985	149,915
Private sewer lateral assistance program	-	-
Grant reimbursement	-	-
Other	25,340	68,460
Current portion of Private Sewer Lateral Assistance program receivable	92,964	79,204
Inventory of supplies	301,868	283,477
Prepaid expenses	64,020	55,846
TOTAL CURRENT ASSETS	37,315,807	43,569,861
NONCURRENT ASSETS:		
CAPITAL ASSETS:		
Property, plant and equipment, net of accumulated depreciation	109,758,748	95,864,951
OTHER NONCURRENT ASSETS:		
Cash - restricted for debt service	900,130	895,024
Receivables		
iBank loan proceeds	6,090,922	-
Private Sewer Lateral Assistance Program	343,162	395,079
TOTAL NONCURRENT ASSETS	117,092,962	97,155,054
TOTAL ASSETS	154,408,769	140,724,915
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on debt refunding	43,394	52,862
Pension plan	967,924	955,903
Other postemployment benefits plan	717,833	801,963
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,729,151	1,810,728
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 156,137,920	\$ 142,535,643

The accompanying notes are an integral part of these financial statements

Las Gallinas Valley Sanitary District

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
CURRENT LIABILITIES:		
Accounts payable	\$ 2,375,169	\$ 2,434,064
Accrued payroll	106,555	105,068
Accrued compensated absences	128,855	149,874
Accrued interest	507,646	525,121
Current portion of long-term debt	2,700,783	2,598,762
Unearned connection fees	57,768	57,768
TOTAL CURRENT LIABILITIES	5,876,776	5,870,657
NONCURRENT LIABILITIES:		
Accrued compensated absences	300,661	349,707
Notes payable, long-term	54,604,065	45,426,201
Collective net pension liability	3,734,920	3,419,231
Net other postemployment benefits liability	1,040,509	1,948,431
TOTAL NONCURRENT LIABILITIES	59,680,155	51,143,570
TOTAL LIABILITIES	65,556,931	57,014,227
DEFERRED INFLOWS OF RESOURCES		
Pension adjustments	112,815	219,367
Other post-employment benefits	1,037,161	419,220
TOTAL DEFERRED INFLOWS OF RESOURCES	1,149,976	638,587
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	66,706,907	57,652,814
NET POSITION		
Net investment in capital assets	52,497,294	47,892,850
Restricted for construction of capital assets	116	8,632,794
Restricted for debt service	900,130	895,024
Unrestricted	36,033,473	27,462,161
NET POSITION	\$ 89,431,013	\$ 84,882,829

The accompanying notes are an integral part of these financial statements

Las Gallinas Valley Sanitary District
Statements of Revenues, Expenses, and Changes in Net Position (continued)

Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES:		
Sewer use charges	\$ 15,170,106	\$ 14,831,995
Recycled water fees	123,155	67,288
Miscellaneous	331,856	65,401
TOTAL OPERATING REVENUES	<u>15,625,117</u>	<u>14,964,684</u>
OPERATING EXPENSES:		
Sewage collection and pump stations	1,570,736	1,272,839
Sewage treatment	2,865,940	4,269,850
Sewage and solid waste disposal	506,939	616,172
Laboratory	498,183	359,635
Engineering	874,206	616,435
Recycled water	106,416	115,532
General and administrative	2,582,892	2,890,950
Depreciation and amortization	3,044,656	2,896,926
TOTAL OPERATING EXPENSES	<u>12,049,968</u>	<u>13,038,339</u>
INCOME FROM OPERATIONS	<u>3,575,149</u>	<u>1,926,345</u>
NONOPERATING REVENUES:		
Property taxes	1,555,409	1,524,094
Franchise fees	153,351	124,693
Intergovernmental fees	4,284	3,679
Interest income	323,132	519,027
Other nonoperating revenues	19,467	3,037
TOTAL NONOPERATING REVENUES	<u>2,055,643</u>	<u>2,174,530</u>
NONOPERATING EXPENSES:		
Lateral rehab	40	-
Interest expense	1,992,192	1,453,877
TOTAL NONOPERATING EXPENSES	<u>1,992,232</u>	<u>1,453,877</u>
INCOME BEFORE CONTRIBUTIONS	<u>3,638,560</u>	<u>2,646,998</u>
CAPITAL CONTRIBUTIONS:		
Connection fees	-	-
State grants	446,229	369,321
Intergovernmental	463,395	514,720
TOTAL CAPITAL CONTRIBUTIONS	<u>909,624</u>	<u>884,041</u>
CHANGE IN NET POSITION	<u>4,548,184</u>	<u>3,531,039</u>
NET POSITION - BEGINNING OF YEAR	<u>84,882,829</u>	<u>81,351,790</u>
NET POSITION - END OF YEAR	<u>\$ 89,431,013</u>	<u>\$ 84,882,829</u>

The accompanying notes are an integral part of the financial statements

Las Gallinas Valley Sanitary District
Statements of Cash Flows (continued)

Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 15,343,459	\$ 14,958,769
Cash payments to employers	(4,634,133)	(4,183,933)
Cash payments to suppliers	(4,524,484)	(5,635,627)
Other cash receipts	331,856	65,401
Net cash provided by operating activities	6,516,698	5,204,610
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Intergovernmental fees	4,284	3,679
Franchise fees	153,351	124,693
Advances for the Private Sewer Later Assistance Program	(52,406)	(52,406)
Repayment from the Private Sewer Later Assistance Program	90,563	71,895
Insurance proceeds	19,467	3,037
Property taxes received	1,555,409	1,524,094
Net cash provided by noncapital financing activities	1,770,668	1,674,992
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from grants	446,229	369,321
Proceeds from debt issuance	5,909,078	-
Connection fees collected	20,156	7,359
Intergovernmental contributions	463,395	514,720
Proceeds from sale of capital assets	(40)	-
Acquisition and construction of capital assets	(16,938,453)	(29,411,306)
Principal payments on long-term debt	(2,598,762)	(2,502,399)
Net cash used in capital and related financing activities	(12,698,397)	(31,022,305)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	452,062	776,636
Interest expense	(2,131,020)	(1,497,402)
Net cash used in investing activities	(1,678,958)	(720,766)
Net increase in cash and cash equivalents	(6,089,989)	(24,863,469)
Cash and cash equivalents, July 1	43,800,749	68,664,218
Cash and Cash equivalents, June 30	\$ 37,710,760	\$ 43,800,749

The accompanying notes are an integral part of the financial statements

Las Gallinas Valley Sanitary District
Statements of Cash Flows (continued)

Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of Operating Income to Net Cash Provided		
by Operating Activities		
Operating income	3,575,149	1,926,345
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,044,656	2,896,926
Changes in assets and liabilities		
User charges receivable	7,078	3,839
Other receivables	43,120	55,647
Inventory of supplies	(18,391)	34,246
Prepaid expenses	(8,174)	31,713
Deferred outflows of resources	81,577	(430,606)
Accounts payable	(58,895)	(71,696)
Accrued payroll	1,487	(5,878)
Accrued compensation	(70,065)	51,998
Deferred inflows of resources	511,389	127,730
Collective Net Pension Liability	315,689	307,994
Net OPEB Obligation	(907,922)	276,352
Net cash provided by operating activities	\$ 6,516,698	\$ 5,204,610
NON CASH ACTIVITY		
Increase in loan receivable from iBank	\$ 6,090,922	\$ -

The accompanying notes are an integral part of the financial statements



Wildlife in the reclamation area

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

1. Reporting Entity

The Las Gallinas Valley Sanitary District (the District) was formed on April 6, 1954 as a special district of the State of California. The District provides sewage collection, treatment, disposal, and wastewater recycling services, as well as manages the refuse hauling and recycling services franchise. The District provides these services to approximately 30,000 people in an area of twelve square miles, from Santa Venetia to Lucas Valley and the Marin County Civic Center to Marinwood, in Marin County, California. Revenues are derived principally from sewer charges collected from commercial and residential users within the District.

The scope of this report extends exclusively to the financial information presented for the District. The District is governed by a five-person Board of Directors (the Board) elected for four-year terms. The Board has no oversight responsibility for any other governmental unit or agency. As such, the Board's governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters extends only to the affairs of the District.

2. Summary of Significant Accounting Principles

Financial Reporting Entity, Measurement Focus, and Financial Statement Presentation

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flow takes place.

Operating revenues, such as charges for sewer services and recycled water fees, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment income, result from nonexchange transactions or ancillary activities in which the District gives (receives) value without directly receiving (giving) equal value in exchange.

The District receives the majority of its revenue from sewer use charges and property taxes that are collected by the County of Marin through the annual property tax bills. The County has implemented the Teeter policy, whereby the District receives all of the amounts billed whether or not the County collects the monies from the assessed property owners. This ensures that the District has the funds to operate without being dependent upon the timing of the collection of the remittances from the covered property owners.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

Net Position

Net position is measured on the full accrual basis and is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows. Net position is classified into the following components: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "invested in capital assets, net of related debts" or "restricted."

Budgetary Accounting

The District is not required by statute to adopt a budget; however, in its commitment to maintain fiscal responsibility, the District adopts an annual budget prior to June 30th each year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for depreciation which is not included and annual principal payments on debt service which are included. All annual, noncapital appropriations lapse at year-end.

Budgetary control is maintained at the detailed line item level. The General Manager may approve expenditures in excess of budgeted amounts up to \$15,000; items in excess of this must be approved by the Board. A budget revision is usually presented to the Board in the fall to adjust for changes in capital project funding after the close of the prior year.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash-on-hand, demand deposits, and short-term investments, with original maturities of three months or less from the date of acquisition. These items are valued at cost. Please see Note 4 for additional information on investment policies and practices for both the State of California and the District.

Cash that is restricted for debt service is invested in certificates of deposit. It is classified as a noncurrent asset based on two factors: 1) due to a maturity date that is more than one year from the date of the Statement of Net Position or 2) due to the final maturity date of the related loan, which will require that the funds be maintained until a date that is more than one year from the date of the Statement of Net Position.

Inventory of Supplies

Inventory consists of materials and supplies, such as chemicals, pipe fittings, valves, pumps and filters, which are stated at cost, using the first-in, first-out method.

Capital Assets

Capital assets consist of property, plant and equipment owned by the District, which are recorded at cost or at estimated historical cost if cost information is not practically determinable. Prior to July 1, 2017 the District's policy was to include in construction-in-progress the capitalized interest cost of related borrowings, net of interest earned on unspent proceeds of the related borrowings. Effective July 1, 2017 the District has implemented GASB No. 89, *Accounting for Interest Cost Incurred Before the End of Construction Period* as discussed in the New Accounting Pronouncements section below.

The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. The cost of normal repairs and maintenance is recorded as expense. Improvements that add to the value or extend the life of assets are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Estimated useful lives are as follows:

Subsurface lines	50 - 75 years
Facilities and structures	15 - 40 years
Equipment	5 - 20 years

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

Intangible Assets

Intangible assets consist of easements and internally generated computer software. All intangible assets are recognized in the Statement of Net Position only if they are considered identifiable. They are amortized over their estimated useful life unless the life is indefinite.

Compensated Absences

The District provides vacation and sick leave benefits to its employees. Upon separation from employment, employees are paid for accumulated vacation days and accrued administrative and compensated time off (overtime hours for which pay is not taken). Employees who have been with the District for at least three years are also paid for one-half of their accumulated sick days. The District recognizes the related expense as the benefits are earned.

The District has accrued a liability for accumulated earned, but unused, leave.

Balance at June 30, 2019		\$ 447,583
Accrued compensated absences earned	377,597	
Accrued compensated absences used	<u>(325,599)</u>	
Net change in accrued compensated absences		<u>51,998</u>
Balance at June 30, 2020		\$ 499,581
Accrued compensated absences earned	117,940	
Accrued compensated absences used	<u>(188,005)</u>	
Net change in accrued compensated absences		<u>(70,065)</u>
Balance at June 30, 2021		\$ 429,516

The current portion of the noncurrent liability to be used within the next year is estimated by management to be approximately \$128,855, or 30%.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Summary of Significant Accounting Principles (continued)

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources.

Deferred amount on debt refunding – Unamortized gains and losses from current or advance debt refunding result in deferred outflows of resources. This amount is amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Pension plan – The accounting valuation for the pension plan results in deferred outflows and deferred inflows of resources from several sources. In performing the actuarial valuation for the deferred compensation plan, changes in projected and actual earning on pension plan investments and adjustments due to differences in proportions for members of cost-sharing multiple-employer plans are calculated. The difference in proportions results from the California Public Employees Retirement System (CalPERS) allocation methodology. Rather than a single proportionate share applied to all components of pension expense, the CalPERS method applies employer proportions to various pension-related items such as assets, liabilities and service cost. This adjustment reconciles the difference in proportions for these various items with the employer's change in net pension liability during the plan measurement period. The amounts will be recognized over future periods equal to the expected average remaining service lifetime of the pool or 3.8 years for the June 30, 2020 measurement date (3.8 years for June 30, 2019). In addition, since the measurement date of the pension plan is one year in advance of the financial statement reporting period (i.e. valuation of the pension plan assets has a measurement date of June 30, 2020 with the results reported in the District's June 30, 2021 financial statements) contributions by the employer for 2021 and 2020 are deferred outflows at June 30, 2021 and 2020, respectively. These amounts will be recognized in the years subsequent to payment.

Other Postemployment Benefits (OPEB) plan – The accounting valuation for the OPEB plan results in deferred outflows and deferred inflows of resources from several sources. In performing the valuation for the postemployment benefit plan, changes in projected and actual earnings on plan investments, changes in projected and actual healthcare costs, changes in participant plan utilization and participant mortality are calculated. The amounts will be recognized over future periods. In addition, since the measurement date of the OPEB plan is one year in advance of the financial statement reporting period (i.e. valuation of the OPEB plan assets has a measurement date of June 30, 2020 with the results reported in the District's June 30, 2021 financial statements) contributions by the employer for 2021 deferred outflows at June 30, 2021. These amounts will be recognized in the years subsequent to payment.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

Restricted Assets and Liabilities

Restricted assets are items that have been restricted by either bond indentures, loan agreements or are to be used for specified purposes based on contract provisions, such as debt service. Restricted liabilities relate to assets restricted for their payment.

Property Taxes

The County of Marin levies taxes and places liens on real property as of January 1st on behalf of the District. Property taxes are due on the following November 1st and March 1st and become delinquent December 10th and April 10th for the first and second installments, respectively. All taxes collected for debt service are maintained in separate funds designated for payment of the debt (see Note 9). The District receives property taxes and Education Revenue Augmentation Funds (ERAF) from the County of Marin. The ERAF allows the state legislature to reallocate property tax amounts to local governments. For the years ended June 30, 2021 and 2020, the District received \$1,116,356 and \$1,081,890, respectively, in property taxes and \$439,054 and \$442,204, respectively, in ERAF.

Grants

The District's grants are cost-reimbursement grants, which are earned as the allowable expenditures under the agreement are made. A receivable is recorded when the criteria established for requesting reimbursement under the grant agreement has been satisfied and the amount of reimbursement is determinable. Grants for feasibility studies are recorded as nonoperating income. Grants for capital purposes are reported as capital contributions.

Connection Fees

The District charges connection fees to developers to reserve system capacity. Amounts charged are recorded as liabilities (unearned connection fees) until connections are actually made. Once connections are made, the fees are recognized as increases to capital contributions. In accordance with GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the capital contributions are recorded in the Statements of Revenues, Expenses and Changes in Net Position.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's CalPERS plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Interest

Prior to July 1, 2017 the District capitalized the interest cost incurred for assets that require an acquisition period to get them ready for use. The interest cost capitalization period began when the following three conditions were met: expenditures had occurred; activities necessary to prepare the asset, including administrative activities before construction, had begun; and interest cost had been incurred. Interest cost is not capitalized during delays or interruptions, other than for brief periods. When the project is completed, the interest cost was included in the amount of the asset that was capitalized and depreciated over the assets' useful life. Effective July 1, 2017, the District has implemented GASB No. 89, *Accounting for Interest Cost Incurred Before the End of Construction Period* as discussed in the New Accounting Pronouncements section below.

For assets that are financed with tax-exempt debt, the interest income earned on unexpended funds is offset against the interest expenditures in determining the amount of interest to capitalize.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and certain reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implemented New Accounting Pronouncements

For the fiscal year ended June 30, 2021, the District implemented the following pronouncements:

- In January 2017 GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement were originally effective for the financial statements for periods beginning after December 15, 2018 (fiscal 2020). Implementation was postponed by the provisions of Statement No. 95. The District does not believe this statement will have a significant impact on the financial statements.

- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61* (GASB No. 90). The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2018. Implementation was postponed by the provisions of Statement No. 95. The District does not believe that there will be any financial statement effect related to GASB No. 90.

Upcoming New Accounting Pronouncements

In June 2017, GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019 (fiscal 2021). Implementation was postponed by the provisions of Statement No. 95. The District anticipates that the implementation of this pronouncement will have a material effect on the financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2020 (fiscal 2022). Implementation was postponed by the provisions of Statement No. 95. The District does not believe this statement will have a significant impact on the financial statements.

In January 2020 GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports

- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this Statement were originally effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Implementation was postponed by the provisions of Statement No. 95, however earlier application is encouraged and is permitted by topic.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* - The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offer Rate (IBOR). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of *reference rate*, as it is used in Statement 53, as amended.

The removal of London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (fiscal year 2022-23). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (fiscal year 2020-21). The District does not believe that the implementation of this Pronouncement will have an impact on the financial statements.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPP.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2022-23), and all reporting periods thereafter. The District has not yet determined whether the implementation of this Pronouncement will have a material impact on the financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Principles (continued)

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2022-23), and all reporting periods thereafter. The District has not yet determined whether the implementation of this Pronouncement will have a material impact on the financial statements.

In June 2020, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021 (fiscal year 2021-22). For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021 (fiscal year 2021-22).

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents

At June 30, 2021 and 2020, the District maintained the majority of its cash in the Bank of Marin and the State of California LAIF pooled investment funds. Balances in the Bank of Marin are insured by the Federal Deposit Insurance Corporation up to \$250,000, are collateralized by securities at 110% of the balance, and consist of checking and savings accounts.

The LAIF funds invest deposits of the District, counties, various schools and other special districts primarily in cash equivalents, as prescribed by the California Government Code. Balances are stated at cost, which is approximately market value. Each participating agency is allocated realized investment gains, losses, and interest based on average daily balances invested. Copies of financial statements for LAIF may be obtained from the California State Treasurer at <http://www.treasurer.ca.gov/pmia-laif/reports.asp>.

Restricted Cash

Restricted cash consists of unexpended proceeds from issuing the 2017 Revenue Bonds in April 2017 and the debt service reserve funds. At June 30, 2021 and 2020 \$116 and \$111 was on deposit at U.S. Bank, the Trustee for the issue, in the Cost of Issuance fund. See Note 8 for additional information regarding the bonds. The debt service reserve funds are invested in certificates of deposit with Bank of Marin and have maturity dates in 2025.

For the purpose of the statements of cash flows, cash and cash equivalents include all items of cash and investments with original maturities of three months or less. Cash and cash equivalents consist of the following:

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents (continued)

	June 30, 2021	
	Reported/Fair Value	
	Unrestricted	Restricted
Cash in bank and on hand		
Bank of Marin	\$ 11,107,489	\$ -
Petty cash	966	-
Total cash in bank and on hand	11,107,489	-
Investments		
Certificates of deposit	-	900,130
Local Agency Investment Fund	25,702,059	-
Total investments	25,702,059	\$ 900,130
Total cash and cash equivalents as of June 30, 2021	\$ 36,810,514	\$ 900,130
	June 30, 2020	
	Reported/Fair Value	
	Unrestricted	Restricted
Cash in bank and on hand		
Bank of Marin	\$ 6,387,696	\$ -
Petty cash	928	-
Total cash in bank and on hand	6,388,624	-
Investments		
Certificates of deposit	-	895,024
Local Agency Investment Fund	27,884,307	8,632,794
Total investments	27,884,307	9,527,818
Total cash and cash equivalents as of June 30, 2020	\$ 34,272,931	\$ 9,527,818

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents (continued)

Investments Authorized by the District's Investment Policy

The table below identifies the investment types that are authorized by the District. The table also identifies certain provisions of the District's investment policy that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Bonds issued by the District	none	not applicable	none	none
U.S. Treasury Obligations	none	not applicable	none	none
U.S. Agency Securities	none	not applicable	none	none
Registered State Warrants or Treasury Notes or Bonds issued by the State of California	none	not applicable	none	none
Local Agency Bonds, Notes, Warrants or Pooled Investment Accounts	none	not applicable	none	none
Bankers' Acceptances	270 days	not applicable	40%	30%
Prime Commercial Paper	180 days	Aaa/AAA	15%-30%	none
Negotiable Certificates of Deposit	none	not applicable	30%	none
Repurchase/Reverse Repurchase Agreements	none	not applicable	none	none
Medium-Term Notes	5 years	A	30%	none
Money Market Mutual Funds	none	Aaa/AAA	15%	none
Collateralized Bank Deposits	none	not applicable	none	none
Mortgage Pass-Through Securities	5 years	not applicable	30%	none

Debt Proceeds

Unspent debt proceeds for the District are invested in interest bearing accounts at either the financial institution that advanced the funds or in a separate LAIF fund managed by the Trustee of the Bond Indenture.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 6 months.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of its investments at June 30, 2021 and 2020:

	2021	Maturity Date
Certificates of Deposit	\$ 900,130	4 years average
LAIF	25,702,059	291 days average
	<u>\$ 26,602,189</u>	
	2020	
Certificates of Deposit	\$ 895,024	31 days average
LAIF	36,516,990	191 days average
	<u>\$ 37,412,014</u>	

Credit Risk

Generally, credit risk is the risk of an issuer that an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits nor will it be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. With respect to investments, custodial credit risk generally applies only to direct investment in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The State of California has no additional requirements for custodial credit risk, nor does the District.

Certificates of Deposit

The District is required to maintain cash in debt reserve funds, equal to one year's debt service for the State Revolving Fund and for the loans from Bank of Marin. At June 30, 2021 and 2020, this equaled \$900,130 and \$895,024, respectively. Since these funds will not be needed until the final year of maturity of the loans, the District has invested them in certificates of deposit. These accounts pay interest at 0.494% and matured in July and August 2020, respectively. Upon maturation in 2020, the CDs were rolled over and have new maturity dates of July and August 2025, respectively.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

3. Cash and Cash Equivalents (continued)

Investment in State Investment Pool

The District is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The District's proportionate share of that value was \$25,704,191 and \$36,696,390 as of June 30, 2021 and 2020, respectively. There are no derivatives included in the portfolio. Included in LAIF's investment portfolio are asset-backed securities totaling \$2,773 and \$1,675 million as of June 30, 2021 and 2020, respectively. Structured notes comprised \$1,700 million and \$1,725 million of the portfolio as of June 30, 2021 and 2020. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The current and prior year changes in fair value were not material to the financial statements as a whole and, therefore, have not been presented.

4. Accounts Receivable

The majority of the District's sewer user charge revenue and all of the property tax revenue is collected by the County of Marin through charges on the tax rolls. The collections are remitted to the District as follows: 55% in December, 40% in April, and the balance of 5% during June and July. The June and July remittances allow the County as the collection agent to true-up any changes for revisions in the sewer charges after the initial calculation in August.

5. Private Sewer Lateral Assistance Program

The District has a private sewer lateral assistance program which allows property owners to receive an advance to repair or replace their sewer laterals. The maximum that may be advanced under the program is \$10,000 per property, with interest charged at 2%, and the amount is repaid over 10 years through the property tax collections.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

5. Private Sewer Lateral Assistance Program (continued)

The activity in the program for 2021 and 2020 is as follows:

Balance at June 30, 2019	\$ 493,772
Payments received	(103,565)
Advances made	<u>73,397</u>
Balance at June 30, 2020	463,604
Payments received	(103,382)
Advances made	<u>75,904</u>
Balance at June 30, 2021	<u>\$ 436,126</u>

Scheduled payments to be received from the advances in future years are as follows:

Fiscal year ending June 30,	
2022	\$ 92,964
2023	79,396
2024	73,615
2025	61,797
2026	38,053
Thereafter	<u>90,301</u>
	<u>\$ 436,126</u>

In addition to regularly schedule repayments collected through the tax roll, property owners may prepay the amounts outstanding under the lateral assistance program if they sell or refinance the property. Included in payments received are prepayments of \$31,567 and \$23,086 in 2021 and 2020, respectively.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

6. Capital Assets

A summary of property, plant and equipment transactions for the year ended June 30, 2021 is as follows:

	Ending Balance at June 30, 2020	Increases	Decreases	Transfers/ Reclass	Ending Balance at June 30, 2021
Capital assets being depreciated:					
Land	\$ 2,867,571	\$ -	\$ -	\$ -	\$ 2,867,571
Construction-in-progress	39,356,096	16,447,538	-	-	55,803,634
Total capital assets not being depreciated	<u>42,223,667</u>	<u>16,447,538</u>	<u>-</u>	<u>-</u>	<u>58,671,205</u>
Capital assets being depreciated:					
Subsurface lines and manholes	35,513,005	5,860	-	-	35,518,865
Facilities and equipment					
Sewage collection	2,727,090	99,244	-	-	2,826,334
Sewage treatment	40,861,604	311,331	-	-	41,172,935
Sewage disposal	8,200,137	-	-	-	8,200,137
Reclamation	1,459,514	59,202	-	-	1,518,716
Recycled water production	9,501,549	-	-	-	9,501,549
Pump stations	13,189,868	7,350	-	-	13,197,218
Administration	1,123,173	7,928	-	-	1,131,101
Laboratory	563,001	-	-	-	563,001
Total capital assets being depreciated	<u>113,138,941</u>	<u>490,915</u>	<u>-</u>	<u>-</u>	<u>113,629,856</u>
Less accumulated depreciation for:					
Subsurface lines and manholes	(16,647,187)	(678,276)	-	-	(17,325,463)
Facilities and equipment					
Sewage collection	(2,054,241)	(86,383)	-	-	(2,140,624)
Sewage treatment	(20,049,815)	(1,294,083)	-	-	(21,343,898)
Sewage disposal	(6,940,853)	(148,677)	-	-	(7,089,530)
Reclamation	(945,714)	(39,449)	-	-	(985,163)
Recycled water production	(2,948,080)	(384,198)	-	-	(3,332,278)
Pump stations	(8,910,010)	(346,418)	-	-	(9,256,428)
Administration	(691,732)	(52,898)	-	-	(744,630)
Laboratory	(310,025)	(14,274)	-	-	(324,299)
Accumulated depreciation	<u>(59,497,657)</u>	<u>(3,044,656)</u>	<u>-</u>	<u>-</u>	<u>(62,542,313)</u>
Total capital assets being depreciated, net	<u>53,641,284</u>	<u>(2,553,741)</u>	<u>-</u>	<u>-</u>	<u>51,087,543</u>
Capital assets, net	<u>\$95,864,951</u>	<u>\$13,893,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$109,758,748</u>

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

6. Capital Assets (continued)

A summary of property, plant and equipment transactions for the year ended June 30, 2020 is as follows:

	Ending Balance at June 30, 2019	Increases	Decreases	Transfers/ Reclass	Ending Balance at June 30, 2020
Capital assets being depreciated:					
Land	\$ 2,867,571	\$ -	\$ -	\$ -	\$ 2,867,571
Construction-in-progress	18,472,286	29,589,452	(1,792,586)	(6,913,056)	39,356,096
Total capital assets not being depreciated	<u>21,339,857</u>	<u>29,589,452</u>	<u>(1,792,586)</u>	<u>(6,913,056)</u>	<u>42,223,667</u>
Capital assets being depreciated:					
Subsurface lines and manholes	33,550,719	322,640	-	1,639,646	35,513,005
Facilities and equipment					
Sewage collection	2,727,090	-	-	-	2,727,090
Sewage treatment	34,537,775	1,185,328	-	5,138,501	40,861,604
Sewage disposal	8,200,137	-	-	-	8,200,137
Reclamation	1,336,016	106,472	-	17,026	1,459,514
Recycled water production	9,501,549	-	-	-	9,501,549
Pump stations	13,071,985	-	-	117,883	13,189,868
Administration	1,123,173	-	-	-	1,123,173
Laboratory	563,001	-	-	-	563,001
Total capital assets being depreciated	<u>104,611,445</u>	<u>1,614,440</u>	<u>-</u>	<u>6,913,056</u>	<u>113,138,941</u>
Less accumulated depreciation for:					
Subsurface lines and manholes	(16,033,158)	(614,029)	-	-	(16,647,187)
Facilities and equipment					
Sewage collection	(1,968,815)	(85,426)	-	-	(2,054,241)
Sewage treatment	(18,844,779)	(1,205,036)	-	-	(20,049,815)
Sewage disposal	(6,791,389)	(149,464)	-	-	(6,940,853)
Reclamation	(911,486)	(34,228)	-	-	(945,714)
Recycled water production	(2,563,882)	(384,198)	-	-	(2,948,080)
Pump stations	(8,554,988)	(355,022)	-	-	(8,910,010)
Administration	(636,572)	(55,160)	-	-	(691,732)
Laboratory	(295,662)	(14,363)	-	-	(310,025)
Accumulated depreciation	<u>(56,600,731)</u>	<u>(2,896,926)</u>	<u>-</u>	<u>-</u>	<u>(59,497,657)</u>
Total capital assets being depreciated, net	<u>48,010,714</u>	<u>(1,282,486)</u>	<u>-</u>	<u>6,913,056</u>	<u>53,641,284</u>
Capital assets, net	<u>\$69,350,571</u>	<u>\$28,306,966</u>	<u>\$ (1,792,586)</u>	<u>\$ -</u>	<u>\$95,864,951</u>

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

7. Water Disposal and Recycled Water

In 1988, the District entered into a water-reclamation agreement with MMWD to provide for the disposal of treated wastewater. At a facility located on the District's property, MMWD provides further treatment to the wastewater in order to distribute it as recycled water. The contract, which was set to expire in December 2018, has been extended until December 31, 2021.

In 2017, the District entered into a purchase and sale of recycled water agreement with MMWD. The District will provide MMWD with 2.5 million gallons per day of plant capacity to produce a minimum of 600 acre fee per year, for 30 years. As part of the agreement, MMWD made an initial payment towards the cost of the existing facility of \$333,563 and will make quarterly payments of \$51,637 through October 1, 2022 and after that \$26,890 per quarter through July 1, 2031. In addition, the District has designed an expansion of the existing facility in order to serve MMWD. Funding for the expansion is from part of the proceeds of the 2017 Revenue Bonds and a WaterSmart Grant awarded in 2015. The project was awarded to Myers & Sons Construction LLC on November 15, 2018 by the Board and the estimated construction cost was \$48,622,939. On December 17, 2018 the General Manager signed the contract. The cost of the portion of the expansion ascribed to MMWD is \$4.6 million with payments due semi-annually on April 1st and October 1st through April 1, 2042. MMWD paid \$463,395 in 2021 and \$514,720 in 2020 per the agreement. See Note 8E for further information regarding the bonds.

The agreement with MMWD may be modified to revise the payment amounts once the construction is completed and all costs are known. MMWD is responsible for demolishing the existing facility which is located on the District's site.

Future minimum payments expected to be received from MMWD are as follows:

<u>Fiscal year ending June 30,</u>	<u>Total</u>
2022	\$ 463,269
2023	413,480
2024	364,049
2025	364,447
2026	364,111
2027 – 2031	1,820,914
2032 – 2036	1,335,915
2037 – 2042	1,532,940
	<u>\$ 6,659,124</u>

In addition to these payments, MMWD will be charged for deliveries of recycled water based on the District's regular, ongoing operations and maintenance costs and deposits into a capital repair and replacement fund equal to 10% of annual operations and maintenance costs.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

7. Water Disposal and Recycled Water (continued)

In 2011, the District entered into an agreement with NMWD to annually produce at least 220 acre feet of recycled water for 20 years. NMWD will reimburse the District for its operating and maintenance costs associated with producing the recycled water.

8. Long-Term Obligations

A. Wastewater Revenue Certificates of Participation, Series 2005 and Note Payable with Municipal Finance Corporation

The District issued \$10,000,000 of Wastewater Revenue Certificates of Participation Bonds rated AA on November 15, 2005. The bonds had maturity dates ranging from December 1, 2006 through December 1, 2025 and carried an average interest rate of 4%. The net proceeds from the sale, after paying issuance costs, underwriter fees, and the reserve surety bond premium was \$9,774,000.

In April 2014, the bonds were refinanced with Municipal Finance Corporation, a private lender. The principal balance outstanding was \$6,880,000 and a 1% early call premium of \$68,800 was required to retire the bonds. The refinanced note payable of \$6,948,800 will be paid over the remaining term of the old debt, with principal payments due each December 1st; and interest payments are due each December 1st and June 1st through 2025. The interest rate on the refinanced debt is 3.3%.

The discount of \$42,442 and the call premium of \$68,800 are recorded as a Deferred Outflow of Resources – Deferred amount on debt refunding and are being amortized over the life of the loan. The accumulated amortization is \$67,848 at June 30, 2021 and \$58,382 at June 30, 2020; the amount charged to interest expense was \$9,467 for both June 30, 2021 and 2020.

The debt is payable solely from net revenues of the District. Net revenues consist generally of all revenues after payment of adjusted operation and maintenance costs and include property taxes received by the District. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.15 to 1.0.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

8. Long-Term Obligations (continued)

Future minimum payments are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	\$ 610,000	\$ 99,125	\$ 709,125
2023	630,000	78,665	708,665
2024	660,000	57,380	717,380
2025	690,000	35,105	725,105
2026	<u>718,800</u>	<u>11,860</u>	<u>730,660</u>
Total	<u>\$ 3,308,800</u>	<u>\$ 282,135</u>	<u>\$ 3,590,935</u>

B. Note Payable – Bank of Marin

The District entered into a financing agreement with Bank of Marin on June 10, 2011 for \$4,600,000. The loan is for the recycled water facility which was completed in July 2012. The loan bears interest at 3.88%, requires a reserve fund equal to one year's debt service, or \$332,681, and monthly principal and interest payments of \$27,723 beginning July 2011 through June 10, 2031. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.2 to 1.0.

Future minimum payments are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	\$ 228,726	\$ 103,955	\$ 332,681
2023	237,888	94,793	332,681
2024	247,186	85,495	332,681
2025	257,318	75,363	332,681
2026	267,625	65,056	332,681
2027 – 2031	<u>1,507,647</u>	<u>155,760</u>	<u>1,663,407</u>
Total	<u>\$ 2,746,390</u>	<u>\$ 580,422</u>	<u>\$ 3,326,812</u>

C. Note Payable – Bank of Marin

The District entered into a financing agreement with Bank of Marin on July 27, 2012 for \$2,000,000. The loan is for the recycled water facility which was completed in July 2012. The loan bears interest at 3.25%, requires a reserve fund equal to one year's debt service, or \$235,346, and monthly principal and interest payments of \$19,612 beginning September 10, 2012 through August 10, 2022. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.2 to 1.0.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

8. Long-Term Obligations (continued)

Future minimum payments are as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2022	\$ 229,928	\$ 5,418	\$ 235,346
2023	<u>39,065</u>	<u>160</u>	<u>39,225</u>
Total	<u>\$ 268,993</u>	<u>\$ 5,578</u>	<u>\$ 274,571</u>

D. State Revolving Fund Loan

The District had a construction loan with the State Water Resources Control Board, which converted to a term loan in November 2012 after the last construction draw was received.

The loan bears interest at 2.7%, requires a reserve fund equal to one year's debt service, or \$285,464, and annual principal and interest payments beginning June 1, 2012 through June 1, 2032. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.2 to 1.0.

Future minimum payments are as follows:

	Principal	Interest	Total
Fiscal year ending June 30,			
2022	212,950	72,514	\$ 285,464
2023	218,699	66,765	285,464
2024	224,604	60,860	285,464
2025	230,669	54,795	285,464
2026	236,897	48,567	285,464
2027 – 2031	1,283,950	143,371	1,427,321
2032	<u>277,960</u>	<u>7,505</u>	<u>285,465</u>
Total	<u>\$ 2,685,729</u>	<u>\$ 454,377</u>	<u>\$ 3,140,106</u>

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

8. Long-Term Obligations (continued)

E. 2017 Revenue Bonds

The District issued \$38,365,000 of Revenue Bonds rated AAA on April 28, 2017. The bonds have maturity dates ranging from April 1, 2018 through April 1, 2042; interest is due each October and April with the first payment due October 1, 2017. The yield to maturity on the bonds ranges from 0.87% to 3.57% with a stated interest rate of 4% and a true interest cost of 3.2984%. The sources and uses of funds from the bond issuance are as follows:

Sources of Funds:

Stated redemption price of bonds	\$	38,365,000
Original issue premium		3,023,718
		<u>41,388,718</u>

Uses of Funds:

Issuance costs	\$	153,608
Surety bond premium		50,231
Underwriter's discount		<u>145,365</u>
		<u>349,204</u>

Deposit to project fund \$ 41,039,514

The bonds are generally callable in whole or in part on or after April 1, 2027. This special call provision relates to the expansion of the recycled water treatment facility to serve MMWD (see Note 7).

Issuance costs, the surety bond premium and underwriter's discount are expensed in the year of issuance. The original issue premium will be amortized over the maturity period of the bonds and included in interest expense. As of June 30, 2021 and 2020 the accumulated amortization is \$505,638 and \$384,285, respectively.

The interest paid on the 2017 Revenue Bonds qualifies as exempt from income tax for specified bond holders. As such the District is subject to Internal Revenue Code requirements concerning arbitrage. There are safe-harbors for spending the bond proceeds that can exempt the District from having to rebate any excess interest earned on unspent funds in excess of interest paid to bond holders. The arbitrage calculation is required every five years; the first year will be in 2022.

The debt is payable solely from net revenues of the District. The loan requires the District to maintain a debt coverage ratio of earnings before interest, depreciation and amortization over scheduled principal payments of 1.25 to 1.0.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

8. Long-Term Obligations (continued)

Future minimum payments are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	\$ 1,070,000	\$ 1,377,800	\$ 2,447,800
2023	1,110,000	1,335,000	2,445,000
2024	1,155,000	1,290,600	2,445,600
2025	1,205,000	1,244,400	2,449,400
2026	1,250,000	1,196,200	2,446,200
2027 – 2031	7,045,000	5,189,400	12,234,400
2032 – 2036	8,840,000	3,641,400	12,481,400
2037 – 2041	10,425,000	1,752,600	12,491,800
2042	<u>2,345,000</u>	<u>93,800</u>	<u>2,438,800</u>
Total	<u>\$ 34,445,000</u>	<u>\$ 17,121,200</u>	<u>\$ 51,566,200</u>

F. California Infrastructure and Economic Development Bank

The District entered into an agreement with California Infrastructure and Economic Development Bank (iBank) in May 2019 for a loan of \$12,000,000. The loan has maturity dates ranging from August 1, 2019 through August 1, 2043; interest is due each February and August with the first payment due August 1, 2019. Payments of principal and interest are due whether or not any of the funds have been disbursed. As of June 30, 2021, \$5,909,078 of these funds have been received. The interest rate on the loan is 3.00% per annum.

Future minimum payments are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	\$ 349,179	\$ 334,718	\$ 683,897
2023	359,654	324,086	683,740
2024	370,444	313,134	683,578
2025	381,557	301,854	683,411
2026	393,004	290,236	683,410
2027 – 2031	2,149,106	1,264,330	3,413,436
2032 – 2036	2,491,402	916,899	3,408,301
Thereafter	<u>4,837,512</u>	<u>603,001</u>	<u>5,440,513</u>
Total	<u>\$ 11,331,858</u>	<u>\$ 4,348,258</u>	<u>\$ 15,680,116</u>

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

8. Long-Term Obligations (continued)

The following is a summary of the long-term obligations activity for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Personnel Related Obligations					
Compensated absences	\$ 499,581	\$ 117,940	\$ (188,005)	\$ 429,516	\$ 128,855
Net Pension Liability	3,419,231	315,689	-	3,734,920	-
Net OPEB Liability	1,948,431	-	(907,922)	1,040,509	-
	<u>5,867,243</u>	<u>433,629</u>	<u>(1,095,927)</u>	<u>5,204,945</u>	<u>128,855</u>
Notes Payable					
Bank of Marin	3,457,784	-	(442,402)	3,015,382	458,654
Municipal Finance Corporation	3,888,800	-	(580,000)	3,308,800	610,000
State Revolving Fund	2,893,080	-	(207,352)	2,685,728	212,950
California Infrastructure and Economic Development Bank (iBank)	(329,134)	12,000,000 *	(339,008)	11,331,858	349,179
2017 Revenue Bonds	35,475,000	-	(1,030,000)	34,445,000	1,070,000
Premium on 2017 Revenue Bonds	2,639,433	-	(121,353)	2,518,080	-
	<u>48,024,963</u>	<u>12,000,000</u>	<u>(2,720,115)</u>	<u>57,304,848</u>	<u>2,700,783</u>
Total long-term obligations	<u>\$ 53,892,206</u>	<u>\$ 12,433,629</u>	<u>\$ (3,816,042)</u>	<u>\$ 62,509,793</u>	<u>\$ 2,829,638</u>

*As of June 30, 2021, the District has drawn down \$5,909,078 of these funds. A long-term receivable for the remaining \$6,909,922 is shown on the Statement of Net Position

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

8. Long-Term Obligations (continued)

The following is a summary of the debt activity for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
Personnel Related Obligations					
Compensated absences	\$ 447,583	\$ 377,597	\$ (325,599)	\$ 499,581	\$ 149,874
Net Pension Liability	3,111,237	307,994	-	3,419,231	-
Net OPEB Liability	1,672,079	276,352	-	1,948,431	-
	<u>5,230,899</u>	<u>961,943</u>	<u>(325,599)</u>	<u>5,867,243</u>	<u>149,874</u>
Notes Payable					
Bank of Marin	3,884,149	-	(426,365)	3,457,784	442,402
Municipal Finance Corporation	4,443,800	-	(555,000)	3,888,800	580,000
State Revolving Fund	3,094,980	-	(201,900)	2,893,080	207,351
California Infrastructure and Economic Development Bank (iBank)	-	-	(329,134)	(329,134)	339,008
2017 Revenue Bonds	36,465,000	-	(990,000)	35,475,000	1,030,000
Premium on 2017 Revenue Bonds	2,760,786	-	(121,353)	2,639,433	-
	<u>50,648,715</u>	<u>-</u>	<u>(2,623,752)</u>	<u>48,024,963</u>	<u>2,598,761</u>
Total long-term obligations	<u>\$ 55,879,614</u>	<u>\$ 961,943</u>	<u>\$ (2,949,351)</u>	<u>\$ 53,892,206</u>	<u>\$ 2,748,635</u>

During the years ended June 30, 2021 and 2020, the District incurred interest on long-term debt of \$1,992,192 (\$2,697,725 paid less \$705,533 earned on restricted bond investments) and \$1,453,877 (\$2,081,321 paid less \$627,444 earned on restricted bond investments), respectively.

9. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all permanent, full-time District employees, permits employees to defer a portion of their current salary until future years. Employees may defer up to the Internal Revenue Code limits. For 2021 and 2020, employees contributed \$150,231 and \$107,686, respectively. Generally, deferred compensation is payable upon retirement, termination of employment, disability or death. Deferred amounts are held in a 457 plan trust established by the District for the exclusive benefit of the participants and their beneficiaries. Contributions are made to the Supplemental Income Plan (SIP) administered by the CalPERS for the benefit of each individual participant. The SIP is an entity separate from the District and, accordingly, the trust assets are not considered to be assets of the District itself. Additional information about the trust may be obtained from the CalPERS Supplemental Income Plan, which has a mailing address of 400 Q Street, Room E2812, Sacramento, CA 95814.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

10. Commitments

The District was contractually committed to contractors and vendors for various projects totaling \$20,458,206 and \$30,323,655 as of June 30, 2021 and 2020, respectively.

11. Defined Benefit Pension Plan

Plan Description and Benefits Provided

The District contributes to CalPERS, a cost sharing multiple employer defined benefit pension plan. The contribution requirements of the plan members are established by state statute and the employer contribution rates are established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Contributions by the employer and the employee are based on eligible employees' regular rate of pay without inclusion of overtime, stand-by pay, or separation pay of accrued time off, which prevents spiking of retirement benefits.

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. The benefits are based on the plan formulas, and the member's years of service, age and final compensation. Because the District has less than 100 active members, it is required by CalPERS to participate in a cost sharing multiple-employer risk pool of similar agencies that all have the same contract formula known as PERF C. Copies of CalPERS' annual financial report may be obtained from its Executive Office at 400 P Street, Sacramento, CA 95814.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

The Plan's provisions and benefits are summarized as follows:

	Miscellaneous	
	Hired Prior to January 1, 2013	Hired On or After January 1, 2013
Benefit formula	2.7% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 – 55	52 – 67
Monthly benefits and a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required contribution rate as a percentage of reportable payroll		
Employees	8.000%	6.250%
Employer		
2021	14.194%	7.732%
2020	13.182%	6.985%
Required contribution rate for prior year unfunded liability		
2021	\$ 239,795	\$ 5,729
2020	\$ 209,390	\$ 1,063

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30th by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Beginning with the determination of the employer contributions for 2016, two contribution amounts are required. An amount expressed as a percentage of reportable payroll plus a pre-determined annual dollar amount to pay the prior year unfunded liability.

For employees hired prior to January 1, 2013, the District paid a portion of the employees' required contribution through June 30, 2017. Beginning July 1, 2018 employees began paying the full required 8% contribution.

For employees hired after January 1, 2013, the District did not pay any of the employees' required contribution of 6.25%, and the employees began cost sharing and paying a portion of the employers' required contribution as of July 1, 2017, equal to 1.75% of reportable payroll. This brings the employee contribution total up to 8%.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

For the years ended June 30, 2021 and 2020, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Contributions – employer	\$ 526,615	\$ 446,449

Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension

The District's proportionate share of the net pension liability is \$3,734,920 and \$3,419,231 as of June 30, 2021 and 2020, respectively.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The liability and deferred outflows and inflows of resources are determined from actuarial valuations that are prepared at dates that differ from the financial statement reporting periods in these statements. For these financial statements, the following timeframes are used:

Fiscal Year	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Measurement Period	July 1, 2019 - June 30, 2020	July 1, 2018 - June 30, 2019

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

The District's proportionate share of the net pension liability was as follows:

Measurement Date	Financial Statement Report as of June 30, 2021	
	Dollars	Percentage
Proportion – June 30, 2019	\$ 3,419,231	0.03337%
Proportion – June 30, 2020	<u>3,734,920</u>	<u>0.03433%</u>
Change – Increase (Decrease)	<u>\$ 315,689</u>	<u>0.00096%</u>

Measurement Date	Financial Statement Report as of June 30, 2020	
	Dollars	Percentage
Proportion – June 30, 2018	\$ 3,111,237	0.03229%
Proportion – June 30, 2019	<u>3,419,231</u>	<u>0.03337%</u>
Change – Increase (Decrease)	<u>\$ 307,994</u>	<u>0.01080%</u>

For the years ended June 30, 2021 and 2020, the District recognized actuarial pension expense of \$723,731 and \$783,891, respectively.

The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Change in Assumptions are amortized over the Expected Average Remaining Service Lifetime of members provided pensions through the Plan determined as of the beginning of the related measurement period for all PERFC participants. As of the June 30, 2020 measurement date it is 3.8 years.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 192,471	\$ -
Changes of assumptions	-	(26,639)
Net differences between projected and actual earnings on plan investments	110,952	-
Change in employer's proportion	137,886	-
Differences between the employer's contributions and the employers' proportionate share of contributions	-	(86,176)
Pension contributions subsequent to the measurement date	526,615	-
Total	\$ 967,924	\$ (112,815)

The \$526,615 is reported as deferred outflows of resources related to contributions made during the District's year ended June 30, 2021 which is subsequent to the pension plan measurement date of June 30, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Deferred outflows of resources to be amortized over the remaining average service life of 3.8 years and recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/Inflows Of Resources
2022	\$ 61,010
2023	120,921
2024	93,349
2025	53,214
2026	-
Thereafter	-

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

Actuarial Methods and Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019 (last available)
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service.
Mortality	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected ongoing mortality improvement using 90% of Scale MP 2016.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Allocation by Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 – 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	—	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	—	-0.92%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.00% was used for this period.

(b) An expected inflation of 2.92% was used for this period.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
\$ 5,724,776	\$ 3,734,920	\$2,090,765

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Required Information in Compliance with GASB No. 68 for Cost Sharing Multiple-Employer Defined Benefit Plans

Effective June 30, 2003, CalPERS risk pools were established for plans containing less than 100 active members as of that valuation date. The District is included in the risk pool for "Miscellaneous Retirement Plan 2.7% at 55" and/or "Miscellaneous Retirement Plan 2.0% at 62."

Public Employees' Pension Reform Act of 2013 (PEPRA)

On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect. In addition to creating new retirement formulas for newly hired members, PEPRA also effectively closed all existing active risk pools to new employees. As such, it is no longer appropriate to assume that the payroll of the risk pools for the classic formulas will continue to grow at 3 percent annually. Funding the promised pension benefits as a percentage of payrolls would lead to the underfunding of the plans. In addition, the current allocation of the existing unfunded liabilities based on payroll would create equity issues for employers within the risk pools. Furthermore, the declining payroll of the classic formula risk pools will lead to unacceptable levels of employer rate volatility.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

11. Defined Benefit Pension Plan (continued)

In order to address these issues, the CalPERS Board of Administration structural changes to the risk pools approved at their May 21, 2014 meeting. All pooled plans were combined into two active risk pools, one for all miscellaneous groups and one for all safety groups, effective with the 2013 valuations. By combining the risk pools this way, the payroll of the risk pools and the employers within the risk pools can once again be expected to increase at the assumed 3 percent annual growth. This change allowed the continuation of current level percent of payroll amortization schedule. However, two important changes are being made which that affect employers.

Beginning in 2016, CalPERS collected employer contributions toward the unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. This change will address the funding issue that would still arise from the declining population of classic formula members. Although employers will be invoiced at the beginning of the fiscal year for their unfunded liability and side fund payments, the plan's normal cost contribution will continue to be collected as a percentage of each payroll.

The risk pool's unfunded liability will be allocated to each individual plan based on the plan's total liability rather than by the plan's individual payroll. This will allow employers to track their own unfunded liability and pay it down faster if they choose. The change in the allocation of unfunded liabilities will result in some employers paying more towards their unfunded liability and some paying less.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

12. Other Postemployment Benefits

Plan Description

In addition to the pension benefits described in Note 12, the District has established another postemployment benefits (OPEB) plan to provide health insurance (OPEB Plan) to employees in accordance with the Memorandum of Understanding between the District and its employees. These employees must meet certain service requirements and retire directly from employment with the District. According to the most current postemployment medical benefits plan, effective July 1, 2014 there are four tiers of benefits.

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

12. Other Postemployment Benefits (continued)

Tier 1 – Employees who retired prior to January 1, 2003, with five years of service, receive a benefit that is indexed by 6% each year and are eligible for spousal coverage up to the benefit cap. The monthly cap was \$875 as of January 1, 2021 and \$826 as of January 1, 2020.

Tier 2 – Employees who were employed prior to January 1, 2003, and retire with five years of District service, receive a monthly benefit that is set by the California Department of Personnel Administration. The monthly benefit cap was \$798 as of January 1, 2021, \$767 as of January 1, 2020, and \$734 as of January 1, 2019. This benefit is available to the employee only without any spousal coverage.

Tier 3 – Employees hired after January 1, 2003 are eligible for benefits from 50% to 100% of the rate established by the California Department of Personnel Administration. They have to work for the District for at least five years, retire from the District, and have a minimum of 10 years of CalPERS agency service to receive a 50% benefit. The benefit increases 5% each year after that until the maximum coverage is reached at 20 years of service.

Tier 4 – Employees who are hired after July 1, 2014 and retire from the District after 10 years of service are eligible for benefits from 50% to 100% of the rate established by the California Department of Personnel Administration. The benefit increases 5% each year after that until the maximum coverage is reached at 20 years of service and is available only to the employee.

All employees who retire from the District, have five years of CalPERS service credits, and participate in the CalPERS medical plan receive a benefit paid by the District equal to the minimum Public Employees' Medical and Hospital Care Act (PEMHCA) contribution. This monthly contribution is included in the cap outlined above for all tiers. However, an employee who is a member of Tier 3, but does not work for the District for five years, and has five year of CalPERS service credits, is eligible for the PEMHCA. The monthly amount was \$143 as of January 1, 2021, \$139 as of January 1, 2020, and \$136 as of January 1, 2019.

Employees Covered

As of the June 30, 2020 actuarial valuation date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	21
Inactive employees of beneficiaries currently receiving benefits	22
Inactive employees entitled to, but not yet receiving benefits	-
Total participants	<u>43</u>

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

12. Other Postemployment Benefits (continued)

Contributions

Effective, July 1, 2009, the District joined the California Employers' Retiree Benefit Trust (CERBT) in order to pre-fund the retiree medical costs. The objective of the CERBT is to seek favorable returns that reflect the broad investment performance through asset allocation. The employers who participate in the CERBT own units of the fund's portfolio, which is invested in accordance with the approved strategic asset allocation; they do not have direct ownership of the securities in the portfolio. The unit value changes with market conditions. The CERBT is a self-funded program, in which the participating employers pay the program costs. The cost charged to participating employers is based on the average daily balance of assets.

The annual contribution is based on the actuarially determined contribution which consists of the cost to fund the benefits for current and retired OPEB Plan participants and the implicit rate subsidy. The implicit rate subsidy results when the healthcare rate charged to retired employees is the group premium charged to active employees. This practice creates an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees. Unless the premium rate for retirees is set to fully recover their healthcare costs, the premium for active employees is implicitly overstated to subsidize utilization by retirees. Similarly, unless the premium rate for retirees is set to fully recover their health costs, the premium for retirees is understated. This difference creates an implicit rate subsidy. This rate subsidy is considered a benefit that should be included in OPEB valuations. The OPEB obligation normally includes the cost of the implicit rate subsidy for the years in which the retiree is paying the active employee insurance costs for continued coverage. When the retiree is eligible for Medicare, the actual cost of coverage is much closer to the premium cost. Therefore, there is no OPEB liability assumed for Medicare-eligible retirees paying 100 percent of the premium. For the year ended June 30, 2020 the actuarially determined cash contribution was \$236,657 and the implicit rate subsidy contribution was \$33,035.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was rolled forward to determine the June 30, 2020 total OPEB liability, based on the following actuarial methods and assumptions:

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

12. Other Postemployment Benefits (continued)

The actuary used the following actuarial method and assumptions:

Actuarial Assumptions:

Actuarial valuation date	<ul style="list-style-type: none"> • June 30, 2020
Contribution policy	<ul style="list-style-type: none"> • District contributes full ADC
Discount rate and long-term expected rate of return on assets	<ul style="list-style-type: none"> • 6.25% at June 30, 2020 • 6.73% at June 30, 2019 • Expected District contributions projected to keep sufficient plan assets to pay all benefits from.
General inflation	<ul style="list-style-type: none"> • 2.75% annually
Mortality, retirement, disability, termination	<ul style="list-style-type: none"> • CalPERS 1997 – 2015 Experience Study
Mortality improvement	<ul style="list-style-type: none"> • Mortality projected fully generational with Scale MP-2020
Salary increases	<ul style="list-style-type: none"> • Aggregate – 3% annually • Merit – CalPERS 1997 – 2015 Experience Study
Medical trend	<ul style="list-style-type: none"> • Non-Medicare: 7% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Non-Kaiser): 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Kaiser): 5% for 2022, decreasing to an ultimate rate of 4% in 2076
PEMHCA minimum increases	<ul style="list-style-type: none"> • 4.25% annually
Cap increases	<ul style="list-style-type: none"> • Tier 1: 6% • Tiers 2-4: Non-Medicare medical trend
Healthcare participation for future retirees	<ul style="list-style-type: none"> • Eligible for amounts larger than PEMHCA minimum: 100% • Eligible for PEMHCA minimum only: 50%

As of June 30, 2021, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Asset Class Component	Target Allocation CERBT-Strategy 2	Expected Real Rate of Return
Global Equity	40%	4.82%
Fixed Income	43%	1.47%
TIPS	5%	1.29%
Commodities	4%	0.84%
REITS	8%	3.76%
Assumed long-term rate of inflation		2.75%
Expected long-term rate of return, rounded		6.25%

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

12. Other Postemployment Benefits (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.73 percent. The cash flows of the OPEB plan were projected to future years, assuming that the District will contribute an amount so that the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 6.73%.

Changes in the OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020* (6/30/2019 measurement date)	\$ 3,371,099	\$ 1,422,668	\$ 1,948,431
Changes for the year			
Service cost	77,111	-	77,111
Interest	227,575	-	227,575
Changes of benefit terms	-	-	-
Actual vs. expected experience	(538,461)	-	(538,461)
Assumption changes	(321,884)	-	(321,884)
Contribution – employer	-	273,462	(273,462)
Contribution – employee	-	-	-
Net investment income	-	79,999	(79,999)
Benefit payments	(133,439)	(133,439)	-
Administrative expenses**	-	(1,198)	1,198
Net changes	<u>(689,098)</u>	<u>218,824</u>	<u>(907,922)</u>
Balance at June 30, 2021 (6/30/2020 measurement date)	<u>\$ 2,682,001</u>	<u>\$ 1,641,492</u>	<u>\$ 1,040,509</u>

* From prior actuary's report

** Includes trust administrative expenses and other administrative expenses

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

12. Other Postemployment Benefits (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2020:

Discount Rate – 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
\$ 1,379,879	\$ 1,040,509	\$ 759,271

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

1% decrease	Current Trend Rate	1% increase
\$ 745,297	\$ 1,040,509	\$ 1,399,575

OPEB Plan Fiduciary Net Position

CalPERS issues a separate ACFR. Copies of CERBT's annual financial report may be obtained from its Affiliate Program Services Division at 400 Q Street, Sacramento, CA 95811.

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized actuarial OPEB expense of \$64,360. As of June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 433,225	\$ 452,230
Changes in assumptions	-	584,931
Net difference between projected and actual earnings on plan investments	14,916	-
Employer contributions made subsequent to the measurement date	269,692	-
	\$ 717,833	\$ 1,037,161

Las Gallinas Valley Sanitary District

Notes to Financial Statements

Fiscal Years Ended June 30, 2021 and 2020

Of the \$717,833 reported as deferred outflows, \$269,692 related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/Inflows Of Resources
2022	\$ (141,202)
2023	(140,165)
2024	(131,494)
2025	(95,779)
2026	(84,233)
Thereafter	3,853

13. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disaster. The District's insurance coverage is carried through the California Sanitation Risk Management Association (CSRMA) in pooled programs and through a commercial insurance carrier. CSRMA is a public entity risk pool currently operating as a common risk management and insurance program for member sanitary districts located throughout California. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group. Although CSRMA may assess additional premiums to a member district in the event of losses in excess of reserves, no additional assessments have occurred nor are they contemplated.

The financial statements of CSRMA are available their website, www.csrma.org. Condensed financial information for CSRMA is presented below:

	Years Ended June 30,	
	2020 ¹	2019
Total assets	\$ 29,737,991	\$ 26,991,334
Total liabilities	22,524,920	20,588,497
Net Position	\$ 7,213,071	\$ 6,402,837
Total revenues	\$ 16,076,801	\$ 13,274,331
Total expenditures	15,266,567	14,577,244
Net income (loss)	\$ 810,234	\$ (1,302,913)

¹ most recent available

REQUIRED SUPPLEMENTARY INFORMATION



Las Gallinas Valley Sanitary District
Required Supplementary Information

June 30, 2021

Schedule of Proportionate Share of Net Pension Liability
Last 10 Years*

	Fiscal Year End June 30,						
	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of net pension liability	0.03433%	0.03337%	0.03229%	0.03195%	0.34162%	0.03057%	0.27220%
Proportionate share of the net pension liability	\$ 3,734,920	\$ 3,419,231	\$ 3,111,237	\$ 3,169,000	\$ 2,722,446	\$ 2,098,373	\$ 1,693,868
Covered payroll	\$ 2,523,986	\$ 2,427,993	\$ 2,263,451	\$ 2,234,070	\$ 2,065,897	\$ 2,002,442	\$ 1,801,016
Proportionate share of the net pension liability as a percentage of covered payroll	147.98%	140.83%	137.46%	141.85%	131.78%	104.79%	94.05%
Proportionate share of fiduciary net position	\$ 11,217,902	\$ 10,869,207	\$ 9,997,987	\$ 9,397,583	\$ 8,814,153	\$ 8,719,117	\$ 8,648,606
Plan's fiduciary net position as a percentage of the Plan's total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Schedule of District's Pension Plan Contributions
Last 10 Years*

	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions (actuarially determined)	\$ 526,615	\$ 446,449	\$ 374,938	\$ 332,915	\$ 331,323	\$ 295,148	\$ 330,377
Contributions in relation to actuarially determined contributions	(526,615)	(446,449)	(374,938)	(332,915)	(331,323)	(295,148)	(330,377)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered payroll	\$ 2,767,942	\$ 2,523,986	\$ 2,427,993	\$ 2,263,451	\$ 2,234,070	\$ 2,065,897	\$ 2,002,442
Contributions as a percentage of covered payroll	19.03%	17.69%	15.44%	14.71%	14.83%	14.29%	16.50%

Notes to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of pay, direct rate smoothing
Remaining amortization periods	Differs by employer rate plan, but not more than 30 years
Asset valuation method	Market value of assets
Inflation	2.500%
Salary increases	Varies by entry age and service
Discount rate	7.00% (net of administrative expense)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

* Fiscal year ending June 30, 2015, was the first year of implementation; additional years will be added until 10 years of data is presented

Las Gallinas Valley Sanitary District
Schedule of Changes in the Net OPEB Liability and Related Ratios
for the Measurement Periods Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 77,111	\$ 96,178	\$ 91,597	\$ 77,776
Interest on the OPEB liability	227,575	195,332	185,403	196,002
Differences between expected and actual experience	(538,461)	514,719	(9,045)	156,326
Change of assumptions	(321,884)	(181,852)	-	(457,988)
Benefits paid to retirees	(133,439)	(117,075)	(132,720)	(153,771)
Net change in total OPEB liability	(689,098)	507,302	135,235	(181,655)
Total OPEB Liability - beginning	3,371,099	2,863,797	2,728,562	2,910,217
Total OPEB Liability - ending	(a) \$ 2,682,001	\$ 3,371,099	\$ 2,863,797	\$ 2,728,562
Plan Fiduciary Net Position				
Employer contributions	\$ 273,462	\$ 256,635	\$ 250,954	\$ 287,951
Net investment income	79,999	91,660	62,465	64,362
Benefits paid to retirees	(133,439)	(117,075)	(132,720)	(153,771)
Administrative expense	(1,198)	(270)	(562)	(463)
Net change in plan fiduciary position	218,824	230,950	180,137	198,079
Plan fiduciary net position- beginning	1,422,668	1,191,718	1,011,581	813,502
Plan fiduciary net position- ending	(b) \$ 1,641,492	\$ 1,422,668	\$ 1,191,718	\$ 1,011,581
Net OPEB liability- ending	(a) - (b) \$ 1,040,509	\$ 1,948,431	\$ 1,672,079	\$ 1,716,981
Plan fiduciary net position as a percentage of the total OPEB liability	61.20%	42.20%	41.61%	37.07%
Covered-employee payroll	\$ 2,734,659	\$ 2,676,304	\$ 3,687,903	\$ 2,252,470
Net OPEB liability as a percentage of covered-employee payroll	38.05%	72.80%	45.34%	76.23%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB No. 75 is applicable. Future years' information will be displayed, up to 10 years, as information becomes available

The term Covered-employee payroll is used because there are employees receiving benefits not based on wages.

Las Gallinas Valley Sanitary District
Schedule of OPEB Contributions
Last Ten Fiscal Years

Fiscal Year Ended June 30,	2021	2020	2019	2018
Actuarially determined contributions (ADC)	\$ 236,657	\$ 228,225	\$ 213,168	\$ 219,673
Contributions in relation to the ADC	<u>(269,692)</u>	<u>(256,635)</u>	<u>(250,954)</u>	<u>(287,951)</u>
Contribution deficiency (excess)	<u>\$ (33,035)</u>	<u>\$ (28,410)</u>	<u>\$ (37,786)</u>	<u>\$ (68,278)</u>
Covered-employee payroll	\$ 3,167,587	\$ 2,676,304	\$ 3,687,903	\$ 2,252,470
Contributions as a percentage of covered-employee payroll	8.51%	9.59%	6.80%	12.78%

Notes to Schedule:

Valuation Date	June 30, 2020
Actuarial cost method	Entry age normal, level percent of payroll
Amortization method	Level percent of pay
Amortization period	19-year fixed period for 2020-21
Asset valuation method	Set to market value of assets
Discount rate	6.25%
General inflation	2.75%
Medical trend	<ul style="list-style-type: none"> • Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 • Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Mortality	CalPERS 1997 - 2015 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2020

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Las Gallinas Valley Sanitary District
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of Las Gallinas Valley Sanitary District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Las Gallinas Valley Sanitary District's basic financial statements, and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Las Gallinas Valley Sanitary District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Las Gallinas Valley Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of Las Gallinas Valley Sanitary District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Las Gallinas Valley Sanitary District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

December 10, 2021

SUPPLEMENTARY INFORMATION



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	Original Appropriated Budget	Final Appropriated Budget	Actual	Variance From the Budget
REVENUES:				
Sewer use charges	\$ 15,289,361	\$ 15,289,361	\$ 15,170,106	\$ (119,255)
Private sewer lateral assistance program	66,500	66,500	-	(66,500)
Miscellaneous	32,383	32,383	351,323	318,940
Property taxes	1,303,419	1,303,419	1,555,409	251,990
Intergovernmental fees	4,300	4,300	4,284	(16)
Franchise fees	137,081	137,081	153,351	16,270,000
Recycled water sales	42,000	42,000	123,155	81,155
Interest income	800,900	800,900	323,132	(477,768)
TOTAL REVENUES	17,675,944	17,675,944	17,680,760	4,816
EXPENDITURES:				
Personnel Costs:				
Salaries and wages	3,589,602	3,589,602	3,181,369	(408,233)
Employee benefits	1,984,822	1,946,662	1,359,073	(587,589)
Payroll processing fees	12,729	12,729	20,996	8,267
Operations Expense:				
Insurance	175,076	175,076	207,609	32,533
Repairs and maintenance	671,594	671,594	574,273	(97,321)
Chemicals	187,000	187,000	153,539	(33,461)
Pollution prevention	12,500	12,500	19,591	7,091
Laboratory services	43,000	43,000	43,728	728
Small tools	25,000	25,000	12,442	(12,558)
Outside services	2,129,463	2,129,463	1,585,367	(544,096)
Damage claim	10,000	10,000	10,000	-
Reclamation expense	270,834	270,834	248,757	(22,077)
Engineering consultants	210,300	210,300	238,610	28,310
Operating supplies	40,250	40,250	82,667	42,417

	Original Appropriated Budget	Final Appropriated Budget	Actual	Variance From the Budget
Safety program and supplies	\$ 98,450	\$ 98,450	\$ 75,137	\$ (23,313)
Fuel, gas and oil	33,802	33,803	38,866	5,063
Private lateral assistance program	100,000	100,000	36,834	(63,166)
Equipment rent	-	-	-	-
Permits and fees	20,250	20,250	92,735	72,485
Employee training	25,600	25,600	4,403	(21,197)
Utilities	285,812	287,812	431,426	143,614
General and Administrative Expense:				
Conferences	68,500	68,500	2,005	(66,495)
Mileage and travel	8,000	8,000	1,020	(6,980)
Office expense	27,200	27,200	41,737	14,537
Computer support and supplies	84,500	84,500	93,200	8,700
Publications and legal ads	16,606	16,606	6,629	(9,977)
Public education	65,000	65,000	41,566	(23,434)
Rents and leases	119,652	119,652	173,933	54,281
Property and other taxes	9,000	9,000	891	(8,109)
Memberships	46,495	46,495	62,624	16,129
Legal and professional	150,600	150,600	159,156	8,556
Bank charges and collection fees	36,500	36,500	1,600	(34,900)
Employee recognition	6,000	6,000	447	(5,553)
Fines	-	-	-	-
Miscellaneous	36,000	26,000	3,122	(22,878)
EXPENDITURES BEFORE DEPRECIATION AND INTEREST	<u>10,600,137</u>	<u>10,553,978</u>	<u>9,005,352</u>	<u>(1,548,626)</u>
OPERATING AND MAINTENANCE SURPLUS BEFORE DEPRECIATION AND INTEREST	<u>\$ 7,075,807</u>	<u>\$ 7,121,966</u>	<u>\$ 8,675,408</u>	<u>\$ (1,543,810)</u>

Accounting Basis for Schedule

The Budgetary Comparison Schedule is prepared on the Modified Accrual basis of accounting, based on the Operating and Maintenance Budget. It does not include depreciation since this GAAP expense is not budgeted. In addition, certain other revenues and expenditures are not included in the Statements of Revenues, Expenses and Changes in Net Position in accordance with GAAP. For budgeting purposes, these expenditures are monitored on the cash basis rather than accrual.

The budget amount, up to the amount of the actual expenditure, for certain items that were included in the Capital Outlay Budget, have been included in the Original, Revised and Final Appropriated Budget. These items were included in the District's Capital budget; however, the actual expenditures were either less than the District's capitalization threshold of \$5,000 or, due to the nature of the expenditure, such as feasibility studies, they were charged to an expense account in the Statement of Revenues, Expenses and Changes in Net Position. Including the budget amounts in this schedule provides a better understanding of the current year results since the Capital Outlay budget is not included in the supplementary information.

In order to help the reader better understand the terms and abbreviations used in this document, management is providing a list of acronyms and their definitions.

ACRONYM	NAME	DEFINITION
AAL	Actuarial Accrued Liability	The actuarial present value of all postemployment benefits attributable to past service.
AICPA	American Institute of Certified Public Accountants	The national professional organization of Certified Public Accountants (CPAs) in the United States. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It also develops and grades the Uniform CPA Examination.
AOC	Annual OPEB Cost	An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. The annual OPEB cost is the amount that must be calculated and reported as an expense.
ARC	Annual Required Contribution	The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.
Auditors' Opinion	Unmodified Opinion	An opinion is said to be unmodified when the Auditor concludes that the Financial Statements give a true and fair view in accordance with the financial reporting framework used for the preparation and presentation of the Financial Statements. An Auditor gives a Clean opinion or Unmodified Opinion when he or she does not have any significant reservation in respect of matters contained in the Financial Statements. The most frequent type of report is referred to as the "Unmodified Opinion," and is regarded by many as the equivalent of a "clean bill of health" to a patient, which has led many to call it the "Clean Opinion," but in reality it is not a clean bill of health, because the Auditor can only provide reasonable assurance regarding the Financial Statements, not the health of the entity itself, or the integrity of company records not part of the foundation of the Financial Statements. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which in other words means that the entity's financial condition, position, and operations are fairly presented in the financial statements. It is the best type of report an auditee may receive from an external auditor.

ACRONYM	NAME	DEFINITION
ACFR	Annual Comprehensive Financial Report	A set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the GASB.
CalPERS	California Public Employees Retirement System	The California Public Employees' Retirement System is an agency in the California executive branch that "manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families."
CERBT	California Employers' Retiree Benefit Trust	An investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB.
CSRMA	California Sanitation Risk Management Association	A joint powers authority which provides broad coverage and risk management services to its members who are primarily local government agencies that provide water and wastewater services.
COP	Certificates of Participation	A financial document that is used by a municipal government or other government entity creates a bond issue. Revenues of the issuer are pledged to repay the bonds rather than being secured by property.
ERAF	Education Revenue Augmentation Funds	A fund used to collect the property taxes in each county that are shifted from cities, the county and special districts prior to their reallocation to K-14 school agencies. The county treasurer maintains the ERAF on behalf of the county auditor.
FASB	Financial Accounting Standards Board	Financial Accounting Standards Board (FASB) is a private, not-for-profit organization whose primary purpose is to develop generally accepted accounting principles (GAAP) within the United States in the public's interest.
FOG	Fats, Oils and Grease	Substances than can cause overflows of sanitary sewer systems if not disposed of properly.
GAAP	Generally Accepted Accounting Principles	The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice. These include the standards, conventions, and rules that accountants follow in recording and summarizing and in the preparation of financial statements.

ACRONYM	NAME	DEFINITION
GASB	Governmental Accounting Standards Board	Currently the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States of America.
I&I	Infiltration and Inflow	Infiltration is groundwater entering sanitary sewers through defective pipe joints and broken pipes. Inflow is water entering sanitary sewers from inappropriate connections such as roof drains, cellar drains, and yard drains.
LAIF	Local Agency Investment Fund	A fund managed by the Office of the Treasurer of the State of California, which is available for local governments.
MD&A	Management Discussion and Analysis	An integrated part of the annual financial statements. The purpose of the MD&A is to provide a narrative explanation, through the eyes of management, of how an entity has performed in the past, its financial condition, and its future prospects.
MGD	Million Gallons per Day	Measurement unit used for calculating volume of wastewater treated at the plant.
MMWD	Marin Municipal Water District	Water agency for Marin County serving areas south of Ignacio.
NBWRA	North Bay Water Reuse Authority	A coordinated regional group of water and sanitation agencies in Sonoma, Marin, and Napa Counties to offset potable water demand by promoting water reuse for agriculture, urban, and environmental uses.
NMWD	North Marin Water District	Water agency for Marin County serving areas north of Ignacio and some coastal communities.
OPEB	Other Postemployment Benefits	Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, except benefits defined as special termination benefits.

STATISTICAL SECTION



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This section of the Las Gallinas Valley Sanitary District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the District's overall health.

Financial Trend Information

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its largest single own-source revenue: sewer service charges.

- Sewer Service Charge Revenue
- Sewer Service Rates per Eligible Dwelling Unit
- Principal Revenue Payers
- Summary of Sewer Customers by Class

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

- Revenues, Expenditures, Debt Service Coverage and Cash Flows from Operations
- Outstanding Debt per Connection
- Other Postemployment Benefits Funding Status and Covered Lives

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers in Marin County

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

- Recycled Water Production
- Daily Average Influent Flow
- Private Sewer Lateral Assistance Program
- Collection System Services
- Full-time Equivalent Employees by Function

Recycled water treatment facilities



**Statements of Net Position
for the Last Ten Fiscal Years**

(in thousands)

Fiscal Years Ended June 30,

	2021	2020	2019	2018	2017	2016	2015 <u>As Restated</u>	2014	2013	2012
ASSETS										
Current Assets	\$ 37,316	\$ 43,570	\$ 68,828	\$ 66,984	\$ 63,817	\$ 21,657	\$ 20,401	\$ 19,409	\$ 18,716	\$ 15,335
Capital and other assets	117,093	97,155	70,656	65,282	64,935	59,823	56,651	54,820	53,390	54,609
TOTAL ASSETS	154,409	140,725	139,484	132,266	128,752	81,480	77,052	74,229	72,106	69,944
Deferred Outflows of Resources	1,729	1,811	1,380	1,570	1,141	702	486	910	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	156,138	142,536	140,864	133,836	129,893	82,182	77,538	75,139	72,106	69,944
LIABILITIES										
Total current liabilities	5,877	5,871	5,758	3,412	3,823	1,841	2,136	1,956	1,877	8,399
Total noncurrent liabilities	59,680	51,144	53,243	55,938	56,121	16,162	16,823	18,919	17,007	11,556
TOTAL LIABILITIES	65,557	57,015	59,001	59,350	59,944	18,003	18,959	20,875	18,884	19,955
Deferred Inflows of Resources	1,150	638	511	528	144	296	622	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	66,707	57,653	59,512	59,878	60,088	18,299	19,581	20,875	18,884	19,955
NET POSITION:										
Net investment in capital assets	52,497	47,893	55,392	51,243	48,605	43,749	39,712	37,011	34,787	36,553
Restricted	900	895	880	880	874	867	860	858	855	2,085
Unrestricted	36,033	27,462	25,072	21,836	20,325	19,227	17,491	16,394	17,580	11,351
TOTAL NET POSITION	\$ 89,431	\$ 84,883	\$ 81,352	\$ 73,958	\$ 69,805	\$ 63,883	\$ 57,957	\$ 54,264	\$ 53,222	\$ 49,989

Source: Las Gallinas Valley Sanitary District Basic Financial Statements.

Note: The Statements of Net Position have been restated for the correction of an error and the implementation of GASB No. 68.

**Statements of Revenues, Expenses and Changes in Net Position
For the Last Ten Fiscal Years**

(in thousands)

Fiscal Years Ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OPERATING REVENUES:							<u>As Restated</u>			
Sewer use charges	\$ 15,170	\$ 14,832	\$ 14,229	\$ 13,635	\$ 13,060	\$ 11,647	\$ 10,311	\$ 10,157	\$ 10,069	\$ 9,233
Recycled water fees	123	67	64	61	45	50	120	75	37	-
Miscellaneous	332	65	43	41	42	46	22	46	34	54
TOTAL OPERATING REVENUES	<u>15,625</u>	<u>14,964</u>	<u>14,336</u>	<u>13,737</u>	<u>13,147</u>	<u>11,743</u>	<u>10,453</u>	<u>10,278</u>	<u>10,140</u>	<u>9,287</u>
OPERATING EXPENSES:										
Sewage collection and pump stations	1,571	1,273	1,162	1,271	1,036	945	1,156	1,089	951	937
Sewage treatment	2,866	4,270	1,934	1,875	2,065	1,547	1,425	1,519	1,312	1,295
Sewage and solid waste disposal	507	616	197	129	216	83	127	340	267	147
Laboratory	498	360	319	339	338	295	352	402	377	387
Engineering ¹	874	616	470	650	532	448	435	325	296	-
Recycled water	106	116	181	69	57	98	109	90	60	-
General and administrative	2,583	2,891	1,774	2,208	1,719	1,635	1,467	1,692	2,093	1,726
Depreciation and amortization	3,045	2,897	2,655	2,601	2,526	2,429	2,413	2,432	2,311	1,842
TOTAL OPERATING EXPENSES	<u>12,050</u>	<u>13,039</u>	<u>8,692</u>	<u>9,142</u>	<u>8,489</u>	<u>7,480</u>	<u>7,484</u>	<u>7,889</u>	<u>7,667</u>	<u>6,334</u>
INCOME (LOSS) FROM OPERATIONS	<u>3,575</u>	<u>1,926</u>	<u>5,644</u>	<u>4,595</u>	<u>4,658</u>	<u>4,263</u>	<u>2,969</u>	<u>2,389</u>	<u>2,473</u>	<u>2,953</u>
NONOPERATING REVENUES:										
Property taxes	1,555	1,524	1,354	1,290	1,239	1,125	1,087	1,118	983	1,005
Federal and state grants	-	-	-	-	-	-	-	19	-	-
Franchise fees	153	125	69	25	25	25	25	25	25	25
Intergovernmental fees	4	4	4	4	4	4	4	5	5	5
Gain on disposal, net & Other	19	3	-	-	-	-	1	-	-	-
Interest income	323	519	543	281	150	79	51	47	46	65
TOTAL NONOPERATING REVENUES	<u>2,056</u>	<u>2,175</u>	<u>1,970</u>	<u>1,600</u>	<u>1,418</u>	<u>1,233</u>	<u>1,168</u>	<u>1,214</u>	<u>1,059</u>	<u>1,100</u>

**Statements of Revenues, Expenses and Changes in Net Position
For the Last Ten Fiscal Years (continued)**

(in thousands)

Fiscal Years Ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NONOPERATING EXPENSES:							<u>As Restated</u>			
Loss on disposals	\$ -	\$ -	\$ -	\$ 1	\$ 6	\$ -	\$ -	\$ 2	\$ 48	\$ -
Bond issuance costs	-	-	-	-	349	-	-	-	-	-
Interest expense	<u>1,992</u>	<u>1,454</u>	<u>857</u>	<u>1,288</u>	<u>276</u>	<u>402</u>	<u>553</u>	<u>624</u>	<u>652</u>	<u>331</u>
TOTAL NONOPERATING EXPENSES	<u>1,992</u>	<u>1,454</u>	<u>857</u>	<u>1,289</u>	<u>631</u>	<u>402</u>	<u>553</u>	<u>626</u>	<u>700</u>	<u>331</u>
INCOME BEFORE CONTRIBUTIONS	<u>3,639</u>	<u>2,647</u>	<u>6,757</u>	<u>4,906</u>	<u>5,445</u>	<u>5,094</u>	<u>3,584</u>	<u>2,977</u>	<u>2,832</u>	<u>3,722</u>
CAPITAL CONTRIBUTIONS:										
Connection fees	-	-	-	239	40	34	74	44	15	28
Federal and state grants	446	369	174	362	-	798	35	-	386	1,107
Intergovernmental	<u>463</u>	<u>515</u>	<u>463</u>	<u>455</u>	<u>437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	4,548	3,531	7,394	5,962	5,922	5,926	3,693	3,021	3,233	4,857
NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY STATED	84,883	81,352	73,958	69,805	63,883	57,957	54,264	51,243	52,960	48,103
Restatement: Change in Accounting Principle ²	-	-	-	(1,809)	-	-	-	-	-	-
NET POSITION - BEGINNING OF YEAR AS RESTATED	<u>84,883</u>	<u>81,352</u>	<u>73,958</u>	<u>67,996</u>	<u>63,883</u>	<u>57,957</u>	<u>54,264</u>	<u>51,243</u>	<u>52,960</u>	<u>48,103</u>
NET POSITION - END OF YEAR	<u>\$ 89,431</u>	<u>\$ 84,883</u>	<u>\$ 81,352</u>	<u>\$ 73,958</u>	<u>\$ 69,805</u>	<u>\$ 63,883</u>	<u>\$ 57,957</u>	<u>\$ 54,264</u>	<u>\$ 56,193</u>	<u>\$ 52,960</u>

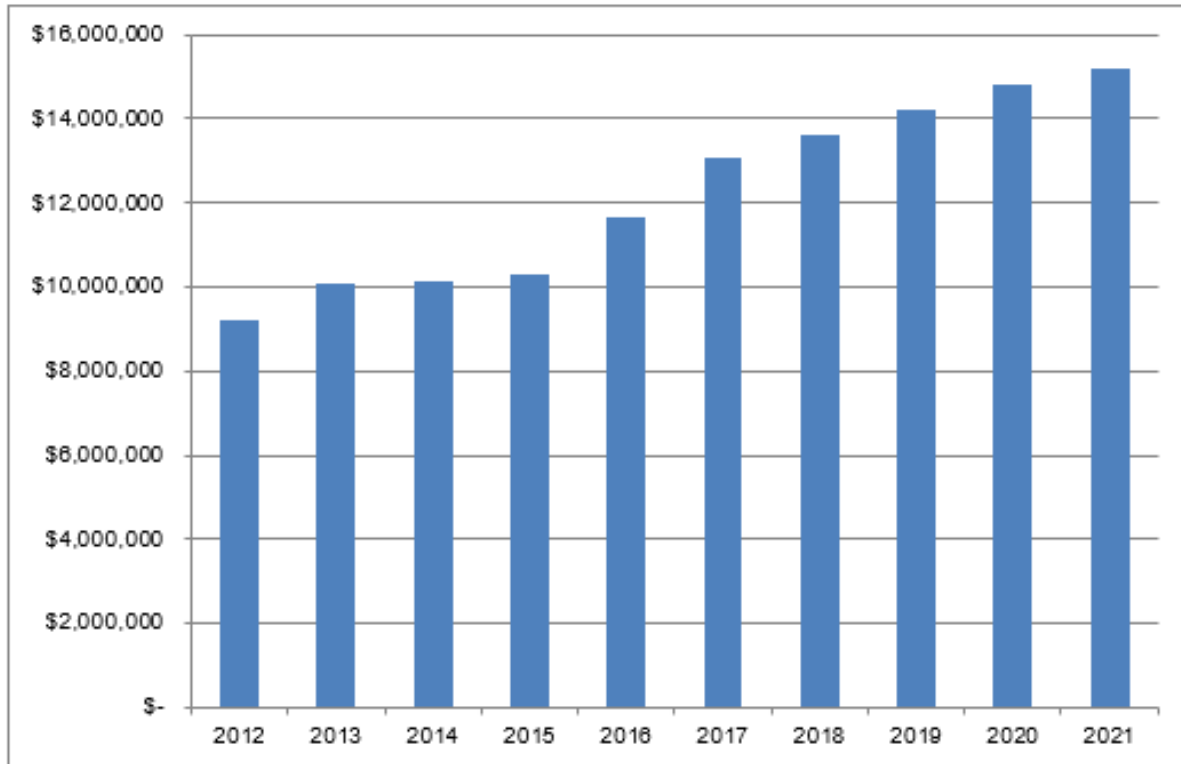
¹ In prior years, these line items were classified with different departments.

² The District implemented GASB 75 - Accounting for Postemployment Benefit Obligations during the fiscal year ended June 30, 2018.

Source: Las Gallinas Valley Sanitary District Basic Financial Statements.

Note: The Statements of Revenues, Expenses and Net Position have been restated for the correction of an error and the implementation of GASB No. 68.

Sewer Service Charge Revenue for the Past Ten Fiscal Years

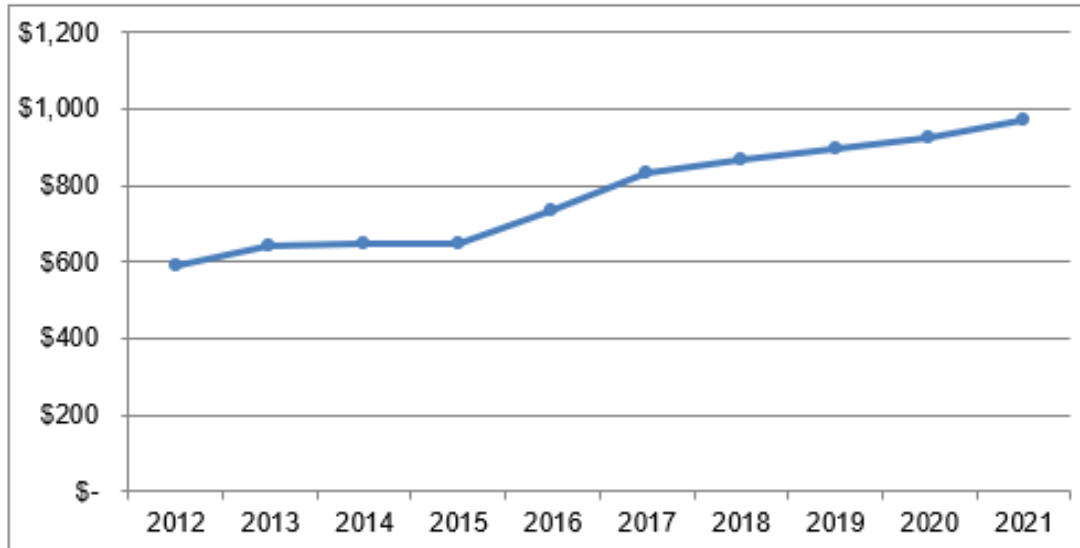


Historic Sewer Service Revenue

Fiscal Year Ended June 30,	Service Revenue	Percentage Change
2012	\$ 9,233,000	4.51%
2013	\$ 10,069,600	9.06%
2014	\$ 10,157,200	0.87%
2015	\$ 10,311,200	1.52%
2016	\$ 11,647,257	12.96%
2017	\$ 13,059,850	12.13%
2018	\$ 13,634,548	4.40%
2019	\$ 14,228,877	4.36%
2020	\$ 14,831,995	4.24%
2021	\$ 15,170,106	2.28%

Source: Las Gallinas Valley Sanitary District records

**Sewer Service Rates Per Eligible Dwelling Unit
for the Past Ten Fiscal Years**



Historic Sewer Service Rates		
Fiscal Year Ended June 30,	Sewer Service Rates	Percentage Change
2012	\$ 590	4.8%
2013	\$ 642	8.8%
2014	\$ 647	0.8%
2015	\$ 647	0.0%
2016	\$ 734	13.4%
2017	\$ 835	13.8%
2018	\$ 867	3.8%
2019	\$ 898	3.6%
2020	\$ 927	3.2%
2021	\$ 968	4.4%

Source: Las Gallinas Valley Sanitary District records

**Principal Revenue Payers
for the Current Fiscal Year and Ten Years Prior**

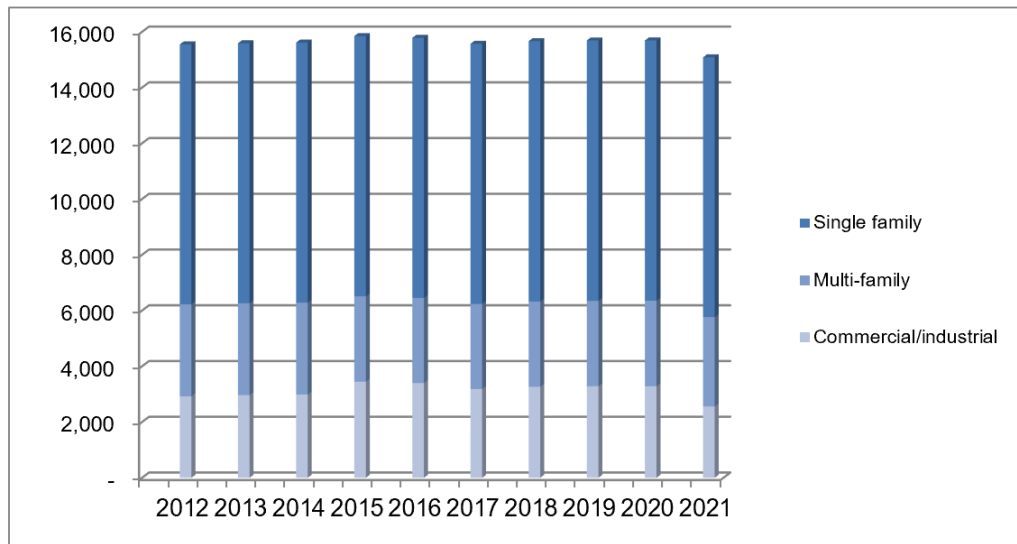
FY 2020/21			FY 2010/11		
Payer	Total Paid	Percentage of Revenue Collected	Payer	Total Paid	Percentage of Revenue Collected
County of Marin	\$ 446,430	2.94%	County of Marin	\$ 203,806	2.68%
Embassy Suites	226,996	1.50%	Hilton	118,230	1.55%
Villa Marin Retirement Living	212,960	1.40%	Kaiser Permanente	73,753	0.97%
Kaiser Permanente	202,978	1.34%	Sheraton Four Points	60,804	0.80%
Northgate Mall	186,340	1.23%	Rafael Covalescent Hospital	42,225	0.56%
Dixie School District	115,011	0.76%	St Vincent's School	40,536	0.53%
Drake Terrance	94,090	0.62%	Marin Jewish Community Center	39,410	0.52%
St. Vincent's School	90,448	0.60%	Northgate Mall	38,847	0.51%
The Sisters of Nazareth House	89,782	0.59%	Civic Center Marin LLC	37,721	0.50%
Sheraton Four Points	83,914	0.55%	Guide Dogs	33,780	0.44%
Total	<u>\$ 1,748,946</u>	<u>11.53%</u>	Total	<u>\$ 689,112</u>	<u>9.06%</u>

Source: Las Gallinas Valley Sanitary District records

Summary of Sewer Customers by Class for the Past Ten Fiscal Years

June 30,

Class	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021 % of Total
Residential											
Single family	9,325	9,325	9,329	9,337	9,332	9,334	9,339	9,339	9,339	9,320	59.52%
Multi-family	3,302	3,298	3,300	3,060	3,053	3,050	3,059	3,065	3,065	3,206	19.53%
Subtotal	12,627	12,623	12,629	12,397	12,385	12,384	12,398	12,404	12,404	12,526	79.06%
Commercial/industrial	2,923	2,967	2,986	3,450	3,401	3,187	3,268	3,286	3,287	2,559	20.94%
Total	15,550	15,590	15,615	15,847	15,786	15,571	15,666	15,690	15,691	15,085	100.00%



Source: Las Gallinas Valley Sanitary District records

Note: Table is required per 2017 Revenue Bond Official Statement Table 1, see page 22 of document for table and C-2 for requirement.

**Revenues, Expenditures, Debt Service Coverage and Cash Flow from Operations
For the Last Ten Fiscal Years**

(in thousands)

	Fiscal Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GROSS REVENUES⁽¹⁾							<u>As Restated</u>			
Sewer use charges	\$ 15,170	\$ 14,832	\$ 14,229	\$ 13,635	\$ 13,060	\$ 11,647	\$ 10,311	\$ 10,157	\$ 10,069	\$ 9,233
Property taxes	1,555	1,524	1,354	1,290	1,239	1,125	1,087	1,118	983	1,005
Recycled water fees	123	67	63	61	45	50	120	75	37	-
Other	832	716	660	590	261	188	177	186	125	177
TOTAL GROSS REVENUES	17,681	17,139	16,306	15,576	14,605	13,010	11,695	11,536	11,214	10,415
Marin Municipal Water District Debt										
Debt Reimbursement										
Bank of Marin	207	206	206	207	437	-	-	-	-	-
2017 Revenue Bonds	257	257	257	249	-	-	-	-	-	-
	463	463	463	456	437	-	-	-	-	-
OPERATING AND MAINTENANCE COSTS⁽²⁾										
Sewage collection, treatment and disposal	4,944	6,159	3,294	3,275	3,317	2,575	2,708	2,948	2,530	2,379
Laboratory	498	360	319	339	338	295	352	402	377	387
Engineering	874	615	470	650	532	448	435	325	296	-
Recycled water	106	116	180	69	57	98	109	90	60	-
General and administrative	2,583	2,891	1,774	2,208	1,719	1,635	1,467	1,692	2,093	1,726
Less accounting adjustment for pension expense and OPEB	9	(272)	(190)	(299)	(24)	145	48	-	-	-
TOTAL OPERATING AND MAINTENANCE COSTS	9,014	9,869	5,847	6,242	5,939	5,196	5,119	5,457	5,356	4,492
NET REVENUES	\$ 8,667	\$ 7,270	\$ 10,459	\$ 9,334	\$ 8,666	\$ 7,814	\$ 6,576	\$ 6,079	\$ 5,858	\$ 5,923

**Revenues, Expenditures, Debt Service Coverage and Cash Flow from Operations
For the Last Ten Fiscal Years (Continued)**

(in thousands)

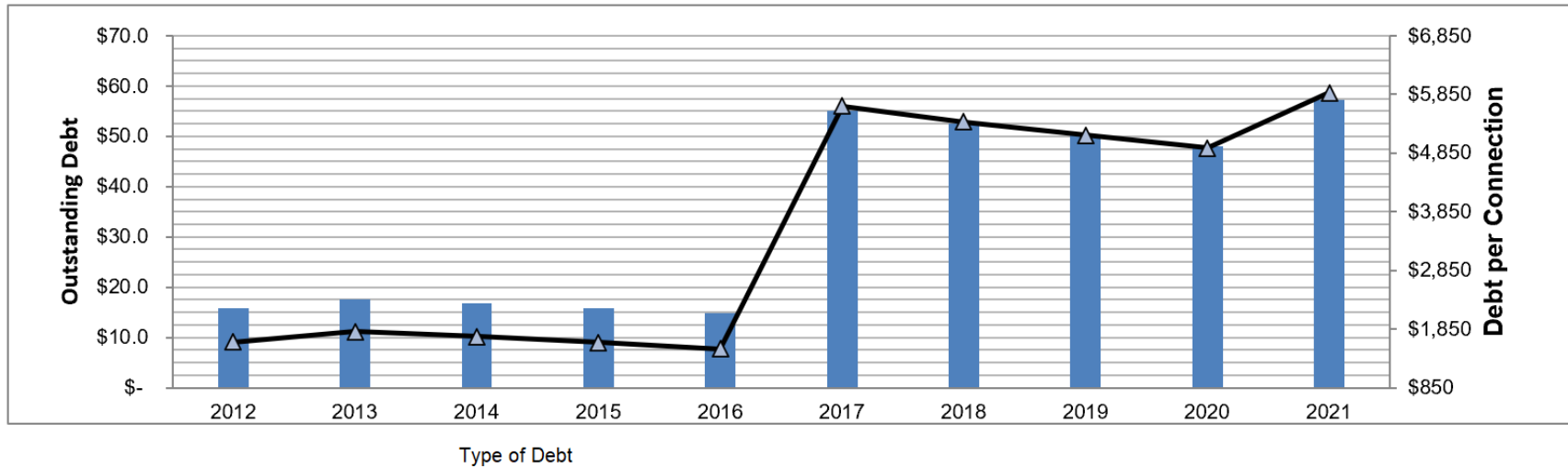
	Fiscal Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DEBT SERVICE⁽³⁾										
Current fiscal year	\$ 4,805	\$ 4,798	\$ 3,991	\$ 3,921	\$ 1,543	\$ 1,540	\$ 1,540	\$ 1,583	\$ 1,591	\$ 1,354
Next fiscal year	\$ 4,814	\$ 4,805	\$ 4,798	\$ 3,991	\$ 3,921	\$ 1,543	\$ 1,540	\$ 1,540	\$ 1,583	\$ 1,591
COVERAGE (1.25X Requirement)			\$ -							
Current fiscal year	<u>1.85</u>	<u>1.53</u>	<u>2.62</u>	<u>2.38</u>	<u>5.62</u>	<u>5.08</u>	<u>4.27</u>	<u>3.84</u>	<u>3.68</u>	<u>4.37</u>
Next fiscal year	<u>1.84</u>	<u>1.53</u>	<u>2.18</u>	<u>2.34</u>	<u>2.21</u>	<u>5.06</u>	<u>4.27</u>	<u>3.95</u>	<u>3.70</u>	<u>3.72</u>
CASH FLOW FROM OPERATIONS	<u>\$ 6,517</u>	<u>\$ 5,205</u>	<u>\$ 8,587</u>	<u>\$ 7,339</u>	<u>\$ 7,336</u>	<u>\$ 6,814</u>	<u>\$ 5,190</u>	<u>\$ 4,793</u>	<u>\$ 5,059</u>	<u>\$ 4,747</u>

Source: Las Gallinas Valley Sanitary District Basic Financial Statements.

Note: The Statements of Revenues, Expenses and Cash Flows from Operations have been restated for the correction of an error and the implementation of GASB No. 68.

- (1) Gross revenues includes all operating and nonoperating revenues and connection fees; excludes grants.
- (2) Operating and maintenance costs means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Wastewater Enterprise excluding depreciation, amortization of intangibles, capital expenditures, accounting adjustments related to pension expense and other post-employment benefit (OPEB) plans.
- (3) Debt service includes principal and interest due in the specified period
- (4) General and administrative restated for fiscal year ending June 30, 2019 from (\$2,704) to \$1,774.

Outstanding Debt Per Connection for the Past Ten Fiscal Years



Fiscal Year Ended June 30,	Other COP As Restated & IBank ¹	Notes Payable	State Revolving Fund	2017 Revenue Bond	Total Outstanding Debt	Debt per Capita ^{2,3}	Total Parcels Connected	Debt per Connection
2012	\$ 7,696,005	\$ 4,446,012	\$ 3,720,274	\$ -	\$ 15,862,291	\$ 546	9,735	\$ 1,629
2013	\$ 7,274,657	\$ 6,144,972	\$ 4,199,671	\$ -	\$ 17,619,300	\$ 607	9,738	\$ 1,809
2014	\$ -	\$ 12,749,974	\$ 4,027,598	\$ -	\$ 16,777,572	\$ 578	9,742	\$ 1,722
2015	\$ -	\$ 11,928,573	\$ 3,850,878	\$ -	\$ 15,779,451	\$ 543	9,742	\$ 1,620
2016	\$ -	\$ 11,079,644	\$ 3,669,387	\$ -	\$ 14,749,031	\$ 508	9,742	\$ 1,514
2017	\$ -	\$ 10,196,639	\$ 3,482,996	\$ 41,368,492	\$ 55,048,127	\$ 1,896	9,742	\$ 5,651
2018	\$ -	\$ 9,274,581	\$ 2,893,080	\$ 40,297,139	\$ 52,464,800	\$ 1,807	9,742	\$ 5,385
2019	\$ -	\$ 8,327,949	\$ 2,685,728	\$ 39,225,786	\$ 50,239,463	\$ 1,730	9,742	\$ 5,157
2020	\$ (329,134)	\$ 7,346,584	\$ 2,893,080	\$ 38,114,433	\$ 48,024,963	\$ 1,654	9,739	\$ 4,931
2021	\$ 11,331,858	\$ 6,324,182	\$ 2,685,728	\$ 36,963,080	\$ 57,304,848	\$ 1,889	9,747	\$ 5,879

Source: Las Gallinas Valley Sanitary District records

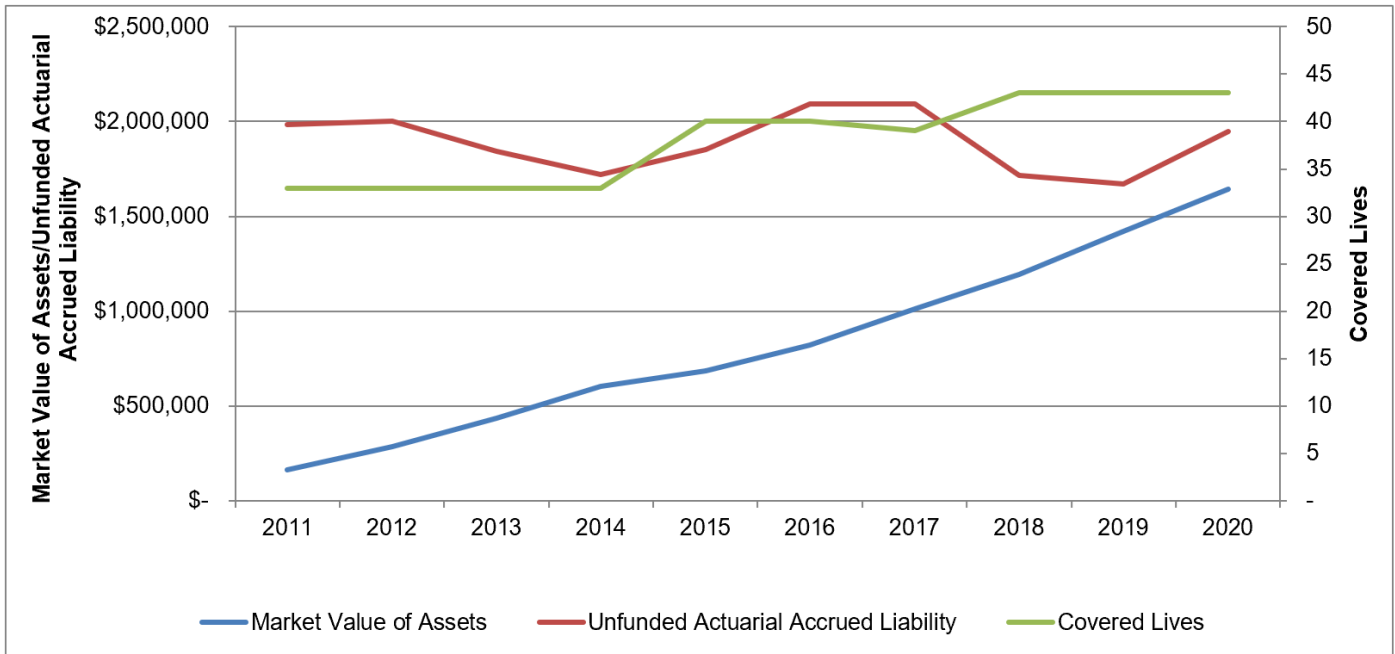
¹ COP as Restated shows for year 2012, IBank \$12,000,000 liability not shown until funds disbursed in 2021 however IBank accrued \$329,134 towards principle in 2020.

² District population of 29,040 per the 2010 Census data for zip code 94903

³ District population of 30,340 per the 2020 Census data for zip code 94903

⁴ Clarified title to "Total Parcels Connected" beginning in 2020 instead of "Total Connections".

**Other Postemployment Benefits Funding Status and Covered Lives
for the Past Ten Fiscal Years**



Fiscal Year Ended June 30,	Market Value of Assets	Unfunded Actuarial Accrued Liability	Covered Lives
2010	\$ 63,348	\$ 1,482,985	31
2011	\$ 160,698	\$ 1,985,486	33
2012	\$ 285,231	\$ 2,000,604	33
2013	\$ 433,543	\$ 1,844,973	33
2014	\$ 601,454	\$ 1,721,266	33
2015	\$ 684,028	\$ 1,854,011	40
2016	\$ 822,086	\$ 2,093,879	40
2017	\$ 1,011,581	\$ 2,094,980	39
2018	\$ 1,191,718	\$ 1,716,981	43
2019	\$ 1,422,668	\$ 1,672,079	43
2020	\$ 1,641,492	\$ 1,948,431	43

**Demographic and Economic Statistics
for the Past Ten Fiscal Years**

Fiscal Year Ended June 30,	Population ¹	Personal Income (\$000)¹	Per Capita Personal Income (\$000)¹	School Enrollment²	Unemployment Rate³
2012	256,069	\$ 23,918,732	\$ 93,407	31,868	7.0%
2013	258,365	\$ 25,093,401	\$ 97,124	32,793	5.1%
2014	260,750	\$ 25,716,754	\$ 98,626	33,207	4.2%
2015	261,221	\$ 28,492,821	\$ 109,076	33,638	3.5%
2016	260,651	\$ 30,222,883	\$ 115,952	33,633	3.5%
2017	260,955	\$ 32,395,707	\$ 124,731	33,741	2.4%
2018	259,666	\$ 34,866,708	\$ 134,275	33,441	2.2%
2019	259,085	\$ 35,987,604	\$ 138,903	34,333	2.5%
2020	257,332	\$ 37,461,199	\$ 145,575	34,223	10.0%
2021	Unavailable	Unavailable	Unavailable	Unavailable	4.8%

Notes / Sources:

¹ US Department of Commerce, Bureau of Economic Analysis - www.bea.gov, the most recently available data is for 2020.

² California Department of Education, Educational Demographics Office - www.ed-data.org/County/Marin, the most recently available data is for FY 2019-20.

³ Employment Development Department, Labor Market Information - www.labormarketinfo.edd.ca.gov

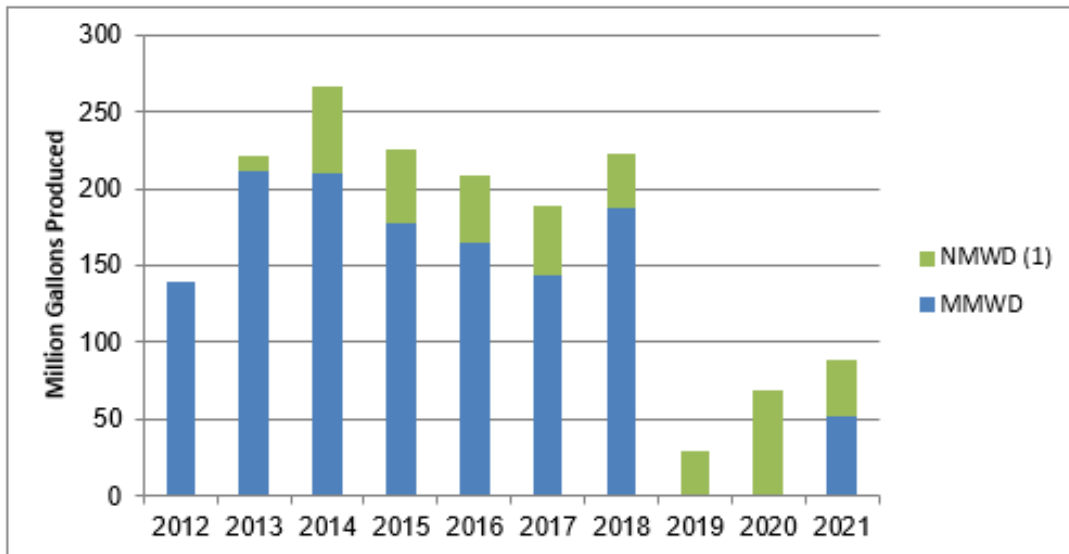
**Principal Employers In Marin County
Most Recently Available and Nine Years Prior**

2020			2011		
Employer	Employees	Percentage of Total County Employment	Employer	Employees	Percentage of Total County Employment
County of Marin	2358	1.97%	County of Marin	2,135	1.74%
Kaiser Permanente	2014	1.69%	San Quentin State Prison	2,058	1.68%
BioMarin Pharmaceutical	1801	1.51%	Kaiser Permanente Medical Center	1,330	1.09%
San Quentin Prison	1614	1.35%	Safeway Inc.	1,200	0.98%
Marin General Hospital	1279	1.07%	Marin General Hospital	1,090	0.89%
Novato Unified School District	800	0.67%	Fireman's Fund Insurance Co.	950	0.78%
Glassdoor Inc	700	0.59%	Autodesk, Inc.	928	0.76%
Marin County Office of Education	664	0.56%	Novato Unified School District	832	0.68%
San Rafael City Schools	645	0.54%	BioMarin Pharmaceutical	700	0.57%
Marin Community Clinics	540	0.45%	Comcast	619	0.51%
Total	<u>12,415</u>	<u>10.39%</u>	Total	<u>11,842</u>	<u>9.67%</u>
Total County Employment	<u>119,500</u>		Total County Employment	<u>122,500</u>	

Sources:

Most recent available data from the County of Marin Annual Comprehensive Financial Report for FY ending June 20, 2020

Recycled Water Production for the Past Ten Fiscal Years



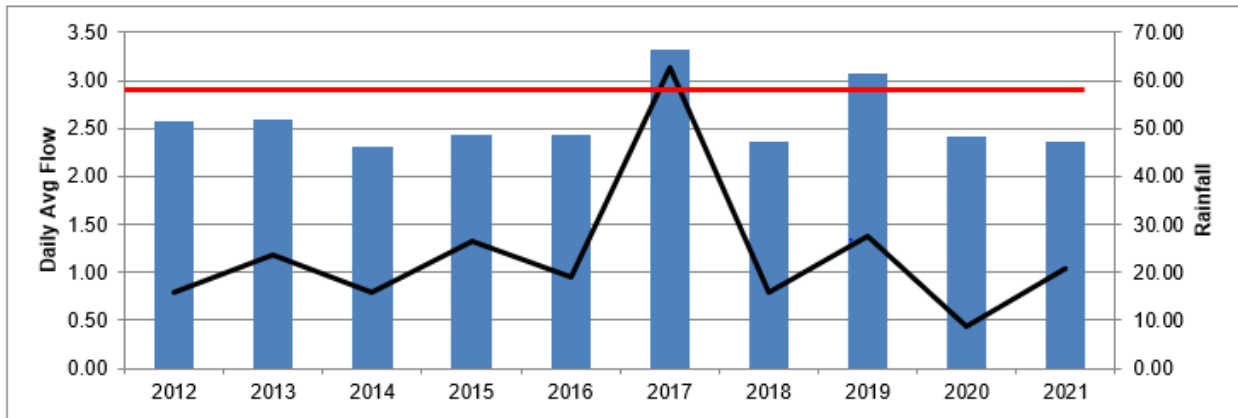
Fiscal Year Ended June 30,	Million Gallons Produced		Increase (Decrease)
	MMWD	NMWD ⁽¹⁾	
2012	139.35	-	-15.74%
2013	212.03	9.52	58.99%
2014	209.28	56.44	19.94%
2015	176.91	48.96	-15.00%
2016	164.98	43.97	-7.49%
2017	143.86	45.53	-9.36%
2018	186.66	36.44	6.77%
2019	0 ⁽²⁾	28.87	-84.76%
2020	0 ⁽²⁾	68.60	-69.25%
2021	51.23 ⁽²⁾	36.97	205.51%

Source: Las Gallinas Valley Sanitary District records

⁽¹⁾ The District began producing recycled water for NMWD in September 2012.

⁽²⁾ MMWD temporarily suspended intake of water until the Recycled Water Expansion Project was complete. Recycled water service restarted the end of March 2021.

Daily Average Influent Flow for the Past Ten Fiscal Years



— Rainfall
— Treatment Plant Dry Weather Permitted Capacity of 2.92 MGD

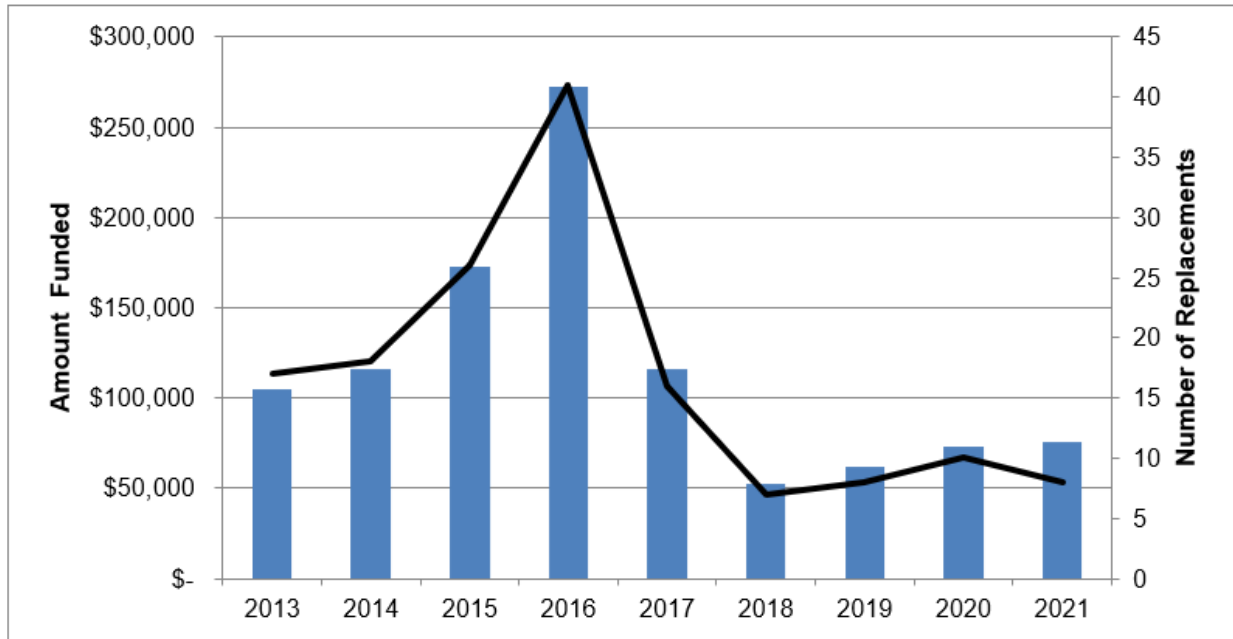
<u>Fiscal Year Ended June 30,</u>	<u>Daily Average Flow (MGD)¹</u>	<u>Increase (Decrease)</u>	<u>Rainfall</u>	<u>Increase (Decrease)</u>
2012	2.57	-15.74%	15.75 ²	-55.00%
2013	2.59	0.78%	23.73 ²	50.67%
2014	2.30	-11.20%	16.00 ²	-32.57%
2015	2.43	5.65%	26.51 ²	65.69%
2016	2.44	0.41%	19.10 ¹	-27.95%
2017	3.32	35.98%	62.80 ³	228.80%
2018	2.36	-28.87%	15.67 ⁴	-75.05%
2019	3.07	30.08%	27.44 ⁴	75.11%
2020	2.42	-21.17%	8.89 ⁴	-67.60%
2021	2.36	-2.48%	20.66 ⁵	132.40%

Sources:

- ¹ Las Gallinas Valley Sanitary District records
- ² Western Regional Climate Center, www.wrcc.dri.edu, rainfall reporting for the San Rafael Civic Center, California July 1 - June 30.
- ³ National Weather Service Forecast Office, <http://w2.weather.gov/climate/xmacis.php?wfo=mtr> for San Rafael Civic Center, July - June
- ⁴ North Marin Water District weather monitoring station at Highways 37 and 101 near Black Pointe.
- ⁵ Marin Water District weather monitoring station at Lake Lagunitas.

Note: Concentrated efforts by the District to reduce infiltration and inflow (I&I) to the sewer collection system during wet weather events through its repair, replacement and maintenance program is demonstrated in the above graph. As rainfall increases, there been a gradual decrease in daily average flow at the treatment plant; this indicates that the District's sewer rehabilitation program is reducing I&I into the sewer system.

Private Sewer Lateral Assistance Program for the Past Nine Fiscal Years

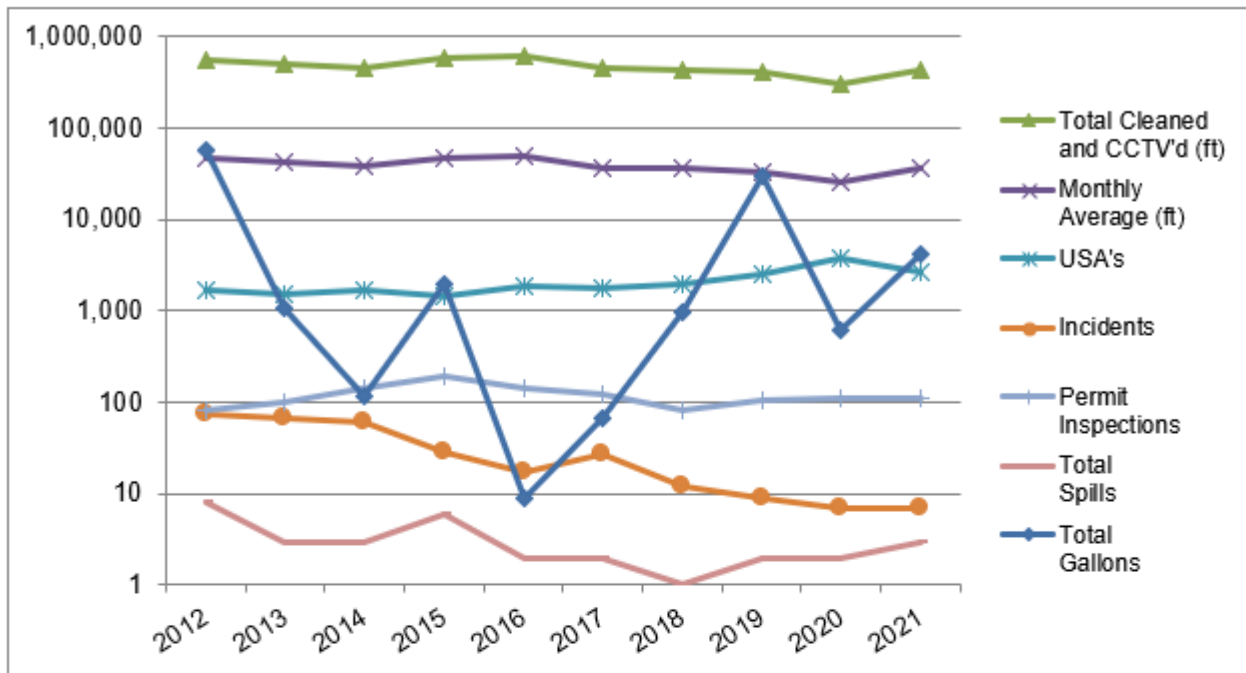


<u>Fiscal Year Ended June 30,</u>	<u>Total Amount Funded</u>	<u>Increase (Decrease)</u>	<u>Number of Funded Replacements</u>	<u>Increase (Decrease)</u>
2013	\$ 104,831	-	17	4.62%
2014	\$ 115,717	10.38%	18	5.88%
2015	\$ 172,788	49.32%	26	44.44%
2016	\$ 272,322	57.60%	41	57.69%
2017	\$ 116,092	-57.37%	16	-60.98%
2018	\$ 52,406	-54.86%	7	-56.25%
2019	\$ 61,716	17.77%	8	14.29%
2020	\$ 73,397	18.93%	10	25.00%
2021	\$ 75,904	3.42%	8	-20.00%

Source: Las Gallinas Valley Sanitary District records

Note: The District began the Private Sewer Lateral Assistance Program in 2013 to help property owners repair and replace their laterals.

Collection System Services Past Ten Calendar Years



Calendar Year	Total Cleaned and CCTV'd (ft)	Monthly Average (ft)	USA's	Incidents	Permit Inspections	Total Spills	Total Gallons
2008	597,230	49,769	875	65	31	5	409
2009	538,127	44,844	1,272	59	36	5	3,455
2010	535,844	44,654	1,053	54	60	2	225
2011	596,551	49,713	927	52	68	2	2,220
2012	561,940	46,828	1,645	74	81	8	56,190
2013	505,587	42,132	1,521	68	100	3	1,073
2014	452,649	37,721	1,721	62	141	3	114
2015	573,209	47,767	1,467	29	190	6	1,964
2016	597,656	49,805	1,896	17	141	2	9
2017	444,989	37,082	1,773	27	125	2	67
2018	436,928	36,411	1,918	12	83	1	975
2019	400,286	33,357	2,548	9	104	2	29,080
2020	303,662	25,305	3,803	7	108	2	601
2021	429,304	35,775	2,681	7	111	3	4,238

Source: Las Gallinas Valley Sanitary District records

Note: CCTV is video recording of the sewer mains and lateral performed with a mobile unit.

A USA is a request by the Underground Service Alert system to mark utility lines on public and private property. The purpose of the program is to prevent damage to the District's sewer system.

**Full-Time Equivalent Employees by Function
for the Past Ten Fiscal Years**

Fiscal Year Ended June 30,	Operations	Engineering	Laboratory¹	Collection System	Administration	Board	Total
2012	6	2	2	5	4	5	24
2013	6	2	2	5	4	5	24
2014	6	2	2	5	4	5	24
2015	6	3	2	5	4	5	25
2016	7	3	2	5	4	5	26
2017	7	3	2	5	4	5	26
2018	7	2	2	5	4	5	25
2019	7	2	2	5	4	5	25
2020	7	2	2	6	4	5	26
2021	8	2	2	8	5	5	30

Source: Las Gallinas Valley Sanitary District records

Notes:

¹ 2006-2008 counts associated with paid interns

2/17/2022

Interim General Manager Report

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



101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
Fax: 415-499-7715
www.LGVSD.org

Date
Interim General Manager, Chris DeGabriele
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

Megan Clark
Ronald Ford
Craig K. Murray
Judy Schriebman
Crystal J. Yezman

February 9, 2022

The Honorable Alan Lowenthal
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Lisa McClain
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives, Lowenthal and McClain:

On behalf of the Las Gallinas Valley Sanitary District I write to express Las Gallinas Valley Sanitary District strong support for your Wastewater Infrastructure Pollution Prevention and Environmental Safety (WIPPES) Act. Your bipartisan legislation takes a critical step to address the pervasive, but ultimately preventable, problem of the flushing of non-flushable wet wipes that cause undue adverse impacts to clean water infrastructure across the nation. The Las Gallinas Valley Sanitary District serves 32,000 customers with their private sewer laterals in the northern San Rafael area and manages approximately 105 miles of public sewer system collection lines. Pump stations throughout the District convey wastewater to our treatment plant at the edge of San Pablo Bay. We urge that the WIPPES Act be included in any larger infrastructure investment package Congress acts upon this year.

As the entities responsible for collecting and treating communities' wastewater, we have firsthand knowledge of the unique treatment and management challenges and pollution threats to our water supplies. This includes the flushing of non-flushable wet wipes. Often times, these wipes are marketed as flushable. However, frequently these products are composed of synthetic, plastic materials that are not compatible with the sewer systems and infrastructure. As a result, when these products travel through the sewer systems they do not break down, but rather accumulate with fats, oils and grease and become large obstructions in the pipes that ultimately clog pumps, collection systems, and motors, causing backups and treatment equipment failures. If the wipes manage to make it to the treatment facilities, the products are broken down into smaller microfibers and microplastics that can be inadvertently released back into the environment.

Your legislation would address this unique problem in a straightforward and reasonable approach, by establishing "Do Not Flush" labeling requirements for non-flushable wet wipes product packaging. Such labeling requirements establishes a source control solution by stopping the use of flushing these wipes down the toilet as an acceptable disposal method and, as a result, decrease the strains that the flushing of these products have upon property owners, infrastructure, ratepayers, and the surrounding environment.

Thank you for your continued efforts to address and develop solutions to the unique problems of the flushing of non-flushable wipes and including the clean water sector in the legislation. If Las Gallinas Valley Sanitary District can be a resource for you in the future, please do not hesitate to contact me at 415-472-1734.

Sincerely,


Chris DeGabriele
Interim General Manager

Cc: Congressman Jared Huffman
Congressman Mike Thompson



Item Number 3.3
GM Review

Agenda Summary Report

To: Board of Directors
From: Teri Lerch, District Secretary 
(415) 526-1510; tlerch@lgsd.org
Mtg. Date: February 17, 2022
Re: Bi-Monthly Department Reports
Item Type: Consent _____ Action _____ Information X Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X .

STAFF RECOMMENDATION

Informational only.

BACKGROUND

Department Reports are given to the Board every two months. This is an opportunity for the Managers' to report on actions taken within their respective departments.

Department Reports this month:

- Administration – Dale McDonald
- Collections – Greg Pease
- Engineering – Mike Cortez

PREVIOUS BOARD ACTION

None.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None.

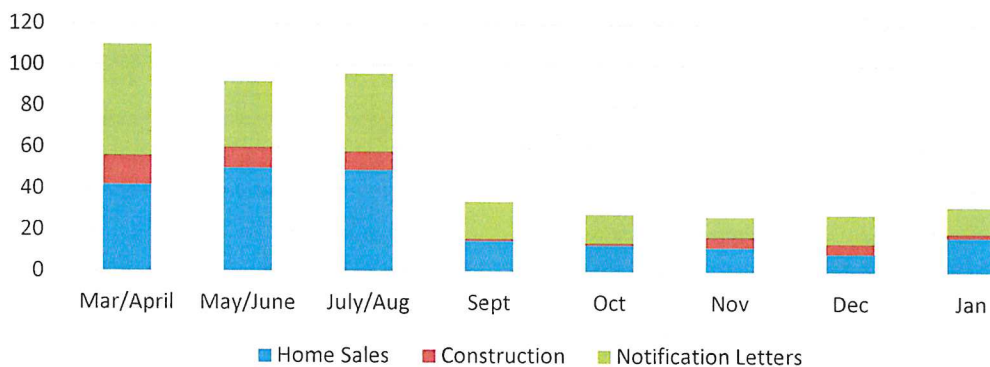
FINANCE

- Form of Annual Certification filed with IBank by deadline of January 1.
- Audit of fiscal year ending June 30, 2021 completed. Annual Consolidated Financial Report (ACFR) completed and submitted to the Government Finance Officers Association for consideration of the Certificate of Achievement for Excellence in Financial Reporting.
- Annual Financial Transaction Report (FTR) filed with State Controller’s Office (SCO) for LGVSD and Marin Public Financing Authority.
- Internal audit of 1099 businesses completed.
- Implementation kick off meeting with Caselle for new Accounting Enterprise Resource Planning software held January 4, 2022. Prep work underway to develop Fund based accounting system to replace QuickBooks.
- Marin Municipal Water District and North Marin Water District recycled water billing for November thru December completed.

ADMINISTRATION

- COVID-19 Prevention Program (CPP) updated December 28, 2021.
- Statement of Facts (SoF) filed with State as required by Gov Code Sec 53051.
- GM Executive Search Recruitment Services contracted with Bob Murray & Associates.
- Development of ordinance to meet regulatory requirements of SB 1383, the Short-Lived Climate Pollution Reduction Act of 2016, including organic recycling underway.
- Sewer Lateral Inspection Program – the administration department provided support for 33 video inspection applications December through January; 26 were triggered by home sales and 7 by construction. In addition, 27 notification letters were mailed to property owners who have pulled building construction permits with the City of San Rafael or the County advising them of their requirement to have their sewer lateral inspected. Data recorded monthly beginning in September.

Sewer Lateral Video Inspection Activity



- A total of six Board meetings were held during this 2 month period, monthly total lower from the peak of eleven in the months of July and August.
- Continuous website updates and posting in Marin IJ related to posting of agendas, minutes, public hearing notices, Board vacancy, etc.

HUMAN RESOURCES

- Year-End Employment and Payroll forms completed: W-2, 1099, etc.
- Electrical Instrumentation Technician – second round of recruitment resulted in 5 applications being received. Interviews pending.
- Civil Engineering Technician (CET) and CMMS Technician jobs posted, recruitment underway. 4 applications for CET position and 2 applications for CMMS Tech received.
- Maintenance Supervisor recruitment has received 4 external and 2 internal applicants.
- Human Resource consulting services proposals were evaluated, interviews coordinated with Ad-Hoc HR Committee. Pending award of contract.

REQUEST FOR PROPOSALS / CONTRACTS

Contracts executed in December and January listed below:

<u>Vendor Name</u>	<u>Dept</u>	<u>Description</u>	<u>Date of Agreement</u>	<u>Term End Date</u>	<u>Contract Amount</u>
Bob Murray and Associates	100	Executive Recruiting for General Manager	1/31/2022	12/31/2022	\$26,000
Daniel Edelstein	500	Amendment Extending Canada Goose and NPDES Permit Support for CY 2022	pending signatures	12/31/2022	\$17,311
Preparative Consulting	100	Emergency Management and Business Continuity Plan	pending signatures	6/30/2023	\$67,661

Departments: -100 Admin, -125 Engineering, -200 Collections, -250 Maintenance, -300 Pump Stations, -400 Lab, -500 Reclamation, -600 Plant, -650 Recycled Water



PENDING AGENDA ITEM REQUESTS STATUS REPORT

#	Item Description	Date	Responsible	Status / Notes
1	COVID Testing Policy	2/3/2022	DM	Scheduled 3/3
2	Guide Dogs Easement and Resolutions		MC	Scheduled 3/3
3	Sewer Rate / Low Income Assistance Program		DM	Scheduled 3/17
4	FutureSense Report Recommendations		DM	w/ Interim GM
5	Board Policy Workshop		DM	Tentative week 4/12
6	Policy Manual Redline rollup to Board		DM	With Workshop
7	Policy to address off-topic statements – update B-120-40	1/18/2022	DM	With Workshop
8	Board Policy B50 Training/Conf./Seminars/Travel/Meals		DM	Revisit @ workshop
9	Rules of Order – Robert’s or Rosenberg’s – Policy B-140-60		DM	Revisit @ workshop
10	Parliamentary Procedures - revisit	1/18/2022	DM	Tied to Rules of Order
11	Grant Funding Report opportunities for grants	12/16/2021		Pending
12	Public Use of Reclamation Area	1/6/2022	DM	Revise Ordinance
13	Invasive Species / Blackberry Removal in Reclamation	1/6/2022	GP	
14	Environmental Preferable Purchasing Policy		DM	Need to develop
15	Measure A – County Redistricting Discussion			
16	Recycled Water Signage w/ LGVSD logo			To staff to handle
17	Comp review of District Sec and Admin Finance Specialist	12/16/2021	DM	Pending
18	Real Property Administration - Property Acquisition			
19	Lab Analyst to Lab Technician Classification Updates		DM	On Hold
20	Reconsider Environmental Compliance Manager Position		DM	On Hold

SSO SPILL SUMMARY

- 10/24/2021 – (2) SSO's totaling 3,975 gallons during major storm event
 - Elena Circle – Category 1 (reached water of state) 3,475 gallons
 - Safeway Siphon – Category 1 (reached water of state) 500 gallons
- 10/27/2021 – 33 Merrydale Road – Category 3 (did not reach water of state) 263 gallons

KEY MAINTENANCE PROJECTS

- Multiple Treatment Plant Facility repairs – (51) Work Orders
- Headworks – High Pressure water line repair
- Bar Screen - brush roller bearing replacement
- Plumb and install new Hypochlorite pump in Chlorine building, need pedestal, new M4 pump, valves, tubing
- Replace plant safety signs and install PPE boxes throughout the facility
- Routine Preventative Maintenance Work Orders – Treatment Plant/Pump Stations
- (400) Fleet Maintenance Inspections

SAFETY ISSUES AND TRAINING

- Heavy Equipment Safety
- Trenching/Shoring/Excavation
- Silica Awareness/Hearing Conservation
- Lock Out/Tag Out (LOTO) Training

OTHER

- Collection System – Pump Station Maintenance (Routine)
- Collection System – Pump Station and easement vegetation cleanup
- Collection System – “Hotspot” maintenance (Quarterly)
- Collection System – ARV maintenance

REQUESTS FOR PROPOSALS

- None

PERFORMANCE METRICS

Collection System Cleaning and CCTV Inspection

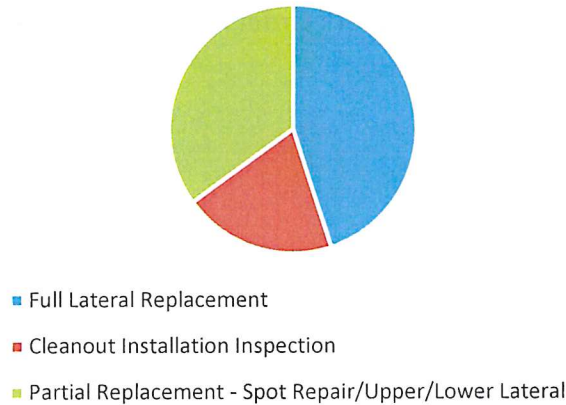
- Flushed/Rodded = 24,703 feet; Percent of District = 4.4%.
- CCTV Inspected = 300 feet; Percent of District = 0.01%.

- Manhole inspections performed = 528
- USA Ticket Work Orders = 906

Lateral Construction and Repair Inspections

- Applications received = 34
- Full Replacement Inspections Performed = 9 Full Replacements
- Cleanout Installation Inspections Performed = 4 Cleanout Installations
- Spot Repairs/Upper/Lower Replacements Performed = 7 partial replacements or spot repairs

Lateral Construction and Repair Inspections

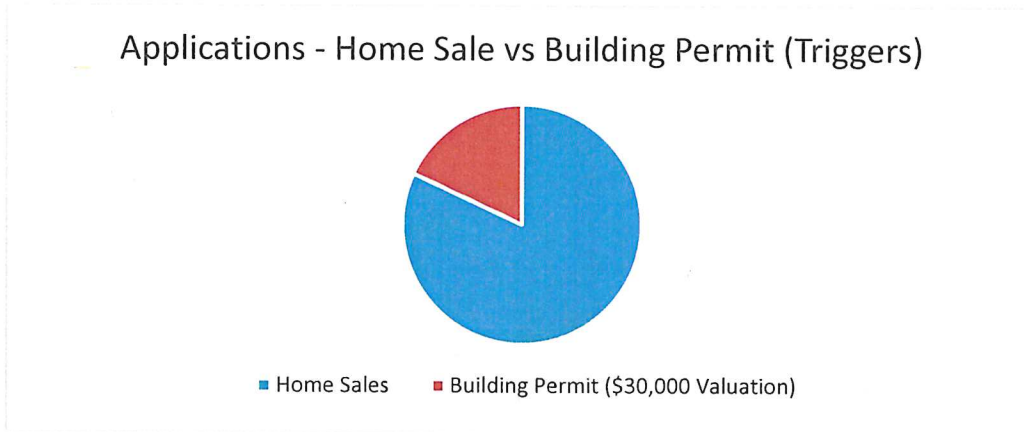


CNG Fueling Stations

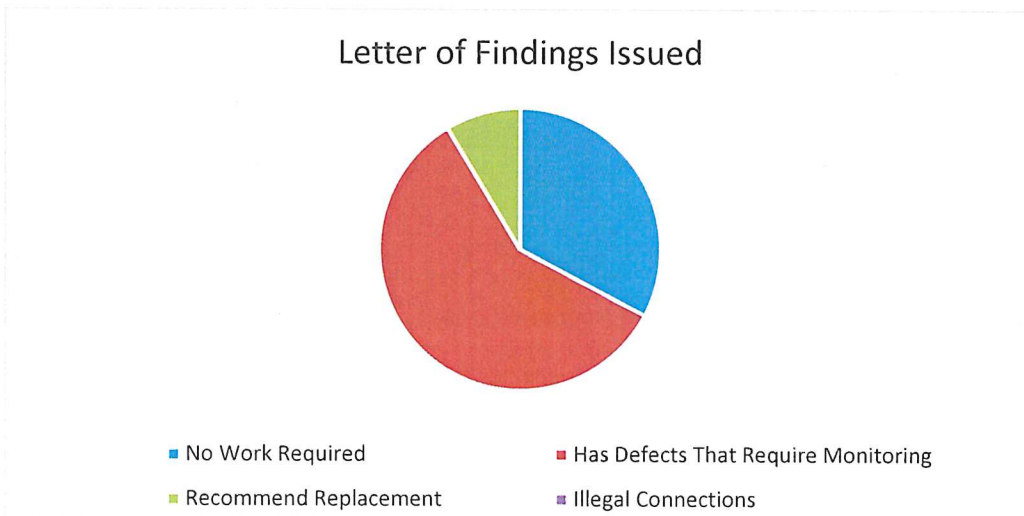
- CNG Fueling Station
 - Plant Slow Fill = 0% Up Time
 - Smith Ranch Fast Fill = 0% Up Time.
- Anderson Drive PG&E Fuel Station
 - 13 Trips to Anderson Drive Fueling Station
 - 187.2 miles driven for refueling (7.2 miles one way)
 - Total Diesel Gallon Equivalent (DGE) = 328.49 DGE

Sewer Lateral Ordinance Inspections - Number of Applications Processed

- Home Sale Applicants = 50 received
- Building Permit (\$30,000 valuation) Applicants = 11 received



- Home Sale Letter of Findings Issued = 58; 5 - recommend replacement, 34 -have defects that require monitoring, 19 - no work or monitoring required, 0 – Illegal connection



DESIGN (Number of projects in design phase: 10)

- John Duckett Pump Station (PS) – On-hold, pending further evaluation of alternative force main alignment within City streets.
- Operation Control Center Building Design
 - Staff has submitted a pre-application with Conceptual Design drawings prepared by Danadjieva Hansen Architects (DHA) to City of San Rafael (CSR).
 - Staff received initial comments from CSR Planning Department, including Fire Department, Public Works, and MMWD.
 - Staff has received direction from ad hoc committee to proceed with current design without modifications.
 - Board discussed optional features with DHA on 1/18/2022.
- Flow Equalization Basin – Hazen & Sawyer provided several layout options for the existing secondary clarifier and fixed film reactor area for staff to select a preferred option.
- Solar Photovoltaic System Upgrades – Staff and Kenwood Energy have negotiated monetary compensation for remaining useful life of solar panels with Sharp. OnSwitch is preparing necessary drawings and documents for the District to remain under Net Energy Metering (NEM) 2.0 in lieu of the upcoming NEM 3.0 rules. Kenwood is developing an RFP for Power Purchase Agreement for Board approval at a later date.
- Standby Generator System Installation at Adrian, McPhail, and Industrial Park Pump Station – Held kick-off meeting with GD Nielson (design-build contractor).

CONSTRUCTION (Number of projects in construction: 10)

- Rafael Meadows Pump Station Standby Generator Installation – The District has received Authority to Construct from Bay Area Air Quality Management District. Staff has approved the generator submittal for the contractor to place an order.
- Marin Lagoon Pump Station No.1 Improvements – DW Nicholson (Contractor) has substantially completed construction of the project.
- Grit Screw Conveyor Systems Replacement – Held kick-off meeting with CATS4U (Contractor).

REQUEST FOR PROPOSALS/QUALIFICATIONS (Number of projects in RFP/RFQ: 1)

CALL FOR BIDS – None.

OTHER (Number of projects: 6)

- Biosolids Land Application Permit – HDR provided background information and current project status for staff to become familiar with the project objectives and issues.
- Integrated Wastewater Master Plan – Staff continues to review and prepare comments for technical memoranda for collection system, wastewater treatment plant, sea level rise assessments, asset management, and disaster resilience prepared by Kennedy Jenks.
- Arc Flash Study – Scheduled Arc Flash Awareness Training with P2S for collections, maintenance, and operations staff in March 2022.

Engineering Monthly Report (Dec 2021 thru Jan 2022)

Job No.	Project Name/Updates	On Hold	% Completion
DESIGN PROJECTS			
11200-03	John Duckett Pump Station & Sewer Main Capacity and Storage • On-hold, pending further evaluation of alternative force main alignment within City streets.		30%
20100-02	Operation Control Center Building Design • Staff has submitted a pre-application with Conceptual Design drawings prepared by Danadjieva Hansen Architects (DHA) to City of San Rafael (CSR). • Staff received initial comments from CSR Planning Department, including Fire Department, Public Works, and MMWD. • Staff has received direction from ad hoc committee to proceed with current design without modifications. • Board discussed optional features with DHA on 1/18/2022.		10%
20600-04	Flow Equalization Basin • Hazen & Sawyer provided several layout options for the existing secondary clarifier and fixed film reactor area for staff to select a preferred option.		25%
21300-06	Venetia Harbor Fencing & Paving • Design is deferred until next FY due to budget reallocation. • Budget has been designated for reallocation to STPURWE Brown & Caldwell Amendment #2.	Design is On Hold	
20300-09	Smith Ranch Pump Station Electrical Upgrades • Received scoping memo from Freyer & Laureta.		15%
21300-03	Standby Generator System Installation for Adrian, McPhail, and Industrial Park PS • Held kick-off meeting with GD Nielson (design-build contractor).		5%
21300-04	Pump Station Site Lighting Improvements • Received scoping memo from Freyer & Laureta.		15%
21350-01	Automatic Transfer Switches for Pump Stations • Received scoping memo from Freyer & Laureta.		15%
21600-01	Emergency Bypass Pumping Analysis & Emergency Response Plan • Received scoping memo from Freyer & Laureta.		15%
21600-07	Digester Room MCC#2 Upgrade • Hazen continues to prepare design drawings.		30%
CONSTRUCTION PROJECTS			
11500-09	Miller Creek Vegetation Maintenance • On-going with Hanford ARC. • Staff has confirmed with Hanford ARC that no hardinggrass was used for reseeding or replanting.		15%
12300-05	Rafael Meadows Pump Station Standby Generator Installation • The District has received Authority to Construct from Bay Area Air Quality Management District. • Staff has approved the generator submittal for the contractor to place an order.		75%
12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expansion • On-going with Myers & Sons Construction.		95%
18360-01	Marin Lagoon Pump Station No.1 Improvements • DW Nicholson has substantially completed construction of the project.		90%
20200-01	Air Release Valve and Vault Replacements • Project is substantially complete.		97%
	Reclamation Pond Diversion Boxes • Staff to develop new scope for FY 2021-22 for replacement of critical gates at two diversion boxes.		5%
21600-08	Grit Screw Conveyor Systems Replacement • Held kick-off meeting with CATS4U.		5%

Job No.	Project Name/Updates	On Hold	% Completion
22125-04	On-Call Construction Contract <ul style="list-style-type: none"> Merrydale Pipeline Repair Behind Michaels - Piazza Construction has partially completed pipebursting a pipe section behind Michaels. Replacement of Manhole Frame & Cover - In progress. Settlement near reclamation leak repairs - Notified Piazza. 		Continuous
22500-03	Solar Photovoltaic System Inverters Replacement <ul style="list-style-type: none"> On-hold due to issues with existing Sharp solar panels. PVCA disconnected all Sharp solar panels due to potential fire hazards. 		On Hold
22500-03	Solar Photovoltaic System Upgrades <ul style="list-style-type: none"> Staff and Kenwood Energy have negotiated monetary compensation for remaining useful life of solar panels with Sharp. OnSwitch is preparing necessary drawings and documents for the District to remain under Net Energy Metering (NEM) 2.0 in lieu of the upcoming NEM 3.0 rules. Kenwood is developing an RFP for Power Purchase Agreement for Board approval at a later date. 		20%
REQUESTS FOR PROPOSALS			
<i>ISSUED</i>			
20200-01	Force Main Location Marking & Mapping <ul style="list-style-type: none"> Received no proposals. Staff is evaluating other options due to lack of interest for the prior two RFPs. 		
<i>NEAR TERM</i>			
	Asset Management Part 2 <ul style="list-style-type: none"> Staff is evaluating the option to issue contract amendment with current asset onboarding contract with Kennedy Jenks in lieu of issuing an RFP. 		
CALL FOR BIDS			
None.			
OTHER			
	Biosolids Land Application Permit <ul style="list-style-type: none"> HDR provided background information and current project status for staff to become familiar with the project objectives and issues. 		N/A
	Additional WaterSMART Grant Funding <ul style="list-style-type: none"> Waiting for approval of funding request for Recycled Water component of the STPURWE project from NBWRA. 		N/A
	Descanso Force Main Relocation (McInnis Marsh Restoration Project) <ul style="list-style-type: none"> Kennedy Jenks (KJ) has completed Part 2 Analysis to evaluate five options, including existing alignment and other realignment alternatives. This technical memo will be included in the IWMP. 		N/A
20100-04	Integrated Wastewater Master Plan <ul style="list-style-type: none"> Staff continues to review and prepare comments for technical memoranda for collection system, wastewater treatment plant, sea level rise assessments, asset management, and disaster resilience prepared by Kennedy Jenks. 		Phase 2: 45%
20125-01	On-Call Engineering Contract <ul style="list-style-type: none"> Hazen & Sawyer has been tasked to work on the solar panel evaluation and RFP. 		Continuous
20500-05	Marsh Pond Long Term Vegetation Management Plan <ul style="list-style-type: none"> Staff to meet with WRA and EOA in February to finalize the response to Audubon. Staff and WRA are working on a response and revising the vegetation management plan to the extent possible. 		85%
21125-03	Alternative Funding Pursuit <ul style="list-style-type: none"> Staff has received a revised list of potential funding opportunities from Kennedy Jenks. Staff will focus on reviewing potential grants applicable to the OCC Building. January updates: None applicable to the OCC. February updates: None applicable to the OCC. 		Continuous
21300-07, 21500-07, & 21600-16	Arc Flash Study for Pump Stations, Treatment Plant, and Reclamation Facilities <ul style="list-style-type: none"> Scheduled Arc Flash Awareness Training with P2S for collections, maintenance, and operations staff in March 2022. 		80%

Job No.	Project Name/Updates	On Hold	% Completion
LAND DEVELOPMENT			
	Guide Dogs for the Blind - 350 Los Ranchitos Rd		
	<ul style="list-style-type: none"> • Scheduled acceptance of easement and quitclaim on 3/3/2022. 		
	Northgate Redevelopment - 5800 Northgate Mall		
	<ul style="list-style-type: none"> • Redevelop Northgate Mall to include both retail and multi-family units. <li style="padding-left: 20px;"><i>Project Concept 2025: retail space plus 965 multi-family units</i> <li style="padding-left: 20px;"><i>Project Concept 2040: retail space plus 1374 multi-family units</i> • Applicant submitted sanitary sewer capacity calculations for review. 		
	Oakmont Senior Living		
	<ul style="list-style-type: none"> • A total of 88 assisted living and memory care units. • Signed off on City of San Rafael final inspection form. 		
	Talus Reserve		
	<ul style="list-style-type: none"> • New development of 28 single family residences near Erin Dr. • Staff provided sewer design approval noting the "at risk" situation. • Staff had a coordination meeting with developer and Hazen for the capacity analysis. 		
	Los Gamos Apartments		
	<ul style="list-style-type: none"> • Total of 192 apartment units. • Staff had a coordination meeting with developer and Hazen for the capacity analysis. 		
	245 Nova Albion Way		
	<ul style="list-style-type: none"> • Approximately 100 new for-sale homes. • Staff to review City of San Rafael transmittal. 		



Item Number 4
GM Review ✓

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: February 17, 2022
Re: Approve Second Amendment to Marin Sanitary Service Franchise Agreement and Set Hearing for Ordinance No. 189 Amending Title 4 Regulating Solid Waste and Recycling as Required by SB 1383

Item Type: Consent Action X Information Other .
Standard Contract: Yes No (See attached) Not Applicable X .

STAFF RECOMMENDATION

1. Adopt a resolution approving a second Amendment to the Revised and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market, and Dispose of Solid Waste, Recyclable and Organic Materials between the Marin Sanitary Service to comply with Senate Bill (SB) 1383 regulations.
2. Introduce and waive first reading of Ordinance No. 189 amending Chapter 1 of Title 4 of the Las Gallinas Valley Sanitary District Code regulating solid waste, recyclable and organic materials, and the collection, removal, and disposal thereof in accordance with Senate Bill (SB) 1383. If introduced at this meeting, a public hearing will be scheduled for the regular Board meeting of March 17, 2022 where the ordinance will be considered for adoption.

BACKGROUND

Senate Bill 1383, the Short-Lived Climate Pollutant Reduction Act of 2016, is part of a statewide effort to reduce the emissions of short-lived climate pollutants (like methane gas) in various sections of California's economy. SB 1383 sets a target to divert 75% of organic waste from landfills and recover 20% of edible food for human consumption by 2025. Marin Sanitary Service ("MSS") is the authorized collector for businesses, residences, and government agencies within the Las Gallinas Valley Sanitary District ("District") boundaries.

SB 1383 requires all jurisdictions throughout the State to update their Franchise Agreements and revise their District Code by adopting a mandatory organics recycling ordinance by January 1, 2022. However, the District was advised that if our District adopts our ordinance prior to April 1, 2022, the deadline for filing the initial compliance report containing ordinances or other enforceable mechanisms listed in the annual reporting section (14 CCR 18994.1), CalRecycle would consider the District compliant. CalRecycle created a model ordinance to satisfy their requirements and staff worked with R3 Consulting Group (R3) and legal counsel to customize the ordinance to meet the requirements. The proposed ordinance supports the establishment of enforceable SB 1383 related requirements for organic waste generators, haulers, and others and contains language similar to other jurisdictions in Marin County.



The introduction of Ordinance No. 189 amending Chapter 1 or Title 4 of the District Code was presented to the Board of Directors ("Board") on January 20, 2022. Concerns on how enforcement is to be handled and when violations would be issued were raised. Staff was asked to get research these questions and bring the Ordinance back to the Board for consideration.

SECOND AMENDMENT TO THE FRANCHISE AGREEMENT REQUIRED BY SB 1383

Our Franchise Agreement sets the services and standards for MSS to conduct waste management activities and bill customers within our District. The first amendment to the franchise agreement establishing a new, streamlined rate setting methodology was adopted in 2019.

SB 1383 establishes specific services and ways to provide those services by waste haulers, and accordingly requires updates to the Franchise Agreement. The District worked with R3 to develop the Second Amendment to the Franchise Agreement which is similar to the adopted version the City of San Rafael and MSS entered into in December 2021. This amendment reflects additional requirements related to SB 1383 and makes more explicit many of the services MSS offers.

The amendment is provided as Attachment B. A summary of the items in the proposed amendment follows:

- Full roll-out of three-container waste collection (including garbage, recycling and organics) to all customer types in compliance with SB 1383 requirements by January 1, 2024
- Container labels to meet SB 1383 standards for all new containers put into service
- Outreach and education, including development and distribution of materials
- Evaluation of waiver requests for exemption from the requirement to subscribe to recycling and organics service (the City retains the responsibility for approving such requests)
- Route reviews and notices for contamination monitoring
- Site visits to customers to provide educational materials and assistance in proper sorting; and for customers not signed up for recycling or organics service to encourage them to subscribe
- Reporting to the District and State on compliance activities; and reports to the District on observed non-compliance for District initiated enforcement action

Note that this is the first item of several actions required for the District to comply with and implement SB 1383.

ORDINANCE NO. 189 AMENDING CHAPTER 1 OF TITLE 4 OF THE DISTRICT CODE

The ordinance presented will establish mandates for organics recycling by waste generators, and will also provide for penalties and documentation, which is required by the law. The proposed ordinance imposes new waste disposal requirements on residents and businesses within the District. The ordinance designates the District as the enforcement agency, but allows flexibility for the District to delegate enforcement responsibility for certain portions of the ordinance to other entities. Staff is continuing to work with R3, Marin Sanitary Service (MSS) and other jurisdictions to determine whether certain SB 1383 responsibilities can be shared through written agreements, however the District itself remains responsible for SB 1383 compliance.



Key provisions of the proposed ordinance identified by staff and R3 are highlighted below (*the list is not comprehensive*):

- Single-family, multi-family and businesses must subscribe to solid waste, recyclables and organics collection service and properly sort these materials.
- Businesses and multi-family buildings must acquire and supply, through MSS (*or any subsequent franchised waste hauler*), an adequate number of labeled, color-coded containers for employees, contractors, tenants, and customers, consistent with the 3-container program provided by MSS (or self-haul) and educate employees and tenants about proper sorting.
- Businesses (*excluding multi-family*) must provide additional labeled or color-coded containers for organic waste and recyclable materials generated by that business in all areas where the business provides disposal containers (“user disposal containers”) for employees, tenants, customers, and other users of the premises.
- MSS must take organic materials to facilities that recover source-separated organic waste and recyclables to facilities that recover recyclable materials.
- Self-haulers of organic materials must source-separate organics, take them to a facility that recovers organics and keep specified records.
- Large, commercial edible-food generators must divert edible food through a written agreement with food recovery organizations and keep specified records.
- Food recovery organizations and services must maintain certain records, including written agreements with edible food generators.
- The District’s right to inspect and enforce the requirements are contained in the Ordinance, as are penalties for violations.
- Beginning in 2024, violation of any provision of the Ordinance may result in a notice of violation and assessment of penalties in amounts consistent with those specified in SB 1383.

The District and regulated entities (*with the exception of Tier 2 commercial edible food generators*) need to comply with nearly all SB 1383 requirements by January 1, 2022, with the exception that enforcement actions do not need to commence until January 1, 2024.

More information regarding SB 1383 can be found at: <https://www.calrecycle.ca.gov/organics/slcp>

ENFORCEMENT OF SB 1383

CalRecycle was contacted and asked to provide assistance in addressing our concerns about the requirement of administrative enforcement beyond the legislative authority in the District’s enabling act. The letter to CalRecycle is provided as Attachment D and it was forwarded to CalRecycle management. The District is awaiting a reply from CalRecycle as of this writing.

Marin County and the City of San Rafael were sent letters requesting assistance in enforcing requirements of SB 1383. These letters are provided as Attachments E and F. The District asked for assistance with the following requirements of SB 1383:

1. Inspections and enforcement of Commercial edible food generator requirements.
2. Enforcement of Food recovery organization and services, if needed.
3. Enforcement of commercial generators that don’t subscribe to adequate service levels. (Our hauler, Marin Sanitary Service, will identify the entities that are out of compliance).
4. Reporting to CalRecycle on an annual basis re: SB 1383 implementation as required.

Enforcement for violations by commercial generators would be subject to fines. Residential customers would be subject to educational outreach to meet compliance with SB 1383 regulations.



Changes to the draft Ordinance Section 239 Violation Penalty as it relates to enforcement has been made since initial presentation on January 20.

- Section 239(a) changed “will” to “may be grounds for issuance of a Notice of Violation” to allow the District discretion when considering the severity of the violation by commercial generators.
- Section 239.(f) was added “Residential generators shall not be subject to contamination charges by District or Collector.”

The law requires that an enforceable ordinance be adopted pursuant to Section 18981.2 of Title 14 of the California Code of Regulations. Actual enforcement of provisions in our ordinance is not required until January 2024. Staff is anticipating clarification from CalRecycle on how special districts, such as ourselves, are to address the enforcement provisions.

SUMMARY

SB 1383 regulations require submission of an initial compliance report by April 2022 and has additional compliance and reporting deadlines in the coming year for items such as food recovery and capacity planning for organic materials processing.

Adoption of an enforceable ordinance by April 1, 2022 is a requirement of being in compliance with SB 1383. If not adopted, the District would be out of compliance and subject to enforcement. The SB 1383 enforcement structure allows CalRecycle to focus on compliance assistance first and dedicate enforcement efforts to serious offenders. Penalties against the District would be imposed after all other compliance actions have failed.

The District recently applied to the “SB 1383 Local Assistance Grant Program” and has been informed that it is eligible for \$40,369 towards implementing requirements of SB 1383. One of the conditions to receive the funds in the first round is to adopt the mandatory ordinance by April 1. Non-compliance would mean the loss of this grant.

PREVIOUS BOARD ACTION

Ordinance No. 28 regulating garbage, rubbish, waste matter and refuse, and the collection removal and disposal thereof was adopted by the District Board on December 14, 1961.

Ordinance No. 188 amending Appendix A of Title 4, Chapter 1 to increase the refuse collection rates effective January 1, 2022 by 0.64% was adopted by the District Board on December 16, 2021.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

There is no direct fiscal impact as a result of adopting this ordinance. However, the financial impact of implementing SB 1383 may range from small to significant for the District and its solid waste ratepayers as a result of implementation and enforcement costs and future franchise agreements with waste haulers.

Attachments:

- A. Resolution 2022-2241 Approving Second Amendment between Marin Sanitary Service and LGVSD
- B. Second Amendment to the Revised and Restated Exclusive Franchise Agreement
- C. Draft Ordinance No. 189 Amending Chapter 1 Title 4 of the District Code
- D. Letter to CalRecycle on SB 1383 Enforcement, February 4, 2022
- E. Letter to Marin County requesting assistance on SB 1383 enforcement, February 4, 2022
- F. Letter to City of San Rafael requesting assistance on SB 1383 enforcement, February 4, 2022

RESOLUTION NO. 2022-2241

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAS GALLINAS VALLEY SANITARY DISTRICT APPROVING A SECOND AMENDMENT TO THE REVISED AND RESTATED EXCLUSIVE FRANCHISE AGREEMENT BETWEEN MARIN SANITARY SERVICE AND THE LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Las Gallinas Valley Sanitary District and Marin Sanitary Service have entered into a written Revised and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market, and Dispose of Solid Waste, Recyclable and Organic Materials ("Franchise Agreement") dated February 28, 2013; and

WHEREAS, the Las Gallinas Valley Sanitary District and Marin Sanitary Service amended this agreement on January 1, 2019 with the First Amendment to the Revised and Restated Exclusive Franchise Agreement; and

WHEREAS, the Las Gallinas Valley Sanitary District and Marin Sanitary Service now desire a second amendment to the Franchise Agreement to update Marin Sanitary Service services to comply with Senate Bill 1383, and

WHEREAS, the Las Gallinas Valley Sanitary District has determined that such adjustments are proper, in the best interest of all citizens, and will promote public health, safety and welfare; and

WHEREAS, the Las Gallinas Valley Sanitary District Board of Directors has reviewed and duly considered the Staff Report, and documents and other oral and written evidence presented.

NOW THEREFORE IT IS HEREBY RESOLVED that the Las Gallinas Valley Sanitary District determines the "Second Amendment to the Revised and Restated Exclusive Franchise Agreement between Marin Sanitary Service and the Las Gallinas Valley Sanitary District" attached hereto as "Exhibit A" and incorporated herein by reference, is hereby approved and shall be included as part of the Revised and Restated Exclusive Franchise Agreement dated February 28, 20213. The Interim General Manager is hereby authorized to execute the Second Amendment, subject to final approval as to form by the District Counsel.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Board of Directors of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on February 17, 2022, 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:

Judy Schriebman, Board President
Las Gallinas Valley Sanitary District

(SEAL)

SECOND AMENDMENT TO THE REVISED AND RESTATED EXCLUSIVE
FRANCHISE AGREEMENT TO COLLECT, TRANSFER, PROCESS, MARKET, AND DISPOSE
OF SOLID WASTE, RECYCLABLE AND ORGANIC MATERIALS BETWEEN MARIN
SANITARY SERVICE AND THE LAS GALLINAS VALLEY SANITARY DISTRICT

This SECOND AMENDMENT (this “Amendment”) to the Revised and Restated Exclusive Franchise Agreement to Collect, Transfer, Process, Market, and Dispose of Solid Waste, Recyclable and Organic Materials between the Marin Sanitary Service, Inc. (“Company”) and the Las Gallinas Valley Sanitary District (“District”) is made and entered into February ____, 2022.

WHEREAS, District and Company entered into a written agreement on February 28, 2013 and as amended on January 1, 2019 (together the “Agreement”) pursuant to which the COMPANY renders Solid Waste, Recyclable and Organic Materials collection, removal, processing and disposal services to businesses, residents and government institutions in the District; and

WHEREAS, certain state laws require cities, counties, and special districts providing solid waste collection services to adopt ordinances and take other measures to reduce the amount of organic and recyclable materials deposited in landfills from commercial and residential generators, more specifically the Short- Lived Climate Pollutants Organic Waste Reduction regulations adopted pursuant to Senate Bill 1383 (Statutes of 2016) set forth in the California Code of Regulations (the “SB 1383 Regulations”); and

WHEREAS, the SB 1383 Regulations require cities, counties, and special districts providing solid waste collection services to, by January 1, 2022, provide certain new programs; and

WHEREAS, the parties wish to amend the Agreement to assist District in complying with the SB 1383 Regulations (as defined in Exhibit A to this Amendment); and

WHEREAS, District intends to implement a 3-container Organic Waste collection service as contemplated by Section 18984.1 of the SB 1383 Regulations and to have the Company be responsible for the programs provided for herein.

NOW, THEREFORE, the parties agree as follows:

1. Effective Date. This Amendment shall take effect January 1, 2022.
2. Definitions. For purposes of this Amendment, the terms set forth in Exhibit A, attached hereto and incorporated herein, shall have the meanings given to them in such exhibit.
3. Three-Container Organic Waste Collection Services.
 - 3.1. Phased Implementation. District and Company acknowledge that Company’s Organic Waste Collection routes must be expanded to satisfy the requirements of the SB 1383 Regulations, and that new collection trucks must be procured by Company in order to provide such services. Beginning January 1, 2022 all new customers will be provided base level of collection service including Recycling Container, Organics Container and Garbage Container collection service. Between January 1, 2022 and December 31, 2023, Company shall continue and expand its Organic Waste collection service to existing customers within District. By January 1, 2024, Company shall provide Organic Waste

collection service to all of its customers within District who are subscribed to and pay for Solid Waste collection service, unless (i) the customer is categorically exempted under District's municipal code from the requirement to subscribe for Organic Waste collection service, or (ii) the customer qualifies for and is granted a State- or District-issued waiver. Company will work with customers to appropriately size collection containers such that source-separation of all materials is possible without any overflow of material, and if any disputes arise or overages occur, the District will make the final determination on proper container size.

4. Container Colors.

4.1. General Requirement. Company shall ensure that each Container that it newly purchases after January 1, 2022 and provides to a customer serviced under the Agreement conforms to the following color scheme: Garbage Containers for collection of Solid Waste, Recycling Containers for collection of Recyclable Materials, and Organics Containers for collection of Organic Waste. In addition, Company shall ensure that all Containers it uses to provide such services to customers serviced under the Agreement conform to such color scheme by January 1, 2036.

4.2. Specific Material Types. Paper products and printing and writing paper, each as defined in the SB 1383 Regulations, may be placed in either the Recycling Container or the Organics Container. Carpet and textiles may not be placed in either the Recycling Container or the Organics Container.

5. Container Labels.

5.1. General Requirement. Company shall ensure that each Container that it newly purchases after January 1, 2022 and provides to a customer serviced under the Agreement shall be labeled or imprinted with language and/or graphics that clearly indicates the primary items accepted and the primary items that are Prohibited Container Contaminants for that Container type. Company may comply with this section by using model labeling provided by CalRecycle.

6. Route Reviews.

6.1. General Requirement. At least once annually, beginning in 2022, Company shall conduct a Route Review for each Hauler Route. The number of Containers to review per Hauler Route shall be calculated on the basis of the number of garbage accounts provided service by a specific Hauler Route for one week. For example, "Route A" collects garbage from 250 accounts, 4 days per week for a total of 1,000 accounts per week; include a minimum of 25 accounts for Route Review of "Route A". For each Route Review of a Hauler Route, Company shall inspect at least the following minimum number of Containers, but may inspect more if Company deems necessary; and shall inspect all Containers placed for collection (including Recycling Containers, Organics Containers, and Garbage Containers). Each inspection shall involve lifting the Container lid and observing the contents, but shall not require Company to disturb the contents or open any bags. Company may select the Containers to be inspected at random, or (if mutually agreed with District) by any other method not prohibited under the SB 1383 Regulations. For the avoidance of doubt, Company shall not be required to annually inspect every Container on a Hauler Route. Company shall include the results of each Route Review in its next regularly scheduled report to District, as required by Section 11.

<u>Route Size (# garbage accounts/ week)</u>	<u>Minimum Number of Containers</u>
Less than 1,500	25
1,500-3,999	30
4,000-6,999	35
7,000 or more	40

6.2. Notice of Contamination. If Company observes Prohibited Container Contaminants in a Container during a Route Review comprising ten percent or more of observable container volume, Company shall notify the customer of the violation in writing. The written notice shall include information regarding the requirement to properly separate materials into the appropriate Containers. The notice may be left on the customer's Container, gate, or door at the time the violation is discovered, and/or be mailed, e-mailed, electronically messaged or delivered personally to the customer within 30 days. Company may dispose of the contents of any Container found to contain Prohibited Container Contaminants and may charge a contamination fee not to exceed the fee in Exhibit C. . The notice shall be provided in English and Spanish.

7. Compliance Reviews.

7.1. General Requirement. At least once annually, beginning in 2022, Company shall review the records of its Commercial and Multi-Family customers in District that are subscribed for at least two (2) cubic yards per week of combined Solid Waste, Organic Waste and Recyclable Materials service, to determine whether such customers are subscribed for Organic Waste collection service or have an applicable waiver. Company shall include the results of each compliance review in its next regularly scheduled report to District, as required by Section 9.

7.2. Site Visit Requirement. Based on Company's review of the list of customers requiring site visit compiled in accordance with section 7.1 above, Company shall conduct an annual site visit to each Commercial and Multi-Family customer in District that is determined to not be enrolled in 3-container organic waste collection service and not be eligible for a waiver based on the District determination, to encourage those businesses to sign up for SB 1383 compliant Organics Waste service and provide educational material about the law's requirements.

8. Education & Outreach.

8.1. Prior to February 1, 2022, and annually thereafter, Company shall provide the following to all its customers under the Agreement:

8.1.1. Information on the customer's requirements to properly separate materials in appropriate containers.

8.1.2. Information on methods for: the prevention of Organic Waste generation, recycling Organic Waste on-site, sending Organic Waste to community composting, and any other local requirements regarding Organic Waste.

8.1.3. Information regarding the methane reduction benefits of reducing the landfill disposal of Organic Waste, and the methods of Organic Waste recovery contemplated by the Agreement.

- 8.1.4. Information regarding how to recover Organic Waste.
- 8.1.5. Information related to the public health and safety and environmental impacts associated with the landfill disposal of Organic Waste.
- 8.2. The above information will be provided, at a minimum, through print and/or electronic media, and may also be provided through workshops, meetings and/or on-site visits.
- 8.3. Company shall provide an educational webpage which includes downloadable copies of all the materials described in Section 8.1, as well as an educational brochure to be provided by District for edible food recovery outreach.
- 8.4. Educational materials provided pursuant to the above shall be translated into Spanish.
- 8.5. Company shall provide educational materials to customers discovered to be out of compliance with the SB 1383 Regulations requirements, and report a list of such customers as well as actions taken to the District on a periodic basis as required by District.
9. Waivers. Company shall be responsible for the distribution, collection and evaluation of waiver applications as appropriate and provide the District a recommendation to accept or deny waiver requests. Company shall develop waiver application forms and shall provide them to District for District approval prior to use. Company shall evaluate requests for exemption or waiver from the Act's requirements and provide the District periodic recommendations and supporting documentation to deny or approve waivers, including a site visit and re-evaluation at least every five years as required by the SB 1383 Regulations.
10. Edible Food Recovery. Company shall provide District with a list of Tier One commercial edible food generators located in their jurisdiction by January 1, 2022 and annually thereafter. Company shall provide District with a list of Tier Two commercial edible food generators located within their jurisdiction by January 1, 2024 and annual thereafter.
11. Reporting.
 - 11.1. Beginning January 1, 2022, Company shall provide the following information to District annually, by February 15 of the year following the reporting year:
 - 11.1.1. For information provided by Company pursuant to Section 8 above:
 - (a) Copies of all such information (including flyers, brochures, newsletters, invoice messaging, website and social media postings, emails, and other electronic messages).
 - (b) The date the information was disseminated or the direct contact made. For website and social media postings, this shall be the date posted.
 - (c) To whom the information was disseminated or the direct contact made. For mass distributions such as mailings or bill inserts, Company may provide the type and number of accounts receiving the information, rather than listing each recipient individually.

11.1.2. For Route Reviews and Compliance Reviews:

- (a) The date the review was conducted.
- (b) The name and title of each person conducting the review.
- (c) A list of the account names and addresses covered by the review.
- (d) For Route Reviews, a description of each Hauler Route reviewed, including Company's route number and a description of the Hauler Route area.
- (e) For Route Reviews, the results of such review (i.e. the addresses where any Prohibited Container Contaminants were found), and any photographs taken.
- (f) For Compliance Reviews, the results of such review (i.e. Company's findings as to whether the customers reviewed are subscribed for Organic Waste collection service, have an applicable waiver, or neither), and any relevant evidence supporting such findings (e.g. account records).
- (g) Copies of any educational materials issued pursuant to such reviews.

11.1.3. Documentation relating to observed Prohibited Container Contaminants, whether observed during Route Reviews or otherwise:

- (a) Copies of the form of each notice issued to customers for Prohibited Container Contaminants, as well as, for each such form, a list of the customers to which such notice was issued, the date of issuance, the customer's name and service address, and the reason for issuance (if the form is used for multiple reasons). This information will also be provided monthly to any other government entity approved by the District, including but not limited to Zero Waste Marin requests.
- (b) The number of times notices were issued to customers for Prohibited Container Contaminants.
- (c) The number of Containers where the contents were disposed due to observation of Prohibited Container Contaminants.

11.1.4. A description of Company's process for determining the level of Container contamination under the Agreement.

11.1.5. Reports to District on customers discovered to be out of compliance with the SB 1383 Regulations, including a list of the customers, the type of violation, actions taken to educate those customers, and contact information for those customers. Such reports shall be provided periodically as required by District. .

12. Section 18988.1 and 18988.2 Compliance. Company is responsible for delivery of all Solid Waste to properly permitted disposal facilities, transfer stations, recyclable materials processing facilities, organics processing facilities, and C&D processing facilities as listed in Exhibit B. The list may be amended from time to time by Company, subject to District approval of the amended list. Failure to comply with this provision will result in the levy of an

Administrative Charge or Penalty as specified in Las Gallinas Valley Sanitary District Code Title 4 Chapter 1 and may result in Company being in default under this Agreement. District hereby approves delivery of Organic Waste to such facility(ies). Company shall comply with its obligations under this Amendment and the obligations that by operation of law are imposed upon it directly pursuant to Chapter 12 of the SB 1383 Regulations.

13. Future Changes. The parties acknowledge that future changes to this Amendment or the Agreement may be desirable to assist the parties with their respective compliance obligations under the SB 1383 Regulations or subsequent amendments thereto or interpretations thereof. The parties agree to negotiate any such proposed changes in good faith. The foregoing shall not be deemed to limit either party's rights or remedies under the Agreement.
14. Miscellaneous. In the event of any conflict between this Amendment and the Agreement, this Amendment shall govern. Section headings in this Amendment are for convenience only and shall not be used in the interpretation of this Amendment. This Amendment may be executed in counterparts and/or by electronic signature (e.g. DocuSign). As used in this Amendment, "including" and its variants mean "including without limitation."

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Amendment is entered into as of the date first written above.

Las Gallinas Valley Sanitary District

Marin Sanitary Service, Inc.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

Patrick M.K. Richardson, District Counsel

ATTEST:

District Secretary

Exhibit A

DEFINITIONS

“Act” means the California Integrated Waste Management Act of 1989 (sometimes referred to as CIWMA or “AB 939”), Public Resources Code § 40000 and following as it may be amended, including but not limited to, the Jobs and Recycling Act of 2011 (AB 341), SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), and as implemented by the regulations of CalRecycle.

“Recycling Container” means a Container for the collection of recyclable materials as defined in the Agreement. The Recycling Container shall be colored as as defined in the SB 1383 Regulations.

“Container” means any Cart, Bin or Debris Box.

“Garbage Container” means a Container for the collection of Garbage, which does not include Organic Waste or recyclable materials as defined in the Agreement. The Garbage Container shall be colored as defined in the SB 1383 Regulations.

“Organics Container” means a Container for the collection of Organic Waste and colored as defined in the SB 1383 Regulations. Hardware such as hinges and wheels may be any color.

“Food Waste Container” means a Container for the collection of Commercial Food Waste only and colored as defined in the SB 1383 Regulations.

“Hauler Route” means the designated weekly itinerary or sequence of stops scheduled to be performed by one collection vehicle providing regularly scheduled Solid Waste, Recyclable Material or Organic Waste collection services (not on-call or Bulky Item/Abandoned Waste) within the Company’s collection service area under the Agreement.

“Organic Waste” means wastes comprising material originated from living organisms and their metabolic waste products, including food, green material, landscape and pruning waste, clean unpainted/untreated wood (with no nails, wire, etc.), paper products, and printing and writing paper, but excluding textiles and carpets, manure, biosolids, digestate, sludges, non-compostable paper, Construction & Demolition Debris, and Hazardous Waste. No material shall be considered Organic Waste unless it has been segregated by the customer for separate collection.

“Prohibited Container Contaminants” means any of the following:

- (a) Non-Organic Waste placed in the Organics Container, including but not limited to textiles and carpets, manure, biosolids, digestate, sludges, non-compostable paper, Construction & Demolition Debris, and Hazardous Waste;
- (b) Organic Waste placed in the Garbage Container that is specifically identified under the Agreement for collection in the Organics Container or Recycling Container;
- (c) Organic Waste placed in the Recycling Container that is specifically identified under the Agreement for collection in the Organics Container. Paper products and printing and

writing paper may be considered acceptable and not considered Prohibited Container Contaminants if they are placed in the Recycling Container.

“Route Review” means a visual inspection of Containers along a Hauler Route for the purpose of identifying Prohibited Container Contaminants, which may include mechanical inspection methods such as use of cameras.

“SB 1383 Regulations” means the Short-lived Climate Pollutants (SLCP): Organic Waste Reductions regulations adopted by the California Department of Resources Recycling and Recovery (“CalRecycle”) in 2020.

For purposes of this Amendment, the following terms (whether or not capitalized) shall have the meanings given to them in the SB 1383 Regulations, unless the context indicates a different meaning was intended: biosolids, digestate, food, non-compostable paper, paper products, printing and writing paper, sludges.

Exhibit B

FACILITIES

Marin Sanitary Service Transfer Station

1050 Andersen Drive San Rafael CA 94912

Marin Recycling Center

535 Jacoby Street San Rafael CA 94912

Marin Resource Recovery Center

535 Jacoby Street San Rafael CA 94901

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

ORDINANCE NO. 189

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

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

Section 1. TITLE 4, CHAPTER 1, OF THE ORDINANCE CODE OF THE LAS GALLINAS VALLEY SANITARY DISTRICT is hereby amended in its entirety as follows:

ARTICLE I. DEFINITIONS

Section 101. ACT means the California Integrated Waste Management Act of 1989 (commencing with Section 40000 of the Public Resources Code), as amended, including but not limited to, the Jobs and Recycling Act of 2011 (AB 341), SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016], the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), and as implemented by the regulations of CalRecycle.

Section 102. AUTHORIZED COLLECTOR means such persons, firms or corporations collecting and delivering for disposal, recycling or processing solid waste (other than solid waste generated by a permitted building project) originating in the District and doing so under a contract or franchise agreement with the District,

Section 103. BOARD is the Sanitary Board of said District.

Section 104. CCR means the California Code of Regulations. CCR references in this Chapter are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR" refers to Title 14 of CCR).

Section 105. DISTRICT is Las Gallinas Valley Sanitary District, Marin County, California.

Section 106. COLLECTION means to take physical possession of solid waste at, and remove from, the place of generation for transport to a solid waste facility or other recovery activity.

Section 107. COMMERCIAL BUSINESS or COMMERCIAL means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multi-family dwelling, or as otherwise defined in 14 (CCR) Section 18982(a)(6). A multi-family dwelling that consists of (5) or more dwelling units is “Commercial”, for the purposes of this Chapter.

Section 108. COMMERCIAL EDIBLE FOOD GENERATOR means a Tier One or a Tier Two Commercial Edible Food Generator as defined in 14 CCR Section 18982(a)(73) and (a)(74). Food recovery organizations and food recovery services are not commercial edible food generators.

Section 109. CONSTRUCTION AND DEMOLITION DEBRIS or C&D means used or discarded materials resulting from construction, renovation, remodeling, repair, demolition, excavation or construction clean-up operations on any pavement or structure.

Section 110. CONTAINER or COLLECTION CONTAINER means, for the purpose of this Chapter, any bin, box or cart used for the purpose of holding solid waste for collection.

Section 111. COUNTY is the County of Marin.

Section 112. DEBRIS shall mean and include any and all material resulting from construction, demolition or temporary clean-up operations collected and transported on an occasional basis.

Section 113. DISPOSAL means the final disposition of Solid Waste at a Solid Waste Facility permitted for disposal.

Section 114. EDIBLE FOOD means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this ordinance or as otherwise defined in 14 CCR Section 18982(a)(18), “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this chapter or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

Section 115. ENFORCEMENT ACTION means an action of the District to address non-compliance with this ordinance including, but not limited to, issuing administrative notices, citations, fines, penalties, or using other remedies.

Section 116. ENFORCEMENT AGENCY means an entity with the authority to enforce part or all of this chapter as specified herein. Employees and agents of an Enforcement Agency may carry out inspections and enforcement activities pursuant to this chapter. Nothing in this chapter authorizing an entity to enforce its terms shall require that entity to undertake such enforcement except as agreed to by that entity and the District. The Las Gallinas Sanitary District is an Enforcement Agency for all Sections of this chapter. The District may choose to additionally delegate enforcement responsibility for certain sections, to other public entities or joint powers authority, including but not limited to Zero Waste Marin, and the County of Marin.

Section 117. ENFORCEMENT OFFICER means a person or entity the District Manager designates to enforce part or all of this chapter, or a Designated Entity by another Enforcement Agency authorized by the District Manager to enforce part or all of this chapter. The issuance of civil penalties or other penalties or fines will remain the authority of public enforcement entities and will not be delegated to a private entity.

Section 118 EXEMPT WASTE means biohazardous or biomedical waste, Hazardous Waste, medical waste, regulated radioactive waste, waste that is volatile, corrosive, or infectious, waste treatment or processing sludge, contaminated soil and dirt, contaminated concrete, contaminated asphalt, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, any matter or materials which are not acceptable for disposal at a solid waste landfill as defined in AB 939 and subsequent legislation, and those wastes under the control of the Nuclear Regulatory Commission.

Section 119. FOOD RECOVERY ORGANIZATION means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:

- (a) A food bank as defined in Section 113783 of the Health and Safety Code;
- (b) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

(c) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

Section 120. FOOD RECOVERY SERVICE means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this chapter and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

Section 121. FOOD WASTE means food scraps and trimmings and other putrescible waste that result from food production, preparation, cooking, storage, consumption or handling. Food Waste includes but is not limited to meat, fish and dairy waste, fruit and vegetable waste and grain waste. Food Waste does not include Exempt Waste.

Section 122 GARBAGE means all non-recyclable packaging and other waste attributed to normal activities of a service unit. Garbage must be generated by and at the service unit wherein the garbage is collected. Garbage does not include recyclable materials, organic materials, debris from construction and demolition, large items, e-waste, universal waste, hazardous waste, household hazardous waste or exempt waste.

Section 123. GENERATORS for the purpose of this Chapter, means a person or entity, including commercial generators and residential generators, that is responsible for the initial creation of organic materials, or as otherwise defined as “organic waste generator” in 14 CCR Section 18982(a)(48).

Section 124. HAULER means a person who collects material from a generator and delivers it to a reporting entity, end user, or a destination outside of the state. Hauler includes public contract haulers, authorized collectors, food waste self-haulers, and self-haulers. A person who transports material from reporting entity to another person is a transporter, not a hauler.

Section 125. HAZARDOUS WASTE shall mean all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State of California in Health and Safety Code Sections 25117, 25110.02, and 25115, or in the future amendments to or recodifications of such statutes, or identified and listed as Hazardous Waste by the U.S. Environmental Protection Agency, pursuant to the Federal Resource Conservation and Recovery

Act (42 USC Section 6901, et seq.), all future amendments thereto and all rules and regulations promulgated thereunder.

Section 126. "HEALTH OFFICER" means the health officer of the county, acting as health officer for the District.

Section 127. "INSPECTION" means a site visit where the District or its Designated Entity, reviews records, containers, and an entity's collection, handling, recycling, or disposal of solid waste or edible food handling to determine if the entity is complying with requirements set forth in this ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).

Section 128. MANAGER means the General Manager of the Las Gallinas Valley Sanitary District, or their Designated Entity, which may include District employees.

Section 129. ORGANIC MATERIAL OR ORGANIC WASTE means solid wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food waste, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges or as otherwise defined in 14 CCR Section 18982(a)(46).

Section 130. ORGANIC MATERIAL PROCESSING FACILITY means any facility selected by the Authorized Collector that is approved by the District, or specifically designated by the District, operated and legally permitted for the purpose of receiving and processing organic materials.

Section 131. PERSON means any person or persons, firm, association, corporation or other entity acting as principal, agent or officer, servant or employee, for themselves or for any other person, firm or corporation.

Section 132. PREMISES includes a tract or parcel of land with or without habitable buildings or appurtenant structures. (CCR, Section 17225.50) For purposes of this chapter the word premises includes residential and commercial uses of the land, whether owned, leased, rented or subrented, including every dwelling house, dwelling unit, apartment house or multiple-dwelling building, trailer or mobile home park, store, restaurant, rooming house, hotel, motel, office building, department store, manufacturing, processing or assembling shop or plant, warehouse and every other place or premises where any person resides, or any business is carried on or conducted within the District.

Section 133. PROHIBITED CONTAINER CONTAMINANTS means (1) discarded materials placed in the designated Recyclables container that are not identified as acceptable source separated recyclables for the District's designated recyclables collection container; (2) discarded materials placed in the designated organic materials collection container that are not identified as acceptable source separated organic materials for the District's designated organic materials collection container; and (3) discarded materials placed in the garbage container that are acceptable source separated recyclables and/or source separated organic materials to be placed in District's designated organic materials collection container and/or designated recyclables collection container, and (4) Exempt Waste placed in any container.

Section 134. RESIDENTIAL means, for the purposes of this chapter, any premise consisting of between one (1) and four (4) dwelling units, and onsite domestic uses accessory to these dwelling units. A multi-family dwelling that consists of fewer than (5) dwelling units is "Residential", for the purposes of this Chapter.

Section 135. SELF-HAUL means a person who hauls solid waste, organic waste or recovered material they have generated to another person. Self-hauler also includes a person who back-hauls waste, or as otherwise defined in 14 CCR Section 18982(a)(66). "Back-haul" means generating and transporting organic materials to a destination owned and operated by the generator using the generator's own employees and equipment.

Section 136. SOLID WASTE means all putrescible and nonputrescible solid and semisolid wastes, including garbage, recyclable materials, organic materials, demolition and construction wastes, bulky waste, discarded home and industrial appliances, manure, vegetable or animal solid or semisolid wastes, and other discarded solid and semisolid wastes. (PRC, Section 49503) Solid waste does not include any of the following wastes: (1) Hazardous waste, as defined in the Public Resources Code Section 40141, (2) Radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code) and (3) Medical waste regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be solid waste shall be regulated pursuant to Division 30 of the Public Resources Code. Recyclable materials and organic materials are a part of solid waste.

Section 137. SOLID WASTE COLLECTION SERVICE means collection of solid waste originating in the District, by a persons, firms or corporations, and doing so under a contract or franchise agreement with the District.

Section 138. SOLID WASTE FACILITY OR FACILITY means a solid waste transfer or processing station including Material Recovery Facilities, a recycling facility, a composting facility, a gasification facility, a transformation facility, an Engineered Municipal Solid Waste conversion facility, and a disposal facility. Solid waste facility additionally includes a solid waste operation that may be carried out pursuant to an enforcement agency notification as provided in regulations adopted by CalRecycle or otherwise set forth in the Act.

Section 139. SOURCE SEPARATE means the process of removing recyclable materials and organic materials from Solid Waste at the place of generation, prior to Collection, and placing such materials into separate containers designated for recyclable materials and organic materials, or as otherwise defined in 14 CCR Section 17402.5(b)(4).

Section 140. SOURCE REDUCTION means any action which causes a net reduction in the generation of solid waste. Source reduction includes, but is not limited to, reducing the use of nonrecyclable materials, replacing disposable materials and products with reusable materials and products, reducing packaging, reducing the amount of yard wastes generated, establishing garbage rate structures with incentives to reduce the amount of wastes that generator produce, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic, and other materials. Source reduction does not include steps taken after the material becomes solid waste or actions which would impact air or water resources in lieu of land, including, but not limited to, transformation.

Section 141. TIER ONE COMMERCIAL EDIBLE FOOD GENERATOR means a Commercial Edible Food Generator that is one of the following as defined in 14 CCR Section 18982(a):

- (a) Supermarkets with gross annual sales of \$2,000,000 or more
- (b) Grocery store with a total facility size equal to or greater than 10,000 square feet.
- (c) Food service provider, which means an entity primarily engaged in providing food services to institutional, governmental, commercial, or industrial locations of others based on contractual arrangements with these types of organizations.

(d) Wholesale food vendor, which means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination.

(e) Food Distributor, which means a company that distributes food to entities including, but not limited to, supermarkets and grocery stores.

Section 142. TIER TWO COMMERCIAL EDIBLE FOOD GENERATOR means a Commercial Edible Food Generator that is one of the following as defined in 14 CCR Section 18982(a):

(a) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.

(b) Hotel with an on-site food facility and 200 or more rooms.

(c) Health facility with an on-site food facility and 100 or more beds.

(d) Large Venue, which means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue.

(e) Large Event, which means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event..

(f) A state agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.

(g) A local education agency facility with an on-site food facility. “Local Education Agency” means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to Solid Waste, or as otherwise defined in 14 CCR Section 18982(a)(40).

ARTICLE II. OPERATION

Section 201. Dumping or Burying. No Person shall dump, place or bury in any lot, land or street or alley within the District any Garbage or any other deleterious or offensive substance under any circumstances whatsoever, nor shall any Person dump, place or bury within the District any Waste Matter without first having obtained a permit from the District so to do.

Section 202. Accumulation. No Person owning or occupying any building, lot or premises within the District shall allow any Garbage or other deleterious or offensive substance to accumulate or remain in or upon said building, lot or premises, except as otherwise provided in Section 210 hereof.

Section 203. Burning. No Garbage or other deleterious or offensive substance shall be burned.

Section 204. General. It is the intent of the District that every person residing or conducting business in this District shall subscribe to and participate in solid waste collection service approved by the District and provided by an Authorized Collector. Nothing in this chapter shall prevent generators from self-hauling to an authorized solid waste facility in addition to their solid waste collection service, consistent with self hauling requirements in this Chapter or from utilizing a temporary debris box service.

Section 205. Obligation of solid waste collection service.

(a) Except as otherwise provided by this Chapter, all occupied premises shall subscribe for solid waste collection service with the Authorized Collector as herein specified, and for such service a charge shall be collected as per a schedule of rates as shall be set by resolution of the District.

(b) A mandatory obligation is imposed on each person occupying any premise to separate and recycle all recyclable material and organic materials from the garbage generated on the premises.

(c) Every property owner, commercial generator, residential generator, or other organic material generator within the District shall have the obligation for disposal of solid waste as provided in this chapter through the designated Authorized Collector and shall pay the

Authorized Collector for the solid waste collection service at the rates provided therefor. Failure of receipt of a bill does not obviate responsibility for payment. In each instance, the property owner shall be primarily responsible for the payment of the charges provided for herein.

(d) Generators shall arrange for a size, quantity and collection frequency of collection containers to adequately store all solid waste generated in connection with the premise between the times designated for collection service. The District shall have the right to review the number and size of such collection containers to evaluate the adequacy of capacity provided for each type of collection service and to review the separation and containment of materials. Generators shall adjust service levels for their collection services as requested by the District in order to meet the standards set forth in this chapter.

(e) Generators shall place source separated organic materials, including food waste, in the organic materials collection container; place source separated recyclable materials in the recyclable material collection container; and place garbage in the approved garbage collection container. Generators shall not place prohibited container contaminants into the garbage collection container, organic materials collection container or recyclable material collection container.

(f) If any person should fail to subscribe for the collection and disposal of solid waste or violate any other provision of this Chapter, said violation shall be presumed to be a nuisance upon the premises and shall be subject to enforcement actions.

(g) The Authorized Collector shall give written notice to the District Manager of the address of any occupied premise within the District which is not subscribing to the collection and disposal service provided by the Authorized Collector.

(h) The owner of each occupied premise shall subscribe for solid waste disposal services within 7 days of the occupancy of the premises. If the owner fails to subscribe for service, the authorized collector shall give the owner written notification that such service is required.

(i) Generators shall provide or arrange for access during all inspections and investigations (with the exception of a private residential dwelling unit) and cooperate with the District Manager or Authorized Collector during such inspections and investigations.

(j) Nothing in this section prohibits generators from preventing or source reducing waste generation, or otherwise diverting recyclable material and organic material as described in Section 222.

Section 206 . Residential generator requirements. Each residential generator shall subscribe to a level of solid waste collection service with the Authorized Collector that is sufficient to handle the volume garbage, recyclable material, and organic materials generated or accumulated on the premises and comply with requirements of those collection services.

Section 207. Commercial generator requirements.

(a) Commercial generators shall comply with the following requirements.

(1) Each commercial generator, including all multi-family dwellings that consist of five dwelling units or more, large events and large venues shall be responsible for compliance with the requirements of this Section.

(2) Each commercial generator shall subscribe to a level of service with an Authorized Collector that is sufficient to handle the volume of garbage, recyclable materials and organic materials generated or accumulated on the premises. Additionally, each commercial generator shall ensure the proper separation of solid waste, as established by the Authorized Collector, by placing each type of material in designated collection containers, and ensure that employees, contractors, volunteers, customers, visitors, and other persons on-site conduct proper source separation of solid waste.

(3) Supply and allow access to adequate number, size, and location of collection containers with sufficient labels or colors, conforming with requirements of this section, for employees, contractors, tenants, and customers, consistent with the solid waste collection service.

(4) Annually provide information to employees, contractors, tenants, and customers about organic materials recovery requirements and about proper sorting of solid waste.

(5) Provide educational information before, or within, fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep source separated organic materials and source separated recyclable materials separate from garbage (when applicable) and the location of collection containers and the rules governing their use at each property.

(6) Accommodate and cooperate with the Authorized Collector's monitoring program for inspection of the contents of containers for prohibited container contaminants, to evaluate generator's compliance.

(7) If a commercial generator self-hauls, the commercial generator shall meet the self-haul requirements of this Chapter.

(b) Commercial generators, excluding multi-family dwellings consisting of five or more dwelling units, shall comply with the following requirements.

(1) Provide containers for the collection of source separated organic materials and source separated recyclable materials in all indoor and outdoor areas where garbage disposal containers are provided for customers, for materials generated onsite. Such containers do not need to be provided in restrooms. If a commercial generator does not generate any of the materials that would be collected in one type of collection container, then it is not required to provide that type of collection container in all areas where disposal collection containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the collection containers shall have either:

(2) A body or lid that is gray or black for collection of garbage, blue for collection of recycling, and green for collection of organic materials. A commercial generator is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of the subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

(3) Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.

(4) To the extent practical through education, training, inspection, and/or other measures, prohibit employees from placing materials in a collection container not designated for those materials per the solid waste collection service.

(5) Periodically inspect organic materials, recycling, and garbage collection containers for contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).

(6) Commercial generators that are commercial edible food generators, as defined, shall comply with commercial edible food generator requirements.

Section 208. Storage. Generators shall store solid waste on their property or premises or shall require it to be stored or handled in such manner so as not to promote the propagation, harborage or attraction of animals or the creation of nuisance. (CCR, Section 17312). Each person who has a collection container shall keep the area where the collection container is located in a clean, safe and sanitary condition.

Section 209. Solid waste collection areas. Each commercial business shall:

(a) Designate space on the property to be used for storage of collection containers for all solid waste generated on the property.

(b) Commercial businesses which receive communal solid waste collection services shall provide and maintain space within or adjacent to each waste enclosure, or adjacent to each approved garbage collection container(s) for placement of sufficient approved organic materials collection container(s) and recyclable material collection container(s).

(c) Post a sign clearly identifying all garbage, recyclable material, and organic materials collection areas and the materials accepted therein shall be posted adjacent to all points of access to the collection area(s).

Section 210. Collection containers. It shall be the duty of every property owner, occupant and tenant of any premises within the District to store all solid waste in collection containers supplied by the Authorized Collector. These collection containers shall be constructed of metal or an approved plastic material and type which shall be watertight, nonabsorbent, animal resistant, durable, easily cleanable, equipped with handles, and having tight fitting covers such that the containers hold the solid waste without spillage and leakage, escape of odors or access of flies to the contents thereof (adapted from CCR, Section 17315).

Section 211. Collection container maintenance. Each collection container and its cover shall be kept clean, and the cover shall not be removed except to place solid waste therein or to empty the same. The Authorized Collector will maintain or replace collection containers as needed.

Section 212. Collection container placement.

(a) No collection container, other than those owned or rented by the District or Authorized Collector, shall be placed or kept in or on any public street, sidewalk, footpath, or any public place whatsoever, or remain in public view from any public right-of-way except as herein provided, but shall be maintained on the premises, except as may be provided for removing and emptying by the Authorized Collector on the day(s) and in the location designated for collection. No person shall place a collection container so that either the sidewalk or street gutter is obstructed.

(b) Collection containers are permitted to be placed in public view and on a public street, sidewalk or footpath only during the forty-eight-hour period commencing at 12:01 a.m. on the day preceding the day of scheduled pick-up and terminating at 12:01 a.m. on the day following such pick-up.

(c) For curbside collection service, the approved location for collection shall be the street curb line adjacent to such premises and collection containers shall be placed in the location by the occupant of such premises for collection by the Authorized Collector.

Section 213. Ownership of solid waste. Solid waste subject to collection by the Authorized Collector shall become the property of the Authorized Collector subject to this chapter after such time as the Authorized Collector takes possession of the wastes (CCR, Section 17334).

Section 214. Unauthorized removal and ownership of recyclable materials and organic materials.

(a) All recyclable materials and organic materials, upon being placed by the generator into a collection container and placed at an approved location for collection, shall become the property of the Authorized Collector owning the collection container, unless otherwise provided in a contract, license, or franchise agreement.

(b) No person, other than the Authorized Collector or District shall remove recyclable material or organic materials from a collection container placed at the location for collection.

Section 215. Tampering. No person shall tamper with, modify, remove from or deposit solid waste in any collection container which has not been provided for their use at a collection site, without the permission of the collection container owner. Nor shall any person

tamper with any collection container or any recyclable materials on any premises, or collect, remove or dispose of the same, other than in the manner specified by this chapter.

Section 216. Collection Intervals. All solid waste accumulated at any residential generator or commercial generator's property or premise shall be collected at regular intervals of at least once each week, except that from any place which has solid waste from which foul odors arise, or which is a menace to public health, such solid waste shall be collected at such intervals as necessary for proper sanitation. Nothing in this chapter shall be deemed to prohibit the removal and hauling by any person of materials ordered by the health officer, fire chief or code enforcement officer to be removed upon the ground that the same constitute a health menace, fire hazard or public nuisance.

Section 217. Collection Schedule. Solid waste shall be collected as provided by this chapter at regular intervals on a schedule established by the Authorized Collector and approved by the District. The schedule may be changed as deemed necessary by the Authorized Collector and/or the District.

Section 218. Waivers.

(a) Pursuant to 14 CCR Section 18984.11, the District may grant waivers to commercial businesses for physical space limitations and/or de minimis volumes. Commercial businesses seeking a waiver shall submit their request in a form specified by the District Manager. After reviewing the waiver request, and after an on-site review, if applicable, the District Manager may either approve or deny the following waiver requests.

(1) De Minimis Waivers: The District may waive a commercial business' obligation to comply with some or all the organic waste collection service if the commercial business meets the following requirements:

A. Submit an application specifying the type of waiver requested and provide documentation as described below.

B. Provide documentation that either:

- i. The commercial business receives two cubic yards or more per week of solid waste collection service (including garbage, recyclable material and organic materials) and disposed organic materials comprises less than 20 gallons per week of the business' total weekly solid waste; or,

- ii. The commercial business receives less than two cubic yards of weekly solid waste collection service (including garbage, recyclable material and organic materials) and disposed organic materials comprises less than 10 gallons per week of the business' total weekly solid waste volume.
- iii. For the purposes of subsections (i) and (ii) above, weekly solid waste collection shall be the sum of weekly garbage collection container volume, recyclable material collection container volume and organic materials collection container volume, measured in cubic yards.

C. Notify the District if circumstances change such that volume of commercial business' s organic materials placed in collection containers exceeds threshold required for waiver, in which case waiver will be rescinded.

D. Provide written verification of eligibility for de minimis waiver every five years if the District has approved de minimis waiver.

(2) Physical Space Waivers: The District may waive a commercial business' obligations (including multi-family dwellings) to comply with some or all of the recyclable materials and/or organic materials collection service requirements if the District has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the premises lacks adequate space for the collection containers required for compliance with the organic materials collection requirements. A commercial business or property owner may request a physical space waiver through the following process:

- A. Submit an application form specifying the type(s) of collection services for which they are requesting a waiver from mandatory collection service.
- B. Provide documentation that the premises lacks adequate space for the approved recycling collection containers and approved organic materials collection containers including documentation from its Authorized Collector, licensed architect, or licensed engineer.
- C. Provide written verification to the District that it is still eligible for physical space waiver every five years if the District has approved application for a physical space waiver.

Section 219. Commercial Edible Food Generator Requirements.

(a) Tier One Commercial Edible Food Generators must comply with the requirements of this section January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.

(b) Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this section, commencing January 1, 2024.

(c) Commercial Edible Food Generators shall comply with the following requirements:

(1) Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.

(2) Contract with or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for:

(A) the collection of Edible Food for Food Recovery; or

(B) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.

(3) Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.

(4) Allow the District's designated enforcement entity or designated third party enforcement entity to access the premises and review records pursuant to 14 CCR Section 18991.4.

(5) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:

A. A list of each Food Recovery Service or organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).

B. A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).

C. A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:

- (i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
- (ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.
- (iii) The established frequency that food will be collected or self-hauled.
- (iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.

(d) Nothing in this Chapter shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of California on September 25, 2017, which added Article 13 [commencing with Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend Section 114079 of the Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time).

Section 220. Food Recovery Organization and Food Recovery Services requirements.

(a) Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):

- (1) The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.
- (2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.
- (3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.
- (4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.

(b) Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14

CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):

- (1) The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.
- (2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.
- (3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.
- (c) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the Jurisdiction and contract with or have written agreements with one or more Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall annually report to the District it is located in the total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later than April 1.
- (d) In order to support Edible Food Recovery capacity planning assessments or other studies conducted by the County, City, special district that provides solid waste collection services, or its designated entity, Food Recovery Services and Food Recovery Organizations operating in the District shall provide information and consultation to the District, upon request, regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by the District and its Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the District shall respond to such request for information within 60 days unless a shorter timeframe is otherwise specified by the District.

Section 221. Self hauler Requirements.

- (a) Self-Haulers shall haul their source separated recyclable materials to a facility that recovers those materials; and haul their source separated organic materials to a solid waste facility, operation, activity, or property that processes or recovers source separated organic materials.
- (b) Self-haulers that are commercial businesses shall keep a record of the amount of organic materials delivered to each solid waste facility, operation, activity, or property that

processes or recovers organic materials; this record shall be subject to inspection by the District. The records shall include the following information:

(1) Delivery receipts and weight tickets from the entity accepting the waste. If the material is transported to an entity that does not have scales on-site or employs scales incapable of weighing the self-hauler's vehicle in a manner that allows it to determine the weight of materials received, the self-hauler is not required to record the weight of material but shall keep a record of the entities that received the organic materials.

(2) The amount of material in cubic yards or tons transported by the generator to each entity.

(3) Complete and retain on-site a self-hauling form certifying that all self-hauling activities will be completed in accordance with this chapter or any other applicable law or regulation. The Manager may restrict or prohibit self-hauling by a Generator if the Manager determines, after providing notice and an opportunity for a hearing, that the Generator's self-hauling activities violate the provisions of this section or any other applicable law or regulation.

Section 222. Right to divert recyclable material and organic materials.

(a) Nothing in this chapter limits the right of any person to donate, sell, or otherwise remove their recyclable materials so long as the removal otherwise complies with this Chapter.

(b) Organic materials may be fed to animals on the premises where such organic materials is produced, provided that the premises are always kept in a sanitary condition to the satisfaction of the District Manager; and provided further that the keeping and feeding of such animals shall at all times conform to the applicable regulations of those entities governing the same now in force or which thereafter may be enacted or promulgated.

(c) Organic materials may be used in on-site composting or community composting, pursuant to 14 CCR Section 18984.9(c), provided that such operation conforms to the applicable regulations of those entities governing the same now in force or which thereafter may be enacted or promulgated.

Section 223. Collector Requirements

(a) A Collector providing Single-Family, Commercial, or industrial Organic Waste collection service to Generators within the District shall meet the following requirements and standards in connection with collection of Organic Waste:

(1) Through written notice to the District annually identify the facilities to which they will transport Organic Waste including facilities for Source Separated Recyclable Materials and Source Separated Organic Waste.

(2) Transport Source Separated Recyclable Materials to a facility that recycles those materials and transport Source Separated Organic Waste to a facility, operation, activity, or property that recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2.

(3) Obtain approval from the District to haul Organic Waste, unless it is transporting Source Separated Organic Waste to a Community Composting site or lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1.

(b) Any person providing any service, function or activity governed by this chapter who has obtained a business license from, or entered into a contract or franchise agreement with the District shall fully comply with the terms of such franchise agreement, contract, business license as well as with the provisions of this Chapter, and the administrative rules promulgated herein. Nothing contained in, or absent from, the provisions of this chapter shall relieve any such person of any obligation contained in such franchise agreement, contract, or business license, nor shall the fact of such franchise agreement, contract, or business license in any way relieve such person from the obligation to comply with the District's Municipal Code and other applicable law.

Section 224. Receptacles Provided by Collector. Collector must provide color coded, labeled solid waste containers to Single Family, Multi-family and Commercial Generators per the requirements in 14 CCR Section 18984.1, 18984.7 and 18984.8.

(a) Residential Service (Four or Fewer Units in a Single Structure):

(1) Garbage: Collector shall provide semi-automated tipper carts (Garbage Container) in 20, 32, 64, and 96-gallon capacities to be placed at the curb or Collector-designated location for one time per week collection at the rates and fees listed in Section 236. Twenty-gallon carts shall be available for smaller households and intensive recyclers. Carts should be placed at the designated collection by 6:00 a.m. the day of service. On-site collection for cans not at the curb is available for an extra charge. Items placed outside the cart or overflowing carts will incur an additional charge. Carts are the property of Collector. Collector will determine the appropriate collection location. Customers may set out additional containers or bags not to exceed 32 gallons in size for a fee listed in Section 219. Low-income rates referenced in Section 236 are available for qualifying customers.

(2) **Recyclable Materials:** Collector shall provide all residential customers with one 64-gallon dual sort recycling cart, (Recycling Container) one side for paper and fiber products, one side for glass, metal and plastic (#1 - #7) bottles and containers excluding polystyrene and compostable plastics. Cardboard may be broken down and tied into 24” by 24” bundles and left beside the recycling container. Carts or containers must be placed at the curb or, upon approval of Collector, the designated collection location next to their Garbage container for one time per week collection by 6:00 a.m. the day of service. Dual Sort Carts are the property of Collector. All residential customers must be offered recycling collection. Recyclable Material placed in Collector containers or at the curb for collection is the property of Collector, and the theft thereof is a crime.

(3) **Organics:** Collector shall provide all residential customers with one 32 or 64 gallon cart for Organics (Compost Container) to be placed at the curb or Collector-approved designated collection location next to their Garbage container for one time per week collection by 6:00 a.m. the day of service. Customers may, for a fee listed in Section 236, have up to two additional 64-gallon carts to be set out on the regularly scheduled day. Individual carts should not weigh more than 65 pounds. Carts are the property of the Collector. All residential customers must be offered Organics collection.

(4) **Additional Services:** Special pickups of large, hard to handle, or bulky items may be requested for an additional fee listed in Section 236. Estimates shall be provided by Collector. These bulky items will be collected in non-compaction vehicles and taken into Marin Recovery Center (MRRC) for sorting resulting in greater re-use and recycling. Extra material can be collected for a fee listed in Section 236 in cans or bags not greater than 32 gallons when placed next to the regular container on collection day. Holiday trees will be collected curbside on the regularly scheduled pickup day during the month of January. If trees are greater than six (6) feet in length, they must be cut in half. All metal stands, plastic tree bags, and ornaments must be removed. Flocked trees will not be accepted.

(b) **Commercial Service:**

(1) **Garbage:** Collector shall provide semi-automated or automated tipper carts in 32, 64, and 96-gallon capacities to be placed for collection at the curb, or upon approval of Collector, the designated collection location. On-site collection for cans not at the curb is available for an extra charge. Collector will also provide bins from 2-, 3-, 4-, 5-, 6-, 10-, or 18-yard capacities for large volumes of material. Service levels shall range from one time per week

to six times per week. Customers may set out additional containers or bags not to exceed 32 gallons in size for a fee as listed in Section 236. Collector retains approval of all service locations for bins. Collector also services customer-owned compactor units for the fees listed in Section 236. For safety and equipment purposes, Collector retains right of approval as to the type of compactor to be serviced and service location.

(2) Recycling: Collector shall provide unlimited commercial recycling collection of glass bottles and jars; aluminum and metal cans and containers; all plastic bottles and containers marked #1 - #7 (except polystyrene and compostable plastics); newsprint; office paper; and, fiber or cardboard. These materials will be collected in source-separated color coded carts, currently: blue for paper and paper-fiber products and brown for accepted commingled glass, metal and plastics, but will need to meet required color coding for new containers by 2036. Collector shall provide carts in 32 and 64-gallon capacity for collection from one time per week to six times per week. Collector may provide 3 yard bins for cardboard collection with the Collector approval of the size and location. Collector will evaluate the appropriate container sizes on an individual customer basis. Pickups can be scheduled from one time per week to six times per week. Collector is to perform a simple visual waste audit at least one time per year for each commercial account to provide an estimate of the of recyclables still in the Garbage to help guide the customer in service changes to increase recycling. For an additional fee per Section 236, the Collector may perform a detailed waste audit to determine composition and characterization of waste and will provide and will provide a detailed report with photos showing waste streams. This report will provide a detailed plan with recommendations regarding recycling service changes as well as an outreach and education plan. Recycling services must be offered to all commercial customers. Collector will provide services to comply with the State's mandatory commercial recycling law.

(3) Organics: Collector shall provide semi-automated tipper carts (Organics Container) in 32 and 64 gallon capacities or bins to be placed at the curb or Collector-designated location for one time per week collection at the rates and fees listed in Section 236. Carts or bins should be placed at the designated collection by 6:00 a.m. the day of service. On-site collection for cans not at the curb is available for an extra charge. Items placed outside the cart or overflowing carts will incur an additional charge. Carts and bins are the property of Collector. Collector will determine the appropriate collection location.

(4) Additional Services: Special pickups of large, hard to handle, or bulky items may be requested for an additional fee listed in Section 236. Estimates can be provided. These bulky items will be collected in noncompaction vehicles and taken into MRRC for sorting resulting in greater re-use and recycling. Extra material can be collected for a fee listed in Section 236 in cans or bags not greater than 32 gallons when placed next to the regular container on collection day.

(c) Multi-Family (Five or more Unit Structures):

(1) Garbage: Collector provides semi-automated or automated tipper carts in 32, 64, and 96-gallon capacities at the curb or designated collection location. Minimum service for all multi-family units is 32 gallons per unit, or the equivalent bin service. On-site collection for cans not at the curb is available for an extra charge. Collector will also provide bins from 2-, 3-, 4-, 5-, 6-yard capacities for large volumes of material. Service levels range from one time per week to six time per weeks. Collector retains approval of service locations for bins. Collector also services customer-owned compactor units for the fees listed in Section 236. For safety and equipment purposes, Collector retains right of approval as to compactor type and service location. Apartments or multi-family complexes which have cart service for Garbage (no bin service) and fewer than 10 units, may be eligible to waive the 32 gallon per unit minimum in exchange for 20-gallon minimum service at the discretion of Collector based on the history of material collected at that location. Each complex would be required to have a 20-gallon cart for each unit. Complexes must have in place and make use of all available recycling services to be considered eligible for the waiver.

(2) Recycling: Collector provides unlimited multi-family recycling collection of glass bottles and jars; aluminum and metal cans and containers; all plastic bottles and containers marked #1 – 7 (except polystyrene and compostable plastics); newsprint, office paper, and fiber or cardboard. These materials will be collected in source-separated color-coded carts, currently: blue for paper and paper-fiber products and brown for accepted commingled glass, metal and plastics, but will need to meet required color coding for new containers by 2036. Cardboard or fiber not able to fit in containers may be broken down and tied into 24” x 24” bundles and placed alongside the recycling containers for collection. The list of acceptable Recyclable Materials is defined in this Chapter. Collector is to perform a simple visual waste audit at least one time per year for each commercial account to provide an estimate of the amount of recyclables still in the Garbage to help guide the customer in service changes to increase recycling. For an additional fee per Section 236, the Collector can perform a detailed waste audit to determine composition

and characterization of waste and will provide a detailed report with photos showing the waste streams. This report will provide a detailed plan with recommendations regarding recycling service changes as well as an outreach and education program. Collector provides semi-automated tipper carts in 32 and 64-gallon capacity for collection from one time per week to six times per week. Recycling services must be offered to all multi-family customers. Recyclable Materials placed in Collector containers or at the curb for collection is the property of Collector, and the theft thereof is a crime. Collector will provide services to comply with the State's mandatory commercial recycling law.

(3) **Organics:** Collector shall provide semi-automated tipper carts (Organics Container) in 32 and 64 gallon capacities or bins to be placed at the curb or Collector-designated location for one time per week collection at the rates and fees listed in Section 236. Carts or bins should be placed at the designated collection by 6:00 a.m. the day of service. On-site collection for cans not at the curb is available for an extra charge. Items placed outside the cart or overflowing carts will incur an additional charge. Carts and bins are the property of Collector. Collector will determine the appropriate collection location.

(4) **Additional Services:** Special pickups of large, hard to handle or bulky items may be requested for an additional fee as listed in Section 236. Estimates can be provided. These bulky items will be collected in noncompaction vehicles and taken into MRRC for sorting resulting in greater re-use and recycling. Extra material can be collected for a fee listed in Section 236 in cans or bags not greater than 32 gallons when placed next to the regular container on collection day.

Section 225. Contract. Should the governing body of District enter into an exclusive contract with any Person for the right and privilege of collecting Garbage within the District, said contract may provide that such exclusive right shall not include debris-Box services for construction, demolition, and/or temporary clean-up purposes. Any such exclusive contract entered into as herein provided may be entered into upon such terms and conditions, consistent with this Ordinance, as the governing board may deem for the best interests of the District, for such period as District may determine and at rates to be hereinafter determined, which said contract shall incorporate this Ordinance therein and make it a part of such contract.

Section 226. ID - Disposal and Fee. Any such contract shall provide that the Collector shall collect and dispose of all Garbage at the rates herein fixed and determined; that the Collector will dispose of said Garbage at such place or places and by such means or methods as

the governing board shall determine and pursuant to this Ordinance and all laws and ordinances of County applicable thereto; that the Collector shall pay to the District such fee annually as may be determined by the Board.

Section 227. Periodic Service. The Collector shall collect all Garbage, Recyclable Materials and Organic Waste as often as may be required by either District or any owner, resident or tenant; provided, however, that Collector shall provide not less than weekly service to each owner, resident or tenant within the District utilizing a Debris Box or Cart can as herein provided.

Collector may terminate service to any owner, resident or tenant for non-payment of the rates hereinafter established for a period of two (2) months from and after the date such payment is due. Prior to termination of such service, Collector shall notify District, in writing, of the date of termination and the reason thereof. Such notice shall be given by Collector to District not less than ten (10) days prior to the date of termination of service.

Section 228. Regulations. It shall be unlawful for any Person to collect or carry Garbage through the streets of the District without first having entered into a contract or obtaining a permit from the District so to do. The Collector shall not permit any Garbage to fall or remain on any public street or private premises in the District; shall close all gates used by it in collection service; shall operate quietly; and shall not damage the Container of any Person and shall place it in the position where found after emptying it. It shall also abide by any and all laws of the state, ordinances of the County, regulations and orders of the County Health Department or officer, and ordinances and general regulations of the District, now or hereafter adopted.

Section 229. Solid Waste Facility. The location of the disposal site intended to be used by the Collector in performing the contract must be approved by the County Health Officer of Marin County. No such solid waste facility may be located within two (2) miles of any city without its consent expressed by resolution of its City Council. No such solid waste facility may be located within two(2) miles of the District without its consent expressed by resolution of the Board.

Section 230. Assignment. Neither the contract, nor any part thereof, shall be assigned either voluntarily or by operation of law except upon the consent of the District expressed by resolution of its Board.

Section 231. Termination. Said contract shall provide that if the Collector fails, refuses or neglects to comply with the terms of the contract or of any laws, ordinances or regulations above referred to, for a period of thirty (30) days after being notified in writing so to do on the order of the Board of the District, then after hearing upon ten (10) days written notice to the Collector, the District is entitled to terminate the contract.

Section 232. Notice. Any notices provided in the contract shall be given personally or by mail to the business address of the addressee. If given by mail, time shall be computed from the date of deposit in a United States Post Office or box in the District.

Section 233. Private Removal. The franchise collector has been designated the exclusive Authorized Collector for Single Family and Commercial Garbage, Recyclable Materials and Organic Waste collection services. No Single Family or Commercial Generator may contract with another commercial enterprise or person for the collection of such materials. No person may collect, transport, or convey discarded Single Family or Commercial Garbage, Recyclable Materials or Organic Waste where any fee or other remuneration whatsoever is charged or accepted for the collection, transportation, conveyance, processing or disposal of such material without holding a franchise from the District.

Section 234. Payment of Rates. It shall be unlawful for any Person to refuse to pay the rates herein fixed for the collection of Refuse.

Section 235. Disputed Rates. In any case where a dispute shall arise as to the rate to be paid Collector, the District shall have the power of final determination of such dispute, and both the Collector and owner, resident or tenant shall be bound thereby. In no event shall District be obligated in any way to Collector or any owner, resident or tenant for the collection of disputed accounts.

Section 236. Rates to Be Charged, Unincorporated Portion of District. The maximum monthly charges that shall be collected for all occupied premises within the unincorporated portion of the District for the collection, removal, and disposal of Garbage, shall be specified in Appendix A as follows:

(a) Single and Multiple Dwelling Premises: rates shall be as specified in Appendix A. One can of compacted Garbage will be charged at the two-can rate. Should the Collector elect to furnish Debris Boxes or Containers for multi-residential premises in lieu of the containers specified, the commercial box rate schedule shall apply. If any gallon can is placed five (5) feet

to fifty (50) feet from the nearest street, an additional distance charge as specified in Appendix A will be collected for each can so placed. If any can is placed over fifty (50) feet from the nearest street, the additional distance charge specified in Appendix A will apply for each additional fifty (50) feet for each container so placed. A single removal of Garbage, if removed with a regular collection and on an occasional basis, shall be charged at the rate specified in Appendix A.

(b) Commercial and/or Industrial Premises: The maximum monthly charges that shall be collected by Collector for Debris Boxes, including the cost of rental thereof, provided for the regular and continuing use of owners, occupants, or tenants of premises classified as commercial and/or industrial, shall be specified in Appendix A. Boxes containing non-recyclable material weighing more than three hundred (300) pounds/cu.yd., shall be subject to a surcharge as specified in Appendix A.

(c) Commercial and/or Industrial Container Service: In the event Containers are used by the owners, occupants, or tenants of premises classified as commercial and/or industrial, the maximum monthly charge as specified in Appendix A shall apply.

(d) On-Call Collection Service: In the event that a customer requests and the Collector elects to furnish Debris Boxes to be retained at the premises of the customer for less than a regular and continuing term, the maximum rates per pickup in addition to the monthly rental charges are as specified in Appendix A. NOTE: This service is a discontinued service that is not available to new customers but only to grandfathered accounts as designated by the current Collector. It is not to be confused with the unregulated Debris Box service which does not include a regular monthly fee and is covered under section "Special Services" below. In addition, these containers must not contain any putrescible waste.

(e) Locked Boxes: For locked boxes, there will be an additional charge as specified in Appendix A.

(f) Loose Garbage: For loose Garbage removed by Collector upon special request of the owner, occupant or tenant of any premises, the maximum rate shall be as specified in Appendix A.

(g) Compacted Garbage: All of the above rates for collection of Garbage, which has been compacted by mechanical, electrical, or hydraulic means, shall be multiplied by two and one-half (2-1/2) times if such Garbage does not include recyclables, and two (2) times if such Garbage does include recyclables.

(h) Special Services: Should the owner, occupant, or tenant of any premises request Collector to provide a Debris Box for a single removal of Debris, on an occasional basis, Collector may provide such special service, and the charge to be paid to Collector therefor shall be agreed upon in advance between the Collector and the owners, occupant, or tenant of such premises and such charge shall be at the reasonable nondiscriminatory rate. In any case where the monthly charge for the collection, removal and disposal of Garbage is not hereinabove established, such charge may be agreed upon between the Collector and the owner, occupant or tenant, in advance, and with the approval of the General Manager of such official thereof as may be delegated the responsibility of approving such rates.

For Commercial Services as specified in Section 224(b)(2) and Multi-Family (Five or More Unit Structures) as specified in Section 224(c)(2), the Collector can perform a detailed waste audit to determine the composition and characterization of waste and will provide a detailed report with photos showing the waste stream for an additional fee. This fee will vary depending on the size of and complexity of the customer's service however the fee charged shall be agreed upon in advance between the Collector and the owner, occupant, or tenant of such premises and such charge shall be at the reasonable nondiscriminatory rate.

(i) Overloading: No container for receiving and holding Garbage, Organic Materials or Recyclable Materials or debris which is to be collected by Collector shall be overloaded. Such container shall be considered to be overloaded when the contents thereof will not fit within the confines of the container.

Section 237. Rates to Be Charged, City of San Rafael Portion of District. Rates established by the City of San Rafael.

Section 238. Inspections.

(a) The District Manager, Authorized Collector, or designee is authorized to conduct any inspections, remote monitoring, or other investigations as reasonably necessary to further the goals of this chapter, subject to applicable laws. This may include inspections and investigations, at random or otherwise, of any collection container, collection vehicle load, or transfer, processing, or disposal facility to confirm compliance with this chapter, subject to applicable laws. This section does not allow entry in a private residential dwelling unit for inspection. For the purposes of inspecting collection containers for compliance, the District Manager or Authorized Collector may conduct container inspections for prohibited container contaminants using remote monitoring, and generators shall accommodate and cooperate with the remote monitoring.

(b) A Person subject to the requirements of this chapter shall provide or arrange for access during all inspections (with the exception of a private residential dwelling unit) and shall cooperate with the District Manager or Authorized Collector during such inspections and investigations. Such inspections and investigations may include confirmation of proper placement of materials in collection containers, inspection of edible food recovery activities, review of required records, or other verification or inspection to confirm compliance with any other requirement of this chapter. Failure to provide or arrange for: (i) access to the premises; (ii) installation and operation of remote monitoring equipment, if a remote monitoring program is adopted; or (iii) access to records for any inspection or investigation is a violation of this chapter and may result in penalties.

(c) Any records obtained by the District Manager, Authorized Collector, or designee, during inspections, investigations, remote monitoring and other reviews shall be subject to the requirements and applicable disclosure exemptions of the California Public Records Act as set forth in Government Code Section 6250 et seq.

(d) The District, Authorized Collector or designee shall accept written complaints from persons regarding an entity that may be potentially non-compliant with this chapter.

Section 239. Violation—Penalty.

(a) Violation of any provision of this chapter shall constitute an infraction and may be grounds for issuance of a Notice of Violation and assessment of an administrative citation and penalty by the District's Enforcement Officer or its Designated Enforcement Agency.

(b) Enforcement Actions under this chapter shall only be initiated beginning January 1, 2024 and may include the issuance of an administrative citation and/or assessment of a fine. The District's procedures on imposition of administrative citations and fines shall govern the imposition, enforcement, collection, and review of administrative citations and fines issued to enforce this chapter and any rule or regulation adopted pursuant to this chapter. Any section of this chapter may be enforced by the District or, if agreed to, by its designated Enforcement Agency.

(c) A violation may be punishable by:

- (1) A fine not exceeding one hundred dollars for a first violation;
- (2) A fine not exceeding two hundred dollars for a second violation of the same provision of this code within any twelve consecutive month period;

(3) A fine not exceeding five hundred dollars for each additional violation of the same provision of this code within any twelve consecutive-month period. Any citation issued after the issuance of a third citation or violation of the same provision of this code within any twelve consecutive-month period may be charged as a misdemeanor pursuant to the provisions of Chapter 1 of this code.

(d) The District Manager or designated Enforcement Agency may issue a Notice of Violation requiring compliance within 60 days or sooner of issuance of the notice.

(e) Absent compliance by the respondent within the deadline set forth in the Notice of Violation, the District Manager or designated Enforcement Agency shall commence an action to impose penalties, via an administrative citation and fine, pursuant to the District's standard procedures or the standard procedures of its designated Enforcement Agency.

(f) Residential generators shall not be subject to contamination charges by District or Collector.

(g) Other remedies allowed by law may be used, including civil action or prosecution as a misdemeanor or infraction. The District may pursue civil actions in the California courts to seek recovery of unpaid administrative citations, and fines. The District may choose to delay court action until such time as a sufficiently large number of violations, or cumulative size of violations exist such that court action is a reasonable use of District staff and resources.

Section 240. Constitutionality. If any section, sub-section, sentence, clause or phase of this Ordinance be, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board hereby declares that it would have passed this Ordinance and each section, sub-section, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, sub-sections, sentences, clauses or phrases be declared unconstitutional.

Section 241. Posting. [Reserved.]

Section 242 Repeal of Ordinances. Ordinance No. 28, adopted by the Sanitary Board of said District on December 14, 1961, and Ordinance No. 188, adopted by the Sanitary Board of said District on December 16, 2021 are hereby repealed. All other ordinances and parts of ordinances inconsistent herewith are hereby repealed.

APPENDIX A
LAS GALLINAS VALLEY SANITARY DISTRICT
SCHEDULE OF RATES

RESIDENTIAL REFUSE COLLECTION RATES			
Rate increase:		0.64%	
Effective date:		01/01/2022	
<i>Residential Service (Bundled service includes 1 landfill (garbage) cart, 1 organics cart, & 1 recycling split cart)</i>			
REOCCURRING CHARGES	Weekly Service Rates (Billed Quarterly)	2022 Flat rate	
		Monthly Rate	Quarterly Rate
	20 gallon cart	\$35.18	\$105.54
	32 gallon cart	\$41.38	\$124.14
	64 gallon cart	\$82.76	\$248.28
	96 gallon cart	\$124.14	\$372.42
	Low income - 20 gal* cart	\$28.14	\$84.42
	Low income - 32 gal* cart	\$33.10	\$99.30
	Low income - 64 gal* cart	\$66.21	\$198.63
	Low income - 96 gal* cart	\$99.31	\$297.93
	Additional Organics Cart Rental (35 or 64 gallon cart)	\$2.44	\$7.32
	Additional Split Cart Rental (64 or 96 gallon cart)	\$2.44	\$7.32
	Additional Monthly Charges	Monthly Fee (per cart, each way)	Quarterly Fee
	Distance 5' - 50'	\$5.68	\$17.04
Distance Over 50'	\$7.31	\$21.93	

*Must meet PG&E CARE program eligibility requirements.

NOTE: We may not be able to accommodate any collection requests NOT at the curb due to a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

ONE TIME SERVICE FEES	Additional Service Fees per Occurrence	Fee
	Return Fees - Off day	\$25.00
	Return Fees - Same day	\$10.00
	Resume Service/Late Fee	\$35.00
	Contamination (cart) any size cart	\$30.00
	Overload/Overweight (cart)	\$25.00
	Extra bag garbage	\$15.00
	Extra bag yard waste	\$10.00
	Steam Clean (cart)	\$15.00
	Special Collection	\$35.00
	Special Handling (Bulky items)	\$30.00
	Bulky item fees per item	Fees Vary
	Cart Strap Set-up Admin Fee	\$25.00
	20 Gal Cart Replacement Fee	\$55.00
32 Gal Cart Replacement Fee	\$60.00	
64 Gal Cart Replacement Fee	\$65.00	
96 Gal Cart Replacement Fee	\$75.00	
64 Gal Split Cart Replacement Fee	\$90.00	
96 Gal Split Cart Replacement Fee	\$100.00	

**LAS GALLINAS VALLEY SANITARY DISTRICT
SCHEDULE OF RATES COMMERCIAL REFUSE**

COLLECTION RATES

Rate increase: 0.64%
Effective date: 01/01/2022

RECURRING CHARGES	COMMERCIAL CARTS, BINS, ROLL-OFFS		Collections per Week						Additional One Time Empty
	1	2	3	4	5	6			
Garbage									
20 gallon cart*	\$35.98	\$71.96	\$107.94	\$143.92	\$179.90	\$215.88	\$8.30		
32 gallon cart	\$42.32	\$84.64	\$126.96	\$169.28	\$211.60	\$253.92	\$9.77		
64 gallon cart	\$84.64	\$169.28	\$253.92	\$338.56	\$423.20	\$507.84	\$19.53		
96 gallon cart	\$126.96	\$253.92	\$380.88	\$507.84	\$634.80	\$761.76	\$29.30		
1 yard bin	\$296.25	\$593.23	\$889.49	\$1,185.74	\$1,482.64	\$1,778.83	\$68.37		
2 yard bin	\$447.85	\$864.73	\$1,281.29	\$1,697.80	\$2,114.68	\$2,531.20	\$103.35		
3 yard bin	\$599.44	\$1,136.22	\$1,673.07	\$2,209.86	\$2,746.70	\$3,283.55	\$138.33		
4 yard bin	\$791.47	\$1,551.55	\$2,311.80	\$3,071.81	\$3,831.92	\$4,592.27	\$182.65		
5 yard bin	\$983.51	\$1,966.90	\$2,950.54	\$3,933.78	\$4,917.16	\$5,901.03	\$226.96		
6 yard bin	\$1,138.94	\$2,158.83	\$3,178.84	\$4,198.73	\$5,218.74	\$6,238.75	\$262.83		
10 yard roll-off	\$1,809.50	\$3,431.24	\$5,052.60	\$6,674.13	\$8,295.99	\$9,917.45	\$417.58		
18 yard roll-off	\$2,969.61	\$5,564.59	\$8,159.49	\$10,754.53	\$13,349.71	\$15,944.62	\$685.29		
20 yard roll-off	\$3,619.00	\$6,862.47	\$10,105.20	\$13,348.26	\$16,591.97	\$19,834.90	\$835.15		
25 yard roll-off	\$4,523.76	\$8,578.10	\$12,631.50	\$16,685.33	\$20,739.96	\$24,793.63	\$1,043.94		
Organics (F2E or Compost)									
32 gallon	\$19.99	\$39.98	\$59.97	\$79.96	\$99.95	\$119.94	\$4.61		
64 gallon	\$39.98	\$79.96	\$119.94	\$159.92	\$199.90	\$239.88	\$9.23		
1 yard	\$139.87	\$279.74	\$419.61	\$559.48	\$699.35	\$839.22	\$32.28		
2 yard	\$279.74	\$559.48	\$839.22	\$1,118.96	\$1,398.70	\$1,678.44	\$64.56		
3 yard	\$419.61	\$839.22	\$1,258.83	\$1,678.44	\$2,098.05	\$2,517.66	\$96.83		
10 yard roll-off	\$1,266.65	\$2,533.30	\$3,799.95	\$5,066.60	\$6,333.25	\$7,599.90	\$292.30		
18 yard roll-off	\$2,279.97	\$4,559.94	\$6,839.91	\$9,119.88	\$11,399.85	\$13,679.82	\$526.15		
20 yard roll-off	\$2,533.30	\$5,066.60	\$7,599.90	\$10,133.20	\$12,666.50	\$15,199.80	\$584.61		
25 yard roll-off	\$3,166.63	\$6,333.26	\$9,499.89	\$12,666.52	\$15,833.15	\$18,999.78	\$730.76		
Garbage Compactors (Per empty)									
Roll-off Compactor Tipping fee per ton		\$143.61		Roll-off Compactor Hauling charge		\$291.69			
Stationary FL (Per Compacted Yard)		\$121.64		Roll-off Compactor Special handling		Rates Vary			
Other Charges	Service	Fee		Details					
	Lock		\$25.00	Monthly fee					
	Box rental		Fees Vary	Minimum Bimonthly fee					
	Distance < 50ft		\$5.68	Monthly fee per cart, each way					
	Distance > 50ft		\$7.29	Monthly fee per cart, each way					

* Customers must have a sufficient level of service for the volume of material generated. Requests for 20gal carts require assessment and approval of a Route Manager.
NOTE: All container types and sizes may not be available at all locations depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

ONE TIME SERVICE FEES	Commercial Service Fees	
	Service	Fee
	Return Fee - BIN	\$75.00
	Return Fee - CART -same day	\$10.00
	Return Fee - CART -off day	\$25.00
	Late Fee/Resume Service Fee	\$35.00
	Contamination (BIN)	\$50.00
	Contamination (CART)	\$30.00
	Overload/Compaction (BIN)	\$60.00
	Overload/Compaction (CART)	\$25.00
	Extra Bag Garbage	\$15.00
	Additional Empty BIN	Fees vary
	Extra Bag Yard Waste	\$15.00
	Steam Clean (1-6 yard BIN)	\$95.00
	Steam Clean (CART)	\$15.00
	Steam Clean (COMPACTOR/ROLL-OFF)	\$225.00
	Lock Set-up Admin Fee	\$25.00
	Lock Single Use Fee	\$5.00
	Lock Purchase Fee	\$20.00
	Lock Bar Bin Set-up Fee	\$75.00
	Overweight Charge Per Ton*	\$205.00
	20 Gal Cart Replacement Fee	\$55.00
	32 Gal Cart Replacement Fee	\$60.00
	64 Gal Cart Replacement Fee	\$65.00
	96 Gal Cart Replacement Fee	\$75.00
	64 Gal Split Cart Replacement Fee	\$90.00
	96 Gal Split Cart Replacement Fee	\$100.00
	Bin Repair/Replacement Fee**	Fees vary

*Boxes exceeding 300lbs/yard
**Fees vary by size up to \$1,200, not to exceed current replacement value.

**LAS GALLINAS VALLEY SANITARY DISTRICT
SCHEDULE OF RATES**

MULTI-FAMILY DWELLING REFUSE COLLECTION RATES

Rate increase: 0.64%
Effective date: 01/01/2022

	MFD CARTS, BINS, ROLL-OFFS		Collections per Week				Additional One Time Empty
	Garbage	1	2	3	4	5	
20 gallon cart*	\$35.17	\$70.34	\$105.51	\$140.68	\$175.85	\$211.02	\$8.12
32 gallon cart	\$41.38	\$82.76	\$124.14	\$165.52	\$206.90	\$248.28	\$9.55
64 gallon cart	\$82.76	\$165.52	\$248.28	\$331.04	\$413.80	\$496.56	\$19.10
96 gallon cart	\$124.14	\$248.28	\$372.42	\$496.56	\$620.70	\$744.84	\$28.65
1 yard bin	\$273.62	\$474.04	\$674.40	\$874.81	\$1,075.23	\$1,275.67	\$63.14
2 yard bin	\$447.85	\$864.73	\$1,281.29	\$1,697.80	\$2,114.68	\$2,531.20	\$103.35
3 yard bin	\$599.44	\$1,136.22	\$1,673.07	\$2,209.86	\$2,746.63	\$3,283.40	\$138.33
4 yard bin	\$791.47	\$1,551.55	\$2,311.80	\$3,071.81	\$3,831.92	\$4,592.27	\$182.65
5 yard bin	\$983.51	\$1,966.90	\$2,950.54	\$3,933.78	\$4,917.16	\$5,901.03	\$226.96
6 yard bin	\$1,138.94	\$2,158.83	\$3,178.84	\$4,198.73	\$5,218.74	\$6,238.75	\$262.83
10 yard roll-off	\$1,809.50	\$3,431.24	\$5,052.60	\$6,674.13	\$8,295.99	\$9,917.45	\$417.58
18 yard roll-off	\$2,969.61	\$5,564.59	\$8,159.49	\$10,754.53	\$13,349.71	\$15,944.62	\$685.29
20 yard roll-off	\$3,619.00	\$6,862.47	\$10,105.20	\$13,348.26	\$16,591.97	\$19,834.90	\$835.15
25 yard roll-off	\$4,523.76	\$8,578.10	\$12,631.50	\$16,685.33	\$20,739.96	\$24,793.63	\$1,043.94
Organics	1	2	3	4	5	6	Additional One Time Empty
Additional Organics Cart Rental (35 gallon cart) after 4 TOTAL carts per cart per month	\$2.44	\$4.88	\$7.32	\$9.76	\$12.20	\$14.64	NA
Additional Organics Cart Rental (64 gallon cart) after 4 TOTAL carts per cart per month.	\$2.44	\$4.88	\$7.32	\$9.76	\$12.20	\$14.64	NA
1 yard	\$139.87	\$279.74	\$419.61	\$559.48	\$699.35	\$839.22	\$32.28
2 yard	\$279.74	\$559.48	\$839.22	\$1,118.96	\$1,398.70	\$1,678.44	\$64.56
3 yard	\$419.61	\$839.22	\$1,258.83	\$1,678.44	\$2,098.05	\$2,517.66	\$96.83
Garbage Compactors (Per empty)							
Roll-off Compactor Tipping fee per ton		\$143.61			Roll-off Compactor Hauling charge		\$291.69
Stationary FL (Per Compacted Yard)		\$121.64			Roll-off Compactor Special handling		Rates Vary
Other Charges	Service	Fee		Details			
	Lock		\$25.00	Monthly fee			
	Box rental		Fees Vary	Minimum Bimonthly fee			
	Distance < 50ft		\$5.68	Monthly fee per cart, each way			
Distance > 50ft		\$7.29	Monthly fee per cart, each way				

NOTE: Minimum service level is 32 gallons per unit or equivalent volume. Decrease to 20 gallon per unit is subject to company review and approval.

NOTE: Up to four (4) Organics carts provided at no additional charge. Additional carts may be rented for a nominal monthly fee.

NOTE: All container types and sizes may not be available depending on a variety of factors including safety, accessibility, and efficiency. Requests to be assessed and approved by Route Manager.

	MFD One Time Service Fees	Fee
	Return Fee - BIN	
Return Fee - CART -same day		\$10.00
Return Fee - CART -off day		\$25.00
Late Fee/Resume Service Fee		\$35.00
Contamination (BIN) Per Yard		\$50.00
Contamination (CART)		\$30.00
Overload/Compaction (BIN)		\$60.00
Overload/Compaction (CART)		\$25.00
Additional Empty Bag		\$15.00
Extra Bag Yard Waste		\$10.00
Additional Empty Garbage		Fees vary
Steam Clean (BIN)		\$95.00
Steam Clean (CART)		\$15.00
Steam Clean (COMPACTOR/ROLL-OFF)		\$225.00
Lock Set-up Admin Fee		\$25.00
Lock Single Use Fee		\$5.00
Lock Purchase Fee		\$20.00
Lock Bar Bin Set-up Fee		\$75.00
Overweight Charge Per Ton*		\$205.00
20 Gal Cart Replacement Fee		\$55.00
32 Gal Cart Replacement Fee		\$60.00
64 Gal Cart Replacement Fee		\$65.00
96 Gal Cart Replacement Fee		\$75.00
64 Gal Split Cart Replacement Fee		\$90.00
96 Gal Split Cart Replacement Fee		\$100.00
Bin Repair/Replacement Fee**		Fees vary by size up to

*Boxes exceeding 300lbs/yard

**Fees vary by size not to exceed current replacement value.

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 March 17, 2022, by the following vote of members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

Teresa Lerch, District Secretary
Las Gallinas Valley Sanitary District

APPROVED:

Judy Schriebman, President
Las Gallinas Valley Sanitary District

(seal)

February 4, 2022

Via email: Kaoru.Cruz@CalRecycle.ca.gov

Ms. Kaoru Cruz
Senior Environmental Scientist
Department of Resources Recycling and Recovery (CalRecycle)
P.O. Box 4025
Sacramento, CA 95812-4025CalRecycle

Subject: SB 1383 Enforcement

Dear Ms. Cruz,

The Las Gallinas Valley Sanitary District (District) Board of Directors (Board) met on January 20, 2022, to discuss its proposed ordinance implementing SB 1383 requirements, required of jurisdictions, including special districts, that provide solid waste collection services. The Board deferred adoption of that ordinance and requested me to send a letter addressing concerns about adopting an ordinance which would require administrative enforcement beyond legislative authority in the District's enabling act and which we are not set up to do.

The District does not have enforcement staff, administration, procedures or infrastructure to undertake such required enforcement of minor offenses. Sanitary Districts are established to enforce violations of a more serious nature, such as misdemeanors, through the court process, and not as a simple administrative penalty, infraction or fine, which is the appropriate enforcement level for SB 1383 ordinance violations.

Health and Safety Code Section 6523 states "a violation of a regulation or ordinance of a district is a misdemeanor punishable by imprisonment in the county jail not to exceed 30 days, or by a fine not to exceed one thousand dollars (\$1,000), or by both." The District Administrative Code, Article III. Enforcement Section 303, states that any violation will be declared a misdemeanor, pursuant to Health and Safety Code, Section 6523.

Government Code Sections 25132 and 36900 limit amounts for infractions, but those sections pertain only to cities. Government Code Section 53069.4 allows local agencies to make ordinances subject to administrative fines or penalties if the local agency sets forth by ordinance, administrative procedures governing imposition, enforcement, collection and administrative

review of those administrative fines or penalties. The District has no such administrative procedures.

The District does have authority to make all violations of SB 1383 requirements enforceable as misdemeanors. However, we do not believe that this type of violation meets the level of a misdemeanor. We have no administrative procedures to treat such violations as infractions with penalties and fines, as other jurisdictions such as municipalities and Counties may have.

We believe these enforcement difficulties pertaining to Special Districts may not have been considered in drafting of the regulations and guidance to address the special enforcement difficulties faced by Special Districts such as ours.

Further we request CalRecycle for additional time and assistance in addressing these enforcement issues. If there is any assistance that CalRecycle can provide in this area of enforcement, please let us know.

The Board has asked me to submit this letter and share CalRecycle's response given the SB 1383 enforcement challenges posed by SB 1383 implementation. I look forward to your earliest reply.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dale McDonald', with a large, stylized initial 'D'.

Dale McDonald
Administrative Services Manager
Las Gallinas Valley Sanitary District



101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
Fax: 415-499-7715
www.LGVSD.org

MANAGEMENT TEAM
Interim General Manager, Chris DeGabriele
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
Ronald Ford
Craig K. Murray
Judy Schriebman
Crystal J. Yezman

February 4, 2022

Gregory Pirie
Deputy Director of Environmental Health Services
Environmental Health Services
3501 Civic Center Drive, Suite 236
San Rafael, CA 94903

Dear Mr. Pirie,

The Las Gallinas Sanitary District (District) Board of Directors (Board) requests assistance from the County of Marin in enforcing the requirements of SB 1383, the State Organics Recycling law. As our jurisdiction also includes areas within the boundaries of the City of San Rafael, I have sent a similar request to the City.

As a Sanitary District, Las Gallinas is not set up to conduct enforcement at an infraction level. I am attaching a letter sent to CalRecycle describing the difficulties associated with enforcement by a Special District. We have neither staff nor administrative processes to manage enforcement of SB 1383.

We request the County to undertake the enforcement, on behalf of the District, for several aspects of SB 1383, as the County is better situated with staff, processes, and expertise in the area of enforcement for this type of requirement. Since the County already has environmental health inspectors to inspect food establishments for compliance with other requirements, and other code enforcement personnel for other types of violations, as well as administrative penalty levels and processes, it is much better positioned for the type of inspections and enforcement required by SB 1383.

This would build upon and expand the level of assistance that the County currently provides with respect to providing technical assistance and reporting on the District's behalf about compliance with other CalRecycle related regulatory requirements including AB 939, AB 341 and AB 1826.

We would like to ask for County assistance with the following requirements of SB 1383:

1. Inspections and enforcement of Commercial edible food generator requirements.
2. Enforcement of Food recovery organization and services, if needed.
3. Enforcement of commercial generators that don't subscribe to adequate service levels. (Our hauler, Marin Sanitary Service, will identify the entities that are out of compliance).
4. Reporting to CalRecycle on an annual basis re: SB 1383 implementation as required.

We are working on a contract amendment to enable Marin Sanitary Service to take on as many SB 1383 requirements as possible. However, while haulers may participate up by identifying non-compliant generators, only public entities can issue the notices of violation and follow an administrative enforcement process for which we are seeking County assistance.

We would be happy to discuss this further to determine whether we can come up with an agreement that works for all parties. We think that other Special Districts in the County would also be interested in such an arrangement, as they may have the same limitations with respect to enforcement.

Thank you for your consideration. I am hopeful we can work together for mutual agency benefit in examining ways to provide enforcement to meet SB 1383 requirements.

Please let me know a good time to discuss this request further at your earliest convenience. I can be reached by email at dmcdonald@lgvsd.org or by phone at 415-526-1519.

Sincerely,



Dale McDonald
Administrative Services Manager
Las Gallinas Valley Sanitary District



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Crystal J. Yezman

February 4, 2022

Alicia Giudice
Community Development Director
Community Development Department, City of San Rafael
1400 Fifth Avenue, Top Floor
San Rafael, CA 94901

Dear Ms. Giudice,

The Las Gallinas Sanitary District (District) Board of Directors (Board) requests assistance from the City of San Rafael (City) in enforcing the requirements of SB 1383, the State Organics Recycling law. As our jurisdiction also includes areas in the unincorporated areas of Marin County, I have sent a similar request to the County.

As a Sanitary District, Las Gallinas is not set up to conduct enforcement at an infraction level. I am attaching a letter that we sent to CalRecycle describing the difficulties associated with enforcement by a Special District. We have neither staff nor administrative processes to manage enforcement of SB 1383.

We request the City to undertake the enforcement, on behalf of the District, for several aspects of SB 1383 within your jurisdiction. The City and County are both better situated with staff, processes, and expertise in the area of enforcement for this type of requirement. Since the City already has a Code Enforcement Division, which works with other city departments to investigate and enforce violations of city and state code, it is much better positioned for the type of inspections and enforcement required by SB 1383.

This would build upon and expand the level of partnership that the City currently participates in through their Sustainability Program with respect to providing technical assistance and reporting on the District's behalf about compliance with other CalRecycle related regulatory requirements including AB 939, AB 341 and AB 1826.

We would like to ask for City for assistance with the following requirements of SB 1383:

1. Inspections and enforcement of Commercial edible food generator requirements.
2. Enforcement of Food recovery organization and services, if needed.
3. Enforcement of commercial generators that don't subscribe to adequate service levels. (Our hauler, Marin Sanitary Service, will identify the entities that are out of compliance).
4. Reporting to CalRecycle on an annual basis re: SB 1383 implementation as required.

We are working on a contract amendment to enable Marin Sanitary Service to take on as many of the SB 1383 requirements as possible. However, while haulers may participate by identifying non-compliant generators, only public entities can issue the notices of violation and follow an administrative enforcement process for which we are seeking City assistance.

We would be happy to discuss this further to determine whether we could come up with an agreement that works for all parties.

Thank you for your consideration. I am hopeful we can work together for mutual agency benefit in examining ways to provide enforcement to meet SB 1383 requirements.

Please let me know a good time to discuss this request further at your earliest convenience. I can be reached by email at dmcdonald@lgvsd.org or by phone at 415-526-1519.

Sincerely,



Dale McDonald
Administrative Services Manager
Las Gallinas Valley Sanitary District



Item Number 5
GM Review (D)

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: February 17, 2022
Re: Approve Human Resources Consulting Services Agreement

Item Type: Consent _____ Action X Information _____ Other _____
Standard Contract: Yes X No _____ (See attached) Not Applicable _____

STAFF RECOMMENDATION

Board to award a contract agreement to provide Human Resource services for a term of 2-years, at a cost not to exceed \$130,000, and authorize the Interim General Manager to execute the agreement upon receipt of signed contract and required documents.

BACKGROUND

The District relies on outside Human Resource (HR) consultants as needed to augment HR services for its employees. The District most recently had a consulting agreement with Pacific Crest Group (PCG) to providing non-transactional support to the District between June 2020 through December 31, 2021. The consulting agreement was extended multiple times and reached the financial approval limit of the General Manager's authority. Management felt it was prudent to solicit proposals from other HR providers rather than simply extend PCG's agreement.

The District issued a Request for Proposals (RFP) on December 3, 2021 searching for a firm willing to continue providing non-transactional support to the District while expanding HR support to address the findings and recommendations presented in the FutureSense Employee Cultural Assessment Report completed in November 2021. The principal areas of HR support include recruitment, investigations of employee complaints, review of counseling, legal compliance, employee relations, and other duties as outlined in the RFP. The initial term of the agreement is for 2-years with a possibility to extend.

Three firms responded to the RFP including PCG. They were reviewed based on the selection criteria in the RFP and two firms were chosen to move on in the selection process. Both firms have adequate staffing and provide a team-based approach to provide HR services. Both firms have a principal HR consultant/analyst that will serve the District. A summary of the two firms is below:

- **CPS HR Consulting** – *Senior Consultant Kyla Sinegal* – primarily remote but would initially be working out of the District office and visiting the plant to build relationships with District staff. Proposed rate varies based on duties, from \$125 per hour for Senior Consultant to \$140 for Project Manager. Joint Powers Authority assisting organizations since 1985.
- **Regional Governmental Services** – *Lead Advisor Barbara Duncan* – primarily remote but available to come to the District workplace as needed. Proposed rate varies based on duties, from \$125 per hour for Lead Advisor to \$190 for Senior Advisor. Serving public agencies since 2002.



Proposals for selected firms, excluding appendices and supporting material, are attached for reference. Full proposals from all three firms can be provided upon request.

An Ad-Hoc HR Committee was formed on January 6, 2022 to gather information, explore alternatives, examine implications, and offer recommendations to the full Board. The committee reviewed the proposals in detail, conducted interviews, and provided guidance to management during the evaluation process.

Operating Engineers Local 3 shop stewards and one represented employee from the District office were able to speak with CPS HR Senior Consultant Kyla Sinegal and Regional Governmental Services Lead Advisor Barbara Duncan on February 8. Management felt it important to gather the opinions of the Union Stewards and other represented employees as part of the evaluation process.

In addition to the above, the Board is being asked to consider a verbal report from the Ad-Hoc HR Committee and to consider an opinion from the Administrative Services Manager before deciding which firm to award contract to.

PREVIOUS BOARD ACTION

None

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The term of the agreement is for 2-years and will be in place over three fiscal years. The cost to provide HR services will be dependent on the number of hours worked and for the services provided. It is anticipated that the District will require 12-15 hours per week of HR services through the remainder of this calendar year with the hours decreasing once FutureSense recommendations are implemented.

\$34,000	FY 21-22 through June 30, 2022
\$75,000	FY 22-23 through June 30, 2023
<u>\$21,000</u>	FY 23-24 through January 31, 2024
\$130,000	TOTAL

There is sufficient funding in the outside service consulting budget for FY 21-22 to cover the expenditures proposed. The expenditures in FY 22-23 and FY 23-24 will be budgeted based on level of required service that will be needed in future years..

Attachments:

- A. CPS HR Consulting Proposal (*pages 1-17, 25-34*)
- B. Regional Governmental Services Proposal (*pages 1-12*)

3.1 Approach / Methodology

Our Approach and Methodology for Services

Conceptual Plan

CPS HR believes that building a solid foundation for human resource management will best support an organization's efforts to achieve its mission and goals. We view the human resources function as a systems model that integrates success factors and best practices across the human resources span of control, while aligning with the external and internal factors that support its solid foundation. The use of this systems approach eliminates or mitigates the unintended consequences of making decisions which place human resources programs in silos, rather than on a continuum.

Our conceptual plan is to partner with LGVSD to focus on an improved performance that focuses on the interrelationships among the following categories:

- Assist in Implementing Recommendations in Climate Assessment Reports
- Recruitment and Selection
- Compensation Study and Assistance with Benchmark Classifications
- Legal Compliance (employee handbook and/or personnel policy review and update, etc.)
- Employee Relations (investigations, review of counseling/disciplinary actions, etc.)
- Training and/or Coaching Staff in HR Related Activities
- Other HR Administrative Services

We view our clients as our business partners; our goal is to form strong and collaborative partnerships with our clients to assist them in achieving their missions. It is through such partnerships that CPS HR achieves our own mission to promote human resource excellence in the public sector.

Project Management and Communication

CPS HR uses a comprehensive approach for planning, organizing, directing, and controlling consulting engagements. Our approach is designed to ensure a focused and efficiently executed project. We use sound project management procedures and ongoing communication to ensure project success.

CPS HR is convinced that the key ingredient to a successful consulting assignment is an effective combination of sound project management procedures, high-quality project team members, and good customer service. Effective project management is required to provide for the orchestration and timely flow of activities, an ongoing feedback and adjustment

mechanism, and the judicious use of time. Our project management process includes three primary components.

- Providing ongoing monitoring and control of project activities

Unforeseen developments or changes in circumstances may warrant changes in emphasis, revisions to the approach in certain areas, or other modifications of planned work activities. Active project management provides greater assurance that such redirection will occur when warranted by circumstances.

- Ensuring the optimum management of the time available to complete the project

Effective time management is a skill required of experienced professionals. Sound project management can optimize the overall effectiveness of the project team's efforts and provide a greater assurance of meeting milestones and budgets.

- Providing for the continuous reinforcement of the project's objectives

A major role of project management is to ensure that the consulting team consistently adheres to the proper perspective in facilitating the project.

CPS HR is dedicated to the commitment of its full complement of resources for the success of all projects. The team members who will be working on this project will be readily accessible and are committed to meeting all deadlines and scheduled timeframes.

2.1 Assist in Implementing Recommendations in Climate Assessment Reports

CPS HR has an Organizational Strategy unit staffed by organizational development professionals who assess important workplace components such as employee engagement, organizational climate, and organizational effectiveness.

This is accomplished by gathering data and soliciting staff input to create an accurate picture of the “as is” working environment. We work with our clients to design a recommended future “to be” structure and perform a gap analysis to guide them toward their goals.

This may involve both internal and external “customers” and stakeholders of the organization, process mapping, gathering and developing operational metrics, best practices studies, developing an implementation plan and other activities as appropriate. We may also offer change management and implementation assistance to help implement new organization and business process models.

We have experience implementing the following type of strategies:

- Support staff growth and advancement by conducting or analyzing a training needs analysis, creating and documenting training and development opportunities including

learning paths and career ladders, and assisting with providing or recommending professional developmental and training opportunities

- Develop talent management strategy and succession planning based on the current and future needs of the organization. We utilize all or portions of a five-step process shown below to conduct this work.

The five-step process is outlined below:



- Support development of performance reviews including revising, creating, and implementing performance management models, forms, and assessments such as a 360 review process.
- Conduct an Employee Engagement survey to ensure actions coming out of the survey are grounded in data rather than anecdotal. Our five-step process model includes the steps below:

Employee Engagement Process Model:



- Develop organizational scorecards for operational functions to ensure that the right metrics are in place and are being monitored to optimize performance. This may include things like unit dashboards, checklists, and benchmark setting.

2.2 Recruitment

All Position Levels

Our proposed process is designed to provide LGVSD with the full range of services required to ensure the ultimate selection of a new Incumbent uniquely suited to LGVSD's needs. A partial recruitment consists of Phase I and Phase II only.



PHASE I – Strategic Recruitment Plan

The first step in this engagement is a thorough review of the client’s needs, culture and goals; the recruitment and selection process; and the schedule. CPS HR is prepared to meet with key stakeholders to obtain input in developing the ideal candidate profile and to assist us in understanding key issues and challenges. Activities for this phase at each recruitment level include:

Executive Search

- Foster client collaboration.
- Create a tailored plan for your agency and unique position.
- Review of job duties and compensation for marketability.
- Define ideal candidate profile with hiring authority and key stakeholders.
- Identify testing/assessment needs.
- Conduct stakeholder engagement (surveys, focus group, community meetings).
- Leadership assessment.

Middle Management/Specialized

- Foster client collaboration.
- Create a tailored plan for your agency and unique position.
- Review of job duties and compensation for marketability.
- Define ideal candidate profile with hiring authority and key stakeholders.
- Identify testing/assessment needs.

General (Professional/Administrative)

- Foster client collaboration.
- Develop a recruitment plan.
- Review job specifications/classification.
- Define candidate profile with hiring authority and key stakeholders.
- Identify testing/assessment needs.

PHASE II – Marketing and Applicant Screening

The recruitment process is tailored to fit the client's specific wants and needs, with targeted advertising, combined with personal contacts with qualified individuals from our extensive database. CPS HR will prepare, submit for your approval, and publish advertisements in appropriate magazines, journals, newsletters, job bulletins, and websites to attract candidates on a nationwide, regional, local or targeted basis based on the recruitment strategy. CPS HR is focused on reaching a diverse candidate pool and would recommend publications/websites that are targeted to minority and female candidates.

CPS HR would execute the following tasks for this phase at each recruitment level including:

Executive Search

- Create a four-page colored brochure or electronic flip book.
- Conduct targeted research to identify ideal passive candidates.
- Execute active/passive sourcing of candidates through e-mail, phone, and social media.
- Devise advertising and marketing strategy.
- Develop innovative media campaigns.
- Review applicant resumes and ensure minimum qualifications are met utilizing client's applicant tracking system or CPS HR's applicant tracking system.
- Facilitate comprehensive screening interviews.

Middle Management/Specialized

- Create a two-page to four-page colored brochure.
- Identify advertising sources.
- Coordinate advertising placements.
- Create targeted marketing campaigns.
- Conduct active/passive sourcing of candidates through e-mail, phone, and social media.
- Review applicant resumes and ensure minimum qualifications are met utilizing client's applicant tracking system or CPS HR's applicant tracking system.
- Develop and administer secondary rated screening.
- Provide list of qualified candidates.

General (Professional/Administrative)

- Create standard job bulletin.
- Identify advertising sources.
- Create marketing campaign.

- Review applicant resumes and ensure minimum qualifications are met utilizing client's applicant tracking system or CPS HR's applicant tracking system.
- Develop and/or administer applicable screening tool (i.e. secondary rated screening, written exam, etc.)
- Provide a list of eligible candidates.

PHASE III – Selection

CPS HR will design a selection process based on information gathered in Phase I. We will meet with the client to review this process and discuss the client's preferred approach in assessing the final candidates.

We can coordinate all aspects of the selection process for the client. This includes preparing appropriate materials such as interview questions, evaluation manuals, and other assessment exercises; and facilitating the interviews. CPS HR will be available to complete the following components of this phase at each recruitment level:

Executive Search

- Develop and facilitate all required selection processes including development of interview questions and/or assessments.
- Coordinate all candidate communication and scheduling.
- Train interview panel and handle onsite facilitation of interview process.
- Execute extensive background and reference checks.
- Provide assistance with contract negotiation.
- Facilitate appointment of selected candidate.
- Prepare a written report that summarizes the results of the recruitment process.

Middle Management/Specialized

- Develop interview questions and/or other requested selection tools.
- Develop and facilitate training of interview panel for client's interview process.
- Coordinate all candidate communication and scheduling.
- Facilitate hiring interview process.
- Conduct professional reference checks available upon request.
- Facilitate appointment of selected candidate upon request.
- Prepare a written report that summarizes the results of the recruitment process

General (Professional/Administrative)

- Develop interview questions and train interview panel for client’s interview process.
- If requested by client, coordinate and facilitate administration of interviews.

2.3 Compensation Study & Assistance with Benchmark Classifications

Base Salary Study Work Plan

The compensation work plan outlined in this section is intended to define all tasks within a base salary study from labor market selection to final reports, and the types of deliverables associated with the task.

Task 1 – Receive and Review Background Materials. Upon contract execution, CPS HR will request background information from LGVSD to ensure the CPS HR Project Manager is prepared for the initial meeting. Typical material requests for compensation studies include the following:

- Compensation philosophy and strategy
- Salary schedules
- Budget Information
- Compensation policies and procedures
- Other documents relevant to the study

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- The client will upload electronic copies of all documents to a shared online site within five (5) business days of request.

Task 2 – Initial Project Meeting/Labor Market Agency and Benchmark Selection. The CPS HR Project Manager will meet with the LGVSD’s Internal Project Manager and any other designated stakeholders to discuss the study methodologies, deliverables, timelines, communication, and data collection methods. The CPS HR Project Manager will seek to understand the LGVSD’s compensation philosophy in this meeting. Additionally, we will discuss the following elements of compensation policy:

- Labor Market Agency Selection – It is our assumption that LGVSD has an identified list which will be utilized for this study
- Additional topics include:
 - Labor market position (i.e., median, mean, or other percentile)
 - Benchmark classifications
 - Base salary survey methodology

Task 3 – Design, Develop and Distribute the Survey Instrument. The CPS HR Project Team will develop a comprehensive survey instrument to ensure the effective collection of compensation data from each of the survey agencies. For a *base salary* study, the survey instrument will include a brief description of each of the survey classifications with a request for the published minimum and maximum monthly salary for each. CPS HR’s survey instrument is designed to be completed electronically.

Task 4 – Review, Analyze and Validate Labor Market Survey Data. To ensure the LGVSD receives the most accurate data for its studies, CPS HR will not solely rely on the completed surveys received from the labor market agencies without checking the validity of the submissions. Thus, in conjunction with the survey instrument received from each labor market agency, the CPS HR Project Team will review any additional survey agency background materials such as copies of classification specifications, organization charts, staffing information, and other useful materials to substantiate the accuracy of the comparability of the matches. It is critical that the CPS HR Project Team review such documents since titles alone can often be misleading and should not be relied upon. Further, CPS HR is committed to attaining full participation from the labor market agencies, either through obtaining each agency’s agreement to complete the survey, and/or by CPS HR’s completion of surveys as needed. Once CPS HR has completed their survey analysis tasks, the CPS HR Project Manager will audit the final data as part of our quality review process.

To determine whether a match from a labor market agency is comparable to the LGVSD’s benchmark, CPS HR utilizes a whole job analysis methodology. This commonly used methodology analyzes the job as a whole, rather than by individual factors, by evaluating the core duties and responsibilities, the nature and level of work performed, and the minimum qualifications to determine whether the classification is comparable enough to be utilized as a match. The methodology recognizes slight differences in duties assigned to matches from other labor market agencies which do not impact the type, nature, and level of work performed.

Matches should not be so broad that they include classifications performing dissimilar work, or work done at a higher or lower level, but they also should not be so narrow that they exclude matches doing comparable work, with slight differences in work that do not change the level and nature of work.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Should any labor market agencies be non-responsive to requests for information, we will provide LGVSD with contact information and request that they use their professional contacts to follow up on CPS HR’s behalf. We have found this approach to be beneficial.
- LGVSD may add additional labor market agencies should any in the initial selection be non-responsive or not provide sufficient matches at an additional cost.
- **Responsiveness of labor market agencies is absolutely critical to maintaining the agreed timeline.** An amended timeline will be provided by the CPS HR Project Manager if the

data collection period is pushed out. Any contract amendment needed due to timeline shift will be discussed with LGVSD at the appropriate point.

Task 5 – Design, Develop, and Deliver Data Spreadsheets. CPS HR will develop an individual data sheet for each survey classification that presents the comparable classification used in each agency with the relevant data associated with that classification, such as the salary range minimum and maximum. The labor market data analyses will be conducted based upon the labor market position affirmed within LGVSD’s compensation philosophy (e.g., median, mean, or other percentile). Each comparable match for each survey classification is reported in the relevant data sheet for full disclosure and review by others. We find this level of transparency in matching provides for a better understanding and acceptance of study results.

2.4 Legal Compliance

Employee Handbook and/or Personnel Policy Review and Update

Based on a review of your request for services, CPS HR is available to provide the following services to LGVSD:

- Conduct a comprehensive review LGVSD’s current handbook;
- Review LGVSD’s policies and memos and incorporate relevant policies and memos into updated employee handbook;
- Ensure LGVSD’s employee handbook is aligned with Local, State, and Federal legal requirements;
- Provide recommendations of additional policies to include based on best practices;
- Eliminate and/or update policies, as needed;
- Provide a redlined first draft of newly developed employee handbook for internal subject matter expert review;
- Consult with LGVSD on final revisions;
- Present final version of newly developed Employee Handbook to LGVSD’s Board, if requested; and
- Deliver final updated and formatted Employee Handbook to LGVSD.

LGVSD Involvement

CPS HR will take a collaborative approach with LGVSD to complete this scope of work. There will be specific milestones throughout the project where CPS HR and LGVSD will meet. These

milestones are critical as they allow LGVSD to review the work conducted, make any necessary revisions, and ask any relevant questions.

2.5 Other HR Functions and Support As Needed

HR On Demand Services

Our approach includes providing high-level human resources expertise, advice, and consultation to ensure appropriate research, analysis, and professional HR guidance are utilized for all assigned duties and responsibilities. While not exclusive, our skilled human resources professionals are available to provide consultation services regarding the following:

We will work primarily remotely to provide professional consultation and best practice recommendations in the following areas:

- Recruitment and Selection (detailed in Section 2.2);
- Develop or Review and Update HR Policies and procedures (detailed in Section 2.4);
- Benefits Administration (detailed below);
- Leave Administration (detailed below);
- Employee Relations (detailed below);
- Labor Relations (detailed below);
- Workplace Investigations, Disciplinary Action Review (detailed below);
- Training and Development including Coaching;
- Compensation Studies and Benchmark Classifications (detailed in Section 2.3);
- Other HR related tasks or needs as deemed necessary.

Benefits Administration

CPS HR will oversee the benefits administration including but not limited to tasks listed below:

- Partner with LGVSD to select a benefits broker/third party vendors and/or partner with existing benefits broker.
- Coordinate benefits and inform employees about benefit options and other resources.
- Manage onboarding and open enrollment for all employees.
- Act as primary point of contact for employee inquiries and benefits broker/third party vendors.
- Partner with appropriate LGVSD stakeholders in the development of compensation/salary administration plan.
- Establish, maintain, and manage voluntary benefit programs (wellness, telework, etc.).

- Coordinate with payroll/finance staff on employee benefit enrollments, changes, and/or terminations.

Leave of Absence Administration

CPS HR will manage leave of absence policies and procedures. Additionally, CPS HR will administer leave of absence requests including acting as a main point of contact for employee inquiries.

- Develop leave of absence procedure consistent with the policies included in the Employee Handbook.
- Coordinate leaves of absence in accordance with applicable laws (e.g., FMLA, CFRA, COBRA, COVID-19).
- Create tools and resources to consistently and effectively administer leave of absence requests.
- Act as primary point of contact for employee requests.
- Coordinate with Payroll/Finance as needed.

Employee Relations including Mediation

CPS HR will provide guidance and consultation to LGVSD supervisors/managers on employee related matters. Additionally, CPS HR can conduct formal workplace investigations under the direction of counsel, if needed. The expertise CPS HR can provide in both of these areas as outlined below.

- Employee Relations
 - Design programs to ensure the fair treatment of employees and effective communication between employees and managers.
 - Create and enforce policies that determine the way employees conduct themselves in the workplace and address issues like drug and alcohol use, sexual harassment, and privacy.
 - Develop, implement Sexual Harassment Training.
 - Address conflicts between employees and management that strive to resolve issues in a manner that benefits all parties and facilitates healthy work relationships.
 - Endeavor to resolve employee issues and -protect the interests of all parties involved.
 - Address employee concerns to encourage a supportive atmosphere in the workplace.
 - Advise management on how to effectively deal with employees, especially in difficult situations.
 - Work with management to facilitate progressive discipline/corrective action process up to and including termination.

- Mediation Methodology

Mediation is used when a structured, yet objective process is required to create a more positive work environment or outcome. The use of mediation allows for a neutral party **to facilitate a conversation to allow individuals to explore avenues to resolve differences**. A "safe space" is created to avoid power plays and withdrawal to enable parties to work towards a self-defined resolution. Indicators of successful mediation would, in some cases be, prompt resolution, party satisfaction (due to the ability to communicate their concerns and be heard by the other party), improvement of the disputants relationship over time, and cost-effectiveness for the organization who is no longer spending time working around the conflict or dealing with "water cooler" conversations and involvement of others in the workplace relating to the conflict.

A critical first success factor in mediation is agreement by all parties to actively participate in the process. Asking for agreement to participate is the first step and if between the parties, any one party does not agree to this method, then the mediation cannot move forward.

The stages/steps CPS HR follows when conducting mediation include:

- Preliminary arrangements
- Issue Identification
- Agenda setting
- Caucus
- Option generation
- Agreement
- Enforcement
- Monitoring
- Modification (if needed)

Labor Relations including Conflict Resolution

CPS-HR will provide guidance on managing relationships between LGVSD and Union membership to include the following:

- Interpret contract provisions, to ensure compliance with the provisions of the Memoranda of Understanding.
- Serve as management representative on contract negotiations, meet and confer activities, labor-management committees.
- Manage Labor Relations activities in accordance with applicable law(s), and district ordinances.
- Endeavor to establish and maintain good working relationships between LGVSD, the Union and unionized employees.
- Ensure that represented employees and employers are both are engaged in the labor relations process.
- Review, investigate, respond, and endeavor to resolve to employee grievances.

- Mediate to resolve employer-employee related conflicts.
- Facilitate progressive discipline/corrective action for represented employees on behalf of LGVSD.
- Contract administration
- Conflict Resolution Methodology

CPS HR will perform the conflict resolution services using a trained facilitator and labor and employee relations subject matter expert to address and resolve conflict between two or more parties. The facilitator will collaborate with the parties to mutually create a process in which the parties have an opportunity to explore their “perceived conflict” through a number of lenses and modalities. The facilitator will use a combination of cultural intelligence and unconscious bias training techniques to assist the parties in recognizing that there may be more than one “correct answer” to resolving the conflict.

The CPS HR facilitator will use various modalities to transport the parties mentally and emotionally to a space which recognizes that the parties have the ability to create a positive resolution that results in a “win-win” scenario. This holistic methodology allows the parties to reach a mutually agreeable resolution that is not only sustainable but also has the ability to strengthen the professional relationship. As with other forms of alternative dispute resolution, all information exchanged in the process between the facilitator and involved parties is confidential. Confidentiality agreements will be requested of those involved in the conflict resolution. If both parties agree, any written agreement produced in the process may be shared with interested parties, such as HR and/or Superior(s).

Workplace Investigations

CPS HR investigators have completed hundreds of investigations over the years and have extensive experience in every area on the investigation process. CPS HR investigators conduct their investigations through the lens of the client’s policies and procedures, which are based on federal, state, and/or local civil rights and equal protection employment laws.

The circumstances of individual cases may warrant additional action, but in general, our investigative process/methodology includes:

Task 1 – Preliminary Activities. The investigator (and project manager as needed) will initially meet or speak with LGVSD’s assigned point of contact to obtain an overview of the case and information on any special needs (critical time factors, transcription, travel requirements, etc.). During this meeting, the investigator may request documents or supporting information. The investigator will formulate an investigation plan within two business days of the meeting, which will include (i) The allegations and issues that will be investigated, (ii) List of witnesses that will be interviewed, (iii) List of requested documents and other information that will need to be gathered for review, (iv) Proposed schedule, and (v) Revise budget (if warranted). The plan will

be provided to LGVSD's point of contact for discussion and approval. Discussion will include methods to be used during the specific investigation.

Task 2 – Document Review. All documentation related to the investigation will be reviewed.

Task 3 – Interviews. Interviews will be conducted with the complainant, respondent, and any other witnesses. The objective of an investigation is to procure reliable facts to render findings regarding the allegations alleged by the complainant.

CPS HR's interview objectives include:

- Gathering all information concerning the alleged or suspected problem in a way that allows management to enforce its policies and carry out appropriate corrective action
- Performing the fact-finding process without being disruptive to the agency, its operations, or employee morale
- Structuring the process to reduce liability
- Reporting on workplace-related employee misconduct, or crimes against the employees and/or the organization

Task 4 – Analysis. All information (written and oral) will be analyzed to determine if there is a factual basis to substantiate the complainant's allegation(s) in order for LGVSD to take corrective action and determine the appropriateness of the proposed corrective action to take.

Task 5 – Report. The investigator will deliver a draft report to LGVSD. The final investigation report package will include an electronic copy of the report along with attachments/exhibits (documents and photographs), transcripts, and digital recordings of the interviews will be submitted via a thumb drive. The report will contain the following:

- Brief background of involved parties, their assignments, and an explanation of the issues or allegations involved in the investigation
- Discussion of the method employed in conducting the investigation
- List of exhibits
- Timeline of events
- Policies and procedures applicable to complainant's allegation(s)
- Discussion of each allegation with a summary of all statements and disclosed facts relevant to the allegation
- If appropriate, information relative to the credibility of the claimant, respondent, or a particular witness(es)
- Summary of all of the facts the investigator relied on to form a reasonable belief as to the merits of each allegation

2.6 Deliverables

Capacity and Availability

The designated project team is available to integrate project assignments into their existing workload. We pledge our commitment to perform this work in an efficient and timely manner for any and all of the services we present in the Scope of Services section of this proposal.

CPS HR will assign a dedicated Senior HR Consultant to LGVSD who will be the District's main point of contact. The Senior HR Consultant will be onsite at a minimum of once per week, no less than six hours. , CPS HR takes a team approach to these types of engagement as the individuals on our team bring a variety of areas of expertise. The designated project team will not spend more than 20 hours per week addressing the functions listed in the Scope of Work and will focus on maintaining open communication with LGVSD's designated staff by being available remotely and/or through phone or email as needed throughout the week and answering emails within 24 hours.

Our open communication model ensures that this project preserves its focus, LGVSD's objectives are met, and all deliverables adhere to the confirmed timeline and budget.

3.2 Professional Qualifications and Experience

CPS HR has been providing Human Resources consulting services to state, federal, and local governments along with special districts and non-profit organizations for **35 years**. CPS HR offers clients a comprehensive range of competitively priced services, all of which can be customized to meet your organization's specific needs. We are committed to supporting and developing strategic organizational leadership and human resource management in the public sector. We offer expertise in the areas of organizational strategy, recruitment and selection, classification and compensation, training and development, and organization and workforce management. Such services include:

- General HR Administration and Records Management
- Hiring, onboarding, promotion and separation of employees
- Employee Recruitment Process
- Employee Relations/Investigations/Conflict Resolution
- Administration of Leave Policies
- Training and Organizational Development
- Long term HR considerations (i.e. Succession Planning, Emergency Planning...)

- Performance Management
- Personnel Policy Development, Administration, and Interpretation
- Regular communication to Management of changes affecting labor laws and/or regulations

Human Resources Consulting Experience

CPS HR frequently works with government organizations to assist with day-to-day human resources activities which include but are not limited to recruitment and selection, employee relations, labor relations, maintain personnel records, classification/compensation and providing consultation on human resource related policies and procedures. Some examples include:

- State of California Dept of HR
- City of Oakland, CA
- City of Santa Rosa, CA
- City of Suisun, CA
- City of Turlock, CA
- City of Union City, CA
- San Bernardino Valley Municipal Water District, CA
- University of the West, CA
- City of Englewood, CO
- City of Sheridan, CO
- County of Douglas, Castle Rock, CO
- Fort Collins – Loveland Water District, CO

Policy and Procedure Review Experience

CPS HR has worked closely with numerous public agencies to conduct specific policy and procedure reviews as well as comprehensive handbook reviews and updates. Some examples follow that highlight our recent experience.

- La Canada Irrigation District, California – Review and update of employee handbook
- Truckee Donner Public Utility District, California – Creation of new employee handbook and ongoing HR Consultation
- San Bernardino Valley Municipal Water District (CA) – Review and update of employee handbook
- County of Calaveras (CA) – Review and update of personnel ordinances
- University of the West (CA) – Review and update of the employee handbook; review of faculty handbook
- City of Union City (CA) – Interim Placement of HR Consultant; review and update of employee handbook

- San Luis Obispo County Regional Transit Authority and Integrated Waste Management Authority (CA) – Audit and compliance review of HR policies and procedures
- Fresno Irrigation District (CA) – Employee handbook review and update
- Yolo County Flood Control and Water Conservation District (CA) – Employee handbook review and update

Recruitment Experience

CPS HR specializes in the recruitment and selection of key professionals for cities, counties, special districts, and non-profits. Working in partnership with the governing body or selection team, we develop customized search strategies that focus on locating and recruiting qualified candidates who match the agency's unique needs. As a public agency ourselves, we understand how to work with and within government. Our understanding of public sector culture and policy uniquely sets us apart from our competitors. Our wealth of recruitment experience has been gained through *more than 19 years* of placing top and mid-level executives, managerial, and administrative positions in public agencies throughout the United States.

- **Seasoned Recruiters.** Our recruiters possess a high level of expertise in recruiting and placing executive-level, middle management, and administrative professionals. Our staff of experts includes an exceptional group of full-time employees as well as a full complement of subject matter experts with a variety of public and private sector experience.
- **Detailed Needs Assessments.** We conduct a detailed needs assessment to identify 1) future organizational direction; 2) challenges facing the position; 3) the working style and organizational climate; and 4) required core and job specific competencies as well as personal and professional characteristics.
- **Success Recruiting Non-Job Seeking Talent.** We recognize that the very best candidates for some types of positions may not be looking for a career change, therefore, our recruitment team takes a very aggressive approach to identify and recruit such candidates.
- **Vast Pool of Public Agency Contacts.** CPS HR maintains a database of candidates and an extensive network of external resources to leverage for executive-level and middle management positions. We utilize our vast pool of public and non-profit contacts to deliver a strong list of competitive candidates who will be well prepared to assist you in the accomplishment of your specific mission and goals.
- **Satisfied Clients.** While many companies talk about client satisfaction, how many measure the impact of that through assessing client satisfaction by distributing written surveys and tying the results of these surveys to their performance management system? CPS HR Consulting does. A client satisfaction survey is sent at the end of every engagement requesting feedback on the quality of our staff, deliverables, and the overall consulting relationship.

3.3 Firm Organization and Project Team

About CPS HR Consulting

CPS HR Consulting (CPS HR) has been assisting organizations with their talent management needs since 1985. We have unique expertise in delivering Human Resources management and consulting services to government agencies throughout North America.

ORGANIZATION IDENTIFICATION INFORMATION	
Legal Name and DBA	Cooperative Personnel Services dba CPS HR Consulting
Main Office*	2450 Del Paso Road, Suite 220, Sacramento, CA 95834 Main: (800) 822-4277; FAX (916) 263-3613 <i>*Primary location from which services will be provided.</i>
Regional Offices	100 Congress Avenue, Suite 2000, Austin, TX 78701 4 West Dry Creek Circle, Suite 100, Littleton, CO 80120 1968 S. Coast Hwy # 961, Laguna Beach, CA 92651
Years in Business	Established 1985
Type of Organization	Joint Powers Authority (Public Agency)
Size of Organization	93+ FTEs
Website	www.cpshr.us

CPS HR’s core competency is its knowledge of and expertise in the public sector. As a public agency, we understand the challenges and issues facing our client base. As a self-supporting public entity, we also understand the need for innovative yet practical results. CPS HR can provide expertise that is unique because we share with our clients a common perspective. There is no competitor in the industry that can make this claim.

CPS HR offers clients a comprehensive range of competitively priced services, all of which can be customized to meet your organization’s specific needs. We are committed to supporting and developing strategic organizational leadership and human resource management in the public sector. We offer expertise in the areas of organizational strategy, recruitment and selection, training and development, and organization and workforce management.

CPS HR is a public agency governed by regulations and public sector concerns. We understand what it is to work with and within government. Unlike other public sector organizations, CPS HR is self-supporting. We employ the strategy, innovation, and flexibility found in the private sector to the client’s advantage. CPS HR’s unique position in the public arena attracts professionals from both public and private sectors who are driven to help the client reach its organization’s vision and mission. We work collaboratively with the client to generate solutions that are creative yet practical, to meet the organization “where it is” while also moving it to the next level.

With over 80 full-time employees as well as 200+ project consultants and technical experts nationwide, CPS HR delivers breakthrough solutions that help public sector organizations impact the communities they serve. CPS HR has worked with more than 1,200 government and public/non-profit clients throughout the United States and Canada.

Consulting Services

CPS HR believes in an integrated, systems-based approach to talent management and provides consulting in all the key areas listed below.

CPS HR CONSULTING SERVICES

ORGANIZATIONAL STRATEGY

- Workforce & Succession Planning
- Organizational Assessment
- Organizational Redesign and Re-Engineering
- Performance Management
- Employee Engagement
- Change Management
- Diversity, Equity & Inclusion

CLASSIFICATION AND COMPENSATION

- Classification
- Compensation

GENERAL HR SERVICES

- HR Outsourcing
- Complaint Investigations

TESTING, RECRUITMENT & SELECTION

- Job Analysis
- Assessment Center Services
- Executive Search
- Recruitment Solutions
- Test Development*
- Test Administration*

**(for employment and licensing certification)*

TRAINING AND DEVELOPMENT

- Training Courses & Programs
- Executive Coaching
- Accelerated Leader 360° Assessment™
- Leadership Development

Organizational Structure

CPS HR occupies a unique position among its competitors in the field of government consulting; as a **Joint Powers Authority (JPA)**, whose charter mandates that we serve only public sector clients, we actively serve all government sectors including Federal, State, Local, Special Districts, and Non-Profit organizations. This singular position provides CPS HR with a systemic and extensive understanding of how each government sector is inter-connected to each other and to their communities. That understanding, combined with our knowledge of public and private sector best practices, translates into meaningful and practical solutions for our clients' operational and business needs.

Key Personnel

Project Manager

We have assembled a strong project team, with each member selected for his/her specific expertise, experience working in the public sector, and professionalism. We have selected **Ms. Christina Batorski Peacock** to be the Project Manager for this assignment because of her strong project management skills. She will serve as the main point of contact for LGVSD coordinating all aspects of the project including the project staff, finalizing project plans and deliverables, organizing and securing resources, managing communications, monitoring project progress, resolving any problems, and ensure timely and successful completion of the engagement.

Mrs. Peacock has over 19 years of professional and management experience in public sector Human Resources, including experience in the areas of employee recruitment and selection, compliance, labor relations, test administration, employee relations, and policy development. Specifically, Mrs. Peacock worked directly on recruitment efforts for entry-level Police Officer and entry-level Firefighter as well as sworn and uniform promotional recruitments with the City of Chicago for over 10 years.

Account Manager (Southern CA)

Ms. Kelly Gonzales will serve as the local Account Manager for this project. Her role will be to work directly under the CPS HR Project Manager and with LGVSD's Internal Project Manager to support all project goals and objectives and allow for a cost-effective approach to more frequent in-person meetings and presentations. Ms. Gonzales has a broad range of experience in Human Resources management, including recruitment, labor relations, program development and implementation, training and development, organizational strategic planning, classification and compensation analysis, performance management, risk management, and benefits administration.

Her responsibilities include establishing sound client relationships, identifying client needs, proposing innovative solutions and ensuring project success. She currently acts as a Project Manager and Consultant on a wide range of professional human resources projects. She has performed in a lead capacity performing the full range of recruitment and selection activities, to ensure a fair, equitable, and merit-based approach to all selection and hiring practices. She is skilled in conducting high level organizational and management studies, including conferring with bargaining groups and presenting findings to District Council members. Her duties have also included evaluating and implementing performance management, training and development, and employee incentive programs.

Project Team Members and Roles

We have provided the names of our team members and their proposed roles in **Table A**. Biographies for our Consultants follow. Full Consultant staff résumés can be provided upon contract award or upon request. All our project staff have extensive experience working with public agencies and are skilled in using programs in the Microsoft Office Suite.

Table A. Project Team Roles and Responsibilities

CPS HR Team Member	Role	Experience	Task Responsibilities
HR Consulting and Recruitment (inc. Admin, Mid-Level, and Executive)			
Christina Batorski Peacock	Project Manager	19+ years of HR professional and management experience in the public and non-profit sectors	<ul style="list-style-type: none"> • Project Management • Recruitment and Selection (General and Middle Management/Specialized) • HR Admin Services • Policy Rvw/Update
Lisa Conner	Principal HR Consultant	18+ years of professional HR experience in the public sector	<ul style="list-style-type: none"> • Recruitment and Selection (General and Middle Management/Specialized) • HR Administrative Services • Policy/procedure review
Debbie Gutman	Senior HR Consultant	20+ years of professional HR experience in both public and private sector	<ul style="list-style-type: none"> • Recruitment and Selection (General and Middle Management/Specialized) • HR Administrative Services • Policy/procedure review
Laura Lee	HR Consultant	10+ years of professional HR experience in both public and private sector	<ul style="list-style-type: none"> • Recruitment and Selection (General and Middle Management/Specialized) • HR Administrative Services
Mari Peoples	Senior HR Consultant/ Executive Recruiter	Extensive State government experience in HR, budget policy, communications, program development and operations	<ul style="list-style-type: none"> • Executive Recruiting • Recruitment and Selection (General and Middle Management/Specialized) • HR Administrative Services
Jackie Frost	Administrative Technician	15+ years office assistant experience working in various sectors including Government and Non-profit entities	<ul style="list-style-type: none"> • Administrative Support to Project Team

CPS HR Team Member	Role	Experience	Task Responsibilities
Employee Relations – Workplace Investigations			
Alexander Collins, Jr.	Investigator/ Technical Reviewer	14+ years providing legal advice and counsel to clients, incl. conducting investigations or inquiries regarding hostile work environment, sexual harassment, discrimination, retaliation, ADA, EE relations, workplace accidents	<ul style="list-style-type: none"> Conduct investigation and prepare report of findings; review investigation reports
Jeffrey Fulton	Investigator/ Technical Reviewer	18+ years practicing attorney; conducted workplace investigations involving all types of complaints	<ul style="list-style-type: none"> Conduct investigation and prepare report of findings; review investigation reports
Katrina Meek (Subcontractor)	Investigator/ Technical Reviewer	30+ years public sector HR mgmt incl. conducting investigations of alleged sexual and other protected class harassment, EEO/ADA discrimination, workplace violence, retaliation, other employment related misconduct issues	<ul style="list-style-type: none"> Conduct investigation and prepare report of findings; review investigation reports

Consultant Biographies

Lisa Conner, M.A., SHRM-SCP, Principal HR Consultant

Ms. Conner is a Principal Consultant with CPS HR Consulting and has over 18 years of professional governmental human resources experience, performing the full range of recruitment and selection activities, classification studies, audits of County personnel systems against Federal and State merit principles, trainings, and policy review and development.

Debbie Gutman, M.A., Senior HR Consultant

Ms. Gutman is a Senior HR Consultant with CPS HR and has over 20 years of comprehensive experience in Human Resources, including both public and private sector. She has a knowledge and understanding of federal and state labor laws, full-cycle recruiting, employee relations, compensation, training, budget administration, and policy development.

Laura Lee, M.A., PHR, HR Consultant

Ms. Lee is a human resources professional with over 10 years of experience in the public sector. She has a wide range of HR expertise in a variety of responsibilities, including, but not limited to full-cycle recruiting, test administration, classification and compensation, employee and labor relations, and performance management.

Maricarmen (Mari) Peoples, Executive Recruiter

Ms. Peoples served in executive, management and analytical positions in the private sector and in California state government at the California Department of Corrections and Rehabilitation (CDCR), California Emergency Management Agency (CalEMA) and California Health and Human Services Agency (CHHS). Ms. Peoples has extensive State government experience in the areas of human resources, budget policy, communications, program development and operations.

Jackie Frost, Administrative Technician

Ms. Frost has more than 15 years of office assistant experience working in various sectors from Banking to Food Service Distribution to Government and Non-profit entities. Ms. Frost has held key roles in organizing and creating efficiency for each of her employers, as well as learned how to use unfamiliar software quickly. She has worked both independently and as a team, and was often required to coordinate with different departments to accomplish their goals.

Investigators

Alexander Collins, Jr. - California State Bar No. 216454

Mr. Collins is an Investigator with CPS HR Consulting and has conducted investigations or inquiries regarding hostile work environment, sexual harassment, discrimination, retaliation, ADA, employee relations, and workplace accidents. In addition, Mr. Collins does quality control reviews of investigation reports prepared by other investigators. Mr. Collins is a partner at Collins, Ritchie & Ervin, LLP in Sacramento, California, and has practiced employment law since he became an attorney in 2001. For part of that time, Mr. Collins served as in-house counsel and provided employment guidance in that capacity.

Mr. Collins has represented employer clients regarding wrongful termination, hostile work environment, harassment, discrimination, compensation, leaves of absence, unemployment insurance appeals, workplace safety violations, and workers compensation discrimination claims. Mr. Collins has also assisted clients in the review and/or drafting of employee handbooks, non-competition agreements, employment agreements, and trade secret agreements.

Jeffrey D. Fulton - California State Bar No. 206466

Mr. Fulton is an Investigator with CPS HR Consulting. He has been a practicing attorney for over 18 years and has extensive experience in litigating and providing advice and counsel in the areas of discrimination (age, race, pregnancy, disability, protected activity retaliation), sexual harassment and assault in the workplace, whistleblower retaliation, wage and hour matters (wage and overtime claims, meal and rest break issues, misclassification), workplace safety/violence, wrongful termination, and leaves of absence under the Family Medical Leave Act and California Family Rights Act. Mr. Fulton has conducted workplace investigations involving nearly all types of complaints, including complex investigations with numerous complainants, respondents, and witnesses.

L. Katrina Meek - Private Investigator's License No. 22652

Ms. Meek has 30 years of public sector experience in professional human resources management. Her skills include professional licensed investigations of alleged sexual and other protected class harassment, EEO/ADA discrimination, workplace violence, retaliation and other employment related misconduct issues including complaints involving sworn officers covered by the (POBR), Police Officer Bill of Rights, and investigations of high-level managers including agency and department directors. Ms. Meek performs senior level reviews of the investigation reports completed by other investigators. She has expertise in policy development, safety, labor relations, union negotiations, and classification protocols. She has conducted reorganizational studies and developed and revised class specifications. She has assisted employers and appeared at unemployment insurance appeals hearings and has conducted organizational analyses, succession planning studies, and pre-employment background investigations for both sworn officers and non-sworn candidates.

3.4 Proposed Project Schedule

Timelines

For all services requested, our project team CPS HR has selected is prepared to begin work upon receipt of a fully-executed contractual agreement.

HR Consulting

(e.g., Policy Review/Updates; Workplace Investigations; HR Administrative Services)

Timelines for these services will vary based on the type of service requested, and will be discussed with LGVSD to mutually agree on schedules.

Recruitment and Selection

All search activities up to and including the selection of a new Incumbent can be completed in 10 to 14 weeks. The precise schedule will depend on the level of recruitment, placement of advertising in the appropriate professional journals, and the ability to schedule, as quickly as possible, the initial meeting.

Task Name	Phase I		Phase II									Phase III		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Executive Search														
Middle Management/ Specialized														
General														

Base Salary Study

Timelines for base salary studies will vary based on number of classifications and labor market agencies.

Example Timeline for Typical Base Salary Study <i>Project will begin on contract execution</i>	Week Number(s)
Review LGVSD's Background Materials	Weeks 1 to 2
Initial Project Meeting, Labor Market Agency, and Benchmark Classification Finalization	Week 3
Design, Develop, and Distribute Survey Instrument; Track Agency Responses	Weeks 4 to 6
Review, Analyze, and Validate Labor Market Salary Data; Conduct Job Matching	Weeks 5 to 8
Review Matches with Client; Receive Feedback; Finalize Matches	Weeks 9 to 10

Example Timeline for Typical Base Salary Study <i>Project will begin on contract execution</i>	Week Number(s)
Design, Develop, and Deliver Data Spreadsheets	Week 11
Prepare Draft Compensation Report and Draft Salary Recommendations; Design Wage Penetration Tool	Weeks 12 to 13
Client Review Period; Obtain Feedback	Weeks 14 to 15
Prepare and Present Final Compensation Report and Other Deliverables	Weeks 16 to 17

Employee Handbook

Based upon the scope of work, we anticipate a project timeline to take approximately ten (10) to twelve (12) twelve weeks to complete the review and update of an employee handbook once the kick off meeting occurs.

Week #	Task and Description
Week 1	Kick-off Meeting
Week 2	Confirm project timeline; receive requested materials from LGVSD
Week 3	Review materials; ask clarifying questions
Weeks 4-7	Review and revise employee handbook to create first red-lined draft for LGVSD to review
Week 8	LGVSD reviews draft of Employee Handbook
Week 9	CPS HR and LGVSD meet to discuss final revisions
Week 10	CPS HR finalizes newly developed Employee Handbook incorporating all revisions from LGVSD
Week 11	CPS HR presents final Employee Handbook, if requested, to LGVSD’s board/council or stakeholders
Week 12	CPS HR delivers final, formatted Employee Handbook to LGVSD; LGVSD distributes to staff via email and posts LGVSD’s website.

The exact timing of work and determination of task completion dates will be finalized in collaboration with LGVSD and the CPS HR Project Manager.

3.5 Proposed Costs

Our pricing contains standard consultant billable hourly rates shown in the rate schedule below. The rate schedule will apply for the service categories for which we are proposing.

It is assumed most work will be conducted remotely. We understand that LGVSD desires to have a consultant onsite one day per week. CPS HR does have a team member located in the SF Bay Area who could be onsite.

Standard Consultant Billable Hourly Rates

CPS HR RATE SCHEDULE	
Category Title	Hourly Rate
Attorney/Private Investigator	\$185-\$225
Project Manager	\$140
Principal Consultant/Executive Recruiter	\$135
Sr. Consultant/Program Coordinator/Mediation or Conflict Resolution Consulting	\$125
Consultant	\$115
Technician	\$95
Clerical	\$75

Reimbursable Expenses

- Travel expenses associated with being onsite would include applicable mileage using GSA rates as well as other direct costs such as tolls and parking.
- The cost of third-party assessments or materials (i.e., Franklin Covey materials, DiSC, 360) will be charged at the actual cost.
- Any other kind of expense such as office supplies, printing/copying, postage, transcription services, advertising, graphic artist services, private sector compensation data, etc., will be estimated at the going rate at the time of request.

HR CONSULTING SERVICES PROPOSAL

APPROACH/METHODOLGY

LGVSD is seeking to develop a sustainable human resource program that not only meets legal compliance but also engages and recognizes employees. The following work plan is proposed.

BUILDING A HUMAN RESOURCE PROGRAM

The first step in building a sustainable human resource program, an evaluative review of LGVSD's current HR practices and processes. To conduct this assessment, a RGS team of Advisors will review written policies and procedures and other relevant documents and records to evaluate alignment with legal requirements and best practices, and to acquire an understanding of competence and functionality of LGVSD's human resources management structure and systems.

In addition, RGS may interview key staff, either individually or in small groups, to develop an understanding of the communication channels, working relationships, and cultural dynamics that affect the delivery of LGVSD's HR services.

Assessment

Key elements which may be included in the HR assessment are listed below.

1. Review of Existing Administrative Structure
 - Organization chart
 - Job descriptions/Areas of responsibility
 - Budget
 - Contracts with third party administrators
2. Review of Key HR Policy Documents
 - Personnel rules/policies
 - HR administrative policies and procedures
 - Payroll and benefits administrative policies
 - Salary schedules
3. Review of HR Administrative Systems
 - Records Creation and Retention
 - On-line systems – access and functionality
 - Paper files – locations, access, duplication
 - Assignment of responsibilities
 - Content compliance and effectiveness
 - Employment risk management practices
 - Regular staffing plans and emergency/seasonal staffing

HR CONSULTING SERVICES PROPOSAL

- Recruitment and hiring practices
 - Management
 - Administrative
 - Technical/specialty
 - Succession planning
- Employment practices and procedures
 - Performance management
 - Leave management
 - Salary and benefit administration
 - Retention strategies
 - Retirement, terminations, and resignations
- Organizational ethics, workplace behavior, and employee perceptions
- Formal and informal communication systems
- Operational accountability

Develop an Employee Engagement Program

A key component of an organization is not only its values but how those values are carried out through employee's engagement and perception. The tasks involved in the development of an employee engagement program will utilize the Climate Assessment recommendation to an effective and sustainable employee engagement program. The key components of developing the program are:

1. Leadership and Staff Development Training

- Work with a cross-functional employer/employee advisory committee to give input on leadership and staff competencies.
- Draft leadership and staff development competency models.
- Build leadership and staff competency assessment into a survey tool.
- Distribute competency assessment to LGVSD employees.
- Analysis and documentation of competency needs assessment.
- Develop and provide recommended leadership and staff trainings to address competency gaps.
- Develop and provide recommendations for succession planning based on needed competencies.

HR CONSULTING SERVICES PROPOSAL

2. Development of Individual Development Plans (IDP)

- Work with cross-functional employer/employee advisory committee to develop goals and guidelines for use of the IDP.
- Questionnaire development for employees to self-evaluate areas of professional growth.
- Utilizing the employee's and supervisor's input, provide a IDP for each employee.
- Develop a Development of an employee pre- and post-professional growth survey that can be administered at identified intervals.
- Upon request, provide statistical review of employee' pre- and post- professional growth surveys.

3. Performance Management

A performance management plan/process and tool cannot be developed in isolation but must align with LGVSD's values and the competency that will be identified through the employee engagement program as noted in this proposal.

As needed, RGS can provide performance management training and coaching to supervisors, draft and conduct 360 reviews, facilitate employer-employee communication, and address issues that impact performance. RGS can also support formal performance corrections by drafting and administering performance improvement plans and disciplinary documents.

4. Organization Scorecard

- Work with a cross-functional employer/employee advisory committee to identify key benchmarks for the identified areas to be evaluated (scored) throughout the fiscal year.
- Utilizing the score data, work with the committee to identify methods to improve and build upon accomplishments.

Recruitments

RGS Recruitment Team offers partner agencies comprehensive recruitment, selection, and pre-employment services for all types of public-sector jobs. RGS uses a thorough search and screening approach, based on the best practices of merit selection, and an objective assessment of job-related qualifications and competencies. We collaborate with our partner agencies to achieve selection of high-quality employees in a timely and cost-effective manner.

- The Recruitment Team has conducted recruitments for:
- Entry level, Mid-management, Executive positions, including City/General Managers
- Administrative, Human Resources, Accounting, and Finance
- Board/City Clerks
- Information Technology
- Public Safety (Police and Fire)

HR CONSULTING SERVICES PROPOSAL

- Technical, i.e., Engineers, Planners, Biologist, Building Inspection, and Code Enforcement.
- Trades, i.e., Maintenance, Water Treatment, Public Works, and Parks

We use language to market each position and partner agency to provide candidates a view of the benefit for working for the agency in the position being recruited. Our marketing plans include targeted advertising and social media promotions. For challenging recruitments, we also conduct a passive candidate search for qualified individuals who are not actively seeking employment.

RGS is committed to reaching a diverse candidate pool. To support these efforts, we recommend publications and websites that are focused on reaching under-served candidate populations.

Classification and Compensation Study

RGS Classification and Compensation Team conducts classification and compensation studies of all sizes, from assessing a single class or classification series to analyzing division, department, and agency-wide structures. We are skilled at crafting, reviewing, and analyzing public sector organizational classification and compensation structures and are familiar with the technical requirements associated with the professions and services incorporated in public agencies.

Our practical approach to both classification and compensation studies gives agencies and their employees logical and comprehensible parameters and data for understanding and evaluating both current and future organizational structures. We have helped many organizations to successfully strategize useful staffing approaches as well as navigate the challenges and opportunities that surface in studies.

RGS utilizes a whole-job analysis approach to compare jobs with one another on the basis of an overall evaluation of difficulty or performance. This takes into account the entire position, including those factors mentioned above as well as the magnitude of work and the accountability for results. This method will help analyze and assess relevance and hierarchical consistency of classifications within the whole class plan and in relation to the external market and internal equity.

HUMAN RESOURCES CONSULTING

RGS consulting staff anticipate delivering comprehensive generalist HR consultation and administration services upon commencement of service. The areas of services listed below can be included within an ongoing HR service model based on LGVSD's needs.

Please note that RGS does not provide onsite established office hours on a regular weekly basis. RGS HR Advisors will be onsite as needed and can provide regular virtual office hours during the normal workday/week if needed.

RGS can assist in all of the following areas to address LGVSD's current and future needs.

HR CONSULTING SERVICES PROPOSAL

- **Payroll Review:** Review LGVSD's payroll processes and practices to ensure compliance with state and federal laws, and best practices in payroll administration. If needed, RGS does offer payroll services to either process payroll for an agency or work with a third-party provider.
- **Staff Projections:** RGS can work with LGVSD in identifying types of classifications and number of employees needed to accomplish the agency's mission and long-term goals. The study can be five, ten or even a 25-year staffing projection.
- **Personnel Policy and Procedures Development:** Update or develop new policies and procedures consistent with current legal standards and organizational objectives; and develop implementation and training plans for required changes.
- **Benefit Design and Services:** RGS will review and process pay changes and benefit forms, provide related education and information to employees and supervisors; address problems with benefit providers and systems. RGS can also work with third party providers for COBRA benefits.
- **Disability and Leave Management Services:** RGS will resolve day-to-day issues that occur in the interpretation and application of complex regulations and systems particularly in the following areas:
 - **Medical Leave Administration:** Identifying pay and benefit requirements and formulating appropriate communications, ensuring legal compliance and recordkeeping, monitoring eligibility, managing modified work issues, and following up as needed with return to work or end of employment planning.
 - **ADA Administration:** Identifying a schedule for reviewing and updating essential functions and physical demands contained in job descriptions; serving as the interactive process coordinator; and ensuring appropriate communications and records are made regarding agreed-upon temporary or permanent accommodations.
- **HR Recordkeeping:** Develop appropriate employment event documentation templates, and recordkeeping systems and standards as needed.
- **Employee Relations Administration:** Review, interpret, and apply various provisions of policies, procedures, employment agreements and compensation resolutions; provide related education and information to employees and supervisors; write clarifying language and obtain agreement to same when needed. RGS can advise managers on the resolution of complaints and disputes, conduct research, and prepare documents to support effective problem-solving, and facilitate formal and informal communications between employees and/or management to achieve agreements that result in a productive and positive workplace.
- **Training:** Develop organizational training plans and can handle administration of training on behalf of the organization. RGS can provide legally required training (sexual harassment prevention, etc.) as well as training in performance management, supervisory

HR CONSULTING SERVICES PROPOSAL

roles, problem-solving, communication skills, and more as needs are identified and/or training is requested.

- **Selected Employment-Related Risk Management Functions:** RGS can oversee or assist with workers' compensation third-party (TPA) claims management, ensure compliance with HIPAA and other medical privacy laws; and manage administrative leave and fitness for duty situations. RGS may also develop, deliver, and provide training and programs for a variety of employee health, wellness, and safety issues upon request.
- **Strategic Human Resources Planning:** Assess current and long-range organizational needs and priorities and review assigned functions and roles with associated competencies for the purpose of developing plans and timelines to improve organizational capacity and skills and to enhance organizational and administrative structures.

RGS staff prides itself on its ability to work collaboratively with appropriate stakeholders to deliver accurate, professional products and services within reasonable timelines, meet deadlines, and provide clear, honest, and effective communications, all of which help to promote good relations throughout our partnership. RGS Advisors will be reasonably available to perform services during the normal work week and within the agreed upon schedule.

PROFESSIONAL QUALIFICATIONS AND EXPERIENCE

RGS Advisors have extensive human resources experience in public agencies in California and provide a variety of HR consulting services. In addition to a core team of experienced HR generalists with outstanding communication, interpersonal, analysis and problem-solving skills, we have assembled a staff of subject-matter experts to offer "best practices" advice and HR deliverables in areas of: recruitment, selection methods, and employee onboarding; job analysis, work classification and organizational structures; design and administration of pay and benefit models and systems; performance management, competency building and evaluative feedback; disability and medical leave management; policy and procedure development and implementation; employee dispute resolution; administration of discipline; and labor relations.

RGS also offers expert resources in the allied fields of occupational safety and health, risk management, and organizational development to supplement core HR services; as well as delivering a supervisory skill building training program designed to align with public sector employment practices.

RGS works closely with multiple Liebert Cassidy Whitmore (LCW) attorney in support of multiple public agencies. Additionally, RGS is a LCW consortium member and attends many of their legal training.

The following are three references. Samples of work products are provided in the **Appendix A**.

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CITRUS HEIGHTS WATER DISTRICT

RGS provides ongoing as needed human resources services to the District in addition to special projects. RGS has conducted a 45-year staffing project assessment and a department specific assessment with short- and long-term recommendations. RGS also provides as needed financial services in support of special project. RGS has worked with the District to develop a performance management system and form. Additionally, RGS works with the Board of Directors to complete the General Manager annual performance evaluation.

Hilary Straus, General Manager
Citrus Heights Water District
6230 Sylvan Road
Citrus Heights, CA 95610
Email: hsstraus@chwd.org
Ph: (916) 735-7715

The RGS team is comprised of multiple Advisors; however, the primary points of contact for CHWD are Bobbi Bennett, HR Services Director; Kay Randolph-Pollard, Team Lead for Recruitment Team; and Tina White, Senior Advisor.

IRONHOUSE SANITATION DISTRICT

RGS provides ongoing as needed human resources services to the District in addition to special projects. RGS provides employee relations support, disability management, performance management, and classification and compensation studies.

Chad Davisson, General Manager
Ironhouse Sanitation District
450 Walnut Meadows Drive
Oakley, CA 94561
Email: davisson@isd.us.com

The RGS team is comprised of multiple Advisors; however, the primary point of contact for Ironhouse Sanitation District is Charley Howard, Advisor.

CASTRO VALLEY SANITARY DISTRICT

RGS provides ongoing as needed human resources services to the District in addition to special projects.

The RGS team is comprised of multiple Advisors; however, the primary point of contacts for Castro Valley Sanitation District are Bobbi Bennett, HR Services Director; Alicia Hicks, Project Advisor, and Annie Chin, Team Lead for Disability and Leave Management.

Zaneta Luna, Business Services
Supervisor
Castro Valley Sanitary District
21040 Marshall Street
Castro Valley, CA 94546
Email: zaneta@cvsan.org

HR CONSULTING SERVICES PROPOSAL

ORGANIZATION AND PROJECT TEAM

ORGANIZATIONAL PROFILE

Regional Government Services (RGS) is a joint-powers authority (JPA) established in 2002 to provide organizational services to other California public agencies. We have over 130 employees throughout California serving cities, special districts, counties, other JPAs and special consortiums of government agencies. RGS provides consulting services in the areas of human resources and financial management, organizational development, community engagement, strategic planning, and more specifically to public agencies.

RGS is a virtual government agency and has developed a unique network of geographically distributed Advisors who work both onsite at partner agency offices as needed, and through various remote access technologies to deliver services to partner agencies, reducing overhead and expanding our ability to provide high-quality services throughout the state. RGS Advisors form ad hoc teams to provide services and project delivery, and do not operate in a traditional organizational hierarchy.

Our Executive Director and Chief Financial Officer, Richard Averett, has worked with the Board of Directors since the JPA's inception to implement the Authority's strategic plan. Sophia Selivanoff, Deputy Executive Director, joined RGS in 2009, and Bobbi Bennett, Human Resources Services Director, joined RGS in 2015 and manages all RGS human resources services provided to partner agencies, develops new business and partner relationships, and supervises all human resources team members throughout the Authority.

At RGS, we believe in striving to be a partner to the agencies we serve, not simply a consultant or contractor. We believe in relationships that are lasting and mutually respectful and beneficial. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

OUR MISSION

To provide quality, innovative, and cost-effective services exclusively to support public agencies.

OUR VISION

The RGS vision is to promote good governance and outstanding community service through providing expertise to public agencies. At RGS, we value the extensive knowledge required to operate a public agency in today's complex environment and serve public sector agencies with our team of dedicated and experienced public sector leaders. RGS encourages and develops innovative and sustainable services to help each agency meet its operational needs and challenges. We customize solutions to achieve timely provision of the right level and type of service for each

HR CONSULTING SERVICES PROPOSAL

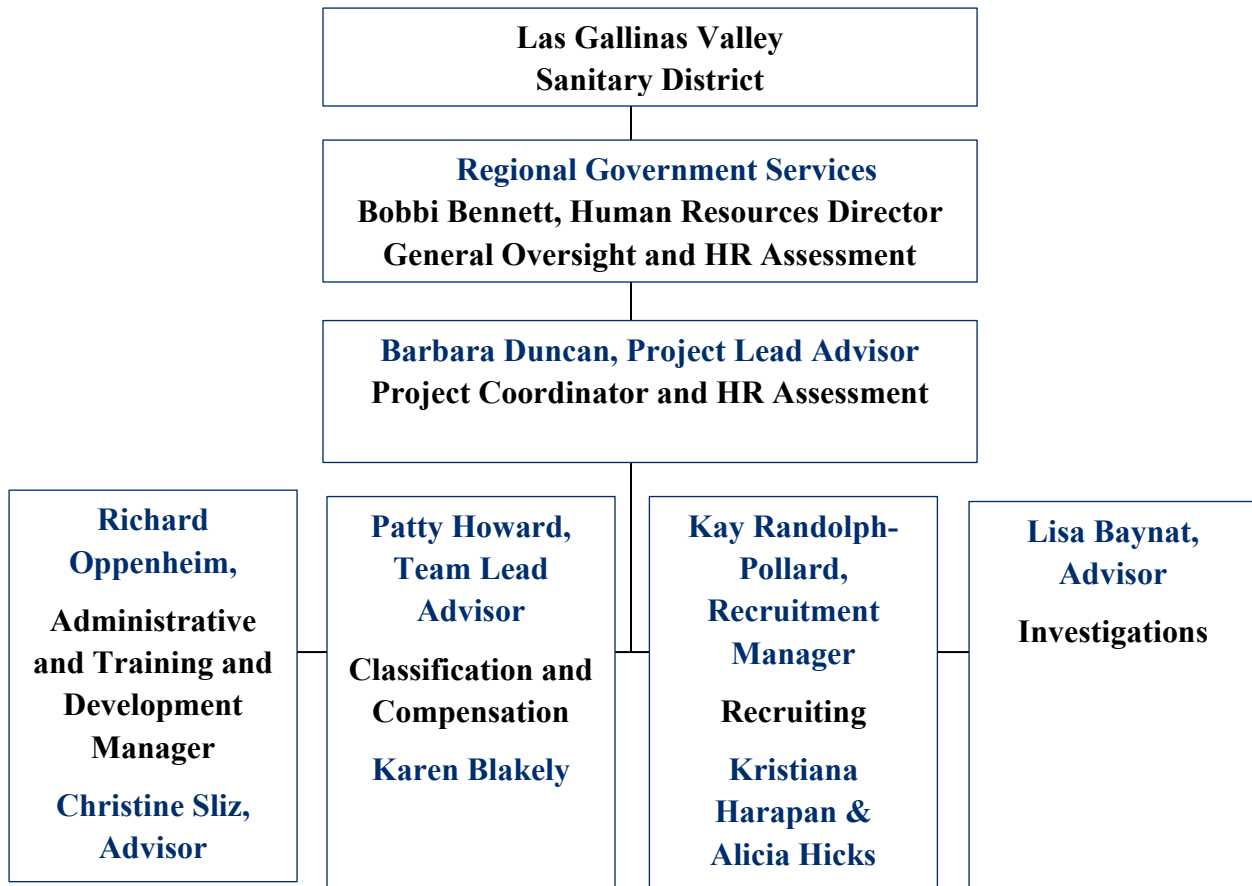
agency's unique organizational needs. RGS listens, works with our partner agencies, and perseveres through each challenge seeking the best outcomes. Since RGS works with multiple public agencies throughout the State of California, RGS tracks emerging best practices and shares them with our clients and our advisors. We learn openly from each other's hard-won experience.

At RGS we know that government agencies are the public's only choice for many services. Public trust be maintained and used wisely, it is earned, not automatically acquired. RGS will do its part to assist you in improving and maintaining public trust. RGS' pledge to you is that we will act with honesty, openness, and full transparency.

PROJECT TEAM

RGS delivers services through a team of Advisors. For LGVSD, the core team will consist of the Human Resources Services Director, a Lead Advisor, and journey-level HR Advisors. The Project Lead Advisor will serve as LGVSD's primary point of contact, and will identify, prioritize, and resolve or recommend resolution actions. Together this core team will provide continuity of services and ensure that identified deliverables are provided. RGS reserves the right to offer and/or assign another available and equivalently qualified Advisor at any time. Resumes may be found in **Appendix B**.

ORGANIZATIONAL CHART



HR CONSULTING SERVICES PROPOSAL

PROPOSED PROJECT SCHEDULE

The following is a tentative project timeline that may be modified with mutual agreement between LGVSD and RGS. LGVSD staff availability and responsiveness will be critical in meeting the project timeline as presented. Meetings with LGVSD's points of contact can be scheduled as required. Holidays occur during this timeline and have been taken into consideration.

GENERAL HUMAN RESOURCES CONSULTING, RECRUITMENT, PERFORMANCE MANAGEMENT AND CLASSIFICATION/COMPENSATION

A general schedule is provided for these areas since most are on an as needed basis. When a project is identified, a specific project schedule with identified task, tentative dates, and responsible party will be provided.

Tasks	Tentative Dates	Responsible Party
1. Kick off meetings with the LGVSD's points of contact to discuss project.	Week of February 14, 2022	LGVSD/RGS
2. LGVSD provides requested information to RGS.	Week of February 21, 2022	LGVSD
3. Human resources assessment begins.	Week of March 7, 2022	RGS
4. Draft Human Resources recommendation record to LGVSD for review.	Week of April 11, 2022	RGS
5. Draft report returned to RGS.	Week of April 25, 2022	LGVSD
6. Finalize Human Resources recommendation report to LGVSD.	Week of May 2, 2022	RGS
7. As needed project schedules drafted.	Week of May 9, 2022	RGS

HR CONSULTING SERVICES PROPOSAL

EMPLOYEE ENGAGEMENT PROGRAM

Tasks	Tentative Dates	Responsible Party
1. Kick off meetings with the LGVSD's points of contact to discuss employee engagement project.	Week of February 21, 2022	LGVSD/RGS
2. LGVSD provides requested information to RGS.	Week of February 28, 2022	LGVSD
3. Kick off meeting with Employee Engagement Committee.	Week of March 14, 2022	RGS
4. Employee engagement program goals and approach finalized.	Week of April 11, 2022	Committee/RGS
5. Leadership and employee competencies model finalized.	Week of May 2, 2022	Committee/RGS
6. BENCHMARK – Employee engagement program goals and approach and leadership and employee competencies model to LGVSD's points of contact.	Week of May 16, 2022	Committee/RGS
7. Develop goals and guidelines for use of the Individual Development Plan (IDP).	Week of May 23, 2022	Committee/RGS
8. Goals and guidelines for IDP and competency survey to LGVSD's points of contact.	Week of June 6, 2022	Committee/RGS
9. Competency survey finalized.	Week of June 13, 2022	RGS
10. BENCHMARK - Program roll out. Train supervisors on program and kick-off program with employees.	Week of June 20, 2022	LGVSD/RGS
11. Competency survey to employees and employees' supervisors.	Week of June 20, 2022	RGS
12. Summary of competency survey to LGVSD's point of contact.	Week of July 11, 2022	RGS
13. Develop IDPs based upon employee's competencies to facilitate succession planning.	Week of July 18, 2022	RGS
14. Final employee IDPs to LGVSD points of contact and employees' supervisors.	Week of August 8, 2022	RGS
15. Assist LGVSD identify training options/resources.	Week of August 8, 2022	LGVSD/RGS
16. BENCHMARK – Supervisors meet with employees to discuss IDPs.	Week of August 22, 2022	LGVSD

HR CONSULTING SERVICES PROPOSAL

PROPOSED COST

At RGS, we bill only actual hours attributable to the project at the rate of the actual Advisor or technician. Work will commence upon notification by LGVSD of the project award. Work is performed as agreed and subsequently billed each month based on hours actually worked. RGS Advisors are skilled at prioritizing projects and working within the budget of partner agencies. Mileage, if applicable, will be calculated/invoiced using the current IRS rate.

The total project for Human Resource consulting would not exceed **\$130,000** for the two-year contract. For as need projects such as recruitments a costing can be provided. Any costs for testing or advertisements will be billed to LGVSD at cost with no mark up. Estimated project costs include:

Human Resources Program Development and Sustainment	Estimated Costs
1. Human Resources assessment and sustainment plan	\$10,000
2. Employee engagement program	\$50,000
3. As need human resources consulting, which would include performance management, classification and compensation studies, investigations, and recruitments.	\$70,000
TOTAL ESTIMATED COST NOT TO EXCEED:	\$130,000

Work is performed as agreed, and subsequently billed each month based on hours actually worked. Bill rates are as follows:

Title	Hourly Rate
Chief Operating Officer	\$135 to \$220
Deputy Chief Operating Officer	\$130 to \$195
Senior/Lead Advisor	\$125 to \$190
Advisor	\$115 to \$160
Project Advisor	\$105 to \$125
Project Coordinator	\$85 to \$120
Technical Specialist	\$75 to \$115



Item Number 6
GM Review W

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *DM*
(415) 526-1519 dmcDonald@lqvsd.org
Mtg. Date: February 17, 2022
Re: Topics for the Spring 2022 Newsletter

Item Type: Consent _____ Action X Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X _____

STAFF RECOMMENDATION:

Staff requests that the Board discuss proposed topics for the Spring 2022 Newsletter and select topics from the recommended list below.

BACKGROUND:

The District publishes newsletters every 6 months to inform its ratepayers about District projects, programs and other items of interest. Each newsletter typically has one main topic and three to four smaller articles. Staff is planning to mail the Spring 2022 Newsletter in April.

Attached is a listing of newsletter articles from 2011 through 2021 grouped by topics. Staff prepared the last newsletter in the Fall of 2021. The topics were:

- Major Construction Milestone – Completion of Phase 1: Recycled Water Expansion
- Trails, Ponds, Wildlife, and Views: Reclamation Area is for All to Enjoy
- Careers in Wastewater Management
- How Activated Sludge is Used in Wastewater Treatment
- Department Spotlight: Administration and Engineering
- Mobile App for Waste / Recycling Collection
- Do Your Part to Save Water

Staff has created a list of items that the Board may want to include in the next newsletter, with staff suggested priority items listed first: *(A maximum of 5 significant topics will typically fit in our regular newsletter format.)*

- Interim General Manager Chris DeGabriele Hired
- Recruitment for Permanent General Manager Underway
- Operations Control Center / Administration Building Design Has Begun
- Organic Recycling and Short-Lived Climate Pollutants – SB 1383
- Sewer Rate Increase Anticipated / Budget Review Underway
- Low Income Assistance Program
- Private Lateral Sewers are the Responsibility of the Property Owner
- Backflow Prevention Device Protects Your Property (box insert)



PREVIOUS BOARD ACTION:

N/A

ENVIRONMENTAL REVIEW:

N/A

FISCAL IMPACT:

The newsletter is budgeted in the 2021-22 Budget.

LAS GALLINAS VALLEY SANITARY DISTRICT

2/7/2022

NEWSLETTER TOPICS

11:27 AM

SORTED BY Topic

Publication

Topic	Article Title	Date	Period
Admin Bldg	Dilapidated building needs urgent revamping.	2017	Summer
Admin Bldg	Facilities Need Upgrading	2014	Spring
Awards	District Wins Finance Award	2014	Spring
Awards	LGVSD Awarded Certificate of Excellence for Transparency	2014	Winter
Awards	Awards Recognize Outstanding District Programs and Performance	2013	Summer
Awards	Awarded Sewer Collection System of the Year... Again!	2011	March
Biogas	Biogas energy recovery system: another step towards energy independence.	2018	Winter
Biosolids	Biosolids-Capturing a Resource	2021	Winter
Construction	Major Construction Milestone - Completion of Phase 1: Recycled Water Expansion	2021	Fall
Construction	Construction Affects Reclamation Area Access	2021	Winter
Construction	Progress Continues on Secondary Treatment Plant Upgrade/Recycled Water Expansion Project	2021	Winter
Construction	Update on Treatment Plant Upgrade.	2019	Fall
Construction	Update on Treatment Plant Upgrade.	2019	Spring
Construction	Possible Road Closure.	2019	Spring
Construction	Update on Treatment Plant Upgrade	2020	Spring
COVID-19	Tracking COVID in our Sewers	2021	Winter
District	Careers in Wastewater Management	2021	Fall
District	Department Spotlight: Administration and Engineering	2021	Fall
District	How Activated Sludge is Used in Wastewater Treatment	2021	Fall
District	Introducing Dale McDonald New ASM	2021	Winter
District	Department Spotlight: Operations	2021	Winter
District	District Administrative/Engineering Office Move.	2019	Fall
District	PG&E "Public Safety Power Shutoff" Program.	2019	Fall
District	Understanding the Recycled water storage ponds.	2019	Fall
District	New Team at LGVSD: New Employees and Board memb	2019	Spring
District	LGVSD starting strong in 2018.	2018	Winter
District	Chris DeGabriele hired as interim general manager.	2018	Winter
District	Las Gallinas Valley Sanitary District: 60 Years of Service to Marin Residents	2014	Spring
District	LGVSD Workers Go Above and Beyond to Help a District Customer in Need	2014	Winter
District	District Redesigns Website for Easier Access	2013	Summer
District	Mutually Beneficial Partnerships Leverage our Efforts	2020	Spring

LAS GALLINAS VALLEY SANITARY DISTRICT

2/7/2022

NEWSLETTER TOPICS

11:27 AM

SORTED BY Topic

Publication

Topic	Article Title	Date	Period
District	Department Spotlight: Collections Systems	2020	Spring
Drain/Flushing	Are they really Flushable.	2019	Spring
Flushing	Wipes Clog Pipes	2021	Winter
Flushing	Microbeads study under way.	2018	Winter
Flushing	Did I cause a sewer overflow? Be aware of what you put down the drain.	2016	Fall
Flushing	“Wipe Out” Flushing of Personal Wipes!	2015	Spring
Flushing	Wastewater Treatment Complicated by New Contaminants	2014	Fall
Flushing	Don’t Use the Drain as a Dump	2014	Fall
Flushing	FDA Questions Effectiveness, Safety of Antibacterial Soaps	2014	Spring
Flushing	Protect Water Quality: Watch What You Flush	2013	Summer
Flushing	Antibacterial Soaps Can Harm the Environment and Wildlife	2013	Summer
Grants	Grants Received for Biogas Conversion to Energy	2015	Fall
Grants	District Awarded \$871,000 Grant for Recycled Water	2011	March
Inflow and Infiltration	We Must Reduce Inflow and Infiltration	2012	May
Laterals	Low Cost Funds Available for Lateral Repair/Replacement	2021	Winter
Laterals	Always Get Three Quotes Before Performing Work	2016	Fall
Laterals	Protect your sewer lateral and prepare for wet winter	2015	Fall
Laterals	Roots and Sewer Laterals Don’t Mix Well	2014	Fall
Laterals	What is a Property Easement and Do You Have One on Your Property?	2014	Spring
Laterals	It’s Time to Have Your Pipes Inspected!	2013	Winter
Laterals	Prepare for the Rainy Season	2013	Winter
Laterals	What’s the Best Way to Fix Laterals and How to Make it Affordable?	2011	March
Laterals	Damaged Laterals Are Privately Owned but Harm the Community	2011	March
Laterals	We Are Developing Lateral Inspection and Repair Options	2011	March
Ordinance	Sewer Lateral Ordinance.	2019	Fall
Pest Control	Keep Mosquitos in Check Around Your Home	2016	Fall
Pest Control	Tips for Your Pool, Spa, or Fountain	2015	Fall
Pest Control	You Can Help Protect the Bay	2015	Spring
Pest Control	Keep Your Pool or Spa Clean — and Protect Waterways	2014	Spring
Pest Control	Avoid Using The Toxic Insecticide Permethrin	2012	April

LAS GALLINAS VALLEY SANITARY DISTRICT

2/7/2022

NEWSLETTER TOPICS

11:27 AM

SORTED BY Topic

Publication

Topic	Article Title	Date	Period
Plant Upgrade	Current Status of treatment plant upgrade project.	2018	Winter
Plant Upgrade	Treatment Plant upgrade addresses critical issues.	2017	Summer
Plant Upgrade	District Forced to Upgrade Aging Treatment Plant to Meet Regulations	2014	Fall
Plant Upgrade	Upgrades Maintain System Efficiency and Environmental Health	2013	Summer
Plant Upgrade	LGVSD Launches New Recycled Water Treatment Facility	2013	Winter
Pollution prevention	We Can All Do Our Part to Achieve Zero Waste	2016	Spring
Pollution prevention	Thermometer, bulbs and battery exchange Monitoring Helps Keep Mercury Out of the Environment	2015	Fall
Pollution prevention	Help Protect Local Waterways – Tips for your Pool, Spa, or Fountain	2020	Spring
Projects	District Looks Ahead to Meet Regulatory Requirements	2014	Winter
Projects	LGVSD Will Perform Smoke Testing During Summer Months	2013	Summer
Projects	Lighting Change Decreases Glare, Saves Money	2012	May
Rates	New Rates and Public Hearing.	2019	Spring
Rates	District Continues to Address Aging Infrastructure, Changes in Wastewater Content, and New Regulations	2015	Spring
Rates	Next Phase of Critical Upgrades Requires Fee Increases	2015	Spring
Rates	Tours, Workshops, and Public Hearing Scheduled	2015	Spring
Rates	Board considers options for sewer rate billing methods: variable vs. fixed	2014	Winter
Rates	Public Meeting on Proposed Rate Changes	2014	Winter
Reclamation	Trails, Ponds, Wildlife and Views: Reclamation is for all to Enjoy	2021	Fall
Reclamation	Miller Creek dredging resumes.	2017	Summer
Reclamation	River Otters Provide Student Biologist with Field Experience	2016	Fall
Reclamation	Miller Creek Dredging Begun	2016	Fall
Reclamation	Parking at reclamation area	2015	Fall
Reclamation	Hiking, Biking, Views on Bayside Trails	2014	Fall
Reclamation	LGVSD Trails Offer Hiking, Biking, Views and More	2013	Winter
Reclamation	Growing Problem: Goose Population Boom	2012	May
Recycled Water	Do Your Part to Save Water	2021	Fall

LAS GALLINAS VALLEY SANITARY DISTRICT

2/7/2022

NEWSLETTER TOPICS

11:27 AM

SORTED BY Topic

Publication

Topic	Article Title	Date	Period
Recycled Water	Potable reuse is the addition of advanced purified water, either indirectly or directly, into a drinking water system.	2017	Summer
Recycled Water	All water is recycled. Don't judge water by its history but by its quality.	2017	Summer
Recycled water	Advanced Purified Recycled Water – the New Drought Proof Water Supply	2016	Spring
Recycled Water	Recycled Water: A Track Record for Safety	2013	Winter
Recycled Water	Recycled Water Project Under way	2012	May
Refuse	Mobile App for Waste/Recycling Collection	2021	Fall
Refuse	Free Service: bulky item removal. Plus, curbside clean-up coming in the fall.	2017	Summer
Refuse	Compost giveaway	2015	Fall
Refuse	Residential food waste composting test a success	2011	March

AGENDA ITEM 7

2/17/2022

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. 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.

2/17/2022

BOARD MEMBER REPORTS

CLARK

NBWA Board Committee, NBWA Conference Committee, 2022 Operations Control Center Ad Hoc Committee , Other Reports

FORD

NBWRA, Gallinas Watershed Council/Miller Creek Watershed Council, Marin Special Districts Association, 2022 Engineering Ad Hoc Committee re: STPURWE, 2022 Operations Control Center Ad Hoc Committee, 2022 HR Ad Hoc Committee, 2022 CSA 18 Review Ad Hoc Committee, Other Reports

MURRAY

Marin LAFCO, CASA Energy Committee, 2022 GM Recruitment Ad Hoc Committee, Other Reports

SCHRIEBMAN

JPA Local Task Force, 2022 Legal Services Ad Hoc Committee, 2022 HR Ad Hoc Committee, 2022 Biosolids Ad Hoc Committee, Other Reports

YEZMAN

Flood Zone 7, CSRMA, Marin Special Districts Association, 2022 Ad Hoc Engineering Sub-Committee re: STPURWE, 2022 Legal Services Ad Hoc Committee, 2022 GM Recruitment Ad Hoc Subcommittee, 2022 Biosolids Ad Hoc Committee, 2022 CSA 18 Review Ad Hoc Committee, Other Reports



AGENDA

Agenda Item 8.3

Air Quality, Climate Change, and Energy (ACE) Workgroup Meeting February 17, 2022

Meeting Date/Time: January 27, 2022 / 8:30 – 10:30 am
Meeting Location: Zoom Link (provided in the meeting appointment)
Dial-in: Zoom Call-In (provided in the meeting appointment)

COMMENCEMENT

ITEM	LEAD
Welcome/Roll Call	Jackie Zipkin (Chair), Greg Kester and Sarah Deslauriers (CASA)
Review/Approval of Agenda	All

LEGISLATIVE UPDATE

	ITEM	LEAD	STATUS
1.	CASA State Legislative Committee	Jessica	2022 PFAS Disclosure Bill (sponsor partnership) Bills are being introduced through Feb 18 Governor's Budget

PRIORITY ISSUES/ACTION ITEMS

	ITEM	LEAD	NOTES
1.	<u>AB 32 Scoping Plan</u> Update: Carbon Neutrality by 2035/2045	Sarah	<u>Workshop Series</u> and latest updates on Natural & Working Lands (<u>Draft Climate Smart Strategy</u>), Clean/Renewable Electricity (<u>SB 100</u>), Vehicle Electrification, SLCPs, Scenario Inputs, and EJAC
2.	CEC Integrated Energy Policy Report, Vol. III <u>Decarbonizing CA's Gas System</u>	Sarah	Draft Chapter 4: Opportunities for Renewable Gas and Renewable Hydrogen, Comments due Jan 28
3.	CARB Advanced Clean Vehicle Regulations (Electrification)	Sarah, Greg, David, Steve	<u>Advanced Clean Truck Rule (2020) & Advanced Clean Fleet Rule (2021)</u> , 2020 <u>Mobile Source Strategy</u> , Medium- & Heavy-Duty Infrastructure Workgroup <u>series</u> , CEC <u>ZEV Infrastructure Plan</u> , SoCalGas <u>Role of Clean Fuels</u> Report, CARB Board Member and Executives outreach, Subgroup met Jan 24
4.	SB 1383: <u>Organic Waste Methane Emissions Reductions</u>	Greg, Sarah	<u>SB 1383</u> , CalRecycle <u>Webinar Series</u> : SB 619 webinars held Nov 18 and Jan 13, Statewide Recycling Markets to be held Feb 2 and 16
5.	<u>Cap-and-Trade Fourth Investment Plan</u>	Sarah	<u>Draft Final Fourth Investment Plan</u> , Final Draft was to be presented to legislature Jan 22
6.	CA Adaptation Update	Sarah	Coastal Commission <u>Final Adopted Guidance</u> (released Dec 6) - Critical Infrastructure at Risk: Sea Level Rise Planning, draft <u>Adaptation Strategy</u> released (Nov 17), SWRCB climate change preparedness survey expected 2022
7.	<u>Criteria Pollutants & Toxics Emissions Reporting & AB 2588 Toxics Program</u>	Sarah, David	<u>Summary of CTR and EICG</u> , CARB <u>Final Statement of Reasons</u> released, business-as-usual reporting of air toxics through 2028, Subgroup to prepare approach for statewide two-step process through 2022 (meeting Feb 3), meeting with SCAQMD Feb 11

INFORMATIONAL ITEMS

	ITEM	LEAD	NOTES
1.	Carbon Sequestration Meta-Analysis	Sarah	Systematic review continuing into early 2022
2.	Biogas/Biomethane Management: EPA <u>Renewable Fuel Standard RINS</u>	Greg	EPA staff considering D3 vs D5 value for sludge vs food waste-based biogas, submitted national data
3.	CPUC <u>SB 1440 Biogas Procurement Proceedings</u>	Greg	<u>Staff Proposal</u> and decision
4.	New BACT for Large Emergency Diesel Engines: BAAQMD, SMAQMD, SCAQMD	Sarah, David	BAAQMD and SMAQMD process complete; SCAQMD public process underway (surveying facilities)

UPCOMING CONFERENCES/EVENTS

NAME	DATE/LOCATION
CASA Washington DC Forum	Feb 28 – Mar 2, DC
AWWA Sustainable Water Management Conference	Mar 27 – 30, Denver
CWEA Annual Conference (including Partnering for Impact)	April 11 – 14, Sacramento
WEF Residuals & Biosolids Conference	May 24 – 27, Columbus

NEXT MEETING: February 24th, 8:30-10:30 am (webinar/conference call)



AGENDA

Air Quality, Climate Change, and Energy (ACE) Workgroup Meeting

Additional topics we review periodically for progress or changes:

State

- CARB Mandatory GHG Reporting Regulation
- CARB Scoping Plan Updates (Natural & Working Lands, Vehicle Electrification, Clean/Renewable Energy)
- CEQA Guidance on GHG Emissions
- CNRA Climate Change Assessment
- CNRA Online CA Sea Level Rise Database
- CNRA Safeguarding CA: Implementation Action Plans
- CEC Climate Change Research Plan
- OEHHA CalEnvironScreen Tool
- California's Climate Future report (by Governor Brown)
- Funding Opportunities

Regional Adaptation Collaboratives

- Bay Area Climate Adaptation Network (BayCAN)
- San Francisco Bay Regional Coastal Hazards Adaptation Resiliency Group (CHARG)
- Southern California Association of Governments (SCAG) Regional Climate Adaptation Framework

National

- NEPA Guidance on GHG Emissions
- EPA Creating Resilient Water Utilities
- EPA EJScreen Tool
- EPA Mandatory GHG Reporting Regulation Updates
- EPA Clean Power Plan (on stay)
- EPA Existing Source Performance Standards
- EPA Biogenic Emissions Accounting Framework
- White House Budget for DOE Energy Efficiency and Renewable Energy Programs
- White House Climate Change Support Office
- NACWA Energy Workgroup
- NACWA Climate & Resilience Workgroup
- Funding Opportunities

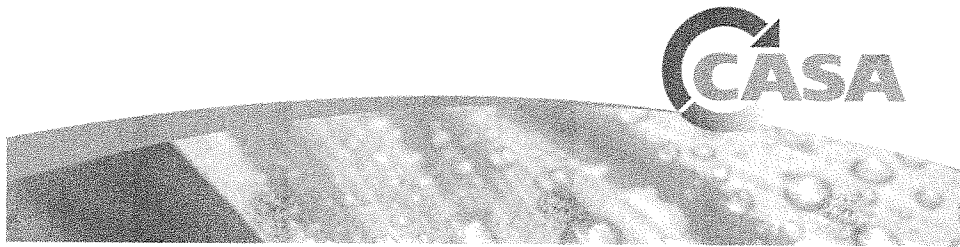
International

- Global GAP (Good Agricultural Practices) & Biosolids
- IWA Nitrous Oxide Modeling

Air Quality, Climate Change, & Energy (ACE) Workgroup Meeting

January 27, 2022 (8:30 – 10:30 am)

Zoom Link – See Meeting Appointment



1

Legislative Update

- 2022 PFAS Disclosure Bill
- 2022 Bills (compiling list until the Feb 18th deadline, subgroup to convene for review)
- Governor's Budget



2

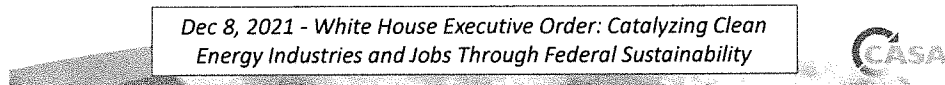
Priority Issues/ Action Items



3

1. AB 32 Climate Change Scoping Plan Update 2022

- ▣ **Target:** Carbon neutrality by 2035/2045
- ▣ Scoping Plan Workshops through Spring/Summer 2022 on:
 - Natural and Working Lands (Draft Climate Smart Strategy)
 - Building Decarbonization
 - Electricity Sector (SB 100 report and Integrated Energy Policy Report)
 - Transportation Sector (ACF regulation)
 - Short-Lived Climate Pollutants (SLCP reduction under SB 1383 regulation)
 - Environmental Justice
 - Petition to exclude fuels derived from dairy and swine manure from the LCFS Program (heard by CARB October 27) – CARB responded
 - Update from CARB staff on PATHWAYS model – requested scenario with no combustion and electrified vehicles but recognize 100% may not be feasible
- ▣ February public hearing to provide overview of SPU
- ▣ Full draft of SPU expected by May 2022 (45-day comment period), final draft in Fall 2022

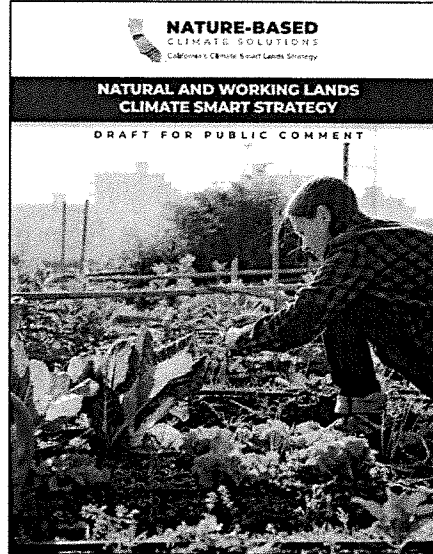


Dec 8, 2021 - White House Executive Order: Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability

4

1. AB 32 Climate Change Scoping Plan Update 2022

- ▣ **Natural and Working Lands**
- ▣ Released in Oct 2021
- ▣ State cannot meet goals without healthy soils and land management
 - Priority Actions and Approaches
 - Regional Profiles
 - Tracking Progress/Measuring Outcomes
 - Opportunities
- ▣ Landscapes
 - Forests
 - Shrublands and Chaparral
 - Developed Lands
 - Wetlands
 - Seagrasses and Seaweeds
 - Croplands
 - Grasslands
 - Sparsely Vegetated Lands
- ▣ **Next steps to be posted...**



5

1. AB 32 Climate Change Scoping Plan Update 2022

- ▣ **Building Decarbonization**
- ▣ 2022 Strategy for the State Implementation Plan and California Green Building Standards Code
- ▣ “Umbrella” of seven building decarbonization strategies to reduce health risk and achieve GHG reduction targets
- ▣ Dec 13 workshop focused on electrification, but **renewable gas will be addressed as one of the strategies**

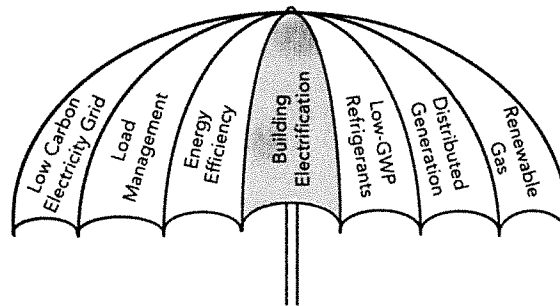


Image Source: CARB Staff
 Concepts for Seven Broad Building Decarbonization Strategies
 • Source: Kenney, Michael, Nicholas Janusch, Ingrid Neumann, and Mike Jaske. 2021. *California Building Decarbonization Assessment*. California Energy Commission. Publication Number: CEC-400-2021-006-CMF.



6

1. AB 32 Climate Change Scoping Plan Update 2022

- ▣ **Electricity Sector** (SB 100 Joint Agency Report)
- ▣ 100% Clean Energy Act of 2018
- ▣ Renewable and zero-carbon resources to supply 100% of electric retail sales to end-use customers by 2045
- ▣ CEC, CPUC, and CARB joint agency report identifies pathways to achieve mandate (initial assessment)
- ▣ Scenarios include stationary uses of biogas, recognizing some gas capacity is still needed for reliability in 2045

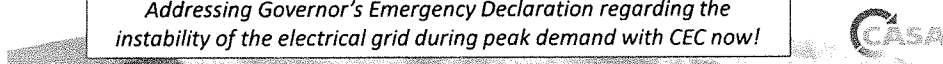


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2. CEC Integrated Energy Policy Report – Vol. III Decarbonizing CA’s Gas System

- ▣ Draft released Jan 13
- ▣ Comments due Jan 28 (tomorrow!)
- ▣ Ch. 4: Opportunities for Renewable Gas & Renewable Hydrogen
 - ▣ Definition of renewable gas... “...known as biomethane, is biogas that has been upgraded to meet industry pipeline quality standards.”
 - ▣ “The four primary sources of biogas are landfills, livestock facilities, **wastewater treatment plants**, and waste management facilities.”
 - ▣ “Livestock, **wastewater treatment**, and waste management all generate organic material that can be used as a feedstock to produce biogas using anaerobic digesters.”
 - ▣ Wastewater treatment facilities use sewage sludge as a feedstock for anaerobic digestion, but these facilities can use various waste streams (including food waste), a process known as “codigestion.”
 - ▣ “Of the roughly 242 wastewater treatment plants in California, more than 150 have digesters, with 5 of those injecting gas into pipelines.”

Addressing Governor’s Emergency Declaration regarding the instability of the electrical grid during peak demand with CEC now!



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3. CARB Advanced Clean Fleet (ACF) Regulations

- ▣ To be in alignment with the 2020 Mobile Source Strategy:
 - Mix of vehicle technologies that would provide the level of emissions reductions needed to meet our goals
 - May go beyond levels of clean technologies from current regulatory proposals

Potential New State Implementation Plan (SIP) Strategy Measures

On-Road	Off-Road	Primarily Federally-Regulated
Advanced Clean Fleets Regulation	Tier 5 Off-Road Engine Standard	In-Use Locomotive Regulation
GHG Standards for MD/HD Vehicles, Phase 3	Amendments to In-Use Diesel-Fueled Fleets Regulation	Future Measures for Aviation Emissions Reductions
On-Road Motorcycles New Emissions Standards	Zero-Emission TRU (Part II)	Future Measures for OGV Emissions Reductions
Clean Miles Standard	Commercial Harbor Craft Amendments	
	Cargo Handling Equipment Amendments	
	Off-Road Zero-Emission Targeted Manufacturer Rule	
	Clean Off-Road Fleet Recognition Program	
	CORE – Construction	
	Spark-Ignition Marine Engine Standards	
		Other
		Consumer Products
		Zero-Emission Standard for Space and Water Heaters

CARB Board update on the 2022 SIP Strategy (Q1 2022)

- Concepts released – commented Jan 14th supporting:
- Alternative fuels (to renewable diesel)
 - Exemption for emergency uses
 - Compliance flexibility
 - Feasible records review

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3. CARB Advanced Clean Fleet (ACF) Regulations

- ▣ ACF by 2035/2045:
 - Draft regulatory language Sept 9th, CASA submitted comments
 - CARB to release a second draft regulation in first half of 2022
 - Target adoption by fall 2022 (similar to Scoping Plan Update)
- ▣ Workshops/Actions:
 - CARB Medium and Heavy-Duty Infrastructure Workgroup Meetings – Dec 3 (business considerations), Dec 16 (hydrogen), Jan 12 (electricity and the grid) + 1 more scheduled for Mar 10, Feb 11 (costs and funding)
 - CEC ZEV Infrastructure Plan (Jan 20) – discussed concepts
- ▣ CASA Action Items
 - Workshop participation/comment letters
 - CARB Board Member/Executive meetings and data collection
 - Subgroup meeting Jan 24th and more to be scheduled!

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4. SB 1383: Organic Waste Methane Emissions Reduction

- ▣ 40% methane reduction by 2030 (relative to 2013 levels)
- ▣ Organic waste diversion from landfills (includes biosolids, digestate, and sludges)
 - 50% by 2020 (relative to 2014 levels)
 - 75% by 2025 (relative to 2014 levels)
- ▣ Implementation
 - State to enforce jurisdictions Jan 1, 2022 (local entities enter agreements)
 - Local jurisdictions to start enforcement Jan 1, 2024
 - Compliance by Jan 1, 2025



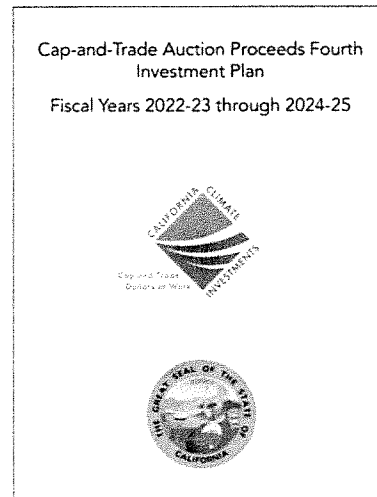
- ▣ Workshop Series
 - SB 619 webinars held Nov 18th and Jan 13th
 - Statewide Recycling Markets to be held Feb 2nd and 16th



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5. Draft Final Cap-&-Trade 4th Investment Plan

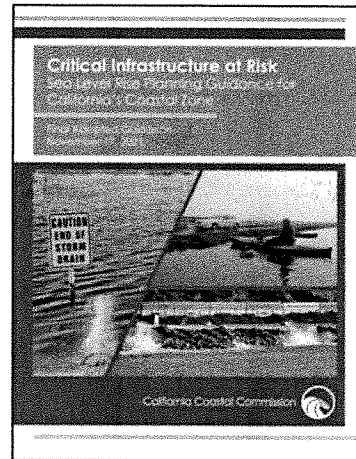
- ▣ Guiding Principles for allocating funding:
 - Implementation of State Climate Goals
 - Advancing Equity & Environmental Justice
 - Improving Public Health
 - Supporting a Climate-Resilient & Prosperous Economic Future
 - Fostering Interagency Coordination
- ▣ Comments submitted Sept 17
- ▣ Draft Final version released Oct 27
- ▣ Final plan submitted Jan 2022
 - Waste diversion for the wastewater sector



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6. CA Adaptation: Coastal Commission's *Critical Infrastructure at Risk: Sea Level Rise Planning Guidance for CA's Coastal Zone*

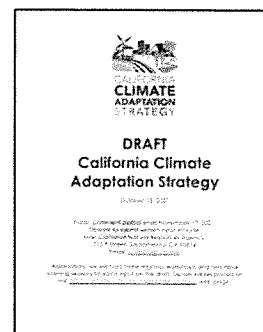
- ▣ Released August 16th
- ▣ Critical transportation infrastructure: coastal roads, highways and railroad facilities (see Ch 5)
- ▣ **Critical water infrastructure: wastewater treatment, stormwater, and water supply facilities (see Ch 6)**
- ▣ Comments submitted Sept 24th
- ▣ Final Adopted Guidance released →
- ▣ Reference in planning efforts!



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6. CA Adaptation: Natural Resources Agency Adaptation Strategy

- ▣ CA Adaptation Strategy (4th) update required every 3 years
 - Draft strategy update released Oct 18th with goal to final in 2022
 - Comments submitted Nov 17th
- ▣ 2021 strategy to build on iterations since 2009 and integrate elements of latest sector-specific plans:
 - Natural and Working Lands Climate Smart Strategy
 - Wildfire and Forest Resilience Action Plan
 - Climate Action Plan for Transportation Infrastructure
 - Water Resilience Portfolio



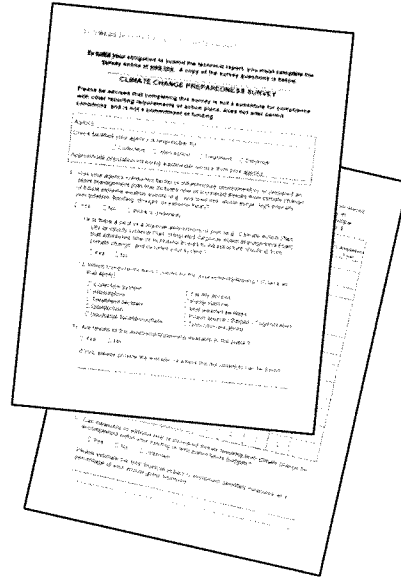
No update from CNRA on schedule for next draft release



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6. CA Adaptation: SWRCB Climate Change Preparedness Survey

- State Water Board to:
 - Send NPDES and WDR permit holders to be surveyed in 2022
 - 45-day response
 - Webinar after formal distribution
 - Communicate through Chris Hyun
 - Follow development of SWRCB priority areas:
 - Drinking water
 - Wastewater/co-digestion
 - Sea level rise
 - Harmful algal blooms



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7. Criteria Pollutants & Toxics Reporting and Air Toxics “Hot Spots” Program Updates

- AB 617 gives CARB authority to “harmonize” air monitoring, reporting, & emission reductions from stationary sources
- AB 2588 Hot Spots compound list is >1000 compounds (from >500)
 - Many of the compounds have unknown toxicity levels
 - Many of the compounds have unknown emission factors
 - Many of the compounds are not relevant to WWTPs
- CASA worked closely with CARB to negotiate phased compliance, allowing WWTPs to:
 - Report business as usual through 2028 (begin reporting in 2029 for 2028 data)
 - Perform a “two-step process” for determining a shortlist of compounds
 - Scanning air space of unit processes to determine detectable compounds
 - Determining the sampling and analysis methods to quantify emissions (Mimic 1990 Pooled Emissions Estimation Program, PEEP)



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7. Next steps for the Wastewater Sector...

- **CASA One-Page Summary timeline updated**
- **CASA Subgroup meeting Feb 3rd to begin defining:**
 - Participating agencies
 - Governing structure
 - Timeline/approach to two-step process (including examining source testing requirements)
- **Meeting with SCAQMD Feb 11th to begin discussing source testing**

CASA CALIFORNIA ASSOCIATION OF SEWERTREATMENT AGENCIES
1001 West 10th Street, Suite 200, San Francisco, CA 94115

Understanding New Requirements for Air Toxics Reporting

CASA is currently in the process of updating its Air Toxics Reporting Program for the California Air Resources Board (CARB) Air Toxics Reporting Program. This program is required by CARB and the Department of Toxic Substances Control (DTSC) and the Department of Pesticide Regulation (DPR). This program is required for all regulated entities in California. This program is required for all regulated entities in California. This program is required for all regulated entities in California.

REGULATORY REQUIREMENTS: In part of reporting air toxics emissions, the public has access to the data and reduction strategies for many communities. The updates to the 10, 15, and 20%.

- 1. Expand the number of communities to be included for monitoring and reporting from a total of 100 to over 1,000 to provide more data, including more detailed plans for the future.
- 2. Establish a process for monitoring and reporting for the water sector (i.e., the "Water" process) to include a list of data relevant to the program.
- 3. Identify relevant (or critical) air toxics, pollutants, and other related information.

The results of the 10, 15, and 20% requirements will be reported starting in 2023. We have not yet been approved by the CARB or DTSC for the program. We are currently in the process of developing the program and will be reporting to the CARB and DTSC in 2023. We are currently in the process of developing the program and will be reporting to the CARB and DTSC in 2023.

WASTEWATER SECTOR IMPACTS & RESPONSE: CARB and DTSC are taking a shared approach for air toxics reporting. The water sector is a critical part of the program. We are currently in the process of developing the program and will be reporting to the CARB and DTSC in 2023. We are currently in the process of developing the program and will be reporting to the CARB and DTSC in 2023.

1. Perform a study of air toxics emissions from wastewater treatment plants and identify the appropriate regulatory requirements for the water sector.

2. Identify the emissions of air toxics from wastewater treatment plants and identify the appropriate regulatory requirements for the water sector.

The results of the 10, 15, and 20% requirements for 10, 15, and 20% will be reported starting in 2023. We have not yet been approved by the CARB or DTSC for the program. We are currently in the process of developing the program and will be reporting to the CARB and DTSC in 2023. We are currently in the process of developing the program and will be reporting to the CARB and DTSC in 2023.

Table:

Year	Agency	Type of Agency	Status	Date
2017
2018
2019
2020
2021
2022
2023

If you have questions, please contact Carol Bertram at carol@casacalifornia.org or Dan Sullivan at dan@casacalifornia.org. Updates are provided as part of CASA's bi-weekly "Air Toxics" newsletter. Reports are provided as part of CASA's bi-weekly "Air Toxics" newsletter. Reports are provided as part of CASA's bi-weekly "Air Toxics" newsletter.

Reporting and testing activities will be selected for discussion and approved by the Air Toxics Reporting Program. Reporting and testing activities will be selected for discussion and approved by the Air Toxics Reporting Program.



Informational Items



1. Carbon Sequestration Meta-Analysis

Systematic Reviews & Data Extraction

- ▣ Virginia Tech to quantify C-sequestration potential from land-applied biosolids based on research/data
- ▣ Systematic review of published and unpublished data
- ▣ Data (with consent of authors) to be added to open-access repository
- ▣ Promote biosolids research, identify gaps, and inform and harmonize future collection methods

Can You or Someone You Know Help?

- ▣ Help review full text
 - Materials and Methods section
 - Checking for soil organic carbon/matter data
- ▣ **Please reach out to Mike Badzmierowski, Greg Evanylo, and Lee Daniels!**
- ▣ OR if you have data that has not been published already and it shows changes in soil organic carbon/matter concentrations and stocks, please consider sharing



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2. Biogas/Biomethane Management: RINs

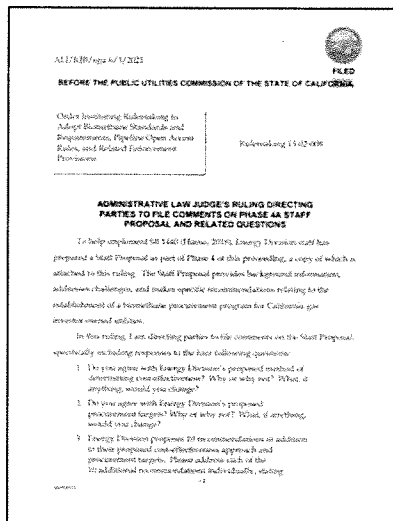
- ▣ EPA Renewable Fuel Standard RINs
 - Letter sent July 26th, met with EPA team July 27th
 - RFS RIN values for sludge-based biogas (D3, cellulosic) vs food waste-based biogas (D5, advanced biomass fuel)
 - Current interpretation is all biogas from co-digestion will be valued at D5
 - Discussed “plan b” – to allocate D3 and D5 per feedstock
 - Greg surveyed POTWs across US to collect average MCRT, VSR, and scf/lb VSR and submitted data to EPA
- ▣ Next steps – EPA to consider approach and how to determine the allocation on a consistent basis
 - EPA has a new hire (Mark Goldman) dedicated to this topic and working to answer questions



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3. CPUC SB 1440 Biogas Procurement Proceedings

- ▣ CASA is party to proceedings
- ▣ Staff Proposal released June 3rd
 - Determine if biomethane procurement targets or goals can be adopted in a cost-effective manner while complying with state and federal law
 - Consider 14 specific issues to ensure compliance with CA Public Utilities (PU) Code Section 651(b)
- ▣ On CPUC’s voting agenda **February 10th**



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4. New BACT for Large Emergency Diesel Engines ≥1,000 bhp – Tier 4 Engines

- ▣ Air District Activities
 - BAAQMD – December 2020
 - Sacramento Metro AQMD – May 2021
 - South Coast AQMD –
 - BACT scientific review committee and public review process underway
 - Surveying facilities
 - Likely to adopt requirements similar to BAAQMD and SMAQMD
- ▣ CARB (and local air districts) are exploring Tier 5 BACT:
 - Exploring potential amendments
 - Aiming to reduce emissions of NOx (up to 90 percent) and PM (up to 75 percent) compared to today's Tier 4 final emission standards
 - Expected to have more stringent exhaust standards for all power categories, including those that do not currently utilize exhaust aftertreatment (i.e., diesel particulate filters and selective catalytic reduction)
 - First-time CO₂ standards may also be proposed
 - Proposal to the Board expected in 2024, with implementation of the Tier 5 standards expected to begin in 2028



22

Conferences/Events

- ▣ **CASA Washington DC Forum**
February 28th – March 2nd, DC
- ▣ **AWWA Sustainable Water Management Conference**
March 27th – 30th, Denver
- ▣ **CWEA Annual Conference (including Partnering for Impact)**
April 11th – 14th, Sacramento
- ▣ **WEF Residuals & Biosolids Conference**
May 24th – 27th, Sacramento



23

Upcoming Meeting

February 24th



Thank you!



24

CASA – Air Quality, Climate Change & Energy (ACE)
Workgroup Meeting – Chat Notes
January 27, 2022
Craig K. Murray



Legislative:

From Jessica Gauger to Everyone 08:46 AM

<https://www.ebudget.ca.gov/budget/2022-23/#/BudgetSummary>

From Dru Whitlock to Everyone 09:07 AM

Is there anyone on the call who can articulate the position of the NG industry and their response to cities prohibiting NG connections? Do we have individuals on the call who are associated with the NG industry?

From Mary Cousins, BACWA to Everyone 09:12 AM

<https://www.socalgas.com/sustainability/leading-through-sustainability>

From Dru Whitlock to Everyone 09:12 AM

Nomenclature is important: Biogas produced by anaerobic digesters can be used on site. Upgraded biogas to RNG can be used offsite in NG systems

From Director Schrieberman

Agenda Item 8.4

Date February 17, 2022

Evaluation of Fate and Transport of PFAS following Long-Term Land Application of Biosolids: A Collaborative National Study

Webinar, Thurs Feb. 3, 2022

Entire PPT here: <https://casaweb.org/wp-content/uploads/2022/02/PFASCOLLABORATIVEpresentation-2-2-22-002.pdf>

Greg Kester, CASA, moderator.

Lead: Dr. Ian Pepper, also Ned from Univ of Arizona. National Research project. PFAs used in lots of household products and are “forever” chemicals. Found in soil, sediment and water and now in breast milk and blood.

Many studies so far but industrially contaminated biosolids; applied at 10x agronomic rate. “Pot studies” vs Field studies major mistakes. 10x rate not the same as 10 years at 1x rate. Spiked chemical not the same as biosolids w/chems.

1 part per trillion regulation of PFAS in drinking water (like 1 second in 31,7000 years) which lead to ban on biosolids land applications.

Were able to do soil samples at ag plot that had been loading biosolids for decades.

Levels in biosolids were low; found PRAS in irrigation water; in undisturbed desert soil no PFAS; found same levels in other ag plots where no biosolids were applied. Results changed regs b/c the irrigation water was equally a problem.

PROJECT SAMPLE PLAN CRITERIA

Field Type	Agriculture	Irrigated with groundwater	Cumulative biosolids applied	Duration of application (years)
Undisturbed	No	No	None	--
Agricultural	Yes	Yes	None	--
Group 1	Yes	Yes	≤20 (tons/acre)	4-9
Group 2	Yes	Yes	21-30 (tons/acre)	12-20
Group 3	Yes	Yes	>30 (tons/acre)	6-9

HIGHLIGHTS

- Low incidence of PFAS analytes in soils with long-term land application of biosolids
- PFAS soil concentrations in irrigated agricultural plots were fairly similar with or without land application of biosolids
- Biosolids and irrigation water were both sources of PFAS
- 72% attenuation of PFAS occurred within the surface 6 feet of soil

MORATORIUM ON LAND APPLICATION RESCINDED IN NOVEMBER 2020

Still concerned re: uptake from crops in land applied biosolids. Lead to national study to find national results on different areas, soils, biosolids, etc.

SPECIFIC OBJECTIVES

- Conduct a **literature review** of land application/PFAS studies, past and present to ensure collaborations with, and extensions of, ongoing work and avoid duplicative research
 - At dozens of biosolids land application sites in all regions nationwide, measure:
 - **Incidence of PFAS in soil** following long-term land application of biosolids – occurrences (“hits”) and levels at various soil depths
 - **Assess Mobility** (leaching) of PFAS analytes through soil and vadose zone under natural conditions including the influence of rainfall and/or irrigation, using paired data sets of soil PFAS concentrations and groundwater PFAS levels
 - **Crop uptake** of PFAS analytes, utilizing paired data sets of soil PFAS concentrations versus plant uptake
 - Include a variety of different soils, depths to groundwater, and climates, by studying land application plots across the entire United States, including irrigated and non-irrigated soils.
- Depth and breadth of dataset should be sufficient to:**
- Prove hypothesis that typical, background levels of biosolids applied long-term do not increase soil levels of PFAS to levels that threaten groundwater or crop safety.
 - Provide robust field data to calibrate modeling that predicts PFAS in groundwater & crops.

Wanted to compile a massive amount of data at the national level to give a clear assessment of risks and differentiate municipal vs industrially contaminated biosolids. Local Ariz studies showed them how to do sampling to avoid outside contamination, etc. To sample the water as well as the biosolids.

STANDARDIZATION OF RESEARCH

- All PFAS analyses conducted by the same lab (Eurofin)
- Strict sampling & analysis protocol followed at all sites.
- Soil, groundwater, and plant samples collected from long-term land application sites with known biosolids loadings
- Soil samples all collected at the same depths: surface 1 foot, 3 feet, and 6 feet (or as determined by review of literature)
- All soil samples sent to University of Arizona for sieving prior to being sent to Eurofin for analysis
- Sub-samples of soil sent to a single lab for soil characterization analysis

Big undertaking to do this National Study.

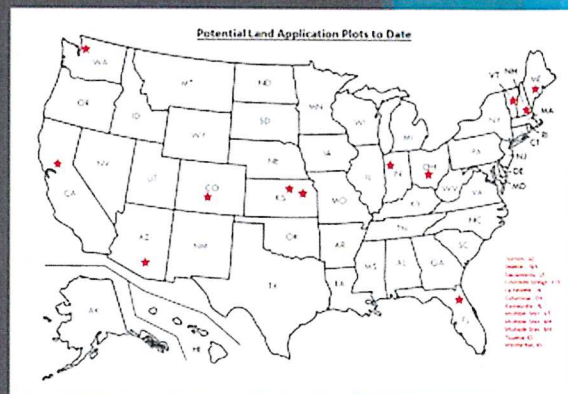
DRAFT SCOPE OF WORK IN YEAR 1

Soil Sample Collection at Select Sites

- Soil samples taken at 1, 3 and 6 feet depths from the surface (or as determined by review of literature)
- Samples taken of groundwater (where monitoring wells exist) and growing crops (edible plant tissues) that create data pairing soil levels with groundwater and plant levels
- 4 replicates
- Samples collected from across the U.S.
 - Farmers with long-term land application plots, with records of biosolid loading rates
 - Academic researchers with established long-term land application plots with known biosolids applications at different loading rates
 - We anticipate at least 30 sample sites across broad geographic regions

POTENTIAL SITES TO BE SAMPLED (to date)

- We already have potential sites identified in 10 states nationally and anticipate many more.
- Necessary criteria to be eligible for the project
 - Long-term (>10 years) land application
 - Known loading rate of biosolids
 - If possible, multiple loading rates (2 or 3 different rates) plus control (no biosolids)
 - Any soil PFAS data from prior years
 - Rainfall or irrigation data, if possible
 - Soil characterization data, if possible
 - Depth to groundwater
 - PFAS analytical data from biosolids, if available



California site is in Sacramento area. Not sure how this relates to earlier reports of LGVSD being a site for a study of biosolids.

MAXIMIZING BENEFITS OF PARALLEL RESEARCH

- Dr. Brusseau (University of Arizona) will evaluate PFAS transport through pristine soils via a \$1.2m Department of Defense grant. Data will allow for an evaluation of the effects of biosolids on mobility, relative to non-biosolid PFAS transport and will aid in model development
- Dr. Linda Lee (Purdue) is evaluating PFAS in rural communities, including biosolids fate and transport
- Other U. S. EPA research will be monitored

SCOPE OF WORK IN YEAR 2 FOLLOW-UP SAMPLING & CROP UPTAKE STUDIES

- Compilation, screening, & analysis of all data. Identification & filling of data gaps.
- Additional evaluation of crop uptake, if needed:
 - 2 or 3 common crops will be grown on land application sites (likely including grass hay, because of ME concerns, corn, and possibly soybean. All sites will grow same crops.
- At harvest, various edible portions of plants will be analyzed for PFAS.

Funding: \$1M needed; suggested contributions below. What we should reach out to Southern Marin Sanitary District, Marin RCD/Marin Carbon Project. We have a good reason for understanding this, b/c of the opportunity we have to do more than just inject our biosolids; they could be more beneficially used. Amount requested from our plant is minimal. See below. Let Ian and Greg know so they can move forward with this project.

FUNDING REQUIRED

A minimum of \$1M is required for the 2-year project.

SUGGESTED CONTRIBUTIONS

Design flow greater than 50 MGD	\$25,000
Design flow between 25 and 50 MGD	\$20,000
Design flow between 5 and 25 MGD	\$15,000
Design flow between 1 and 5 MGD	\$5,000
All others	\$1,000
Non-profit associations	\$3,000
Consulting firms	\$5,000
Biosolids private sector management firms	\$10,000

QUESTIONS?

CONTACTS:

- Ian Pepper (Univ. of AZ), PI
 - ipepper@email.arizona.edu or 520-626-2322
- Greg Kester (CASA)
 - gkester@casaweb.org or 916-844-5262
- Ned Beecher (NEBRA)
 - ned.beecher@nebiosolids.org or 603-387-7869

Q&A: slides available and session recorded to be available.

Source of PFAS on irrigation water in Pima County Study? Made sure they were away from industries, airport, but not clear where the PFAS in this water was coming from. Not clear where the PFAS is coming from, anywhere. Atmospheric deposition? National Forest sites that had higher levels than biosolids. AD w/PFPD more often seen. Truth is PFAS is everywhere. National Data Set of measurements of PFAS in AD; 5 ppt in Boston rain as one example.

Can participants be anonymous? Yes. And can get results of testing directly. How does one become a participant? Who would cover the cost for testing—which is what the money is for; analysis and testing. Contact Ian or Greg if interested. Level of funding will determine what sites will be looked at and how.

PR component? To be sure they are available to local decision makers as well as regulators? Scientific meetings nationally and internationally; Extension outreach; want to get the data out far and wide. Experience in getting that info translated into PR for the general public. Most outreach to

public is up to us; getting the data and doing the work is focus of project. Use the slide deck to anyone and they could present the info to their group. Be easier to contribute if credible third party could be involved. This can be done. Advisory committee able to present at all levels; top level to grass roots.

Can an individual provide funding and would it be tax deductible? Unknown! If it goes to a non-profit, like a university, that would make a difference. Individuals can certainly contribute.

Did Pima County study look at Class A or Class B or any difference? It was Class B and not expecting any differences.

Protocols to account for Conflict of Interest between funders and results? A third party involved? Scientific integrity and transparency in process.

What crops will be looked at? Ability for it to be grown all over the country. When metals were an issue, wheat was one of the crops then. Maybe hay, feed corn and other crops that are commonly used with biosolids already. No human food crops at this point.

How will other ag inputs (fertilizers, pesticides, etc) be watched to exclude these outside sources of contamination? Doing lit search to see where PFAS are in other things.

Biosolids now producing less PFAS than past ones. Will be looking at total amount of PFAS in soil, which will include past and present loads. Won't know past levels in general. Can back calculate from past tonnages, if that was the significant source in past. Some papers that have measured past levels in soils. Lower now than they were because they are being phased out.

Working w/EPA PIs, how will that feedback be communicated to potential funders so not duplicative?

If funded today, expected timeline for results? 2 year growing seasons. Data analysis and publication taking 6 mos. after. True risk assessment of direct human food crops to be studied later.

Massive undertaking and opportunity. To answer questions we haven't answered yet before on land application of biosolids as well as PFAS.

What compounds are you analyzing? Top ToF? For PFAS in soil. Will be looking at PFA and PFOA at top of the list. List is growing based on analytical methods which are being developed. Total Fluorine; has questions on its value. ToP analysis may be more useful (Perdue scientist looking into this).

EPA risk assessment due in 2024; still to meet with them. Would not ask them to hold off but will work with.

Differentiating industrially impacted WWTPs vs not? Background levels in low ppb for municipal and in 100s for industrially WWTPs. So most WWTPs are testing at background levels. Hope the study will tease this out.

Who should get the contributions? Send to Univ of Ariz. Need central collection point. Experience in collecting funds there, then coordinating and conducting research from there. Financial office transparency, with low 10% admin fee. Industry research center for decades.

Explain where 10x in one year is not the same as 10 years at one time rate. Pollution acts when environment cannot assimilate it. 20 acres/one cow vs CAFOs. You are overwhelming the system. You don't put 10x the amount of organic fertilizer on a plant at one time; you'll kill it.

Where are they coming from? Get rid of carpets in house, Teflon, and household dust.

Will GW be studied? Short change PFAs may be more mobile. Yes, will like to do that.

Formal email for boards? To receive funding? Different needs for different funders; so contact group directly.

Copy of the slides: Jeannine will do email blast and it will be posted. NE Biosolids & Residuals Association. Better to have one recipient for funds but NEBRA could also take them. Arizona should be the source.

Beyond scope of project to determine if biosolids is major pathway for PFAS in humans.

From Greg Kester:

Should you be willing to contribute to the study, please let me (gkester@casaweb.org), Dr. Pepper (ipepperipepper@ag.arizona.edu), or Ned Beecher (ned.beecher@nebiosolids.org) know. Once sufficient pledges are received, invoices will be sent from the University of Arizona. Thank you again for your interest and support. - Greg



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. to
_____ day of _____ from _____ a.m. / p.m.

Location of meeting: _____

Actual meeting date(s): _____

Meeting Type: (In person/Webinar/Conference) _____

Purpose of Meeting: _____

Meeting relevance to District: _____

Request assistance from Board Secretary to register for Conference: YES NO

Frequency of Meeting: _____

Estimated Costs of Travel (if applicable): _____

Date submitted to Board Secretary: _____

Board approval obtained on Date: _____

Please submit this form to the Board Secretary no later than 1 week prior to the Board Meeting.

2/17/2022

BOARD AGENDA ITEM REQUESTS

Agenda Item 9B

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

DROUGHT

By Will Houston

whouston@marinij.com

After facing critical water shortages last year, Marin County's two largest water agencies are exploring new supply options.

Connecting to other water agencies, desalination, capturing more rainwater and raising existing dams are among the options being explored by Marin

Municipal Water District, which serves 191,000 residents in central and southern Marin, and the North Marin Water District, which serves about 62,000 residents in Novato and West Marin.

The two agencies met this month to discuss what new sources of supply could be added.

While recent rainfall has provided a short reprieve, both districts said they must plan for unpredictable rainfall, especially in

DROUGHT» PAGE4

Drought

FROM PAGE 1

the face of climate change.

Jay Lund, co-director of the Center for Watershed Sciences at the University of California, Davis, said most of the easy options for adding new sources of water have already been implemented. As a result, any new sources will likely require a more rigorous review and come at a higher price.

"As we look forward into the future, things get increasingly expensive and increasingly awkward in terms of regulations and logistics," Lund said. "I think the state is going to understand this, that Marin is not going to be the only place that has these problems. I think people are going to have to be understanding over time. I think it will be a mix of things done over time, not just expanding water supplies and water sources but also further efforts to reduce water use."

The Marin Municipal Water District, which faced the possibility last year of depleting its local reservoirs by this summer, plans to hold three public workshops between March and June to discuss what sources of supply should be considered and prioritized. From these meetings, the district plans to draft a report with the aid of a consultant detailing the various pros and cons of the options.

"I think we have to have absolute bluntness about the challenges and opportunities so that we can really weigh what these options are," board member Monty Schmitt said during the board's Jan. 18 discussion.

District staffers said their intent is to explore a wide range of options. Some of these have already been studied or are being considered, such as a pipeline over the Richmond-San Rafael Bridge; desalination; buying more water from Sonoma County during the rainy season; groundwater banking; expanding the recycled water system; and more water use restrictions for landscaping and development.

Other options that have not received as much attention include dredging local reservoirs or raising dams; fog capture; selective removal of vegetation to increase runoff into reservoirs; and cloud seeding to promote more rainfall.

"I think part of the problem is we kind of don't know how much we need," Deuter told the board.

Schmitt, who has called for a three-year water supply, agreed.

"Without knowing what our goal is, it's boundless," Schmitt said during the meeting. "It makes it very hard to determine whether there is one project that meets our needs.

At North Marin Water District, a study is already underway to identify new sources of water, including increasing the capacity of its Stafford Lake reservoir and capturing more rainfall from nearby canyons.

The district's 60,000 residents in the greater Novato area get 75% of their water from the Sonoma Water imports with the remaining 25% coming from the district's only reservoir, Stafford Lake. Stafford Lake would have gone dry last summer had the district not purchased and pumped in Russian River water during the winter of 2020-2021.

The study by the West Yost engineering firm recommended options such as installing a slide gate on the spillway at Stafford Lake dam, which would allow it to hold an additional 700 acre-feet of water, or about 16% of the lake's current capacity of 4,300 acre-feet. An acre-foot is the amount of water it takes to submerge 1 acre under a foot of water.

That project is estimated to cost about \$710,000 to build, or about \$1,000 per acre-foot of new supply, as opposed to dredging the lake, which was estimated to add 550 acre-feet of water at a cost of \$26.7 million, or \$48,500 per acre-foot of new supply.

But this project's effectiveness in bolstering supplies would rely on the district receiving rainfall. Another option presented to the district is capturing rainfall in the nearby Leveroni and Bowman canyons just north of the lake. The study found about 628 acre-feet of water could be added at a cost of about \$101 per acre-foot, not including treatment costs.

"This study is really bringing to light that we have a lot of different sources of water, but our big problem is storage," said district board member Jim Grossi said during the board's Jan. 25 meeting. "I think that needs to be looked at."

Other options were deemed infeasible by the study. Recharging groundwater in the Novato basin, for example, would only yield a small amount of water at a high cost compared to other groundwater

2

The district has about a two-year supply of water in its seven local reservoirs, which provide about 75% of its supply. The other 25% comes from Russian River water imports from the Sonoma Water agency.

The district has not increased reservoir supplies since it created the Soulajule Reservoir and doubled the size of the Kent Lake reservoir in the early 1980s. At the Jan. 18 meeting, some district board members were surprised to hear staff proposing the option of raising dams.

“It just feels like a very significant shift from what we’ve been hearing from management in the past 12 years,” board member Cynthia Koehler said.

One of the primary reasons the district has not considered expanding reservoir storage stems from a 1995 state order. The order requires about half of the new water supply built at Kent Lake be released into Lagunitas Creek for the benefit of endangered coho salmon, threatened steelhead trout and other species. A similar order is in place for Soulajule Reservoir.

While the 1995 order does not address future reservoir expansion, staff said there had been a reluctance to open the door on water rights because of the possibility of the state imposing more restrictions. While acknowledging this would be uncharted territory, staff said it is at least worth looking into.

“We really do just feel like we need to explore it and not just accept the historical reference that it’s not going to go well for us,” Paul Sellier, the district operations director, told the board.

Larry Russell, the board president, said it is important to know that taking this step would be like “walking on eggshells.”

“Let’s not get our users all fired up that we’ve got a door that’s going to open here because it may slam on our fingers harder than we wish,” Russell said.

Larkspur resident James Holmes said the district should make every effort to free itself from what he called a “Draconian” order.

“This board should not treat the terrible 1995 order as the immutable barrier but rather as an obstacle to be overcome and overcome as quickly as possible,” Holmes told the board.

Another option the district is considering is pumping water out of its secondsmallest reservoir, Phoenix Lake, which has issues with sedimentation and low alkalinity. The lake holds about a half-percent of the district’s water supply.

Rather than pumping that water directly to the Bon Tempe Treatment Plant, the district would pump the water into the nearby Bon Tempe Reservoir, where it would be diluted and then treated.

Board member Larry Bragman said that as the district considers larger projects, such as a pipeline over the Richmond- San Rafael Bridge, he said he is “very much interested in increasing the efficiency of what we have.”

For desalination, district staff said they will be able to rely on past studies of a proposed plant along San Francisco Bay near San Rafael. The district had previously tested pilot desalination plants in the early 1990s and early 2000s but chose not to proceed with the project in 2010.

Other options include partnering with neighboring water agencies in the Bay Area to create a desalination plant that could provide water for the region.

3

basins in California. The Novato basin is thin and can only hold about 50 to 100 acre-feet of water. Groundwater could be extracted from or recharged into the basin at a rate of tens of gallons per minute, while other basins have a rate in the low hundreds or thousands of gallons per minute, according to West Yost.

However, the district could partner with other groundwater storage project in the region, such as one being studied by the Sonoma Water agency.

Desalination was deemed infeasible given the high cost and the district’s size. However, the district could collaborate with other agencies for a regional desalination plant. West Yost estimated it would likely be 15 years before such a project would be completed.

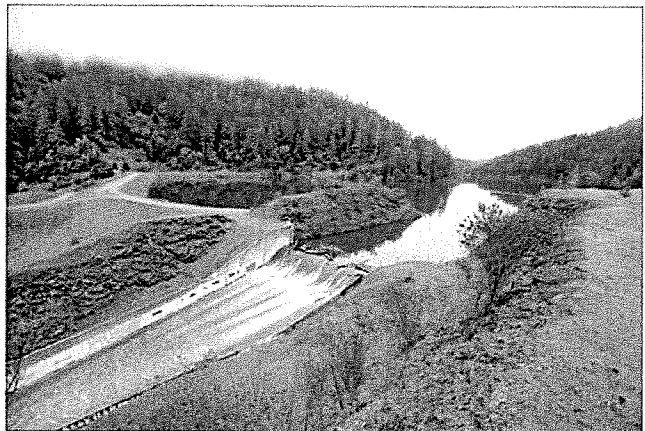
Board member Mike Joly said the district should not wait to begin looking into the potential for a regional desalination plant.

“Clearly we should be at least studying certain technologies that do not just rely on water coming from the sky,” Joly said.

While he said desalination will ultimately be a solution in the future, board president Stephen Petterle said completing such a project will not solve shortterm water needs that will be exacerbated by statemandated housing development and large projects in Novato, such as the proposal to build more than 1,000 homes at the former Fireman’s Fund Insurance campus.

“I think ultimately, the solution is desalination, but that’s a long way away,” Petterle said. “It takes regional coordination, which California has never had with water.”

The district plans to review more detailed cost estimates this spring and eventually prioritize which projects to begin.



Water rushes down the spillway this month at Kent Lake, part of the Marin Municipal Water District’s reservoir system. The utility is considering raising dams and other ways to boost supply.

DOUGLAS ZIMMERMAN/SPECIAL TO THE MARIN INDEPENDENT JOURNAL

↓

3

One obstacle the district has in building its own desalination plant is a 2010 voter-approved measure that requires voter approval for financing and construction of a plant. Staff said the board could direct staff to look into rescinding this requirement.

District customer Paul Deuter said the board needs to set a specific target on how much more water it wants to add.



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ON THE WING

By Jack Gedney

jack@natureinnovato.com

When people ask me where to go to start watching birds, my first suggestion — after one’s own backyard and neighborhood — is a local water treatment facility. In other words, “the sewage ponds,” though that makes them sound rather unappealing and is probably not the term their caretakers would encourage you to use.

Marin’s premier publicly accessible water treatment ponds are those maintained by the Las Gallinas Valley Sanitary District in San Rafael. These ponds are, in fact, Marin’s single most popular birding site, with more than 250 species reported across nearly 7,000 eBird checklists.

The North Bay’s runner-up in the world of wildlife-rich water treatment ponds are the Ellis Creek ponds in Petaluma, adjacent to the also birdy Shollenberger Park.

While spring has its highlights, such as fuzzy baby mallards, swans and pied-billed grebes, winter is clearly the busiest time in the world of ducks, with numerous migratory species added to the mix at this time of year.

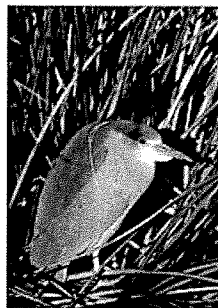
These kinds of settling or polishing ponds are part of the water treatment process, in which plants and bacteria can further remove nutrients and metals from wastewater after its initial treatment in order to prepare it for reuse as recycled water.

As reliable year-round water sources, water treatment

ponds are famously popular with birds, while both Las Gallinas and Ellis Creek are managed to support wildlife habitat and set within a larger matrix of natural habitat, meaning that you can see a wide variety of freshwater, salt marsh, grassland and some tree-dwelling birds.

Start with the ponds themselves. The most obvious occu-

BIRDS » PAGE 2



Black-crowned night herons roost in thick vegetation during the day and hunt mostly at night.

PHOTO BY ANGELINA PAVLOSKY-ANTON

Birds

FROM PAGE 1

pants of the water are the ducks and other swimming birds such as grebes and coots. While spring has its highlights, such as fuzzy baby mallards, swans and pied-billed grebes, winter is clearly the busiest time in the world of ducks, with numerous migratory species added to the mix at this time of year. Looking at ducks is a great way to get started with birds, as there are a number of distinctive, colorful, slowmoving and easy-to-see species: bufflehead, pintail, shovelers, greenwinged and cinnamon teals, ruddy ducks and gadwalls all form part of the regular crew.

The different ducks are quirky and unique creatures, and I relish embracing the awareness of those quirks as embedded in their traditional names — from the wide-billed weirdness of the souplips (northern shoveler) and the large fanned crest of the butter box (bufflehead, itself a contraction of “buffalo-head”) to the petite adorability of the pointy-tailed stub-andtwist (ruddy duck).

Another group of large and prominent water birds are the herons and egrets. This family is well represented year round by a number of distinctive species. We’ have the big white one (great egret) and the little white one with golden slippers (snowy egret). There’s the big, almost crane-sized great blue heron. Blackcrowned night herons hunch moodily in their daytime roosting spots or awaken to stare with their huge red eyes. If you’re lucky, you might spot the attractively

unmistakable hovering hunting style.



Fall and winter are the best times to see the fiercest flyers, the falcons — from the small American kestrel and merlin to the peregrine falcon, the fastest bird on earth.

Ducks, herons and hawks are all large and tend to grab our attention. But that isn’t to say that there isn’t a wide diversity of small songbirds to enjoy as well. These ponds offer plentiful representatives of common neighborhood birds, while wetland specialties like the attractive red-winged blackbirds, the irrepressibly bubbly marsh wrens, or the striking common yellowthroat dart among the thicker vegetation on the edge of the water.

A day at the ponds can easily reveal something on the order of 50 bird species to an experienced observer. The way you become an experienced observer is to visit again and again, to look again and again, and to see something different every time.

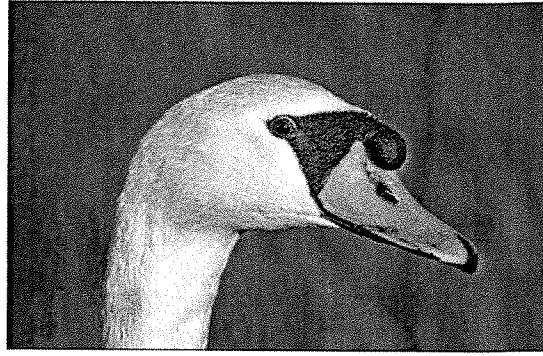
Jack Gedney’s On the Wing runs every other Monday. He is a co-owner of Wild Birds Unlimited in Novato and author of the forthcoming book “The Private Lives of Public Birds.” You can reach him at jack@natureinnovato.com.





colored green heron or an elusive American bittern, one of the most gloriously folk-named of all American birds, with traditional monikers including dunkadoo (for their calls), thunder-pump (also for their calls), stakedriver (calls again) and plumgudgeon (I really don't know).

Raptors are a third highlight of the ponds and surrounding grasslands. Many hawks become more abundant overall in winter, but you can see red-tailed, redshouldered and Cooper's hawks all year round, as well as northern harriers and white-tailed kites. These latter two are particularly unique and interesting to watch as they hunt around the wetlands, harriers with a distinctive white rump patch visible in their typical low-coursing flight and kites instantly recognizable by their brilliantly white plumage and



While mute swans are not native to Marin, they are regular sights at our local water treatment ponds.

PHOTO BY ANGELINA PAVLOSKY-ANTON

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Monday, 01/31/2022 Page .B01

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Plan OK'd to study how to bolster supply of water

MARIN MUNICIPAL

Bridge pipeline, other possible sources will be explored

By Will Houston

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After facing the threat of depleting its reservoirs last year, the Marin Municipal Water District has allocated nearly \$1.4 million for two studies to look into new sources of water.

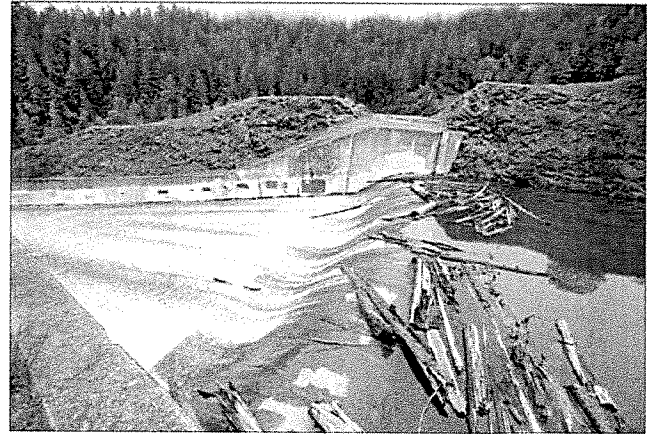
One study will assess the potential environmental impacts of a proposed 8-mile emergency pipeline across the Richmond-San Rafael Bridge that would be able to pump in purchased Sacramento Valley water. The study is estimated to cost \$998,000 and will take 12 to 14 months to complete.

The second study will review the costs and benefits of a variety of new water sources the district could pursue. Some of the options include desalination, raising dams, the pipeline, groundwater banking and expanding the recycled water system. This \$400,000 study will include at least three public workshops and is expected to be completed in late June or early July.

"We've got to get people out of their silos and really take a look at the whole spectrum of supply options that the district has," board member Larry Bragman said during a board meeting on Tuesday.

The district envisions the water supply study will serve as a roadmap on bolstering its two-year reservoir supply. For each of the options, the study will lay out the projected costs, effects on water rates and how much wa-

WATER» PAGE 4



Water rushes down the spillway at Peters Dam at Kent Lake near Lagunitas on Jan. 6. The Marin Municipal Water District plans studies to look into new sources of water.

DOUGLAS ZIMMERMAN — SPECIAL TO THE MARIN INDEPENDENT JOURNAL



Water runs down a hillside near Phoenix Lake in Ross on Oct. 29.

ALAN DEP — MARIN INDEPENDENT JOURNAL

Water

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ter would be added, and review how effective these new supplies would be for the district to weather droughts.

On Tuesday, there was a debate among the board members as to whether it should proceed with the environmental review of the emergency pipeline before or after the separate water supply study is complete.

Board members Monty Schmitt, Cynthia Koehler and Larry Bragman said the water supply study could ultimately show that the pipeline is not the most cost-effective option or the option most preferred by ratepayers. They also were concerned that approving the pipeline study on Tuesday could send the message to the public that the district is prioritizing that project over others.

five months could result in it being finished in late 2023, when the district could be facing another significant drought.

"People are getting complacent about the drought being over," Russell said. "Well, it's not over and we need to be careful here that we don't get behind the eight ball any worse than we already are."

District staff said the pipeline study is required to review other alternative options. If the district decides the pipeline should not be prioritized, it can focus the environmental review on another supply option.

The board voted 4-1, with Bragman dissenting, to approve the environmental review of the pipeline.

Last year, the district was scrambling to plan and design the estimated \$100 million pipeline on an emergency schedule. At the time, the



192-unit complex receives approval

TERRA LINDA

Project includes store, five apartment buildings

By Adrian Rodriguez

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A proposal to bring 192 apartments to North San Rafael sailed through approvals Monday.

The San Rafael City Council voted unanimously to OK the “Neighborhood at Los Gamos” project, situated on a 10-acre lot along Los Gamos Drive west of Highway 101 in Terra Linda. The applicant is the Hart family, which runs a real estate company in San Rafael.

Vice Mayor Rachel Kertz called the project a “unicorn” because it’s such a large mixed-use complex that has garnered community

support, rather than amassing critics.

“This project is meeting so many needs we’ve talked about for a long time,” Kertz said, noting

LOSGAMOS» PAGE2

Los Gamos

FROM PAGE 1

the proposed 20 affordable units, the sustainable features such as rooftop solar panels and a plan to electrify the buildings and add no natural gas hookups.

Mayor Kate Colin praised the applicants for their community outreach that consisted of dozens of meetings to get resident input and design a project to fit in with the neighborhood.

“It’s extra icing on the cake when the community calls in and says, ‘Yeah, we want this,’” Colin said.

This project could become a beacon, she said. “We want to say, ‘Hey, look at this. Density can be had in a way that makes sense.’” Plans include a 5,600-square-foot grocery store, a 5,000-square-foot community center and five apartment buildings.

The housing will include 36 studio apartments, 48 one-bedroom apartments, 90 two-bedroom apartments and 18 three-bedroom apartments. The apartments will range from 496 square feet to 1,153 square feet.

The buildings will be clustered to minimize grading and environmental impacts. The project also calls for 213 resident parking spaces and 12 commercial parking spaces for the market.

Council approvals included a general plan amendment to allow commercial mixed-use on the site, a zone change, environmental and design review, a density bonus and concessions for parking. While there was a near unanimous showing of community support, some residents told the council they were concerned about fire safety, bicycle storage for the residents, backup

power in case of outages and potential subleasing through companies such as Airbnb.

Ali Giudice, the city’s community development director, said the fire department has reviewed the ingress and egress and that it is appropriate for the type of hillside development.

Applicant Chris Hart said they will have indoor storage areas to safely store bicycles, that they are committed to electrifying the complex and have backup storage batteries onsite.

Becky Rosales, superintendent of Miller Creek School District, called it an exciting project that could provide housing for district staff. However, she was concerned about the impact the new residents with children would have on the district.

Riley Hurd, attorney for the applicant, said they would be responsible for about \$1.1 million to \$1.2 million in school impact fees.

Additionally, there could be an influx of new students who, through attendance, would be generating funding for the district.

Overall, residents said they favored the project because it would provide workforce housing.

“It will be a beautiful place,” said resident John Reynolds. “Let’s get on with it.”

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“There are a lot of opinions about what is the most sensible project,” Schmitt said, “and I think that an important part of that water supply assessment we are now moving forward with is to really remain objective, that we are not predetermining the direction we are going to go.”

Board members Jack Gibson and Larry Russell said the environmental review does not mean the pipeline project will ultimately go forward.

The district previously completed an environmental study for a proposed desalination plant in the 2000s, but opted in 2010 not to proceed with the project. This environmental review of the desalination plant will now be included as part of the water supply study.

District staff said the environmental review of the pipeline could be used in a similar manner.

“If anything, it prepares us to have the tools in the toolbox so that if we did find ourselves in a similar drought situation in the future, the (environmental impact report) would be done and we could move to construction sooner than later,” district engineering director Crystal Yezman told the board.

Russell and Gibson also expressed concern about delaying the pipeline study given the vulnerability of the district’s water supply should the drought continue. Delaying the pipeline study another

district was facing the possibility of its reservoirs going dry by mid-2022.

But after rains in late 2021 nearly refilled its reservoirs, the district opted to conduct a full environmental review of the pipeline to consider alternative options and obtain more input from the public.

Some residents had mixed views of the pipeline study on Tuesday. Rick Adler said he does not support the pipeline and urged the district to spend the money on other projects.

“I’d rather see the million bucks being spent on these other alternatives,” Adler told the board.

Marin Conservation League board member Larry Minikes supported the study, saying the district has already spent significant effort and money when it was preparing to build the project last year.

“Moving forward does seem to be the right direction to take,” Minikes told the board.

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Contamination tests ordered at former wastewater ponds

TIBURON

By Giuseppe Ricapito

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Four decommissioned water recycling ponds in Tiburon will be tested for contaminants over the next six months.

The Town Council voted unanimously on Wednesday to approve a \$79,000 contract for a firm to develop a closure plan for the site. The firm is EKI Environment & Water Inc. in Daly City.

The ponds are in a 38,600-square-foot property between Blackie's Pasture and McKegney Green. The council previously approved plans to buy the property from the Richardson Bay Sanitation District for \$600,000 for a potential conversion to open recreational space.

David Eshoo, a civil engineer for the town, said during the council meeting that the town is initiating the first step of a five-step plan for the property. The town and its consultant are developing the closure plans with direction from the California Regional Water Quality Control Board. EKI will then complete the closure plan and submit it to the control board for review.

A sampling and analysis of the ponds will follow. Samples will also be taken next from the soil and groundwater at three locations to determine whether contamination spread to the surrounding area. A summary report will then be drawn up for the Town Council.

"Depending on the results of the investigation, additional work may be required which will extend the project beyond six months," Eshoo said.

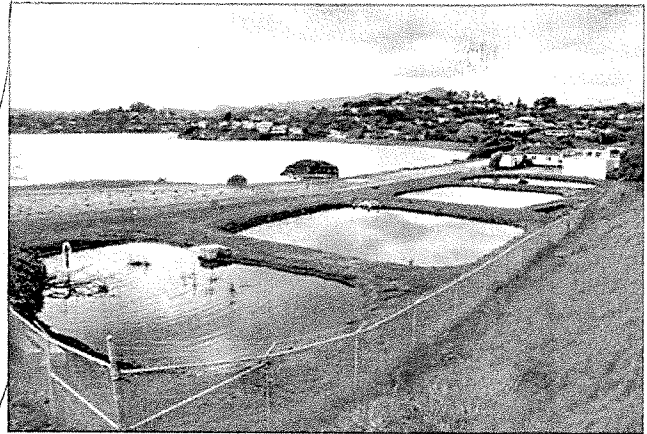
The cost of the closure plan remains unknown. Eshoo said there is an estimate of about \$150,000 to \$200,000 to grade and fill the ponds. The amount

is expected to increase, he noted, depending on the contents of the water and the soil.

Town Attorney Benjamin Stock said the sanitation district approved the purchase and sale agreement on Monday. The approval allows the testing to move forward.

Both parties have the option to terminate the agreement if the closure plan is determined to be too complex or too costly.

PONDS» PAGE4



Richardson Bay Sanitary District treatment ponds line the waterfront near Blackie's Pasture in Tiburon.

JAMES CACCIATORE — MARIN INDEPENDENT JOURNAL, FILE

Ponds

(2)

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"There's an escape hatch if we learn in the process of hiring the consultants that the cost is too great," Mayor Jon Welner said at the meeting. "We've left a way out."

The ponds and the surrounding industrial site were once used as a wastewater treatment plant. The plant was decommissioned by the Richardson Bay Sanitary District in 1983, according to the sale agreement. The plant is not included in the sale.

The town plans to look into uses for the site after the remediation is completed. Included in the motion on Wednesday was direction to provide the funds out of the town's general fund operating reserves.

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