SEWERAGE AGENCY OF SOUTHERN MARIN Minutes

BOARD OF COMMISSIONERS June 20, 2013

Call to order and roll call

President Kious called the meeting to order at approximately 7:00 pm

Members present: Lew Kious, Pedro Femenia, Bruce Abbott, Einar Asbo, Jim Jacobs, Gary Lions

Members Absent: Andrew Berman

Others present: Staff – Mark Grushayev, Jim McCann, Jill Barnes, Eric Ericson

Members of the Public: M. Curran, T. Roberts, B. Buhler, C. Monti, M. Nicholls, T. Krieg, J.

Elam

Public open time

There were no comments received from the public.

Consent Calendar

Action: The Board took the following actions: M/S Asbo /Abbott and carried on a vote of 6 to 0 to approve the Consent Calendar.

- 1. Minutes of the May 16, 2013 Board Retreat
- 2. Manager's Report
- 3. PLRP Summary of Activity Report

SASM Financial Audit, June 2012

Jim McCann introduced Terry Krieg, Certified Public Accountant, who presented the findings of the 2011-2012 Financial audit.

Mr. Krieg explained the finding described in his report and answered questions from the board members.

Mr. Krieg stated that the rates of the appreciation of the assets for the WWTP seem to be reasonable. He also suggested that the depreciation schedule for the sewer lines may need to be revisited because the current schedule over the 75 years period seems to be in excess of realistic 30-40 years lifespan.

John Elam stated that SMCSD is also taking on bond debt and has asked the terms of the loan be as close to the life of the asset as possible. He also stated that it always makes sense to tie the debt to the life of the assets.

Commissioner Asbo asked about the funding source for the PLRP (private lateral replacement program). Mr. Ericson responded that overall \$800,000 were reserved a liability for those funds and established a budget for the program. Another question from Commissioner Asbo was about the overall value of all pipes under SASM ownership.

No Board action was required.

SASM Budget for Fiscal Year 2013-2014

Jim McCann introduced the proposed budget for 2013-2014. Eric Ericson, Mark Grushayev and Jim McCann addressed questions from the board members.

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President Kious asked about the reasons for having completing less CIP projects that were planned for 2012-2013 FY and if there a certainty that all of approximately \$2.5M planned for FY2013-14 CIP program will be spent.

Commissioner Asbo asked about the need to spend \$2.5M on CIP projects before the completion of the Master Plan.

Mr. Grushayev responded that the CIP projects for FY 2013-14 are needed regardless of the outcome of the Master Plan and several project are essential for the WWTP reliable performance. Action: M/S Jacobs/Abbott and carried a vote of 6 to 0 to approve the SASM Budget for Fiscal Year 2013-2014 as presented.

President Kious asked Jim McCann to speak about the fact that there was a solar project last year but there is no solar project in the budget this year. Eric Ericson reported that it is not in the budget yet because the City is working on a partnership with SEED (Solar Energy & Economic Development Fund (SEED Fund) www.solarroadmap.com/seed/north-bay/) which is a private and public partnership with Counties of Marin, Napa and Sonoma. San Rafael is taking the lead and Jill Barnes will be working on evaluation the WWTP as a possible site for a project. Question from Commissioner Asbo as to the objective of the solar system whether it would be self-sufficient or just to offset power needs, because those are vastly different projects. Eric will get back to the board when the project is better defined.

Future Agenda Items

No items were suggested.

Commissioners Open Time

Commissioner Abbott commented that RBSD is prepared to nominate Lew Kious to the LAFCO board as the alternate position for special districts and recommends the other members of the SASM board support him as well. The position, recently vacated by Einar Asbo, was filled by the alternate (from Las Gallinas) and now that alternate position is now vacant.

Adjourn

Action: M/S Asbo/Abbott and carried on a vote of 6 to 0 to adjourn at approximately 8:05 pm.

The next scheduled meeting of the SASM Board is July 18th, 2013 at 7:00pm.