



Tamalpais Community Services District

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Minutes of the Work Session Meeting of TCSD Board of Directors
Held at 305 Bell Lane, Mill Valley
March 23, 2011
8:30 a.m.

1. **CALL TO ORDER.** The Session of the Tamalpais Community Services District Board of Directors was called to order by Board Member Linda Johnson at 8:34am on Wednesday, March 23, 2011.

2. **ROLL CALL.**

Board Members Present:

Linda Johnson
Gretchen Stagg
Jeff Brown

Not Present:

President Steffen Bartschat
Vice President Jim Jacobs

As three of five of the Board members were present at Roll Call, a quorum was constituted.

Staff Present: General Manager Jon Elam, Finance Director Jerry Taylor, Park and Recreation Director Carol Buchholz, Sewer Maintenance Supervisor Manager Bob Bunce, and Recording Secretary Claudia Laughter.

Not Present: None

Others Present: None

3. **APPROVE AGENDA.**

MOTION TO APPROVE THE AGENDA

M/S/C J. Brown/G. Stagg AYES: 3 NAYS: 0 ABSENT: 2 (S. Bartschat/J. Jacobs)

4. **GENERAL BUSINESS**

A. Review and Discussion of the Letter Received March 16, 2011 from SMCSO Regarding Service Agreement – GM Elam reviewed the letter from SMCSO dated March 16, 2011. It was in response to a letter TCSD had sent in October 2010 regarding concerns in renewing the long-term wastewater treatment contract with SMCSO. The summary of their response to the key goals was:

- TCSD needs greater certainty in terms of its payment obligations to SMCSO

- TCSD needs financial help to spread out SMCSD capital costs over a long-term basis
- Requires that as long as SMCSD are responsible to regulatory authorities, they must retain the ultimate authority for decisions on capital improvements and O&M – TCSD would have no veto authority
- TCSD has never sought any responsibility for operation of the treatment works and the District's main concern is being kept in the financial loop on all improvement costs. SMCSD restated that they cannot commit to long-term financing without a commitment for its share through the end of the payment period
- SMCSD's O&M costs should be based on the percentage of annual flow from TCSD (a continuation of the existing policy)
- SMCSD seeks language in the agreement to fund TCSD's share without any provision that unfairly favor either entity
- TCSD seeks a three-year window instead of the present 10-year term which will allow for a faster payback benefit for TCSD repairs – this shorter window will be beneficial
- SMCSD urges TCSD to continue programs for I&I reduction with a 25% reduction goal of wet weather flows by 2030. TCSD has committed \$300,000 annually in our 10-year finance plans which will reduce our share of the O&M costs – the 25% goal over 19 years comes to approximately 1% annual I&I reduction but the Board needs to keep in mind that single storm events can change those flow numbers

Summary: SMCSD suggesting any agreement or amendment must contain long-term guarantees and reliable and predictable level of service to TCSD.

Previously, the Key Points TCSD sent to SMCSD were:

- 10-year finance plan covering O&M and capital costs
- TCSD approval for any SMCSD costs beyond 10-year plan by 5% annually
- 30-year schedule
- Agreement for 30 years *removal of one year cancellation will probably happen*
- TCSD submit plan to fold TCSD into SMCSD treatment district upon agreement
- TCSD agrees to develop I&I program – *25% by 2030 agreed to*
- TCSD taking 24.21% of O&M – *slightly less than current*
- Cost sharing number reviewed every three years – *reviewed as we make improvements*

Next steps will be to meet with SMCSD subcommittee to review recent meeting notes, submit changes to Legal Counsel, and continue the open discussion and negotiation.

ADDITIONAL:

GM Update - GM Elam reported that the work TCSD completed to repair the leaks in Kay Park has resulted a water use reduction of 40%. This has come to the attention of MMWD who has chosen us as their customer of the quarter. There will be an article published next month detailing our work. Also, a delegation from Sausalito recently contacted TCSD about our garbage and food recycling program to gather information and details to submit to the City of Sausalito to establish a similar program. TCSD has also received an informational request letter from Paul Davis requesting names and addresses of all multi-unit property owners in Tam Valley.

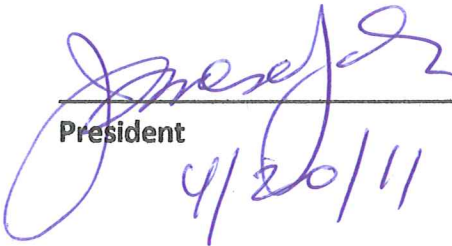
Gateway Update – Ms. Johnson reported that at this week's Gateway meeting, further discussions occurred regarding the development of the Tam Junction center with subcommittees being formed and a timeline of six months to complete a plan to present to the property owners.

ADJOURNMENT


MOTION TO ADJOURN

M/S/C G. Stagg/J. Brown AYES: 3 NAYS: 0 ABSENT: 2 (S. Bartschat/J. Jacobs)

Meeting was adjourned at 9:26am



President
4/20/11



Secretary

Next Regular Board Meeting:

Meeting: TCSD Regular Board Meeting
Date: **April 20, 2011**
Time: **7:00pm**
Location: TCSD Community Center
 203 Marin Avenue, Mill Valley