

Tamalpais Community Services District

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AGENDA

TAMALPAIS COMMUNITY SERVICES DISTRICT MEETING OF THE TCSD BOARD OF DIRECTORS

Wednesday, July 14 at 6:30 PM
Tam Valley Community Center
203 Marin Avenue, Mill Valley, California

6:30pm – 7:00pm – Farewell Reception for Board Director Rick Johnson

1. **ROLL CALL:** President, Steffen Bartschat, Directors: Jim Jacobs, Linda Johnson, Rick Johnson, and Gretchen Stagg
2. **APPROVE AGENDA**
3. **PUBLIC EXPRESSION**
Members of the public are invited to address the Board concerning topics, which are not listed on the Agenda (If an item is agendaized, interested persons may address the Board during the Board's consideration of that item). Speakers should understand that except in very limited situations, State law precludes the Board from taking action on or engaging in extended deliberations concerning items of business which are not on the Agenda. Consequently, if further consideration is required, the Board may refer the matter to its staff or direct that the subject be added to an agenda for a future meeting. The Board reserves the right to limit the time devoted to this portion of the Agenda and to limit the duration of speakers' presentations.
4. **COMMISSION REPORTS**
 - A. Revitalization and Safety Commission Report – No June Meeting
 - B. Park and Recreation Commission Report – No June Meeting
5. **GENERAL BUSINESS**
 - A. PRESENTATION OF CERTIFICATE TO RICK JOHNSON FOR HIS SERVICE TO TCSD – Jim Jacobs
 - B. PUBLIC HEARING – TCSD BUDGET FOR FY 2010-2011 – Presentation by Jerry Taylor, Jon Elam
 - C. MOTION TO ADOPT DISTRICT BUDGET FOR 2010-2011 – Jon Elam


Special Needs: In compliance with the Americans with Disabilities Act (28 C.F.R. 35.102-35.104, ADA Title II) if you need special assistance to participate in this meeting, please contact the TCSD at (415)-388-6393, x10. Notification 48 hours prior to meeting enables TCSD to make reasonable arrangements to ensure accessibility. In compliance with Senate Bill 343 the law requires writings subject to the Public Records Act to be available for public inspection at the time the writing is distributed to the member of the legislative body

Date: July 14, 2010

ITEM # 5A

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager 

Subject: Certification of Appreciation to Rick Johnson for his service on the TCSD Board of Directors

This evening's meeting will be the final meeting for Director Rick Johnson who will be resigning as of July 31, 2010. Vice President Jim Jacobs, in the absence of President Steffen Bartschat, will make a presentation to Mr. Johnson for his dedication and commitment to TCSD.

Recommended Action: Discussion

Date: July 14, 2010

ITEM # 5B

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Public Hearing on Draft 2010-2011 District Budget

Jerry Taylor, TCSD's Finance Manager, has been working on preparing the District's 2010-2011 Financial Plan and after review and discussion is prepared to make a public presentation. The highlights are included in the attached staff report. Following his presentation, the Board is asked to open a Public Hearing to receive any comments and answer any questions.

Following the Public Hearing, a motion to close the Public Hearing will be in order. The Board will then move to Board Items 5C and 5D.

Recommended Action: Motion to open the Public Hearing after a presentation by Jerry Taylor. Following the conclusion of Comments and Questions, Staff would request a Motion to Close the Public Hearing and conclude Item 5B.

Date: July 14, 2010

ITEM # 5C

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Motion to Adopt District Budget for 2010-2011

Recommended Action: Motion to Adopt District Budget for 2010-2011

Date: July 14, 2010

ITEM # 5D

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Adoption of Ordinance No. 89 Setting District Rates for Refuse and Sanitation for Fiscal Year 2010-2011

Presentation by Finance Manager Jerry Taylor for the Board to approve Resolution No. 2009-07 covering rate increases for 2010-2011.

Recommended Action: Motion to adopt proposed Ordinance No. 89 providing for the Collection of Sewer Service charges, delinquent sewer service charges, and garbage service charges for posting and collection in Fiscal Year 2010-2011.

Date: July 14, 2010

ITEM # 5E

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Proposed Updated/Amended TCSD/SMCSD Sewer Treatment Agreement

TCSD has studied for the past several years its options for treating its wastewater as the existing contract with SMCSD is set to expire in 2014. The Board has conducted several studies and expended nearly \$100,000 looking at the idea of shifting flows by repiping and pumping them from lines that now flow to SMCSD over to the SASM plant in Mill Valley.

While mechanically possible, the reports and studies suggest the TCSD Board could face up to \$6.0 million of new costs that would have to be funded through borrowing. This could result in additional budget costs of up to \$500,000 per year for the next 20 years. This also would translate into rate increases of up to \$200 per year on top of the recently adopted annual rate of \$1,013 put in place in July 1, 2010.

Given this scenario, a Board subcommittee made up of Steffen Bartschat and Jim Jacobs has met with a subcommittee from SMCSD (Don Beers and Ann Lamont) to restate the TCSD Board's position to explore continuing the existing SMCSD/TCSD service agreements. In light of that, SMCSD General Manager Bob Simmons developed a draft SMCSD 10-year Strategic and Financial Plan covering TCSD cost exposure through Fiscal Year 2019-2020. On June 21, 2010, the Subcommittees met to review this draft document and make suggestions on next steps. The proposed draft outlined three separate scenarios.

- 1) Continuing the existing pay-as-you-go approach with its rapidly increasing costs
- 2) SMCSD would provide long-term capital financing and spread the capital costs (SMCSD has projected to be approximately \$38 million. TCSD projected shares could be in the \$9.3 million range over a 20-30 year period)
- 3) TCSD would no longer directly fund treatment plant costs through its rates and the boundaries of SMCSD would be expanded to include the TCSD treatment service area

The attached report shows the SMCSD service area as having a population of 15,849 and an EDU (service units) of 10,763. TCSD has 2,280 EDUs or 21.3% of the plant service area. The major impacts in the study relate to undertaking key capital projects in plant modifications including a new headworks project and wet weather flow mitigation. These two capital projects are projected to cost \$20.5 million. These projects and a range of other projects (which will be primarily funded by SMCSD reserves) would be funded through the use of the State of California Revolving Loan Fund at an interest rate of 2.0% for a 20-year period. The final part of the 30-year financing cycle would be privately financed allowing costs to be paid over the full 30-year period. In order to adhere to this

The SMCSO Subcommittee expressed concept approval on the idea of annexation and will meet with LAFCO staff later this summer to discuss further.

Recommended Action: Discussion and Provide Direction to Staff

Date: July 14, 2010

ITEM # 5F

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: 2009-2010 Cost of Living (COL) Salary Adjustments

Each year, the TCSD Board reviews various labor costs for Staff and considers a cost of living (COL) adjustment. Jerry Taylor has reviewed the COL rates for the past year and reports the recommended increase is 1.7%. This is up for last year's 0.8% increase. Funds for this (\$13,784) are included in the District's approved 2010-2011 Budget.

Recommended Action: Motion to approve COL adjustment for District Staff effective July 1, 2010