

# A G E N D A

SAN RAFAEL SANITATION DISTRICT  
BOARD OF DIRECTORS  
MONDAY – OCTOBER 5, 2015 - 9:00 A.M.  
SAN RAFAEL CITY HALL  
1400 FIFTH AVENUE –CONFERENCE ROOM 201  
SAN RAFAEL, CALIFORNIA 94901

Members of the public may speak on Agenda items.

## 1. OPEN PERIOD

Opportunity for the public to address the Board on items not on the agenda.  
(Presentations are generally limited to 2 minutes.)

## 2. MINUTES OF THE MEETING

Request approval as submitted – September 8, 2015.

## 3. PAYMENTS

Request approval as submitted.

## 4. OLD BUSINESS

None scheduled.

## 5. NEW BUSINESS

- a. Discussion on LAFCO Regional Municipal Service Review on Public Wastewater Services and Request for Agency Participation in Technical Advisory Committee. (Keene Simonds)
- b. Presentation of the 2014-15 Financial Statements for acceptance and approval. (John Maher)
- c. Presentation of the 2014-15 Schedule of Connection Fees for acceptance and approval. (John Maher)
- d. Adopt resolution authorizing the District Manager/District Engineer to execute a Professional Services Agreement with WorkSmart Automation, Inc., for programming related services for the Glenwood Pump Station Improvement Project.
- e. Adopt resolution authorizing the District Manager/District Engineer to execute a Professional Services Agreement with Nute Engineering for design and construction related services for the Lincoln Avenue Sewer Improvement Project, Paloma Avenue to Prospect Drive.
- f. Adopt resolution authorizing the District Manager/District Engineer to sign an Amendment to Agreement with CSW/Stuber-Stroeh Engineering Group, Inc., for additional engineering services for the Cayes Main Pump Station and Catalina Force Main Project.

## 6. INFORMATIONAL ITEMS

- a. Request for Proposals for upcoming projects.

## 7. ADJOURNMENT

The next scheduled meeting is Monday, November 2, 2015.



**SAN RAFAEL SANITATION DISTRICT**  
**Minutes of the Meeting**  
**September 8, 2015**

Regular Meeting

City of San Rafael  
Conference Room 201  
1400 Fifth Avenue  
San Rafael, CA 94901

The meeting was called to order at 8:36 A.M. by Chairman Phillips.

Attendance Board: Gary O. Phillips, Chairman  
Maribeth Bushey, Secretary/Director  
Katie Rice, Director

Attendance Staff: Doris Toy, District Manager/District Engineer  
Karen Chew, Senior Civil Engineer  
Cynthia Hernandez, District Secretary

Attendance Others: John W. Maher, CPA, Maher Accountancy (by phone)  
Steven M. Perl, Deputy County Counsel

- 1. **OPEN PERIOD** - No persons were present to address the Board.
- 2. **MINUTES OF AUGUST 24, 2015.**

*Chairman Phillips decided to skip to Agenda Item No. 3 because Director Rice was not yet present to approve the minutes for the August 24, 2015, Board meeting.*

*Director Rice arrived at 8:38 A.M.*

**3. PAYMENTS**

**MOTION** by Director Bushey, seconded by Director Rice, to approve the payments for August 2015 in the amount of \$1,582,239.04 for maintenance and operation of the District and for capital improvements.

**AYES:** Director Bushey, Director Rice, Chairman Phillips  
**NOES:** None  
**ABSENT:** None

*Motion Carried*

*The Board then returned to Agenda Item No. 2.*

**2. MINUTES OF AUGUST 24, 2015.**

**MOTION** by Director Rice, seconded by Chairman Phillips, to approve the minutes of the August 24, 2015, meeting as presented.

**AYES:** Director Rice, Chairman Phillips

**NOES:** None

**ABSTAIN:** Director Bushey

*Motion Carried*

**4. OLD BUSINESS**

None.

**5. NEW BUSINESS**

**a. Discussion on pension and OPEB liability disclosures in financial statements.  
(John Maher)**

Chairman Phillips advised John Maher that he had previously discussed this matter with Mark Moses, the City of San Rafael Finance Director. Mr. Maher then reported the following information. He reported that District staff are provided by contract from the City of San Rafael and that they are City employees. He also reported that the District pays the City on a quarterly basis for the cost of these employees. Next, Mr. Maher reported that until now, the financial statements had been prepared with the understanding that the payments to the City were for the full cost of these employees. He then reported that the portion of the post-employment pension and health benefits which are not required to be paid by the City on a current basis had not been billed to the District (the District has been reimbursing the City only for what the City has been paying for those costs). Mr. Maher reported that the Government Accounting Standards Board (GASB) now requires government agencies to record the full liability for pension and post-employment benefits from the past in their financial statements. He also reported that a portion of the costs for the City's liability for past pension and post-employment benefits will now be attributed to District staff. He then reported that he wanted to make the Board aware that the past financial obligations for both pension and post-employment health benefits will need to be recorded on the District's financial statements and are estimated to be in the range of approximately \$3-4 million. Mr. Maher reported that these financial obligations will be recorded as an obligation from the District to the City of San Rafael because the District does not have a direct relationship with the Marin County Employee Retirement Association and that the City will have a corresponding receivable on its books. He reported that the City will report the full obligation on its books, inclusive of the District, and will have an asset to offset the District's portion of the obligation. He also reported that in

the future, the District will be recording the changes in this obligation as an expense from year to year so that the liability stays in sync. Mr. Maher then referred to an agreement between the District and the City from 1987, which states that the District agrees to pay the City for all costs associated with the contractual administrative, operational, and maintenance costs for the sanitary sewer gravity collection system. He reported that the original understanding of this agreement was that payments made on a pay-as-you-go basis satisfied the full obligation of the District to the City, but there is now a new interpretation of the agreement that will be reflected in the FY 2014-15 Financial Statements which will include an obligation for unfunded post-employment pension and health benefits. The Board then discussed this matter, and Chairman Phillips requested Manager Toy to work with the District's legal counsel and the City of San Rafael on an addendum to this agreement which would state that it is inclusive of pension and other post-employment benefits. The Board and staff then thanked Mr. Maher for his report on this subject.

## **6. INFORMATIONAL ITEMS.**

- a. District Manager Toy reported that at the last JPA Managers' Meeting, Keene Simonds, the Executive Officer for Marin LAFCO, reported on the upcoming regional municipal service review on public wastewater services, which includes CMSA and its member agencies. She reported that this study would begin around the beginning of calendar year 2016. She also reported that Mr. Simonds would be sending the District a letter regarding this review and would also be attending the next SRSD Board meeting. Manager Toy then reported that Mr. Simonds plans to form a technical advisory committee that would be comprised of either the general manager or the appointed delegate from each of the agencies included in this review.

## **7. CLOSED SESSION**

- a. **Conference with Legal Counsel – Anticipated Litigation**  
**Deciding whether or not to initiate litigation pursuant to California Government Code Section 54956.9(c): One potential case.**

**Closed Session – Opened at 8:53 A.M.**

**Closed Session – Ended at 9:11 A.M.**

Chairman Phillips reported that there was no reportable action.

**8. ADJOURNMENT**

There being no further business to come before the Board, the meeting of September 8, 2015, was adjourned at 9:12 A.M. The next meeting of the San Rafael Sanitation District was scheduled for Monday, October 5, 2015, at 8:30 A.M. at San Rafael City Hall.

Respectfully submitted,

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Maribeth Bushey, Recording Secretary

**ATTEST THIS 5th DAY OF OCTOBER 2015**

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Gary O. Phillips, Chairman

3.

**SAN RAFAEL SANITATION DISTRICT**  
**PAYMENT SUMMARY**  
 September 1, 2015 - September 30, 2015

Vendor/Payee	Memo	Class	Acct #	Account Name	Amount
AAA BUSINESS SUPPLIES	Office Supplies - file folders	100	2133	Office & shop supplies	\$ 867.23
AAA BUSINESS SUPPLIES	Office Supplies - file folders	100	2133	Office & shop supplies	\$ 433.61
ACE PRINTING & MAIL SERVICE	Sun Valley - public outreach letters	300	4309	Alpine St., Sun Valley	\$ 672.23
AMERICAN MESSAGING SERVICE	Telephone Service - annual pager service	100	2534	Telephone service	\$ 122.61
AMERICAN SPECIALTY OFFICE PRODUCTS	Office Supplies - numbered file labels	100	2133	Office & shop supplies	\$ 44.25
AMERICAN SPECIALTY OFFICE PRODUCTS	Office Supplies - numbered file labels	100	2133	Office & shop supplies	\$ 82.18
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 8/26/15	200	2021	Uniforms	\$ 98.93
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 9/02/15	200	2021	Uniforms	\$ 108.43
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 9/09/15	200	2021	Uniforms	\$ 107.93
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 9/16/15	200	2021	Uniforms	\$ 107.99
AT&T	Telephone Service - land lines for dialers and pump stations from 8/02/15-9/01/15	100	2534	Telephone service	\$ 319.83
AT&T MOBILE	Telephone Service - cell phones service from 8/04/15-9/03/15	100	2534	Telephone service	\$ 668.28
BPXPRESS	Sun Valley - project set up and plans and specs	300	4309	Alpine St., Sun Valley	\$ 119.08
BPXPRESS	Sun Valley - project set up and plans and specs	300	4309	Alpine St., Sun Valley	\$ 789.11
BRANDON TIRE	Parts and Repairs - tires for vactor truck	200	2083	Parts and repairs vehicles	\$ 2,316.89
BWS DISTRIBUTORS	Safety Equipment - repair and calibration of gas detector	200	2365	Safety equipment and supplies	\$ 121.23
CALIFORNIA CAD SOLUTIONS	Facilities Mapping - conversion of sewer maintenance history and application from map guide to map server	100	4188	Facilities mapping services	\$ 37,200.00
CAL-STEAM CO INC	Pump Stations - ARV parts	200	2359	Maint- pump sta's & force mains	\$ 143.71
CENTRAL MARIN SANITATION AGENCY	Connection Fees - 255 Margarita Dr.	200	2210	Connection fees payable cmsa	\$ 5,665.47
CITY OF SAN RAFAEL	Manhole Raising - adjustment of three sanitary sewer manholes	100	4045	Manhole raising	\$ 2,400.00
CORRPRO INC	Catholic Protection Renovation Project Stage 2 - progress payment #1	300	4145	Catholic Protection	\$ 75,457.35
COUNTY OF MARIN	Director's Fees - Katie Rice board meeting on 8/24/15	100	2282	Director's fees	\$ 100.00
COUNTY OF MARIN	Director's Fees - Katie Rice board meeting on 9/08/15	100	2282	Director's fees	\$ 100.00
EVOQUA WATER TECHNOLOGIES, LLC	Odor Control - chemicals for pump stations 8/13/15	200	2106	Odor control chemicals	\$ 8,029.41
FASTENAL	Office & Shop Supplies - garbage bags for maintenance shop	200	2133	Office & shop supplies	\$ 38.96
HERNANDEZ, CYNTHIA	Office & Shop Supplies - desk calendar and brochure holders (petty cash reimbursement)	100	2133	Office & shop supplies	\$ 21.95
JMB CONSTRUCTION, INC.	Cayes Pump Station - progress payment #10	300	4143	Cayes Pump Station	\$ 174,492.17
LEAK DETECTION PROS, INC.	Cayes - locate and mark buried force main line with crew	300	4143	Cayes Pump Station	\$ 875.00
MAGGIORA & GHILOTTI INC	Lincoln Ave. - sewer improvement project, progress payment #3	300	4318	Lincoln Ave, Paloma to Mission	\$ 261,947.28
MAHER ACCOUNTANCY	Accounting Services - September	100	2717	Accounting services	\$ 3,600.00
MARIBETH BUSHEY	Director's Fees - board meetings on 9/08/15	100	2282	Director's fees	\$ 100.00
MILLER PACIFIC ENGINEERING GROUP	Cayes - geotechnical services from 8/24/15-8/30/15	300	4143	Cayes Pump Station	\$ 457.50
NUTE ENGINEERING	Consulting Services - Loch Lomond Village plan review services from 8/1/15-8/31/15	100	2325	Consulting services	\$ 886.00
NUTE ENGINEERING	Consulting Services - revise standard specs services from 8/1/15-8/31/15	100	2325	Consulting services	\$ 924.50
NUTE ENGINEERING	Glenwood - construction review services from 8/1/15-8/31/15	300	4146	Glenwood Pump Station	\$ 4,416.49
NUTE ENGINEERING	Lincoln Avenue - construction review services from 8/1/15-8/31/15	300	4318	Lincoln Ave, Paloma to Mission	\$ 5,562.50
NUTE ENGINEERING	Sun Valley - design and bid assistance services from 8/1/15-8/31/15	300	4309	Alpine St., Sun Valley	\$ 10,634.25
NUTE ENGINEERING	Warner Ct. - construction review services from 8/1/15-8/31/15	300	4313	Warner Ct., Woodland (80yr)	\$ 1,114.30
PACE SUPPLY	Warner Ct. - cutter blade for grinder pump	300	4313	Warner Ct., Woodland (80yr)	\$ 107.40
PG&E CFM/PPC DEPARTMENT	Glenwood - electric distribution and service extention	300	4146	Glenwood Pump Station	\$ 19,307.59
PHILLIPS, GARY	Director's Fees - board meeting 8/24/15	100	2282	Director's fees	\$ 100.00
PHILLIPS, GARY	Director's Fees - board meeting 9/08/15	100	2282	Director's fees	\$ 100.00
ROTO-ROOTER SEWER SERVICE	Standby - work at 5 Fairhills Dr.	200	2363	Standby services	\$ 460.00
ROTO-ROOTER SEWER SERVICE	Standby - work at 19 Wilson Ct.	200	2363	Standby services	\$ 1,397.00
ROTO-ROOTER SEWER SERVICE	Standby - work at 199 Canal St.	200	2363	Standby services	\$ 230.00
ROTO-ROOTER SEWER SERVICE	Standby - work at 203 Marin St.	200	2363	Standby services	\$ 1,652.50

**SAN RAFAEL SANITATION DISTRICT  
PAYMENT SUMMARY  
September 1, 2015 - September 30, 2015**

<i>Vendor/Payee</i>	<i>Memo</i>	<i>Class</i>	<i>Acct #</i>	<i>Account Name</i>	<i>Amount</i>
<b>ROTO-ROOTER SEWER SERVICE</b>	Standby - work at 227 Center St.	200	2363	Standby services	\$ 460.00
<b>SEQUOIA SAFETY SUPPLY COM</b>	Safety Supplies - gloves and earplugs	200	2365	Safety equipment and supplies	\$ 177.36
<b>TEAM GHILOTTI INC</b>	Pt San Pedro Rd - settlement agreement, payment 2 of 3	300	2450	Other current liabilities	\$ 150,000.00
<b>TIFCO INDUSTRIES</b>	Pump Stations - penetrating oil for shop stock	200	2359	Maint- pump sta's & force mains	\$ 109.50
<b>U.S. SECURITY SUPPLY, INC.</b>	Office & Shop Supplies - key pad locks for maintenance office and shop	100	2133	Office & shop supplies	\$ 3,815.62
<b>UNITED TEXTILE</b>	Pump Stations - rags for shop stock	200	2359	Maint- pump sta's & force mains	\$ 152.99
<b>US BANK CORPORATE PAYMENT</b>	Miscellaneous - refreshments for JPA supervisors meeting	100	2389	Miscellaneous expenses	\$ 56.71
<b>US BANK CORPORATE PAYMENT</b>	Miscellaneous - refreshments for SRSD staff meeting 8/07/15	100	2389	Miscellaneous expenses	\$ 183.71
<b>US BANK CORPORATE PAYMENT</b>	Pump Stations - external light fixture at South San Francisco	200	2359	Maint- pump sta's & force mains	\$ 27.28
<b>US BANK CORPORATE PAYMENT</b>	Safety Equipment - shipping fee to return safety video to CSRMA	200	2365	Safety equipment and supplies	\$ 8.43
<b>US BANK CORPORATE PAYMENT</b>	Sun Valley - sewer replacement project, phase one, notice inviting bids	300	4309	Alpine St., Sun Valley	\$ 916.00
<b>VAVRINEK, TRINE, DAY &amp; CO</b>	Consulting Services - August auditing services	100	2325	Consulting services	\$ 8,500.00
<b>VERIZON WIRELESS</b>	Telephone Service - wireless service for laptops 7/21/15-8/20/15	100	2534	Telephone service	\$ 266.73
<b>WATER COMPONENTS &amp; BLDG SUPPLY</b>	Collection System - measuring tape	200	2360	O&M - collection systems	\$ 6.50
<b>WATER COMPONENTS &amp; BLDG SUPPLY</b>	Collection System - sewer repair job at 19 Wilson Ct., pipe couplings	200	2360	O&M - collection systems	\$ 152.41
<b>WATER COMPONENTS &amp; BLDG SUPPLY</b>	Collection System - sewer repair job at 19 Wilson Ct., pipes	200	2360	O&M - collection systems	\$ 179.17
<b>WATER COMPONENTS &amp; BLDG SUPPLY</b>	Pump Stations - parts for Cayes	200	2359	Maint- pump sta's & force mains	\$ 8.47
<b>WECO INDUSTRIES LLC</b>	Collection Systems - cleaning tools for power rodder	200	2360	O&M - collection systems	\$ 211.66
<b>WECO INDUSTRIES LLC</b>	Collection Systems - cleaning tools for power rodder	200	2360	O&M - collection systems	\$ 1,370.57
<b>WOODLAND CTR AUTO SUPPLY</b>	Pump Stations - fuel stabilizer	200	2359	Maint- pump sta's & force mains	\$ 16.35
<b>Total</b>					\$ 791,120.60



**Marin Local Agency Formation Commission**  
**Planning Agency / Subdivision of the State of California**

September 14, 2015

**Delivered by Electronic Mail:**

Mr. Jason Dow, General Manager  
Central Marin Sewer Agency  
[jdow@cmsa.us](mailto:jdow@cmsa.us)

Ms. Nisha Patel, General Manager  
County Sanitary District No. 2  
[npatel@tcmmail.org](mailto:npatel@tcmmail.org)

Mr. Greg Norby, General Manager  
Ross Valley Sanitary District  
[gnorby@rvsd.org](mailto:gnorby@rvsd.org)

Mr. Mark Williams, General Manager  
Las Gallinas Valley Sanitary District  
[mwilliams@lgvsd.org](mailto:mwilliams@lgvsd.org)

Ms. Doris Toy, General Manager  
San Rafael Sanitation District  
[doris.toy@cityofsanrafael.org](mailto:doris.toy@cityofsanrafael.org)

Mr. Lawrence Beaton  
Murray Park Sewer Maintenance District  
San Quentin Sewer Maintenance District  
[lbeaton@marincounty.org](mailto:lbeaton@marincounty.org)

**SUBJECT: Regional Municipal Service Review on Public Wastewater Services / Request for Agency Participation in Technical Advisory Committee**

Dear Colleagues:

As previously communicated the Marin Local Agency Formation Commission (LAFCO) has calendared a regional municipal service review on public wastewater services covering your respective agencies' service areas – which span the Ross Valley, San Rafael, and Las Gallinas Watersheds – as part of the 2015-2016 fiscal year. The purpose of the municipal service review is for Marin LAFCO to independently assess the availability, need, and performance of public wastewater services in the region relative to the Commission's prescribed regional growth management duties under State law. This includes – among other items – creating a source document to inform sphere of influence updates, boundary changes, and – if merited – initiate the formation, consolidation, and/or dissolution of one or more governmental agencies.

With the preceding in mind, and with the goal of establishing desired collaboration, I am respectfully requesting each general manager or their appointed delegate agree to serve on a technical advisory committee for the pending municipal service review. The initial focus of the committee would be to vet and make recommendations on appropriate performance measurements and key planning assumptions to be used by Marin LAFCO in the development of an actual report. The committee would also provide feedback on pertinent local conditions influencing each agency's wastewater system. I would also expect, importantly, the committee to provide direct input on Marin LAFCO's expected discussion and possible recommendations on consolidation alternatives given the topic's priority in the underlying State statutes. Total time commitment on your respective calendars to participate in the committee is estimated between 20 and 30 hours and would be spread out over a seven-month period beginning in December 2015.

**Administrative Office**  
555 Northgate Drive, Suite 230  
San Rafael, California 94903  
T: 415-446-4409 F: 415-446-4410  
[marinlafco.org](http://marinlafco.org) / [staff@marinlafco.org](mailto:staff@marinlafco.org)

Jeffrey Blanchfield Chair  
Carla Condon Vice Chair  
Judy Arnold, Jack Baker, Damon Connolly, Craig K. Murray, Gary Phillips Regular Members  
Chris Burdick, Lew Kiou, Kate Sears, Herb Weiner Alternate Members  
Keene Simonds Executive Officer



I appreciate the referenced time commitments to participate in the technical advisory committee for Marin LAFCO's municipal service review places additional demands on your already busy schedules. I am confident, though, the committee's work will prove useful and I sincerely hope you consider participating to the degree you are available.

Should you have any question or would like additional information – including a presentation before your respective boards – please contact me at your convenience at 415-446-4409 or [ksimonds@marinlafco.org](mailto:ksimonds@marinlafco.org). I look forward to hearing from you.

Sincerely,



Keene Simonds  
Executive Officer

5.b.

**San Rafael Sanitation District  
A Component Unit of the City of San Rafael**

**Basic Financial Statements  
Fiscal Years Ended  
June 30, 2015 and 2014**

**With Report of  
Independent Auditors**

**SAN RAFAEL SANITATION DISTRICT  
YEARS ENDED JUNE 30, 2015 AND 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
San Rafael Sanitation District

We have audited the accompanying financial statements of the San Rafael Sanitation District (the District), a component unit of the City of San Rafael, as of and for the years ended June 30, 2015 and 2014, 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 an opinion 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. 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 opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of San Rafael Sanitation District as of June 30, 2015 and 2014, and the respective changes in financial position and 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 as listed 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.

Varrinck, Trine, Day & Co., LLP.

Pleasanton, California  
September 30, 2015

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

The Management's Discussion and Analysis provides an overview of the District's financial activities for the fiscal years ended June 30, 2015 and 2014. Please read it along with the District's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

The District's total net position as of June 30, 2015, was approximately \$56,108,000 which is an increase of approximately \$318,000 over the prior year's balance. This amount is comprised of approximately \$39,192,000 of net investment in capital assets and approximately \$16,916,000 of unrestricted net position.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements which include two components: (1) government-wide financial statements and (2) notes to the financial statements.

The District is a single purpose entity that reports as an enterprise fund under governmental accounting standards. The financial statements are designed to provide readers with a broad overview of the District's finances, similar to a private-sector business.

The Statements of Net Position present information on all of the District's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how the District's net position changed during the fiscal year. All changes in net position are recognized as of the date of the underlying event that gives rise to the change, regardless of the timing of the related cash flows.

The Statements of Cash Flows present information about the District's cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities. These statements show the sources and uses of cash, as well as the change in the cash balances during the fiscal years.

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

The following table is a summary of the District's assets, liabilities, and net position.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current assets	\$ 23,022,326	\$ 22,109,198	\$ 19,078,432
Noncurrent assets	39,191,829	34,223,336	33,340,892
Total assets	<u>62,214,155</u>	<u>56,332,534</u>	<u>52,419,324</u>
Current liabilities	1,643,501	543,145	503,248
Noncurrent liabilities	4,462,815	-	-
Total liabilities	<u>6,106,316</u>	<u>543,145</u>	<u>503,248</u>
Net position			
Net investment in capital assets	39,191,829	34,223,336	33,340,892
Unrestricted	16,916,010	21,566,053	18,575,184
Total net position	<u>\$ 56,107,839</u>	<u>\$ 55,789,389</u>	<u>\$ 51,916,076</u>

As indicated above, current assets increased from 2013 to 2015. This was primarily because SRSD was accumulating resources for planned capital projects. The increase in noncurrent assets was the result of capital improvement projects undertaken each year, partly offset by annual depreciation amount. Expenditures for capital improvement projects often do not coincide with revenue for annual fiscal periods since they are subject to lengthy planning periods, weather considerations and long construction periods. Liabilities, consisting primarily of trade payables, held fairly constant from 2013 to 2014, but experienced a spike in 2015. This spike in liabilities is related to the increase in capital projects during the year. Also during 2015, the District recognized a noncurrent liability relating to its staffing contract with the City of San Rafael. See Note 9, Special Item, for further discussion.

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

Results of operations are summarized as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues	\$ 14,629,758	\$ 13,732,496	\$ 12,413,123
Nonoperating revenues	1,393,054	1,390,868	1,251,943
Total income	<u>16,022,812</u>	<u>15,123,364</u>	<u>13,665,066</u>
Operating expenses	<u>11,375,239</u>	<u>11,378,055</u>	<u>10,169,082</u>
Income before connection fees received and special item	4,647,573	3,745,309	3,495,984
Connection fees received	133,692	128,004	7,706
Special item - contract services	<u>(4,462,815)</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>318,450</u>	<u>3,873,313</u>	<u>3,503,690</u>
Net position at beginning of the year	<u>55,789,389</u>	<u>51,916,076</u>	<u>48,412,386</u>
Net position at end of the year	<u>\$ 56,107,839</u>	<u>\$ 55,789,389</u>	<u>\$ 51,916,076</u>

The second of five annual sewer service rate increases was implemented in fiscal year 2014-15. Operating expenses increased by nearly 12% from 2013 to 2014, but held flat in 2015. Waste treatment costs incurred as a member of the Central Marin Sanitation Agency was also fairly flat in 2015 after 2014 experienced a noticeable increase. Sewage treatment operating costs include a proportionate share of revenue bonds issued by the Central Marin Sanitation Agency (CMSA).

At June 30, 2015, unrestricted net position was approximately \$16.9 million. Although there are no legal restrictions on this balance, a substantial portion of these funds are held to finance the District's ongoing capital improvement programs. Details of capital improvements are described in *Capital Assets and Debt Administration*.

The special item presented in 2015 relates to a reinterpretation of the staffing arrangement between the District and the City of San Rafael. Beginning in 2014-15, the District began recognizing an estimate of its obligation to reimburse the City for future funding of employee benefits incurred through the balance sheet date.



**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital assets, net of accumulated depreciation, were as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Land & easements	\$ 115,329	\$ 115,329	\$ 115,329
Construction in progress	591,304	377,960	244,720
Subsurface lines	15,300,773	12,311,057	10,841,869
Sewage collection facilities	22,397,512	20,681,582	21,495,026
General plant & admin facilities	786,911	737,408	643,948
Net investment in capital assets	<u>\$ 39,191,829</u>	<u>\$ 34,223,336</u>	<u>\$ 33,340,892</u>

In addition to operations and maintenance (O&M) programs, the District also maintains ongoing capital improvement programs. These programs largely influence how the District budgets and sets its rates.

In June 2015, the Board of Directors designated amounts to be provided as reserves for capital improvement projects and adopted a policy requiring transfers, commencing in 2015-16, to separate reserve accounts to provide funding required to pay for planned capital improvement projects. Transfers are based on average annual expenditures projected for the subsequent ten years.

The first program, known as the *80-Year Life-Cycle Program*, is maintained to provide for systematic replacement of all of the District's gravity sewer lines over a rolling, 80-year cycle. Management plans to replace an average of 1.6 miles of sewer lines per year at an estimated cost of \$4.9 million per year. As of June 2015, the District has reserved \$6.3 million for this program.

The District also has a *Pump Station and Force Main Capital Improvement Program* to make capital improvements related to its pump stations and force mains. Planned annual expenditures are funded on a pay-as-you-go basis and annual costs are estimated to range between \$1.2 million and \$2.4 million per year. The Board has established a reserve of \$1.3 million for this program.

During the years ended June 30, 2015 and 2014, the District expended \$6.2 million and \$2.0 million for capital improvement projects.

The District maintains a program to provide for replacement of vehicles and other equipment, setting aside a portion of the expected replacement cost of each significant equipment item. As of June 30, 2015, management has reserved \$1.1 million for equipment replacement.

**SAN RAFAEL SANITATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2015**

**THE FUTURE OF THE DISTRICT**

The District is insulated from general economic conditions, such as increases or declines in property tax values, or other types of revenues that vary with economic conditions, such as sales taxes. Most of the District's revenues are from user fees that are based on rates set by the District at levels sufficient to provide for planned costs of operation, maintenance, debt service and capital improvements. Sewer charges are annual fees charged to all premises connected to the system. In June 2013, the District adopted a new rate schedule with schedule increases for 2013-14 through 2017-18.

Personnel costs, including retirement and health benefits, capital improvement, and operations and maintenance costs are projected to increase. In addition, the cost of sewage treatment will rise significantly due to the rising costs of operation of Central Marin Sanitation District (CMSA) along with an increase in the allocation percentage of CMSA operating costs allocated to the District. The new user rate schedules are expected to be adequate to operate and maintain our system.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our residents, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 111 Morphew Street, San Rafael, CA 94901.

## **Basic Financial Statements**

**SAN RAFAEL SANITATION DISTRICT**  
**STATEMENTS OF NET POSITION**  
**AS OF JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 22,797,010	\$ 21,802,809
Accounts receivable	21,001	73,201
Prepaid expenses	54,209	53,410
Due from related parties	150,106	179,778
Total current assets	23,022,326	22,109,198
Noncurrent assets		
Nondepreciable assets	706,633	493,289
Collection systems and facilities, net	38,485,196	33,730,047
Total noncurrent assets	39,191,829	34,223,336
Total assets	62,214,155	56,332,534
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,581,697	496,786
Payable to related parties	61,804	46,359
Total current liabilities	1,643,501	543,145
Noncurrent liabilities:		
Obligation to the City of San Rafael	4,462,815	-
Total liabilities	6,106,316	543,145
<b>NET POSITION</b>		
Net investment in capital assets	39,191,829	34,223,336
Unrestricted	16,916,010	21,566,053
Total net position	\$ 56,107,839	\$ 55,789,389

**SAN RAFAEL SANITATION DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES</b>		
Sewer charges	\$ 14,629,758	\$ 13,732,496
<b>OPERATING EXPENSES</b>		
Sewage collection	3,336,933	3,460,912
Sewage treatment	6,335,367	6,234,948
Depreciation and amortization	1,371,843	1,355,364
General and administration	331,096	326,831
Total operating expenses	<u>11,375,239</u>	<u>11,378,055</u>
Operating income	<u>3,254,519</u>	<u>2,354,441</u>
<b>NONOPERATING REVENUES</b>		
Property taxes	1,319,852	1,345,018
Aid from governmental agencies	35,090	22,125
Interest income	38,112	23,725
Total nonoperating revenues	<u>1,393,054</u>	<u>1,390,868</u>
Income before connection fees received and special item	4,647,573	3,745,309
Connection fees received	133,692	128,004
Special item - contract services	(4,462,815)	-
<b>CHANGES IN NET POSITION</b>	318,450	3,873,313
Net position at beginning of the year	<u>55,789,389</u>	<u>51,916,076</u>
Net position at end of the year	<u>\$ 56,107,839</u>	<u>\$ 55,789,389</u>

**SAN RAFAEL SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from sewer charges	\$ 14,681,958	\$ 13,677,348
Payments to City of San Rafael for contract personnel	(2,572,579)	(2,847,303)
Payments to joint venture for sewage treatment	(6,335,367)	(6,234,948)
Payments to vendors and suppliers	(542,081)	(1,079,208)
	<u>5,231,931</u>	<u>3,515,889</u>
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from property taxes	1,319,852	1,345,018
Receipts of aid from governmental agencies	35,090	22,125
Net cash provided by non-capital financing activities	<u>1,354,942</u>	<u>1,367,143</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Connection fees collected	133,692	128,004
Payments for capital acquisitions	(5,764,476)	(2,148,609)
Net cash used for capital and related financing activities	<u>(5,630,784)</u>	<u>(2,020,605)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received from Marin County pooled cash and investments account	<u>38,112</u>	<u>23,725</u>
 Net change in cash and cash equivalents	 994,201	 2,886,152
 Cash and cash equivalents at beginning of year	 21,802,809	 18,916,657
Cash and cash equivalents at end of year	<u>\$ 22,797,010</u>	<u>\$ 21,802,809</u>

**SAN RAFAEL SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**RECONCILIATION OF OPERATING INCOME  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2015</u>	<u>2014</u>
Operating income	\$ 3,254,519	\$ 2,354,441
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	1,371,843	1,355,364
(Increase) decrease in accounts receivable and other current assets	81,073	(144,614)
Increase (decrease) in accounts payable and other current liabilities	524,496	(49,302)
Net cash provided from operating activities	<u>\$ 5,231,931</u>	<u>\$ 3,515,889</u>

# SAN RAFAEL SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

### 1. NATURE OF THE ORGANIZATION

San Rafael Sanitation District is a *Sanitation District* in the County of Marin formed in 1947 under Section 4700 of the California Health & Safety Code. It serves the southern two-thirds of the City of San Rafael and adjacent unincorporated areas. The District provides wastewater transmission over its entire service area and performs collection system maintenance in the unincorporated areas.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### REPORTING ENTITY

Although the nucleus of a financial reporting entity usually is a primary government, an organization other than a primary government, such as a component unit, may serve as the nucleus for its financial reporting entity when the component unit provides separately issued financial statements. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on that organization. The San Rafael Sanitation District is a component unit of the City of San Rafael. The District is governed by a three member Board of Directors serving four-year terms. The City Council of the City of San Rafael appoints two out of the three board members and has the ability to remove the two board members at will. The third member is a representative of the County of Marin.



**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**INTRODUCTION**

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**BASIS OF ACCOUNTING**

The District's operations are accounted for as a governmental enterprise fund, and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

The District distinguishes between operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. These revenues are primarily charges to customers for services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

# SAN RAFAEL SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Cash and cash equivalents:

For purposes of the statement of cash flows, the District has defined cash and cash equivalents to include cash on hand, demand deposits, and short term investments maturing within 90 days.

#### Collection systems and facilities:

Collection systems and facilities purchased or constructed are stated at cost. Assets contributed have been recorded at the fair market value at the date received. Interest is capitalized for assets constructed when applicable. The costs of normal repairs and maintenance that do not add to the value of an asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Applicable capital assets must be capitalized for amounts \$1,000 or above and may be capitalized for amounts from \$500 to \$1,000 if determined to be sensitive. Depreciation is provided by the straight-line method over the estimated useful lives of capital assets as follows:

Subsurface lines	50-80 years
Sewer collection facilities	5-50 years
General plant & administrative facilities	3-15 years

#### Joint ventures

The District participates in a joint-powers agreement with the Central Marin Sanitation Agency, a regional sewage treatment facility, as further explained in Note 5.

# SAN RAFAEL SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Sewer charges**

Sewer charges are billed and collected on behalf of the District by the County of Marin as a special assessment on annual property tax billings. Property taxes are levied on January 1 and are due in two equal installments on November 1 and February 1. In accordance with the Teeter Plan, the County remits to the District all charges which are assessed and the County retains responsibility for collecting past due amounts.

The Teeter Plan provides that the County advance the District its share of the annual gross levy of secured property taxes and special assessments. In consideration, the District gives the County of Marin its rights to penalties and interest on delinquent secured property tax receivables and actual proceeds collected.

#### **Property taxes**

The County of Marin levies taxes and places liens on real property as of January 1 on behalf of the District. Property taxes are due the following November 1 and February 1 and become delinquent December 10 and April 10, for the first and second installments, respectively. Unsecured property taxes are levied throughout the year.

#### **Connection fees**

Connection fees represent a one-time contribution of resources to the District imposed on contractors and developers for the purpose of financing capital improvements. Connection fees are recognized after non-operating revenues (expenses) in the statement of revenues, expenses and changes in net position. The District utilizes connection fees received on a first-in-first-out basis to finance current year capital projects. Accordingly, if there is a balance of connection fees available at year-end, it is classified as restricted net position.

# **SAN RAFAEL SANITATION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2015 AND 2014**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Staff salaries and benefits and workers' compensation**

The District has no regular full-time employees. The City of San Rafael provides staff to the District under contract and provides all benefits including workers' compensation insurance.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **3. CASH AND CASH EQUIVALENTS**

The District maintains all of its cash in the County of Marin pooled investment fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash and cash equivalents."

The County Pool includes both voluntary and involuntary participation from external entities. The District is a voluntary participant. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The District has approved by resolution, the investment policy of the County of Marin which complies with the California Government Code.

# SAN RAFAEL SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

### 3. CASH AND CASH EQUIVALENTS (continued)

The County's investment pool is not registered with the Securities and Exchange Commission as an investment company. The pool has a credit rating of "AAA/VI." Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

#### INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater is its price sensitivity to changes in interest rates. The District has not adopted a policy to manage interest rate risk.

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2015 and 2014, the County's investment pool had a weighted average maturity of 176 and 264 days, respectively.

For purposes of computing weighted average maturity, the maturity date of variable rate notes is the length of time until the next reset date rather than the stated maturity date.

#### CREDIT RISK

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA/VI."

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**3. CASH AND CASH EQUIVALENTS (continued)**

**CONCENTRATION OF CREDIT RISK**

This is the risk of loss attributed to the concentration of the District's investment in a single issuer.

The following is a summary of the concentration of credit risk by investment type of the Marin County Investment Pool as a percentage of fair value at June 30, 2015:

<b>Investments in Investment Pool</b>	<b>Percent of Portfolio</b>
Federal agency - discount	85%
Federal agency - coupons	13%
Money market funds	2%
	<hr/> <hr/> 100%

**CUSTODIAL CREDIT RISK**

For investments and deposits held with safekeeping agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**4. COLLECTION SYSTEMS AND FACILITIES**

A summary of the District's collection systems and facilities for the years ended June 30, 2015 and 2014 respectively, follows:

	Balance at June 30, 2014	Additions	Retirements	Transfers & Adjustments	Balance at June 30, 2015
<b>Nondepreciable capital assets:</b>					
Land and easements	\$ 115,329	\$ -	\$ -	\$ -	\$ 115,329
Construction in progress	377,960	6,071,040	-	(5,857,696)	591,304
Total nondepreciable	<u>\$ 493,289</u>	<u>\$ 6,071,040</u>	<u>\$ -</u>	<u>\$ (5,857,696)</u>	<u>\$ 706,633</u>
<b>Depreciable capital assets:</b>					
Subsurface lines	\$ 22,260,272	\$ 65,579	\$ -	\$ 3,334,178	\$ 25,660,029
Sewage collection facilities	36,644,328	23,458	-	2,523,518	39,191,304
General plant and administration	1,435,480	180,259	-	-	1,615,739
Total depreciable	<u>60,340,080</u>	<u>269,296</u>	<u>-</u>	<u>5,857,696</u>	<u>66,467,072</u>
<b>Less: accumulated depreciation:</b>					
Subsurface lines	9,949,215	410,041	-	-	10,359,256
Sewage collection facilities	15,962,746	831,046	-	-	16,793,792
General plant and administration	698,072	130,756	-	-	828,828
Total accumulated depreciation	<u>26,610,033</u>	<u>1,371,843</u>	<u>-</u>	<u>-</u>	<u>27,981,876</u>
Total collection systems & & facilities-net	<u>\$ 33,730,047</u>	<u>\$ (1,102,547)</u>	<u>\$ -</u>	<u>\$ 5,857,696</u>	<u>\$ 38,485,196</u>

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**4. COLLECTION SYSTEMS AND FACILITIES (continued)**

	Balance at June 30, 2013	Additions	Retirements	Transfers & Adjustments	Balance at June 30, 2014
<b>Nondepreciable capital assets:</b>					
Land and easements	\$ 115,329	\$ -	\$ -	\$ -	\$ 115,329
Construction in progress	244,720	1,712,119	-	(1,578,879)	377,960
Total nondepreciable	<u>\$ 360,049</u>	<u>\$ 1,712,119</u>	<u>\$ -</u>	<u>\$ (1,578,879)</u>	<u>\$ 493,289</u>
<b>Depreciable capital assets:</b>					
Subsurface lines	\$ 20,411,490	\$ 283,960	\$ -	\$ 1,564,822	\$ 22,260,272
Sewage collection facilities	36,749,373	-	(119,102)	14,057	36,644,328
General plant and administration	1,193,751	241,729	-	-	1,435,480
Total depreciable	<u>58,354,614</u>	<u>525,689</u>	<u>(119,102)</u>	<u>1,578,879</u>	<u>60,340,080</u>
<b>Less: accumulated depreciation:</b>					
Subsurface lines	9,569,621	379,594	-	-	9,949,215
Sewage collection facilities	15,254,347	827,501	(119,102)	-	15,962,746
General plant and administration	549,803	148,269	-	-	698,072
Total accumulated depreciation	<u>25,373,771</u>	<u>1,355,364</u>	<u>(119,102)</u>	<u>-</u>	<u>26,610,033</u>
Total collection systems & & facilities-net	<u>\$ 32,980,843</u>	<u>\$ (829,675)</u>	<u>\$ -</u>	<u>\$ 1,578,879</u>	<u>\$ 33,730,047</u>



# SAN RAFAEL SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

### 5. JOINT VENTURES

In October 1979, the District entered into a joint powers agreement with three neighboring sanitation agencies in central Marin County forming the Central Marin Sanitation Agency (CMSA). CMSA serves as a regional wastewater treatment plant for its four member agencies and San Quentin Prison (SQ) and is governed by a six-member Board of Commissioners, two appointed by the Board of Directors of the San Rafael Sanitation District (SRSD), two appointed by the governing board of Sanitary District No. 1 (SD 1), one appointed by the governing board of Sanitary District No. 2 (SD 2), and one appointed by the City Council of the City of Larkspur (Larkspur). Total project costs for the joint venture were funded from federal (75%) and state (12.5%) clean water grants and from local shares (12.5% total) allocated among the member agencies and SQ based upon the weighted average of the strength and volume of sewage flows per member at inception of the project. Final individual local shares of total project costs were approximately \$7.6 million for SRSD, \$6.3 million for SD 1, \$1.6 million for SD 2, \$1 million for Larkspur, and \$1.4 million for SQ. CMSA derives its annual funding for its operations and capital programs almost exclusively from service charges to its member agencies. The joint powers agreement does not provide an explicit measurable right as required to establish an equity interest for any of the joint venture participants, and in addition to, stipulates that all excess capital funds, if any, and all excess administration, operations and maintenance funds from whatever source, if any, are the property of CMSA.

The financial statements of the Agency are available at the CMSA office. Condensed financial information for the Agency is presented below for June 30, 2014 and 2013, the most recent information available.

	<u>2014</u>	<u>2013</u>
Total assets	\$ 110,881,491	\$ 115,504,286
Total liabilities	60,327,017	63,573,736
Net position	<u>\$ 50,554,474</u>	<u>\$ 51,930,550</u>
Total revenues	\$ 16,421,684	\$ 15,760,043
Total expenses	18,386,011	16,292,627
Total contributions and adjustments	588,251	796,213
Change in net position	<u>\$ (1,376,076)</u>	<u>\$ 263,629</u>

# SAN RAFAEL SANITATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2015 AND 2014

### 6. COMMITMENTS

As of June 30, 2015, SRSD had several contracts for sewer improvement projects with remaining obligations of approximately \$900,000 that continue to June 2016.

### 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The District participates in a joint powers agreement with other entities forming the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for 60 member entities. CSRMA is governed by a Board of Directors composed of one representative from each member agency and meets three times per year in conjunction with conferences of the California Association of Sanitation Agencies. The Board controls the operations of CSRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

The District pays annual premiums to CSRMA for its primary insurance and property insurance programs. Primary and property insurance programs are fully insured wherein CSRMA purchases insurance as a group thereby reducing its costs. CSRMA provides both fully insured and pooled insurance programs for its participating member entities. Because all employees of the District are contracted employees from the City of San Rafael, workers' compensation insurance is not carried by the District but is provided through the City.

The District's primary and property insurance programs transfer risk to commercial insurance policies for claims above deductibles, while the District retains risk for claims to the extent of deductibles. Settled claims for CSRMA have not exceeded coverage in any of the past three fiscal years.

**SAN RAFAEL SANITATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2015 AND 2014**

**7. RISK MANAGEMENT (continued)**

The following summarizes active insurance policies as of June 30, 2015 together with coverage limits for each insured event:

Insurance Program	Limits	Coverage Description
CSRMA - Allied World Ins.	\$ 3,000,000	Gen/Mgt liability - aggregate
CSRMA - Allied World Ins.	\$ 1,000,000	Gen/Mgt liability - occurrence
CSRMA - Allied World Ins.	\$ 1,000,000	Auto liability - accident
CSRMA - Allied World Ins.	\$ 4,000,000	Excess liability
CSRMA - Public Entity Property Insurance Program (P.E.P.I.P)	\$ 11,838,396	Special form property
CSRMA - Illinois Union Ins.	\$ 25,000,000	Pollution liability - tier 1
CSRMA - Illinois Union Ins.	\$ 1,000,000	Pollution liability - tier 2
CSRMA - Lloyds of London	\$ 2,000,000	Cyber liability - third party
CSRMA - Lloyds of London	\$ 2,000,000	Cyber liability - first party
CSRMA - Travelers Ins.	\$ 25,000	Identity theft

The financial statements of CSRMA are available at their office: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111. Condensed financial information for CSRMA is presented below for the years ended June 30, 2014 and 2013 (latest information available):

	<u>2014</u>	<u>2013</u>
Assets	\$ 27,379,073	\$ 28,340,390
Liabilities	16,413,379	16,300,058
Net assets	<u>\$ 10,965,694</u>	<u>\$ 12,040,332</u>
Revenues	\$ 10,812,970	\$ 9,652,254
Expenses	11,887,608	9,950,148
Increase (decrease) in net assets	<u>\$ (1,074,638)</u>	<u>\$ (297,894)</u>

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**8. RELATED PARTY TRANSACTIONS**

The District engages the City of San Rafael to provide the payroll, benefits and related administration for the District's personnel. They also provide the District with various vehicle repairs and other minor services. The District incurred expenses of approximately \$3,330,000 and \$2,825,000 with the City of San Rafael for the years ended June 30, 2015 and 2014, respectively. See Note 9, Special Item, for a discussion regarding the contractual obligation between the District and the City of San Rafael.

The District had an obligation to the City of San Rafael for the years ended June 30, 2015 and 2014 of approximately \$62,000 and \$46,000, respectively. These are the result of various operating expenses and capital projects. The District also has a receivable from the City of San Rafael for the years ended June 30, 2015 and 2014 of approximately \$150,000 and \$180,000, respectively. These are the result of reimbursement for overpayments of personnel expense within the year that will be credited to the first quarter of the following year.

**9. SPECIAL ITEM**

The District's staff is provided by the City of San Rafael under a contractual arrangement originated in 1987 that requires the District to pay all related employee costs incurred by the City on its behalf. Quarterly payments are made by the District to the City and include amounts sufficient to cover the City's currently required contributions to employee benefit plans, including a portion for past service costs; however, the remaining unfunded obligations have not been previously billed by the City or paid by the District. Accordingly, the cost of providing pension and post-employment health benefits incurred by the City for the District staff but not yet funded have not previously been recognized in the financial statements. Beginning with the 2014-15 fiscal year, the parties have reinterpreted the agreement to include costs incurred but not currently payable. These financial statements include an estimate of the District's obligation to reimburse the City for future funding for benefits incurred through June 30, 2015. As agreed to by the parties, this obligation will be funded over approximately fifteen years and will correspond to the City's required payments to fund its pension and post-employment health benefits.

SAN RAFAEL SANITATION DISTRICT  
Schedule of Connection Fees  
Fiscal Year Ended June 30, 2015



The California Government Code requires certain disclosures regarding connection fees. The Code requires separate accounting of connection fees and the application of interest to outstanding balances. District policy as adopted by its Board of Directors is to utilize connection fees received on a first-in-first-out basis to finance current year capital projects. Accordingly, no interest was posted to connection fees and there is no outstanding balance of connection fees at year-end.

Other required disclosures for the fiscal year ended June 30, 2015 are as follows:

- Total amount of connection fees collected \$133,692
- Projects to which connection fees were applied and amounts applied:
  1. Cayes Pump Station Sewer Improvement Project \$133,692

5.d.

**SAN RAFAEL SANITATION DISTRICT**

**RESOLUTION NO. 15-1122**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN RAFAEL SANITATION DISTRICT  
AUTHORIZING THE DISTRICT MANAGER/DISTRICT ENGINEER  
TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT  
WITH WORKSMART AUTOMATION, INC., FOR  
PROGRAMMING SERVICES FOR THE  
GLENWOOD PUMP STATION IMPROVEMENTS PROJECT  
FOR AN AMOUNT NOT TO EXCEED \$21,750**

**THE BOARD OF DIRECTORS OF THE SAN RAFAEL SANITATION  
DISTRICT, COUNTY OF MARIN, hereby resolves as follows:**

The District Manager/District Engineer is hereby authorized to execute, on behalf of the San Rafael Sanitation District, a Professional Services Agreement with WorkSmart Automation, Inc., for programming related services for the Glenwood Pump Station Improvements Project, a copy of which is hereby attached and by this reference made a part hereof.

**PASSED AND ADOPTED** at a regular meeting of the San Rafael Sanitation District Board of Directors held on the 5th day of October, 2015, by the following vote, to wit:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

\_\_\_\_\_  
**Gary O. Phillips, Chairman**

**ATTEST:**

\_\_\_\_\_  
**Maribeth Bushey, Secretary**

**PROFESSIONAL SERVICES AGREEMENT  
FOR PROGRAMMING SERVICES FOR THE  
GLENWOOD PUMP STATION IMPROVEMENTS PROJECT**

This Agreement is made and entered into this 5th day of October, 2015, by and between the SAN RAFAEL SANITATION DISTRICT (hereinafter "DISTRICT"), and *WORKSMART AUTOMATION, INC.* (hereinafter "CONSULTANT").

RECITALS

WHEREAS, the DISTRICT has selected *WORKSMART AUTOMATION INC.* to perform the required programming related services for the "Glenwood Pump Station Improvements Project" (hereinafter "PROJECT") for the DISTRICT; and

WHEREAS, the CONSULTANT has offered to render certain specialized professional services in connection with this PROJECT.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. DEFINITIONS.

DISTRICT and CONSULTANT have outlined the scope of services to be provided, and related expenses as described in Exhibit "A" attached and incorporated herein.

2. PROJECT COORDINATION

A. DISTRICT. The District Manager/District Engineer shall be the representative of the DISTRICT for all purposes under this Agreement. The Senior Civil Engineer is hereby designated as the PROJECT MANAGER for the DISTRICT, and said PROJECT MANAGER shall supervise all aspects of the progress and execution of this Agreement.

B. CONSULTANT. CONSULTANT shall assign a single PROJECT DIRECTOR to have overall responsibility for the progress and execution of this Agreement for CONSULTANT. DAN JONES is hereby designated as the PROJECT DIRECTOR for CONSULTANT. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROJECT DIRECTOR for any reason, the CONSULTANT shall notify the DISTRICT within ten (10) business days of the substitution.

3. DUTIES OF CONSULTANT

CONSULTANT shall perform the duties and/or provide services as follows; the CONSULTANT agrees to provide professional services as a Programming Consultant to perform work outlined in the Proposal from CONSULTANT dated August 14, 2015, marked Exhibit "A", attached hereto, and incorporated herein by this reference. The CONSULTANT agrees to be available and perform the work specified in this agreement in the time frame as specified and as shown in Exhibit "A".

4. DUTIES OF THE DISTRICT

DISTRICT shall perform the duties as described and incorporated herein.

5. COMPENSATION

For the full performance of the services described herein by CONSULTANT, DISTRICT shall pay CONSULTANT on a lump sum basis for services rendered as described in Exhibit "A" attached and incorporated herein. The total payment will not exceed the amount of \$21,750 as shown on the Proposal Budget, set out in Exhibit "A".

Payment will be made upon receipt by PROJECT MANAGER of an invoice submitted by CONSULTANT.

6. TERM OF AGREEMENT

The term of this Agreement shall be from the date of execution until the Project is complete.

7. TERMINATION

A. Discretionary. Either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party.

B. Cause. Either party may terminate this Agreement for cause upon ten (10) days written notice mailed or personally delivered to the other party, and the notified party's failure to cure or correct the cause of the termination notice, to the reasonable satisfaction of the party giving such notice, within thirty (30) days of the receipt of said notice.

C. Effect of Termination. Upon receipt of notice of termination, neither party shall incur additional obligations under any provision of this Agreement without the prior written consent of the other.

D. Return of Documents. Upon termination, any and all DISTRICT documents or materials provided to CONSULTANT and any and all of CONSULTANT's documents and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to DISTRICT as soon as possible, but not later than thirty (30) days after termination.



8. OWNERSHIP OF DOCUMENTS

The written documents and materials prepared by the CONSULTANT in connection with the performance of its duties under this Agreement shall be the sole property of DISTRICT. DISTRICT may use said property for any purpose, including projects not contemplated by this Agreement.

9. INSPECTION AND AUDIT

Upon reasonable notice, CONSULTANT shall make available to DISTRICT, or its agent, for inspection and audit, all documents and materials maintained by CONSULTANT in connection with its performance of its duties under this Agreement. CONSULTANT shall fully cooperate with DISTRICT or its agent in any such audit or inspection.

10. ASSIGNABILITY

The parties agree that they shall not assign or transfer any interest in this Agreement nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

11. INSURANCE

A. During the term of this Agreement, CONSULTANT shall maintain, at no expense to DISTRICT, the following insurance policies:

1. A commercial general liability insurance policy in the minimum amount of one million (\$1,000,000) dollars per occurrence and \$2,000,000 aggregate for death, bodily injury, personal injury, or property damage;

2. An automobile liability (owned, non-owned, and hired vehicles) insurance policy in the minimum amount of one million (\$1,000,000) dollars per occurrence;

3. If any licensed professional performs any of the services required to be performed under this Agreement, a professional liability insurance policy in the minimum amount of one million (\$1,000,000) dollars to cover any claims arising out of the CONSULTANT's performance of services under this Agreement.

B. The insurance coverage required of the CONSULTANT by Section 11. A. shall also meet the following requirements:

1. The insurance shall be primary with respect to any insurance or coverage maintained by DISTRICT and shall not call upon DISTRICT's insurance or coverage for any contribution;

2. Except for professional liability insurance, the insurance policies shall be endorsed for contractual liability and personal injury;

3. Except for professional liability insurance, the insurance policies shall be specifically endorsed to include the DISTRICT, its officers, agents, and employees as additionally named insureds under the policies;

4. CONSULTANT shall provide to PROJECT MANAGER, (a) Certificates of Insurance evidencing the insurance coverage required herein, and (b) specific endorsements naming DISTRICT, its officers, agents and employees, as additional insureds under the policies;

5. The insurance policies shall provide that the insurance carrier shall not cancel or terminate said insurance policies except upon thirty (30) days written notice to DISTRICT's PROJECT MANAGER;

6. If the insurance is written on a Claims Made Form, then, following termination of this Agreement, said insurance coverage shall survive for a period of not less than five years as long as the insurance is reasonably affordable and available;

7. The insurance policies shall provide for a retroactive date of placement coinciding with the effective date of this Agreement;

8. The insurance shall be approved as to form and sufficiency by PROJECT MANAGER and the County Counsel.

C. If it employs any person, CONSULTANT shall maintain Workers' Compensation and Employer's Liability Insurance, as required by the State Labor Code and other applicable laws and regulations, and as necessary to protect both CONSULTANT and DISTRICT against all liability for injuries to CONSULTANT's officers and employees.

D. Any deductibles or self-insured retentions exceeding \$20,000 in CONSULTANT's insurance policies must be declared to and approved by the PROJECT MANAGER and the County Counsel. At District's option, the deductibles or self-insured retentions with respect to DISTRICT shall be reduced or eliminated to DISTRICT's satisfaction, or CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claims administration, attorney's fees, and defense expenses.

12. INDEMNIFICATION

CONSULTANT shall indemnify, release, and hold harmless DISTRICT, its officers, and employees against any claim, demand, suit, judgment, loss, liability, or expense of any kind, including attorney's fees, arising out of or resulting in any way from any negligent acts or omissions or negligence of CONSULTANT or CONSULTANT's officers, agents, and employees in the performance of their duties and obligations under this Agreement.

13. NONDISCRIMINATION

CONSULTANT shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religion, ancestry, national origin or disability in connection with or related to the performance of its duties and obligations under this Agreement.

14. COMPLIANCE WITH ALL LAWS

CONSULTANT shall use due professional care to observe and comply with all applicable Federal, State and local laws, ordinances, codes, and regulations in the performance of its duties and obligations under this Agreement. CONSULTANT shall perform all services under this Agreement in accordance with these laws, ordinances, codes, and regulations.

15. NO THIRD PARTY BENEFICIARIES

DISTRICT and CONSULTANT do not intend, by any provision of this Agreement, to create in any third party any benefit or right owed by one party, under the terms and conditions of this Agreement, to the other party.

16. NOTICES

All notices and other communications required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the date of personal delivery or, if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

TO DISTRICT: Ms. Karen Chew (Project Manager)  
San Rafael Sanitation District  
111 Morpew Street  
P.O. Box 151560  
San Rafael, CA 94915-1560

TO CONSULTANT: Mr. Dan Jones (Project Director)  
WorkSmart Automation, Inc.  
3112 O Street, Suite 11  
Sacramento, CA 95816

17. INDEPENDENT CONSULTANT

For the purposes and for the duration of this Agreement, CONSULTANT, its officers, agents, and employees shall act in the capacity of an Independent Contractor, and not as employees of the DISTRICT. CONSULTANT and DISTRICT expressly intend and agree that the status of CONSULTANT, its officers, agents, and employees be that of an Independent Contractor and not that of an employee of DISTRICT.

18. ENTIRE AGREEMENT -- AMENDMENTS

A. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference represent the entire Agreement of the parties with respect to the subject matter of this Agreement.

B. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter between the CONSULTANT and the DISTRICT.

C. No other agreement, promise, or statement, written or oral, relating to the subject matter of this Agreement shall be valid or binding except by way of a written amendment to this Agreement.

D. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the CONSULTANT and the DISTRICT.

E. If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the attached exhibits or the documents expressly incorporated by reference, the terms and conditions of this Agreement shall control.

19. SET-OFF AGAINST DEBTS

CONSULTANT agrees that DISTRICT may deduct from any payment due to CONSULTANT under this Agreement any monies which CONSULTANT owes DISTRICT under any ordinance, agreement, contract, or resolution for any unpaid taxes, fees, licenses, assessments, unpaid checks, or other amounts.

20. WAIVERS

The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement or of any ordinance, law, or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law, or regulation or of any subsequent breach or violation of the same or other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, condition, or covenant of this Agreement or any applicable law, ordinance, or regulation.

21. CITY BUSINESS LICENSE/OTHER TAXES

CONSULTANT shall obtain and maintain during the duration of this Agreement a CITY business license as required by the San Rafael Municipal Code. CONSULTANT shall pay any and all State and Federal taxes and any other applicable taxes. CONSULTANT's taxpayer identification number is 68-0486438, and CONSULTANT certifies under penalty of perjury that said taxpayer identification number is correct.

22. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written.

SAN RAFAEL SANITATION DISTRICT

CONTRACTOR

\_\_\_\_\_  
Doris Toy, P.E.  
District Manager/District Engineer

WORKSMART AUTOMATION, INC.

ATTEST:

By: \_\_\_\_\_  
Dan Jones

\_\_\_\_\_  
Cynthia Hernandez  
District Secretary

Title: Director of Business Development

APPROVED AS TO FORM:

\_\_\_\_\_  
Jack F. Govi  
Assistant County Counsel



WorkSmart Automation, Inc.  
Software Automation Specialists  
3112 O Street, Suite 11  
Sacramento, CA 95816

Phone (916) 454-1718  
Fax (916) 454-1819

August 14, 2015

**Quote: SRV15-2938**

TO: Doris Toy, P.E.  
District Manager/District Engineer  
San Rafael Sanitation District  
[Doris.Toy@cityofsanrafael.org](mailto:Doris.Toy@cityofsanrafael.org)

**EXHIBIT  
A**

FROM: Dan Jones  
WorkSmart Automation, Inc.

SUB: Quotation for Services – Glenwood Pump Station Improvements

Hi Doris,

Pursuant to your request, WorkSmart Automation is pleased to submit this quotation for the above mentioned project. This quotation was generated based the contract documents we received from Matt Smith via DropBox marked as Conformed 8-5-15.

WorkSmart Automation is not aware of any contract addendums or changes.

### Overview

WorkSmart Automation shall supply the programming and startup of the PLC and HMI Panel system in accordance with the contract documents specified in Section 16100 - Electrical Work and 17200 – Control Descriptions. We shall utilize our own licensed copies of the development software required to program these devices.

### Programming

The scope of tasks for WorkSmart Automation involves the following:

- Provide programming for the new PLC in order to provide the control features specified and required to operate the new pump station.
- Provide programming for the new HMI operator interface panel located at the new MCC panel to provide graphical control, alarm and indication features specified and required to operate the new pump station locally.

### Factory Test

WorkSmart Automation will participate in the factory testing as specified and required for pump station operation.

### Field Functional Testing and Startup

WorkSmart Automation will participate in the field functional testing and startup testing as specified and required for pump station operation.

### Project Progress Meetings

WorkSmart Automation will attend project meetings on-site as requested by contractor and owner throughout the course of the project.

## Training

WorkSmart Automation shall provide operator/user training on the devices we program (PLC and HMI) according to the specifications.

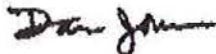
## Assumptions / Exclusions

- WorkSmart will contract directly with owner (district).
- No hardware or installation of hardware or wiring is included in this quote.
- No PLC or HMI programming and development software licensing is included in this quote.
- No O&M material or Submittals are included in this quote.
- Any work requested outside the scope of this project will be quoted separately at WorkSmart's current labor and travel rates.
- WorkSmart carries \$1,000,000 in General liability insurance, \$1,000,000 in Professional Liability, and \$1,000,000 in Automobile Liability insurance for our clients. Amounts requested above these limits may require a change in contract price.

**Total costs for these services shall be \$21,750 lump sum.**

Please give me a call if you have any questions.

Best regards,



Dan Jones  
Director of Business Development  
WorkSmart Automation, Inc.

5.e.

**SAN RAFAEL SANITATION DISTRICT**

**RESOLUTION NO. 15-1120**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN RAFAEL SANITATION DISTRICT  
AUTHORIZING THE DISTRICT MANAGER/DISTRICT ENGINEER  
TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH  
NUTE ENGINEERING FOR DESIGN AND CONSTRUCTION RELATED SERVICES  
FOR THE LINCOLN AVENUE SEWER IMPROVEMENT PROJECT  
PALOMA AVENUE TO PROSPECT DRIVE  
FOR AN AMOUNT NOT TO EXCEED \$270,967**

**THE BOARD OF DIRECTORS OF THE SAN RAFAEL SANITATION DISTRICT,  
COUNTY OF MARIN, hereby resolves as follows:**

The District Manager/District Engineer is hereby authorized to execute, on behalf of the San Rafael Sanitation District, a Professional Services Agreement with Nute Engineering for design and construction related services to for the Lincoln Avenue Sewer Improvement Project, Paloma Avenue to Prospect Drive, a copy of which is hereby attached and by this reference made a part hereof.

**PASSED AND ADOPTED** at a regular meeting of the San Rafael Sanitation District Board of Directors held on the 5th day of October, 2015, by the following vote, to wit:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

**SAN RAFAEL SANITATION DISTRICT**

\_\_\_\_\_  
**Gary O. Phillips, Chairman**

**ATTEST:**

\_\_\_\_\_  
**Maribeth Bushey, Secretary**



**PROFESSIONAL SERVICES AGREEMENT  
FOR DESIGN AND CONSTRUCTION RELATED SERVICES FOR THE  
LINCOLN AVENUE SEWER IMPROVEMENT PROJECT  
PALOMA AVENUE TO PROSPECT DRIVE**

This Agreement is made and entered into this 5th day of October, 2015, by and between the SAN RAFAEL SANITATION DISTRICT (hereinafter "DISTRICT"), and *NUTE ENGINEERING* (hereinafter "CONSULTANT").

RECITALS

WHEREAS, the DISTRICT has selected *NUTE ENGINEERING* to perform the required design and construction related services for the "Lincoln Avenue Sewer Improvement Project, Paloma Avenue to Prospect Drive" (hereinafter "PROJECT"); and

WHEREAS, the CONSULTANT has offered to render certain specialized professional services in connection with this Project.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. DEFINITIONS.

DISTRICT and CONSULTANT have outlined the scope of services to be provided, and related expenses as described in Exhibit "A" attached and incorporated herein.

2. PROJECT COORDINATION

A. DISTRICT. The District Manager/District Engineer shall be the representative of the DISTRICT for all purposes under this Agreement. The Senior Civil Engineer is hereby designated as the PROJECT MANAGER for the DISTRICT, and said PROJECT MANAGER shall supervise all aspects of the progress and execution of this Agreement.

B. CONSULTANT. CONSULTANT shall assign a single PROJECT DIRECTOR to have overall responsibility for the progress and execution of this Agreement for CONSULTANT. *MARK WILSON* is hereby designated as the PROJECT DIRECTOR for CONSULTANT. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROJECT DIRECTOR for any reason, the CONSULTANT shall notify the DISTRICT within ten (10) business days of the substitution.

3. DUTIES OF CONSULTANT

CONSULTANT shall perform the duties and/or provide services as follows; the CONSULTANT agrees to provide professional services as an Engineering Consultant to prepare work outlined in the Proposal from CONSULTANT dated October 1, 2015, marked Exhibit "A", attached hereto, and incorporated herein by this reference. The CONSULTANT agrees to be available and perform the work specified in this agreement in the time frame as specified and as shown in Exhibit "A".

4. DUTIES OF THE DISTRICT

DISTRICT shall perform the duties as described and incorporated herein.

5. COMPENSATION

For the full performance of the services described herein by CONSULTANT, DISTRICT shall pay CONSULTANT on a time and materials basis for services rendered in accordance with the rates shown on the current fee schedule as described in Exhibit "A" attached and incorporated herein. The total payment will not exceed the \$270,967 as shown on the Proposal Budget, set out in Exhibit "A".

Payment will be made monthly upon receipt by PROJECT MANAGER of itemized invoices submitted by CONSULTANT.

6. TERM OF AGREEMENT

The term of this Agreement shall be from the date of execution until the Project is complete.

7. TERMINATION

A. Discretionary. Either party may terminate this Agreement without cause upon thirty (30) days written notice mailed or personally delivered to the other party.

B. Cause. Either party may terminate this Agreement for cause upon ten (10) days written notice mailed or personally delivered to the other party, and the notified party's failure to cure or correct the cause of the termination notice, to the reasonable satisfaction of the party giving such notice, within thirty (30) days of the receipt of said notice.

C. Effect of Termination. Upon receipt of notice of termination, neither party shall incur additional obligations under any provision of this Agreement without the prior written consent of the other.

D. Return of Documents. Upon termination, any and all DISTRICT documents or materials provided to CONSULTANT and any and all of CONSULTANT's documents and materials prepared for or relating to the performance of its duties under this Agreement, shall be delivered to DISTRICT as soon as possible, but not later than thirty (30) days after termination.

8. OWNERSHIP OF DOCUMENTS

The written documents and materials prepared by the CONSULTANT in connection with the performance of its duties under this Agreement shall be the sole property of DISTRICT. DISTRICT may use said property for any purpose, including projects not contemplated by this Agreement.

9. INSPECTION AND AUDIT

Upon reasonable notice, CONSULTANT shall make available to DISTRICT, or its agent, for inspection and audit, all documents and materials maintained by CONSULTANT in connection with its performance of its duties under this Agreement. CONSULTANT shall fully cooperate with DISTRICT or its agent in any such audit or inspection.

10. ASSIGNABILITY

The parties agree that they shall not assign or transfer any interest in this Agreement nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

11. INSURANCE

A. During the term of this Agreement, CONSULTANT shall maintain, at no expense to DISTRICT, the following insurance policies:

1. A commercial general liability insurance policy in the minimum amount of one million (\$1,000,000) dollars per occurrence and \$2,000,000 aggregate for death, bodily injury, personal injury, or property damage;

2. An automobile liability (owned, non-owned, and hired vehicles) insurance policy in the minimum amount of one million (\$1,000,000) dollars per occurrence;

3. If any licensed professional performs any of the services required to be performed under this Agreement, a professional liability insurance policy in the minimum amount of one million (\$1,000,000) dollars to cover any claims arising out of the CONSULTANT's performance of services under this Agreement.

B. The insurance coverage required of the CONSULTANT by Section 11. A., shall also meet the following requirements:

1. The insurance shall be primary with respect to any insurance or coverage maintained by DISTRICT and shall not call upon DISTRICT's insurance or coverage for any contribution;

2. Except for professional liability insurance, the insurance policies shall be endorsed for contractual liability and personal injury;

3. Except for professional liability insurance, the insurance policies shall be specifically endorsed to include the DISTRICT, its officers, agents, and employees as additionally named insureds under the policies;

4. CONSULTANT shall provide to PROJECT MANAGER, (a) Certificates of Insurance evidencing the insurance coverage required herein, and (b) specific endorsements naming DISTRICT, its officers, agents and employees, as additional insureds under the policies;

5. The insurance policies shall provide that the insurance carrier shall not cancel or terminate said insurance policies except upon thirty (30) days written notice to DISTRICT's PROJECT MANAGER;

6. If the insurance is written on a Claims Made Form, then, following termination of this Agreement, said insurance coverage shall survive for a period of not less than five years as long as the insurance is reasonably affordable and available;

7. The insurance policies shall provide for a retroactive date of placement coinciding with the effective date of this Agreement;

8. The insurance shall be approved as to form and sufficiency by PROJECT MANAGER and the County Counsel.

C. If it employs any person, CONSULTANT shall maintain Workers' Compensation and Employer's Liability Insurance, as required by the State Labor Code and other applicable laws and regulations, and as necessary to protect both CONSULTANT and DISTRICT against all liability for injuries to CONSULTANT's officers and employees.

D. Any deductibles or self-insured retentions exceeding \$20,000 in CONSULTANT's insurance policies must be declared to and approved by the PROJECT MANAGER and the County Counsel. At District's option, the deductibles or self-insured retentions with respect to DISTRICT shall be reduced or eliminated to DISTRICT's satisfaction, or CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claims administration, attorney's fees, and defense expenses.

12. INDEMNIFICATION

CONSULTANT shall indemnify, release, and hold harmless DISTRICT, its officers, and employees against any claim, demand, suit, judgment, loss, liability, or expense of any kind, including attorney's fees, arising out of or resulting in any way from any negligent acts or omissions or negligence of CONSULTANT or CONSULTANT's officers, agents, and employees in the performance of their duties and obligations under this Agreement.

13. NONDISCRIMINATION

CONSULTANT shall not discriminate, in any way, against any person on the basis of age, sex, race, color, religion, ancestry, national origin or disability in connection with or related to the performance of its duties and obligations under this Agreement.

14. COMPLIANCE WITH ALL LAWS

CONSULTANT shall use due professional care to observe and comply with all applicable Federal, State and local laws, ordinances, codes, and regulations in the performance of its duties and obligations under this Agreement. CONSULTANT shall perform all services under this Agreement in accordance with these laws, ordinances, codes, and regulations.

15. NO THIRD PARTY BENEFICIARIES

DISTRICT and CONSULTANT do not intend, by any provision of this Agreement, to create in any third party any benefit or right owed by one party, under the terms and conditions of this Agreement, to the other party.

16. NOTICES

All notices and other communications required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the date of personal delivery or, if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

TO DISTRICT: Ms. Karen Chew (Project Manager)  
San Rafael Sanitation District  
111 Morphew Street  
P.O. Box 151560  
San Rafael, CA 94915-1560

TO CONSULTANT: Mr. Mark Wilson (Engineer)  
Nute Engineering  
907 Mission Avenue  
San Rafael, CA 94901

17. INDEPENDENT CONSULTANT

For the purposes and for the duration of this Agreement, CONSULTANT, its officers, agents, and employees shall act in the capacity of an Independent Contractor, and not as employees of the DISTRICT. CONSULTANT and DISTRICT expressly intend and agree that the status of CONSULTANT, its officers, agents, and employees be that of an Independent Contractor and not that of an employee of DISTRICT.

18. ENTIRE AGREEMENT -- AMENDMENTS

A. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference represent the entire Agreement of the parties with respect to the subject matter of this Agreement.

B. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter between the CONSULTANT and the DISTRICT.

C. No other agreement, promise, or statement, written or oral, relating to the subject matter of this Agreement shall be valid or binding except by way of a written amendment to this Agreement.

D. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the CONSULTANT and the DISTRICT.

E. If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the attached exhibits or the documents expressly incorporated by reference, the terms and conditions of this Agreement shall control.

19. SET-OFF AGAINST DEBTS

CONSULTANT agrees that DISTRICT may deduct from any payment due to CONSULTANT under this Agreement any monies which CONSULTANT owes DISTRICT under any ordinance, agreement, contract, or resolution for any unpaid taxes, fees, licenses, assessments, unpaid checks, or other amounts.

20. WAIVERS

The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement or of any ordinance, law, or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law, or regulation or of any subsequent breach or violation of the same or other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, condition, or covenant of this Agreement or any applicable law, ordinance, or regulation.

21. CITY BUSINESS LICENSE/OTHER TAXES

CONSULTANT shall obtain and maintain during the duration of this Agreement a CITY business license as required by the San Rafael Municipal Code. CONSULTANT shall pay any and all State and Federal taxes and any other applicable taxes. CONSULTANT's taxpayer identification number is 94-1510137, and CONSULTANT certifies under penalty of perjury that said taxpayer identification number is correct.

22. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written.

SAN RAFAEL SANITATION DISTRICT

CONTRACTOR

\_\_\_\_\_  
Doris Toy, P.E.  
District Manager/District Engineer

APPROVED AS TO FORM:

\_\_\_\_\_  
Jack F. Govi  
Assistant County Counsel

NUTE ENGINEERING

By: \_\_\_\_\_  
Mark Wilson

Title: \_\_\_\_\_



# EXHIBIT A

October 1, 2015

Ms. Doris Toy, District Administrator/District Engineer  
San Rafael Sanitation District  
111 Morphew Street  
San Rafael, CA 94901

**Re: Lincoln Avenue Sewer Improvement Project -  
Paloma Avenue to Prospect Drive  
Proposal for Design and Construction Engineering Services**

Dear Doris:

We are pleased to submit this letter outlining the engineering services proposed to be furnished by our firm for the preparation of plans and specifications and providing construction engineering services for the replacement of the Lincoln Avenue sewer from Paloma Avenue to Prospect Drive.

Our firm is offering an accelerated project approach to allow completion of project construction by the end of 2016 and can provide engineering services at a discounted rate due to our previous investigations including preliminary design work that Nute Engineering completed for the Lincoln Avenue trunk sewer replacement.

## **BACKGROUND**

The Lincoln Avenue sewer is one of the oldest in San Rafael. Most of the sewers on Lincoln Avenue were installed in the early 1900's except for some small sections that were installed in the 1960's and 1970's. A 2010 Trunk Sewer Capacity Assessment identified the Lincoln Avenue sewer as lacking the capacity to handle the projected peak flows. Replacement of the Lincoln Avenue trunk has also been included in SRSD's Capital Improvement Plan as a recommended project.

Due to the length of the Lincoln Avenue trunk sewer and potential construction impacts to the community, the pipeline replacement was originally separated in to 3 smaller projects: Lincoln Avenue Sewer Improvement Project (SIP) between 2<sup>nd</sup> Street and Mission Avenue (Summer 2013), Lincoln Avenue SIP between Mission Avenue and Paloma Avenue (September 2015), and the last remaining section designated as the Lincoln Avenue SIP from Paloma Avenue to Prospect Drive.



The proposed project will relieve two capacity restrictions previously found in the system; one between Wilson Court and Glenwood Drive and the other between Grand Avenue and the north entrance of Brookdale Avenue. Surcharge evidence was observed in the manholes in these reaches and capacity restrictions have been confirmed by SRSD maintenance staff observations.

## **PROJECT ACCELERATION**

In 2014, SRSD met with the San Rafael Department of Public Works (SRDPW) to assess potential community traffic impacts of the Lincoln Sewer Improvement Projects north of Mission Avenue and determine restoration requirements for the roadways within the project area. During this pre-project collaboration, SRDPW informed SRSD that all major construction projects adjacent to the Sonoma Marin Area Rapid Transit (SMART) corridor should be complete prior to the start of train service in late 2016. The current proposed project includes 3 times as much project work as the project completed this past summer and will require a 7-month construction period. Project construction should therefore begin no later than the beginning of April 2016 to allow for completion prior to SRDPW's holiday construction work moratorium (November 23-January 4) and SMART's anticipated start of operation deadline.

Based on the large scale of the project, work on the project plans and specifications should begin immediately to meet the SRDPW/SMART timeline and our firm is prepared to prepare the bid documents at an accelerated rate. Nute Engineering's previous work on the Capacity Study, two Lincoln Avenue sewer projects, and the Upper Lincoln Avenue Pre-design Study will provide a basis for accelerated engineering design. Our firm's work providing engineering construction services for the recent projects has also provided important field data that will be implemented into the plans and specifications to reduce project risk.

Both lanes of Lincoln Avenue are within the Caltrans right-of-way (ROW) for approximately 300 lineal feet at the Highway 101 on-ramps adjacent to Prospect Drive. Any work within the Caltrans ROW requires a Caltrans encroachment permit, special traffic control requirements, and design review by Caltrans staff. The encroachment permit process can be lengthy and also should be started as soon as possible to ensure the permit can be obtained prior to next summer and prevent construction delays.

## **LINCOLN AVENUE SEWER EXPERIENCE**

Nute Engineering's efforts on the previous investigations and two sewer projects will provide a strong background to initiate work on the project. The following list details how Nute Engineering's experience working on Lincoln Avenue will allow the project to be delivered at an accelerated pace at a lower cost to SRSD:

- Sewer Design Alignment/Profile – A preliminary profile and alignment has already been developed for the sewer based on past survey data.

- Utility Investigation – A comprehensive utility investigation has been performed which will be useful in project design. Onsite observations have also revealed construction challenges especially in regards to the fiber optic duct bank and high pressure gas transmission line parallel to the sewer alignment. Knowledge of existing field conditions will minimize risk of change orders during construction.
- Traffic – An on-site observation project during construction has provided insight into traffic flow and traffic control options through the project area and will be implemented in to the current plans.
- Geotechnical – Coordination assistance for the geotechnical investigation report has resulted in a detailed understanding of the conditions at the site. This information will be used to minimize risk concerning the potential for hard rock excavation in the project reach.
- Residential Development at 1867 Lincoln – Nute Engineering staff assisted SRSD to determine the best design alternative to provide sewer service to a new multi-family residential development at 1867 Lincoln Avenue. This work would be incorporated in to the plans.

**LINCOLN AVENUE SEWER IMPROVEMENT PROJECT – PALOMA AVENUE TO PROSPECT DRIVE**

The current Lincoln Avenue SIP will consist of replacing the Lincoln Avenue sewer from Paloma Avenue to Prospect Drive. For budgeting purposes, the estimated cost of the current project assumes replacement of the laterals from the sewer main in the street to the sidewalk and a chip seal of Lincoln Avenue between Mission Avenue and Prospect Drive.

Lincoln Avenue Sewer Replacement from Paloma Avenue to Prospect Drive

4,300 LF 12" sewer	@300/LF	\$1,290,000
480 LF 8" sewer	@250/LF	120,000
40 each manholes	@7,500ea	300,000
75 each 6" lower lateral replacement	@6,000ea	450,000
1,200 tons AC trench restoration	@230/ton	276,000
228,000 SF Chip Seal	@0.50/SF	114,000
Miscellaneous restorations		<u>40,000</u>
	Estimated construction cost	2,790,000
	Contingencies and incidentals (25%)	<u>698,000</u>
	<b>ESTIMATED PROJECT COST</b>	<b>\$3,488,000</b>

## **SCOPE OF WORK**

The following are the scope of services we propose to provide on the above referenced Sewer Improvement Project. This covers a predesign study of the entire project and the final design and construction review of the current project.

### **Schedule A Services – Design and Preparation of Plans and Specifications**

The Schedule A services consist of the design and preparation of plans and specifications for the sewer improvement project from Paloma Avenue to Prospect Drive.

1. Design and prepare plan and profile drawings.
  - a. Finalize the plan sheets for the current project including making field surveys to take ground elevations and to confirm the location of underground utilities from record drawings, markings on the pavement or from potholing by others.
  - b. Prepare final detailed plan and profile sheets for the sewer replacement project.
  - c. Prepare construction details including traffic control plans and required work hours.
  - d. Obtain Caltrans encroachment permit and provide all Caltrans requirements in the project plans.
  - e. Prepare technical specifications and bid documents.
  - f. Coordinate all backfill, paving and traffic control requirements for the City of San Rafael.
2. Compile bid documents including the District's instructions to bidders and general conditions.
3. Prepare an updated estimate of the project construction cost based on the final construction plans and specifications.
4. Provide assistance during bidding including responding to Contractors' questions, attendance at a pre-bid meeting and issuing addenda as necessary.
5. Compile the bid results, check the Contractor's licensing information and make a recommendation to the District regarding the award.
6. Attend three (3) progress meetings with District staff during design.

**Schedule B Services – Design Services During Construction**

We will assist the District during construction by providing the following services on an as needed basis:

1. Attend preconstruction meeting.
2. Provide one set offset stakes designating the alignment and depth of the new sewers and prepare grade sheets.
3. Review the Contractor’s submittals and working drawings as necessary.
4. Evaluate proposals for modifications to the contract work and prepare change orders to the contract for the District’s approval.
5. Attend construction coordination meetings (assume 34 meetings).
6. Respond to Contractor’s RFI’s and provide on-site consultations.
7. Prepare a set of record drawings for the project.

**SERVICES NOT INCLUDED IN THIS PROPOSAL**

It is understood that the following services are outside the scope of this proposal and will be provided by others:

1. Geotechnical engineering services and soil contamination investigations.
2. Potholing of underground utilities.
3. Environmental review or preparation of an environmental impact report of the project.
4. Necessary permit applications and application fees.
5. Legal services in connection with the project.
6. Acquisition of rights of ways, rights of entries or permits.
7. Printing of plans and specifications for bidding purposes and for the Contractor’s use.
8. Clerical time to send bid documents out to bidders.
9. On site construction observation services.

**SCHEDULE**

In order to construct this project this summer the following schedule is proposed:

Authorization to proceed	October 5, 2015
Project Design Submittal – 35%	December 1, 2015

Project Design Submittal – 65%	December 28, 2015
Project Design Submittal – 95%	January 20, 2016
Plans and specifications complete – 100%	January 27, 2016
Advertise for bids	February 1, 2016
Receive bids	February 19, 2016
Award construction contract	March 7, 2016
Issue Notice to Proceed	April 1, 2016
Complete construction	October 31, 2016

**ENGINEERING FEE**


We propose to do all the work on a time and materials basis to be billed according to the Schedule of Hourly Rates attached hereto as Attachment A. The estimated labor hours and costs for the work by task and job classification are shown in Attachment B. The budget for the two schedules is given below.

Schedule A	\$171,800
Schedule B	\$ 99,100

The total engineering costs including design and construction services for the project are approximately 7.8% of the total project cost compared to a typical range of 12-15% for these services for similar projects in the Bay Area. The discount in project cost reflects the predesign work already performed for the project and results in savings of at least \$146,500 in engineering fees based on the typical regional costs. Nute Engineering’s project management efficiencies have also resulted in approximately \$55,000 of remaining budget from the current phase of the project that could be applied to the engineering costs final phase of the Lincoln Avenue SIP.

Very truly yours,

NUTE ENGINEERING

By:   
 Mark T. Wilson, P.E.

Attachment A – Schedule of Hourly Rates  
 Attachment B – Project Estimating Sheet



Civil & Sanitary Consultants

## ATTACHMENT A

### RATE SCHEDULE

OFFICE PERSONNEL	HOURLY RATE
Principal Engineer	\$219.00
Senior Engineer	188.00
Engineer III	179.00
Engineer II	172.00
Engineer I	146.00
Field Representative (Construction) I	124.00
Field Representative (Construction) II	140.00
Engineering Technician II	118.00
Engineering Technician I	87.00
Senior Designer	169.00
CAD Drafter II	160.00
CAD Drafter I	116.00
Technical Administrative Support	101.00
Clerical	65.00

<b>LITIGATION SERVICES</b>	
Court Appearance/Deposition	310.00

### REIMBURSABLE EXPENSES

Sub-consultants will be charged at 1.10 times cost. Charges for reproductions, blueprinting, outside computer services, rental of special equipment, delivery, express mail, insurance certificates (where client requires to be listed as an additional insured) and meals and lodging will be charged at 1.10 times cost. Mileage will be charged at the IRS approved rate. Nute Engineering reserves the right to adjust its hourly rate structure at the beginning of each new year for all ongoing contracts.

**EFFECTIVE DATE:** January 1, 2015

ATTACHMENT B  
 SAN RAFAEL SANITATION DISTRICT  
 LINCOLN AVENUE SEWER IMPROVEMENT PROJECT - PALOMA AVE TO PROSPECT AVE  
 PROPOSAL FOR ENGINEERING SERVICES - LEVEL OF EFFORT

NUTE ENGINEERING  
 907 Mission Ave  
 San Rafael, CA 94901

	Principal Engineer	Senior Engineer	Engineer III	Designer	Eng. Tech I	Technical Typing	Direct Cost	Direct Cost Markup	TOTALS
Rate \$/Hr	\$219	\$188	\$178	\$169	\$90	\$101			
<b>SCHEDULE A SERVICES - Design and Preparation of Plans and Specifications</b>									
1. Design and prepare plan and profile drawings									
a. Finalize plan sheets for Phase B project including making field surveys		36	80	48	120		16,905	1,691	
b. Prepare final detailed plan and profile sheets for sewer replacement project	20	60	120	70	120				
c. Prepare construction details, include traffic control plans, required work hrs		12	60	24					
d. Obtain Caltrans Encroachment Permit		4	30	20					
e. Prepare technical specifications and bid documents		12	12			16			
f. Coordinate all backfill, paving, traffic control requirements for City of SR		4	20						
2. Compile bid documents including instructions to bidders and general conditions			12			16			
3. Prepare updated estimate of project construction cost		4	8						
4. Provide assistance during bidding (contractors' questions, pre-bid mtg, addenda)		8	20						
5. Compile bid results, check Contractor's license info, recommend award		10	4						
6. Attend three (3) progress meetings with District staff during design		9	9						
Hours	20	159	375	162	240	32			
Cost	\$4,380	\$29,892	\$66,750	\$27,378	\$21,600	\$3,232	\$16,905	\$1,691	\$171,828
<b>SCHEDULE B SERVICES - Design Services During Construction</b>									
1. Attend preconstruction meeting		4	6						
2. Provide 1 set offset stakes for align./depth of new sewers, prepare grade sheets			40				12,189	1,219	
3. Review contractor's submittals and working drawings as necessary			40	12		40			
4. Evaluate proposed contract work modifications and prepare change orders		20	40	40					
5. Attend construction coordination meetings (assume 34 meetings)			102						
6. Respond to RFI's and provide on-site engineering consultation			120						
7. Prepare a set of record drawings for the project			16		40				
Hours		24	364	52	40	40			
Cost		\$4,512	\$64,792	\$8,788	\$3,600	\$4,040	\$12,189	\$1,219	\$99,140
TOTAL									\$270,967

5.f.

**SAN RAFAEL SANITATION DISTRICT**

**RESOLUTION NO. 15-1121**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN RAFAEL SANITATION DISTRICT  
AUTHORIZING THE DISTRICT MANAGER/DISTRICT ENGINEER  
TO SIGN AN AMENDMENT TO AGREEMENT WITH  
CSW/STUBER-STROEH ENGINEERING GROUP, INC.  
FOR ADDITIONAL ENGINEERING SERVICES FOR  
THE CAYES MAIN PUMP STATION AND CATALINA FORCE MAIN PROJECT  
FOR AN ADDITIONAL AMOUNT OF \$12,737**

**THE BOARD OF DIRECTORS OF THE SAN RAFAEL SANITATION DISTRICT,  
COUNTY OF MARIN, hereby resolves as follows:**

The District Manager/District Engineer is hereby authorized to execute, on behalf of the San Rafael Sanitation District, an Amendment to Agreement with CSW/Stuber-Stroeh Engineering Group, Inc., for additional engineering services for the Cayes Main Pump Station and Catalina Force Main Project, a copy of which is hereby attached and by this reference made a part hereof.

**PASSED AND ADOPTED** at a regular meeting of the San Rafael Sanitation District Board of Directors held on the 5th day of October, 2015, by the following vote, to wit:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

**SAN RAFAEL SANITATION DISTRICT**

\_\_\_\_\_  
**Gary O. Phillips, Chairman**

**ATTEST:**

\_\_\_\_\_  
**Maribeth Bushey, Secretary**



**AMENDMENT TO AGREEMENT  
FOR PROFESSIONAL SERVICES  
TO COVER ADDITIONAL ENGINEERING SERVICES BY  
CSW/STUBER-STROEH ENGINEERING GROUP, INC., FOR THE  
CAYES MAIN PUMP STATION AND  
CATALINA FORCE MAIN PROJECT**

This Amendment to the original Agreement is made and entered into this 5<sup>th</sup> day of October, 2015, by and between the SAN RAFAEL SANITATION DISTRICT and CSW/Stuber-Stroeh Engineering Group, Inc.

This Amendment covers an increase to the original contract budget amount of \$232,516 for engineering services by approximately \$12,737 to cover design, construction administration, and other additional engineering services requested by District staff for the Cayes Main Pump Station and Catalina Force Main Project.

All of the additional work will be in accordance with the attached proposals dated September 4, 2014, and August 27, 2015, and attached herein as Exhibit "A".

SAN RAFAEL SANITATION DISTRICT

\_\_\_\_\_  
Doris Toy  
District Manager/District Engineer

CONTRACTOR

CSW/Stuber-Stroeh Engineering  
Group, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Jack F. Govi  
Assistant County Counsel

**EXHIBIT  
A**

Date: September 4, 2014  
File: 4.1143.01

Ms. Doris Toy, General Manager  
San Rafael Sanitation District  
111 Morphew Street  
San Rafael, CA 94901

**RE: CAYES MAIN PUMP STATION & CATALINA FORCE MAIN IMPROVEMENT  
CONFIRMATION OF ADDITIONAL SERVICES NO. 1  
SANITARY SEWER EASEMENT & AIR RELIEF VALVE DESIGN**

Dear Doris:

Enclosed is Confirmation of Additional Services No. 2 (CAS 2) to cover additional services for the Cayes Main Pump Station and Catalina Force Main Improvement project. These services include preparation of documents for a Sanitary Sewer Easement (SSE) for the new Bahia Overflow line and design services for replacing an Air Relief Valve (ARV) under the bridge on Bellum Blvd between Kerner and Vista del Mar. Listed below is our scope of services.

1. Sanitary Sewer Easement: CSW|ST2 will preplace a legal description and plat for a 10 foot wide SSE for the new Bahia Overflow line. This easement will begin along the easterly boundary of an existing 30' wide SSE (15 Maps 33) through the City park towards a sanitary sewer manhole located in Gloucester Cove. We have allotted approximately fourteen (14) hours. We assume the District will prepare the deed and coordinate with the City for the appropriate signatures. Deliverables include 8.5x11 Stamped legal description and plat.
2. Air Relief Valve Design: CSW|ST2 will prepare a design to replace the existing ARV located in Bellam Blvd. We will review options to locate this valve either in the island between the travel lanes or at the edge of the bridge. We have allotted time for coordination with District and Contractor. Photos of the existing ARV will be provided by the District due to limited access. Deliverables include 11x17 Stamp Set Design plans.

CSW|ST2 agrees to provide the services described above for the following fees.

1. Sanitary Sewer Easement	\$ 1,900
2. Air Relief Valve Design	\$ 2,000
<b>TOTAL :</b>	<b>\$ 3,900</b>

If you find this Confirmation of Additional Services acceptable, please issue an amendment to our existing agreement to cover these services. If you have any questions, please call me.

Very truly yours,

CSW/STUBER-STROEH ENGINEERING GROUP, INC.



Richard Souza, Project Manager  
R.C.E. #67892

Date: July 15, 2015  
Rev. August 27, 2105  
File: 4.1143.01

# EXHIBIT A

Ms. Doris Toy, District Manager  
San Rafael Sanitation District  
111 Morphew Street  
San Rafael, CA 94901

**RE: CAYES MAIN PUMP STATION & CATALINA FORCE MAIN IMPROVEMENT  
PROJECT  
CONFIRMATION OF ADDITIONAL SERVICES NO. 2**

Dear Doris:

Thank you for allowing CSW/Stuber-Stroeh Engineering Group, Inc. (CSW|ST2) to continue to assist the San Rafael Sanitation District with the ongoing construction and coordination for the District's Cayes Main Pump Station & Catalina Force Main Improvement Project. Enclosed is Confirmation of Additional Services No. 2 (CAS 2) to cover the services we are performing in connection with the above mentioned project and the task items listed below.

1. CSW|ST2 design team provided construction administration beyond the anticipated time frame. This includes time spent on submittals, RFIs, site meetings with Contractor to address various elements which surfaced during construction. Also, this includes additions to the site requested by SRSD. More specifically, CSW|ST2 addressed settlement issues during installation of manhole bases and vaults, relocation of the manhole and pipeline to the pump station due to unknown existing utilities, realignment of facilities due to existing shoring left in place during the construction of the original station built in 1963, field direction to correct depth issues given to the contractor to correct portions of the force main, and minor piping issues.
2. CSW|ST2 design team attend and provided consultation for pre-energize inspection (2 days) in March. We prepared summary notes and coordinated with the District of our findings and recommendations. The original estimate was for one inspection and assumed the Contractor would be ready and manage this inspection. This item also included additional resubmittals for review regarding the "as-builts" for the control panel.

Fees associated with this CAS are \$8,837.

If you find this Confirmation of Additional Services acceptable, please issue a Contract Amendment to our existing agreement to cover these services. Please call, if you have any questions.

Sincerely,

CSW/STUBER-STROEH ENGINEERING GROUP, INC.



for  
Don Curry  
Principal

**CONFIRMATION OF ADDITIONAL SERVICES**

File No.: 4.1143.01 Confirmation No.: 2 Date: 8/27/2015  
Project: CAYES MAIN PUMP STATION AND CATALINA FORCE MAIN IMPROVEMENT PROJECT  
Client: San Rafael Sanitation District

**DESCRIPTION OF WORK:**

Please see attached letter dated August 27, 2015

<b>ORIGINAL CONTRACT PRICE:</b> (Per Contract Dated: 1/27/14 )	\$	232,516.00
<b>Net Changes by Previously Authorized Additional Services:</b>	\$	3,900.00
<b>Contract Sum Prior to this Confirmation:</b>	\$	236,416.00
<b>Amount Contract will be INCREASED / DECREASED for these services:</b>	\$	8,837.00
<b>REVISED CONTRACT PRICE:</b> (Per Date of this Confirmation)	\$	245,253.00
<b>This Completion Time will be Adjusted as follows:</b>		N/A

THE CONTRACT PRICE OF THE ABOVE-REFERENCED CONTRACT IS HEREBY ADJUSTED AS DESCRIBED IN THIS CONFIRMATION OF ADDITIONAL SERVICES AND AS PROVIDED IN THE "CSW|STUBER-STROEH ENGINEERING GROUP, INC. CONTRACT TERMS AND CONDITIONS." IF WE DO NOT RECEIVE WRITTEN AUTHORIZATION WITHIN THREE BUSINESS DAYS AND PROCEED WITH THE WORK COVERED BY THIS CONFIRMATION, THE CONFIRMATION WILL HAVE THE SAME EFFECT AS IF IT WERE SIGNED. ALL OF THE TERMS, COVENANTS AND CONDITIONS OF THE ABOVE-REFERENCED CONTRACT, AND THE ASSOCIATED "CSW|STUBER-STROEH ENGINEERING GROUP, INC. CONTRACT TERMS AND CONDITIONS," EXCEPT AS DULY MODIFIED BY THIS AND PREVIOUS CONFIRMATIONS, IF ANY, REMAIN IN FULL FORCE AND EFFECT.

**PLEASE SIGN AND RETURN BOTH COPIES OF THIS CONFIRMATION. WE WILL RETURN A SIGNED COPY TO YOU FOR YOUR RECORDS.**

**APPROVALS**

CLIENT: SAN RAFAEL SANITATION DISTRICT

CONSULTANT: CSW|STUBER-STROEH ENGINEERING GROUP, INC.

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

6.a.

**SAN RAFAEL SANITATION DISTRICT**  
*Agenda Item No. 6.a.*

**DATE:** October 5, 2015  
**TO:** Board of Directors, San Rafael Sanitation District  
**FROM:** Doris Toy, District Manager/District Engineer  
**SUBJECT:** Request for Proposals for Upcoming Projects

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Staff is currently developing Request for Proposal packages for each of the following projects:

- Woodland Avenue Sewer Improvement Project
- Sun Valley Sewer Replacement Project, Phase II

The Woodland Avenue Sewer Improvement Project includes replacing the sewer on Woodland Avenue, Woodland Place, and Octavia Street. This project will be more complex than most of the District's sewer replacement projects because the homes on Woodland Place sewer at the rear of the properties where many of them have structures that have been built over the sewer lines. Staff is proposing to relocate the sewer lines that serve the homes on Woodland Place to the street in front of the properties. This would include a lot of public outreach, design, and an agreement with each of the homeowners. The District recently completed the sewer replacement project on Warner Court where the new pipe will connect to the new sewer on Woodland Avenue. Warner Court was removed from the larger project because the City was planning to resurface this street during this past summer. However, the City later discovered that Marin Municipal Water District would like to replace its water pipe on Warner Court. Either the City or the District will pave this street next year and will include Woodland Avenue, Woodland Place, and Octavia Street after the sewer project has been completed. The District and the City will discuss cost sharing.

The Sun Valley Sewer Replacement Project, Phase II, will complete the sewer replacement in the Sun Valley neighborhood off of California Avenue (i.e. Alpine Street, Solano Street, Windsor Avenue, and California Avenue between Humboldt Avenue and Windsor Avenue). Similar to Phase I, the sewer main on Alpine and Solano streets are located in the front yards of the homes on the south side of the street, which serves homes on both the north and south sides of the street; the laterals from the homes on the north side cross the street and continue into the opposite neighbors' yards.

Staff has asked neighboring wastewater districts (Novato Sanitary District, Las Gallinas Valley Sanitary District, Ross Valley Sanitary District, and Sanitary District No. 2 [Corte Madera]) for their recommendations on consultants and will send these consultants a copy of the Request for Proposals.