

A G E N D A
SPECIAL MEETING
SAN RAFAEL SANITATION DISTRICT
BOARD OF DIRECTORS
FRIDAY – FEBRUARY 22, 2019 - 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 – December 12, 2018 (Regular Meeting) and
December 12, 2018 (Special Meeting).

3. PAYMENTS

Request approval as submitted.

4. OLD BUSINESS

None

5. NEW BUSINESS

- a. Report on Adoption of Investment Policy.
 - Adopt resolution approving the Marin County investment policy as the investment policy for the San Rafael Sanitation District.
- b. Discuss Larkspur's withdrawal from the CMSA JPA and consider approval of the Amended CMSA Joint Exercise of Powers Agreement.
- c. Consider becoming a party to the Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies.

6. INFORMATIONAL ITEMS

7. DIRECTOR REPORTS/REQUESTS FOR FUTURE AGENDA ITEMS

8. ADJOURNMENT

The next scheduled meeting is March 13, 2019.



SAN RAFAEL SANITATION DISTRICT
Minutes of the Meeting
December 12, 2018

Regular Meeting

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

The meeting was called to order at 9:05 A.M. by Chair Phillips.

Attendance Board: Gary O. Phillips, Chair
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: Alan Zahradnik, Applicant for CMSA Alternate Commissioner
Jason Dow, General Manager of CMSA

1. OPEN PERIOD - No persons were present to address the Board.

2. MINUTES OF SEPTEMBER 24, 2018.

MOTION by Director Bushey, seconded by Chair Phillips, to approve the minutes of the September 24, 2018, meeting as presented.

AYES: Director Bushey, Chair Phillips

NOES: None

ABSTAIN: Director Rice

Motion Carried

The Board skipped to the Payments since Director Rice was not yet present to approve the Minutes for the October 31, 2018, Board meeting.

Director Rice arrived at 9:07 A.M.

3. PAYMENTS

MOTION by Director Bushey, seconded by Director Rice, to approve the payments for October 2018 in the amount of \$1,429,016.60 and for November 2018 in the amount of \$1,009,356.69 for maintenance and operation of the District and for capital improvements.

AYES: Director Bushey, Director Rice, Chair Phillips

NOES: None

ABSENT: None

Motion Carried

2. MINUTES OF OCTOBER 31, 2018.

MOTION by Director Rice, seconded by Director Bushey, to approve the minutes of the October 31, 2018, meeting as presented.

AYES: Director Bushey, Director Rice

NOES: None

ABSTAIN: Chair Phillips

Motion Carried

4. OLD BUSINESS

None.

5. NEW BUSINESS

a. Report on bid opening for the Sanitary Sewer Televising Project 2018 and adopt resolution to award contract.

District Manager Toy reported that this project consists of cleaning and televising 5 miles of sewer main in West San Rafael and then reviewing the videos and assessing and rating the condition of the pipes. She also reported that these results would determine the Districts next group of capital improvement projects. Next, she reported that this project was originally issued for cleaning and televising 10 miles of pipe, but staff later decided to break the project into two phases of 5 miles each after learning that the local plumbing contractors were unable to dedicate their crews to a project for an extended period of time due to their small size and their busy workload. Manager Toy then reported that there were five bidders on this project with an Engineer's Estimate of \$117,963 and that the lowest bidder was Hoffman Southwest Corporation DBA Professional Pipe Services with a bid of \$91,005.53. She reported that staff had checked on their reference and was told that Hoffman is very professional, finishes on time, does not request unnecessary change orders, and had no complaints from the public. She also reported that they are mainly located in Southern California but have a local office in Martinez and had recently done some work for East Bay MUD. Manager Toy reported that this project would probably take approximately 6 weeks to complete. Chairman Phillips then suggested checking to see if Hoffman would be able to clean and televise the original 10 miles of pipe, and Manager Toy agreed to check on that.

MOTION by Director Rice, seconded by Director Bushey, to adopt the resolution awarding the contract to Hoffman Southwest Corporation DBA Professional Pipe Services for the amount of \$91,005.53.

AYES: Director Bushey, Director Rice, Chair Phillips

NOES: None

ABSENT: None

Motion Carried

b. Discuss and approve the cancelation of the January 9, 2019, Board meeting.

The Board approved the cancellation of the January 9, 2019, Board meeting.

6. INFORMATIONAL ITEMS.

a. The City of Larkspur's withdrawal from the CMSA JPA.

CMSA General Manager Jason Dow reported that the City of Larkspur is looking at withdrawing from the CMSA JPA. He reminded the Board that in 2017 an Ad-Hoc Committee was formed by members from each of the JPA agencies. He also reported that the Ad-Hoc Committee spent approximately a year amending and revising the 1979 CMSA JPA Agreement and that Larkspur was a signatory on the amended Agreement. Manager Dow then reported that he had attended a Larkspur City Council meeting last month and that the Council had a discussion item regarding withdrawal from the JPA, which they tied to the LAFCO Central Marin Wastewater Municipal Service Review. He reported that this Review contained a recommendation that Larkspur consider withdrawal from the JPA because it has no wastewater business or infrastructure. He also reported that there was a Senate Bill that had been passed which states that JPA agencies are responsible for a JPA organization's unfunded pension liability if the JPA organization dissolves or if the Agreement is terminated. Next, Manager Dow reported that the Larkspur City Council was going to consider a letter to CMSA to withdraw from the JPA at tonight's Council meeting. He also reported that there are a few minor revisions that will need to be made to the CMSA JPA if Larkspur decides to withdraw. Manager Dow then reported that there will be no financial or operational consequences if Larkspur withdraws since all of Larkspur's property owners are serviced by the Ross Valley Sanitary District. Manager Dow reported that he had spoken to CMSA's Bond and Disclosure Counsel about this matter and reported that CMSA planned to obtain either documentation from the rating agencies or an opinion from the Bond Counsel in order to document that Larkspur's withdrawal would not impact the bond holders, as required by the Bond Payment Agreement. Manager Dow reported that if the Larkspur City Council approves the withdrawal of Larkspur from the CMSA JPA, then CMSA would recommend reconvening the Ad-Hoc Committee in order to discuss potential amendments to the JPA.

7. DIRECTOR REPORTS/REQUESTS FOR FUTURE AGENDA ITEMS.

a. Request for Review of CIPs.

Chairman Phillips requested an update on the CIP.

8. ADJOURNMENT

There being no further business to come before the Board, the meeting of December 12, 2018, was adjourned at 9:23 A.M. The next meeting of the San Rafael Sanitation District scheduled for Wednesday, January 9, 2019, was cancelled, and the February meeting was scheduled for Wednesday, February 13, 2019. This meeting was later cancelled and scheduled for Friday, February 22, 2019, at 9:00 A.M. at San Rafael City Hall.

Respectfully submitted,

Maribeth Bushey, Recording Secretary

ATTEST THIS 22nd DAY OF FEBRUARY 2019

Gary O. Phillips, Chair

SAN RAFAEL SANITATION DISTRICT
Minutes of the Meeting
December 12, 2018



Special Meeting

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

The meeting was called to order at 9:24 A.M. by Chair Phillips.

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

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

Attendance Marc Solomon, Applicant for CMSA Alternate Commissioner
Others: Alan Zahradnik, Applicant for CMSA Alternate Commissioner
 Jason Dow, General Manager of CMSA

1. Interviews of Applicants and Consideration of Appointments to Fill the Position of Alternate Commissioner to Represent the San Rafael Sanitation District on the CMSA Board of Commissioners.

The SRSD Board interviewed the following applicants:
Marc Solomon and Alan Zahradnik

MOTION by Director Rice, seconded by Director Bushey, to appoint Alan Zahradnik as the second Alternate Commissioner and Marc Solomon as the third Alternate Commissioner to represent the San Rafael Sanitation District on the CMSA Board of Commissioners.

AYES: Director Bushey, Director Rice, Chair Phillips
NOES: None
ABSENT: None

Motion Carried

ADJOURNMENT: 9:54 A.M.

Respectfully submitted,

Maribeth Bushey, Recording Secretary

ATTEST THIS 22nd DAY OF FEBRUARY 2019

Gary O. Phillips, Chair

3.

SAN RAFAEL SANITATION DISTRICT
PAYMENT SUMMARY
 December 1, 2018 - December 31, 2018

Vendor/Payee	Memo	Class	Acct #	Account Name	Amount
ABLE FENCE CO., INC.	Pump Stations - new chain link entry gate at Beach Drive Fiberglass Pump Station	200	2359	Maint- pump sta's & force mains	1,750.00
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 10/24/18	200	2021	Uniforms	137.72
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 11/28/18	200	2021	Uniforms	431.71
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 12/05/18	200	2021	Uniforms	151.36
AT&T *4667	Telephone Service - pump station dialers to CMSA from 10/20/18-11/19/18	100	2534	Telephone service	240.18
AT&T *8362	Telephone Service - land lines for pump stations and dialers from 11/02/18-12/01/18	100	2534	Telephone service	328.44
BXPRESS	Sanitary Sewer Televising Project 2018 - plans & specs	300	4301	Sewer Syst cond/capacity (80)	529.09
CAL-STEAM CO INC	Pump Stations - brackets for air release valves	200	2359	Maint- pump sta's & force mains	7.39
CAL-STEAM CO INC	Pump Stations - parts for air release valves	200	2359	Maint- pump sta's & force mains	128.97
CAL-STEAM CO INC	Pump Stations - parts for air release valves	200	2359	Maint- pump sta's & force mains	159.54
COUNTY OF MARIN - Public Works Dept	Pump Stations - Bret Harte Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	312.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - Cayes Main Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - Glenwood Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - Loch Lomond Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - North Francisco Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - Peacock Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - Riviera Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - San Pedro Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - Simms Street Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
COUNTY OF MARIN - Public Works Dept	Pump Stations - West Railroad Pump Station Hazardous Materials Permit	200	2359	Maint- pump sta's & force mains	370.00
CSW/STUBER-STROEH ENGR GROUP INC.	Miramar/Miraflores Sewer Replacement Project - engineering services through 11/18/18	300	4306	Miramar and Miraflores (80)	4,794.25
DAVID M. BERNARDI	N. Francisco Force Main Relocation Project - services from 10/01/18-11/30/18	300	4152	North Francisco Force Main (10)	1,870.00
EWERS ENGINEERING INC	Force Main Condition Assessment, Program Development, Phase 2 - engineering services from 8/08/18-12/07/18	300	4151	Force Main Condition Assess(10)	20,885.64
FASTENAL	Pump Stations - parts to secure air release valves in manholes	200	2359	Maint- pump sta's & force mains	26.76
FASTENAL	Pump Stations - straps for generator tarps	200	2359	Maint- pump sta's & force mains	14.66
FEDERAL EXPRESS CORPORATI	Caltrans San Rafael Harbor Bridge - storm water discharge permit documents to SWRCB	300	4331	Caltrans SR Harbor Bridge (80)	22.50
FEDERAL EXPRESS CORPORATI	Caltrans San Rafael Harbor Bridge - storm water discharge permit payment to SWRCB	300	4331	Caltrans SR Harbor Bridge (80)	24.94
GOLDEN STATE LUMBER INC	San Pedro Pump Station Improvements Project - wood and concrete mix for fence at San Pedro PS	300	4147	San Pedro Pump Station (10)	103.45
GREATLAND	Office Supplies - check reorder for 1,500 checks	100	2133	Office & shop supplies	353.16
JACKSON'S HARDWARE	Pump Stations - oil for equipment	200	2359	Maint- pump sta's & force mains	29.42
JACKSON'S HARDWARE	Pump Stations - tarps for pump station generators and tool box to put on vehicle #8154	200	2359	Maint- pump sta's & force mains	221.24
JACKSON'S HARDWARE	Safety - steel toe rubber boots	200	2365	Safety equipment and supplies	29.42
JACKSON'S HARDWARE	Shop Supplies - boot scrubber	200	2133	Office & shop supplies	21.79
MAHER ACCOUNTANCY	Accounting Services - December	100	2717	Accounting services	3,600.00
MARIN COUNTY TAX COLLECTOR	Office Supplies - business cards for Senior Civil Engineer and Junior Engineer	100	2133	Office & shop supplies	28.00
PAC MACHINE CO	San Pedro Pump Station Improvements Project - connectors for generator interface panel	300	4147	San Pedro Pump Station (10)	34.88
PARK ENGINEERING, INC	Sewer Pipe Repair 2018, Phase 1 - design services 11/05/18-12/02/18	300	4332	Sewer Pipe Repair '18, Phs1(80)	7,766.20
PG&E a/c 2001198978-5	Power - electric service for San Pedro Pump Station 10/02/18-10/29/18	200	2535	Electric utility costs	819.48
PG&E a/c 2001198978-5	Power - electric service for San Pedro Pump Station 10/30/18-11/08/18	200	2535	Electric utility costs	425.28

PG&E a/c 2480926202-5	Power - electric service for pump stations 10/09/18-11/07/18	200	2535	Electric utility costs	12,835.62
ROTO-ROOTER SEWER SERVICE INC	Collection System - spot repair at 16 Alexander Avenue	200	2360	O&M - collection systems	5,560.00
STAPLES INC	Office Supplies - ink for shop printer	100	2133	Office & shop supplies	152.59
STATE WATER RESOURCES CONTROL BOARD	Memberships - SWRCB annual permit fee 7/01/18-6/30/19	100	2131	Memberships and subscriptions	2,286.00
TUNE, JOHN	Pump Stations - annual backflow testing for San Pedro Pump Station	200	2359	Maint- pump sta's & force mains	80.00
US BANK CORPORATE PAYMENT	Subscriptions - Marin Independent Journal for 8 weeks	100	2131	Memberships and subscriptions	112.00
VERIZON WIRELESS	Telephone Service - wireless service for laptops 10/21/18-11/20/18	100	2534	Telephone service	266.07
WATER COMPONENTS & BLDG SUPPLY	Collection System - parts for sewer lateral repair at 92 Bret Harle Rd.	200	2360	O&M - collection systems	528.45
WATER COMPONENTS & BLDG SUPPLY	Pump Stations - torch head	200	2359	Maint- pump sta's & force mains	89.22
WOODLAND CTR AUTO SUPPLY	Pump Stations - fuses for pump stations	200	2359	Maint- pump sta's & force mains	6.34
WORKSMART AUTOMATION, INC	Pump Stations - troubleshooting SCADA problems	200	2359	Maint- pump sta's & force mains	1,160.00
				\$	71,479.76

3.


SAN RAFAEL SANITATION DISTRICT
PAYMENT SUMMARY
January 1, 2019 - January 31, 2019

Vendor/Payee	Memo	Class	Acct #	Account Name	Amount
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 12/26/18	200	2021	Uniforms	197.86
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 1/02/19	200	2021	Uniforms	165.19
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 1/09/19	200	2021	Uniforms	182.31
AT&T *4667	Telephone Service - pump station dialers to CMSA from 11/20/18-12/19/18	100	2534	Telephone service	240.18
AT&T *8362	Telephone Service - land lines for pump stations and dialers from 12/02/18-1/01/19	100	2534	Telephone service	330.13
AT&T MOBILITY	Telephone Service - cell phone service from 11/04/18-12/03/18	100	2534	Telephone service	684.89
AT&T MOBILITY	Telephone Service - cell phone service from 12/04/18-1/03/19	100	2534	Telephone service	138.97
BAY AREA BARRICADE SERVICE	Pump Stations - parts	100	2325	Consulting services	712.50
CALIFORNIA CAD SOLUTIONS INC	Consulting Services - manual billing updates	100	4188	Facilities mapping services	75.00
CALIFORNIA CAD SOLUTIONS INC	Facilities Mapping Services - Zone 8 cleaning system updates 9/19/18	300	4151	Force Main Condition Assess(10)	5,940.00
CALIFORNIA CAD SOLUTIONS INC	SRSDForce Main Condition Assessment - "Data as a Service" from 2/01/19-1/31/20	100	2059	General insurance	116,332.22
CALIFORNIA SANITATION RISK MGMT ATH	General Insurance - primary insurance renewal for 2019	300	4147	San Pedro Pump Station (10)	399.94
CAL-STEAM CO INC	San Pedro Pump Station - backflow preventer	300	4331	Caltrans SR Harbor Bridge (80)	1,407.25
CAPITAL FLOW, INC.	Caltrans San Rafael Harbor Bridge - pipe storage and delivery costs	200	2210	Connection fees payable crmsa	164,925.37
CENTRAL MARIN SANITATION AGENCY	CMSA Connection Fees - Laurel Dell Elementary School and Davidson Middle School	400	4112	Sewage treatment - debt service	377,485.50
CENTRAL MARIN SANITATION AGENCY	Debt Service - semi-annual debt service payment for 3/1/19	400	4113	Sewage treatment	1,167,945.82
CENTRAL MARIN SANITATION AGENCY	Service Charges - third quarter service charges for FY2018-19, 1/01/19-3/31/19	100	2361	Contract with San Rafael	780,593.83
CITY OF SAN RAFAEL	Contract with San Rafael - 2nd quarter 2018-19	100	2361	Contract with San Rafael	780,593.83
CITY OF SAN RAFAEL	Contract with San Rafael - 3rd quarter 2018-19	200	2083	Parts and repairs vehicles	90.00
CITY OF SAN RAFAEL	Vehicles - service for vehicle #8199	100	2282	Director's fees	100.00
COUNTY OF MARIN	Director's Fees - Katie Rice on 12/12/18	300	4306	Miramar and Miraflores (80)	17,948.00
CS/WSTUBER-STROEH ENGR GROUP INC.	Miramar/Miraflores Sewer Replacement Project - sanitary sewer rehab through 12/16/18	100	2051	Claims and deductibles	1,588.38
DAMAGE RECOVERY	Claims & Deductibles - reimbursement for vehicle damage caused by manhole cover	200	2106	Odor control chemicals	10,167.98
EVOQUA WATER TECHNOLOGIES, LLC	Odor Control - odor control chemicals for Cayes Main, Glenwood, and Riviera PS delivered on 11/23/18	200	2359	Maint- pump sta's & force mains	19.00
FASTENAL	Pump Stations - air release valves	100	2051	Claims and deductibles	300.00
FLEJTUCH, GREG	Claims & Deductibles - reimbursement for plumbing services at 38 Vineyard Drive	200	2359	Maint- pump sta's & force mains	12,423.82
FRANK OLSEN CO	Pump Stations - new air release valves	300	4331	Caltrans SR Harbor Bridge (80)	229,533.93
GHILOTTI BROS.	Caltrans San Rafael Harbor Bridge - sewer relocation project 2018, Progress Payment # 1	300	4147	San Pedro Pump Station (10)	73.94
GOLDEN STATE LUMBER INC	San Pedro Pump Station Improvements Project - lumber and concrete mix for fence repair	200	2359	Maint- pump sta's & force mains	10.89
JACKSON'S HARDWARE	Pump Stations - ant bait for Baypoint Lagoon Pump Station	300	4147	San Pedro Pump Station (10)	15.30
JACKSON'S HARDWARE	San Pedro Pump Station Improvements Project - fasteners and screws for fence repair at San Pedro PS	100	2282	Director's fees	100.00
MARIBETH BUSHEY	Director's Fees - Maribeth Bushey on 12/12/18	100	2321	Public outreach	1,240.66
MARIN COUNTY TAX COLLECTOR	Public Outreach - printing and assembly of 2,500 doorknob hangers	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - 44 Lagoon Rd. from 10/17/18-12/14/18	200	2536	Water utility costs	768.33
MARIN MUNICIPAL WATER DIS	Water - 220 Tamal Vista Blvd. from 11/01/18-12/31/18 - water for vactor truck	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - 1271 Andersen Dr. from 10/11/18-12/10/18	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - 3106 Kerner Blvd. from 10/16/18-12/13/18	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - Andersen Dr. from 10/11/18-12/10/18	200	2536	Water utility costs	229.04
MARIN MUNICIPAL WATER DIS	Water - Castro Ave. from 10/13/18-12/12/18	200	2536	Water utility costs	85.76
MARIN MUNICIPAL WATER DIS	Water - Catalina Blvd. from 10/13/18-12/12/18	200	2536	Water utility costs	50.55
MARIN MUNICIPAL WATER DIS	Water - E. Francisco Blvd. from 10/13/18-12/12/18	200	2536	Water utility costs	

MARIN MUNICIPAL WATER DIS	Water - E Francisco Blvd. from 10/16/18-12/13/18	200	2536	Water utility costs	214.84
MARIN MUNICIPAL WATER DIS	Water - Montecito Rd. from 10/16/18-12/13/18	200	2536	Water utility costs	85.05
MARIN MUNICIPAL WATER DIS	Water - N San Pedro Rd. from 10/17/18-12/14/18	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - Peacock Dr. from 10/17/18-12/14/18	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - Pt San Pedro Rd. from 10/16/18-12/13/18	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - Riviera Dr. from 10/17/18-12/14/18	200	2536	Water utility costs	46.57
MARIN MUNICIPAL WATER DIS	Water - Simms St. from 10/11/18-12/10/18	200	2536	Water utility costs	50.55
MARIN MUNICIPAL WATER DIS	Water - Woodland Ave. from 10/11/18-12/10/18	200	2536	Water utility costs	50.55
MARIN ROTO-ROTER SEWER SERVICE, INC	Standby - service at 10 Spring Grove Avenue	200	2363	Standby services	1,955.00
MARIN ROTO-ROTER SEWER SERVICE, INC	Standby - service at 25 Vineyard Drive	200	2363	Standby services	650.00
MARIN ROTO-ROTER SEWER SERVICE, INC	Standby - service at 52 Robinhood Drive	200	2363	Standby services	650.00
MARIN ROTO-ROTER SEWER SERVICE, INC	Standby - service at 344 Knight Drive	200	2363	Standby services	325.00
MARIN ROTO-ROTER SEWER SERVICE, INC	Standby - service at 610 Third Street	200	2363	Standby services	1,300.00
OWEN EQUIPMENT SALES	Collection System - hose end weld fitting	200	2360	O&M - collection systems	131.90
PARK ENGINEERING, INC	Sewer Pipe Repair 2018, Phase 1 - design services 12/03/18-12/31/18	300	4332	Sewer Pipe Repair '18, Phs1(80)	4,779.20
PERIN - BATTERIES PLUS	Pump Stations - battery for auto dialer at South Francisco PS	200	2359	Maint- pump sta's & force mains	15.21
PG&E a/c 2480926202-5	Power - electric service for pump stations 11/08/18-12/09/18	200	2535	Electric utility costs	13,875.34
PHILLIPS, GARY	Director's Fees - Gary O. Phillips on 12/12/18	100	2282	Director's fees	100.00
PLATT	Pump Stations - fuses for shop stock	200	2359	Maint- pump sta's & force mains	18.85
PLATT	Pump Stations - heater for Sea Way Pump Station	200	2359	Maint- pump sta's & force mains	15.08
PLATT	Pump Stations - ventilation fan for Sea Way PS and light bulbs for Loch Lomond PS	200	2359	Maint- pump sta's & force mains	380.12
PUMP REPAIR SERVICE CO	Pump Stations - replace pump at Bedford Pump Station	200	2359	Maint- pump sta's & force mains	7,290.72
PUMP REPAIR SERVICE CO	Pump Stations - replace pump at Biscayne Pump Station	200	2359	Maint- pump sta's & force mains	7,050.72
STAPLES INC	Office Supplies - miscellaneous office supplies	100	2133	Office & shop supplies	56.66
STAPLES INC	Office Supplies - miscellaneous office supplies	100	2133	Office & shop supplies	450.33
STAPLES INC	San Pedro Pump Station Improvements Project - telephone for San Pedro PS	300	4147	San Pedro Pump Station (10)	27.24
TELSTAR INSTRUMENTS INC	Pump Stations - repairs to Glenwood Pump Station	200	2359	Maint- pump sta's & force mains	1,750.20
TELSTAR INSTRUMENTS INC	Pump Stations - replaced VFDs at Biscayne Pump Station	200	2359	Maint- pump sta's & force mains	3,817.38
TIFCO INDUSTRIES	Pump Stations - anti-seize compound and glass cleaner	200	2359	Maint- pump sta's & force mains	154.77
TRANSBAY SECURITY SERVICE	San Pedro Pump Station Improvements Project - padlocks for San Pedro Pump Station	300	4147	San Pedro Pump Station (10)	740.11
TUNE, JOHN	Pump Stations - annual backflow testing and repair at San Pedro Pump Station	200	2359	Maint- pump sta's & force mains	105.00
UNITED TEXTILE	Shop Supplies - rags	200	2133	Office & shop supplies	168.87
US BANK CORPORATE PAYMENT	Office Supplies - phone case and phone screen protector	100	2133	Office & shop supplies	28.32
US BANK CORPORATE PAYMENT	Pump Stations - sump pump for Beach Drive Fiberglass PS	200	2359	Maint- pump sta's & force mains	471.00
US BANK CORPORATE PAYMENT	Pump Stations - UPS for Beach Drive Fiberglass PS	200	2359	Maint- pump sta's & force mains	81.74
VALENTINE CORPORATION	San Pedro Pump Station Improvements Project - Progress Payment #9	300	4147	San Pedro Pump Station (10)	153,805.00
VERIZON WIRELESS	Telephone Service - wireless service for laptops 11/21/18-12/20/18	100	2534	Telephone service	266.07
WATER COMPONENTS & BLDG SUPPLY	Collection System - adjustable valve key	200	2360	O&M - collection systems	191.33
WATER COMPONENTS & BLDG SUPPLY	Pump Stations - fire hose gasket for portable pump hoses	200	2359	Maint- pump sta's & force mains	8.11
WATER COMPONENTS & BLDG SUPPLY	Pump Stations - parts for moving discharge pipe at Beach Drive Fiberglass PS	200	2359	Maint- pump sta's & force mains	165.77
WOODLAND CTR AUTO SUPPLY	Pump Stations - pump belts for fiberglass pump station	200	2359	Maint- pump sta's & force mains	26.36
WORKSMART AUTOMATION, INC	San Pedro Pump Station Improvements Project - programming services	300	4147	San Pedro Pump Station (10)	13,650.00
					\$ 3,889,052.17

5.a.

SAN RAFAEL SANITATION DISTRICT
Agenda Item 5a.

DATE: February 22, 2019
TO: Board of Directors, San Rafael Sanitation District
FROM: Doris Toy, District Manager/District Engineer 
SUBJECT: **Adoption of Investment Policy**

RECOMMENDATION:

Approve and adopt the *Statement of Investment Policy, FY 2018-2019* of the County of Marin as the investments policy for the San Rafael Sanitation District.

BACKGROUND/SUMMARY:

The California Government Code Section 53600 requires all California special districts to adopt an investment policy annually. The District utilizes the services of the Marin County to collect its revenues, disburse expenses, and to invest its cash not required for immediate use. The County of Marin invests all of its cash and cash held in custody for other Marin County special districts in accordance with its Statement of Investment Policy adopted annually by the Marin County Board of Supervisors. The Marin County investment policy meets the requirements of the California Government Code as well as County-specific requirements such as the Nuclear Freeze Ordinance Measure A approved by Marin voters in 1986. The Marin County investment policy is audited annually for conformance with its stated policy and California law.

The District maintains all of its cash with the County of Marin's pooled cash and investments. Given that the District does not independently manage investments, the District's investments, therefore, conform with those of the County of Marin to the extent of its pro-rata share of the aggregate investment pool. Accordingly, the investments policy of the County of Marin effectively serves as the investments policy of the District.

FINANCIAL IMPACT:

None.

Attachments: District Resolution
County of Marin Statement of Investment Policy, FY 2018-2019

SAN RAFAEL SANITATION DISTRICT

RESOLUTION NO. 19-1186

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN RAFAEL SANITATION DISTRICT
TO APPROVE THE INVESTMENT POLICY
OF THE COUNTY OF MARIN AS THE INVESTMENT POLICY
FOR THE SAN RAFAEL SANITATION DISTRICT**

WHEREAS, all California Special Districts are required by the California Government Code to adopt an investment policy annually; and

WHEREAS, the District does not independently manage investments but rather utilizes the services of the County of Marin for most of its cash management needs; and

WHEREAS, the County of Marin invests the District's cash as well as all other cash in its custody in accordance with its *Statement of Investment Policy* adopted annually by the Marin County Board of Supervisors and audited annually by the County's external auditors; and

WHEREAS, the District's investments are its pro-rata share of the aggregate Marin County pool.

NOW, THEREFORE, BE IT HEREBY RESOLVED to approve and adopt the *Statement of Investment Policy, FY 2018-19* of the County of Marin as the investment policy for the San Rafael Sanitation District.

PASSED AND ADOPTED by the Board of Directors of the San Rafael Sanitation District at a special meeting held on February 22, 2019, by the following vote:

AYES:

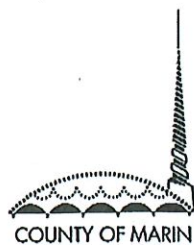
NOES:

ABSENT/ABSTAIN:

Gary O. Phillips, Chair

ATTEST:

Maribeth Bushey, Secretary



DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA
DIRECTOR

Mina Martinovich, CPA
ASSISTANT DIRECTOR

Board of Supervisors
County of Marin
Civic Center
San Rafael, CA 94903

December 4, 2018

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Subject: 2018/2019 Annual Statement of Investment Policy

Dear Board Members:

Recommendation: Pursuant to Government Code Section 53646, the following are submitted for review and approval:

- 2018/2019 Annual Statement of Investment Policy for funds managed by the Treasurer's office for the County, schools, college and Special Districts; and
- 2018/2019 Marin County Long-Term Investment Pool Policy for funds managed by the Treasurer's office for the Marin County General Fund;

Summary: There are no changes to the 2018/2019 Annual Statement of Investment Policy; it has been reviewed and monitored by the County Treasury Oversight Committee. The committee's membership is listed below. The authority for the committee and their responsibilities are contained in Government Codes sections 27130-27137.

Additionally, the 2018/2019 Annual Statement of Investment Policy is reviewed and monitored monthly by Fitch Ratings, an independent rating agency. Their report is attached. We continue with a rating of AAA/S1. The County's AAA rating has been maintained since 1994. The rating received is reflective of the outstanding work of the Treasury unit.

Alternative Recommendation: N/A

Reviewed by: Finance Department N/A
 County Counsel N/A
 Administrator N/A

Respectfully submitted,

 Roy Given
 Director of Finance

04-56

cc: Treasury Oversight Committee:

Matthew Hymel, County Administrator

Dan Eilerman, Alternate Representative, County Administrator

Mary Jane Burke, Marin County Superintendent of Schools

Dan Hom, Special Districts Representative

Mike Watenpaugh, San Rafael City Schools Superintendent

Jean Bonander, Public Member

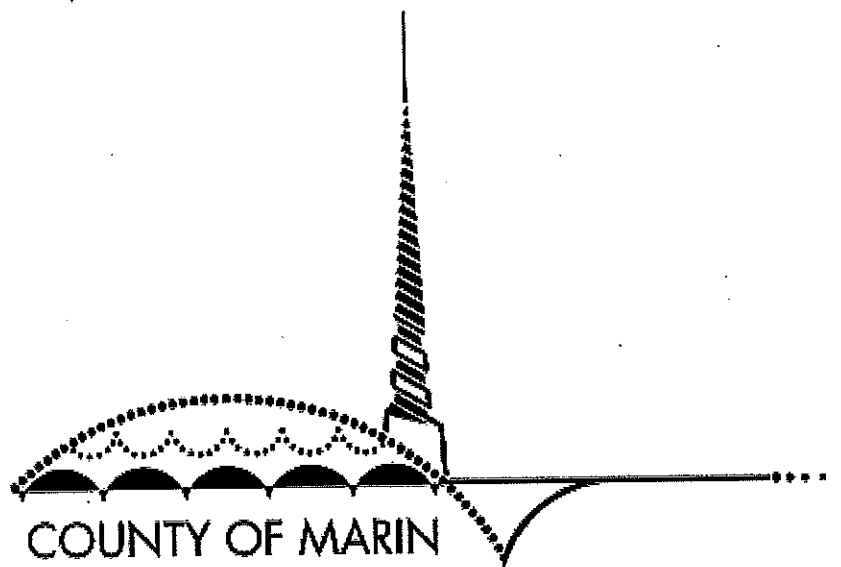
Roy Given, Director of Finance

Marin County School Districts

Special Districts

MCERA

STATEMENT OF INVESTMENT POLICY



***Department of Finance
Roy Given, Director***

Fiscal Year 2018-2019

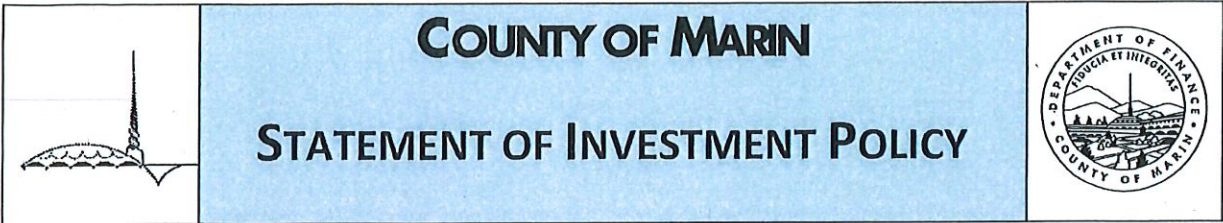
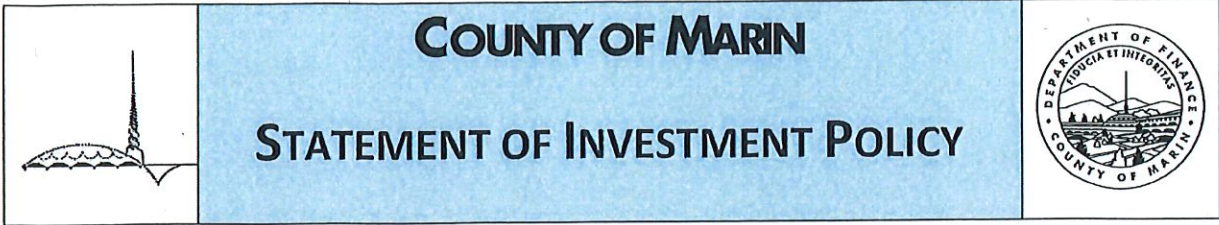


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Under the authority delegated to the Director of Finance by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

I. OBJECTIVES:

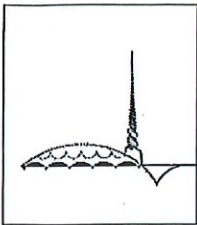
All funds on deposit in the County Treasury shall be invested in accordance with the California Government Code Sections 53600 et seq. and Sections 53639 et seq. to ensure:

- (a) **Preservation of capital** through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient **liquidity** to enable the participants and other depositors to meet their operating requirements;
- (c) A **rate of return** consistent with the above objectives.

2. PARTICIPANTS

Participants in the Marin County Pool are defined as Marin County, Marin Public School Agencies, Marin Community College, Marin County Office of Education, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Director of Finance and any other district or agency approved by the Board of Supervisors and the Director of Finance using the County of Marin as their fiscal agent.

- (a) **Statutory participants** are those government agencies within the County of Marin for which the Marin County Treasurer is statutorily designated as the Custodian of Funds.
- (b) **Voluntary participants** are other local agencies that may participate in the Pooled Investment Fund, such as special districts and cities for which the Marin County Treasurer is not statutorily designated as the Custodian of Funds. Participation is subject to approval by the Director of Finance, and in accordance with California Government Code Section 53684.



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY



3. *AUTHORIZED PERSONS*

Authorized persons for investment purposes include principal staff as designated by the Director of Finance on the Authorized Investor List. Designated Principal Staff shall make all investment decisions. To minimize the risk of disrupting the day to day business activities, Principal Staff shall use separate means of travel to attend training and conferences.

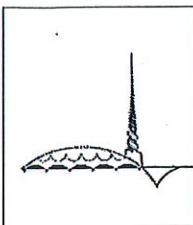
All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the participants.

4. *BIDS & PURCHASE OF SECURITIES*

Prior to the purchase of an investment pursuant to this policy the persons authorized to make investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and thirdly, yield. Investments in commercial paper, bankers acceptances and certificates of deposit for each issuer shall be limited to five percent (5%) of Treasury assets, determined using the Treasury balance at the time of purchase, except that investments in overnight commercial paper shall be limited to seven percent (7%) of Treasury assets for any one issuer. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated.

5. *TERM*

Maturities of investments in the Marin County Treasury Pool shall be selected based upon liquidity requirements. The maximum remaining term to maturity for an investment shall be three (3) years; except that, subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq. of the California Government Code, the Director of Finance may authorize investments in U.S. Treasury obligations and/or U.S. and local agency obligations with a maximum remaining term to maturity that shall not exceed five (5) years. The weighted average maturity of the investment pool, to be determined at the time of purchase, shall not exceed 540 days to final maturity/call.



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY



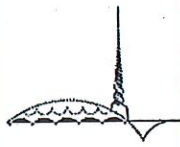
Capital Funds, Construction Funds, or money obtained through the sale of agency surplus property, may be invested by the Director of Finance in specific investments outside of the Pool provided the Director of Finance obtains written approval from the governing board of the County, School District or Special District. No investment shall have a remaining maturity in excess of five (5) years.

Proceeds of Debt Issues set aside for repayment of any County, School District, or Special District financings shall not be invested for a term that exceeds the term set forth in the financing documents.

6. ALLOWED INVESTMENTS

Pursuant to California Government Code Sections 53601 et seq. and 53635 et seq., the County Director of Finance may invest in the following subject to the limitations as set forth:

- (a) **United States Treasury obligations.**
- (b) **United States Agency obligations.**
- (c) **Securities of U.S. Government Agencies & Instrumentalities**
- (d) **State of California Bonds and Registered Warrants.**
- (e) **Bonds, Notes, Warrants** or other evidence of indebtedness of a **local agency** within the State of California.
- (f) **Bankers acceptances** not to exceed one hundred eighty (180) days to maturity or at the time of purchase thirty percent (30%) of the treasury fund balance.
- (g) **Commercial paper** of "prime" quality of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation, to be chosen from among corporations organized and operating within the United States with assets in excess of \$500,000,000.00 and having an "A" or higher rating for the issuer's debt, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed two hundred seventy (270) days in maturity and may not exceed forty percent (40%) of the treasury fund balance.
- (h) **Negotiable certificates of deposit** issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Director of Finance. Negotiable certificates of deposit may not exceed thirty percent (30%) of the treasury fund balance.



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY



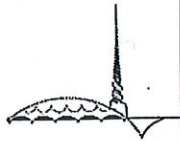
i) **Non-negotiable certificates of deposit (Time Deposits)** with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation using criteria employed by the County Director of Finance fully collateralized at one hundred ten percent (110%) of market value with U.S. Government Securities, high-grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at one hundred fifty percent (150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

(j) **Medium-term Notes** rated "A" or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed thirty percent (30%) of the treasury fund balance.

(k) **Shares of beneficial interest issued by diversified management companies**, which are money market funds investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking or the highest letter and numerical rating provided by no less than two nationally recognized statistical rating organizations and have assets under management in excess of \$500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of shares in any one mutual fund may not exceed ten percent (10%) of the treasury balance and the total invested may not exceed twenty percent (20%) of the treasury balance. Shares of beneficial interest issued by diversified management companies may include shares in investment trusts established under provisions of the California Joint Exercise of Powers Act.

(l) **Repurchase agreements** on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Director of Finance or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality and liquidity.

(m) **California State Local Agency Investment Pool (LAIF)** operated by the State Treasurer's office.



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY



(n) **Financial Institution Investment Accounts** All funds on deposit with the County shall be managed by the Director of Finance. The Director of Finance may, at his option, at the time of placement, place not more than five percent (5%) of the Treasury assets at the time of investment with a financial institution for the purpose of managing such funds. Securities eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a "AAA" credit quality rating, must be held in the County's name in a third party custody account, may not have a remaining maturity in excess of three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by designated staff on the Authorized Investor List.

Where a percentage limitation is specified for a particular category of investments, that percentage is applicable only at the time of purchase.

7. PROHIBITED INVESTMENTS

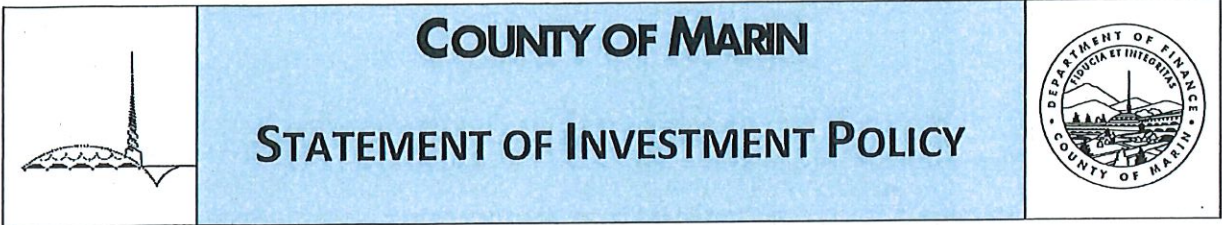
(a) The County Director of Finance **shall not invest** in any **Derivatives** such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.

(b) The County Director of Finance shall not invest any funds in any security that could result in **zero interest accrual** if held to maturity or where there is a risk of loss of principal when held to maturity.

(c) **Reverse repurchase agreements**, securities lending agreements and all other investments that are not specifically allowed by this investment policy are prohibited.

(d) In accordance with Marin County's Nuclear Freeze Ordinance Measure "A" (Exhibit 1) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a **nuclear weapons contractor**.

Furthermore, said corporations or business entities that the County Director of Finance does invest in must file an affidavit as required by Measure "A" Section VI. B certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy of each affidavit received shall be sent to the Peace Commission.



8. BROKERS

Broker/dealers shall be selected by the Director of Finance upon recommendation by the Investment Officer or designated principal staff on the Authorized Investor List. Selection of broker/dealers shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Director of Finance shall be prohibited from selecting any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. The broker/dealers shall be provided with and acknowledge receipt of the County Investment Policy.

9. WITHDRAWALS

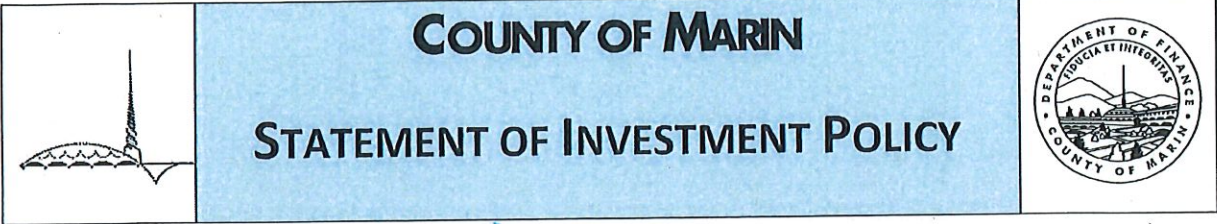
No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Director of Finance. The Director of Finance shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors. Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. Notice in writing of at least five (5) business days shall be required for withdrawals in excess of \$250,000.00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

10. SWAPS

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. LOSSES

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.



12. DELIVERY & SAFEKEEPING

Delivery of all securities shall be through a third party custodian. Non-negotiable certificates of deposit and notes of local agencies may be held in the Director of Finance's safe. The County's safekeeping agent shall hold all other securities. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. Persons authorized under section three (3) who did not originate the investment transaction shall review all confirmations for conformity with the original transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Director of Finance shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. CONFLICT OF INTEREST

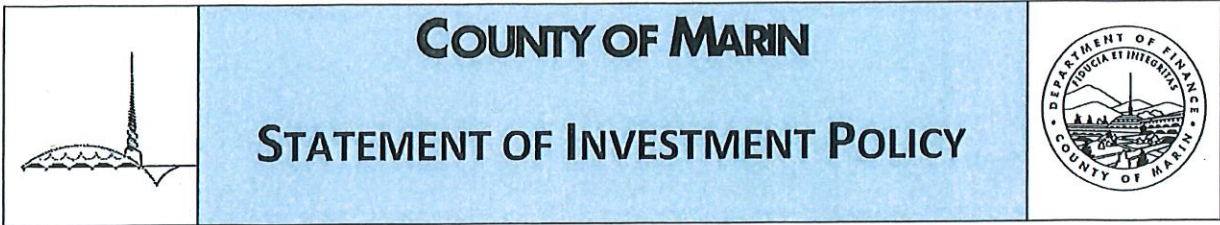
A member of the county treasury oversight committee, the County Director of Finance or County employees working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business, consistent with state law.

15. AUDITS

The County of Marin investment portfolio shall be subject to a process of independent review by the County's external auditors. The County's external auditors shall review the investment portfolio in connection with the annual county audit for compliance with the statement of investment policy pursuant to Government Code Section 27134. The results of the audit shall be reported annually to the Director of Finance and the Marin County Treasury Oversight Committee.

15.1 Compliance Audit: Government Code Section 27134

The Treasury Oversight Committee shall cause an annual audit to be conducted to determine the County Treasury's compliance with Article 6 of the Government Code. This audit may include issues relating to the structure of the investment portfolio and risk



16. REVIEW

The Director of Finance and designated staff will perform a monthly review of the investment function.

17. REPORTS

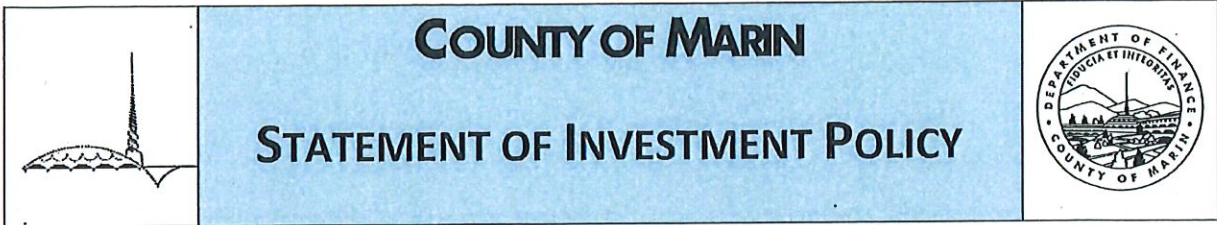
The Director of Finance shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Director of Finance shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, Marin Public School Agencies, Special Districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request.

18. INVESTMENT POLICY

The County Director of Finance shall prepare and submit an annual statement of investment policy to the Board of Supervisors.

19. TREASURY OVERSIGHT COMMITTEE

Consistent with State law the County has established a Treasury Oversight Committee. The Committee includes representatives from the County of Marin, Superintendent of Schools' Office, School Districts and Special Districts. The Committee shall review and monitor the Investment Policy as contained in California Government Code Sections 27130 – 27137.



20. DISASTER /BUSINESS CONTINUITY PLAN

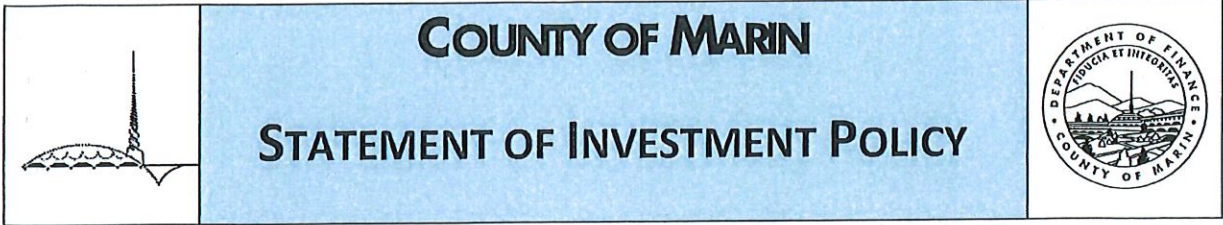
The County of Marin's banking and investment functions are mission critical and as such, the office must have a business continuity plan.

The goal of a disaster/business recovery plan is to protect and account for all funds on deposit with the county treasury and to be able to continue our banking and investment functions for all participants in the event of an occurrence (Earthquake, Fire, Pandemic or other event) which disrupt normal operations. Our plan provides for the ability to perform our banking and investment function at an off-site location under less than optimal conditions and, if needed, even outside our county.

In the event of an occurrence which precludes staff from being able to operate from our office, the attached plan (exhibit 2) will be activated. The plan includes:

- Scope
- Chain of Command
- Continuity Procedure
- Functions and Tasks to be performed
- Equipment and Emergency Packets
- Disaster Assignment
- Off-site locations

Normal processes may be modified in response to an occurrence. However, the county's investment policy shall be strictly followed.



Dated: July 1, 2018

Roy Given
Director of Finance

Reviewed and monitored by Marin Treasury Oversight Committee on
November 5, 2018

Approved by Marin County Board of Supervisors on
December 4, 2018

Attachments:

Exhibit 1 Marin County Nuclear Freeze Ordinance

Exhibit 2 Disaster/Business Continuity Plan

Exhibit 3 Authorized Investor List

MARIN COUNTY NUCLEAR FREEZE ORDINANCE

23.12.030 Prohibition against nuclear weapons, materials, and county contracts and investments.

The county of Marin is declared to be a nuclear-free zone.

(a) No person shall knowingly engage in any activity within the county, the purpose of which is the applied research, development, production, transport, deployment, launching, testing, maintenance or storage of nuclear weapons or components of nuclear weapons. Nor shall any person store, use, transport, or dispose of special nuclear material or nuclear waste within the jurisdiction of the county.

(b) The transportation of nuclear weapons, their fissionable components, and weapons-related nuclear material and wastes through the county on roadways, waterways, or in airspace regulated by preemptive state or federal law, in the interest of public health and safety, is subject to the following restriction:

(1) As to roadways which are within the exclusive jurisdiction of the county, transportation of such materials is prohibited,

(2) As to roadways which are demonstrably within the jurisdiction of the state or federal government, the county board of supervisors shall post as a regular monthly notice, once each month, in a newspaper of general circulation within the county the fullest description possible of any shipment of such material that has occurred that previous month, transported through or across the county by any means of transportation whatsoever.

(c) The county, nor any agent thereof, shall not make any contract with, or investments in, any nuclear weapons contractor.

(d) The county board of supervisors shall adopt a "peace conversion plan," and shall, within ninety days of the enactment of this chapter, establish a county peace conversion commission of not less than three or more than five members, which shall be comprised of volunteers from the community. The purpose of said commission shall be to divest the county, as a government entity, within two years of the adoption of the ordinance codified in this chapter, of all such existing prohibited investments or contracts held by it. Said commission shall:

(1) Conduct studies of existing county contracts and public fund investments with nuclear weapons contractors, and determine in which cases any reasonable alternative contract or investment exists, in a manner consistent with prudent investment policy, and mindful of the intent and purpose of this chapter. The commission shall further make regular reports to the county board of supervisors concerning the progress of said divestiture, listing the book value of remaining investments in nuclear weapons contractors.

(2) Identify those businesses presently existing and operating in the county, and those who have made application to the county, who are nuclear weapons contractors. The commission will be responsible for conducting a timely phase-out of nuclear weapons contractors from the county, and for insuring the smooth conversion of Marin County businesses to alternative work that is more consistent with the public welfare. For this purpose the commission shall solicit testimony from the public.

(Ord. 2924 § 4, 1986)

23.12.040 Exclusions.

Nothing in this chapter shall be construed to prohibit:

(a) Any activity not specifically described in this chapter;

(b) Research in and application of nuclear medicine or other pure research unrelated to nuclear weapons;

(c) Beneficial or peaceful uses of the technology such as smoke detectors, light-emitting watches and clocks, and other consumer products; or

(d) Activities of the federal and state governments that are preempted by existing law.

(Ord. 2924 § 5, 1986)

23.12.050 Notice and enforcement.

(a) The county is directed to install and maintain appropriate signs to be displayed at each ferry terminal, at Gness Field Airport, and on all the major roads leading into the county, at or near the county line, including, but not limited to, the following:

- (1) U. S. Highway 101 (both ends);
- (2) State Highway 1 (both ends);
- (3) State Highway 17;
- (4) State Highway 37;
- (5) Fallon-Two Rock Road;
- (6) Tomales-Petaluma Road;
- (7) Chileno Valley Road;
- (8) Marshall-Petaluma Road;
- (9) Point Reyes-Petaluma Road; identifying Marin as a nuclear-free zone and making reference to this chapter. Further, the county must notify the federal government and other appropriate authorities that this law has been enacted.

(b) Before any further public funds shall be invested by the county in the stock, securities or other obligations of any corporation or business entity, the county board of supervisors shall require that said corporation or business submit to the peace conversion commission an affidavit certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors.

(c) The county is directed to require of each city incorporated within Marin County that, in addition to any other information deemed necessary by its business license officer, that any application for a business license within a city in the county shall state whether or not said business is a nuclear weapons contractor.

(d) Each violation of this chapter shall be punishable by up to one-year imprisonment and/or a fine of up to five thousand dollars. Each day of violation shall be deemed a separate violation. Residents of Marin shall also have the right to enforce this chapter by appropriate civil actions for declaratory or injunctive relief. Reasonable attorneys' fees in enforcing this chapter shall be awarded as is appropriate.

(Ord. 2924 § 6, 1986)

Chapter 23.13 PEACE CONVERSION COMMISSION

Sections:

23.13.010 Findings.

23.13.030 Review of purchases and investments.

23.13.040 Affidavit required.

23.13.050 Alternative products and exceptions.

23.13.060 Designation of nuclear weapons contractors.

23.13.070 Hearing.

23.13.080 Emergencies.

23.13.010 Findings.

Chapter 23.12 of this Code was enacted by the voters of the County of Marin by the initiative process. The County of Marin desires to establish procedures for hearings to be conducted by the peace conversion commission, in order to promote and enhance the purpose of chapter 23.12 while safeguarding the constitutional rights of individuals and organizations affected thereby.

(Ord. 2979 § 1, 1988; Ord. 2963 § 1 (part), 1987)

23.13.030 Review of purchases and investments.

The names of any company with which the county contracts, or in which the county treasurer invests, shall be provided to the peace conversion commission. If the commission, on the basis of its review of the names of such companies, determines by majority vote of the commissioners present that any of the companies may be deemed to be a nuclear weapons contractor, the commission shall send any such company a preliminary affidavit. The preliminary

affidavit shall request information adequate for the peace conversion commission to determine whether the company is, at the time it completes the affidavit, per the criteria in Marin County's Nuclear Free Zone Law, a nuclear weapons contractor.

If the company does not provide a reply within forty-five days of the affidavit having been sent to it, or if the company does provide a reply which contains information that the commission determines, by majority vote of the commissioners, that the company is, pursuant to the criteria in Marin County's Nuclear Free Zone Law, a nuclear weapons contractor, then the commission shall provide all county departments which arrange contracts and investments with the name of that company. Thereafter, the county shall refrain from entering into any contracts with, or investments in, the companies deemed to be nuclear weapons contractors, except as otherwise provided in this chapter.

(Ord. 3368 § 1, 2003; Ord. 3205 § 1, 1994; Ord. 3194 § 1, 1994; Ord. 2979 § 3, 1988; Ord. 2963 § 1 (part), 1987)

(Ord. No. 3502, § I, 2008)

23.13.040 Affidavit required.

If county departments have been notified by the peace conversion commission to refrain from contracting with, or investing in, a company, in accordance with section 23.13.030 of this chapter, the county departments shall not thereafter do so without first procuring an affidavit from such company. The affidavit shall request information adequate for the peace conversion commission to determine whether the company is, pursuant to the criteria in Marin County's Nuclear Free Zone Law, at the time it completes the affidavit, a nuclear weapons contractor.

If the company does not provide a reply within forty-five days of the affidavit having been sent to it, or if the company does provide a reply which contains information that the commission determines, by majority vote of the commissioners, shows that the company is, pursuant to the criteria in Marin County's Nuclear Free Zone Law, a nuclear weapons contractor, the county shall not, except as provided for in this chapter arrange to contract with, or invest in that company.

(Ord. 3368 § 2, 2003; Ord. 3290 § 1, 1999; Ord. 3194 § 2, 1994; Ord. 2979 § 4, 1988; Ord. 2963 § 1 (part), 1987)

(Ord. No. 3502, § II, 2008)

23.13.050 Alternative products and exceptions.

(a) Alternative products. If the commission finds that a company is a nuclear weapons contractor, or if the company does not return the prescribed affidavit, but the county desires to proceed with the contract or investment, the county shall request the peace conversion commission to determine whether a reasonable alternative to the proposed product, service or investment is available from a company that has not been deemed to be a nuclear weapons contractor. If the commission determines that no reasonable alternative is available, it will, within twenty days notify the county that it may enter into the contract or investment requested. If the commission does not, within twenty days, act on a department's request, the transaction may be completed. If the commission identifies what it considers to be a reasonable alternative product, service or investment, which is available from a nonnuclear weapons entity, and if such an alternative is also considered reasonable by the county involved, the county shall carry out the transaction with the entity not deemed to be a nuclear weapons contractor. If the county department involved does not consider the product, service or investment provided by the commission-recommended, nonnuclear weapons entity to be a reasonable alternative to that provided by the company deemed to be a nuclear weapons contractor, the county may appeal to the board of supervisors. The decision of the board of supervisors shall be final.

(b) Urgency situations. In the event that a county department considers the need to arrange a transaction to be too urgent to wait for a regularly scheduled meeting of the peace conversion commission, the department may contact the chair or vice chair of the peace conversion commission to request immediate permission to complete a transaction. Under appropriate circumstances of urgency, the chair or vice chair may grant such permission. All such urgency grantings will be reported to the commission at its next regular meeting.

(c) If a contract is required by state or federal law to be let by competitive bidding to the lowest responsive bidder, such contract shall be deemed to have no reasonable alternative without the necessity of applying to the commission for permission to enter into the contract.
(Ord. 3368 § 3, 2003; Ord. 3290 § 2, 1999; Ord. 2963 § 1 (part), 1987)

23.13.060 Designation of nuclear weapons contractors.

All affidavits shall be filed with the peace conversion commission immediately upon receipt, along with a complete description of the transaction. If the commission, or its designated representative, believes that, notwithstanding execution of the affidavit, a contractor, vendor, corporation or business entity is a nuclear weapons contractor, the commission shall, within fifteen working days following receipt of the affidavit or affidavits, notify the director of purchasing or the county treasurer that it challenges the affidavit or affidavits. The notice shall specify the facts and evidence upon which the commission's challenge is premised. The director of purchasing, the county treasurer or the contractor, vendor, corporation or business entity may, within ten days of the notification, request in writing, a hearing before the commission. If a hearing is not requested, the commission's challenge shall be deemed justified and the transaction may not be completed or continued. Failure to request a hearing for any particular transaction shall not be deemed a waiver of the right to request a hearing with respect to any other transaction.
(Ord. 3194 § 3, 1994; Ord. 2979 § 5, 1988; Ord. 2963 § 1 (part), 1987)

23.13.070 Hearing.

The commission shall, upon receipt of a request for hearing, schedule the hearing not later than ten working days thereafter. The party who requests the hearing shall be entitled, as a matter of right, to a continuance of not more than ten working days to allow the party to investigate the commission's data and procure witnesses.

The hearing shall be public and shall be conducted before the commission or a committee thereof, as determined by the commission.

The presiding officer of the commission shall conduct the hearing and determine all questions of evidence and procedure. The hearing shall be conducted and evidence received and considered in accordance with the provisions of Government Code, Sections 11513 and 11514, insofar as they are applicable. The commission shall have the burden of proof and the burden of going forward with evidence.

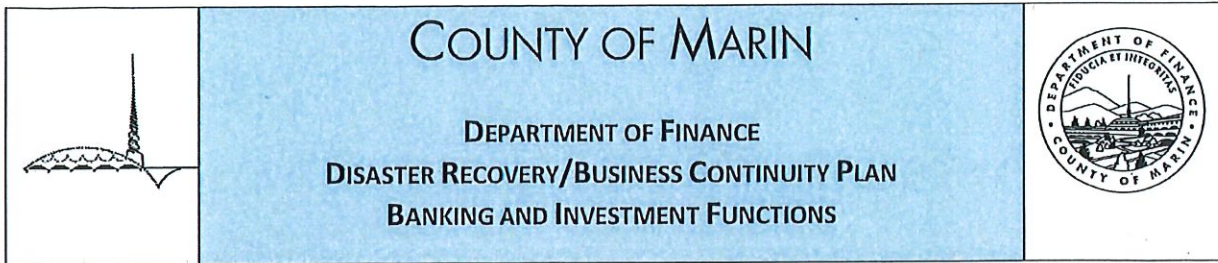
Within three days following the conclusion of the hearing, the commission shall render a decision and set forth the basis for its decision in writing.

Any person aggrieved by a decision of the commission may appeal its decision to the board of supervisors by filing a written appeal with the clerk of the board within ten working days from the date of rendition of the commission's decision. The board of supervisors shall consider the matter de novo, and its decision shall be final.

(Ord. 2963 § 1 (part), 1987)

23.13.080 Emergencies.

The provisions of this chapter shall not apply to contracts which involve essential products during an emergency which poses an immediate threat to life, public safety or property.
(Ord. 2979 § 6, 1988; Ord. 2963 § 1 (part), 1987)



Scope

The County of Marin's banking and investment functions are mission critical. As such, the Treasurer's office must have a Disaster/Business Continuity Plan in place. In the event we are unable to operate from our office, the plan shall be activated. Periodically, the plan shall be tested.

The plan's goal is to protect and account for all funds on deposit with the county and to be able to continue our banking and investment functions for all participants in the event of occurrence (earthquake, fire, pandemic, or other event) which disrupts normal operations.

Chain of Command

The chain of command shall be in the order of "authorized persons" as identified in the Statement of Investment Policy, item 3.

Continuity Procedure

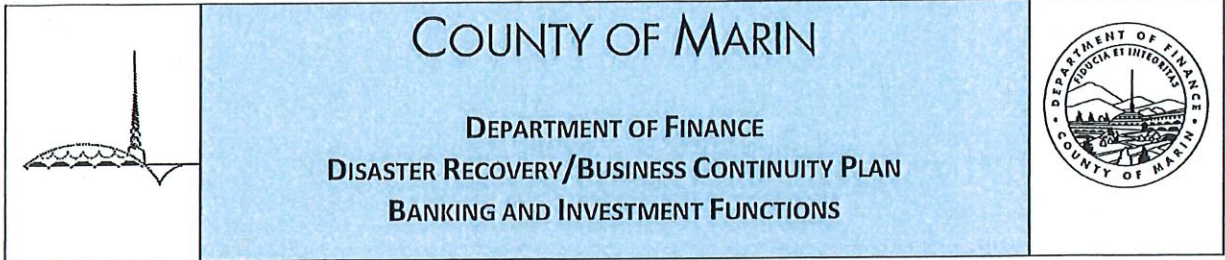
In the event we are unable to conduct normal business operations, the authorized persons shall interact with one another by home phone, email or cell to decide on the alternate location. If unable to contact one another, the authorized persons shall through the county's office of emergency services establish contact with one another.

Functions & Tasks to be Performed

Recognizing we may be operating in less than optimal conditions, the primary functions are to protect and continue to account for all funds on deposit with the county. While normal processes may be modified, the investment policy shall be strictly followed.

Tasks to be performed include:

- ◆ Daily cash work up
- ◆ Investment of maturing securities and any daily deposits after making an allowance for checks/wires expected to clear
- ◆ Daily cash and bank reconciliation
- ◆ For deposits, the treasurer's office will notify county departments, special districts and schools of any changes to their deposit location. Deposits to any account other than those established by the treasurer's office are prohibited.
- ◆ Disbursement activity will be coordinated with the County Director of Finance

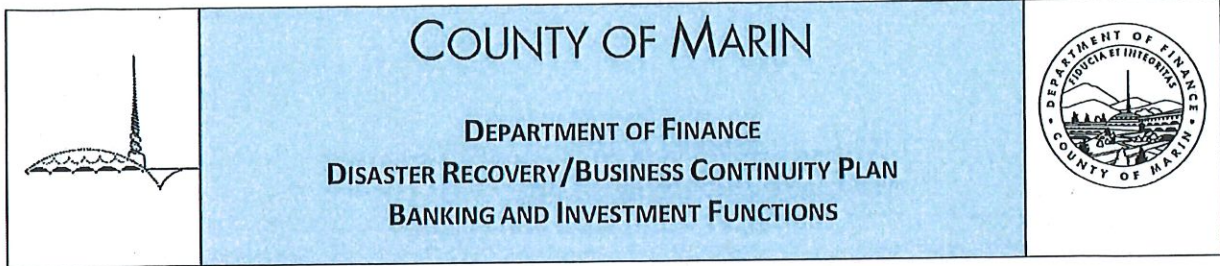


Equipment and Emergency Packets

The Authorized Investor List shall designate authorized staff to have the following equipment such that either of them may carry out the plan. In the event none of the authorized persons are able to respond, the county's office of Emergency Services shall have a copy of this plan in a secured location within their office. All policies and procedures of this plan shall be provided to the County Administrator and County Director of Finance.

The following equipment and items for the emergency packets are:

- ◆ Laptop with wi-fi connectivity
- ◆ All software that is currently in use shall be loaded on each laptop and be set up for remote access.
- ◆ Copy of the Investment Policy and the Disaster/Continuity Recovery Plan
- ◆ Updated monthly report of investments
- ◆ Sign on instructions to access the county's financial accounting system, online banking and securities safekeeping
- ◆ Listing of the home phones and addresses, cell, email addresses of the "authorized persons" and treasury staff. Listings shall also include the County Administrator, County Director of Finance, County Counsel and the Office of Emergency Services.
- ◆ Bank, Authorized Broker/Dealers, Bloomberg and Security Safekeeping names, contact numbers including fax and addresses
- ◆ All district, county and school bank signature cards
- ◆ Contact names, numbers, email and addresses of each agency whose funds are held within the county.
- ◆ Emergency check stock will be housed in the Office of Emergency Services located at 1600 Los Gamos Drive (50 checks)*



Disaster Assignment

The "authorized persons" in the treasurer's office including support staff are to be considered official Disaster workers and are assigned to support our Disaster/Business Recovery Plan. Each shall have on their possession their County of Marin Identification Card.

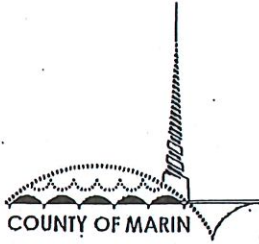
The level of disruption and assigned work location will be determined by the Director of Finance, or those individuals indicated on the Authorized Investor List. All related costs shall be absorbed by the Treasurer's office and reimbursed pursuant to Government section 27013.

In all cases, the safety of treasury personnel is paramount. In no event should our alternate location or alternate procedure be employed if doing such would put an individual in danger.

* Emergency checks are issued from a separate account which is linked to the County's main account. These checks are to be used only if this plan is activated and the county is unable to issue payments. Authorized signers for these checks are designated on the Deposit Account Documentation Signature Card and include the Director of Finance, those individuals authorized under the Authorized Investor List and the County Administrator. In the event that check stock cannot be accessed, electronic payments through the County's banking services can be originated.

Failing the ability to operate from our office, our operations will move in this order of priority:

- ◆ Location determined by the County Office of Emergency Services or County Administrator
- ◆ A bank operation center as authorized by our Global Banking Client Manager (which may be reside outside the County Marin)



TREASURER

DIVISION OF THE DEPARTMENT OF FINANCE

AUTHORIZED INVESTOR LIST COUNTY OF MARIN

FY 2018-2019

Effective: Oct 1, 2018

Investment Purposes:

1. To make investment decisions
2. To recommend brokers
3. To perform a review of the investment function

Authorized Persons:

Authorized to make investment decisions for with a maturity of up to five years:

- Roy Given * Director of Finance

Authorized to make investment decisions for with a maturity of up to three years:

- Karen Shaw * Division Chief, Finance
- Mina Martinovich Assistant Director of Finance

Authorized to make investment decisions for short term investments with a maturity of up to six months (180) days:

- Sandra Arebalo * Senior Accountant –Treasury

Authorized to make investment decisions for short term investments with a maturity of up to ninety (90) days:

- Anu Bagchi Division Chief, Accounting

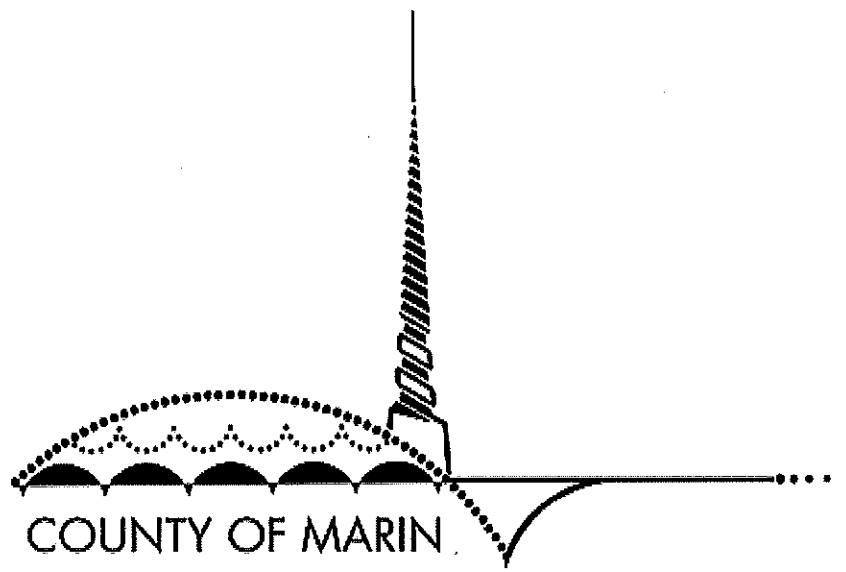
**Authorized for equipment and emergency packets as defined under the Disaster/Business Continuity Plan*

Approved:

 10/30/18

Roy Given Date
Director of Finance

MARIN COUNTY LONG-TERM INVESTMENT POOL
STATEMENT OF INVESTMENT POLICY



Department of Finance
Roy Given, Director

Fiscal Year 2018-2019

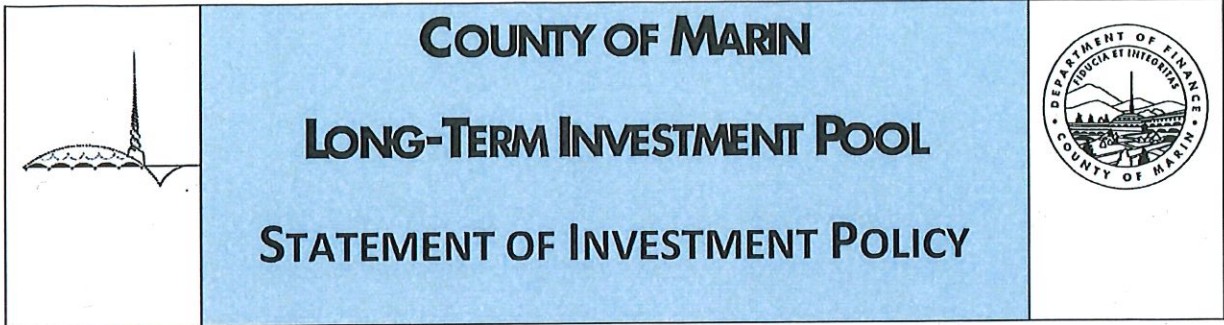
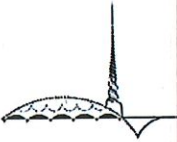



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	<h1>COUNTY OF MARIN</h1> <h2>LONG-TERM INVESTMENT POOL</h2> <h3>STATEMENT OF INVESTMENT POLICY</h3>	
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Under the authority delegated to the Director of Finance by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin Long-Term Investment Pool:

I. OBJECTIVES:

All funds on deposit in the Marin County Long-Term Investment Pool shall be invested in accordance with the California Government Code Sections 53600 et seq. and Sections 53639 et seq. to ensure:

- (a) **Preservation of capital** through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient **liquidity** to enable the participants and other depositors to meet their operating requirements that may be reasonably anticipated; and
- (c) Attaining a market **rate of return** throughout budgetary and economic cycles, consistent with the above objectives.

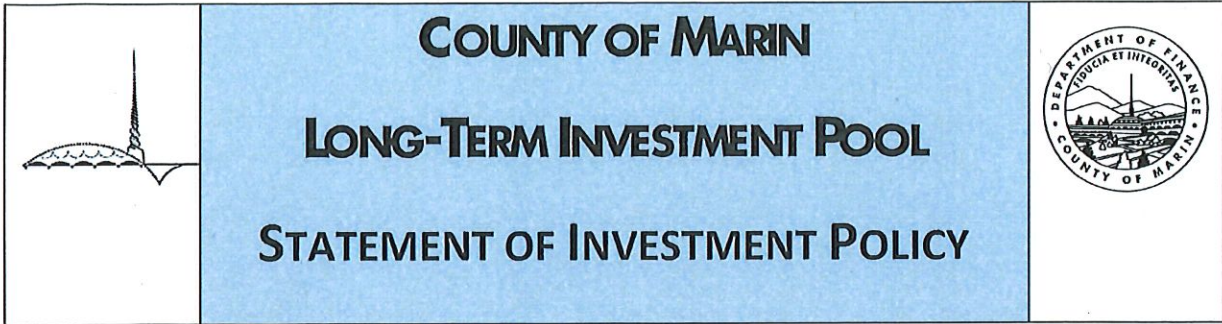
2. PARTICIPANT

The participant in the Marin County Long-Term Investment Pool is the Marin County General Fund.

3. AUTHORIZED PERSONS

Authorized persons for investment purposes include principal staff as designated by the Director of Finance on the Authorized Investor List. Designated Principal Staff shall make all investment decisions. To minimize the risk of disrupting the day-to-day business activities, Principal Staff shall use separate means of travel to attend training and conferences.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the participant.



4. INVESTMENTS

Prior to investing pursuant to this policy the persons authorized to make investments shall assess the market and market pricing information obtained from available sources and the media. Investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor, and thirdly, yield. Any investment selected shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All transactions shall be documented at the time the transaction is consummated.

5. TERM

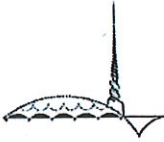

Pursuant to California Government Code Section 53601, where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. The approval of this Long Term Investment Policy on an annual basis by the Legislative Board (Marin County Board of Supervisors) authorizes investments of no more than 10 years for bonds, notes, warrants, or other evidences of indebtedness of a local agency within the County of Marin, including bonds or notes payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the County, or by a department, board, agency, or authority of the County.

6. ALLOWED INVESTMENTS

Pursuant to California Government Code Sections 53601 et seq. and 53635 et seq., the County Director of Finance may directly purchase the following, subject to the limitations as set forth:

Bonds, Notes, Warrants or other evidence of indebtedness of a **local agency** within the County of Marin, California.

The interest rate of any indebtedness pursuant to the preceding paragraph shall be based on the key rate of Prime plus 1 percent as determined by Bloomberg on the date the Department of Finance approves the purchase of the indebtedness.

	COUNTY OF MARIN LONG-TERM INVESTMENT POOL STATEMENT OF INVESTMENT POLICY	
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7. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to the General Fund annually based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting, whereby interest will be apportioned for the year in which it was actually received. The Director of Finance shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

8. CONFLICT OF INTEREST

The Director of Finance and County employees working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other person with whom the County Treasury conducts business, that are in violation of *state law*.

9. AUDITS

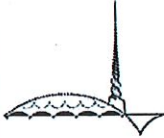

The County of Marin investment portfolio, which includes both the County of Marin investment pool and the Long-Term investment pool, shall be subject to a process of independent review by the County's external auditors. Such audit will include tests deemed appropriate by the auditor pursuant to Government Code Section 27134. The results of the audit shall be reported annually to the Director of Finance and the Board of Supervisors.

10. REVIEW

The Director of Finance and designated staff will perform a monthly review of the investment function.

11. REPORTS

The Director of Finance shall prepare an annual report, listing all investments in the County Pool as of the last day of the fiscal year and a report of the average days to maturity and yield of investments in the County of Marin Long Term Investment Pool.

	<p>COUNTY OF MARIN</p> <p>LONG-TERM INVESTMENT POOL</p> <p>STATEMENT OF INVESTMENT POLICY</p>	
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12. INVESTMENT POLICY

The Director of Finance shall prepare and submit an annual statement of investment policy to the Board of Supervisors.

5.b.

SAN RAFAEL SANITATION DISTRICT
Agenda Item No. 5.b.

DATE: February 22, 2019
TO: Board of Directors, San Rafael Sanitation District
FROM: Doris Toy, District Manager/District Engineer *DT*
SUBJECT: **Discuss Larkspur's Withdrawal from the CMSA JPA and Consider Approval of the Amended CMSA Joint Exercise of Powers Agreement**

SUMMARY:

In December 2018, the City of Larkspur sent a letter to CMSA stating its desire to withdraw from membership in the CMSA pursuant to Section 20 of the Joint Exercise of Powers Agreement due to the following:

- The Local Agency Formation Commission's 2017 Central Marin Wastewater Study (Municipal Service Review) suggesting Larkspur should withdraw from CMSA; and
- The passage of AB 1912 in September 2018. AB1912 states that when a JPA contracts with a public retirement system, such as CalPERS, the debts and liabilities with respect to retirement liabilities will be the debts and liabilities of the JPA's member public entities. If the JPA is terminated, the member public entities must mutually agree on how to apportion the retirement liability so that 100% of the liability is apportioned; or if they do not agree, the public retirement system apportions the liability to each member public entity.

Since Larkspur is withdrawing from the JPA, the Joint Exercise of Powers Agreement will need to be amended. For the past couple of months, the JPA General Managers have worked on the revisions, and it is being presented to each of the JPA agencies for their review and approval. Please note the following: The Commission membership has been reduced from six to five commissioners with the Larkspur seat removed; the Commission quorum has been reduced from four to three; and the votes needed for passage of an item has also been reduced from four to three. Please see the attached revisions in red.

In the 2006 Payment for Treatment Services Agreement, there is a provision which states that amending the JPA cannot materially impact the bondholders. CMSA has received confirmation letters from the bond agencies, S&P Global Ratings and Moody's Investors Services, stating that amending the JPA will not result in a downgrade, withdrawal, or qualification of the rating assigned to the CMSA Wastewater Revenue Bonds, Series 2015.

The Ross Valley Sanitary District approved the Amended JPA at its January meeting, and Sanitary District No. 2 (Corte Madera) will have this item on its next agenda for review and approval.

ACTION REQUIRED:

Staff requests that the SRSD Board approve the Amended CMSA Joint Exercise of Powers Agreement.

Attachments: City of Larkspur letter to CMSA, dated December 12, 2018
Joint Exercise of Powers Agreement Draft, January 2019 (Redline)
S & P Global Ratings letter to CMSA, dated January 28, 2019
Moody's Investors Service letter to PFM, dated January 30, 2019



City of Larkspur

400 Magnolia Avenue, Larkspur, California 94939

Telephone: (415) 927-5110 Fax: (415) 927-5022

Website: www.cityoflarkspur.org

December 12, 2018

Vice Chair Michael Boorstein
Central Marin Sanitation Agency
1301 Andersen Drive
San Rafael, CA 94901

SUBJECT: Withdrawal from CMSA

Vice Chair Boorstein:

This letter serves as formal notification of the desire of the City of Larkspur to withdrawal from membership in the Central Marin Sanitation Agency (CMSA) pursuant to Section 20 of the agency's joint powers agreement.

Larkspur has been a member of CMSA since its inception in 1979. Our Council remains fully supportive of the work of CMSA; our request to withdrawal does not reflect any dissatisfaction with the agency. As the board members know, Larkspur no longer provides wastewater collection services and has not done so since 1993. Larkspur's representation on the CMSA board since 1993 has reflected our commitment to the work of CMSA and our interest in furthering good governance. However, recent events, specifically the 2017 report of the Local Agency Formation Commission suggesting Larkspur should withdrawal from CMSA and the passage of AB 1912, which raises a remote, but nonetheless real, possibility that Larkspur might someday have to share in CMSA pension obligations, gives our Council pause and has led us to make this request.

The Council recognizes that there may be various administrative matters that must be resolved before Larkspur withdraws. City Manager Dan Schwarz will represent Larkspur in working with your board and staff to address these matters and facilitate Larkspur's withdraw at the earliest possible date.

Sincerely,


Ann Morrison
Mayor

Planning: (415) 927-5038

Public Works: (415) 927-5017

Parks and Recreation: (415) 927-6746

Central Marin Police: (415) 927-5150

Library: (415) 927-5005

Fire: (415) 927-5110



CENTRAL MARIN SANITATION AGENCY

JOINT EXERCISE OF POWERS AGREEMENT

January 2019

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CENTRAL MARIN SANITATION AGENCY

JOINT EXERCISE OF POWERS AGREEMENT

Effective _____, 2019, the **Joint Exercise of Powers Agreement (JPA)** by and between ROSS VALLEY SANITARY DISTRICT, SAN RAFAEL SANITATION DISTRICT, and SANITARY DISTRICT NO.2 of MARIN COUNTY – as originally entered into on October 15, 1979, and thereafter amended from time-to-time, is amended in full to read as follows:

RECITALS

Whereas, on October 15, 1979, the San Rafael Sanitation District (SRSD), Sanitary District #1 of Marin County (SD1), Sanitary District #2 of Marin County (SD2), and the City of Larkspur entered into a joint powers agreement (JPA) to jointly exercise their powers and form the Central Marin Sanitation Agency (CMSA) to plan, administer, and coordinate wastewater treatment and disposal services throughout their combined service area; and

Whereas, CMSA is a regional wastewater treatment agency that began operation in 1985 and provides wastewater and biosolids treatment, resource recovery, and other environmental services to the residents and businesses in Larkspur, Corte Madera, Ross, Fairfax, San Anselmo, a portion of San Rafael, and unincorporated areas in the Central Marin County, including San Quentin State Prison; and

Whereas, the **JPA** was amended **six times between 1979 and 2006**, and the original JPA and its six amendments are on file in CMSA's and each Member's administrative offices; and

Whereas, SD1 annexed the City of Larkspur's wastewater service area and assets in 1993, transferring ownership of and operations and maintenance responsibility for Larkspur's wastewater assets, including those referenced in the **JPA**, to SD1; and provisions in that annexation agreement (as amended in 1995) state that the City of Larkspur will retain a seat on the CMSA Board of Commissioners; and

Whereas, the JPA identifies sole and joint use wastewater conveyance facilities in the CMSA service area with their JPA member ownership and maintenance responsibilities, and these responsibilities were further clarified in two Memoranda of Understanding between CMSA and the Members, **dated 9/11/12 and 3/15/16, both of which remain in effect** and are incorporated into this JPA; and

Whereas, in February 2018, SD1's Board of Directors adopted a resolution changing the district's name to the Ross Valley Sanitary District (RVSD); and

Whereas, the Members have separately contracted with CMSA for other wastewater related services, such as source control and/or operation of collection system assets, and CMSA has contracted with the County of Marin, California Department of Corrections, and several local public agencies for provision of wastewater services; and

Whereas, CMSA and the Members have developed several programs to share information, services, and resources to increase operational efficiencies, and will continue to explore and consider such future activities; and

Whereas, the Members recognize the benefits to their respective service area customers of a standard Equivalent Dwelling Unit definition, and agree to work collaboratively to develop one; and

Whereas, in May 2018, the Members amended the JPA in full, effective June 6, 2018, to reflect the then-current state of wastewater service delivery in Central Marin County; and

Whereas, the Members intended the June 6, 2018 amendment to constitute the seventh amendment to the original JPA and to retain the CMSA with no interruption in its existence or service since its establishment in 1979; and

Whereas, the Larkspur City Council, at its December 12, 2018, meeting approved to withdraw from the JPA pursuant to Section 20 of the JPA; and

Whereas, the Members intend the current amendment to constitute the eighth amendment of the JPA; and

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. DEFINITION OF TERMS

Wherever the following terms are used in this **JPA** they shall have the following meaning unless otherwise specifically indicated by the context in which they appear:

- A. "CMSA" means the Central Marin Sanitation Agency.
- B. "COMMISSION" means **the Central Marin Sanitation Agency** Commission, the governing board of CMSA.

- C. "CAPACITY CHARGE" means a one-time charge to a property owner when connecting to the sanitary sewer system for the first time or for construction of additional improvements which will add to the quantity and/or strength of wastewater flow.
- D. "EQUIVALENT DWELLING UNIT (EDU)" means one unit of wastewater utility service demand. An EDU represents the average wastewater flow and strength generated by a single-family residence or equivalent.
- E. ~~"LARKSPUR" means CITY OF LARKSPUR, a municipal or public corporation, a party to this JPA.~~
- F. "MEMBER" means any party to this JPA.
- G. "OPERATION AND MAINTENANCE" means the regular performance of work required to assure continuous functioning of the wastewater system, and corrective measures taken to repair facilities to keep them in operating condition.
- H. "REGIONAL CHARGE" means a charge by CMSA to the Members based on wastewater flow and strength.
- I. "RVSD" means the Ross Valley Sanitary District, a special district, a party to this JPA. RVSD was formerly known as SD1, Sanitary District #1 of Marin County.
- J. "SD2" means SANITARY DISTRICT NO. 2 of MARIN COUNTY, a special district, a party to this JPA.
- K. "SRSD" means SAN RAFAEL SANITATION DISTRICT, a special district, a party to this JPA.
- L. "SEWER SERVICE CHARGE" means a charge to a property owner or occupant of designated premises for the use of the sanitary sewer system.

SECTION 2. FORMATION OF CENTRAL MARIN SANITATION AGENCY

There is hereby created a public agency to be known as "the Central Marin Sanitation Agency" pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies. CMSA is a public agency separate from the Members.

SECTION 3. PURPOSE

The purpose of CMSA is to plan, acquire, construct, maintain and operate facilities, for the collection, treatment, reclamation, and disposal of wastewater, and to capture and utilize the renewable resources derived from the wastewater treatment process, including but not limited to biogas, recycled water, and biosolids.

SECTION 4. TERM AND EFFECT

This **JPA** shall become effective when the Members have executed this JPA, and shall continue in force and effect until terminated by an Agreement pursuant to Section 20. However this **JPA** may be amended by the Members pursuant to Section 18.

SECTION 5. POWERS

- A. CMSA shall have the power and authorization to plan, acquire, construct, maintain and operate facilities for the treatment, reclamation, and disposal of wastewaters for the benefit of the lands and inhabitants within its boundaries. CMSA will assume for the benefit of the Members responsibility for all functions pertaining to wastewater treatment, reclamation, and disposal.
- B. The Commission may authorize CMSA to contract to provide other services.
- C. CMSA is not authorized to provide wastewater collection or treatment services in a Member's service area unless and until such services have been approved by both the Commission and the governing Board of the Member responsible for the service area in which the wastewater collection or treatment services will be provided.
- D. Currently, CMSA is authorized to provide wastewater services to SD2, the San Quentin Village Sewer Maintenance District, and the San Quentin State Prison; lead and participate in a cooperative multi-agency public education program; provide pollution prevention and source control services to several Marin County agencies; and monitor and enforce illegal stormwater discharges for the Cities of San Rafael and San Anselmo.
- E. CMSA may receive organic materials for anaerobic digestion, beneficially reuse its biosolids, produce and distribute recycled water, utilize biogas to produce energy and/or transportation fuel for internal use and external sale, and capture other renewable resources for use or sale.
- F. CMSA is hereby authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes, including but not limited to any or all of the following: to make and enter contracts; apply for and accept grants, advances and contributions; to employ agents and employees; to acquire, construct, manage, maintain and operate any CMSA buildings, facilities, or improvements; to acquire, hold or dispose of property; to sue and be sued in its own name, to incur debts, liabilities, or obligations; to issue bonds, notes, warrants, and other evidences of indebtedness to finance costs and expenses incidental to the projects of CMSA; and to exercise jointly the common powers of the parties hereto set forth above. No such debts, liability, or obligation of CMSA shall constitute a debt, liability or obligation of any Member. CMSA has no power to levy or cause to be levied ad valorem property taxes. CMSA has the power of eminent domain.
- G. CMSA has the authority to accept grants and loans on behalf of the Members.

- H. The powers are subject to the restrictions upon the manner of exercising the powers of the Sanitary District Act of 1923, Division 6, of the Health and Safety Code of the State of California, as amended. CMSA specifically excepts Health and Safety Code Section 6487 from its restrictions so that CMSA may make its own provisions regarding payment of invoices, bills, and debt service.
- I. CMSA shall have the power to carry out a pretreatment, waste minimization, and other source control and pollution prevention programs in accordance with NPDES permit requirements, and other Federal and State regulatory requirements.

SECTION 6. GOVERNING BODY OF THE AGENCY

CMSA shall be governed by the Central Marin Sanitation Agency Commission. The Commission shall, on behalf of CMSA, adopt a budget for CMSA operations, maintenance, and capital improvements; approve contracts for CMSA; establish rates, charges, and fees; grant easements, licenses, or permits for the use of the property of CMSA; appoint a General Manager; contract for services as necessary; and take such other actions as are necessary or convenient to carry out the purpose and intent of this Agreement.

SECTION 7. COMMISSION MEMBERSHIP AND OFFICERS

- A. The Commission shall consist of **five** commissioners, two appointed by the governing board of RVSD, two appointed by the governing board of SRSD, and one appointed by the governing board of SD2, ~~and one appointed by the City Council of Larkspur.~~
- B. Each commissioner may be an elected official of the governing body of the ~~City of~~ District he/she represents, or may be such other resident of the ~~City of~~ District as selected by the Member. A commissioner shall serve in such a manner and for such term as each Member may determine, and may be removed at the pleasure of the Member appointing such person. The Commission shall annually choose commissioners to serve as Chair, Vice-Chair, and Secretary. Each Member shall determine its method of selection of the person representing the ~~City of~~ District. An elected official or resident of the ~~City of~~ District may be designated by the Member to serve as an alternate to any commissioner.
- C. The Commission may appoint and employ a General Manager who shall perform such duties as may be imposed by the Commission and who shall report to the Commission in accordance with such rules and procedures as the Commission may adopt.
- D. The Chair shall sign contracts on behalf of CMSA and perform such other duties as may be imposed by the Commission. The Vice-Chair shall act in the absence of the Chair. The Commission may delegate to the General Manager the power to sign contracts on behalf of CMSA. If the Chair signs a contract, the Secretary or Vice-Chair shall

countersign it on behalf of CMSA. The Vice-Chair and Secretary shall perform such other duties as may be imposed by the Commission.

- E. The Commission shall appoint a Treasurer/Controller. Said power of appointment may be vested with the General Manager by action of the Commission. The Treasurer shall have the duties and obligations set forth in Section 6505.5 of the Government Code of the State of California.

SECTION 8. COMMISSION VOTING

Each commissioner shall be empowered to cast one vote on each measure. **Three** commissioners shall constitute a quorum. **Three** affirmative votes are required for passage of any measure.

SECTION 9. DUTIES OF THE COMMISSION

- A. The duties of the Commission shall be:
- to make all policy decisions and **to authorize** exercising all the powers of CMSA,
 - to submit full and regular reports to the Members,
 - to adopt and/or revise from time to time Board Policies for the conduct of its affairs as may be required.
- B. CMSA shall have the power to compensate commissioners in accordance with the provisions of the Sanitary District Act of 1923, as amended.

SECTION 10. MEETINGS OF THE COMMISSION

- A. Regular meetings of the Commission shall be held at such times and places as shall be established by the Commission by resolution.
- B. All meetings of the Commission including regular, special, and emergency meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, Section 54950 through 54960 of the Government Code of the State of California, and other applicable provisions of law.

SECTION 11. FINANCIAL RECORDS AND REPORTS

CMSA shall keep current and accurate financial records of all operating, capital, and contract service activities. These records with their supporting documents shall be readily available for inspection by the Members, Commission, and the public. **Annually**, after the close of the fiscal year, the CMSA's financial records will be audited by an independent certified public

accountant, who will report the audit findings to the Commission.

SECTION 12. BONDING PERSONS HAVING ACCESS TO PROPERTY

- A. Commissioners and CMSA employees that are authorized to sign CMSA checks shall have a Public Official Bond. CMSA will procure a Government Crime Insurance Bond, or equivalent, to provide coverage for all CMSA employees and commissioners that handle and have access to any CMSA property. Premiums for both bonds shall be paid by CMSA.
- B. The General Manager shall have the responsibility for any and all CMSA property, and shall review and recommend approval or denial of all claims and demands for the disbursement of CMSA funds prior to submittal of said claims and demands to the Commission for approval.

SECTION 13. BONDS AND OTHER BORROWING

- A. CMSA shall have power and authority to issue and sell revenue bonds and other forms of indebtedness, borrow money and enter into contracts related to the foregoing in accordance with any one or more or portion of the following:
 - Articles 2 and 4, Chapter 5, Division 7, Title 1 of the Government Code, commencing with Section 6540;
 - Chapter 6, Division 2, Title 5 of the Government Code, commencing with Section 54300;
 - Chapter 5, Part 3, Division 5 of the Health and Safety Code, commencing with Section 4950;
 - Articles 10 and 11, Chapter 3, Part 1, Division 2, Title 2 of the Government Code, commencing with Section 53570;Such other relevant provisions of law as may now or hereafter be applicable.
- B. For purposes of referendum and vote on an CMSA-wide basis, the boundaries of CMSA shall be the consolidated boundaries of its Members. Under applicable law, CMSA may form improvement districts in which event the boundaries thereof shall be determinative with respect to referendum and voting. Bond elections shall be conducted pursuant to the Uniform District Election Law and applicable provisions of the Elections Code.
- C. CMSA shall have and exercise all powers conferred on "local agencies" by the provisions of the law with respect to such revenue bonds, other forms of indebtedness, or borrowing money.

- D. Revenues required to provide monies for payment of revenue bonds issued by CMSA, other forms of indebtedness, or borrowing money shall be derived from sewer Capacity Charges, CMSA's Regional Charge to the Members, and other legally available revenues of CMSA as may be specified in the documents related to such revenue bonds, other forms of indebtedness, or borrowing money. The amount of such charges shall be determined by CMSA.
- E. In connection with CMSA issuing revenue bonds, other forms of indebtedness, or borrowing money for new capital projects or other significant expenditures, CMSA and all the Members will enter into a payment agreement or supplement an existing payment agreement that provides for an increase in CMSA's Regional Charge to the Members to comply with the requirements of such revenue bonds, indebtedness, or borrowing.

SECTION 14. OPERATING FUND

- A. An operating fund shall be maintained to pay administrative and incidental expenses incurred by CMSA, costs of maintenance and operation arising from the operation of CMSA's facilities, and capital replacement and rehabilitation costs of CMSA's facilities, not funded by grants or borrowing pursuant to Section 13. Revenues for the operating fund shall be derived from Regional Charges periodically charged to each Member by CMSA, which Regional Charges the Members hereby agree to pay.

The periodic Regional Charge for each Member will be determined by CMSA, and shall be based upon a methodology that may include a Member's equivalent dwelling unit count, wastewater flow, and/or wastewater flow and strength. Flow will be determined based upon continuous measurement during a specified period by CMSA. Strength will be determined by periodic measurement of the wastewater influent's Total Suspended Solids (TSS) and Biological Oxygen Demand (BOD).

CMSA will utilize current best practices to ensure the flow data is accurate.

- B. Each Member, in turn, shall be responsible for deriving the revenue necessary to pay its Regional Charges to CMSA.
- C. Excess operating and capital funds of CMSA, if any, from whatever source, are the property of CMSA.
- D. Capacity charges may be collected either by a Member or CMSA: If collected by a Member, the capacity charge will be collected when the Member collects its connection fee from a property owner and will be remitted to CMSA.

SECTION 15. OWNERSHIP OF PROPERTIES

With respect to the ownership of wastewater assets and facilities, the Members and CMSA agree that:

- A. **CMSA Facilities**
CMSA shall own entirely all facilities located at assessor's parcel numbers 018-180-46 and 018-180-47, including but not limited to property, buildings, wastewater and biosolids treatment facilities, resource recovery facilities, and support infrastructure and assets. CMSA also owns the land and marine outfall that are on its property, on easements through public and privately owned properties, and in the San Francisco Bay.
- B. **Member Collection System Facilities**
Members shall own, operate, and maintain their respective collection system facilities. CMSA and any Member may, by agreement, provide for operation and maintenance of that Member's facilities, all or in part, by CMSA. Any such agreement must provide that all costs associated with the operation and maintenance of such facilities by CMSA shall be charged to and paid by the Member.
- C. **Wastewater Assets Other Than CMSA Facilities**
Exhibit A lists the ownership, operation, and maintenance responsibilities of other wastewater related assets on CMSA property and in each Member's service area.

Upon the effective date of this **JPA**, the Members will grant to CMSA the use of all wastewater facilities, shown in Exhibit A, insofar as necessary for the operation of CMSA's facilities.

SECTION 16. FUNCTIONAL RESPONSIBILITIES

With respect to the administration, operation, and maintenance of wastewater facilities within the Member boundaries and the performance of functions related thereto, the Members and CMSA agree as follows:

- A. The Member will be responsible for review of new connection permit applications, collection and accounting for permit fees, inspection of connections, and all associated record-keeping. CMSA may perform these functions directly by contract with a Member.
- B. CMSA will have total responsibility for the operation and maintenance of all its wastewater treatment and disposal, biosolids processing and dewatering, and resource recovery facilities, and other wastewater facilities specified in this JPA.
- C. The Member will have total responsibility for its wastewater collection and transport systems.

- D. The Member will be responsible for all billing and collection of sewer connection and service charges and associated record-keeping, accounting, and delinquency follow-up.
- E. The Members shall provide CMSA access to its odor control facilities that are located at Member pump stations.
- F. CMSA and each Member will be responsible for its own obligations under the San Francisco Bay Regional Water Quality Control Board (RWQCB) NPDES Permit No. CA0038628 issued on January 10, 2018, and any subsequent future NPDES permits where CMSA and Members are listed as co-permittees.

SECTION 17. INDEMNIFICATION AND INSURANCE

A. CMSA Indemnification

CMSA shall indemnify, defend and hold Members harmless from any claims or liability arising out of or relating to CMSA's **actions or omissions**. Further, specific as to NPDES Permit No. CA0038628, and any subsequent future NPDES permits, CMSA shall indemnify, defend, and hold Members harmless from any penalties, claims, or liability arising out of any acts or omissions of CMSA related to the NPDES Permit and any resulting violations or penalties.

CMSA shall procure and maintain at all times insurance against claims for injuries to persons or damages to property that may arise out of or relate to the functioning business of CMSA pursuant to this **JPA**. The minimum scope of insurance and coverage are shown in Exhibit B and may be adjusted in the future by the Commission, as recommended by the CMSA's insurance provider.

B. Member Indemnification

Members individually shall indemnify, defend and hold CMSA and other Members harmless from any liability arising out of or relating to the individual Member's **actions or omissions** pursuant to this **JPA**. Further, specific as to NPDES Permit No. CA0038628, and any subsequent future NPDES permits, Members individually shall indemnify, defend, and hold CMSA and other Members harmless from any penalties, claims, or liability arising out of any acts or omissions of any individual Member related to that Member's obligations under an NPDES Permit and any resulting violations or penalties. **In no event shall a Member or CMSA be liable or responsible for payment of fines or penalties for another Member's violation of an NPDES Permit.**

Members shall procure and maintain at all times insurance against claims for injuries to persons or damages to property that may arise out of or relate to the individual Member's actions pursuant to this **JPA**. The minimum scope of insurance and coverage are shown in Exhibit B.

SECTION 18. AMENDMENTS

This JPA may be amended only by a **written** agreement approved and executed by all of the Members.

SECTION 19. SETTLEMENT OF DISPUTES

If a dispute arises as to the construction, interpretation, or implementation of any provision of the JPA, the issues in dispute or matter requiring action shall be subject to the following dispute resolution process:

- A. Informal Dispute Resolution among Agency Managers
1. Managers from each disputing agency shall meet and attempt to resolve the dispute.
 2. This process shall be informal and will be chaired by the CMSA General Manager. If the dispute is between CMSA and a Member(s), the managers shall select a chairperson to chair the meeting.
 3. The chair shall set a meeting date with an Agenda.
 4. Since this is an informal dispute resolution, attorneys for each disputing agency shall not participate in the meeting(s).
 5. Should a resolution be reached, attorneys for each disputing agency may assist in the preparation of any necessary documents.
- B. Informal Dispute Resolution – Board Members and Managers
1. Should the dispute resolution in Paragraph A (above) not resolve the dispute, the next step will be an informal dispute resolution with each disputing agency and its manager participating.
 2. Each disputing agency shall appoint two board members who will join its agency manager to participate in a meeting to resolve the dispute.
 3. Steps 2 – 5 in Section A. shall be applicable for the meeting process.
- C. Mediation of Disputes
1. Should the informal dispute resolutions in Paragraphs A and B (above) not be successful in resolving the dispute, then the disputing agencies shall proceed to mediation before a neutral mediator.

Each disputing agency shall assign a representative(s) to participate in mediation.
Each agency may be represented by counsel at mediation.

2. Selection of Mediator
 - a. For such purposes, an agreed upon mediator shall be selected by all Commissioners.
 - b. Should the Commissioners fail to agree upon a mediator, the disputing agencies will apply to the Judicial Arbitration and Mediation Services (JAMS) or a comparable service for an assigned mediator.
3. Mediation
 - a. Each disputing agency shall meaningfully participate in mediation to attempt to reach a resolution of the dispute.
 - b. Each disputing agency shall equally share in the costs of the mediator regardless of whether a settlement of the dispute is reached.

D. Binding Arbitration

1. Should the informal dispute resolutions in Paragraphs A, B, and C (above) not be successful in resolving the dispute, then the disputing agencies shall proceed to Binding Arbitration before a neutral arbitrator.
2. For purposes of arbitration, each disputing agency may be represented by counsel.
3. Selection of Arbitrator:
 - a. For such purposes, an agreed upon arbitrator shall be selected by all Commissioners.
 - b. Should the Commissioners fail to agree upon an Arbitrator, the disputing agencies will apply to the Judicial Arbitration and Mediation Services (JAMS) or a comparable service for an assigned arbitrator.
4. Hearing:

The chosen arbitrator or assigned arbitrator shall proceed to arbitrate the matter in accordance with the provisions of Title 9 of Part 3 of the Code of Civil Procedure (CCP Sections 1282 et seq.). At the Arbitration hearing, the rules of evidence shall apply.
5. The ruling of the arbitrator shall be binding on all agencies. There shall be no right of appeal to the Court system.

SECTION 20. WITHDRAWAL

If a Member's governing board decides to withdraw from the JPA, the Members will convene a meeting to discuss the withdrawal process and details.

The Member seeking Withdrawal from the JPA shall not receive or be entitled to any financial or other material compensation from CMSA and the remaining Members relating to the

Withdrawal. This provision does not pertain to any separate agreement or dispute not involving withdrawal between Members.

Pursuant to the 2006 Payment for Treatment Services Agreement (**as-amended**) between the Members and CMSA or subsequent similar agreements for the payment of indebtedness, a Member cannot withdraw from the JPA until it determines a mechanism and makes a formal commitment to fund its payment obligations to CMSA.

SECTION 21. MISCELLANEOUS

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the sections referred to.

This **JPA** is made in the State of California and under its Constitution and laws, and it is to be so construed.

To preserve a reasonable degree of flexibility, many parts of this **JPA** are stated in general terms. It is understood that the Commission may from time to time adopt and implement ordinances, policies, and procedures to further define the rights and obligations of CMSA to carry out the purposes of this **JPA**.

SECTION 22. PARTIAL INVALIDITY

If any one or more of the terms, provisions, promises, covenants, or conditions of this **JPA** shall to any extent be adjudged invalid, unenforceable, void, or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this **JPA** shall be valid and enforceable to the fullest extent permitted by law.

SECTION 23. SUCCESSORS

This **JPA** shall be binding upon and shall inure to the benefit of the parties and the successors of the parties hereto.

SECTION 24. PERSONNEL

A. **Authority to Hire and Dismiss Employees:**

The Commission shall be the appointing authority for the General Manager, who shall serve at the pleasure of the Commission. The Commission shall annually review the performance of the General Manager.

The General Manager is hereby empowered to hire all personnel subject to the

requirements of the Commission adopted personnel policies and procedures. The General Manager shall have the power to reprimand, suspend, reduce in compensation or dismiss any personnel in accordance with the Commission adopted personnel policies and collective bargaining agreements.

B. Personnel Policies and Procedures

The Commission shall have the authority to adopt personnel policies and procedures and make amendments thereto by a majority vote of the Commission.

C. Administration of Employer-Employee Relations

The Commission shall have the authority to adopt a procedure for the administration of employer-employee relations and make amendments thereto by a majority vote of the Commission.

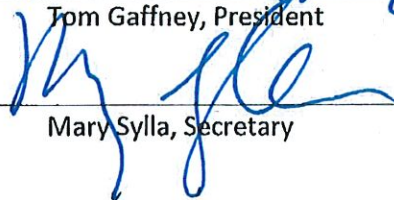
IN WITNESS WHEREOF, The MEMBERS hereto have caused this JPA to be executed, and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, as the day and the year first above written.

ROSS VALLEY SANITARY DISTRICT



Tom Gaffney, President

Attest:



Mary Sylla, Secretary

SAN RAFAEL SANITATION DISTRICT

Gary O. Phillips, Chairman

Attest:

Maribeth Bushey, Secretary/Director

SANITARY DISTRICT No. 2 of MARIN COUNTY

Bob Ravasio, President

Attest:

James Andrews, Vice President

JPA Exhibit A

Wastewater Conveyance Asset Ownership, Operation, and Maintenance

Exhibit A presents selected sole and jointly owned wastewater conveyance and related facilities in the CMSA service area with their ownership, operation, and maintenance responsibilities. Attachment 1 [is a map showing](#) the general location of the sole and joint use facilities.

A. Definitions

Ownership - the party that owns the identified asset and has the capital replacement responsibilities.

Operations and Maintenance - the party that monitors process parameters, such as wastewater flow and pressure; responds to Underground Service Alert notifications and emergencies (including SSO's); has regulatory and permitting responsibility; maintains and monitors corrosion control systems; and repairs and coordinates any work on the asset.

B. RVSD Ownership, Operation, and Maintenance Responsibilities

1) 54" RV Interceptor (FM IIA-1): RVSD jointly owns, with SD-2, the interceptor and its fittings, connections and other appurtenances, including valves connected to a fitting, from the treatment plant headworks to the downstream side of the flexible coupling connection outside the SQJB (see Attachment 2). RVSD does not have any operation or maintenance responsibility for FM IIA-1.

2) 54" RV Interceptor (FM IIA-2): RVSD jointly owns, with SD-2, the interceptor and its fittings, connections and other appurtenances, including valves connected to a fitting. RVSD solely operates and maintains the interceptor and its pipeline fittings and appurtenances from the upstream side of the flexible coupling connection outside the SQJB to the connection with the 30" Greenbrae Forcemain.

3) 12" Pump Station 10 Landing B Forcemain (FM IIB): RVSD owns, operates, and maintains the forcemain and all its fittings, valves, and other pipeline appurtenances for its entire length, from Pump Station B to the upstream side of the 12" valve flange on the 54" x 12" FM IIA-2 fitting.

4) San Quentin Junction Box: RVSD and SD2 jointly own the SQJB structure, and do not have maintenance responsibility for the structure or the electrical and mechanical equipment within it.

B. SD2 Ownership, Operation, and Maintenance Responsibilities

1) 54" RV Interceptor (FM IIA-1): SD2 jointly owns, with RVSD, the interceptor and its fittings, connections and other appurtenances, including valves connected to a fitting, from the treatment plant headworks to the downstream side of the flexible coupling connection outside the SQJB. SD2 does not have any operation or maintenance responsibility for FM IIA-1.

2) 54" RV Interceptor (FM IIA-2): SD2 jointly owns, with RVSD, the interceptor and its fittings, connections and other appurtenances. SD2 does not have any operation or maintenance responsibilities for FM IIA-2.

3) Corte Madera Forcemain (FM IIC): SD2 owns, operates, and maintains the forcemain and all its fittings, valves, and other pipeline appurtenances for its entire length, from the Paradise Pump Station to the upstream side of the 24" valve flange on the 54" x 24" FM IIA-2 fitting.

4) San Quentin Junction Box: SD2 and RVSD jointly own the SQJB structure and do not have maintenance responsibility for the structure or the electrical and mechanical equipment within it.

5) Abandoned 20" Corte Madera Forcemain: SD2 owns and maintains the disconnected forcemain.

C. SRSD Ownership and Maintenance Responsibilities

1) 45" San Rafael Interceptor (FM IA-1 and 2): SRSD owns the interceptor and all its fittings, valves, and other pipeline appurtenances for the entire length of the interceptor to the CMSA treatment plant headworks, including the fitting that accepts the chemical dosing station pipeline. SRSD shall maintain the interceptor pipeline and its appurtenances upstream of the SFJB (FM IA-2).

2) 10" South Francisco Forcemain (FM IG): SRSD owns the forcemain and all its fittings, valves, and other pipeline appurtenances for its entire length, from the connection to the 45" San Rafael Interceptor to the South Francisco pump station. SRSD shall maintain the forcemain and its appurtenances outside of the SFJB.

D. CMSA Ownership and Maintenance Responsibilities

1) 45" San Rafael Interceptor (FM IA- 2): CMSA shall maintain the interceptor, the 45"x10" connection fitting, 45" valve, and the other pipeline appurtenances in the SFJB and along the length of the pipeline from the downstream side of the SFJB to the treatment plant headworks.

2) 10" South Francisco Forcemain (FM IG): CMSA shall maintain the forcemain and its

fittings, the 10" valve, and other pipeline appurtenances within the SFJB.

3) South Francisco Junction Box: CMSA owns and shall maintain the SFJB structure and all existing and future electrical, mechanical, and instrumentation equipment and systems within the SFJB.

CMSA grants SRSD access to the SFJB to inspect the 45" San Rafael Interceptor and the 10" South Francisco forcemain. Access shall be coordinated with CMSA operations staff.

4) Andersen Drive Chemical Dosing Station: CMSA owns and shall maintain the dosing station and its piping and appurtenances upstream of the SR interceptor connection.

5) 54" RV Interceptor (Reach FM IIA-1): CMSA shall operate and maintain the interceptor, fittings, and appurtenances from the treatment plant headworks to the upstream side of the SQJB's flexible coupling connection. CMSA will also maintain the interceptor, the 54"x16" connection fitting, the 54" valve, and the other interceptor appurtenances in the SQJB.

6) San Quentin Junction Box: CMSA shall maintain the SQJB structure, and operate and maintain all electrical, mechanical, and instrumentation equipment and systems within the SQJB. CMSA owns all electrical, instrumentation, and mechanical systems within the SQJB.

CMSA grants RVSD and SD2 access to the SQJB to inspect the 54" RV Interceptor and its fittings and appurtenances. Access shall be coordinated with CMSA operations staff.

7) Chemical Dosing Station: CMSA owns, operates, and maintains the hydrogen peroxide chemical dosing station and its piping and appurtenances upstream of the RV Interceptor (Reach IIA-1) connection in the SQJB.

8) Recycled Water Pipeline: CMSA owns, operates, and maintains the 6" recycled water pipeline from the treatment plant to FM 11A-1, and the pipelines and fittings to the chemical dosing station and to Remillard Pond.

D. Miscellaneous

CMSA, SD2, SRSD, and RVSD understand and agree that the California Department of Corrections owns and operates the 16" San Quentin forcemain (FM IIF) from the San Quentin Pump Station to the upstream side of the RV Interceptor's 54" x 16" fitting in the SQJB.

CMSA JPA - Exhibit B
CMSA and Member Insurance Requirements

MINIMUM SCOPE OF CMSA INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL)** on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence.
2. **Automobile Liability** covering any auto with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** as required by the State, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Property insurance** against all risks of loss to Agency property, at full replacement cost.

Additional Insured Status

The Members, their officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of or relating to the functioning business of the Agency pursuant to this Agreement.

Verification of Coverage

CMSA shall furnish the Members with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause.

MINIMUM SCOPE OF MEMBER INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL)** on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence.
2. **Automobile Liability** covering any auto with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** as required by the State, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

Additional Insured Status

CMSA, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of or relating to the individual Member's actions pursuant to this Agreement.

Verification of Coverage

Members shall furnish CMSA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause.

S&P Global
Ratings

One California Street,
31st Floor
San Francisco, CA
94111-5432
tel 415 371-5000
reference no.: 40442805

January 28, 2019

Central Marin Sanitation Agency
1301 Andersen Drive
San Rafael, CA 94901
Attention: Mr. Hank Jen, Finance Manager

Re: *Central Marin San Agency, California, Wastewater Revenue Bonds, Series 2015,*
Dated: Date Of Delivery, Due: September 01, 2031

Dear Mr. Jen:

S&P Global Ratings hereby confirms its credit rating identified in Schedule A.

This letter is being provided in connection with Central Marin Sanitation Agency's plan to make a change to their Joint Exercise of Powers Agreement (JPA). This amendment consists of one of the four member agencies withdrawing from the JPA. The amendment will not result in a downgrade, withdrawal or qualification of the rating assigned to the above-referenced securities.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned rating to interested parties in accordance with applicable laws and regulations. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

sc

cc: *Ms. Sarah Hollenbeck, Senior Managing Consultant*
Public Financial Management, Inc.

Schedule A Series
2015 AA-

S&P Global Ratings

S&P Global Ratings Terms and Conditions Applicable To Credit Ratings

You understand and agree that:

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of this Agreement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the credit rating provided hereunder and any analytical reports, including the rationale for the credit rating, unless you specifically request in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and nothing in this Agreement shall be construed as limiting S&P Global Ratings' ability to modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate. The provisions of this paragraph are subject to the restrictions on disclosure of Confidential Information set forth in this Agreement.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the credit rating provided hereunder, you will provide, or cause to be provided, as promptly as practicable, to S&P Global Ratings all information requested by S&P Global Ratings in accordance with its applicable published credit ratings criteria. The credit rating,

and the maintenance of the credit rating, may be affected by S&P Global Ratings' opinion of the information received from you or your authorized agents and advisors. Except for "Excluded Information", as defined below, all information provided to S&P Global Ratings by you or your authorized agents and advisors regarding the credit rating or, if applicable, surveillance of the credit rating, will, as of the date such information is provided, contain no untrue statement of material fact nor omit a material fact necessary in order to make such information, in light of the circumstances in which it was provided, not misleading. Excluded Information means information you cause to be provided by your authorized agents and advisors pursuant to the first sentence of this paragraph with respect to which such agent or advisor has agreed in a writing provided to S&P Global Ratings to make the agreements in this paragraph and to be liable to S&P Global Ratings for breaches of such agreements to the same extent as if you provided the information directly to S&P Global Ratings hereunder. A material breach of the agreements in this paragraph shall constitute a material breach of this Agreement.

Liability Relating to Information to be Provided by You. To the extent permitted by applicable law, you will be liable to S&P Global Ratings and its affiliates for all Losses actually incurred and directly resulting from (x) a material breach of the agreements in the immediately preceding paragraph or (y) a claim that the provision by you or your authorized agents and advisors of information to S&P Global Ratings hereunder infringes or violates the intellectual property rights of a third party. For purposes of this paragraph, "Losses" means losses, damages, liabilities, judgments, costs, charges, expenses and reasonable attorneys' fees, including any such losses arising from claims asserted by a third party against S&P Global Ratings, in each case as finally determined by a court of competent jurisdiction in a proceeding in which you are a party. Losses do not include amounts resulting from S&P Global Ratings' gross negligence, intentional wrongdoing or willful misconduct as finally determined by a court of competent jurisdiction in a proceeding in which you are a party.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your authorized agents and advisors have provided to S&P Global Ratings and, in connection with providing such information, have indicated in writing that the information is "Confidential." Notwithstanding the foregoing, information disclosed by you or your authorized agents and advisors to S&P Global Ratings shall not be deemed to be Confidential Information, and S&P Global Ratings shall have no obligation to treat such information as Confidential Information, if such information (i) was known by S&P Global Ratings at the time of such disclosure and was not known by S&P Global Ratings to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of S&P Global Ratings or its affiliates) subsequent to such disclosure, (iv) is disclosed to S&P Global Ratings by a third party subsequent to such disclosure and S&P Global Ratings reasonably believes that such third party's disclosure to S&P Global Ratings was not prohibited, (v) is developed independently by S&P Global Ratings or its affiliates without reference to the Confidential Information, or (vi) is approved in writing by you or your authorized agents and advisors for public disclosure. S&P Global Ratings is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

S&P Global Ratings' Use of Information. Except as required by applicable law or regulation or otherwise provided herein, S&P Global Ratings shall not disclose Confidential Information to third parties.

S&P Global Ratings may (i) use Confidential Information for its credit rating activities, including without limitation, to assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, as well as to make internal

determinations about commercial arrangements for its credit rating activities, and (ii) share Confidential Information with its affiliates or agents engaged in the credit ratings business who are bound by appropriate confidentiality obligations ("Ratings Affiliates and Agents").

Subject to the other provisions herein, S&P Global Ratings may also use, and share Confidential Information with any of its affiliates or agents engaged in other financial services businesses who are bound by appropriate confidentiality obligations ("Other Affiliates and Agents", and together with Ratings Affiliates and Agents, "Affiliates and Agents"), for modelling, benchmarking and research purposes.

Subject to the other provisions herein, S&P Global Ratings may publish and/or share with its Affiliates and Agents, who also may publish, data aggregated or derived from Confidential Information, excluding data that is specific to and identifies individual debtors, customers or clients.

S&P Global Ratings will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. S&P Global Ratings acknowledges for itself and on behalf of its affiliates that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for S&P Global Ratings' or its affiliates' disclosure of Confidential Information in violation of this Agreement. S&P Global Ratings and its Affiliates and Agents reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you or your authorized agents and advisors.

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. S&P Global Ratings has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, individually or collectively, by one or more persons or entities that is or are the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC Sanctions. For purposes of clause (c) in this section, "parent" is a person or entity owning or controlling, directly or indirectly, 50% or more of you or the issuer (if you are not the issuer). For so long as this Agreement is in effect, you will promptly notify S&P Global Ratings if any of these circumstances change.

S&P Global Ratings' Use of Confidential and Private Credit Ratings. S&P Global Ratings may use confidential and private credit ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. S&P Global Ratings may

disclose a confidential or private credit rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. S&P Global Ratings may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, S&P Global Ratings cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or S&P Global Ratings from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the credit rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to S&P Global Ratings by you or your authorized agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your authorized agents and advisors make such information available to S&P Global Ratings, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to S&P Global Ratings.

Limitation on Damages. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the credit rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and S&P Global Ratings are parties to result from gross negligence, intentional wrongdoing or willful misconduct of S&P Global Ratings. In furtherance and not in limitation of the foregoing, S&P Global Ratings will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that S&P Global Ratings is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall S&P Global Ratings be liable in an aggregate amount in excess of seven times the aggregate fees paid to S&P Global Ratings for the credit rating giving rise to the cause of action, up to a maximum of US\$5,000,000 except to the extent such monetary damages directly result from S&P Global Ratings' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Credit Ratings Acknowledged for Use in Other Jurisdictions. To the extent that regulatory authorities allow a credit rating agency to acknowledge in one jurisdiction a credit rating

issued in another jurisdiction for certain regulatory purposes, S&P Global Ratings may choose to acknowledge such a credit rating and denote such acknowledgement on www.standardandpoors.com with an alphabetic or other identifier affixed to such credit rating or by other means. S&P Global Ratings reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. If S&P Global Ratings acknowledges such a credit rating for regulatory purposes, all limitations set out herein with respect to a credit rating will apply to such acknowledgment of the credit rating, including without limitation, that such acknowledgement is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the assignment, withdrawal, or suspension of such acknowledgement, even if advised of the possibility of such damages or other amounts, except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and S&P Global Ratings are parties to result from gross negligence, intentional wrongdoing or willful misconduct of S&P Global Ratings.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the credit rating. No person is intended as a third party beneficiary of this Agreement or of the credit rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns. Subject to the limitations contained in this Agreement, S&P Global Ratings shall be liable for the conduct of its affiliates that would otherwise constitute a breach of the terms of this Agreement if S&P Global Ratings had engaged in such conduct itself.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Governing Law. This Agreement and the credit rating letter(s) shall be governed by the internal laws of the State of New York. The parties irrevocably agree that the state and federal courts of New York located in the County of New York shall be the exclusive forums for any dispute arising out of or relating to this Agreement or the credit rating letter(s) and the parties hereby consent to the personal jurisdiction of such courts.

MOODY'S

INVESTORS SERVICE

Moody's Investors Service, Inc.
7 World Trade Center at
250 Greenwich Street
New York, NY 10007
+1.212.553.0300 tel
+1.212.553.4820 fax
www.moody's.com

January 30th, 2019

Sarah Hollenbeck
PFM Financial Advisors LLC | Public Financial Management, Inc.
50 California Street
Suite 2300
San Francisco, CA 94111

**Re: Central Marin Sanitation Agency, CA's
Revenue Refunding Bonds Series 2015 (the "Obligation")**

Dear Madam:

In response to your request, Moody's has reviewed the above mentioned Obligation of Central Marin Sanitation Agency in conjunction with the proposal to change to their Joint Powers Agency (JPA) agreement. (the "Proposal"). At this time, the Proposal will not, in and of itself, result in a reduction, placement on review for possible downgrade or withdrawal of the current credit ratings on the Obligation.

This letter is provided on the basis that Moody's will receive conformed copies of all documents and legal opinions in an appropriate medium, and in a form satisfactory to Moody's, within 30 days of the date of this letter.

Credit ratings issued by Moody's are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address only the credit risks associated with the transaction and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Such other risks may have significant effect on yield and/or other payments to investors. This letter should not be taken to imply that there will be no adverse consequence for investors since in some cases such consequences will not impact the credit rating. Further information on the nature of credit ratings and Moody's rating methodologies can be found on www.moody's.com.

Moody's credit ratings are subject to revision, suspension or withdrawal at any time at our absolute discretion.

Moody's is not providing and shall not provide any financial, legal, tax, advisory, consultative or business services to you or advice on how to draft transaction documentation. You should take your own legal, tax, financial and other advice when structuring, negotiating and documenting transactions including the present proposal.

Moody's credit ratings are, and must be construed solely as, expressions of opinion. Moody's credit ratings are not and do not provide investment advice or recommendations to purchase, sell, or hold particular securities. Moody's issues its credit ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, holding, or sale.

This letter is based in part on information provided by you. Moody's adopts all necessary measures so that the information it uses in assigning and monitoring a credit rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process. This letter is provided "as is" without warranty of any kind and Moody's, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of this letter. Under no circumstances shall Moody's have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of Moody's or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if Moody's is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information.

The provision of this letter does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of this letter. Moody's has not consented to and will not consent to being named as an "expert" under the applicable securities laws, including, without limitation, Section 7 of the Securities Act of 1933.

This letter is strictly confidential and you may not disclose it to any other person except: (a) to your legal counsel acting in their capacity as such; (b) as required by law or regulation; or (c) with the prior written consent of Moody's and Moody's reserves the right to impose conditions upon such consent such as requiring that you only disclose this letter in its entirety and/or requiring any third party to enter into a non-disclosure agreement with Moody's in the form provided by Moody's.

This letter shall be governed by and construed in accordance with New York law and subject to the exclusive jurisdiction of the New York courts.

Yours faithfully,

Moody's Investors Service, Inc.

Moody's Investors Service, Inc.

cc: JK, Rating Desk Services



SAN RAFAEL SANITATION DISTRICT
Agenda Item No. 5.c.

DATE: February 22, 2019
TO: Board of Directors, San Rafael Sanitation District
FROM: Doris Toy, District Manager/District Engineer *DT*
SUBJECT: **Consider Becoming a Party to the Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies**

SUMMARY:

Over the past years, the JPA Managers have been discussing the development of a mutual assistance agreement in the event that one of the agencies needs emergency assistance. The wastewater treatment agencies in Marin County (Sausalito-Marin City Sanitary District, Central Marin Sanitation Agency, Novato Sanitary District, Sewerage Agency of Southern Marin, Las Gallinas Valley Sanitary District, and Sanitary District No. 5) have an existing Mutual Aid and Assistance Agreement in place. The Agreement's purpose is for the treatment agencies to provide mutual aid and assistance to each other in times of need and to provide for a method of reimbursement for equipment, materials and supplies, and personnel. Immediate assistance can be made through the General Managers, and they can choose to decline the requested assistance at any time. The Agreement describes the documentation, reimbursement, and conflict resolution procedures, and the requesting agency shall fully indemnify and hold harmless the responding agency.

The JPA Managers asked the above wastewater treatment agencies if they would consider allowing other agencies to join their Mutual Aid and Assistance Agreement. They agreed and executed Amendment #1 to the Mutual Aid and Assistance Agreement to allow other Marin County water and wastewater entities to become parties to the Agreement. Both Ross Valley Sanitary District and Sanitary District No. 2 (Corte Madera) have joined.

ACTION REQUIRED:

Staff requests that the San Rafael Sanitation District Board approve the District becoming a party to the Mutual Aid and Assistance Agreement and authorizing the District Manager to sign all documents necessary to implement the Agreement.

- Attachments:
1. Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies
 2. Addendum #1 to Mutual Aid and Assistance Agreement
 3. Exhibit A, Form of Addendum to Mutual Aid and Assistance Agreement

**Mutual Aid and Assistance Agreement
Between
Marin County Wastewater Agencies**

This agreement (hereinafter "Agreement") is made and entered into by the Novato Sanitary District, Las Gallinas Valley Sanitary District, Central Marin Sanitation Agency, Sewerage Agency of Southern Marin, Sanitary District No.5 of Marin County, and Sausalito Marin City Sanitary District, hereinafter called "Agencies", for the purpose of providing mutual aid and assistance to each other in times of need and to provide for a method of reimbursement for equipment, materials and supplies, and personnel made available under this Agreement.

In consideration of the mutual covenants and agreements hereinafter set forth, the Agencies will consider providing mutual aid and assistance to each another in times of need. Each Agency has the absolute discretion to decline to provide any requested assistance and the execution of this Agreement shall not create any duty to respond on the part of any Agency.

Nothing in this Agreement prohibits or precludes other local agencies in Marin County that provide wastewater services to request participation in the Agreement. Participation must be approved by all Agencies, and the contract amended pursuant to Section 8.

1. Requesting Assistance

The General Manager, or designated representative, of an Agency may request aid and assistance (Requesting Agency) from the General Manager, or designated representative, of another Agency (Responding Agency). Requests for assistance can be made orally or in writing. When made orally, the request for personnel, equipment and supplies shall also be prepared in writing and submitted to the other General Manager as soon as practicable.

When a Responding Agency receives a request for aid or assistance, the General Manager of the Responding Agency will evaluate the request and shall inform, as soon as possible, the Requesting Agency about the type and quantity of available resources, if any, and the approximate arrival time of such assistance, or if aid will not be provided.

Employees provided under this agreement will be under the direction and control of the Requesting Agency. The Requesting and Responding Agency's designated manager or supervisor(s) shall keep accurate records of the equipment and materials used, and the time expended and work performed by personnel during the period of assistance. The Responding Agency's General Manager retains the right to withdraw some or all of its resources at any time for any reason at the Responding Agency's sole discretion.

2. Cost Reimbursement

a. Personnel: The Responding Agency will make such employees as are willing to participate available to the Requesting Agency at the Requesting Agency's expense, defined as being equal to the Responding Agency's full cost, i.e., equal to the employee's applicable salary or hourly wage plus fringe benefits and overhead, including the overtime rate as applicable. The Requesting Agency shall be responsible for all direct and indirect labor costs.

b. Equipment: Use of equipment, such as construction equipment, vehicles, tools, pumps and generators, shall be at the Responding Agency's current equipment rate and subject to the following conditions: The Requesting Agency shall reimburse the Responding Agency for use of equipment including, but not limited to, all fuel, lubrication, maintenance, transportation, and loading/unloading of loaned equipment. All equipment shall be returned to the Responding Agency as soon as is practicable and reasonable under the circumstances.

- 1) At the option of the Responding Agency, equipment may be provided with an operator;
- 2) Equipment shall be returned to the Responding Agency within 24 hours after receipt of an oral or written request for return;
- 3) In the event equipment is damaged while being dispatched to Requesting Agency, or while in the custody and use of Requesting Agency, Requesting Agency shall reimburse the Responding Agency for the reasonable cost of repairing said damaged equipment. If the equipment can not be repaired, the Requesting Agency shall reimburse the Responding Agency for the cost of replacing such equipment with equipment that is of at least equal value and capability as determined by the Responding Agency. If the Responding Agency must lease a piece of equipment while the Requesting Agency's equipment is being repaired or replaced, the Requesting Agency shall reimburse the Responding Agency for such lease cost.

c. Materials and Supplies: The Requesting Agency shall reimburse the Responding Agency in kind or at actual replacement cost, plus handling charges, for use of expendable or non-returnable supplies. Other supplies and reusable items that are returned to the Responding agency in a clean, damage-free condition shall not be charged to the Requesting Agency and no rental fee shall be charged; otherwise, they shall be treated as expendable supplies. Supplies that are returned to the Responding Agency with damage must be treated as expendable supplies for purposes of cost reimbursement.

3. Payment Period

The Responding Agency shall provide an itemized invoice to the Requesting Agency for the expenses incurred in providing assistance under this Agreement not later than the 10th of the month following the month wherein assistance is provided. The Requesting Agency agrees to reimburse the Responding Agency within 15 days from receipt of an invoice.

4. Records

Authorized representatives of each Agency shall have access to the other's books, documents, notes, reports, papers and records for the purpose of reviewing the accuracy of the invoice(s) rendered.

5. Defense and Indemnification

The Requesting Agency shall assume the defense of, fully indemnify, and hold harmless the Responding Agency, their Board members, officers and employees, from all claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from assistance provided hereunder, including, but not limited to, negligent or wrongful use of equipment, supplies or personnel provided, or faulty workmanship or other negligent acts, errors or omission.

6. Workers' Compensation

Each Agency is responsible for providing worker's compensation benefits and administering worker's compensation for its employees.

7. Termination

Any Agency may terminate this Agreement by providing written notice to the others. Termination does not absolve the Requesting Agency's duty to reimburse the Responding Agency for assistance rendered, which duty shall survive such termination.

8. Modification

Modification to this agreement must be in writing and approved by all parties participating in Agreement at the time of the subject modification.

9. Severability

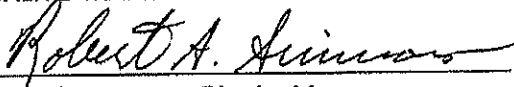
If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, the validity of the remaining terms and provisions shall not be affected.

10. Conflict Resolution

If a situation arises where the Responding and Requesting agencies' managers disagree on the interpretation of an Agreement provision or the reimbursement amount for mutual aide services, the parties in disagreement will resolve the situation through an informal Mediation and if Mediation is unsuccessful, then through binding Arbitration. The expenses associated with the conflict resolution process will be shared equally by the Responding and Requesting agencies.

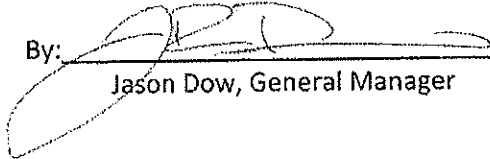
The effective date of this agreement is when it has been executed by all the Agencies.

SAUSALITO-MARIN CITY SANITARY DISTRICT

By: 
Bob Simmons, District Manager

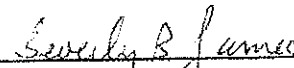
Date: 3/31/11

CENTRAL MARIN SANITATION AGENCY

By: 
Jason Dow, General Manager

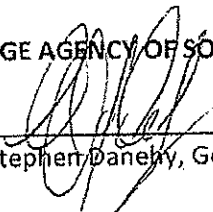
Date: 3/10/2011

NOVATO SANITARY DISTRICT

By: 
Beverly James, Manager/Engineer

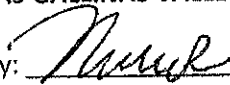
Date: 4/8/2011

SEWERAGE AGENCY OF SOUTHERN MARIN

By: 
Stephen Danahy, General Manager

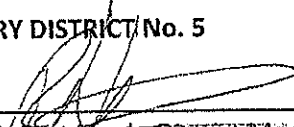
Date: 4/1/11

LAS GALLINAS VALLEY SANITARY DISTRICT

By: 
Mark Williams, District Manager

Date: 5/24/11

SANITARY DISTRICT No. 5

By: 
Robert Lynch, District Manager

Date: 5-20-11

Amendment #1

Mutual Aid and Assistance Agreement Between Marin County Wastewater Agencies

This amendment (hereinafter "Amendment") is made and entered into by the Novato Sanitary District, Las Gallinas Valley Sanitary District, Central Marin Sanitation Agency, Sewerage Agency of Southern Marin, Sanitary District No.5 of Marin County, and Sausalito-Marín City Sanitary District, hereinafter called "Agencies".

BACKGROUND

The Agencies desire to amend the May 2011 agreement entitled "Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies" (the Agreement), to create a mechanism for other Marin County water and wastewater entities to become Parties to the Agreement.

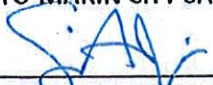
The Agencies therefore agree as follows:

AGREEMENT

- 1) Definition of Party: a local agency that provides water or wastewater services within Marin County that is party to the Agreement.
- 2) Definition of Addendum: an agreement that is in conformity with the addendum as set forth in Exhibit A to this Amendment #1.
- 3) Addition of Section 11 – New Local Agency Members: Any local agency in Marin County that provides water and/or wastewater services can become Party to this Agreement upon (a) approval of a majority of the current Parties, and (b) execution of a completed addendum by the governing board of the local agency.
- 4) Effect. Except as modified by this Amendment, all provisions of the original Agreement remain in full force and effect and continue to bind all Parties hereto.
- 5) Signatures. The following signatures attest the Agencies agreement hereto.

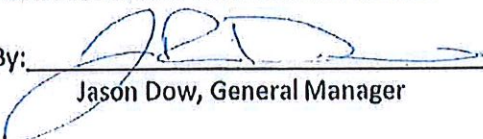
The effective date of this Amendment is when it has been executed by each Agency's representative on the following page.

SAUSALITO-MARIN CITY SANITARY DISTRICT

By: 
Craig Justice, District Manager

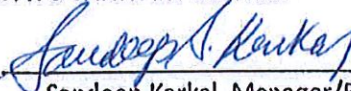
Date: 9/14/2014

CENTRAL MARIN SANITATION AGENCY

By: 
Jason Dow, General Manager

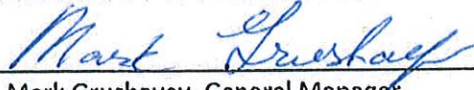
Date: 9/10/14

NOVATO SANITARY DISTRICT

By: 
Sandeep Karkal, Manager/Engineer

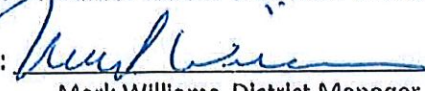
Date: 9/24/14

SEWERAGE AGENCY OF SOUTHERN MARIN

By: 
Mark Grushayev, General Manager

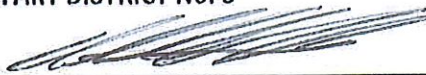
Date: 9-24-14

LAS GALLINAS VALLEY SANITARY DISTRICT

By: 
Mark Williams, District Manager

Date: 9/12/14

SANITARY DISTRICT No. 5

By: 
Tony Rublo, Acting District Manager

Date: 9/16/14

Exhibit A

**Mutual Aid and Assistance Agreement
between
Marin County Wastewater Agencies**

FORM OF ADDENDUM

This addendum to the Amended Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies (the "Agreement"), is dated February 22, 2019, and is made by San Rafael Sanitation District (the "Agency"), for the purpose of Agency becoming a party to the Agreement. The Agreement is incorporated by reference and made a part of this Addendum.

The Agency acknowledges that it has received a copy of the Agreement and, after a thorough review of the Agreement, desires to become a party to the Agreement. The Agreement permits the addition of parties to the Agreement if (a) such addition is approved by a majority of the current Parties, as defined in the Agreement, and (b) the Agency desiring to become a party through the execution of an addendum by its governing board.

The governing body of the Agency certifies that the Agency has reviewed the Agreement and agrees to its terms.

In consideration for the mutual promises set forth in the Agreement, the governing body of the Agency hereby agrees to accept and perform all duties, responsibilities and obligations as set forth in the Agreement. Further, the governing body authorizes its District Manager, or his/her designee, as its Representative, with authority to sign all documents necessary to implement the Agreement.

The notice address for the Agency's Representative is:
San Rafael Sanitation District
111 Morphew Street
San Rafael, CA 94901

San Rafael Sanitation District

By: _____

Gary O. Phillips
Chairperson

The Agreement and the Addendum are approved as to form:

By: _____

Jack F. Govi
Attorney for Agency