

**A G E N D A**  
**SPECIAL MEETING**  
**SAN RAFAEL SANITATION DISTRICT**  
**BOARD OF DIRECTORS**  
**FRIDAY – OCTOBER 20, 2023 - 11:00 A.M.**  
**SAN RAFAEL CITY HALL**  
**1400 FIFTH AVENUE – CONFERENCE ROOM CD3**  
**SAN RAFAEL, CALIFORNIA 94901**

Members of the Public may also participate in Open Session through the following:

**Zoom link:** <https://cityofsanrafael-org.zoom.us/j/83792027349>

**Or by Phone:** 1 669 444 9171 US

**Meeting ID:** 837 9202 7349

Public comments for this meeting can be submitted via email to the District Clerk at [Kathryn.Nelson@cityofsanrafael.org](mailto:Kathryn.Nelson@cityofsanrafael.org). The public comment period opens when the agenda is posted online and will close two hours prior to the start of the meeting. Include your name and the item you would like to provide a written comment on.

To provide comments during the meeting, please use the “raise hand” feature in the Zoom Meeting and the host will notify and unmute you when it is your turn to speak.

**Members of the public may speak on Agenda items.**

**1. ROLL CALL**

**2. OPEN PERIOD**

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

**3. CONSENT CALENDAR**

- a. Minutes of the Meeting –August 18, 2023.
- b. Payments – August 2023 and September 2023

**4. OTHER AGENDA ITEMS**

- a. Presentation of the 2022-23 Financial Statements for acceptance and approval. (Michael Maher)
- b. Presentation of the 2022-23 Schedule of Connection Fees for acceptance and approval. (Michael Maher)
- c. Approval of a Connection Fee Deferred Payment Plan for Marin Hospitality Inc. for Hilton Hotel at 1075 Francisco Blvd. East. (Postpone to future mtg.)

**5. INFORMATIONAL ITEMS**

- a. Bayside Acres September 30, 2023, Correspondence

**6. DIRECTOR REPORTS/REQUESTS FOR FUTURE AGENDA ITEMS**

**7. ADJOURNMENT**

The next scheduled meeting is November 17, 2023.

**SAN RAFAEL SANITATION DISTRICT**  
**Minutes of the Regular Meeting**  
**August 18, 2023**

Regular Meeting

In Person

The meeting was called to order at 9:07 A.M. by Chair Kate.

Attendance     Kate Colin, Chair  
Board:           Katie Rice, Acting Secretary/Director

Attendance     Doris Toy, District Manager/District Engineer  
Staff:           Kris Ozaki, Operations and Maintenance Manager  
                  Tim Tran, Associate Civil Engineer  
                  Kathryn Nelson, Administrative Analyst

Attendance     Kerry Gerchow, Deputy County Counsel  
Other:           Dean DiGiovanni, CMSA Commissioner for SRSD  
                  Paul Causey, Causey Consulting

**1. ROLL CALL**

A roll call was taken at 9:07 A.M., Director Rice and Chair Kate were present. There being a quorum, the meeting began.

**2. OPEN PERIOD**

No one was present to address the Board for open period. Chair Kate requested a round of introductions.

**3. CONSENT CALENDAR**

- a. Minutes of the Special Meeting – August 4, 2023.
- b. Payments – None
- c. Adopt resolution awarding contract for the 2023 Sewer Pipe Burst Project.

**MOTION** by Director Rice to adopt the Consent Calendar, seconded by Chair Kate.

**AYES:**           Director Rice, Chair Kate

**NOES:**           None

**ABSENT:**        Director Bushey

***Motion Carried***

**4. OTHER AGENDA ITEMS**

**a. Discuss and adopt resolution establishing the sewer connection fee for FY 2023-24.**

District Manager reviews the analysis and fiscal impact with the Board and the options for making the increase in connection fees for FY 2023-24. The Board discusses the idea of waiting for all Board members to be present and more supporting documents to make a final decision.

**MOTION** by Director Rice to continue to another date the discussion to adopt Resolution 23-1274 establishing the sewer connection fee for FY 2023-24.

**AYES:** Director Rice, Chair Kate

**NOES:** None

**ABSENT:** Director Bushey

***Motion Carried***

**b. Discuss the San Rafael Sanitation District's Response to the 2023-24 Marin County Civil Grand Jury Report: "Build More ADUs – An Rx to Increase Marin's Housing Supply."**

District Manager and the Board reviewed the Grand Jury's Report discussing the District's connection fee policy and its response. The Board discussed and agreed that Chair Kate and District Manager Toy will complete the Response Form with Chair Kate's signature and submit it as required.

5. **INFORMATIONAL ITEMS**

No comment.

6. **DIRECTOR REPORTS/REQUESTS FOR FUTURE AGENDA ITEMS**

No comment.

7. **ADJOURNMENT**

There being no further business to come before the Board, the regular meeting of August 18, 2023, was adjourned at 9:34 A.M. with the next scheduled meeting on September 15, 2023.

Respectfully submitted,

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Katie Rice, Acting Recording Secretary

**ATTEST THIS 20th DAY OF OCTOBER 2023**

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Kate Colin, Chair

## SAN RAFAEL SANITATION DISTRICT

## PAYMENT SUMMARY

August 1, 2023 - August 31, 2023

Vendor/Payee	Memo	Class	Account	Amount
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 7/26/23	200	2021 · Uniforms	236.72
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 8/02/23	200	2021 · Uniforms	236.72
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 8/09/23	200	2021 · Uniforms	236.72
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 8/16/23	200	2021 · Uniforms	236.72
ARAMARK UNIFORM SERVICES	Uniforms - weekly service ending 8/22/23	200	2021 · Uniforms	236.72
AT&T *1523	Telephone Service - land lines for pump stations and dialers from 7/02/23-8/01/23	100	2534 · Telephone service	583.79
BAY AREA AIR QUALITY MANAGEMENT DIS	Pump Stations - annual permit renewal fee for Loch Lomond Pump Station from 9/01/23-9/01/24	200	2359 · Maint- pump sta's & force mains	546.00
BAY AREA AIR QUALITY MANAGEMENT DIS	Pump Stations - annual permit renewal fee for South Francisco Pump Station from 10/01/23-10/01/24	200	2359 · Maint- pump sta's & force mains	629.00
BAY AREA NEWS GROUP	2023 Pipeburst Project - classified advertising bids	300	4355 · 2023 Sewer Pipeburst (80)	898.80
BPXPRESS	Isolation Valve Replacement - post, print plans, and specs	300	4345 · Isolation Valve Replacement (10	620.26
CALAMP WIRELESS NETWORKS CORPORATION	Vehicles - vehicles GPS	200	2083 · Parts and repairs vehicles	249.30
CALCON SYSTEMS, INC.	Pump Stations - Loch Lomond & Andersons Lift Station Pump Station pump replacement	200	2359 · Maint- pump sta's & force mains	2,832.01
CALCON SYSTEMS, INC.	Pump Stations - Kerner B Lift Station Upgrades - PLC, HMI, radio upgrades	200	2359 · Maint- pump sta's & force mains	29,850.00
CALIFORNIA CAD SOLUTIONS INC(CALCAD)	Facilities Mapping Services - miscellaneous projects from May to June 2023	100	4188 · Facilities mapping services	5,662.50
CALIFORNIA CAD SOLUTIONS INC(CALCAD)	2023 Sewer Televising - assist in plans and spec	300	4348 · 2023 Sewer Televising (80)	7,125.00
CAUSEY CONSULTING	Consulting Services - professional services through 6/30/23	100	2325 · Consulting services	3,628.40
CENTRAL MARIN SANITATION AGENCY	CMSA Connection Fees - multiple addresses	200	221000 · Connection fees payable cmsa	184,495.54
CITY OF SAN RAFAEL	Contract with San Rafael - first quarter FY 2023-24 reimbursement	100	2361 · Contract with San Rafael	326,545.92
COLIN, KATE	Director's Fees - Kate Colin on 8/04/23	100	2282 · Director's fees	100.00
COLIN, KATE	Director's Fees - Kate Colin on 8/18/23 & special studies session	100	2282 · Director's fees	200.00
COUNTY OF MARIN	Director's Fees - Katie Rice on 8/04/23	100	2282 · Director's fees	100.00
COUNTY OF MARIN	Director's Fees - Katie Rice on 8/18/23 and special studies session	100	2282 · Director's fees	200.00
DIEGO TRUCK REPAIR, INC.	Pump Stations - Loch Lomond Pump Station service generator	200	2359 · Maint- pump sta's & force mains	3,674.38
DIEGO TRUCK REPAIR, INC.	Vehicles - vactor service	200	2083 · Parts and repairs vehicles	1,408.39
EVOQUA WATER TECHNOLOGIES, LLC	Odor Control - service and inspections of chemical tanks at pump stations from 7/01/23-7/31/23	200	2106 · Odor control chemicals	1,899.86
EWERS ENGINEERING INC	Isolation Valve Replacement Project - professional services from 7/01/23-7/31/23	300	4345 · Isolation Valve Replacement (10	10,348.90
EXPRESS SERVICES INC.	Consulting Services - temporary administrative assistant for the week ending on 7/16/23	100	2325 · Consulting services	1,196.70
EXPRESS SERVICES INC.	Consulting Services - temporary administrative assistant for the week ending on 7/23/23	100	2325 · Consulting services	1,495.88
EXPRESS SERVICES INC.	Consulting Services - temporary administrative assistant for the week ending on 7/23/23	100	2325 · Consulting services	1,196.70
EXPRESS SERVICES INC.	Consulting Services - temporary administrative assistant for the week ending on 8/06/23	100	2325 · Consulting services	1,532.98
EXPRESS SERVICES INC.	Consulting Services - temporary administrative assistant for the week ending on 8/13/23	100	2325 · Consulting services	1,495.88
EXPRESS SERVICES INC.	Consulting Services - temporary administrative assistant for the week ending on 8/20/23	100	2325 · Consulting services	1,495.88
KIMLEY-HORN AND ASSOCIATES, INC.	Third Street (Fourth Street to Mary) - design support during construction through 6/30/23	300	4340 · Third St (4th to Mary) (80)	3,727.50
KIMLEY-HORN AND ASSOCIATES, INC.	2023 Sewer Improvement Projects (Various Locations) - for project management and coordination services through 7/31/23	300	4356 · Sewer Improv-mult Locations80	1,417.50
KIMLEY-HORN AND ASSOCIATES, INC.	Third Street (Fourth Street to Mary) - for project management and coordination services rendered through 7/31/23	300	4340 · Third St (4th to Mary) (80)	2,977.50
MAHER ACCOUNTANCY	Accounting Services - August 2023	100	2717 · Accounting services	4,100.00
MARIBETH BUSHEY	Director's Fees - Maribeth Bushey on 8/04/23	100	2282 · Director's fees	100.00
MARIN COUNTY ASSESSOR-RECORDER	Miscellaneous Expenses - parcel document for billing records FY 2023/24	100	2389 · Miscellaneous expenses	25.00
MARIN COUNTY TAX COLLECTOR	County Counsel - fourth quarter April/May/June FY 2022/23	100	2713 · Legal services	1,721.25
MARIN MUNICIPAL WATER DIS	Water - Simms Street from 6/13/23-8/10/23	200	2536 · Water utility costs	86.63
MARIN MUNICIPAL WATER DIS	Water - 1271 Andersen Drive from 6/13/23-8/10/23	200	2536 · Water utility costs	86.63
MARIN MUNICIPAL WATER DIS	Water - Woodland Avenue from 6/13/23-8/10/23	200	2536 · Water utility costs	91.25
MARIN MUNICIPAL WATER DIS	Water - Andersen Drive from 6/13/23-8/10/23	200	2536 · Water utility costs	86.63

<b>MARIN MUNICIPAL WATER DIS</b>	Water - Point San Pedro Road from 6/16/23-8/16/23	200	2536	Water utility costs	<b>86.63</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - 3106 Kerner Boulevard from 6/16/23-8/16/23	200	2536	Water utility costs	<b>86.63</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - Catalina Boulevard from 6/15/23-8/15/23	200	2536	Water utility costs	<b>91.25</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - E Francisco Boulevard from 6/15/23-8/15/23	200	2536	Water utility costs	<b>86.63</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - Castro Avenue from 6/15/23-8/15/23	200	2536	Water utility costs	<b>181.01</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - E Francisco Boulevard from 6/16/23-8/16/23	200	2536	Water utility costs	<b>86.63</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - Montecito Road from 6/16/23-8/16/23	200	2536	Water utility costs	<b>86.63</b>
<b>MARIN ROTO-ROOTER SEWER SERVICE, INC</b>	Standby - leak near 2212 Fifth Avenue, not sewage as noted	200	2363	Standby services	<b>800.00</b>
<b>MARIN ROTO-ROOTER SEWER SERVICE, INC</b>	Standby - call to 115 3rd Street	200	2363	Standby services	<b>800.00</b>
<b>MARIN ROTO-ROOTER SEWER SERVICE, INC</b>	Collection System - manhole raising mh2321	200	2360	O&M - collection systems	<b>7,593.30</b>
<b>MUNICIPAL RESOURCE GROUP, LLC</b>	Consulting Services - workplan implementation services through 7/31/23	100	2325	Consulting services	<b>450.00</b>
<b>NUTE ENGINEERING INC</b>	Consulting Services - engineering services for updated pump station plan from 7/01/23-7/31/23	100	2325	Consulting services	<b>4,228.50</b>
<b>NUTE ENGINEERING INC</b>	Bayside Acres Beach Sewer Improvements Project - engineering services from 7/01/23-7/31/23	300	4338	Rehab Beach Swr Baysid PhABC-£	<b>22,546.25</b>
<b>PARK ENGINEERING, INC</b>	2020 Sewer Pipe Repair and Replacement Project - inspection services through 3/31/23	100	4342	2020-21 Sewer Improvement (80)	<b>47,690.48</b>
<b>PARK ENGINEERING, INC</b>	Consulting Services - permit inspection services through 3/31/23	200	2325	Consulting services	<b>2,583.52</b>
<b>PG&amp;E a/c 2480926202-5</b>	Power - electric service for pump stations from 7/11/23-8/08/23	200	2535	Electric utility costs	<b>18,360.51</b>
<b>RH BORDEN AND COMPANY LLC</b>	Collection System - 2023 pipe assessment survey	200	2360	O&M - collection systems	<b>143,574.50</b>
<b>SCHAAF &amp; WHEELER, INC</b>	2020 Sewer Pipe Repair and Replacement Project - professional engineering services through 6/30/23	300	4342	2020-21 Sewer Improvement (80)	<b>1,627.50</b>
<b>SCHAAF &amp; WHEELER, INC</b>	2023 Sewer Rehabilitation Project - professional engineering services through 6/30/23	300	4351	2023 Sewer Rehabilitation (80)	<b>4,387.50</b>
<b>SCHAAF &amp; WHEELER, INC</b>	2020 Sewer Pipe Repair and Replacement Project - professional engineering services through 7/31/23	300	4342	2020-21 Sewer Improvement (80)	<b>5,250.00</b>
<b>SCHAAF &amp; WHEELER, INC</b>	2023 Sewer Rehabilitation Project - professional engineering services through 7/31/23	300	4351	2023 Sewer Rehabilitation (80)	<b>19,390.00</b>
<b>SHAMROCK</b>	Pump Stations - landscape for West Railroad Pump Station	200	2359	Maint- pump sta's & force mains	<b>178.03</b>
<b>SHAMROCK</b>	Pump Stations - landscaping for Glenwood Pump Station	200	2359	Maint- pump sta's & force mains	<b>133.53</b>
<b>SHAMROCK</b>	Pump Stations - landscape for West Railroad Pump Station	200	2359	Maint- pump sta's & force mains	<b>133.53</b>
<b>TIFCO INDUSTRIES</b>	Collection System - metal cutting blades	200	2360	O&M - collection systems	<b>650.04</b>
<b>US BANK CORPORATE PAYMENT</b>	Office Supplies - planner	100	2133	Office & shop supplies	<b>24.55</b>
<b>US BANK CORPORATE PAYMENT</b>	Office Supplies - parking permit holder	100	2133	Office & shop supplies	<b>8.73</b>
<b>US BANK CORPORATE PAYMENT</b>	Subscriptions - Marin IJ subscription	100	2131	Memberships and subscriptions	<b>274.26</b>
<b>VERIZON WIRELESS(242395655)</b>	Telephone Service - private IP addresses for the San Pedro and Peacock Pump Stations from 7/18/23-8/17/23	100	2534	Telephone service	<b>129.45</b>
<b>VERIZON WIRELESS(372347623)</b>	Telephone Service - wireless service for laptops from 7/21/23-8/20/23	100	2534	Telephone service	<b>426.11</b>
<b>W. R. FORDE ASSOCIATES (INC)</b>	2020 Sewer Pipe Repair and Replacement Project - Phase 2	300	4342	2020-21 Sewer Improvement (80)	<b>951,525.61</b>
<b>WATER COMPONENTS &amp; BLDG SUPPLY</b>	Collection System - rod hole lid	200	2360	O&M - collection systems	<b>167.43</b>
<b>WATER COMPONENTS &amp; BLDG SUPPLY</b>	Collection System - concrete/waterplug for manhole repair	200	2360	O&M - collection systems	<b>330.48</b>
<b>WECO INDUSTRIES LLC</b>	Collection System - rodder parts	200	2360	O&M - collection systems	<b>719.68</b>
					<b>1,840,304.46</b>

**SAN RAFAEL SANITATION DISTRICT**  
**PAYMENT SUMMARY**  
**September 1, 2023 - September 30, 2023**

<i>Vendor/Payee</i>	<i>Memo</i>	<i>Class</i>	<i>Account</i>	<i>Amount</i>
<b>ARAMARK UNIFORM SERVICES</b>	Uniforms - weekly service ending 8/29/23	200	2021 · Uniforms	<b>236.72</b>
<b>ARAMARK UNIFORM SERVICES</b>	Uniforms - weekly service ending 9/05/23	200	2021 · Uniforms	<b>236.72</b>
<b>ARAMARK UNIFORM SERVICES</b>	Uniforms - weekly service ending 9/12/23	200	2021 · Uniforms	<b>247.15</b>
<b>AT&amp;T *1523</b>	Telephone Service - land lines for pump stations and dialers from 8/02/23-9/01/23	100	2534 · Telephone service	<b>608.39</b>
<b>BPXPRESS</b>	Sewer Pipeburst - print plans and specs	300	4355 · 2023 Sewer Pipeburst (80)	<b>136.27</b>
<b>BPXPRESS</b>	Isolation Valve Replacement - post, print plans and specs	300	4345 · Isolation Valve Replacement (10	<b>164.32</b>
<b>BWS DISTRIBUTORS</b>	Safety - gloves	200	2365 · Safety equipment and supplies	<b>377.12</b>
<b>CALAMP WIRELESS NETWORKS CORPORATION</b>	Vehicles - vehicles GPS	200	2083 · Parts and repairs vehicles	<b>249.30</b>
<b>CALIFORNIA CAD SOLUTIONS INC(CALCAD)</b>	Consulting services - annual sewer billing FY 23-24	100	2325 · Consulting services	<b>5,750.00</b>
<b>CALIFORNIA DIESEL &amp; POWER INC. (CD&amp;POWER)</b>	Pump Stations - Bret Harte pump station service & inspection; CTL board and 2 bait charger	200	2359 · Maint- pump sta's & force mains	<b>2,661.42</b>
<b>CAUSEY CONSULTING</b>	Consulting Services - professional services through 8/31/23	100	2325 · Consulting services	<b>6,258.40</b>
<b>CITY OF SAN RAFAEL</b>	Third Street (Fourth Street to Mary) - construction management and inspection services, progress payment #17-#20	300	4340 · Third St (4th to Mary) (80)	<b>546,916.14</b>
<b>CSW/STUBER-STROEH ENGR GROUP INC.</b>	Third Street (Fourth Street to Mary) - design support during construction through 8/06/23	300	4340 · Third St (4th to Mary) (80)	<b>205.00</b>
<b>DIEGO TRUCK REPAIR, INC.</b>	Pump Stations - Loch Lomond Pump Station service generator	200	2359 · Maint- pump sta's & force mains	<b>3,674.38</b>
<b>ENVIRONMENTAL PRODUCTS &amp; ACCESS., LLC</b>	Collection System - vactor ball valve	200	2360 · O&M - collection systems	<b>242.13</b>
<b>EVOQUA WATER TECHNOLOGIES, LLC</b>	Odor Control - chemicals delivery from 8/01/23-8/31/23	200	2106 · Odor control chemicals	<b>13,300.32</b>
<b>EVOQUA WATER TECHNOLOGIES, LLC</b>	Odor Control - service and inspections of chemical tanks at pump stations from 8/01/23-8/31/23	200	2106 · Odor control chemicals	<b>1,899.86</b>
<b>EWERS ENGINEERING INC</b>	Isolation Valve Replacement Project - professional services from 8/01/23-8/31/23	300	4345 · Isolation Valve Replacement (10	<b>4,738.00</b>
<b>EXPRESS SERVICES INC.</b>	Consulting Services - temporary administrative assistant for the week ending on 8/27/23	100	2325 · Consulting services	<b>1,495.88</b>
<b>GRAINGER</b>	Safety equipment - eye wash preservative	200	2365 · Safety equipment and supplies	<b>407.18</b>
<b>H &amp; R Plumbing and Drain Cleaning, inc.</b>	Collection System - 11 Injection Grouting, MOBILIZATION, PERMITS	200	2360 · O&M - collection systems	<b>50,358.00</b>
<b>KIMLEY-HORN AND ASSOCIATES, INC.</b>	2023 Sewer Improvements - various locations - for project management and coordination services rendered through 8/31/23	300	4356 · Sewer Improv-mult Locations80	<b>21,022.50</b>
<b>MAHER ACCOUNTANCY</b>	Accounting Services - Survey of reserve policies of comparable California districts and presentation to board; Draft updated reserve policy	100	2717 · Accounting services	<b>11,240.00</b>
<b>MAHER ACCOUNTANCY</b>	Accounting Services - September 2023	100	2717 · Accounting services	<b>4,100.00</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - North San Pedro Road from 6/20/23-8/17/23	200	2536 · Water utility costs	<b>86.63</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - 44 Lagoon Road from 6/20/23-8/17/23	200	2536 · Water utility costs	<b>82.76</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - Riviera Drive LT28 Sewer Pump from 6/20/23-8/17/23	200	2536 · Water utility costs	<b>86.63</b>
<b>MARIN MUNICIPAL WATER DIS</b>	Water - Peacock Drive from 6/20/23-8/17/23	200	2536 · Water utility costs	<b>91.25</b>
<b>MARIN ROTO-ROOTER SEWER SERVICE, INC</b>	Standby - manhole overflow 70 Bret Harte Rd	200	2363 · Standby services	<b>2,400.00</b>
<b>MARIN ROTO-ROOTER SEWER SERVICE, INC</b>	Collection System - Sanitary District Cleaning Program & Maintenance Small TV Camera (includes up to 3locates)	200	2360 · O&M - collection systems	<b>750.00</b>
<b>MILLER PACIFIC ENGINEERING GROUP INC</b>	2020 Sewer Pipe Repair and Replacement Project - geotechnical services from 12/19/22-4/30/23	300	4342 · 2020-21 Sewer Improvement (80)	<b>9,659.20</b>
<b>MILLER PACIFIC ENGINEERING GROUP INC</b>	Bret Harte Easement Wall Improvement - services from 6/19/23-8/20/23	300	4327 · Bret Harte Esmt Wall Improv(80)	<b>24,982.50</b>
<b>MUNICIPAL RESOURCE GROUP, LLC</b>	Consulting Services - ESL Coaching services through 8/31/23	100	2325 · Consulting services	<b>900.00</b>
<b>NUTE ENGINEERING INC</b>	Consulting Services - engineering services for pump station condition assessment from 8/01/23 - 8/31/23	200	2325 · Consulting services	<b>2,164.50</b>
<b>NUTE ENGINEERING INC</b>	Bayside Acres Beach Sewer Improvements Project - engineering services from 8/01/23-8/31/23	300	4338 · Rehab Beach Swr Baysid PhABC-8	<b>7,050.00</b>
<b>PERIN - BATTERIES PLUS</b>	Collection System - batteries for locator	200	2360 · O&M - collection systems	<b>17.64</b>
<b>PG&amp;E a/c 2480926202-5</b>	Power - electric service for pump stations from 8/09/23-9/07/23	200	2535 · Electric utility costs	<b>23,448.47</b>
<b>RAUCH COMMUNICATIONS CONSULTANTS INC</b>	Bayside Acres Beach Sewer Improvements Project - general outreach	300	4338 · Rehab Beach Swr Baysid PhABC-8	<b>168.75</b>
<b>RH BORDEN AND COMPANY LLC</b>	Collection System - 2023 pipe assessment survey	200	2360 · O&M - collection systems	<b>99,498.00</b>
<b>SCHAAF &amp; WHEELER, INC</b>	2023 Sewer Rehabilitation Project - professional engineering services through 8/31/23	300	4351 · 2023 Sewer Rehabilitation (80)	<b>36,622.50</b>
<b>SCHAAF &amp; WHEELER, INC</b>	2020 Sewer Repair and Replacement Project - professional engineering services through 8/31/23	300	4342 · 2020-21 Sewer Improvement (80)	<b>5,512.50</b>
<b>US BANK CORPORATE PAYMENT</b>	Training and Education - staff training and education	100	2388 · Training and education	<b>370.00</b>
<b>US BANK CORPORATE PAYMENT</b>	Office Supplies - digital laser level	100	2133 · Office & shop supplies	<b>162.78</b>
<b>US BANK CORPORATE PAYMENT</b>	Subscriptions - Marin IJ subscription	100	2131 · Memberships and subscriptions	<b>332.12</b>





**SAN RAFAEL SANITATION DISTRICT  
REQUIRED COMMUNICATIONS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SAN RAFAEL SANITATION DISTRICT**

**REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2023**

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## REQUIRED COMMUNICATIONS

To the Members of the Board  
of the San Rafael Sanitation District  
San Rafael, California

We have audited the basic financial statements of the San Rafael Sanitation District (District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

*Accounting Policies* - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

*Unusual Transactions, Controversial or Emerging Areas* - We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates* - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements were:

*Estimated Fair Value of Investments:* As of June 30, 2023, the District held approximately \$47.6 million of cash and investments as measured by fair value as disclosed in Note 3 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2023. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2023.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 2 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole.

*Estimated Obligation to City of San Rafael:* Management's estimate of the obligation to the City of San Rafael is disclosed in Note 5 to the financial statements and is based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

*Disclosures* - The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the District's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated September 26, 2023.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

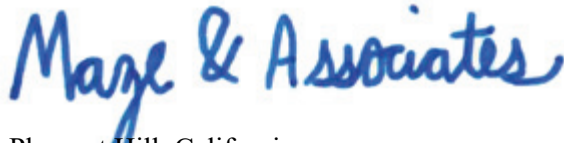
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

\*\*\*\*\*

This information is intended solely for the use of the Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Pleasant Hill, California  
September 26, 2023

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

**Annual Financial Report**  
**Years Ended**  
**June 30, 2023 and 2022**

**With**  
**Independent Auditor's Report**

**SAN RAFAEL SANITATION DISTRICT  
YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board  
of the San Rafael Sanitation District  
San Rafael, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the San Rafael Sanitation District (District), a component unit of the City of San Rafael, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### ***Report on Summarized Comparative Information***

We have previously audited the District's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Maze & Associates*

Pleasant Hill, California  
September 26, 2023

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

The Management's Discussion and Analysis provides an overview of the District's financial activities for the fiscal years ended June 30, 2023 and 2022. The information here should be read in conjunction with the audited financial statements.

**FINANCIAL HIGHLIGHTS**

The District's total net position as of June 30, 2023, was approximately \$106,368,000 which is an increase of approximately \$6,747,000 over the prior year's balance. Net position is comprised of approximately \$59,178,000 invested in capital assets and approximately \$47,190,000 in unrestricted net position.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

Notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

The following table is a summary of the District’s assets, liabilities, and net position for the years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current assets	\$ 49,594,474	\$ 48,547,353	\$ 44,345,582
Noncurrent assets	60,089,990	55,567,449	54,715,226
Total assets	<u>109,684,464</u>	<u>104,114,802</u>	<u>99,060,808</u>
Current liabilities	1,941,903	1,824,236	956,933
Noncurrent liabilities	1,374,944	2,669,803	4,252,005
Total liabilities	<u>3,316,847</u>	<u>4,494,039</u>	<u>5,208,938</u>
Net position			
Investment in capital assets	59,178,014	55,192,111	54,715,226
Unrestricted	47,189,603	44,428,652	39,136,644
Total net position	<u>\$ 106,367,617</u>	<u>\$ 99,620,763</u>	<u>\$ 93,851,870</u>

As indicated in the table above, current assets increased each year from 2021 to 2023. This was primarily because the District was accumulating resources for planned capital projects. The increase in noncurrent assets was the result of capital improvement projects undertaken each year, partly offset by annual depreciation. Expenditures for capital improvement projects often do not coincide with revenue for annual fiscal periods since projects are subject to lengthy planning periods, weather considerations and long construction periods. Current liabilities consist primarily of trade and construction payables and the current portion of a liability to the City of San Rafael for pension and other post-employment benefits. The change in current liabilities each year was the normal result of fluctuations in the timing of District’s disbursement cycle. Noncurrent liabilities decreased from 2021 to 2023 as a result of a revaluation of a liability to the City of San Rafael for pension and other post-employment benefits.

Details of capital improvements are described in *Capital Assets and Debt Administration*.

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

The following table is a summary of the District’s results of operations for the years ended June 30:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Operating revenues	\$ 16,638,611	\$ 16,458,113	\$ 16,945,721
Nonoperating revenues	3,474,689	1,685,715	1,942,420
Total revenues	<u>20,113,300</u>	<u>18,143,828</u>	<u>18,888,141</u>
Operating expenses	<u>13,541,927</u>	<u>12,892,687</u>	<u>13,790,905</u>
Income before capital contributions	6,571,373	5,251,141	5,097,236
Capital contributions	175,481	517,752	277,752
Changes in net position	<u>6,746,854</u>	<u>5,768,893</u>	<u>5,374,988</u>
Net position at beginning of the year	<u>99,620,763</u>	<u>93,851,870</u>	<u>88,476,882</u>
Net position at end of the year	<u><u>\$ 106,367,617</u></u>	<u><u>\$ 99,620,763</u></u>	<u><u>\$ 93,851,870</u></u>

Operating revenues are primarily from sewer service charges. There have been no rate changes since 2018. Revenue from sewer fees from 2022 to 2023 increased by approximately 1%. Nonoperating revenues decreased by approximately \$257,000 from 2021 to 2022 and increased by approximately \$1,789,000 from 2022 to 2023. The major components of nonoperating revenue are property taxes and investment income. Revenue from property taxes increased modestly each year. Investment returns from the Marin County Investment Pool experienced a decrease from 2020 to 2021 and then an increase from 2022 to 2023 due to fluctuating market returns. Operating expenses decreased from 2021 to 2022 and increased from 2022 to 2023. Included in operating expenses are waste treatment costs incurred as a member of the Central Marin Sanitation Agency which increased by \$113,000 from 2022 to 2023. These sewage treatment operating costs include a proportionate share of servicing the revenue bonds issued by the Central Marin Sanitation Agency (CMSA). The main driver of the overall changes in operating expenses from 2021 to 2022, and 2022 to 2023 were adjustments to liabilities for post-employment benefits for contract staff.

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital assets, net of accumulated depreciation, were as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Land & easements	\$ 115,329	\$ 115,329	\$ 115,329
Construction in progress	7,653,777	822,409	4,037,237
Subsurface lines	30,817,695	31,345,226	28,371,385
Sewage collection facilities	20,962,469	22,617,024	21,389,353
General plant & admin facilities	540,720	667,461	801,922
Net investment in capital assets	<u>\$ 60,089,990</u>	<u>\$ 55,567,449</u>	<u>\$ 54,715,226</u>

In addition to operations and maintenance (O&M) programs, the District also maintains ongoing capital improvement programs. These programs largely influence how the District budgets and sets its rates. In June 2017, the Board of Directors designated amounts to be provided as reserves for capital improvement projects and adopted a policy requiring transfers to separate reserve accounts to provide funding required to pay for planned capital improvement projects. Transfers are based on average annual expenditures projected for the subsequent ten years.

The first program, known as the *80-Year Life-Cycle Program*, is maintained to provide for systematic replacement of all the District’s gravity sewer lines over a rolling, 80-year cycle. Management plans to replace an average of 1.6 miles of sewer lines per year at an estimated cost of \$4.9 million per year. Approximately \$6.9 million was expended on these projects during the year ended June 30, 2023, leaving a reserve balance of \$20.6 million for this program.

The District also has a *Pump Station and Force Main Capital Improvement Program* to make capital improvements related to its pump stations and force mains. Planned annual expenditures are funded each year based on expenditures anticipated in the succeeding two years. Annual costs are estimated to range between \$2 million and \$6 million per year. Approximately \$100 thousand was expended on these projects during the year ended June 30, 2023, leaving a reserve balance of \$10.1million for this program.

The District maintains a program to provide for replacement of vehicles and other equipment, setting aside a portion of the expected replacement cost of each significant equipment item. No expenditures for equipment occurred during the year ended June 30, 2023, leaving a reserve balance of \$2.2 million for this program.

**SAN RAFAEL SANITATION DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**THE FUTURE OF THE DISTRICT**

The District is insulated from general economic conditions, such as increases or declines in property tax values, or other types of revenues that vary with economic conditions, such as sales taxes. Most of the District’s revenues are from user fees that are based on rates set by the District at levels sufficient to provide for planned costs of operation, maintenance, debt service and capital improvements. Sewer charges are annual fees charged to all premises connected to the system. The rates in effect during 2022-23 are expected to be sufficient to fund operations and planned capital improvement projects for the near term.

Personnel costs, including retirement and health benefits, capital improvement, and operations and maintenance costs are projected to increase. In addition, the cost of sewage treatment will rise significantly due to the rising costs of operation and capital improvement expenditures of Central Marin Sanitation District (CMSA).

**REQUESTS FOR INFORMATION**

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

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

## **Basic Financial Statements**



# SAN RAFAEL SANITATION DISTRICT

## STATEMENTS OF NET POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets		
Cash equivalents	\$ 47,632,637	\$ 46,864,314
Accounts receivable and accrued revenue	1,343,881	1,344,741
Prepaid expenses	77,441	75,194
Due from related parties	540,515	263,104
Total current assets	<u>49,594,474</u>	<u>48,547,353</u>
Noncurrent assets		
Nondepreciable assets	7,769,106	937,738
Collection systems and facilities, net	52,320,884	54,629,711
Total noncurrent assets	<u>60,089,990</u>	<u>55,567,449</u>
Total assets	<u>109,684,464</u>	<u>104,114,802</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,279,334	491,395
Other liabilities	11,646	656,700
Payable to related parties	22,923	21,883
Obligation to the City of San Rafael	628,000	654,258
Total current liabilities	<u>1,941,903</u>	<u>1,824,236</u>
Noncurrent liabilities		
Obligation to the City of San Rafael	1,374,944	2,669,803
Total liabilities	<u>3,316,847</u>	<u>4,494,039</u>
<b>NET POSITION</b>		
Investment in capital assets	59,178,014	55,192,111
Unrestricted	47,189,603	44,428,652
Total net position	<u>\$ 106,367,617</u>	<u>\$ 99,620,763</u>

**SAN RAFAEL SANITATION DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
Sewer charges	\$ 16,638,611	\$ 16,458,113
<b>OPERATING EXPENSES</b>		
Sewage collection	2,850,158	2,458,749
Sewage treatment	7,770,615	7,657,698
Depreciation and amortization	2,443,272	2,360,343
General and administration	477,882	415,897
Total operating expenses	<u>13,541,927</u>	<u>12,892,687</u>
Operating income	<u>3,096,684</u>	<u>3,565,426</u>
<b>NONOPERATING REVENUES</b>		
Property taxes	2,129,197	2,086,682
Aid from governmental agencies	5,531	5,568
Investment income (loss)	1,328,202	(406,535)
Miscellaneous income	11,759	-
Total nonoperating revenues	<u>3,474,689</u>	<u>1,685,715</u>
Income before capital contributions	<u>6,571,373</u>	<u>5,251,141</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Connection fees	<u>175,481</u>	<u>517,752</u>
<b>CHANGES IN NET POSITION</b>	6,746,854	5,768,893
Net position at beginning of the year	<u>99,620,763</u>	<u>93,851,870</u>
Net position at end of the year	<u>\$ 106,367,617</u>	<u>\$ 99,620,763</u>

The accompanying notes are an integral part of the financial statements.

**SAN RAFAEL SANITATION DISTRICT**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts for sewer service charges	\$ 16,639,471	\$ 16,457,253
Payments to City of San Rafael for contract personnel	(2,523,539)	(2,629,113)
Payments to joint venture for sewage treatment	(7,770,615)	(7,657,698)
Payments to vendors and suppliers	(1,491,491)	(1,247,973)
Payments to City of San Rafael regarding post-employment benefits for contract personnel	(661,444)	(747,284)
Net cash equivalents provided by operating activities	4,192,382	4,175,185
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from property taxes	2,129,197	2,086,682
Receipts of aid from governmental agencies	5,531	5,568
Receipts from miscellaneous income	11,759	-
Net cash equivalents provided by non-capital financing activities	2,146,487	2,092,250
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Connection fees collected	175,481	555,050
Connection fees collected for other agency	370,231	945,912
Connection fees remitted to other agency	(1,015,285)	(361,531)
Payments for capital acquisitions	(6,429,175)	(2,951,681)
Net cash equivalents used for capital and related financing activities	(6,898,748)	(1,812,250)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	1,328,202	(406,535)
Net change in cash equivalents	768,323	4,048,650
Cash equivalents at beginning of year	46,864,314	42,815,664
Cash equivalents at end of year	\$ 47,632,637	\$ 46,864,314

**SAN RAFAEL SANITATION DISTRICT**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

	<b>2023</b>	<b>2022</b>
Operating income	\$ 3,096,684	\$ 3,565,426
Adjustments to reconcile operating income to net cash equivalents provided (used) by operating activities:		
Depreciation and amortization	2,443,272	2,360,343
(Increase) decrease in accounts receivable and other current assets	(278,798)	(190,419)
Increase (decrease) in accounts payable and other current liabilities	252,341	40,144
Increase (decrease) in obligation to the City of San Rafael	(1,321,117)	(1,600,309)
Net cash equivalents provided by operating activities	\$ 4,192,382	\$ 4,175,185

The accompanying notes are an integral part of the financial statements.

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**1. NATURE OF THE ORGANIZATION**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

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

**BASIS OF ACCOUNTING**

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

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

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

**BASIS OF ACCOUNTING (continued)**

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

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

**CASH EQUIVALENTS**

For purposes of the statement of cash flows, the District has defined cash equivalents to include cash on hand and short-term investments maturing within 90 days, including investments held in the Marin County Investment Pool which are available on demand and are considered highly liquid.

**COLLECTION SYSTEMS AND FACILITIES**

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

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

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

**JOINT VENTURES**

The District participates in a joint-powers agreement with the Central Marin Sanitation Agency, a regional sewage treatment facility, as further explained in Note 6.

**SEWER CHARGES**

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

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

**PROPERTY TAXES**

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

**CONNECTION FEES**

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

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

**STAFF SALARIES AND BENEFITS AND WORKERS' COMPENSATION**

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

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most sensitive estimates affecting the District include estimated fair value of investments, estimate of depreciation, and estimates related to the obligation to the City of San Rafael for unfunded pension and post-employment health benefit obligations.

**INCOME TAXES**

SRSD is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

**RECLASSIFICATIONS**

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

**3. CASH EQUIVALENTS**

The District maintains all its cash equivalents in the Marin County Investment Pool to increase investment earnings through pooled investment activities. Revenue earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash equivalents." The County Pool includes both voluntary and involuntary participation from external entities. The District is a voluntary participant. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The District has approved by resolution, the investment policy of the County of Marin which complies with the California Government Code.



**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**3. CASH EQUIVALENTS (continued)**

The Marin County Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust.

The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs and fair value.

**FAIR VALUE MEASUREMENT**

The District categorized its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2023, The District held no individual investments. All funds are invested in the Marin County Investment Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The Districts' proportionate share of investments in the County Pool at fair value on June 30, 2023 and 2022 was \$47,633,000 and \$46,864,000, respectively, and are not required to be categorized under the fair value hierarchy.

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**3. CASH EQUIVALENTS (continued)**

**INTEREST RATE RISK**

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

In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment pool to 540 days, or 1.5 years. At June 30, 2023 and 2022, the County's investment pool had a weighted average maturity of 196 and 236 days, respectively.

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

**CREDIT RISK**

State law and the County's Investment Policy limits investments in commercial paper, corporate bonds, and medium-term notes to the rating of "A" or higher as provided by Moody's Investors Service or Standard & Poor's Corporation. The County's Investment Policy limits investments purchased by Financial Institution Investment Accounts, a type of mutual fund, to United States Treasury and Agency obligations with a credit quality rating of "AAA/V1."

Investments made by the Marin County Treasurer are regulated by the California Government Code and by the County's investment policy. The Marin County Investment Pool invests substantially all its funds in U.S. government obligations and registered money market funds rated 'AAAmmf' by Fitch Ratings or an equivalent rating agency. Fitch has assigned the Marin County Investment Pool a credit rating of "AAA/V1."

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**4. COLLECTION SYSTEMS AND FACILITIES**

A summary of the District's collection systems and facilities for the years ended June 30, 2023 and 2022 respectively, follows:

	<b>Balance at June 30, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers &amp; Adjustments</b>	<b>Balance at June 30, 2023</b>
<b>Nondepreciable capital assets:</b>					
Land and easements	\$ 115,329	\$ -	\$ -	\$ -	\$ 115,329
Construction in progress	822,409	6,831,368	-	-	7,653,777
Total nondepreciable	<u>\$ 937,738</u>	<u>\$ 6,831,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,769,106</u>
<b>Depreciable capital assets:</b>					
Subsurface lines	\$ 45,494,507	\$ 67,028	\$ -	\$ -	\$ 45,561,535
Sewage collection facilities	47,915,613	67,417	-	-	47,983,030
General plant and administration	2,366,681	-	-	-	2,366,681
Total depreciable	<u>95,776,801</u>	<u>134,445</u>	<u>-</u>	<u>-</u>	<u>95,911,246</u>
Less: accumulated depreciation:					
Subsurface lines	14,149,281	594,559	-	-	14,743,840
Sewage collection facilities	25,298,589	1,721,972	-	-	27,020,561
General plant and administration	1,699,220	126,741	-	-	1,825,961
Total accumulated depreciation	<u>41,147,090</u>	<u>2,443,272</u>	<u>-</u>	<u>-</u>	<u>43,590,362</u>
Total collection systems & facilities-net	<u>\$ 54,629,711</u>	<u>\$ (2,308,827)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,320,884</u>

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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

	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers &amp; Adjustments</u>	<u>Balance at June 30, 2022</u>
<b>Nondepreciable capital assets:</b>					
Land and easements	\$ 115,329	\$ -	\$ -	\$ -	\$ 115,329
Construction in progress	4,037,237	2,546,214	-	(5,761,042)	822,409
Total nondepreciable	<u>\$ 4,152,566</u>	<u>\$ 2,546,214</u>	<u>\$ -</u>	<u>\$ (5,761,042)</u>	<u>\$ 937,738</u>
<b>Depreciable capital assets:</b>					
Subsurface lines	\$ 41,910,303	\$ 510,563	\$ -	\$ 3,073,641	\$ 45,494,507
Sewage collection facilities	45,073,165	155,048	-	2,687,400	47,915,613
General plant and administration	2,365,939	742	-	-	2,366,681
Total depreciable	<u>89,349,407</u>	<u>666,353</u>	<u>-</u>	<u>5,761,041</u>	<u>95,776,801</u>
<b>Less: accumulated depreciation:</b>					
Subsurface lines	13,538,918	610,363	-	-	14,149,281
Sewage collection facilities	23,683,812	1,614,777	-	-	25,298,589
General plant and administration	1,564,017	135,203	-	-	1,699,220
Total accumulated depreciation	<u>38,786,747</u>	<u>2,360,343</u>	<u>-</u>	<u>-</u>	<u>41,147,090</u>
Total collection systems & facilities-net	<u>\$ 50,562,660</u>	<u>\$ (1,693,990)</u>	<u>\$ -</u>	<u>\$ 5,761,041</u>	<u>\$ 54,629,711</u>

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**5. OBLIGATION TO CITY OF SAN RAFAEL**

The District’s staff is provided by the City of San Rafael under a contractual arrangement originated in 1987 that requires the District to pay all related employee costs incurred by the City on its behalf. Quarterly payments are made by the District to the City and include amounts sufficient to cover the City’s currently required contributions to employee benefit plans, including a portion for past service costs. During fiscal year 2014-15, the parties agreed that SRSD was also responsible for unfunded obligations related to past service. These financial statements include an estimate of the District’s obligation to reimburse the City for future funding for benefits incurred through June 30, 2023. Under the agreement, this obligation will be funded over approximately fifteen years and will correspond to the City’s required payments to fund its pension and post-employment health benefits.

The following table represents the District’s portion of the unfunded obligations:

Balance at June 30, 2022	\$ 3,324,061
Actuarial adjustment	(659,673)
Payments	<u>(661,444)</u>
Balance at June 30, 2023	2,002,944
Less current portion	<u>(628,000)</u>
Balance due after one year	<u><u>\$ 1,374,944</u></u>

**6. JOINT VENTURES**

In October 1979, the District entered into a joint powers agreement with three neighboring sanitation agencies in central Marin County forming CMSA. CMSA serves as a regional wastewater treatment plant for its four member agencies and San Quentin Prison (SQ) and is governed by a five-member Board of Commissioners, two appointed by the Board of Directors of the San Rafael Sanitation District, two appointed by the governing board of the Ross Valley Sanitary District, and one appointed by the governing board of Sanitary District No. 2 (SD 2).

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**6. JOINT VENTURES (continued)**

Total project costs to construct the CMSA facilities were funded from federal (75%) and state (12.5%) clean water grants and from local shares (12.5% total) allocated among the member agencies and SQ based upon the weighted average of the strength and volume of sewage flows per member at inception of the project. CMSA derives its annual funding for its operations and capital programs almost exclusively from service charges to its member agencies. The joint powers agreement does not provide an explicit measurable right as required to establish an equity interest for any of the joint venture participants, and in addition to, stipulates that all excess capital funds, if any, and all excess administration, operations and maintenance funds from whatever source, if any, are the property of CMSA.

The financial statements of the Agency are available at the CMSA office at 1301 Anderson Drive, San Rafael, CA 94901 and online at [www.cmsa.us](http://www.cmsa.us). Condensed financial information for the Agency is presented below for June 30, 2022 and 2021, the most recent information available.

	<u>2022</u>	<u>2021</u>
Total assets	\$ 107,121,203	\$ 108,746,183
Deferred outflows of resources	13,581,357	5,220,529
Total liabilities	(65,583,801)	(66,101,718)
Deferred inflows of resources	<u>(5,825,343)</u>	<u>(1,121,145)</u>
Net position	<u>\$ 49,293,416</u>	<u>\$ 46,743,849</u>
Total revenues	\$ 20,869,505	\$ 20,059,358
Total expenses	(19,491,068)	(19,049,635)
Total contributions	<u>1,171,130</u>	<u>1,592,633</u>
Change in net position	<u>\$ 2,549,567</u>	<u>\$ 2,602,356</u>

**7. COMMITMENTS**

As of June 30, 2023, SRSD had several contracts for sewer improvement projects with remaining obligations of approximately \$7,800,000.

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**8. RISK MANAGEMENT**

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

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

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

The following summarizes active insurance policies as of June 30, 2023, together with coverage limits for each insured event:

Insurance Program	Limits	Coverage Description
CSRMA - Homesite	\$ 3,000,000	Gen/Mgt liability - aggregate
CSRMA - Homesite	\$ 1,000,000	Gen/Mgt liability - occurrence
CSRMA - Homesite	\$ 1,000,000	Auto liability - accident
CSRMA - Homesite	\$ 4,000,000	Excess liability
CSRMA - Alliant Property Insurance Program (A.P.I.P)	\$ 24,978,734	Special form property
CSRMA - Interstate	\$ 25,000,000	Pollution liability - tier 1
CSRMA - Interstate	\$ 2,000,000	Pollution liability - tier 2
CSRMA - Lloyds of London	\$ 2,000,000	Cyber liability - third party
CSRMA - Lloyds of London	\$ 2,000,000	Cyber liability - first party
CSRMA - Travelers Ins.	\$ 25,000	Identity theft
CSRMA - Lloyds of London	\$ 2,500,000	Deadly weapons - aggregate

**SAN RAFAEL SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

**8. RISK MANAGEMENT (continued)**

The financial statements of CSRMA are available at their office: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111 and online at [www.csrma.org](http://www.csrma.org).

**9. RELATED PARTY TRANSACTIONS**

The District engages the City of San Rafael to provide the payroll, benefits and related administration for the District's personnel. They also provide the District with various vehicle repairs, work related to capital improvements and other minor services. The City invoiced the District for approximately \$5,519,000 and \$3,485,000 for the years ended June 30, 2023 and 2022, respectively. These amounts included required payments to reduce unfunded post-employment benefits for contract staff. See Note 5, Obligation to City of San Rafael, for a discussion regarding the contractual obligation between the District and the City of San Rafael.

The District had an obligation to the City of San Rafael as of June 30, 2023 and 2022 of approximately \$23,000 and \$22,000, respectively, resulting from services provided by the City. The District also has a receivable from the City of San Rafael as of June 30, 2023 and 2022 of approximately \$541,000 and \$263,000, respectively, which represents adjustments from payments of estimated amounts made during the year to actual costs as determined at year end.



SAN RAFAEL SANITATION DISTRICT  
 Schedule of Connection Fees  
 Fiscal Year Ended June 30, 2023

The California Government Code Section 66013 requires certain disclosures regarding fees charged for connection of a structure or project to sewer systems (connection fees). The Code requires separate accounting of connection fees and the application of interest to outstanding balances. District policy as adopted by its Board of Directors is to utilize connection fees received on a first-in-first-out basis to finance current year capital projects. Accordingly, no interest was posted to connection fees and there is no outstanding balance of connection fees at year-end.

Other required disclosures for the fiscal year ended June 30, 2023, are as follows:

	<u>Project Status</u>	<u>Project Annual Total</u>	<u>Connection Fees</u>	<u>% of Annual Total</u>
<b>Connection fees available at beginning of year</b>			\$ -	
<b>Add: Connection fees collected</b>			\$ 175,481	
<b>Expended for the following projects:</b>				
Rehab Beach Sewer Bayside Phase ABC	<i>In Progress</i>	\$ 1,617,962	\$ 28,788	2%
Third St - 4th to Mary	<i>In Progress</i>	\$ 2,577,934	\$ 146,692	6%
<b>Total connection fees expended</b>			<u>\$ 175,481</u>	
<b>Connection fees available at end of year</b>			<u>\$ -</u>	

**From:** [Mayor Kate](#)  
**To:** [Karin hern](#)  
**Cc:** [Maribeth Bushey](#); [Katie Rice](#); [REDACTED] [Doris Toy](#)  
**Subject:** Re: Objections to SRSD proposed "Agreement" for properties in sewage system replacement project  
**Date:** Saturday, October 14, 2023 1:20:53 PM  
**Attachments:** [SRSD Reply-District one-sided Agmt\\_KarinHern.pdf](#)  
[Bayside Owner-SRSD Agmt-230811Rev.pdf](#)  
[Outlook-xvpgtzt1.png](#)

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Hi Karin - Thanks for your patience while the District worked to thoroughly respond to your concerns. I appreciate you reaching out to the Board with your questions about the required contractual agreement for SRSD to upgrade the pump systems for the sewer replacement project on your property and neighboring ones. I have met with staff to understand the situation as I know this project has been in the works for over a decade and is finally ready to start the work. As you know, this project is necessary as the current sewer line is degrading and there are existing environmental implications that also must be addressed.

Staff has answered your questions (attached) but the short version is there are the same two options for each homeowner who are part of the replacement program. Given your concerns, I recognize that you might not like either option but as this project is moving forward, the District will be requesting that each homeowner in our first group (177, 179, 181, and 183 Oak Drive) sign which Option they will be selecting by **Wednesday October 25<sup>th</sup>** 2023.

Option 1 is what is being presented with the contract agreement. I will note that there hasn't been any substantive changes made to the agreement as originally presented to the homeowners. For this option, SRSD is paying for the design and installation of the laterals and individual pumps. The estimated average cost to the District to cover a homeowner's individual project is \$80,000. This is a unique offer in that typically the homeowner is required to pay for all associated costs for this type of project but because SRSD will be abandoning the current sewer line in 2025, the District is making this one-time offer.

Option 2 is the homeowner refuses to sign the contract and accepts all associated costs with their project going forward. This option will also require the homeowner to provide the appropriate contractor information and acquire permits on their own and pay for those costs. If homeowners select this option but do not upgrade their sewer line in time, the property will not have a connection to the sewer system in 2025. There will not be an opportunity going forward for the homeowner to change their mind and select Option 1 if documentation is received selecting Option 2. The contract agreement now includes an opt out option for homeowners who will not sign the agreement – Option 2 - or simply wish to do the design and installation of the new laterals and individual pumps themselves.

In closing, the Board is very aware of the disruptive nature of this project and appreciate each homeowner's willingness to work with the District. We look forward to your signed agreement by 10/25/23 indicating which option you are selecting.

Sincerely,  
Kate

Kate Colin (she/her/hers)  
Mayor, City of San Rafael



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**From:** Karin hern [REDACTED]  
**Sent:** Monday, October 2, 2023 4:09 PM  
**To:** Mayor Kate <Kate.Colin@cityofsanrafael.org>  
**Cc:** Maribeth Bushey <Maribeth.Bushey@cityofsanrafael.org>; Katie Rice <krice@marincounty.org>; msackett@marincounty.org <msackett@marincounty.org>; [REDACTED]; Doris Toy <Doris.Toy@cityofsanrafael.org>  
**Subject:** Re: Objections to SRSD proposed "Agreement" for properties in sewage system replacement project

Thank you, Kate, for your quick response. We look forward to working with the Board and staff to address and resolve the concerns raised.

Regards, Karin Hern

Sent from my iPhone

On Oct 2, 2023, at 11:40 AM, Mayor Kate <Kate.Colin@cityofsanrafael.org> wrote:

Thank you Karin for emailing the board and sharing your concerns. We are looking forward to having this project completed and as you pointed out, there are legal requirements that are necessary as well. Let me connect with the Legal Counsel for SRSD to see if/how your concerns can be addressed.

Warmly,  
Kate

Kate Colin (she/her/hers)  
Mayor, City of San Rafael  
<Outlook-sowryk1q.png>

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**From:** karin hern [REDACTED]  
**Sent:** Saturday, September 30, 2023 5:52 PM  
**To:** Mayor Kate <kate.colin@cityofsanrafael.org>; Maribeth Bushey <maribeth.bushey@cityofsanrafael.org>; Katie Rice <krice@marincounty.org>  
**Cc:** msackett@marincounty.org <msackett@marincounty.org>; [REDACTED]  
[REDACTED]; Doris Toy <Doris.Toy@cityofsanrafael.org>  
**Subject:** Objections to SRSD proposed "Agreement" for properties in sewage system replacement project

Dear SRSD Board Members: SRSD has targeted four properties at 177, 179, 181 and 183 Oak Drive for the first installation of a proposed sewage pumping and collection system to replace the existing infrastructure ("replacement system.") To that end, SRSD has distributed to the residents of these four properties a 4-page "agreement" that has objectionable, unfair and potentially unenforceable terms that have not been heretofore disclosed in writing or otherwise to any of some 15-20 property owners targeted for installation of the replacement system.

Based on oral comments of SRSD representatives, it is understood that all targeted property owners are "required" by SRSD to sign the "agreement" if they want their sewage collection services by SRSD to continue, and that whatever form that signed agreement takes will be uniformly distributed to the other 11-16 targeted property owners. This puts the residents of the four initial properties in the very difficult position of "setting up" all other targeted

properties becoming bound to whatever objectionable "agreement" gets signed.

Accordingly, a copy of the proposed "agreement" has been distributed to a majority of the affected homeowners, requesting their feedback. Homeowners at the 15 property addresses listed below have indicated opposition to the "agreement" as currently proposed by SRSD:

177, 179, 181 and 183 Oak Drive  
187, 189, 191 and 193 Oak Drive  
50, 51 and 53 Beach Road  
9 and 11 Marine Drive  
816 and 836 Pt. San Pedro Road

All homeowners affected desire a fair arrangement with SRSD. All such homeowners have also reviewed the attached list of objections to the "agreement" and respectfully request that SRSD timely respond as to how it will address and correct these concerns in order to accomplish a non-objectionable and enforceable agreement between SRSD and the affected homeowners.

Please let us know with whom we should communicate to resolve these issues.

Regards,

Karin Hern  
On behalf of 15 properties



Virus-free [www.avast.com](http://www.avast.com)

## **SRSD's One-sided "Agreement"**

The District is requiring that homeowners who want continued sewer service with the District accept a new sewage collection system to be installed by the District and sign an Agreement and Release that unreasonably imposes complete liability and financial risk on homeowners and releases the District from any liability or financial responsibility for injury, death, damage or loss to persons or property arising from installation of the new system even if it results from the District's own negligence or intentional acts. Reviews of the release provisions by insurance agents and lawyers have yielded comments that these terms are the most onerous requirements they have seen in a government contract with rate-paying customers and may be outside of any legal authority if forced upon customers under duress.

This release language has never been previously suggested or disclosed at public meetings or on the District's website to any of the homeowners.

**DISTRICT RESPONSE:** The language was not available until recently, but the need for an agreement was first mentioned in the March 22, 2022 PowerPoint presentation, Update 1 in June 22, 2022. Also, in Update No 2 August 2, 2022. It was described again in Update No. 6 on February 7, 2023 this way: Each property owner will receive a document to sign giving the District the right to enter, permission to construct the system, and release of liability.

**DISTRICT INTRODUCTORY COMMENTS:** San Rafael Sanitation District (SRSD) recognizes that since this project is being performed on your own home and property, you are likely very interested to know that it will be built properly, that inconvenience is minimized, you don't face any unfair liability, and that your property is properly restored. The District has sought from the beginning to deliver on these desires and be thoughtful and fair throughout.

It is important to remember, when considering any issue related to this project how critical this project is for public and environmental health and that it must be completed without delay. The project is necessary because your sewage is currently running through an aging sewer pipeline in the Bay that is in danger of leaking or breaking and spilling sewage into the Bay. This is not only bad for the environment, but it would also result in substantial fines, and depending on the severity of any break, could be very difficult to fix. Because of how near your properties are to the Bay, a gravity sewer line is not feasible anymore. So the District has invested over \$1 million so far to install new sewer mains in the streets near or above your homes. The new sewer pump and lateral systems must be built as soon as possible so that we can shut down sewage flow into the aging pipeline in the Bay.

District policy and a typical practice throughout the SF Bay Area Region makes the property owner responsible for connecting the sewer line in the street. Since you are unexpectedly compelled to make this change, to speed up the abandonment of the pipeline, the District is offering to design, pay for, and build these systems for you.

We are using professional engineers to ensure quality using high-quality materials, that meet all District standards, and offering a full-year service, and maintenance contract.

We believe that this is a generous offer that will cost well over \$100,000 for some of your properties.

**The District is not forcing this offer on any of the property owners.** If you do not want to accept this offer, you may decline it. If you decline it, you will then need to take responsibility for designing, constructing, and paying for a lateral and pump yourself by **March 31, 2025**.

RESPONSES TO YOUR QUESTIONS THAT WERE RECEIVED ON SEPT. 30 VIA EMAIL

The following notes are additional concerns that must also be addressed before homeowners can be comfortable in signing such a one-sided agreement.

1. Homeowners take final responsibility for the new system “in conformance with existing law,” but this law has not been disclosed to homeowners by the District.

DISTRICT RESPONSE: The District is referring to [SRSD Ordinance No. 54](#). Here is a portion of the Ordinance: “SECTION 1. Sewer laterals on private or public property are installed by the property owner or his/her predecessor in interest at his/her own expense and the accompanying responsibility to maintain the sewer lateral is properly the duty of the property owner since the San Rafael Sanitation District does not own, control, or maintain such sewer laterals.” Additional detail is available on [the District’s sewer lateral webpage](#).

2. As noted above, the District is making all of the decisions for the construction and installation of the new system for ratepayers but escaping responsibility for losses, repairs, injuries, damages, death, etc. resulting from their decisions. This release could invalidate protective provisions of a homeowner’s property insurance and/or umbrella policy.

DISTRICT RESPONSE: The District will retain bonded and insured contractors who are vetted to perform this type of work. The work will be managed by the District, which has decades of experience managing construction. The contractor is contractually responsible for any damage just as they would be if you as the property owner hired them.

3. The District has not confirmed in writing that any company or persons they hire/contract with to do the work on homeowner properties are properly authorized, qualified, licensed, bonded and insured and may not impose liens on homeowner property, given the District’s agreement to oversee and pay those contractors/hirees for the initial installation.

DISTRICT RESPONSE: The systems are designed by licensed and insured professional engineers. The contractors are as well. The requirements include licenses, bonds, insurance, safety, financial requirements, etc. All requirements must be followed in all contracts between the District and its construction contractors. Here is a link to a [District Standard Construction Contract](#). Please also note that since the District is a public agency, the contracts are much more stringent than a standard contract would typically be between a property owner and contractor.

4. The District is shifting all of the post-construction burden on the homeowners but has not disclosed what if any protections have been negotiated FOR HOMEOWNERS with each of the District’s “representatives” performing the construction and installation works. This is mandatory if homeowners are to “look to the representatives” and not the District for problem



resolution as the homeowners are not allowed to be signatories or even be informed of the scope of work and remedies in the construction contracts. For example, homeowners need to know what the pump warranty is and how the pump warranty passes to the homeowner.

**DISTRICT RESPONSE:** The District will require the contractor to assign any equipment warranties to each property owner. In addition, The District is providing a one-year service and maintenance contract on the entire installed system from a qualified contractor. In addition, the system is fully engineered by a team of professionals and using high-quality materials and equipment. Furthermore, these are generally extremely reliable types of systems. Here is what the District said about warranties in Update No 6 on February 7, 2023: Q 21: What is SRSD providing for first-year support? **RESPONSE:** The District will provide a one-year maintenance contract for the entire installed system.

**5.** The District is forcing homeowners to absolve it of all responsibility during and after construction and forcing homeowners to deal directly with “district representatives,” but the District has not shared who these reps are and what agreements the District will enter into with them. For example, warranties and other agreement provisions usually accrue to the purchaser (the District), so will an assignment of the District’s rights extend everything to the homeowner?

**DISTRICT RESPONSE:** The answer is the same as above. The District will pay for a one-year service and maintenance contract for the entire installed system. The contractor will also be required to transfer any equipment warranties to each property owner before the project will be deemed complete. As a government agency, the District must adhere to the public contract codes. As a result, we will not know who the contractor is until the bidding process is complete. The District will post the bid documents and the executed agreement with the contractor on the web and make it available to the property owners when those are available.

**6.** Having the homeowners sign off on the so-called “final” design when the District in its sole discretion can thereafter make any changes at all without further homeowner consent is a fiction. Homeowners will ultimately be responsible for the ACTUAL FINAL design, and the Agreement does not even provide that the District will inform the homeowner of THAT design.

**DISTRICT RESPONSE:** The District will not start construction until the final design is signed off by the property owner or their representative. After the first meeting to review the plans onsite, the engineering team will incorporate requests of the property owner and bring the final design back for review and sign-off. During construction, issues may arise, requiring minor changes in the plan. The District will be in touch with property owners about such issues before approving them.

During construction, the District will review homeowner's requests, and if agreed upon, then the District will request that the Contractor make the changes. Property owners are not able to directly request changes with the contractor because it is the District that has the contract with the contractor.

**7.** It is not clear whether the homeowner decides that the “property has been restored to pre-construction condition.” Is there a written homeowner-agreed restoration plan?

DISTRICT RESPONSE: Update No 6 from February 7, 2023, said this about restoration: The contractor will be required to construct and restore your property after construction to pre-existing conditions. Pre-construction documentation, such as photos and/or videos, will be utilized to verify the pre-existing condition. The District's goal is to please the property owner and has a long history of being a good citizen in this regard. The final inspection before sign-off can be completed with the property owner. And the District representative will seek to be responsive to homeowner requests. Ultimately, the District has final authority over approving restorations.

## **8. Construction Commencement:**

**a.** Will homeowners be timely notified of project start to prep their parcels and how long will the start to finish take?

DISTRICT RESPONSE: SRSD we will include requirements in the bidding package for the contractor to begin and complete individual homes expeditiously. The construction for each group may take about 3 months but the time of construction at each home should be less. In addition, once the contract is executed, SRSD will set up site meetings with each homeowner and the contractor to talk about the project on each of their properties so the homeowner would know what to expect and when the contractor will start. Barbara has also been asking the owners to let us know if they'll be away on vacation, etc. so SRSD can plan around that. Please keep her informed of any plans to be away.

**b.** Since Work is limited from 8am to 5pm, what condition will the property be in during the off times? What efforts will be implemented to minimize other disruptions?

DISTRICT RESPONSE: There is a clause in the contract with the contractor that requires them to keep the site clean in order to maintain safe access and to avoid fire hazard.

The contractor will be required to undertake numerous mitigations to minimize disruption. For example, they cannot start construction until all materials are on hand except for those that are readily available. They must maintain access to driveways, sidewalks, walkways, etc. They may not store materials at the worksite. They must coordinate in advance with each property owner and prepare a schedule for any temporary infringement of access.

**c.** The District and its contractors/hirees may "utilize homeowner property" to complete the Work. Does this include use of the homeowner's various utilities and resources (electricity, water, gas, telephone, computers, generators, tools, etc.?) Will the District reimburse the homeowner for all of that?

DISTRICT RESPONSE: The contractor must supply all power, water, and any supplies. This will require the use of a generator. Each property owner may request that the contractor use the property's power if the owner wants to avoid generator noise.

**d.** The drawings note that water/sewer can be shut off for 2 hours at any time. Will there be ample advance notice?

DISTRICT RESPONSE: The contractor is expected to need to shut off sewer service one time when they connect the system. The District requires the contractor to provide a schedule and be in regular communication on all activities on your property, including a shut-off. As soon as the contractor knows when they will transition to the new system and ask that you refrain from discharging your wastewater, the contractor will let you know. They may provide an approximate date early on, then when it gets closer, they'll tell you a more specific date and time of day.

e. Homeowners need notice of each expected day's work, so they can be there to observe and answer questions and plan their regular lives. Will homeowners always have access to their driveways and garages? Will there be separate, staggered visits by different tradespeople?

DISTRICT RESPONSE: The contractor must maintain access to driveways and garages. If there is a temporary need to block access, they must give 48 hours advance notice. They will also be required to provide a schedule. But there may be variations in the schedule and staggered access by contractors.

f. Where is the main line connection point exactly? What happens to the part between the house and that point the District classifies as "lateral" that is on public property? If the homeowner is responsible for that, will they need permits from the county to dig up county streets and then repair/restore them, and to what condition? Who approves? And who maintains that portion and finances the repair/restoration?

DISTRICT RESPONSE: The main sewer pipeline is in the street, which was installed last year as our first phase of the project. At that same time, the District has installed the lower lateral from the sewer main connection to a clean-out on the edge of your property. The District is taking responsibility for making the connection from the property to the mainline in the street that is needed to install the new pump and lateral systems, including all permit requirements (County, City, San Francisco Bay Conservation and Development Commission (BCDC)). In the future, if maintenance is needed, the property owner will be responsible in the same way every property owner in the District is.

## **9. Physical Pump System:**

a. Is it a duplex pump? Can homeowners see the design showing the pump max head versus the District's measured height required?

DISTRICT RESPONSE: Yes, it is a duplex pump. Here is a description from Update No. 5 from November 14, 2022: The new residential pump systems will be duplex, meaning they will have dual pumps. If one pump fails, the other can take its place, increasing redundancy and reliability. Also, if needed, a non-working pump can be removed and repaired while the second pump remains without interruption. The homeowner may request to know the max head versus the measured height required (a.k.a., pump curve) from the engineer during the plan review and it will be provided.

b. The pump and controls come from separate companies and presumably the tank and other components as well. Who has designed the whole system and can homeowners see that full design in detail? Little has been disclosed by the District.

DISTRICT RESPONSE: The four homeowners who have systems that are designed, have seen the design in detail. The rest are not designed yet. When each property receives its onsite review, they can see all the details. The District will maintain overall responsibility for the project. Mark Wilson, from Nute Engineering, is leading the design team and has been at numerous public meetings, answered questions by phone, and been at multiple house visits for every home. Here is a description of the design team from Update No. 5 from November 14, 2022: The Design Team participating in these visits includes a representative from each area of the project., i.e., Nute Engineering (Design Engineer), Beecher Engineers, Inc. (Electrical Engineer), Miller Pacific Engineering Group (Geotechnical Engineer), SRSD Staff, and additional specialists as needed.

**c.** The tank size is not shown, but previously the District indicated the system pump should actuate once every day or two with normal use. Is that still the case?

DISTRICT RESPONSE: The tanks to date are designed to provide 200 gallons of storage, although there may be a variety of shapes and dimensions to fit in each property appropriately. Note that the average family in San Rafael generates less than 140 gallons of sewage per day.

**d.** The District will give the final approval for the completed project. This is a rare case where they are also the “owner” of the project. How does this approval process compare to a similar system where the homeowner is the applicant? Who signs off on this?

DISTRICT RESPONSE: The District will work with homeowners before, during construction, and leading up to sign-off. We will seek to ensure that each property owner is satisfied with the work. The final sign-off will be by the District after conferring with the property owner.

In cases in which a homeowner is an applicant to build their own system, they are required to apply for a sewer permit from the District, which includes submitting civil drawings complying with District standards stamped by a CA licensed civil engineer, and contractor's certificate of insurance for general liability and auto insurance. Once District staff reviews and approves the permit, the homeowner may proceed with installation. Before everything is covered up, the homeowner will make an appointment with District’s inspector for approval. Also, the homeowner is required to apply for an encroachment permit from the City or County for work in the public right-of-way, which may require traffic control plans and compliance with City/County construction standards; and a permit from the San Francisco Bay Conservation and Development Commission; an electrical permit from City/County building department, and inspection by the City/County.

Since SRSD is offering to do the lateral/pump station project, those homeowners that accept the offer would not have to do anything; SRSD is offering to take care of it all.

#### **10. Miscellaneous:**

**a.** What happens when PGE shuts off power without notice for an extended period and the tank is nearly full? The sewer system has no reserve in this case and getting service will be impossible. This has long been an issue swept under the rug.

DISTRICT RESPONSE: The November 14, 2022 update discussed this issue. Below is that statement with additional more detailed descriptions. The sumps are designed to hold about 24 hours of flow, covering most power outages.

But there are set parameters on the tanks that the pumps turn on when the wastewater is at a certain height on the tank. It doesn't get "full", so it allows plenty of leeway until the tank actually reaches its limit. Also, the High-Level alarm will sound before the tank is full and some storage will be available after the alarm.

The wastewater can be pumped out of the tank if needed by local contracting services in the event of a very long power outage.

The District will provide a receptacle if the homeowner wants to plug in a portable generator of their own to pump down the system if needed during an extended PGE outage.

In addition, it was noted that these systems are designed to be highly reliable. For example, a neighbor in the Bayside community reported a couple of decades of use of his private sewer lateral and residential pump system with little or no maintenance or problems.

In sum, the limited benefits do not equal the very high costs, and the Board decided not to offer backup power.

**b. Can the District design include a Wi-Fi connection with this system to give homeowners status and warnings? Homes have this capability for other utilities and services via cellphone re home electricity, water, irrigation, alarm, door locks, lighting, etc.**

DISTRICT RESPONSE: The system will have a visual alarm (light) and an audible alarm, which is the District's standard requirement for these systems. If the homeowner wants additional alarms, they can be purchased from a variety of stores and vendors.

**RIGHT OF ENTRY, AGREEMENT TO CONSTRUCTION AND RELEASE  
FOR DESIGN AND CONSTRUCTION  
OF LATERAL SANITARY SEWER LINE AND PUMP**

The San Rafael Sanitation District (“**District**”) requests that you, as an owner or tenant of your Property (“**you**”), sign, complete, and return this Right of Entry, Agreement to Construction and Release for Design and Construction of Lateral Sanitary Sewer Line and Pump (“**Agreement**”), which has the street address

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(“**your Property**”), so the District may design and construct new lateral sewer lines and pumps so that the District can continue to provide your Property with sanitary sewer service.

*If you are a tenant*, please provide a copy of this Agreement to your landlord and obtain permission before signing.

**REASON FOR THIS AGREEMENT:**

**SANITARY SEWER SERVICE:** Existing utility service is provided through old sewer lines, which are inadequate to handle existing sewer flow and difficult to maintain in their current location. To preserve sanitary sewer service to your Property, your sanitary sewer lateral line must be relocated in order to connect to the new sewer main lines and a pump installed. This project for the new main lines is referred to as the “**Bayside Acres Sewer Main Improvements Project**” (“**Project**”).

Since or about March 2022, the District and/or its representatives have been to your Property to discuss the Project and inspect your Property. **As previously discussed with you, the District will pay for the cost of installing new lateral sewer lines and/or pumps from your Property to the new main pipelines (“Work”). However, once the connection of the new sewer lateral line(s) and/or pump(s) has been completed to the new main pipeline, YOU, THE PROPERTY OWNER, WILL BE RESPONSIBLE FOR MAINTENANCE AND REPAIR OF THE LATERAL FROM YOUR PROPERTY TO THE POINT OF CONNECTION WITH THE SEWER MAIN LINE AS WELL AS THE NEW PUMP(S) ON YOUR PROPERTY IN CONFORMANCE WITH EXISTING LAW. The District will also send you, the Property Owner, a notification letter reminding you of your responsibility for maintenance and repair of the new lateral from your Property to the point of connection with the sewer main line as well as the new pump(s), if applicable, on your Property once this Project has been completed.**

District personnel and/or District consultants and/or contractors (“**District Representatives**”) will need access to your Property to perform this Work. This Work involves **THREE PHASES** which require District Representatives to enter onto your Property:

- **DESIGN PHASE** –District personnel and/or District Representatives have already started this phase with you. District Representatives have prepared a sketch of the new sewer lateral line(s) and pump(s). This sketch shows the location and design of your new

sewer lateral line(s) and pump(s). In addition, this sketch has already been provided to you by District personnel and/or District Representatives.

- **CONSTRUCTION PHASE** – The District Representatives will construct new sewer lateral line(s) and pump(s). Before beginning work, the District personnel and/or District Representatives will inform or notify you that District Representatives will be on your Property to perform the work. District Representatives will also meet with you prior to performing work. District Representatives may continue to enter onto your Property until construction is completed and the District accepts the work performed by District Representatives.
- **SERVICE CONNECTION PHASE** – District personnel and/or District Representatives will access your Property after the installation of your new sewer lateral line(s) and pump(s) to inspect its connection to the new main sanitary sewer line in the right-of-way.

**RIGHT-OF-ENTRY: By signing and returning this Agreement, you grant** the District and District Representatives the right to enter your Property between the hours of 8:00 a.m. and 5:00 p.m. for the following purposes and until the Work is complete:

- Design Phase (Sketch) – Continue assessing your Property for a sketch of the new sewer lateral line(s) and pump(s).
- Construction and Service Connection Phases – Completing the construction of new sewer lateral line(s) and pump(s) on the Property and the connection to the new sanitary sewer collection system.

District Representatives will suitably identify themselves prior to entering your Property.

**By signing this Agreement, you acknowledge and agree:**

1. The District and/or District Representatives are permitted to use and/or share pictures and/or videos of your Property taken previously by District and/or District Representatives with potential contractors in relation to bidding and bid contracts for the Project and for Work on the Project.
2. The District and/or District Representatives will prepare a final sketch delineating the general alignment of the new sanitary sewer lateral line and location of pump. You will be given a copy of the final sketch. You will have two (2) weeks after receipt of the final sketch to approve it. If you fail to give your written approval to the final sketch within two (2) weeks of receiving the final sketch, you shall be deemed to have given your approval to the District as to the final sketch.
3. After your approval of the final sketch, the District shall perform any required modifications, changes, alterations, corrections, redesigns, and additional work to the final sketch necessary to complete the construction of the new sewer lateral line(s) and pump(s) on the Property and the connection to the new sanitary sewer collection system. Any modification or variation from the final sketch shall be made by the District, whose decision shall be final.
4. The District has the sole authority to make any modifications, changes, alterations, corrections, redesigns, and additional work necessary to complete the construction of the

new sewer lateral line(s) and pump(s) on the Property and the connection to the new sanitary sewer collection system, if needed, to the final sketch.

5. A new sanitary sewer lateral line and pump will be constructed on your Property by the District and/or District Representatives.

**PLEASE NOTE: You and the District agree and understand that Construction Phase of your new sanitary sewer lateral line and pump cannot begin until the District has on file your signed Agreement.**

In consideration of the foregoing, you affirm that you are the lawful, recorded owner or tenant at your Property and hereby grant to the District a right of entry to allow the District and its contractors, agents, and employees to enter your Property, to bring workers, material, equipment, and supplies onto your Property and to utilize your Property for the purpose of performing the Work.

**It is the District's policy and standard contract provision to require the contractor to restore your Property to preconstruction conditions.**

**IN CONSIDERATION OF AND AS A CONDITION TO THE PERFORMANCE OF THE WORK, YOU, THE UNDERSIGNED, HEREBY RELEASE AND FOREVER DISCHARGE THE DISTRICT, ITS EMPLOYEES, AND LEGAL REPRESENTATIVE (COLLECTIVELY THE "DISTRICT") FROM ANY AND ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS, REAL PROPERTY, OR PERSONAL PROPERTY IN CONNECTION WITH THE PERFORMANCE OF THE WORK, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS THE RESULT OF THE DISTRICT'S SOLE OR CONCURRENT NEGLIGENCE. YOU AGREE TO LOOK TO THE DISTRICT REPRESENTATIVES ACTUALLY PERFORMING THE WORK TO PAY ANY CLAIM IN CONNECTION TO THIS AGREEMENT FOR DAMAGE TO YOUR PROPERTY OR ASSETS ON YOUR PROPERTY.**

**SIGN BELOW:**

**"You" (Property Owner/Authorized Tenant):**

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Print Name

**Property Address (Street Number & Street Name):**

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**Mailing Address (Street Number & Street Name):**

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**Signature:**

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**Date:**

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**ONCE COMPLETED, RETURN TO THE DISTRICT BY EMAIL OR MAIL TO:**

Scan and e-mail: [SRSD@cityofsanrafael.org](mailto:SRSD@cityofsanrafael.org)

Mail:

San Rafael Sanitation District  
111 Morphew Street  
San Rafael, CA 94901

**OPT OUT OF BAYSIDE ACRES SEWER MAIN IMPROVEMENTS PROJECT**

**Opting Out of Project.** Participating in the Project is not a mandatory condition for you to continue to be serviced by the District. However, if you chose not to sign this Agreement, then you are deemed to have rejected the District's offer to (1) design per District standards, (2) hire contractors, (3) supervise construction, and (4) pay for a new sewer pump and lateral system. Accordingly, you will be solely responsible for designing, constructing, paying for and completing your own new sewer pump and lateral system that will connect to the new main sewer system in the street when the new main line is put into service.

**“You” (Property Owner/Authorized Tenant) Opting Out of Project:**

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Print Name

**Property Address (Street Number & Street Name) Opting Out of Project:**

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**Mailing Address (Street Number & Street Name) Opting Out of Project:**

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**Signature for Opting Out of Project or Staff Name and Signature if Property Owner/Authorized Tenant Refuses to Sign:**

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**Date:**

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