

## AGENCY RESPONSE TO GRAND JURY REPORT

Report Title: **Consolidation of Sanitation Districts**

Report Date: April 13, 2018

Response Date: July 13, 2018

Agency Name: San Rafael Sanitation District Agenda Date: June 25, 2018

Response by: Gary O. Phillips

Title: Board Chair

### FINDINGS

- I (we) agree with the findings numbered: N/A
  - I (we) disagree partially with the findings numbered: N/A
  - I (we) disagree wholly with the findings numbered: N/A
- (Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

### RECOMMENDATIONS

- Recommendations numbered N/A have been implemented.  
(Attach a summary describing the implemented actions.)
- Recommendations numbered N/A have not yet been implemented, but will be implemented in the future.  
(Attach a timeframe for the implementation.)
- Recommendations numbered R2 require further analysis.  
(Attach an explanation and the scope and parameters of an analysis or study and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the Grand Jury report.)
- Recommendations numbered N/A will not be implemented because they are not warranted or are not reasonable.  
(Attach an explanation.)

Date: 7/10/18 Signed: \_\_\_\_\_

GARY O. PHILLIPS, Board Chair  
San Rafael Sanitation District

Number of pages attached 5 (including this page)

Response Form

## ATTACHMENT "A"

### RESPONSE FROM THE SAN RAFAEL SANITATION DISTRICT TO GRAND JURY REPORT "CONSOLIDATION OF SANITATION DISTRICTS"

#### Recommendations:

**R2: Central Marin Sanitation Agency (JPA), Sanitary District #1 (Ross Valley), Sanitary District #2 (Corte Madera), and the San Rafael Sanitation District should reorganize into a single sanitary/sanitation district. Each entity should complete a reorganization application with Marin LAFCO by 9/30/2018 and announce this action on the agenda of the next board meeting for public involvement.**

**Response:** *Require further analysis:* The District is supportive of the goals of enhanced cooperation and efficiency that can be gained by working together with its JPA member agencies, including the possibility of consolidation. However, the recommendation that the District should submit a reorganization application with Marin LAFCO by 9/30/2018 is unrealistic. The cooperation and negotiation process between all the member agencies and the supporting documents that are required for the application are complex and time consuming. (Please see the attached "Consolidation Action Listing," which was prepared during a consolidation study in 2007 that lists various tasks to be performed prior to submitting an application to LAFCO.) Since this process is long term, the District is focused on issues that can be accomplished at the present and will continue to work with its JPA member agencies and neighboring agencies to identify and implement agreements and other steps that will enhance the overall efficient provision of services. In the meantime, the District will begin discussions with the other JPA member agencies regarding consolidation.

**Consolidation Action Listing**  
**Central Marin Wastewater Agency Consolidation**  
**June 2007**

	B	C	D
1	<b>Action Category and Description</b>	<b>Assigned to</b>	<b>Scoping Meeting Comments</b>
2	<b>ASSETS</b>		
3	Prepare recommendations for consolidated agency mapping and GIS data base management	Consultant	Consultant to assess SRSD and RVSD systems and make rec'd on which to use. RVSD uses Munsys
4	Evaluation of telemetry and data transmission needs to CMSA	Consultant	CMSA is converting SD#2 to radio telemetry; some SRSD
5	Evaluate computer and MIS requirements for consolidation	Consultant	CMSA has Novel network that is expandable
6	Evaluate and recommend new facility computer monitoring system	Consultant	Utilize CMSA PCS and HMI interface
7	Conduct asset evaluations of all above ground facilities and pump stations	Consultant	
8	Perform condition assessment of underground facilities	Consultant	Sampling determination by HDR - to Board in July
9	Conduct asset valuation recommendations and evaluations	Consultant	RVSD is starting 5-yr CCTV inspection; SRSD/RVSD joint program for FY08 to obtain sample information??
10	Assess existing CMMS systems; rec'd common system	Consultant	
11	Determine how to handle SRSD share of San Rafael PW bldg	Staff/SRSD	
12	RVSD to decide if Larkspur property will be sold or not.	Staff/RVSD	
13	SRSD to determine which shared assets stay with PW	<b>SRSD staff</b>	
14			
15	<b>BOARD</b>		
16	Prepare technical memo on options for new agency naming process	Staff	Naming contest? Name must be part of LAFCO app
17	Prepare a technical memo on elections	Staff	
18	Prepare technical memorandums on Sanitary District authorities	Staff	
19	Coordinate efforts to develop new agency logo	Staff	Logo contest?
20	Prepare evaluation of customer benefits resulting from consolidation	Consultant	
21	Decide on sanitary district zoning methodology (EDU, Population, other)	Consultant	
22	Decide on condition assessment methodology (sampling size)	Consultant	conditional on task #61
23			
24			
25	<b>FINANCE</b>		
26	Develop an implementation budget for consolidation	Staff	pay with CMSA operating dollars/reserves?
27	Coordinate efforts to coordinate audit programs	Staff	
28	Prepare training program for sewer service charge collections for the future	Staff	
29	Prepare financial model technical memorandum - budget combinations	Consultant	
30	Evaluation of Gann Limitations for new agency	Consultant	Each Agency calculates appropriation limits. May be exempt?
31	Prepare combining financial statements from consolidation with identification of potential long term savings	Consultant	
32	Prepare sewer service charge process procedure	Consultant	
33	Evaluate and contrast agency Investment Policies and recommend future Investment Policy	Consultant	PFM prepared detailed investment policy for CMSA
34	Preparation of Technical Memorandum on Accounting and Financial Management including audit requirements.	Consultant	
35	Prepare technical memo on current rate and fee structure for each agency with recommendations for the future	Staff	
36	Prepare 10 year rate evaluation and funding model - recommendations on rates and charges	Consultant	
37	Prepare 10 year financial evaluation with and without consolidation	Consultant	
38	Develop joint capital planning process and 10 year plan	Consultant	
39	Evaluation of GASB 45 Requirements for new agency	Consultant	
40	Evaluate debt administration needs and affects	Consultant/Legal	
41	Prepare financial consolidation requirements for combining agencies	Consultant	
42	Prepare outline of budget for new agency and three year financial model for budget	Staff	Can modify CMSA's budget and 5-yr forecast; add collection system operating budget; expand engr and administration budgets; add members CIP; modify 5-yr forecast
43	Prepare technical memo on rates and charges for combined agency	Staff	
44	Identify existing financial policies and procedures; TM on which should be used for new agency, GAP analysis	Staff	Consultant support
45	Billing change notices to commercial and industrial customers	Consultant/staff	
46			
47			
48			

**Consolidation Action Listing  
Central Marin Wastewater Agency Consolidation  
June 2007**

	B	C	D
49	<b>LAFCO</b>		
	Manage the LAFCO process w/ agency managers and LAFCO Executive Officer	Staff	
50	Prepare drafts of all LAFCO resolutions and documents for consolidation	Staff	
51	Prepare LAFCO timeline and schedule for all consolidation decisions	Staff	
52	Coordinate all required agency filings for LAFCO	Staff	
53	Prepare terms and conditions for all LAFCO resolutions	Staff	
54	Prepare Standard "Disclosure" Checklist for each agency identifying critical financial, administrative and operational information	Staff	
55	Preparation of maps and drawings needed for LAFCO submittal	Consultant	Revised Service area map need o be submitted to State Controller. Survey of boundaries to be exact - high lvl of effort
56			
57			
58	<b>LEGAL</b>		
	Identification of legal requirements for land and facilities transfer to consolidated agency	Legal	
59	Prepare necessary notifications to bond/debt holders of consolidation	Bond Counsel	CMSA bond Indenture says bond holders must approve consolidation
60	Review of all agency agreements and contracts for the future	Legal	Staff to perform initial review
61	Review of bond/debt covenants for consolidated agency	Bond Counsel	
62	Determine if sanitary district can have representatives from zones/wards	Legal	County assessor can help establish zones?
63	Select legal Counsel for consolidation/LAFCO process	Staff	Govi does;t have time - other in County Counsel office?
64	Prepare legal descriptions of easements upon transfer from members to new agency	Legal/Staff	
65			
66			
67	<b>Miscellaneous</b>		
	Prepare RFP for building expansion program	Staff	
68	Manage the Murray Park & San Quentin Village annexations	Staff	
69			
70			
71	<b>OPERATIONS</b>		
	Define listing of collection system procedures - new and old	Staff	
72	Preparation of Technical Memorandum comparing management polices and procedures and identifying changes necessary from these evaluations	Staff	
73	Prepare technical memo on regulatory requirements from consolidation	Staff	
74	Prepare listing of all agency operating equipment for consolidated district	Staff	
75	Prepare photo album of all operating equipment	Staff	
76	Prepare system inventory of all operating facilities of the combined agency	Staff	
77	Prepare technical memorandum on records management of consolidated agency	Staff	
78	Define list of new ordinance requirements for collection system operations	Staff	Special Legal Counsel assistance
79	Preparation of New agency SSMP timeline	Staff	
80	Prepare new agency SSMP pursuant to state regulations combining collection agency SSMP's	Staff	
81	Prepare draft Corte Madera services agreement	Consultant	
82	Draft revised treatment/services agreement for Corte Madera	Staff	
83	Prepare draft facility expansion evaluation for new employees	Consultant	
84	Prepare alternative organizational charts and make recommendations for future organization	Staff	Management Committee to Review
85	Prepare a photo handbook of all employees including backgrounds	Staff	
86	Identify and address sewer easement and right of way issues	Staff	
87	Determine HR staffing and resource needs for new organization	Staff	
88			
89			
90	<b>Union/Labor</b>		
	Prepare comparison table of MOU's, salaries, benefits	Staff	Management Committee to Review
91	Prepare technical memo on early retirement program	Staff	Management Committee to Review
92	Prepare new salary schedule for a new organization	Staff	Management Committee to Review
93	Prepare technical memo on methods for dealing with salaries	Staff	Management Committee to Review
94	Prepare demographic information on all potential new employees	Staff	Management Committee to Review
95	Union negotiations preparation and support - management team	Staff	Management Committee to Review
96			

**Consolidation Action Listing**  
**Central Marin Wastewater Agency Consolidation**  
**June 2007**

	B	C	D
97	Prepare new job classifications for combined agency in CMSA format	Staff	
98	Preparation of Staffing Plan from consolidation	Consultant	<b>Management Committee to Review</b>
99	Prepare Bargaining Unit Negotiations Strategy	Consultant	<b>Management Committee to Review</b>
100	Prepare existing, new, and future agency org charts	Staff/Consultant	<b>Management Committee to Review</b>
101			
102			
103	<b>IMPLEMENTATION PROCESS</b>		
104	Prepare Implementation Schedule for Consolidation	Staff/Consultant	Working draft Schedule prepared by July CMSA Mtg
105	Prepare monthly consolidation communications and outreach documents	Staff/PR?	<b>Management Committee to Review</b>
106	Identify needs for and prepare RFPs for professional assistance	Staff	Legal, Labor relations, surveying, actuary, auditor, finance advisor, others
107	Identify necessary notifications resulting from consolidation decision	Staff	<b>Management Committee to Review</b>
108	Prepare presentations to all agencies elected councils or boards on consolidation process	Staff	
109	Make presentations to all elected officials on consolidation	Staff	
110	Report to CMSA Board on consolidation efforts	Staff	
111	Coordinate joint employee meetings for all agency employees affected by consolidation	Staff	<b>Management Committee to Review</b>
112	Collect employee needs from all employees affected by consolidation	Staff	<b>Management Committee to Review</b>
113	Assist consultant in defining advantages and disadvantages of consolidated agency	Staff	
114	Prepare listing of all agency agreements that will need to be evaluated for termination	Staff	
115	Identify staffing changes required to support consolidation	Staff	<b>Management Committee to Review</b>
116	Coordinate the Agency Managers Meetings - agendas, TM's, facilitation, presentations	Staff	
117	Identification of termination issues for each agency	Staff	<b>Management Committee to Review</b>
118	Develop consolidation website for communications	Staff	
119	Manage To DO Consolidation Issues List	Staff	
120	Manage data collection needs for consultants from all combining agencies	Staff	
121	Identify transition issues by agency across consolidation date	Staff	
122	Preparation of Five Year Consolidated Agency Business Plan	Consultant	
123	Prepare new Employee Orientation Program	Consultant	
124	Coordinate public input process to evaluate customer benefits	Consultant	
125	Assist with implementation schedule and plan	Consultant	
126	Prepare Consolidation Evaluation Report	Consultant	advantages/disadvantages; cost savings; draft ASAP-Jan 08?
127	Preparation of Press Releases regarding Consolidation	Consultant	
128	Identification of Transition Notification Issues for Consolidation	Consultant	e.g. moving notices
129	Evaluate environmental concepts and concerns from consolidation - CEQA needs and requirements from consolidation	Consultant	