

## **Follow-up Analysis (Sept. 2015) on the 2013-14 Marin County Civil Grand Jury Report:**

### **The Scoop on Marin County Sewer Systems: Part I**

#### **Executive Summary:**

“The Scoop on Marin County Sewer Systems: Part I”, released on June 16, 2014, examined the current state of affairs with wastewater agencies in Marin. The report highlighted the large number of wastewater agencies serving a relatively small county, the number of spills that continue to occur primarily due to aging infrastructure, the additional demands on financial and other resources created by a more rigorous regulatory environment and the landscape for consolidation. The Grand Jury made eight recommendations to 21 agencies. Responses were due by September 16, 2014.

The Marin Chapter California Civil Grand Jurors’ Association (IRC) found that many of the responses required follow up for one or more of the following reasons:

- The responses were legally inadequate in that they did not meet the response format prescribed by the California Penal Code,
- The responses stated that further analysis was required but the analysis had not been provided within the 6 month time frame allowed by the Penal Code i.e. December 16, 2014.
- The responses did not address the intent of the recommendation.

Based on the above criteria, the IRC wrote to 15 agencies requesting clarification of their original responses. All agencies responded promptly with the exception of the City of Mill Valley and the City of Sausalito which took over three months to respond.

Overall, based on the number of recommendations that the Agencies have implemented, the IRC believes that Agencies are working to address pressing infrastructure investment needs and working collaboratively. Additionally, 12 of the 21 Agencies have now implemented ordinances that trigger requirements for private lateral inspections and over half are also in the process of working on using treated wastewater for routine pipe flushing and maintenance. The Central Marin Sanitation Agency is in the process of installing a recycled wastewater station for distribution of water to other agencies. These are encouraging developments. See Appendix A.

However, the IRC is concerned by the City of Mill Valley’s response to Recommendation R1 (All districts must work to eliminate spills through in-depth analysis and investment in infrastructure). The City has failed to provide a satisfactory response to this

recommendation (see Analysis Results below) and the IRC believes that this situation warrants further investigation..

## **Background and Documentation for this Analysis**

### **Grand Jury Report Summary (from Report published 6/16/14)**

The Marin County Civil Grand Jury determined that wastewater districts that collect, treat and dispose of wastewater from homes and businesses in Marin County received close to \$77M of tax and fee revenue in the fiscal year 2012-2013. This represents approximately 58 percent of total tax and fee revenue going to independent special districts. In light of the amount of tax revenue going to wastewater special districts, the Grand Jury felt that this sector of special districts warranted some scrutiny.

In addition to special districts, we determined there are other government agencies operating in the wastewater business, including municipalities, park services and joint power authorities. In total, there are twenty-three wastewater agencies in Marin County, serving an estimated population of 258,000 people. That's a lot of agencies requiring oversight!

The Grand Jury conducted a survey of all wastewater agencies in Marin (except the park services), with the intention of shedding light on the operational, financial and governance aspects of these agencies. We also inquired about their experiences cooperating with each other and their views on consolidation. Additionally, we looked into the failed consolidation of four southern Marin sanitary districts in May 2013 and into the status of the Ross Valley Sanitary District (RVSD).

Due to the large amount of information gathered, we divided the report into two parts. Part I reports on the current state of affairs with wastewater agencies and is likely to be of greatest interest to taxpayers. It provides an agency overview, and it discusses aging infrastructure and asset management, sewer spills, duplications of costs, consolidation and the RVSD. Part II focuses exclusively on the data from the survey responses and attaches both the questionnaire and selected responses as appendices. The second report is potentially of greater interest to the wastewater community and the Marin Local Agency Formation Commission (LAFCO).

Marin County includes communities that were developed starting in the early 1900s. Many have aging sewer infrastructures that are susceptible to failure in wet weather, potentially resulting in health and environmental hazards, expensive repairs and fines. In 2006 the State Water Resources Control Board (SWRCB) introduced legislation governing wastewater collection agencies that dramatically changed the operating environment and forced public agencies to take a critical look at their performance.

The last eight years have seen many improvements, but an alarming number of sewer spills continue to occur. According to the survey data, from 2011 to 2013 there were 96 reported Category 1 spills in Marin County. (A category 1 is a spill of any volume that reaches surface water and is considered to be the most serious spill category). A total volume of 688,548 gallons of wastewater spilled into neighborhoods, streams and the Bay in the same time period. In the last few years, the Novato Sanitary District and the RVSD have been charged fines amounting to \$1,839,100 for excessive sewer spill activity that occurred in previous years. For a County that prides itself on high environmental standards, Marin still has considerable room for improvement.

With the additional demand on financial and other resources created by a more rigorous regulatory environment, the issue of consolidation of agencies has been a hot topic in recent years. While there continues to be resistance to structural consolidation (two or more districts uniting into one district), as evidenced by the failed consolidation of four southern Marin wastewater districts in 2013, there is little or no resistance to functional consolidation (agencies working together in areas of mutual interest). We found that many districts are meeting and finding ways to cooperate for increased efficiency and effectiveness. Agencies are engaged in conversations and activities now that did not occur six years ago, and they recognize that there are additional opportunities for collaboration. We recommend that all agencies continue to pursue functional consolidation to reduce cost and increase value to taxpayers, as well as structural consolidation where possible.

Lastly, concerned by the ongoing problems at the Ross Valley Sanitary District, the Grand Jury interviewed management and a board member. We found that progress is being made in addressing the district challenges, but we believe that management and the board must remain vigilant in executing their financial plan and the capital improvement projects needed to stabilize the district. We suggest that the current situation merits ongoing attention from the Ross Valley taxpayers and future Grand Juries. In addition, the troubles of RVSD should serve as a reminder to all those serving on the boards of directors of special districts to keep informed, pay attention, and practice caution in exercising their responsibilities.

## **Grand Jury Recommendations (from Report published 6/16/14)**

### **Recommendations**

R1. All districts must work to eliminate spills, through in-depth analysis and investment in infrastructure.

R2. The City of Sausalito share its rate study dated February 27, 2014, with all the collection agencies in Marin.

R3. All agencies adopt an ordinance that will require private laterals to be inspected routinely and repaired as necessary.

R4. All agencies conduct an analysis to determine the feasibility of using treated waste water for flushing pipes in routine maintenance work.

R5. All agencies continue to cooperate with each other and find further ways to reduce costs.

R6. Alto, Almonte and Homestead Valley pursue further merging of operations and administration, including creating one website for the three districts.

R7. The Ross Valley Sanitary District place the July 2012 consolidation study final report on its website and have it be easily accessible to the public.

R8. The central Marin agencies continue to pursue consolidation efforts, both functional and structural.

## Follow up Analysis Results

Appendix A summarizes the implementation status of the five recommendations which applied to all or most of the agencies. Of these, the IRC is concerned by the responses of the City of Mill Valley to Recommendation R1.

### **R1. All districts must work to eliminate spills, through in-depth analysis and investment in infrastructure.**

The IRC is concerned by the responses provided by the City of Mill Valley with regards to Recommendation R1 for the following reasons:

- In its original response to this Recommendation (Sept.2, 2014), the City stated, *“The City Council agrees that all districts must work to eliminate spills, through in-depth analysis and investment in infrastructure.”*
- As this response did not comply with the requirements of the California Penal Code and did not refer to a capital improvement plan, the IRC requested clarification from the City of Mill Valley and received an update.
- The update (April 14, 2015) stated: *“The recommendation has been implemented as the City Council has recently taken steps to improve Sewer infrastructure through the adoption of a Sewer Lateral Ordinance (Ordinance No.1270) which monitors private sewer laterals including all pipes, fittings, and appurtenances, from the outer face of the building served to the connection into the city’s sewer main, including the connection itself. The ordinance describes four events for which an owner must provide a lateral inspection report to the City and complete the indicated repairs. The ordinance also identifies prohibited sewer lateral connections and discharges and*

*provides enforcement mechanisms for failure to comply with the requirements. The Sewerage agency of Southern Marin also recently adopted a Long Range Master Plan. the Master Plan will guide the plant's next thirty years in an effort to plan for expected new legal requirements, protect it from flooding, deal with aging infrastructure, prepare for its future growth needs and incorporate sustainability initiatives. Mill Valley and the other member agencies are currently working on developing its Implementation Plan."*

- Neither the original response nor the response to our follow up letter refers to the implementation of its Sewer Capital Improvement Plan (CIP) that laid out an investment of close to \$5m by the end of 2014. The CIP is on the City's website. It is unclear why the City of Mill Valley chose not to mention the CIP and progress with implementation of the Plan in either communication. This situation warrants further investigation

With regards to the other three recommendations not displayed on the table (R2, R6 and R7) the responses from the Agencies were as follows:

**R2. The City of Sausalito share its rate study dated February 27, 2014, with all the collection agencies in Marin.**

R2 Original Response from the **City of Sausalito** (9/10/14)

*The Mayor and City Council of the City of Sausalito agree with Recommendation R2 and have made the study, prepared by NBS Government, available on the City's website here:*

*(<http://www.ci.sausalito.ca.us/modules/showdocument.aspx?documentid=15619>)*

**R6. Alto, Almonte and Homestead Valley pursue further merging of operations and administration, including creating one website for the three districts.**

R6 Response from **Alto Sanitary District** to IRC follow-up (2/15/15)

*"Agreed. Alto will consider joining with the other districts to establish a common website."*

R6 Original Response from **Almonte Sanitary District** (7/28/14)

*"Almonte will continue to work collaboratively with other SASM member agencies to increase efficiency and reduce costs while maintaining the necessary autonomy of each agency. Current avenues include joint bidding of capital improvement projects, collaborative/shared computer based GIS system, shared expenses on common items, etc. A single website is not practical for the three agencies but Almonte and Homestead Valley are sharing website and web hosting to reduce costs."*

R6 Response from **Homestead Valley Sanitary District** to IRC follow up (1/13/15)

*"Homestead Valley, Almonte and Alto's residents voted against political consolidation of the agencies but Homestead Valley will continue to work collaboratively with other SASM member agencies to increase efficiency and reduce costs while maintaining the necessary autonomy of each agency. Current*

*avenues include joint bidding of capital improvement projects, collaborative/shared computer based GIS system, shared expenses on common items, etc. A single website is not practical for the three agencies but Homestead Valley and Almonte are sharing website and web hosting to reduce costs. Homestead Valley will continue to evaluate whether or not consolidation is in the best interests of its residents.”*

**R7. The Ross Valley Sanitary District place the July 2012 consolidation study final report on its website and have it be easily accessible to the public.**

R6 Original Response from **Ross Valley Sanitary District** (9/11/14)

*“This response has been implemented.”*

**Links:**

**Grand Jury Report (June 16, 2014)**

<http://www.marincounty.org/~ /media/files/departments/gj/reports-responses/2013/sewerscoopi.pdf>

**Original Responses to Grand Jury Report**

<http://www.marincounty.org/depts/gj/reports-and-responses/reports-responses/2013-14/sewer-scoop-part-i>

### Appendix A Summary of Follow up for Scoop Part I - 09/15/15

	R1. All districts work to eliminate spills	R3. All agencies adopt an ordinance for private lateral inspection	R4. All agencies conduct analysis for using treated wastewater for pipe flushing	R5. All agencies continue to cooperate w/ each other.	R8. Central Marin agencies continue to pursue consolidation efforts
Almonte S.D.	Implemented	Implemented	Not Implemented	Implemented	
Alto S.D.	Requires Further Analysis	Implemented	Not Implemented	Implemented	
Bolinas CPUD	Implemented	Not Implemented	Not Implemented	Implemented	
Central Marin S.A.	Implemented		System installation in process	Implemented	Requires Further Analysis
Homestead Valley S.D.	Implemented	Implemented	Not Implemented	Implemented	
Las Gallinas S.D.	Implemented	Requires further analysis	Implemented	Implemented	
North Marin Water Dist.	Implemented	Partially Implemented	Not Implemented	Implemented	
Novato S.D.	Implemented	Not Implemented	Not Implemented	Implemented	
Richardson Bay S.D.	Implemented	Implemented	Implemented	Implemented	
San Rafael S.D.*	Implemented	Requires Further Analysis	Partially Implemented	Implemented	Requires Further Analysis
San. Dist. #1 (Ross Valley)	Implemented	Implemented	Partially Implemented	Implemented	Requires Further Analysis
San. Dist. #2 (Corte Madera)	Implemented	Implemented	Partially Implemented	Implemented	Requires Further Analysis
San. Dist. #5 (Tiburon)	Implemented	Implemented	Not Implemented	Implemented	
Sausalito-Marin City S.D.	Implemented	Implemented	Partially Implemented	Implemented	
Sewerage Agency of Southern Marin	Implemented	Implemented	Partially Implemented	Implemented	
Tamalpais CSD	Implemented	Implemented	Partially Implemented	Implemented	
Tomales Village CSD	Implemented	Not Implemented	Not Implemented	Partially Implemented	
Murray Park Sewer Maintenance	Implemented	Not Implemented	Partially Implemented	Implemented	
San Quentin Sewer Maintenance	Implemented	Not Implemented	Partially Implemented	Implemented	
City of Mill Valley	Inadequate Response	Implemented	Requires Further Analysis	Implemented	
City of Sausalito	Implemented	Implemented	Implemented	Implemented	

