

Follow-up Analysis (June 2015) on the 2013-14 Marin County Civil Grand Jury Report:

The Scoop on Marin County Sewer Systems: Part II

Executive Summary:

“The Scoop on Marin County Sewer Systems: Part II”, released on June 16, 2014, reported the results of a survey conducted of the 21 wastewater agencies in Marin County. The survey focused on the compliance requirements of the State Water Resources Control Board, financial best practices, transparency and governance. The Grand Jury made 11 recommendations to 17 agencies. Responses were due by September 16, 2014.

The Marin Chapter California Grand Jurors’ Association Implementation Review Committee (IRC) found that some 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.
- Board member(s) had not completed ethics training for local officials as required by State law (AB1234).

Based on the above criteria, the IRC wrote to 9 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.

Based on the number of recommendations that the Agencies have implemented, it would appear that the Agencies are compliant with the requirements of the State Water Resources Control Board. Some of the smaller agencies (<1500 connections) are challenged by developing capital improvement plans and financial reserve policies, and are depending on outside contractors’ overflow emergency training for spill events. Some agencies continue to work on developing informative, transparent websites.

The IRC is concerned by the City of Mill Valley’s response to the Recommendation R2 (develop a financial reserve policy). The City has failed to provide a satisfactory response to this recommendation (see 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 conducted a survey of 21 wastewater agencies in Marin to better understand the operational, financial and governance performance metrics of these agencies. We found all agencies to be very cooperative in responding in a timely manner and providing follow-up information.

Part I of this report focused on aging infrastructure, asset management, sewer spills and consolidation. Part II focuses on the agencies' compliance with Sewer System Management Plans, as required by State Water Resources Control Board (SWRCB) Order 2006-0003-DWQ1 and SWRCB Order No. WQ 2013-0058-EXEC2, financial best practices, transparency and governance.

We believe that all wastewater agencies in Marin should meet the requirements of state law, regardless of their size and should make key documentation easily available to the public, at a defined accessible place and on an internet website.

We discovered from the survey responses:

- Four agencies do not have capital improvement plans as required by the Operation and Maintenance Program of SWRCB Order 2006-0003-DWQ.
- Five agencies do not have financial reserve policies.
- Two agencies do not report having any designated financial reserves.
- Two agencies do not have Overflow Emergency Response Plans as outlined by the Overflow Emergency Response Plan of SWRCB Order 2006-0003-DWQ.
- Two agencies have not reported their spills in the required time frame as specified by SWRCB Order No. WQ 2013-0058-EXEC.
- Two agencies do not have websites and are therefore unable to communicate important information easily to their customer base and provide transparency.
- All of the board members at one agency are not up to date with ethics training as mandated by California Code. Another three agencies have between one and four board members whose ethics training has lapsed.

We recommend that agencies address their operational, financial and governance deficiencies as reported as soon as possible.

Grand Jury Recommendations and Results

Recommendations

R1. Bolinas Community Public Utility District, Mill Valley, Tamalpais Community Services District and Tomales Village Community Services District develop capital

improvement plans by the end of 2014.

R2. Bolinas Public Utility District, Mill Valley, Murray Park Sewer Maintenance District, San Quentin Sewer Maintenance District, Tamalpais Community Services District and Tomales Village Community Services District develop financial reserves policies.

R3. Alto and Homestead Valley establish designated annual financial reserve amounts.

R4. Almonte, Homestead Valley and Tomales Village Community Services District complete audits of their SSMPs by August 2, 2014, as required by RWQCB.

R5. Homestead Valley, Mill Valley, North Marin Water District, Richardson Bay, Sanitary District #5, Tamalpais Community Services District and Tomales Villages Community Services District post their SSMPs on their websites.

R6. Alto and Homestead Valley develop Overflow Emergency Response Manuals that describe the Overflow Emergency Response Plan per SWRCB Order 2006-0003-DWQ, p.12, Overflow Emergency Response Plan, item vi.

R7. Alto, Bolinas Public Utility District, Homestead Valley, Mill Valley and Tomales Village Community Services District develop Overflow Emergency Response Training Manuals.

R8. Alto, San Rafael, Sanitary District #2 and SASM develop and operate an internet website. The website should include, at a minimum, details of the agency and its leadership, board meeting agendas and minutes, an annual budget, audited financial statements, and the SSMP including the OER.

R9. The board members at Almonte, Sanitation District #2, San Rafael and Sausalito update their ethics training to be in compliance with state law.

R10. Alto and Homestead Valley make their SSMPs available at an accessible location within the communities in which they are located.

R11. Las Gallinas Valley Sanitary District and Mill Valley report their Category 1 spills within two hours of becoming aware of the spill, as required by State Water Resources Control Board Order No. WQ 2013-0058-EXEC.

Results

Appendix A summarizes the implementation status of the 11 recommendations.

The IRC is concerned by the responses provided by the city of Mill Valley with regards to recommendation R2. Specifically:

- In its original response to this Recommendation (Sept.2, 2014), the City stated, “ On July 19, 2012 the City Council of the City of Mill Valley adopted a ‘flow-based’ sewer service user’s rate structure. A component of the rate structure was a provision for establishment and maintenance of budget reserves.”
- As this response did not comply with the requirements of the Penal Code and did not outline a financial reserves policy, the IRC requested clarification and received a response that was an alteration of the original response and still did not address the recommendation.
- The City’s response to the IRC’s follow up request (April 14, 2015) stated, “On July 19, 2012 the City Council of the City of Mill Valley adopted a ‘flow-based’ sewer rate structure. A component of that fee was a provision for a reserve fund. On April 20, 2000, the SASM Board established a reserve fund of 3.4 million dollars.”
- As SASM (Sewerage Agency of Southern Marin) is a separate entity from the City of Mill Valley, this response does not address the issue of the City’s own financial reserves policy.

The IRC considers that the City of Mill Valley is not communicating its financial reserves policy and that further investigation is warranted.

Links:

Grand Jury Report (June 16, 2014)

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

Original Responses to Grand Jury Report

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

Follow up Correspondence between IRC and Agencies

[Provide link to Blogspot](#)

Appendix A: Summary of Follow up for Scoop Part II - 06/15/15

	R1 Develop Capital Improvement Plans	R2 Develop Financial Reserve Policies	R3 Designate Annual Financial Reserve Amounts	R4 Complete Audits of SSMPs	R5 Post SSMPs on websites	R6 Develop Overflow Emergency Response Manuals	R7 Develop Overflow Emergency Response Training	R8 Develop and Operate an Internet Website	R9 Board Members Update Ethics Training	R10 Make SSMPs available at an accessible location	R11 Report Category 1 spills w/in 2 hours
Almonte Sanitary District				Implemented					Implemented		
Alto Sanitary District			Partially Implemented			Implemented	Not Implemented	Partially Implemented		Implemented	
Bolinas Comm. PUD	In Process	In Process					Not Implemented				
Homestead Valley S.D.			Implemented	Implemented	Implemented	Implemented	Implemented			Implemented	
Las Gallinas S.D.											Implemented
North Marin Water District					Implemented						
Richardson Bay S.D.					Implemented						
San Rafael San. District								Partially Implemented	Implemented		
San. District #2 (Corte Madera)								Implemented	Implemented		
Sanitary District #5 -Tiburon					Implemented						
SASM								Partially Implemented			
Tamalpais CSD	Need to follow up	Partially Implemented			Need to follow up						
Tomales Village CSD	Not Implemented	Not Implemented		Implemented	Implemented		Not Implemented				
Marin County BOS*		Not Implemented									
City of Mill Valley	Implemented	Inadequate Response			Implemented		Implemented				Implemented
City of Sausalito									Implemented		

* Marin County Board of Supervisors responds for Murray Park Sewer Maintenance District and San Quentin Sewer Maintenance District