



ROSS VALLEY SANITARY DISTRICT

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June 27, 2017

Keene Simonds
Executive Officer
Marin Local Agency Formation Commission
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903

Dear Mr. Simonds:

The Ross Valley Sanitary District (RVSD or District) Board has reviewed the draft *Central Marin Wastewater Municipal Services Review* (draft MSR), issued by Marin LAFCO in April 2017. RVSD appreciates the opportunity to review and provide feedback on this report. We look forward to working with the five other local governments providing wastewater utility service within the study area, to address the policy and planning issues highlighted by the draft MSR. The RVSD response is organized along the following categories of comments:

- General editorial and report organization
- Comments on the draft MSR Themes
- Comments on the draft MSR Recommendations
- Comments on the RVSD Agency Profile

General Editorial and Report Organization

The draft MSR Summary uses terms such as “Conclusions,” “Themes,” “Recommendations,” “Determinations,” and “Findings.” The report should more clearly define and maintain consistent use of these terms, as they currently mix factual statements, analytic conclusions, and speculative or declarative statements. Common word usage in various areas of the report would be helpful for the report’s diverse audience. Examples include “de-intensifying,” “diseconomies of scale,” and “notional sense.” The agency names should match the related organizing law. For example, San Rafael Sanitation District was formed under California Health and Safety Code 6600 et seq. Sanitary Districts No. 1 and 2 were formed under California Health and Safety Code 6400 et seq. These agencies should not be referred to as “County sanitary districts,” which occurs throughout the report.

Board Members: *Mary Sylla, President - Michael Boorstein, Secretary ~ Thomas Gaffney, Treasurer ~ Pamela Meigs ~ Doug Kelly*
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Serving the Communities of: *Fairfax, Larkspur, Greenbrae, Ross, Kentfield, San Anselmo, Kent Woodlands, and Sleepy Hollow*

Themes

RVSD has the following responses to each theme statement.

- *No.1 Agencies Have Substantive Influence on Growth in Marin County:* RVSD disagrees with this statement. Wastewater utility agencies are not land use agencies and have no authority over land use and development decisions. RVSD exists to provide wastewater utility service to the Ross Valley service area. The five local land use authorities (County, Fairfax, Ross, San Anselmo, and Larkspur) have authority and responsibility over land use, planning, and community growth decisions. The draft MSR presents no evidence of factors related to wastewater utility service having influenced past or current land use, development, and growth decisions. No information is provided to support the assertion that wastewater utility service availability or utility agencies' policies or practices are a significant factor on future growth in the service areas. The draft MSR notes that both the RVSD service area and the entire MSR study area are close to full buildout based on approved land use and general plans, with approximately four percent (4%) total net new growth anticipated. If this is correct, and future growth will be minimal, there will simply not be substantial future growth to influence in the service areas.
- *No. 2 Service Areas are Nearing Buildout, Growth Exceeding Earlier Estimates:* RVSD agrees with this statement.
- *No. 3 Increasing Diseconomies of Scale:* RVSD disagrees with this statement. The scale of a wastewater utility, in terms of service population or similar measure, is not well correlated with financial health as reflected in such measures as independent bond ratings. The statement is also not supported by the relationship between rates (cost of service) and utility size. All of the agencies face increasing infrastructure replacement costs, similar to most infrastructure-intensive public agencies. The influence of service area size with how efficiently the service is provided, and the resulting cost structures for O&M and capital, is not explained sufficiently to support the Theme.
- *No. 4. Variation in Civic Engagement; Board Type Matters:* RVSD acknowledges this statement, but does not have a basis for evaluating further.
- *No. 5 Immediate Merit to Reorganize MPSMD and SQVSMD:* RVSD agrees with this statement, and would be willing to engage with local government, community stakeholders, and affected customers if a decision is made by the responsible local governments to consider dissolving these sewer maintenance districts and annexing the service areas into the RVSD service area. A notable challenge will be the large difference in current wastewater utility service rates between RVSD and the two county-administered maintenance districts. RVSD's rates are currently approximately twice the rates within MPSMD and SQVSMD.
- *No. 6 Additional Merit to Explore Regional Consolidation:* RVSD agrees with this statement, and in fact commissioned a study of the issue in 2012, but also recognizes the significant organizational and political challenges. The central Marin area has discussed consolidation several times over the past decade, with no substantial changes. As an interim step, there may be merit in exploring more readily achievable "functional consolidation" actions that produce measurable public benefits. Examples of these actions include common contracting of shared outside services, pooling of fleet and specialty equipment resources, provision of technical and O&M services between the public agencies, adopting consistent facility design/construction standards, adopting standard customer Level of Service objectives, and coordinating standard requirements for maintaining and replacing private sewer laterals.

- *No. 7 Wastewater Demands Deintensifying During Normal Conditions:* RVSD recommends changing the word “deintensifying” to “decreasing.” RVSD agrees with the facts behind the statement, but cautions against drawing long-term conclusions from any five-year historic period. Dry weather flows have decreased during the most recent five years of drought, reflecting both lower wastewater generation (water use) by Marin Municipal Water District customers and decreasing local groundwater levels’ influence on dry weather infiltration. Future variables such as annual precipitation and tide level patterns driven by climate change, and increased population density through redevelopment and new housing trends (e.g., Accessory Dwelling Units), may influence future “normal condition” flows.
- *No. 8 Wastewater Demands Intensifying During Peak Day Conditions; Increasing Impacts from I&I:* RVSD agrees with this statement, but cautions against developing long-term projections based on recent trends. Peak day conditions are driven by rainfall events and tide levels, and the resulting Infiltration & Inflow (I&I) through damaged or defective infrastructure. Climate change is impacting long-term rainfall patterns and tide level trends, with indeterminate local-scale outcomes. I&I rates will also be impacted by the extent of public sewer infrastructure upgrades and private lateral/property upgrades. RVSD is making significant capital investments to reduce both public and private sources of I&I to lower future I&I rates and resulting peak day flows.
- *No. 9 Collection System Capacities are Sufficient:* RVSD agrees with this statement, but would emphasize that the continued sufficiency of capacity is dependent on effective infrastructure asset management and re-investment in the aging wastewater system. The determination of “sufficient capacity” should include specifically defined flow conditions such as dry weather, average wet weather daily flow, and peak hour wet weather hourly flow.
- *No. 10 Treatment Systems Capacity are Sufficient to Accommodate Demands Now and Projected Over the Next 10 Years with Some Stress:* RVSD acknowledges this statement, but defers to the evaluation and response provided by Central Marin Sanitation Authority (CMSA), as the agency responsible for assessing demands and capacity factors for the WWTP.
- *No. 11 Near Term Finances are in Good Shape and Highlighted by Liquidity and Capital:* RVSD acknowledges this statement but notes the statement is based on three-year-old financial data that is no longer reflective of current RVSD financial metrics.
- *No. 12 Climate Change Requires Resiliency in Wastewater Planning:* RVSD agrees with this statement. RVSD’s 2016 Strategic Plan specifically includes a policy-level goal to “*plan and mitigate for long-term impacts of sea level rise on RVSD in infrastructure and operations.*” RVSD participated in the development of the *2017 Marin County Sea Level Rise Vulnerability Assessment*, and supports inter-agency coordination and planning for the impacts of climate.

Recommendations

The draft MSR presents eleven recommendations. RVSD offers the following responses to those recommendations directly relevant to RVSD. Recommendations 1, 3, 5, and 10 are not directly relevant to RVSD and therefore are intentionally not addressed.

- *No. 2 CMSA Should Allocate Treatment Capacity Among Member Agencies:* RVSD disagrees with this recommendation for the reasons noted under Theme 1. There is no demonstrated benefit from attempting to allocate treatment capacity by service area.
- *No. 4 CMSA Should Reorganize its Governing Board Structure to Limit or Remove the Larkspur Representative:* RVSD agrees with this recommendation. The City of Larkspur has not had financial, regulatory or functional responsibility for wastewater utility service since 1993. Steps to consider this change should be undertaken with the engagement of both the CMSA Board and the Larkspur City Council. The other JPA agencies should seek to provide reasonable assurance to the Larkspur Council that the quality of governance and management of the JPA can be relied upon to meet the utility service interests that its citizens share with the rest of the JPA service area population.
- *No. 6 Corrective Action is needed to Amend Jurisdictional Boundaries Between Ross Valley and San Rafael Creek Watersheds:* RVSD agrees with this recommendation, and is currently working with SRSD and LAFCO to determine the detailed changes needed.
- *No. 7 Dissolution and Annexation of the MPSMD and SQVSMD into RVSD:* RVSD agrees with this recommendation. The large difference in rates between the two County districts and RVSD should be considered in the planning and evaluation of a future consolidation effort.
- *No. 8 Consider Authorizing an Evaluation of Consolidation of Wastewater Services Between RVSD and SRSD:* RVSD acknowledges this recommendation, and the potential public benefits. The same concerns expressed under Theme No. 6 apply to this recommendation.
- *No. 9 Septic Systems:* RVSD agrees with this Recommendation.
- *No. 11 Agencies Should Coordinate on Resiliency Planning for Climate Change:* RVSD agrees with this Recommendation.

Comments on the RVSD Agency Profile

The Agency Profile section of the draft MSR was previously reviewed by RVSD staff, and a response provided in the April 5, 2017, letter to Marin LAFCO. Although the updated draft MSR made a number of factual corrections, the report's evaluation of the study period flows and future flow projections raise the same concerns expressed in the April 5 letter. In summary:

- The analysis of flow data and demand projections should more rigorously separate out municipal wastewater flows from rainfall and tidal-dependent I&I flows.
- The stochastic (random) nature of annual wet weather storms and seasonal total precipitation limit the extent to which conclusions for future flows over the next 10 years can be made from 5 years of recent climate (rainfall) patterns.
- Conclusions about system capacity versus wastewater service demand under future forecasts should reflect the preceding two comments, and should include consistent, defined terms for flow conditions. The defined flow conditions should include both a *rate* and a *duration* of the flow condition. An example is the statement that RVSD's conveyance system has a "capacity of 63.5 MGD." This value represents a transient hourly peak with the critical infrastructure operating at maximum capacity, and not one that the system could sustain over an extended 24-hour period.

In closing, RVSD appreciates the work by Marin LAFCO to complete this important municipal services review. The Board and management of RVSD look forward to working with Marin LAFCO and our local government partners in the CMSA JPA to pursue those recommendations that have consensus support and clear value towards improved efficiency of wastewater utility service to the Central Marin service areas.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Sylla', with a long horizontal flourish extending to the right.

Mary Sylla
President, Board of Directors
Ross Valley Sanitary District