

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
CASTRO VALLEY SANITARY DISTRICT**

HELD ON MARCH 1, 2005

[1. *Call to Order, Roll Call and Pledge of Allegiance.*]

The regular meeting of the Board of Directors of the Castro Valley Sanitary District was called to order by President Akagi at 6:31 p.m., Tuesday, March 1, 2005, at the District Office. The Pledge of Allegiance was led by President Akagi.

ROLL CALL:

PRESENT: DIRECTORS Daniel Akagi, Harry Francis, Ralph Johnson, Timothy McGowan
and Dennis Waespi

ABSENT: None

LATE: None

Staff in attendance:

Roland Williams, Jr., General Manager
Noelle Hartshorn, Solid Waste Program Coordinator
Anthony Varni, District Counsel
Barbara Nagy, Recording Secretary

Others in attendance are listed on the attached attendance sheet.

[2. *President's Comments.*]

President Akagi congratulated Manager Williams on his 10th Anniversary at the District.

[3. *Consent Calendar.*]

The Consent Calendar contained: A. Minutes of Regular Meeting on February 1, 2005; B. Minutes of Board Workshop Retreat on February 11, 2005; C. Accounts Payable List for the Regular Meeting of March 1, 2005; D. Monthly Statements of Operations for December 2004; E. Monthly Reports on District Investments and Deposits for December 2004; F. Collection System/Field Maintenance Reports for January 2005; G. Report of OLSD Construction Committee Meeting on February 9, 2005; H. Report of EBDA Commission Meeting on February 17, 2005; I. Report of ACWMA Meeting on February 23, 2005; and J. GENERAL ORDER FINDING AND DETERMINING THAT POSTING OF DISTRICT ORDINANCE NO. 137 AMENDING SECTIONS 5302, 5303, AND 5305 OF THE CASTRO VALLEY SANITARY DISTRICT CODE HAS BEEN PROPERLY MADE.

President Akagi asked if there was any discussion.

Recording Secretary Barbara Nagy stated that Item H. on the Agenda should be Report of EBDA Commission Meeting on February 17, 2005 (not January 27).

Member McGowan had an inquiry on Item C. Accounts Payable, questioning the \$17,340.70 to Jensen Road AD #5. Manager Williams stated this is an internal transaction regarding Assessment District #5. The District receives fees paid by those residents in the AD from the tax rolls, and in turn makes two payments per year on the Bonds.

Member Waespi stated that Board members would find a written report for Item I. ACWMA Meeting on February 23, 2005, at their places. There were no additional comments to the report.

President Akagi requested two minor changes be made to Item A. Minutes of Regular Meeting on February 1, 2005.

Manager Williams stated the Board Retreat Minutes from February 11, 2005 is a document to refer back to over the next few months.

There being no further discussion, a motion was made by Member Francis to accept the Consent Calendar. The motion was seconded by Member Johnson and passed on a 5 - 0 vote.

[4. Board Expenditures and Event Attendance Approval.]

President Akagi presented the Board Expenditures List for discussion.

Manager Williams stated Member Waespi's Attendance Sheet has been added for consideration. Also, the following meetings are to be considered for Board attendance.

- March 15, 2005, Special Board Meeting to conduct General Manager's annual evaluation.
- March 16, 2005, Appreciation Lunch for Waste Management Drivers. Manager Williams and Solid Waste Program Coordinator Hartshorn encouraged Board Members to come meet the drivers and WMAC personnel. Members Johnson, Waespi and Francis stated they will attend.
- March 16, 2005, Public Relations Committee members (President Akagi and Member McGowan) will attend the first Community Advisory Committee (CAC) meeting.
- March 17, 2005, Manager Williams will attend the Association of Bay Area Governments' (ABAG) Green Business Recognition Event for Government Organizations. Member Waespi wishes to attend to represent the District.
- March 31, 2005, payment of the cost of dinner to the CSDA Annual Dinner was approved at the February 1, 2005 Board meeting. Manager Williams stated the District usually has a very good showing at this event and recommended Member Francis receive Directors Fees for

his attendance at this event as he is the District Representative to CSDA.

A. *CASA Spring Conference April 28-30, 2005, in Napa.*

It was noted that April 30th is the District's Earth Day celebration. Manager Williams stated he and Administrative Services Supervisor Stuart would be attending CSRMA's one day seminar on April 27th, covering CalOSHA Regulatory and Legal Issues; Employee Health Benefits Options for Public Entities; and Employment Law Update for Public Entities. Member McGowan stated he may attend Friday only. Other Board Members are to advise Barbara Nagy if they wish to attend.

There being no further discussion, Member McGowan made a motion to approve Board Expenditures and authorize event attendance. Member Francis seconded and the motion passed on a 5 - 0 vote.

[5. *Items from the Public.*]

There were no items from the public.

[6. *Presentations of Petitions.*]

There were no Petitions.

[7. *Regular Calendar.*]

A. *Engineering Projects Report.*

Manager Williams reported on the following:

The Associate Engineer will be present at the April Board meeting to report on projects.

The letter attached to the report is from Brown & Caldwell stating a change in the Master Plan Project Staff as Brian Hammer has resigned. They have proposed to have Alex Park fill the position.

East Bay Regional Park District, as well as A1 Septic have been dumping at the future library site. The District has received the Annual Encroachment Permit from CalTrans and will now begin work on the permanent site at Grove Way at the East bound entrance to I-580.

Manager Williams presented a slide show of an overflow at 4789 Heyer Avenue, stating this home is below the manhole and did not have a backflow preventor. Rags and minor roots were found in the District's main line. Sewage entered the stormdrain and was flushed accordingly. Protocol was followed with an industrial hygienist in the home. Insurance carrier was informed; the District's deductible is \$10,000. Board Members discussed ways to detect all areas where the home is lower than the manhole.

More in-depth education is critical. The District needs to use all publications and outreach programs to educate public on backflow preventors. Manager Williams stated for the past four years all new connections and repairs must install backflow preventors regardless of condition.

B. Solid Waste Projects Report.

Member Waespi inquired about faxed service referrals. Ms. Hartshorn replied the District handles service calls when residents have tried, unsuccessfully, to deal with WMAC; otherwise, residents are asked to call WMAC directly.

Member Johnson stated Palomares Elementary School gave out food scrap pails at the last CVUSD Board meeting, noting that three Board members didn't know about the food scrap program. Ms. Hartshorn replied that StopWaste.Org advertising is going out soon.

Solid Waste Program Coordinator Hartshorn reported on the following:

Project Earth 2005 Brochures are in and encouraged everyone to pass them out in their travels.

Sewer Science at Creekside Middle School has begun and went very well. Intern Michelle Jeffery is doing a very good job. President Akagi inquired as to the usual target audience. Ms. Hartshorn replied high school and stated the program is going to be presented at Redwood Alternative High School next week.

New recycled chairs have been ordered for the Board room. New recycled product modular tables will also be ordered.

CVSD's greenwaste and food scraps collected by WMAC will now be sent to Grover Compost Facility in Modesto. Staff will be taking a trip to this site in the near future.

The Chamber of Commerce Mixer hosted by CVSD and WMAC on February 17th was a success. Thanks to all who participated and helped.

The CIWMB Annual Report for 2003 was submitted yesterday. Diversion figure is at 57%, down from 61% the year before. Manager Williams noted there is a downward trend Statewide, which is at 47%.

WMAC Drivers' Appreciation lunch will be held March 16th with a St. Patrick's Day theme. Board members will not have to cook but are encouraged to attend.

The Pipeline Newsletter has gone to the printer; it should reach residents by mid-March.

The Waste report has inappropriate headings which will be corrected on the next reporting. Manager Williams and Ms. Hartshorn attended the February Technical Advisory Committee (TAC) meeting to hear explanations of factors that go into calculating the numbers. There are many factors, and

CVSD is mixed with OLSA, San Leandro, and Hayward. Member McGowan asked if CVSD reports actual tonnage and wishes to see how much we report. Ms. Hartshorn replied there is some breakout. Member Waespi stated that StopWaste.Org is trying to establish how to measure diversion. CVSD is frequently praised for being the pioneer in many new programs. As always, more education and outreach is needed.

President Akagi inquired as to the 50 welcome packets the District has sent out so far, suggesting including a mail back response. Also, he inquired as to the disposal of fluorescent light tubes. Ms. Hartshorn stated they are household hazardous waste and should be disposed of accordingly. The idea of having a drop offsite a few times a year in Castro Valley was suggested.

C. Budget Revisions.

1. Report of Budget and Long Range Planning Committee Meeting on February 15, 2005.

Manager Williams stated a lot of information was covered in this meeting concerning the Amended Budget, reiterating what was stated in the written report, including loss of ERAF funding; elimination of computer purchases for the 05/06 fiscal year; review of Reserve Policy; finance options, and focusing on continuation of a pay-as-you-go methodology for capital projects.

Manager Williams stated the District has completed a three year contract with the audit firm of Vavrinek, Trine, Day & Co., LLP. The Committee recommends not extending the contract for an additional two years and reviewed two quotes received from other firms. Staff was directed to contact the previously used firm of Cropper Accountancy Corporation. It's a smaller firm with more personalized service.

Code Revisions including a credit policy for connection fees will be presented in draft Ordinance form at the April Board meeting.

A Motion was made to accept the Report of Budget and Long Range Planning Committee Meeting on February 15, 2005 by Member Waespi. The motion was seconded by Member Francis and passed on a 5 - 0 vote.

2. Report of Commercial Users Advisory Committee Meeting (CUAC).

Manager Williams stated this was a very productive meeting. The Committee was called together to discuss a previous recommendation to implement a 3-year rate increase plan for commercial users. Manager Williams informed the Committee of economic developments and recent budget cuts from the County and State which require more funding at the local level, and asked the Committee to accept a 2-year plan. The Committee agreed, stating the District should implement the same plan for marketing outreach as previously discussed. Member Francis stated the meeting went very well. Member Waespi agreed and praised Manager Williams for his presentation to the Committee, showing CVSD has very low

rates in the big picture. Manager Williams stated the Committee is still somewhat in tact as only half of the members were able to attend the meeting.

A motion was made by Member Johnson to accept the Report of Commercial Users Advisory Committee Meeting on February 22, 2005. The motion was seconded by Member McGowan and passed on a 5 - 0 vote.

3. Amended Budget.

Manager Williams stated the Amended Budget reflects where the District is currently. Some of the items that have been amended are as follows:

- Election expenses were reduced from \$75,000 in 04/05 to \$25,000 (actual costs were \$15-16,000).
- Insurance expense was increased in 04/05 from \$70,000 to \$81,000 and in 05/06 increased from \$77,000 to \$85,000.
- Franchise Fees were decreased in 04/05 from \$640,000 to \$575,000 and in 05/06 decreased from \$646,400 to \$585,000. Member Johnson inquired about this decrease. Manager Williams replied there was an over estimation in fees; less than anticipated. Gross receipts from Waste Management have been examined. Member Waespi stated that a better rate will be negotiated at the next contract.
- Share of Administrative costs in both Wastewater Operations and Solid Waste Operations were increased in 04/05 from \$331,500 to \$351,500 and during 05/06 from \$331,500 to \$381,500.
- The Lateral Replacement Grant Program has been reduced in 05/06 from \$75,000 to \$50,000.
- The Administration Equipment and Facilities Computer Equipment has been reduced in 05/06 from \$15,000 to \$5,000.

President Akagi stated raising residential user fees by 8% was discussed. Manager Williams stated the revisions will be presented in the next couple of months. It will raise the District's income approximately \$200,000, plus \$40,000 from the commercial user rate increase. Fine tuning is the key to boosting the budget.

A motion was made to accept the Amended Budget by Member Johnson. The motion was seconded by Member Francis and passed on a 5 - 0 vote.

A 10 minute break was taken at 8:00 p.m.

D. Report of Public Relations Committee Meeting on February 24, 2005.

Manager Williams reported the Committee instructed staff to work on the Public Education Plan. This will be presented at the next meeting.

The Pipeline was reviewed and is about ready to go to press.

The draft resolution for the formation of the Community Advisory Committee (CAC) was discussed. It was decided to have ten members, with two being high school students. Manager Williams handed out CAC Guidelines for the Board's review. Member McGowan inquired if Board member choices to members of the CAC would be made tonight. Manager Williams replied yes.

A motion to accept the Report of Public Relations Committee Meeting on February 24, 2005 was made by Member McGowan. The motion was seconded by Member Johnson and passed on a 5 - 0 vote.

1. RESOLUTION NO. 3089 - AUTHORIZING THE ESTABLISHMENT OF THE CASTRO VALLEY SANITARY DISTRICT COMMUNITY ADVISORY COMMITTEE (CAC) AND AUTHORIZING GUIDELINES FOR THE OPERATION OF THE COMMITTEE.

Manager Williams stated he had no further comments to add. A motion to adopt Resolution No. 3089 was made by Member Johnson, and seconded by Member Francis.

The motion was passed on a roll call vote 5 - 0.

ROLL CALL:

AYES: DIRECTORS Akagi, Francis, Johnson, McGowan & Waespi

NOES: None

ABSENT: None

MOTION CARRIED

Following the adoption of Resolution No. 3089, the Board members proceeded to choose Community Advisory Committee members. The following applications will be notified of acceptance: Aileen Chong-Jeung, Robert Craig, Wanda Davis, Anthony Graves, Mary Hayashi, Gail Waiters, Kim Wiseman-Sleeter and Gary Wolff. Two high school students will also be chosen by President Akagi and Member Waespi. David Livingston applied too late and will be considered at the next selection in January of 2006.

E. Report of Personnel Committee Meeting on February 24, 2005.

Manager Williams stated the Committee reviewed the Redline-Strikeout version of the Policies and Procedures Manual updates page by page. The Manual is up for review every March and open for amendments as needed. The CEQA regulations have changed and require substantial changes to the existing policy. Staff will update and provide amended version at the March 1, 2005 Board meeting.

Several matters regarding the Associate Engineer position were discussed.

The Board Retreat of February 11, 2005 was reviewed. \$1,700 in fees were saved by doing the

on-line evaluation and having staff write the minutes. Manager Williams handed out an evaluation form, provided by Dr. Marilyn Manning, for each Board Member to fill out for the General Manager's annual evaluation to be conducted at a Special Board meeting on March 15, 2005.

Manager Williams stated succession planning and future staffing were also discussed at the meeting.

A motion to accept the Report of Personnel Committee Meeting on February 24, 2005, was made by Member McGowan. The motion was seconded by Member Waespi and passed on a 5 - 0 vote.

1. Policies & Procedures Manual - Redline-Strikeout version.

Manager Williams stated the majority of changes were clerical in nature and those necessary to align with the new Memorandum of Understanding (MOU) which went into effect March 1, 2005. A few other changes included: Section 2107, District employees will now be treated the same as Board Members in regards to receiving a per diem (set by the IRS) when traveling; Board approval for any out-of-state travel; Final Compensation conversion (PERS); Educational assistance pooled with a \$9,000 cap on a first-come, first-served basis; Goals weighted against overall evaluation; All Harassment Policies include Members of the Board: Budget & Long Range Planning Committee to review Budget semi-annually; modification of safety lock-out tag-out, and confined space entry; new stale check policy.

A motion was made to accept the revised Policies and Procedures Manual by Member Francis. The motion was seconded by Member McGowan and passed on a 5 - 0 vote.

F. RESOLUTION NO. 3090 - AUTHORIZING AN AMENDMENT TO CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE BOARD OF DIRECTORS OF THE CASTRO VALLEY SANITARY DISTRICT, ALAMEDA COUNTY, STATE OF CALIFORNIA.

Manager Williams stated this is the final piece to comply with requirements set by CalPERS when amending the contract between the District and CalPERS. This amendment allows the 8% employer paid member contributions be converted to payrate during the final compensation period for local miscellaneous members. A motion was made to adopt Resolution No. 3090 by Member McGowan, and seconded by Member Waespi.

The motion was passed on a roll call vote 5 - 0.

ROLL CALL:

AYES: DIRECTORS Akagi, Francis, Johnson, McGowan & Waespi

NOES: None

ABSENT: None

MOTION CARRIED

G. Oro Loma/Castro Valley Sanitary District Treatment Plant Capacity Restoration Project.

Manager Williams presented a slide show, stating he had toured the facility on Monday, February 28th. He referred to the semiannual progress report letter from OLSD to the California Regional Water Quality Control Board, stating the contractor, Monterey Mechanical is ahead of the TSO order completion date of November, 2007. Completion date is now set at 4/15/07, with Monterey hoping for completion in October 2006. The job is 23% complete and on budget. The Board will tour the facility on May 20, 2005.

H. Date change of April Board meeting.

Manager Williams stated he will be at a conference in Washington, D.C. at the April regular Board meeting date of April 5th and suggested the Board meeting be moved to April 12th so he can report on his trip. Member McGowan expressed concern in keeping consistency of the District's Regular Board meeting dates with Member Francis agreeing.

Member Johnson made a motion to change the April 5, 2005 Regular Board meeting date to April 12, 2005. The motion was seconded by Member Francis and passed on a 5 - 0 vote.

[8. Communications.]

There were no communications.

[9. Miscellaneous Comments from Board Members and Staff.]

Member Waespi stated he was involved in a seminar at Stopwaste. Supervisor Carson, along with Laura Bice discussed the disposal of Sharps. Castro Valley Sanitary District was praised for their many efforts.

Member Johnson stated Palomares Elementary School attended a CVUSD Board meeting. The School Board was pleased with our collaborative efforts for Earth Day.

Member Francis shared the following:

- He attended the Castro Valley Redevelopment meeting where changes to the downtown area were discussed.
- The skate board park is moving along.
- He purchases recycled lacquer thinner for his business and has found that the price has gone almost as high as regular.
- He inquired as to the status of the C&D Ordinance. Ms. Hartshorn and Manager Williams replied

that the District needs to follow up with Alameda County. Manager Williams added that most residents and contractors use Waste Management to haul, and that the C&D numbers are holding their own.

-The Chamber of Commerce mixer hosted by the District and WMAC was very good.

Manager Williams stated there will be a Rotary BBQ on April 16th at the San Leandro Boys and Girls Club for the Castro Valley Sports Foundation.

[10. Adjournment of Meeting.]

There being no further business to come before the Board, Member Francis made a motion, seconded by Member Johnson, to adjourn the meeting at 9:23 p.m. by President Akagi.

Respectfully submitted,

Dennis M. Waespi,
Secretary of the Sanitary Board