

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
CASTRO VALLEY SANITARY DISTRICT  
HELD ON APRIL 1, 2008**

***[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 Johnson at 6:30 p.m., Tuesday, April 1, 2008 at the District Office. The Pledge of Allegiance was led by President Johnson

**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  
Anthony Varni, District Counsel  
Barbara Nagy, Recording Secretary

Others in attendance are listed on the attached attendance sheet.

***[2. President's Comments.]***

President Johnson reminded Board Members of the Oro Loma Sanitary District Board meeting on April 15<sup>th</sup> at 3:00 p.m. where retiring General Manager Mike Cameron will be honored.

***[3. Consent Calendar.]***

The Consent Calendar contained: A. Minutes of Regular Meeting on March 4, 2008; B. Minutes of Closed Session Meeting on March 14, 2008; C. Minutes of Special Board Meeting on March 18, 2008; D. Accounts Payable List for the Regular Meeting of April 1, 2008; E. Monthly Statement of Operations for January 2008; F. Monthly Report on District Investments and Deposits for January 2008; G. Wastewater Department Report for February 2008; H. Solid Waste Projects Report for March 2008; I. Report of OLSA Construction Committee Meeting on March 12, 2008; J. Report of ACWMA Meeting on March 26, 2008; K. Donation Request Report for the month of March 2008.

President Johnson asked if there were any items to be discussed. Member Francis wished to discuss Item D.; Member Waespi wished to discuss Item J.; Manager Williams wished to discuss Item B.

Member Francis questioned Accounts Payable items to U.S. Bank and Weco Industries, stating that both descriptions referred to Operating Supplies. Manager Williams explained that the U.S. Bank payment covers the four District credit cards which include such expenditures as conference travel and various supply purchases. The Collection System Department makes various purchases from Weco Industries. Member Francis inquired about the payment to Ashby Lumber. Manager Williams stated that was for materials only for the new fence, adding all materials were recycled products. The District paid for all materials through the RPPP fund and half of the labor cost.

Member Waespi referred to his report from the Alameda County Waste Management Authority Board meeting on March 26, 2008, stating \$50,000 from the Green Building Civic and Commercial fund and \$25,000 from the Bay Friendly Landscaping for Member Agencies fund was awarded to the new Castro Valley Library Project.

Manager Williams noted a change to the Minutes of the Closed Session of the Board on March 14, 2008, correcting diversion percentage for 2006 from 59% to 69% for unincorporated Alameda County.

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

***[4. Board Expenditures and Event Attendance Approval.]***

President Johnson asked if there were any questions regarding Board Expenditures. There were none.

Manager Williams noted the Oro Loma Board meeting on April 15<sup>th</sup>, as well as the new Castro Valley Library Groundbreaking ceremony on April 18<sup>th</sup>. The Earth Day Clean-up will be held Saturday, April 26<sup>th</sup>.

***A. CASA Spring Conference at Resort at Squaw Creek, CA, April 23-26, 2008.***

President Johnson was the only Board Member to indicate he would be attending the CASA conference with Manager Williams. Manager Williams reminded the Board that at the next CASA conference in August, mandatory Ethics training would be provided and all Board members should plan on attending. He also noted that should there be any new Board Members elected to the Board in November, ethics training would need to be provided at that time as well.

There being no further discussion, a motion was made by Member Waespi to approve Board Expenditures and authorize Board attendance and compensation at the Spring CASA Conference and Earth Day Clean-Up. The motion was seconded by Member Akagi and passed on a 5 - 0 vote.

**[5. *Items from the Public.*]**

Resident Debra Pugh had submitted a letter and was present at the meeting. She stated she has a side yard exemption with Waste Management and since the contract change in 2001 going to curbside carts, she is missed frequently (25 referrals were made to Waste Management since December 7, 2006). She added this is absolutely unacceptable and at times, garbage is left on the ground after collection. President Johnson thanked Ms. Pugh for her comments and concerns, adding customer service is an important piece of the new contract negotiations. Manager Williams assured Ms. Pugh he would follow up personally.

**[6. *Presentation of Petitions.*]**

There were none.

**[7. *Regular Calendar.*]**

**A. *Solid Waste Services Contract.***

- 1. *Phone call from Sid Snow praising Waste Management.***
- 2. *Letter from Debra Pugh expressing her dissatisfaction with Waste Management.***

Manager Williams stated the District met with Waste Management two times since the last meeting to continue negotiations. The three issues directed by the Board for discussion were 1) exceptions – Force Majeure; 2) debundled commercial rates, and; 3) consider long-term disposal contract.

Manager Williams presented a chart from Waste Management showing Commercial Rates, Bundled vs. Unbundled. After reviewing the numbers, the Board stated they would like to see the numbers be as good as the City of Hayward's rates. It was pointed out that Hayward's rates are 2007 rates, where CVSD's proposal is for 2009. Manager Williams stated further negotiations can take place with the Board's direction.

Manager Williams stated bundled rates equal franchised recycling which will compel small business owners to recycle. By unbundling it could stay open market as it is now with no franchise benefit to the District. A second option is to franchise with set rates to encourage businesses. Non-exclusive service would mean anyone could provide service. The best chance to get commercial recycling is to have franchised recycling. Ric Hutchinson of R3 Consulting

stated we can include exclusive with Waste Management; elsewhere would require and RFP. If non-exclusive—no process. Manager Williams stated staff needs direction. To encourage recycling equals bundled rates; next franchised, then open market (current status).

President Johnson asked if this issue could be placed on the next CAC agenda. Member McGowan stated time is running out. Manager Williams stated seven out of the ten CAC members are residents so commercial rate ideas would only come from a few members. Member Akagi agreed with President Johnson that the District should hear from the business community if an exclusive franchise is desired. President Johnson stated if debundled no input is needed.

Member McGowan stated no one recycles like Tri Ced and recommended postponement on franchising business recycling and issue a separate RFP.

Member Akagi stated businesses must recycle as it sends a bad message if businesses are not required to recycle and, he recommended the bundled rate with a one year education campaign. Manager Williams agreed with Member Akagi.

Ric Hutchinson stated non-exclusive gives a chance for multiple firms and competition and CVSD regulates service and can have a franchise fee. Exclusive is a negotiated rate. There are plusses and minuses to each choice. Member Akagi stated with non-exclusive, we can't set rates at all.

Member McGowan asked how do we know who is currently providing service in Castro Valley. Manager Williams stated it takes a lot of effort with audits. Member McGowan doesn't want non-exclusive and supports the unbundled rate with an exclusive franchise. He stated he is also concerned with the current negotiated rate compared to Hayward's. Manager Williams reiterated the direction stating staff is to look at franchise for business recycling and work on rates using Hayward's rates as a benchmark.

The next item to be discussed was the requested long-term landfill part of the contract. Manager Williams questioned whether the intention included transfer or not as landfill and disposal mean different things. Locking up capacity at the Altamont for 20 years is one thing; how it gets there is another. Over 20 years, the 15-mile rule could change as well as many other factors. Member McGowan stated that anyone that owned a truck could go to Davis Street. Member Waespi stated it is complicated as tip fees we contributed set an investment in Davis Street, which is the best state of the art transfer station.

Ric Hutchinson stated that with long-term "landfill" we must commit to Davis Street. Also, there is no rate setting mechanism past 10 years. Member McGowan feels a long-term rate is good and wants to lock into a 20-year rate.

Long-term disposal and transfer is desired. Direction was given to obtain information on other long-term contracts.

The third item discussed was exceptions. Manager Williams passed out a handout from R3 Consulting with the most recent list of exceptions. Force Majeure regarding strikes, walk-outs, pickets or similar labor action is still in discussion. District Counsel Varni stated they are making progress but this is a very complicated issue and takes time. Manager Williams stated the goal date for completion is April 15<sup>th</sup>. Manager Williams stated the Board could take the list home to read, adding that many issues have been discussed and agreed upon.

Manager Williams stated two letters were received regarding the contract.

**Note: President Johnson moved Regular Calendar, Item E. to this time in the meeting.**

***E. Waste Management of Alameda County, Inc. Labor Day Collection Schedule requested change.***

Manager Williams stated the most recently signed agreement between labor and Waste Management requested that drivers work on Labor Day. This could be confusing as it has always been a holiday. Residents can be informed through bill inserts and, actually holidays can be more confusing as they cause some collection days to be one day late during a holiday week.

Bob Angell of Waste Management stated surprisingly this is what workers have asked for, adding that they must have approval from all affected jurisdictions as it is all or nothing situation. Member Waespi asked if their auto dialing system would be used to inform residents of the change. Mr. Angell replied yes.

There being no further discussion, a motion was made by Member Waespi to approve Waste Management's request. The motion was seconded by Member Akagi and passed on a 4-0-1 vote with Member McGowan abstaining.

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

***B. Agreement for Consulting Services for Extended Negotiations and Finalized Collection & Disposal Agreements.***

Manager Williams stated the quantity of meetings, research and the effort in negotiations has greatly exceeded what was originally anticipated. Therefore, an agreement for extended negotiations and finalized collection and disposal agreements is requested for a not to exceed cost of \$33,030. Member Francis asked if this is the total amount. Ric Hutchinson stated it could be less as it is time and materials. The 2007 Solid Waste Services RFP required the successful bidder to pay the District \$80,000 for the cost of the RFP development. Most of the rest of the costs can be paid for out of Measure D funds.

There being no further discussion, Member McGowan made a motion to approve the agreement for consulting services for extended negotiations and finalized collection and disposal

agreements with R3 Consulting Group not to exceed \$33,030. The motion was seconded by Member Akagi and passed on a 5 – 0 vote.

**C. DRAFT THREE-YEAR BUDGET FOR FISCAL YEARS 2008/2009, 2009-2010, 2010/2011.**

- 1. Tentative Adoption of the Draft FY 2008/2009, 2009/2010, 2010/2011 Three Year Budget.**
- 2. Draft Ordinance No. 146 showing proposed increases in Sewer Services Fees and Connection Fee.**
- 3. Set Public Hearing for June 3, 2008 Board meeting to hear Comments, Protests, or Objections to proposed 2008/2009, 2009/2010, 2010/2011 Three Budget and proposed increases in Sewer Services Fees and Connection Fee.**
- 4. Approve Draft Prop. 218 Notice and Commercial Users Notice Letter for Sewer Service Fees increase.**

Manager Williams stated hopefully all Board members had a chance to go through the budget. It is the same as seen before, flushed out with more graphic enhancements to come when it is presented for acceptance at the June 3<sup>rd</sup> Board meeting following the public hearing. Manager Williams handed out sheets showing SSC data for two counties. CVSD's rate increases are proposed at 5.25% per year for the next three fiscal years. CVSD will remain second lowest in Alameda County. Manager Williams stated there are four actions for the Board tonight.

President Johnson asked what is the current connection fee. Manager Williams replied \$9,700 and will increase by 5.25% per year, the same as SSC's. Member Waespi stated he is interested in tiered rates. Manager Williams stated CVSD would still remain second to fourth lowest. Tiered areas include mobile home parks and apartment complexes. Member Waespi asked what the connection fee would be in 2010 and what is our position with other agencies. Manager Williams replied \$11,310 and CVSD is second highest, reminding the Board that Castro Valley is an older community and almost built out; therefore, does not receive as much connection fee revenue as other areas. It allows the District to keep sewer service charges low and charge a higher connection fee thus, a fee for service. The District averages 70 connections average per year.

Member McGowan wanted clarification that it was allowable to do one Prop. 218 notice for three years. Manager Williams replied yes.

There being no further discussion, a motion was made by Member McGowan to approve Items 1-4 above. The motion was seconded by Member Francis and passed on a 5 – 0 vote.

***D. Report of EBDA Commission Meetings on February 21 and March 20, 2008.***

Manager Williams stated Redoak Consulting made a presentation of the initial findings and preliminary recommendations for EBDA General Manager Transition and organization consideration. They met with EBDA Commissioners and General Managers and made a presentation which included: EBDA needs a full time General Manager and the organization needs long term vision planning. The presentation also stated EBDA should review the JPA concerning unanimous voting requirements (Manager Williams noted that for a small agency such as CVSD, unanimous voting is important to maintain). The items will be placed on the next EBDA Personnel Committee and Commission meeting agendas.

Manager Williams stated Member Francis (EBDA Commissioner) needs direction. All agreed that the unanimous requirement must remain. Also, CVSD wants no amendments to the JPA at this time (it expires in 2020). District Counsel Varni stated it will take away CVSD's capacity should it change at this time.

There being no further discussion, a motion was made by Member Waespi to accept the report. The motion was seconded by Member Akagi and passed on a 5 – 0 vote.

***F. E-Waste Recycler Selection.***

Manager Williams handed out a Proposed Rate Comparison sheet noting the second proposer listed, Direct Computer Disposal, was the successful bidder. Manager Williams requested that the final decision to award the contract be given to the Solid Waste Committee meeting later this week, as more work needs to be done to finalize a recommendation. Member McGowan stated he believes it would be better for the entire Board to award a contract. Manager Williams reminded the Board that the threshold is \$-0- as money comes back to the District for the event. It was requested that this item be placed on the April 15, 2008 Special Board meeting agenda, with the Committee making a recommendation at that time.

Member McGowan inquired as to the successful bidder being 5 minutes late submitting its bid; is there a liability problem. Manager Williams stated the language in the RFP does not prohibit us from accepting this bid.

This items was tabled until the April 15, 2008 Special Board meeting.

***G. Quarterly Donation Requests over \$1,000.***

Manager Williams stated per Policies and Procedures Manual, the Board will review all donation requests over \$1,000 quarterly. A \$500 donation was made to the Rowell Ranch Rodeo last year, and a request has been made again this year. Member McGowan pointed out that last year it was believed that the donation would be able to be made out of grant funding; however, it

was not. In light of the District's Mission and Vision statements, and the fact that the Rodeo grounds are out of District boundaries, this request should be denied.

There being no further discussion, a motion was made by Member Akagi to deny this request on the grounds that protocol was not followed. The motion was seconded by Member McGowan and passed on a 5 – 0 vote.

***H. OLSD/CVSD Agreement.***

Manager Williams handed out a Progress Report written by OLSD General Manager, Mike Cameron regarding he and Manager Williams' second meeting about this agreement. Manager Williams stated that this Board did not want him to spend a great deal of time on this project. Member Francis asked what the benefit would be to CVSD. Manager Williams replied it will formalize the process in CVSD's voice in all construction matters in simpler wording. Manager Williams stated he will continue discussions with Manager Cameron in his spare time. President Johnson asked when Manager Cameron will be retiring. Manager Williams replied May 2<sup>nd</sup>.

***I. District Performance Indicators (DPI's.).***

Manager Williams stated Board Members have the Third Quarter 2007/2008 Report, which looks good. He then handed out a Draft DPI for FY 2008/09. He stated this one is more comprehensive than in the past as he has requested staff add any duties that require more than 5-10% of their time. Member McGowan commented that it is a thick list and maybe each Board Member could choose their top five most important items. Manager Williams liked the idea and asked that Board Members submit their "top five" lists no later than April 25, 2008 so this item can be placed on the May 6, 2008 Board meeting agenda.

***J. RESOLUTION NO. 3161 – ACCEPTING COMPLETION AND DIRECTING FILING OF NOTICE OF COMPLETION 2007-03 CVSD OFFICE KITCHEN REMODEL PROJECT.***

Manager Williams stated the office kitchen remodel job is complete. Member Francis asked whose fault it was that the wrong stove was purchased. Manager Williams replied staff's, adding it was a fairly new, probationary employee's project and this error raised his attention to detail.

There being no further discussion, Member Akagi made a motion to adopt the resolution. The motion was seconded by Member McGowan and passed on a roll call vote 5 - 0.

ROLL CALL

AYES: DIRECTORS Akagi, Francis, Johnson, McGowan and Waespi  
NOES: None  
ABSENT: None

MOTION CARRIED

***K. Report of CAC meeting of March 12, 2008.***

Manager Williams stated there was a lot to discuss at this meeting. The Committee recommended keeping the existing classification-based SSC methodology but create a better appeals process for those business owners who feel they are being overcharged. It was also recommended to consider creating a baseline commercial SSC equal to the residential SSC.

***[8. Communications.]***

There were none.

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

Member McGowan commended staff for their high number of lines serviced during the past three months. He also inquired as to when sanafoam would be performed. Manager Williams replied July, combining two years at a cost of \$50,000.

Member Waespi noted that the Special Legislative Day on May 12<sup>th</sup> in Sacramento would be a good way to meet our legislators.

Member Francis apologized to Board and staff for being late to the Compost Give-Away event. He inquired as to the triangular sink colander that was previous presented by CAC member Lucille Lorge and where are we on this research. Member Waespi is continuing to look into this.

Member Akagi stated the Compost Give-Away was a successful event. They ran out of compost just 10 minutes before the end time but were able to provide vouchers and send residents to one of the two hardware stores dispensing the compost.

President Johnson also commented that the Compost Give-Away was good and he enjoyed talking with the residents.

Manager Williams stated he talked with President Johnson regarding the Rowell Ranch Rodeo Parade. It was decided that the Board will walk with the Prius and Waste Management's antique truck. Staff will prepare all the hand-outs for the parade. Staff will be attending the chili

cook-off (with no compensation) the night before. Member Francis stated he is disappointed that staff will not be participating in the parade this year.

***[10. Adjournment of Meeting.]***

There being no further business to come before the Board, Member McGowan made a motion, seconded by Member Akagi and passed on a 5 - 0 vote, to adjourn the meeting at 9:25 p.m. by President Johnson.

Respectfully submitted,

---

Daniel M. Akagi,  
Secretary of the Sanitary Board