

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

HELD ON JUNE 3, 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, June 3, 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. Introduction of new employee, Emil Dembny and, President's Comments.]

Manager Williams introduced the District's new Collection System Maintenance Worker, Emil Dembny, adding he was the number one candidate in all areas. President Johnson welcomed Emil on behalf of the Board and the citizens of Castro Valley and wished him a long tenure at the District. Emil thanked the Board adding he has family members working in the industry.

President Johnson stated he wants to make sure General Manager Williams is not taken for granted and thanked him for his hard work. Manager Williams thanked President Johnson.

[3. Open public Hearing to hear Comments, Protests, or Objections to the proposed 2008-09, 2009-10 and 2010-11 Three Year Budget for the Operations and Maintenance of the Sanitary District; and a proposed adjustment to the current residential, commercial and institutional rates and new connection fee.

President Johnson opened the Public Hearing stating any member of the public in attendance may have three minutes to speak on the matter. There were no comments. Manager Williams noted the District had received nine written protests that Board Members have in their agenda packets. Manager Williams clarified one letter from Our Lady of Grace Parish adding rates for schools increased from \$2,323 to \$5,000 and then to \$6,000 in 2005/06 and 2006/07, which accounted for the main share of their SSC rate increase. Member Francis asked if the District will respond. Manager Williams stated the District typically does not respond to protest letters, but can do so. President Johnson stated this one should receive a response with an explanation.

[4. Close Public Hearing.]

There being no further discussion, a motion was made by Member Akagi to close the Public Hearing. The motion was seconded by Member Francis and passed on a 5 – 0 vote.

[5. GENERAL ORDER – FINDING AND DETERMINING THAT PUBLICATION AND POSTING OF NOTICE OF PUBLIC HEARING HAS BEEN PROPERLY MADE.

President Johnson confirmed that proper posting had been made.

There being no further discussion, Member Francis made a motion to adopt the General Order. The motion was seconded by Member Akagi 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

[6. RESOLUTION NO. 3167 – ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEARS 2008-09, 2009-10 & 2010-11.

Manager Williams stated this is part of the required actions for the passing of the Budget.

There being no discussion, Member Waespi 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

[7. ORDINANCE NO. 146 – AMENDING SECTIONS 4113 AND 4403 OF ARTICLE IV, REGULATION OF SEWER SERVICES OF THE CASTRO VALLEY SANITARY DISTRICT CODE.]

Manager Williams stated this Ordinance shows all adjustments for the three-year budget period.

There being no further discussion, Member Akagi made a motion to adopt the Ordinance. The motion was seconded by Member Francis. President Johnson called for discussion. Member McGowan asked about Section 4113 (4) adding there is a struck-out section with no replacement information. Manager Williams replied the old flow based system is no longer used; connection fees are based on the number of fixtures. The motion passed on a roll call vote 5 - 0.

ROLL CALL

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

MOTION CARRIED

[8. RESOLUTION NO. 3168 – ADOPTING BUDGET ESTIMATES FOR CASTRO VALLEY SANITARY DISTRICT FOR THE FISCAL YEARS 2008-09, 2009-10 & 2010-22.]

There being no discussion, Member McGowan made a motion to adopt the resolution. The motion was seconded by Member Francis 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

[9. Consent Calendar.]

The Consent Calendar contained: A. Minutes of Regular Meeting on May 6, 2008; B. Minutes of Board Workshop on May 20, 2008; C. Accounts Payable List for the Regular Meeting of June 3, 2008; D. Monthly Statement of Operations for March 2008; E. Monthly Report on District Investments and Deposits for March 2008; F. Wastewater Department Report for April 2008; G. Solid Waste Projects Report for May 2008; H. Report of Solid Waste Committee Meeting on May 2, 2008; I. Verbal report of ACSDA Meeting on May 7, 2008; J.

Report of OLSD Construction Committee Meeting on May 8 2008; K. Report of Personnel Committee Meeting on May 14, 2008; L. Report of Budget & Long Range Planning Committee Meeting on May 22, 2008; M. Report of ACWMA Meeting on May 28, 2008; N. Donation Request Report for the month of May 2008.

President Johnson asked if there were any items to be discussed. Member Waespi stated his report was placed before the Board this evening. Manager Williams stated the Board just received May 20, 2008 Workshop Minutes and may want to hold the report for approval at the next meeting. Member Francis provided a verbal report of the ACSDA meeting on May 7, 2008 adding President Doug Siden was not there and John Rusmeisel of the Mosquito Abatement District conducted the meeting. Member Francis added the speaker was from Washington Hospital and the topic was about a new gamma ray gun used to shrink brain tumors.

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

[10. Board Expenditures and Event Attendance Approval.]

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

Manager Williams stated there are several dates for the reusable bag giveaways. One Board Member is needed for each event. A sign-up sheet was passed.

There being no further discussion, a motion was made by Member Akagi to approve Board Expenditures and authorize attendance for one Board Member at each reusable bag giveaway. The motion was seconded by Member Francis and passed on a 5 - 0 vote.

[11. Items from the Public.]

There were none.

[12. Presentation of Petitions.]

There were none.

[13. Regular Calendar.]

A. Solid Waste Services Contract.

Manager Williams stated Ric Hutchinson from R3 Consulting is present. The District and Waste Management have had successful meetings the last few weeks and are very close to a finished agreement. Draft documents will be given to the Board at the conclusion of this

meeting, for review. It is hoped that the Board will approve the agreement at the June 17, 2008 Special Board meeting. Manager Williams added it has been a long process to incorporate all concepts and thoughts and a lot of credit must go to Ric Hutchinson.

Mr. Hutchinson stated the current Draft is close enough to distribute to the Board. It contains a list of open items requiring finalization, adding there will be no surprises, just the need to insert a few items. He stated one potential change could come from the Commercial Customers' Survey. It is anticipated that the results will show bundled as the preferred service. If it shows debundled as the way to go, there will be changes. He added he looks forward to the Board's comments. Manager Williams stated 20 phone surveys have been conducted with 10 more scheduled; 7 in-person interviews have been completed with 3 more scheduled, adding more than 50% of the Commercial Customer survey is complete. He noted that there has been hostile reaction to the rate increases, but business owners are, so far, in favor of bundling and are open to what they can do to increase their recycling efforts.

District Counsel Varni stated the negotiation sessions have been good and we are closer than ever, adding there are lots of people involved in the process. David Tucker of Waste Management stated he is pleased with the process and looks forward to Board approval at the June 17th Special Board meeting.

Member McGowan inquired as to when the Board would receive a final draft. Manager Williams indicated it would not be until June 17th. He added any wording or sections changed could be highlighted. Member McGowan asked approximately how many pages are involved in anticipated changes. Ric Hutchinson replied maybe 10 lines or so.

It was decided that Board Members would have their comments to Manager Williams no later than Monday morning, June 9th.

Manager Williams stated he prefers questions or comments on the Draft Agreement be in writing for records purposes.

B. RESOLUTION NO. 3169 – AUTHORIZING DISTRICT TREASURER TO SELL, ASSIGN AND ENDORSE FOR TRANSFER, CERTIFICATES REPRESENTING STOCKS, BONDS OR OTHER SECURITIES NOW REGISTERED OR HEREAFTER REGISTERED IN THE NAME OF THE CASTRO VALLEY SANITARY DISTRICT.

Manager Williams stated this was discussed at the Budget & Long Range Planning Committee meeting, adding no action will be taken at this time, but wishes to put this option in place for the future as the District looks into transferring funds to areas to receive a better rate of return. Member Francis asked who would administer this. Manager Williams replied he would be handling it in-house.

There being no further discussion, Member McGowan made a motion to adopt the resolution. The motion was seconded by Member Francis 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

C. RESOLUTION NO. 3170 – ESTABLISHING GREEN BUILDING AND BAY-FRIENDLY LANDSCAPING REQUIREMENTS FOR CASTRO VALLEY SANITARY DISTRICT BUILDING PROJECT, TRADITIONAL DISTRICT PROJECTS AND PUBLIC-PRIVATE PARTNERSHIPS.

Manager Williams stated this was presented in Ordinance form at the last Board meeting and has been brought back to the Board in Resolution form as requested, with cleaned-up language making more sense for projects relating to the District.

Member Francis asked what the costs would be for these types of projects. Manager Williams stated the District is participating in a lot of these environmentally preferred projects such as the new kitchen and bay-friendly landscape. Also, the District is able to secure grant monies for many of these types of projects. Member Waespi stated if the District did not adopt these guidelines, it would lose Import Mitigation funding from the City of San Francisco. Member Francis added he feels the District spent too much money on the bay-friendly landscaping project. Manager Williams stated the District received funding and the landscaping now requires less maintenance, yielding a short pay-back time period.

There being no further discussion, Member Waespi 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

D. Shredder Selection for Document Shredding & U-Waste Collection Event on July 12, 2008.

Manager Williams stated the July 12th event will include E-Waste and U-Waste collection as well as a shredding event. Last year, the District sponsored a three-day shredding event at District offices in conjunction with Earth Day. RFP's were distributed to four local document destruction companies; one proposal was received from SureShred Security of Hayward—the company that provided shredding services for the 2007 event. Due diligence was made in checking references; staff was pleased with their services last year. Staff anticipates 400-600 residents and businesses will bring documents for shredding during the 8-hour event on July 12th.

On a side note, Manager Williams stated the State has reduced its dollar amount per ton it pays for e-waste from 48 cents/lb. to 43 cents/pound, adding he feels this is indicative of the industry being inundated with e-waste disposal. The District is partnering with two Rotary Clubs and a Boy Scout Pack.

Staff recommends SureShred for the July 12th event.

There being no further discussion, a motion was made by Member Francis to approve staff's recommendation for SureShred as the document destruction company for the event on July 12, 2008. The motion was seconded by Member Akagi. President Johnson called for discussion.

Member Waespi asked why the District received only one response to its RFP. Manager Williams didn't know other than possibly due to the District being so far out in front with this type of event, that companies have nothing to compare it to. Manager Williams added that two mobile units and, 2 shredding officers will be on-site. The shredded material will be taken to their Hayward facility. Bob Angell of Waste Management stated the shredded material is mixed with paper stock and recycled.

The motion passed on a 5 – 0 vote.

E. LAFCo Final Budget for FY 2008-09.

Manager Williams stated he felt this information would be of interest to the Board. President Johnson stated LAFCo will now have a full-time Executive Officer, Crystal Hishida Graff, as well as a full time assistant.

F. Report of EBDA Commission Meeting on May 15, 2008.

Manager Williams stated not a lot of action took place at this meeting. Bob Murray was commissioned to recruit a new EBDA General Manager. There was nothing to report on this;

hopefully by the end of the month. It appears that there is no strategic planning. Chuck Weir has been contracted for up to 1,000 hours until a new GM is found, just to keep the organization operating with no planning involved.

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

G. Report of May 14, 2008 CAC meeting.

Manager Williams stated the Board has the Minutes to this meeting. A meeting was held without a quorum (no quorum is necessary as this is an advisory committee).

A discussion of the Pipeline redesign garnered several comments and recommendations.

There appears to be a waning of interest by CAC members with many absences occurring. It was suggested that the outcome of recommendations made by CAC that are presented to the Board go back to the CAC in order to “close the loop” in the process. Manager Williams reiterated the importance of Board Members communicating with their CAC appointees to reenergize the Committee. Member Francis stated he had done so and informed the Board that CAC Member Alexandra Matteucci would be tendering her resignation due to an ill family member. Lucille Lorge feels that not enough is accomplished by the CAC and that one representative should give a report to the Board each month. Manager Williams stated there is supposed to be a rotation of Board Members attending CAC meetings. A rotation should be established. Member Waespi stated he is opposed to there not being a quorum at CAC meetings as the District takes the voice of the CAC seriously and he feels a majority of the Committee should be in attendance when making recommendations.

Manager Williams stated maybe a two-year term is long enough for each member. CAC Member Tony Graves stated there are only about three CAC members who appear motivated and come to the meetings well prepared. Manager Williams added there are issues coming for which the District will be seeking input. Member Waespi asked if CAC members are invited to the District’s annual picnic. Manager Williams replied no. It was suggested that there should be more social opportunities for CAC members and staff to interact.

[14. Communications.]

- A. A letter from Mr. & Mrs. Jack Harris expressing their displeasure with Waste Management and a new, higher rate contract with them.***
- B. A letter from Waste Management addressing a resident’s complaint at 20065 Garnet Court, Castro Valley.***
- C. A letter from Linda Sandsmark regarding the new newsracks and their impact on the Castro Valley Forum.***

President Johnson thanked Bob Angell of Waste Management for their response letter. Member Francis asked if the District has responded to the resident. Mr. Angell stated Waste Management had met with Mr. King to explain what he had witnessed. Member Waespi also thanked Mr. Angell and asked how often does Waste Management perform this practice. Mr. Angell replied not often and with the new contract this will never happen with separate trucks for each service.

President Johnson asked Robert Souza of the Castro Valley Forum newspaper to respond to the letter from Linda Sandsmark. Mr. Souza had no idea why the letter was written and stated the Forum never uses the Boulevard newsracks. Also, he had no knowledge of the newsracks putting the Forum out of business.

Member Waespi asked if the District had responded to Mr. Harris' letter. Manager Williams stated the District responds on a case-by-case bases. The Board determined they would like the District to respond to all letters.

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

Member McGowan stated that since the first of many construction projects is about to commence, how are residents and businesses in the affected areas informed, i.e. door hangers, etc. Manager Williams replied that the District does do door hangers and, in the past, has had town hall meetings for very large projects such as Jensen Road.

Member Waespi asked if Clearstreams are loaned or donated. Manager Williams replied the frames are loaned and the bags are donated.

Member Francis stated he will be on vacation beginning June 19th and has asked President Johnson to attend the EBDA Commission meeting in his place.

Member Francis stated he had spoken with a resident who had an emergency sewage problem and he wanted to know if she could be considered early for the upcoming LRGP commencing July 7th. Recording Secretary Nagy stated she had spoken with the resident that day and had explained that there are currently no funds available in the LRGP and it cannot be paid retroactively. She understood and was going to work with her contractor to see if the work could wait until LRGP funds become available in July.

Manager Williams stated he had spoken with Jerry Macey at the Castro Valley Unified School District regarding the new snack bar and restroom facilities at Marshall School. Mr. Macey assured him that the Sanitary District will receive the required fees.

Manager Williams stated a conversation was had with the County regarding solid waste services in the canyonlands. It was suggested Manager Williams contact Supervisor Nate Miley and that the issue would have to go before the MAC. Manager Williams noted that much time

has already been spent on this issue and it seems we just go round and round. Member Waespi asked if these areas would need to be annexed through LAFCo. Manager Williams replied yes. President Johnson suggested inviting the MAC Chairman to a Board meeting. Member Akagi asked how many customers this entails. Manager Williams replied not many, maybe 200+-. These customers have garbage service only at this time. Member Waespi asked if staff time had been calculated. Manager Williams replied it had not as he thought the issue would be resolved by now. Member Waespi stated it is our mission to serve. Manager Williams will continue pursuing the issue.

Manager Williams noted that during the month of May the average daily flow was 2.93 MGD, the lowest in over 10 years.

[16. *Adjournment of Meeting.*]

There being no further business to come before the Board, Member McGowan made a motion, seconded by Member Francis and passed on a 5 - 0 vote, to adjourn the meeting at 7:50 p.m. by President Johnson.

Respectfully submitted,

Daniel M. Akagi,
Secretary of the Sanitary Board