



1902 - Serving Our Community for over 100 Years - 2011

**WEST BAY SANITARY DISTRICT
MINUTES OF THE REGULAR MEETING OF THE DISTRICT BOARD
WEDNESDAY, JUNE 8, 2011 AT 7:00 P.M.**

1. Call to Order

President Shepherd called the meeting to order at 7:00 PM

2. Roll Call

BOARD MEMBERS PRESENT: Shepherd, Walker, Dehn, Harrison, Moritz

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Scott, Condotti, Kitajima

Others Present: Rich Laureta, Vivian Housen, John Farnkopf, Sima Moustafaei

3. Communications from the Public: None

8. Consideration of Authorizing District Manager to Execute the Agreement for Engineering Design Services from Freyer & Laureta for the Capital Improvement Project 2010-2011 #2

Motion by: Walker 2nd by: Harrison Vote: AYE: 3 NAY: 1 Recusal:1

Comments:

DM Scott presented the staff report pointing out that the District's recent bids for capital improvement came in quite a bit lower than the engineer's estimate and the pricing for Cured-In-Place Pipe (CIPP) lining was half of what it was three years ago. The timing was advantageous to the District to utilize the remaining pipeline replacement budget, \$1.4M, for additional capital improvements. Design is proposed for rehabilitation of sewer lines on Oak Grove and Encinal Avenues. Dehn expressed concern that there would be three schools impacted by the work in the area and the project may be under construction in September during school. DM acknowledged there would be some impact but that the impact would be significantly less with CIPP than with open-cut pipe replacement. With CIPP the work can be done through a manhole and would only last one to two days in one spot.

By roll call vote: Shepherd, Walker, and Harrison voted in favor of the motion, Dehn voted against the motion, and Moritz recused himself since his residence is on one of the streets where the sewer is to be improved.

5. A. Connection Fee Report by HF&H

B. Capital Improvement Program Report by West Yost

Comments: Vivian Housen, West Yost Associates, presented the rationale and results of the 10-year-plus Capital Improvement program for inclusion in the Master Plan emphasizing it is a working document, only a plan and will be reviewed and changed according to new information

and needs on an annual basis. The Board was satisfied with the CIP plan and requested that the Master Plan include a notation that the Board has approved design and acceleration of construction of some part of the Encinal and Oak Grove projects that had been scheduled for later years.

John Farnkopf, HF&H, presented information and rationale behind the calculation of connection fees. The Board requested that HF&H revisit the calculation for the treatment plant assets that West Bay has paid for and otherwise liked the approach to connection fees. The connection fee study will be included in the Master Plan. The adoption of new connection fees will be proposed for Board consideration later this year.

4. Consent Calendar

A. Approval of Minutes for the Regular Meeting of May 25, 2011

B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for June 8, 2011

C. Operations & Maintenance Report

Motion by: Moritz 2nd by: Walker Vote: AYE: 5 NAY: 0 Abstain: 0

6. Consideration of Approving the FY 2011/12 General Fund and Capital Assets Fund Budgets

Motion by: Dehn 2nd by: Harrison Vote: AYE: 5 NAY: 0 Abstain: 0

Comments: DM presented the staff report emphasizing changes in the proposed budget since the budget workshop in April. Three key changes in the FY11-12 budget over last year were; increases in SBSA debt service, the addition of a maintenance worker, and an increase in pipeline replacement.

7. Discussion on Board Meeting Agendas

Comments: Through discussion the Board built consensus to implement efficiencies in the flow of the Board meetings to include:

- Inform outside speakers such as consultants of the expected time allotment they will need to work under in order to keep the meeting productive.
- When possible, move items requiring staff attendance towards the top of the agenda so they are not in attendance too long into the night.
- Initiate a practice of a "time check" at approximately 9:30 pm to decide if any items should be tabled for the next meeting in order to focus on and provide for ample discussion of any remaining priority agenda items.

9. Report on District's Investment Portfolio

Comments: Director Moritz reported on the investment portfolio and indicated that our investments are on target for the annualized yield. Moritz also proposed the Board consider in the near future allowing the DM to utilize the Bank of the West (BOW) money market accounts in lieu of Local Agency Investment Fund (LAIF). The proposal included keeping 2 months of SBSA payments in LAIF but the rest of the operating funds to be placed in the BOW money market to gain a higher interest rate. BOW money market rate would be .50% versus .41%

from LAIF and the money would be protected if the State made any decision to “borrow” from the LAIF funds.

The Board requested that the DM bring to the Board, in the near future, for consideration an amendment to the investment policy including the authorization for the DM to invest short-term funds in the BOW money market account.

10. Manager’s Report

- 1) **CIP Project– 100% complete:** Pipe replacement is complete. The CIPP complete. Punch list should be complete next week and we anticipate coming to the Board with a Notice of Completion on June 29.
- 2) **Line of Credit:** We are working with John Woodworth of Bank of the West to determine the actual cost of a line of credit to cover the gap in accumulated reserves and the Emergency reserve target.
- 3) **Report on Action Items from Previous Board Meeting:**
 - a) **Board Election:** Mr. Shepherd, Mr. Walker and Ms. Dehn are up for election this year. Ms Daniels will be providing details of the process to be delivered to your homes by June 14. More details can be obtained at the San Mateo County Elections office when go for your filing appointment. Candidacy filing period is July 18 through August 12. You must complete a new form 700. You may wish to begin your candidacy statement limited to 200 words. The District will pay the cost of the candidacy statement.
 - b) **Future Agenda Items:** June 29 – Adopt Master Plan, Establish Rates of Pay, Tax Roll.
 - c) **Comp n Class Study:** A limited compensation and Classification study has begun for the administrative personnel to include the Administrative Aides, Accountant and Program Management Analyst positions.
 - d) **LAFCo:** Executive Director stated the commissioners received our letter and she is working with the commissioners on a response. Verification would be in the minutes following the July meeting.
- 4) **June 22 Board Mtg:** Rescheduled to June 29.
- 5) **To be discussed in Closed Session: Item 13C**
 - a) **Vehicle Accident:** Involving a District vehicle.
 - b) **Insurance Claim:** 595 Oak Knoll Avenue

11. Comments or Reports from Members of the District Board

Comments:

- Shepherd mentioned the SBSA is holding a CIP workshop for June 14.
- Dehn commented that we have neighbor children playing on the lawn in the evening now that the days are longer and suggested we take some measures to keep the children off the equipment parked in the back.
- Dehn commented that the draft EIR for the downtown specific plan comment period ends June 20. DM stated he would need to investigate the status of our comments on that EIR.
- Dehn commented that she emailed to South Bayside Waste Management Authority (SBWMA) that the Household Hazardous Waste (HHW) program was not working properly. Requests for pick up are sometimes not attended to for 14 days or more. Dehn asked the DM to follow up with SBWMA to urge improvements in the program or West Bay may reconsider their participation in the HHW program.

12. Consider Items to be Placed on Future Agenda

1. Adoption of Master Plan, Establish Rates of Pay, Accept Tax Roll
2. Closed Session Workshop to revise the Personnel policy

13. CLOSED SESSION – WBSD

- A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)
San Francisco Baykeeper v. WBSD -- USDC Case No. C-09-05676 EMC

- B. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Cal. Govt. Code §54957.6)
Agency designated representatives: District Manager, Legal Counsel
Employee Organization/Unrepresented Employees: Teamsters Local 350; All
Unrepresented Employees Except Manager

- C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (2 cases)
Significant exposure to litigation pursuant to Cal. Govt. Code §54956.9(b)

Entered closed session at 9:58 p.m. Left closed session at 10:33 p.m.

Reportable action: DM to schedule closed session workshop to revise the Personnel policy.

- 14. Adjournment Time:** The meeting was adjourned at 10:33 p.m.

/s/ David Walker
David Walker, Secretary of the District Board