



1902 - Serving Our Community for over 100 Years - 2012

**WEST BAY SANITARY DISTRICT
MINUTES OF THE SPECIAL MEETING OF THE DISTRICT BOARD
WEDNESDAY, DECEMBER 19, 2012 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, Dehn, Moritz, Thiele-Sardiña

BOARD MEMBERS ABSENT: Walker

STAFF MEMBERS PRESENT: Scott, Arellano, Ramirez, Kitajima, Simonetti

Others Present: Mario Pucinelli, Tami Del Bene, Gino Gasparini of Recology; Rick Simonson of HF&H; Vivian Housen of VW Housen & Associates., Rich Laureta of Freyer & Laureta Inc.

3. Communications from the Public: none

4. Public Hearing: Consideration of Proposed Solid Waste/Recycling Collection Rates for the Year 2013

Open Public Hearing:

Motion by: Dehn 2nd by: Moritz Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None

Close Public Hearing:

Motion by: Moritz 2nd by: Dehn Vote: AYE: 4 NAY: 0 Abstain: 0

5. Consideration of Resolution to Approve Solid Waste/Recycling Collection Rates for the Year 2013

Motion by: Moritz 2nd by: Sardina Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None since the Board had reviewed the material previously.

8. Consider to Authorize the District Manager to Execute a Consultant Agreement with V.W. Housen & Associates to Perform an Interagency Utility Coordination Study- Phase I and Authorize the District Manager to Approve up to Ten Percent Contingency for Additional Work on an As-Needed Basis

Motion by: Moritz 2nd by: Dehn Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: Director Dehn asked why we didn't consider East Palo Alto (EPA) within agencies to be looked at within the scope of work. President Shepherd indicated that the District had looked at the consolidation of EPA some years ago, but since most of their

sewerage flowed to Palo Alto and their pipes were in such shape as to discourage the Board at that time. Treasurer Moritz commented that the natural affinity for the District is to first consider the agencies that flow to SBSA and that may be enough to consider at this point in time. The Board concurred that the District's rationale was to first consider agencies that flowed to the SBSA treatment plant and that the District can always expand the scope at any time.

16. Consideration of Approving Resolution Authorizing the District Manager to Enter Into an Agreement for On-Call Construction Administration Services with Freyer & Laureta, Inc. for the 30-inch CMP Rehabilitation Project and Frederick/Suburban Park Project

Motion by: Moritz 2nd by: Sardina Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None

9. Consideration of Awarding Bid for the Frederick and Suburban Park Sewer Replacement Project to California Trenchless Inc.

Motion by: Dehn 2nd by: Moritz Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: DM provided brief staff report and indicated we received a bid protest from Casey Construction. Casey claimed the manhole rehabilitation portion of the project was valued at \$20,000 by Casey yet California Trenchless did not list a subcontractor for the work as required. Since \$20,000 is over ½ of 1% of the total bid and they did not list a subcontractor Casey maintains that the CTI bid is non-responsive. DM explained that CTI bid only \$10,000 for the manhole rehab line item. The Engineer's estimate was only \$5,000 for that work. The \$10,000 line item is less than ½ of 1% of the total bid of \$2,047,846. Therefore, the CTI bid is responsive. The Board voted to waive the bid informality, adopt the attached resolution and authorize the District Manager to award the contract for the Frederick and Suburban Park Sewer Replacement project to the low bidder, California Trenchless Inc. of Dublin for the amount of \$2,047,846 and apportion an additional \$368,000 (18%) for contingency (15% for additional work and 3% for construction support services) for a total project amount of \$2,415,846.

12. Consideration of a Resolution Accepting Deed of Easement from the City of Menlo Park and Authorizing the District Manager to Quit Claim an Sanitary Sewer Easement within the Lands of the City of Menlo Park at 50 Terminal Avenue

Motion by: _____ 2nd by: _____ Vote: AYE: _____ NAY: _____ Abstain: _____

Comments: DM explained the purpose of quitting the wastewater utility easement is to make the sale of the land by City of Menlo Park easier for the City. However, since the other issues with the City were yet unresolved the Board requested to table this topic to a later date.

13. Consideration of Authorizing the District Manager to Enter Into Equipment Maintenance Agreement with the City of Menlo Park

Motion by: _____ 2nd by: _____ Vote: AYE: _____ NAY: _____ Abstain: _____

Comments: Board requested to table this issue to a later date.

7. Consent Calendar

A. Approval of Minutes for Special Meeting of December 5, 2012

B. Approval of the Withdrawal Order Authorizing Payment of Certain Bills and Salaries and Consideration of Other Financial Matters for December 19, 2012

C. Operations and Maintenance Report – November 2012

Motion by: Sardina 2nd by: Moritz Vote: AYE: 4 NAY: 0 Abstain: 0

CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR

Comments: Mr. Ramirez explained that it appears we will achieve our target with respect to the Operations and Maintenance goals. Staff presented a video of crew attempting to clean the 54" line and the benefit to capacity by removing the accumulated debris. Treasurer Moritz indicated it might be better to contract this cleaning if it becomes too burdensome to our in-house crews.

6. District Manager's Report

Comments: President Shepherd suggested that DM discuss items not already written on the District Manager's report or respond to questions from the Directors. Treasurer Moritz asked what do we get in return for our staff providing training for other agencies such as the pipe patching? Ramirez answered that one benefit we get is the recognition of our peer agencies as a top agency. DM also indicated that the training is a trade of knowledge in that different agencies provide training on topics of their specialty. We learn from them in training events and we provide training on topics to others in areas that we specialize. President Shepherd stated he had a desire to have the District known as the one that does it right so that when it comes to recruitment people say I want to be there. DM pointed out that our latest recruitment was just such a case where the employee actually took another position at another agency but left that position to come here when the opportunity arose. Sergio cited the case of one of our temporary workers where his father (who is in the wastewater industry) wanted him to go to an agency where he could learn how to do the work right and considered our District as one of those agencies.

District Manager discussed the success of the recent Holiday Luncheon All Hands meeting. Also the cash flow projection was attached to the District Manager's report.

DM also reported to the Board a conversation with a resident, Mr. Lyons, in Mr. McIntyre's office regarding Mr. Lyon's concern with the sewer service charges. DM explained to Mr. Lyons the rationale behind the charges and invited him to attend a Board meeting to address the policy makers. He was not in attendance tonight.

10. Consideration of Final FY2011-12 Internal Financial Statements & Analysis of Financial Position as of June 30, 2012

Motion by: Moritz 2nd by: Dehn Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: None

11. Consideration of Adopting the District's Audited Financial Statements for the Year Ended June 30, 2012

Motion by: Moritz 2nd by: Dehn Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: Treasure Moritz that he and the Board President had met with the Auditor and noted the audit results reflected no problems. Moritz said there were a couple items in the draft that he requested to be clarified in the final report. This was done. Moritz noted that several employees were interviewed as part of the audit to help insure that all procedures were followed and there was no evidence of anything inappropriate taking place within the District pertaining to finances. The audit found no indication of abnormalities.

14. Consider Appointment to Blue Ribbon Task Force to Consider Changes to the South Bayside Waste Management Authority Governance Structure and Board Composition

Motion by: Shepherd 2nd by: Sardina Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: Following some discussion the Board nominated and voted to have Director Dehn appointed as the District's representative to the Blue Ribbon Task Force. DM will send a letter to Redwood City confirming this action.

15. Discussion and Review of General Board Rules and Code of Ethics

Motion by: Moritz 2nd by: Sardina Vote: AYE: 4 NAY: 0 Abstain: 0

Comments: Board discussed and had no recommendations other than to add a revision date to the document so there was an indication of the last time it was reviewed and/or revised.
Correction: DM reported that this was review was an annual event, however, it is only required to be reviewed/revise on a bi-annual basis.

17. Discuss South Bayside System Authority Report on Special Meetings of December 6 and December 13 and December 18, 2012

Comments: President Shepherd reported on the following items from the SBSA meetings:

- A) Discussed Redwood City postponing the SBSA connection fee increase since the treatment plant capacity study is not yet complete. Commission voted to postpone the increase. WBSD will hold any connection fees on the increase already collected until the capacity study is complete and it is determined if any remittance is required.
- B) Approved \$156,000 for a change order for the pump station design and Shepherd expressed to SBSA the need for the Technical committee to meet and discuss these items prior to presenting at the Commission to ensure agencies are part of the process rather than simply being informed of actions after the fact.
- C) Emergency motion to approve a change order for the hot water piping. SBSA indicated to consultant that the administration building had a hot water line, but the consultant did not verify the size and condition of the line and did not design the work with the hot water piping. President Shepherd objected to the change order but believes the point was made that these kind of changes are not acceptable in the future.
- D) \$43,000 study approved with WRA Environmental to coordinate the force main work with the indigenous animal mating season.
- E) Approved the reorganization of staff positions

- F) Three change orders regarding the digesters approved
- G) Reserves – SBSA wants 25% annual budget operating reserve; President Shepherd stated two months should be sufficient. SBSA wants to begin the funding of the capital reserve so that in the future there is no need to issue bonds. Shepherd would like to phase in a capital reserve accumulation.

18. CLOSED SESSION – WBSD

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION AND SALARY NEGOTIATIONS
(Government Code §54957)
Title: District Manager**

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Government Code §54956.8)
Property: 1700 Marsh Road, Menlo Park, CA
Negotiating Parties: West Bay Sanitary District
Under Negotiations: Price**

Entered closed session at 8:46 p.m. Left closed session at 9:34 p.m.

Reportable action: Meet on December 26, to discuss the District Manager’s compensation.

19. Comments or Reports from Members of the District Board

Comments: Moritz reported that he attended the Fire Board meeting and they have a Fire Board liaison committee with the City of Menlo Park. He indicated that it may be better if the West Bay Sanitary District has no such committee.

20. Consider Items to be Placed on Future Agenda

- 1. Discuss drafting a policy on Board Officers Election (Fire District example)
- 2. SBSA Connection Fee

21. Adjournment Time: The meeting was adjourned at 9:42 p.m.

/s/ David Walker
Secretary of the District Board