

**EAST PALO ALTO SANITARY DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING MINUTES
May 24, 2008**

1. Call to Order

A Regular Board Meeting of the East Palo Alto Sanitary District was called to order by Director Sykes-Miessi on Saturday, May 24, 2008, at 10:11 a.m. The meeting was held at the East Palo Alto Sanitary District Office located at 901 Weeks Street, East Palo Alto, California.

2. Roll Call

Directors Present

Joan Sykes-Miessi
Edrick Haggans
Glenda Savage-Johnson
Goro Mitchell
Betsy Yanez

Staff Present

Lee Hawkins, General Manager
Malathy Subramanian, Legal Counsel
Micheline Wegem

3. Communications from the Public

Mr. Scherzer commented that he receives agendas by mail but requested receiving them by email. He further commented on the contract with the Treatment Plant for industrial waste pretreatment.

4. Agenda Amendments

Motion: Director Mitchell moved, seconded by Director Yanez, to move Items 7 and 12 were before item 6. Motion carried unanimously.

7. Discussion/Recommendation: Board Policy & Procedure Manual Overview

Legal Counsel Malathy Subramanian reviewed the duties of the Board Members, objectives of the Standing Committees, Brown Act regulations, Board Member compensation and expenses, and training.

Director Mitchell suggested the Human Resources Committee consider establishing a policy of increasing Board compensation annually in accordance with the previous year's CPI.

Ms. Subramanian recommended clarifying the meetings that the Board President needs to attend. Additional items discussed included serial meetings and quorum.

Director Mitchell suggested adding protocol on Board Members providing information to others that might not be the policy of the District.

Director Sykes-Miessi recalled a former discussion by the Board about the President attending certain meetings and other Board Members attend if they were asked by the President.

Ms. Subramanian concurred that the Board wants to clarify the President's attendance at meetings and how Board Members address the public at other meetings, as well as hearing back from the Human Resources subcommittee about compensation. The changes will be brought back to the Board for consideration.

12. Consideration/Approval of Request by Director for Compensation for Attendance at San Mateo Chapter CSDA Meetings

Mr. Hawkins explained two Directors, plus the President, attended the CSDA Meeting; however, only the President is authorized to attend. The Board needs to consider approval of the other requests.

Director Yanez commented she would not ask for compensation.

Director Sykes-Miessi recalled that if the President is able to attend the meeting, the President attends. If the President is unable to attend, another Director would be appointed to attend.

The consensus was that compensation would not be given to Directors who attend when the President also attends.

Director Mitchell noted that he had to leave the meeting early and asked that Items 8 and 9 be moved ahead of Item 5.

Motion: Director Mitchell moved, seconded by Director Yanez, to move Items 8 and 9 ahead of Item 5. Motion passed unanimously.

8. Discussion/Recommendation: Travel Policy Issues

Ms. Subramanian explained that current travel is arranged through District staff. The recommendation is that forms be created for Board Members to list dates of travel and preferred mode of travel. The travel policy is set up to indicate that the Board reviews the various conferences and makes approvals.

Director Mitchell recommended reviewing the list of conferences and meetings twice a year. He suggested doing a study of similar sized special districts to find out their annual caps for travel.

Director Savage-Johnson recalled that there is a form that Director's complete for travel. Her recommendation was that Directors have individual budgets.

Mr. Hawkins suggested assigning the Travel Policy issue to a committee, and staff will provide information to the committee.

The Board concurred that the issue should go to the Finance Committee, back to the Board, and then referred to the Human Resources Committee.

Ms. Subramanian noted that there is a per diem amount for travel. Her suggestion was that the per diem be moved to an actual cost amount.

9. Discussion/Recommendation: MOU Agreement with City of East Palo Alto

Mr. Hawkins reported on a joint meeting with the City Council approximately two years ago and there was an agreement for staff to work on a proposal and then have another joint meeting to approve a mutual operating agreement; however, the City has not been ready to have an agreement. Problems result when projects are done by the City and the District is not made aware of the projects.

Director Mitchell commented that the delay in an agreement is hurting the rate payers. His suggestion is that the District communicate with the City that rate payers are being affected.

Director Sykes-Miessi suggested that Legal staff becomes involved.

Director Savage-Johnson suggested that Mr. Hawkins discuss the issue with the Mayor.

Director Mitchell suggested that a letter be prepared and signed by all Directors describing the potential amount of money being impacted.

Mr. Hawkins commented that he will draft a letter, review it with Legal staff, and bring it back to the Board at its June meeting.

5. Discussion/Recommendation: Multi-Year Budget Proposal Overview

Mr. Hawkins pointed out changes that were made based on year-end budget adjustments. As of July 1, staff will go to a 40-hour work week. The upstairs project was completed and was paid through the current budget. A new phone system was installed. Costs for moving the computer system upstairs will come out of the next budget. The Board approved an actuarial study for retirement benefits; however, staff has not received an estimated number on the liability in order to get this item in the current budget. The Treatment Plant is the biggest cost of the District and a 6% increase for a new treatment process is anticipated. A proposal for the security system will go to the Facilities Committee.

Director Savage-Johnson recalled that the Board initially discussed having the downstairs work completed prior to new tenants moving in.

Mr. Hawkins explained there was a delay in getting the work done downstairs because of City approval of permits.

6. Discussion/Recommendation: Board Administration Budget Overview

Mr. Hawkins reviewed the Board Administration Budget summary which covers meetings, Director's fees, etc.

10. Discussion/Recommendation: Rate Study

Mr. Hawkins explained the process for the next meeting, where the public hearing will be opened, receipt of letters will be acknowledged, and comments will be heard. The consultant will be available at that meeting to do a brief presentation and answer questions.

Mr. Scherzer commented that, as a property owner, he received notification from the District but the notice did not indicate what would be charged. The multi-year rate, with one public hearing for placing the rate on the tax roll, does not meet constitutional requirements. The increase needs to be placed on the tax roll every year. New property owners would not have the benefit of the one public notice. Another concern raised was that the notification is not being translated into Spanish.

11. Discussion/Recommendation: Board Training Needs

Mr. Hawkins noted that four special meetings are planned: one for the budget, one for the Manager's evaluation, and two for in-service training.

Director Sykes-Miessi questioned whether there were any changes regarding Proposition 218 that the Board should be aware of.

Ms. Subramanian responded that she could provide information at a Board meeting.

13. Future Agendas

Director Sykes-Miessi clarified items include travel policy and issues going to the Finance Committee.

14. Adjournment

There being no further business, the meeting adjourned at 11:30 am.

APPROVED:

/s/ Joan Sykes-Miessi
Board President

/s/ Glenda Savage
Board Secretary