

**EAST PALO ALTO SANITARY DISTRICT  
BOARD OF DIRECTORS  
RESCHEDULED REGULAR BOARD MEETING MINUTES  
JUNE 8, 2017**

1. **Call to Order**

A Regular Board Meeting of the East Palo Alto Sanitary District was called to order by Director Yanez on Thursday, June 8, 2017, at 7:01p.m. The meeting was held at the East Palo Alto Sanitary District Office located at 901 Weeks Street, East Palo Alto, California 94303.

2. **Roll Call**

Directors Present

Goro Mitchell  
Glenda Savage  
Joan Sykes-Miessi  
Dennis Scherzer  
Betsy Yanez

Staff Present

Malathy Subramanian, Legal Counsel  
Micheline Wegem, Accountant  
Jeff Tarantino, District Engineer  
Karen Maxey, Interim Genral Manager

3. **Board Member Excused/Unexcused Absences**

There were no excused/unexcused absences.

4. **Communications from the Public**

There were no communications from the public.

5. **Agenda Amendments**

There were no agenda amendments.

6. **Consideration/Approval** of Meeting Minutes

A) May 04, 2017 Regular Board Meeting

**Motion:** Director Savage moved, seconded by Director Mitchell, for Approval of Meeting Minutes for May 4, 2017. Motion passed unanimously.

B) May 25, 2017 Special Board Meeting

**Motion:** Director Scherzer moved, seconded by Director Savage, for Approval of Meeting Minutes for May 25, 2017. Motion passed unanimously.

7. **Consideration/Approval** of **Resolution No. 1208** Approving Withdrawals and Authorizing Payment of Bills

**Motion:** Director Sykes-Miessi moved, seconded by Director Savage, for approval of Resolution No. 1208 Approving Withdrawals and Authorizing Payment of Bills. Motion passed unanimously.

8. **Report/Discussion** of Budget Comparison Report

Ms. Wegem presented a report displaying a comparison of actual expenditures for the current fiscal year to the revised budgeted amounts. She explained that the percentage of the budget used to date is 83% and the average ratio of actual budget over 10 months is 72%, and further stated that the amount of the budget remaining will cover expenses for the two months remaining in the fiscal year.

9. **Consideration/Approval** to Close EPASD Financing Corporation

Ms. Maxey reported that this item went before the Finance Committee with a recommendation that it be closed.

**Motion:** Director Mitchell moved, seconded by Director Savage, for Approval to Close EPASD Financing Corporation. Motion passed unanimously.

10. **Consideration/Approval** of Electronic Payment to CalPERS

Ms. Maxey reported that CalPERS now mandates that the District's pension payments be submitted electronically by one of two methods including through the Automated Clearing House (ACH).

Director Sykes-Miessi advised that in discussions with the Committee, it was agreed that the ACH payment method was preferred in order to maintain control of the bank account.

**Motion:** Director Scherzer moved, seconded by Director Sykes-Miessi, for Approval of Electronic Payment to CalPERS by way of ACH payments. Motion passed unanimously.

11. **Consideration/Approval** of November 7, 2017 Elections Candidate Statement Requirements

- A) Candidate Statement to be limited to 200 or 400 Words
- B) Candidate Statement to be Paid by the Candidate or the District

**Motion:** Director Scherzer moved, seconded by Director Savage, that the Candidate Statement be limited to 200 to 400 words and that the Candidate Statement be paid by the Candidate. Motion passed unanimously.

12. **Consideration/Approval:** to Waive Connection Fee Charges to the City of East Palo Alto in the amount of \$21,145.83

Mr. Jeff Tarantino introduced Mr. Kamal Fallaha, Director of Public Works for the City of East Palo Alto and stated that the City is seeking a goodwill waiver of connection fee charges for a new sewer connection for the Gloria Way Water Well Treatment Project. The City has submitted a letter to the District to this effect which points out that the City recently waived encroachment permit fees in the amount of \$24,491.00 for the District's miscellaneous sewer repair project.

Mr. Kamal Fallaha advised that the City struggled to award a construction contract for the project because the estimated cost came in higher than expected. As a result, although bids were opened in January, the City was not able to award the contract until April with funds received from the State Department of Water Resources. He stated that at this time the project is starting in the negative, and that as such, there is no money in the project.

Director Scherzer alternatively proposed some form of an Exceptional Discharge Permit and a minimal connection fee, to which Director Yanez agreed.

Mr. Tarantino pointed to the Memorandum of Understanding governing mutual cooperation between agencies.

Director Sykes-Miessi felt that more discussion was needed before making a decision on this item.

**Motion:** Director Scherzer moved, seconded by Director Mitchell, to issue a conditional connection permit to the City of East Palo Alto for the Gloria Way Project, with permit fees and associated costs to be determined at a later date, and with the caveat that if requirements for discharge are not met, discharge to the system will not be allowed. Motion passed unanimously.

13. **Consideration/Approval:** List of Parcels Identified as Second Units

Ms. Maxey reported on site visits of unauthorized second units, among them: 800 Bell Street; 825 Bell Street; 898B Bell Street; 905 Garden Street; 2245 Oakwood Avenue; and 2219 Oakwood Avenue.

Director Sykes-Miessi noted the lack of communication from the City in that permitting of second units is being done without first having the District sign off on the permits.

Director Savage suggested that the permit issue be addressed by the incoming General Manager.

Director Scherzer stated the necessity of reviewing not only how the District will charge, but also how the collections process will proceed.

Director Savage mentioned the need for a standard procedure for dealing with second units.

**Motion:** Director Savage moved, seconded by Director Mitchell, to task the Engineering Committee with creating a policy for identifying second units and collecting fees from residents. Motion passed unanimously.

14. **Discussion/Recommendation:** Contract with BioMass (Biological/Environmental Monitor) for Phase I Siphon Replacement Project

Mr. Tarantino reported that Freyer & Laureta is seeking to engage BioMass to provide environmental monitoring services for the Siphon Replacement Project, with Freyer & Laureta acting in a consultant capacity.

**Motion:** Director Scherzer moved, seconded by Director Savage, to accept the recommendation of Freyer & Laureta and engage the services of BioMass to provide environmental monitoring services for the Siphon Replacement Project. Motion passed unanimously.

15. **Discussion/Recommendation:** San Francisquito Creek Sewer Realignment Project, Phase II Change Order Approval or Authorization to Solicit Bids

Mr. Tarantino reported that CRATUS will begin Phase I of the project in September. Due to inclement winter weather, however, the creek widening project has not been completed. He offered two options for Board consideration to proceed with Phase II: 1) Award a change order to CRATUS to complete the work, to include installation of two siphons using a horizontal directional drilling method, and completing the lining of the siphon to be abandoned to be converted to a recycled water line; and 2) Solicit public bids for the project and select a second contractor so that both projects can be worked on simultaneously.

Director Mitchell reminded the Board of that \$80,000 was awarded in a previous budget to add the recycle line, and the City of Mountain View has allocated 1.5 million gallons of water per day that would take care of the demand of the City to build out the business district, and suggested to perhaps add this discussion to a future agenda.

**Motion:** Director Savage moved, seconded by Director Scherzer, to solicit bids for Phase II of the San Francisquito Creek Sewer Realignment Project. Motion passed unanimously.

16. **Consideration/Approval:** of Design Services for 2017 Sewer Project Misc. Areas, with Freyer & Laureta

Mr. Tarantino reported on a proposal to provide design services for the 2017 capital improvement program.

**Motion:** Director Scherzer moved, seconded by Director Savage, for Approval of Design Services for 2017 Sewer Project Miscellaneous Areas with Freyer & Laureta. Motion passed unanimously.

17. **Consideration/Approval** to Increase Monthly Fees Paid to Jeanpierre, Wegem, Alabi & Co., LLP CPA's for Financial Services

Ms. Maxey reported that the Finance Committee recommended approval of a 20% fee increase for Jeanpierre, Wegem, Alabi & Co. due to the additional work being performed for the District.

**Motion:** Director Savage moved, seconded by Director Sykes-Miessi, to Increase Monthly Fees Paid to Jeanpierre, Wegem, Alabi & Co., LLP CPA's for Financial Services. Motion passed by roll call: AYES: 4; NO: 1 – Director Scherzer.

18. **Consideration/Approval:** of Resolution No. 1209 A Resolution of the Governing Body of the East Palo Alto Sanitary District For The Election Of Directors To The Special Risk Management Authority Board Of Directors

The Board cast votes for the below named persons to be elected as Directors to the Special Risk Management Authority Board of Directors:

Mark Scheafer  
David Aranda  
Cindy Beaudet  
Jean Bracy

**Motion:** Director Scherzer moved, seconded by Director Savage, for Approval of Resolution No. 1209 for the Election of Directors to the Special Risk Management Authority Board of Directors.. Motion passed, with one abstention from Director Mitchell.

19. **Consideration/Approval:** to Hire a Temporary Worker from the Sponsored Employment Program (SEP)

**Motion:** Director Sykes-Miessi moved, seconded by Director Savage, to Hire One Temporary Worker from the Sponsored Employment Program (SEP). Motion passed unanimously.

20. **Manager's Report**

- Ms. Maxey reported that a special meeting open to the public will take place on June 29, 2017 at 7:00 p.m. and indicated that notice has been published in the newspaper and placed on the District website.
- A meeting was held at the Barbara Mouton Center with Dr. McNair Knox and staff on the topics of security, building maintenance, shared expenses and the rental agreement. This item will be placed on the Finance Committee agenda and then brought before the Board.
- Partners Meeting - Jeff Tarantino reported on his attendance at the Partners Meeting on May 11, 2017 and provided the Board with a copy of the PowerPoint presentation shown at the meeting. Discussed was the recently approved Partners Agreement. Part of the agreement involved approval of design fees on the assumption of an SRF being filed for future work; however, since projects were not shovel ready, the SRF could not be processed. The next phase of the project includes \$5.2 million in design fees for the next scope of work, with a reimbursement for previous work completed, leaving a balance of approximately \$1.2 million to be shared by the Partners. RMC Water Environment has been engaged to perform a cash flow analysis to determine if any additional funds will be needed from the Partners. Results of the cash flow analysis will be discussed at the August Partners meeting along with options for member agencies to participate in design fees. Pay-as-you-go is a possible option if necessary. The estimate for possible additional fees to be borne by the Sanitary District is \$121,000. If the SRF is later approved, funds could be reimbursed, but there is no guarantee.
- Ceremony at Treatment Plant – Ms. Maxey reported that the maintenance supervisor attended a ceremony at the treatment plant to celebrate the start of the construction of sludge de-watering and truck loadout facility.
- Audit for Fiscal Year 2016-2017 – Ms. Maxey reported that the District received a proposal from Mays & Associates proposing the amount of \$21,065.00. This item will go before the next Finance Committee meeting and finally brought before the Board.
- Preventative Maintenance – Ms. Maxey reports that the maintenance staff has done an excellent job with preventative maintenance. She stated that they have hydroflushed the entire District mainline, completed inspections regarding the Fall program and continue to videotape the entire district. There have been no spills due to the preventative maintenance schedule.
- Records Retention – Ms. Maxey provided an update on the District's public records retention. She indicated that it will take time to go through the many public records

and that additional support will be needed to document the records that have accrued since the EPASD's inception.

21. **Committee Reports**

a) Engineering

Director Scherzer reported that he had a discussion with City staff regarding the Airbnb situation.

Director Mitchell gave an update on the Sewer Replacement Project. He stated that the Runnymede portion of the project has been completed. The Committee also viewed alternative plans for the Siphon Line Crossing using different technologies.

Director Mitchell reported that there will be a tour of the Redwood City Clean Water Plant on Monday June 11th at 2:00 p.m. Counsel Subramanian indicated that since a majority of the Board will be in attendance, the tour will need to be agendized as a Special Board Meeting.

b) Finance

Director Sykes-Miessi reported that the Committee reviewed and discussed withdrawal orders and paid bills, performed reconciliation of records, and considered for approval a budget comparison report. The Committee also discussed the Comcast v. AT&T account matter which is still under discussion. Lastly, they presented a recommendation to the Board for an increase in professional fees for accountants Jeanpierre, Wegem, Alabi & Co., LLP CPA.

c) Human Resources

Director Savage reported on the Executive Administrative Assistant position and advised that the Committee received an update from Pam Darby on the status of the hiring of the General Manager. There was also discussion with regard to the incoming General Manager and the hiring and firing process.

d) Intergovernmental

Director Scherzer reported that the Committee discussed the second units issue.

e) Public Relations

Director Savage stated that the Committee has not met, but will be scheduling a meeting in the near future.

f) Directors' Reports on Attendance at Conferences/Trainings

There were no reports.

22. **Oral & Written Communication**

There was no oral or written communication.

23. **Future Agenda**

The next meeting will be held on July 6, 2017 at 7:00 p.m.

- Identification of five second units for discussion and resolution (this will be an ongoing agenda item at each Board meeting)
- CLOSED SESSION Special Board Meeting - June 15 at 6:00 p.m. - Pam Darby to present candidate information

24. **Adjournment**

There being no further business, the meeting adjourned at 8:44 p.m.

APPROVED:

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Board President

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Board Secretary