

**EAST PALO ALTO SANITARY DISTRICT
BOARD OF DIRECTORS
REGULAR BOARD MEETING MINUTES
February 7, 2013**

1. Call to Order

A Regular Board Meeting of the East Palo Alto Sanitary District was called to order by Director Mitchell on Thursday, February 7, 2013, at 7:00 p.m. The meeting was held at the East Palo Alto Sanitary District Office located at 901 Weeks Street, East Palo Alto, California, and at 441 B Mimosa Avenue, Pretoria 0081, South Africa.

2. Roll Call

Directors Present

Dennis Scherzer
Glenda Savage (via Skype from South Africa)
Goro Mitchell
Betsy Yanez

Staff Present

Rodney Ryce, Office Manager
Micheline Wegem, Accountant
Melanie Donnelly, Legal Counsel

Arrived After Roll Call

Joan Sykes-Miessi (7:02 p.m.)

3. Communications from the Public

There were no communications from the public.

4. Agenda Amendments

Director Scherzer asked that an item be included on the agenda regarding an emergency lateral repair.

Legal Counsel advised that the District became aware of the matter after the agenda was posted and that a vote was necessary in order to add it to the agenda as an Urgency Item.

Mr. Ryce reported that on February 6, a broken lateral at 2324 Pulgas Avenue was brought to the District's attention; an external inspection was performed by the City of East Palo Alto Environmental Office, and their decision was to turn off the water and red tag the property. He explained that the property owner was responsible for the repair, but the property owner has informed the District that they do not have the finances to make the repairs and asked for financial assistance from the District.

Motion: Director Scherzer moved, seconded by Director Savage, to add Discussion of Broken Lateral at 2324 Pulgas, noting that the matter came before the Board after the agenda was posted; additionally there is a public health hazard that requires immediate attention. Motion carried by roll call vote:

AYES: Mitchell, Sykes-Miessi, Yanez, Scherzer, Savage
NOES: None

4.a. Consideration/Approval of Broken Lateral at 2324 Pulgas

Legal Counsel Donnelly was under the impression that the property owner has requested financial assistance. Director Mitchell suggested making a motion conditional that upon receipt of the property owner completing the District's form, the District would support the repair, at a cost of \$4,300; and the property owner would have 12 months to reimburse the District or add the amount to the tax roll.

Motion: Director Mitchell moved, seconded by Director Scherzer, to conditionally approve the lateral repair to 2324 Pulgas; that the property owner take on the financial liability; and that the property owner be required to complete the District form within 24 hours. Motion carried by roll call vote:

AYES: Mitchell, Sykes-Miessi, Yanez, Scherzer, Savage
NOES: None

5. Status Report from Jatelo on Public Relations Effort

Meda Okelo, Jatelo, noted that an initial report was presented to the Board at its January 10 meeting, and the Board asked for additional time to review the report.

David Kohls, Jatelo, explained that an Appendix was added which was in response to Director Mitchell's question about the weighting used in the commercial part of the survey.

Director Scherzer found difficulty reading the captions for the pie charts in the survey.

Director Mitchell expressed satisfaction with the quality of the report and recommended approving it on condition that improvements would be made to the charting.

Motion: Director Yanez moved, seconded by Director Sykes-Miessi, to approve the report from Jatelo on the Public Relations Effort with their commitment to make the requested changes to the charts. Motion carried by roll call vote:

AYES: Mitchell, Sykes-Miessi, Yanez, Scherzer, Savage
NOES: None

6. Consideration/Approval of

- a) January 10, 2013, Regular Board Meeting Minutes
- b) January 24, 2013, Special Board Meeting Minutes
- c) January 26, 2013, Special Board Meeting Minutes

Director Scherzer made a correction to the January 10, 2013, minutes, under item 16, **Future Agenda**, which read, "He would like an item on the next regular agenda regarding 800 Bell Street and the nonpayment of sewer services on an additional unit." He noted that he actually had made a motion that died for lack of a motion, and he would like that so noted in the minutes.

Director Scherzer referred to the January 24, 2013, minutes item 7 **Consideration/Approval** of Interim General Manager Agreement. He advised that when he left the meeting, he indicated that he was breaking the quorum; and as such, there was not a valid quorum to vote.

Director Savage did not believe that the quorum was broken since she was participating by Skype.

Director Sykes-Miessi questioned whether the contract would be valid while the Board waits to hear back from Legal Counsel and whether a special meeting would be necessary.

Legal Counsel Donnelly advised that she would look into the matter and contact the Board Chair as soon as possible.

Director Scherzer referred to the January 26, 2013, minutes, item 5, **Closed Session**, and recalled that the Board took action during the Closed Session to direct the Consultant to tender an offer to one of the candidates.

Legal Counsel Donnelly advised that no reportable action was taken.

Motion: Director Yanez moved, seconded by Director Sykes-Miessi, to approve the January 10, 2013, Regular Board Meeting Minutes, as amended; and the January 26, 2013, Special Board Meeting Minutes. Motion carried by roll call vote:

AYES: Mitchell, Sykes-Miessi, Yanez, Scherzer, Savage

NOES: None

The January 24, 2013, Special Board Meeting Minutes will be reviewed by Legal Counsel and added to the next agenda.

7. **Consideration/Approval** of Resolution no. 1079 Approving Withdrawal Orders and Authorizing Payment of Certain Bills.

Motion: Director Sykes-Miessi moved, seconded by Director Yanez, to approve Resolution no. 1079 Approving Withdrawal Orders and Authorizing Payment of Certain Bills. Motion passed by roll call vote:

AYES: Directors Mitchell, Savage, Scherzer, Yanez, Sykes-Miessi

NOES: None

8. **Consideration/Approval** of Resolution nos. 1080 and 1081 Authorizing Renewal of Industrial Waste Discharge Permits for Cal Spray, Inc. and Parking Company of America
a) Open Public Hearing

Motion: Director Sykes-Miessi moved, seconded by Director Yanez, to open the Public Hearing. Motion passed by roll call vote:

AYES: Directors Mitchell, Savage, Scherzer, Yanez, Sykes-Miessi

NOES: None

There were no comments from the public.

b) Close Public Hearing

Motion: Director Yanez moved, seconded by Director Sykes-Miessi, to close the Public Hearing. Motion passed by roll call vote:

AYES: Directors Mitchell, Savage, Scherzer, Yanez, Sykes-Miessi

NOES: None

Motion Director Scherzer moved, seconded by Director Yanez, to approve Resolution nos. 1080 and 1081 Authorizing Renewal of Industrial Waste Discharge Permits for Cal Spray, Inc. and Parking Company of America. Motion passed by roll call vote:

AYES: Directors Mitchell, Savage, Scherzer, Yanez, Sykes-Miessi

NOES: None

9. **Consideration/Approval** of Resolution no. 1077 Authorizing and Approving to Sponsor Table at OEPA Annual Fundraising Luncheon at the \$5,000 level

Director Mitchell recused himself, noting that he has done business with OEPA. Director Yanez recused herself, noting she was a Board Member of OEPA.

Director Scherzer pointed out that the Board no longer had a valid quorum to vote on the item.

Motion: Director Sykes-Miessi moved, seconded by Director Scherzer, to table the item until there was a sitting quorum. Motion passed unanimously.

Director Sykes-Miessi pointed out that the Board would continually have a problem when two Board Members recuse themselves.

Legal Counsel Donnelly advised that she would look into the quorum question.

10. **Consideration/Approval** of Fair Political Practices Commission (FPPC) Form 806 Agency Report of Public Official Appointments

Legal Counsel Donnelly reported that Form 806 requires disclosure of appointments of Board Members to committees or outside Boards where they are compensated.

Motion: Director Scherzer moved, seconded by Director Yanez, to approve the Fair Political Practices Commission (FPPC) Form 806 Agency Report of Public Official Appointments. Motion passed by roll call vote:

AYES: Directors Mitchell, Savage, Scherzer, Yanez, Sykes-Miessi

NOES: None

11. **Consideration/Approval** of amendment to Board of Director's Policy Handbook to require co-signing of warrants by a member of the Finance and Audit Committee for District purchases of goods or services that exceed \$500

Director Sykes-Miessi reported that the amendment was the result of a discussion with the former General Manager regarding internal controls, as a result of the Audit.

Director Scherzer pointed out that past Manager's contracts listed \$750 and \$1,500 limits, and he requested that the next Manager's contract be consistent with the result of the vote.

Director Mitchell suggested that the issue also be reviewed by the new management.

Motion: Director Scherzer moved, seconded by Director Yanez, to approve the amendment to Board of Director's Policy Handbook to require co-signing of warrants by a member of the Finance and Audit Committee for District purchases of goods or services that exceed \$500. Motion passed by roll call vote:

AYES: Directors Mitchell, Savage, Scherzer, Yanez, Sykes-Miessi

NOES: None

12. Manager's Report

a) December Budget Comparison Report

Director Scherzer recalled that, at a discussion at a prior meeting, he pointed out that Contractual Services expenses were at 80%. He added that Board Members asked for a report.

Director Mitchell noted that the issue was discussed at the Finance Committee meeting. Accountant Wegem provided an explanation of how a transfer of funds would occur.

b) Status of Manager's Recruitment

Mr. Ryce explained that the Status of Manager's Recruitment would be discussed during the Closed Session.

13. Committee Reports

a) Engineering – No meeting

b) Finance

Director Sykes-Miessi reported that the Finance Committee met and discussed the budget transfers and internal controls.

c) Human Resources

Director Sykes-Miessi reported that the Human Resources Committee met but needed documents that were not available.

d) Intergovernmental

Director Scherzer reported that the Intergovernmental Committee met and discussed the Bay Road project that requires new sewers; the City has proposed rerouting the District's sewer line due to groundwater contamination. He noted that the District has a functioning sewer but he got the impression that the City wanted the District to help pay for the rerouting.

e) Facilities – No meeting

f) Directors' Reports on Attendance at Conferences/Trainings

Director Scherzer reported attending a CASA conference in Southern California where he had good conversations with attorneys regarding Prop. 218.

The meeting adjourned to Closed Session at 7:43 p.m.

14. Closed Session

Pursuant to Government Code section 54957

Public Employment

Title: General Manager

The meeting reconvened to Open Session at 7:52 p.m. Director Mitchell announced that no reportable action was taken.

15. Oral & Written Communication

There were no oral or written communications.

16. Future Agenda

In addition to the continued items, Director Mitchell asked for an item on bond capacity with the Treatment Plant.

17. Adjournment

There being no further business, the meeting adjourned at 7:55 p.m.

APPROVED:

Board President

Board Secretary