

**EAST PALO ALTO SANITARY DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING MINUTES
April 23, 2014**

1. Call to Order

A Special Board Meeting of the East Palo Alto Sanitary District was called to order by Director Mitchell on Thursday, April 23, 2014, at 7:02 p.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

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

Staff Present

Kenneth Jones, General Manager

3. Board Member Excused/Unexcused Absences

Director Sykes-Miessi reported there had been 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. Board Budget Workshop: FY 2014-15 Sewer Service Charges and District Budget

- a) Consideration/Approval of Final Draft of Revised Sewer Service Charges
- b) Consideration/Approval of Final Draft of FY14-15 District Budget

Mr. Jones recommended that the Board adopt the final draft of the revised Sewer Service Charges and the final draft of the FY14-15 District Budget and added that the Finance Committee reviewed and approved the drafts. He explained that the recommendation is to increase the sewer service charge rate to \$550 (from \$520) for the fiscal year. He pointed out that the proposed budget is approximately \$100,000 less than the prior year and added that the 2013-14 audit showed no real problems with any of the District's operations.

Director Mitchell recalled that some time ago, the Board approved a five-year budget that had increases, and he asked whether the five-year period was over.

Mr. Jones suggested if the Board wanted to do a stepped plan, staff would come back at the next budget time and make that recommendation. He will also follow up to see if the multi-year budget has ended.

Director Scherzer pointed out that the constitution requires that the District give notification, in writing, to all property owners and let them know the amount that will be on the tax roll next to their parcel number; that notice has to be 45 days prior to a public hearing on the rate. His understanding was that the public hearing could be combined with the one the District does under the Health & Safety Code to be able to send the rates to the County. He added that August 11 was the deadline to get the information to the County for the tax rolls.

Mr. Jones advised that if the Board approves the final draft, he will start the mailing for the public hearing.

Motion: Director Scherzer moved, seconded by Director Sykes-Miessi, to approve the Final Draft of the Revised Sewer Service Changes and the Final Draft of FY14-15 District Budget. Motion passed unanimously.

7. **Consideration/Approval** of Resolution No. 1121 Authorizing approval to make a donation for the One East Palo Alto (OEPA) Annual Fundraising Luncheon

Director Savage recused herself to avoid the appearance of conflict of interest and left the room.

Mr. Jones reviewed the letter from One East Palo Alto requesting the District's support.

Director Sykes-Miessi noted that the Board has discussed the issue of making donations but has not set a policy. She recommended denying the request with the understanding that the Board has not yet set a policy.

Director Mitchell suggested that the Board approve the request from One East Palo Alto at the current time and then discuss the policy.

Director Yanez favored approving the request for a donation because the program supports the at risk youth in the City.

Motion: Director Yanez moved, seconded by Director Mitchell, to approve Resolution No. 1121 Authorizing approval to make a donation for the One East Palo Alto (OEPA) Annual Fundraising Luncheon. Motion passed 4-1 with Director Scherzer voting no.

Director Scherzer asked what the level of support was that the District would participate at. Director Mitchell responded the amount was \$2,500.

Motion amended to include the District would donate \$2,500 for a table at the luncheon. Mr. Jones explained that he would add the amount to the resolution.

Director Savage returned to the meeting.

8. **Presentation** on the Treatment Plant of our Future by Director Scherzer

Director Scherzer reported that the District received the Engineer's Report from the City of Palo Alto regarding the Treatment Plant that discusses several options for replacing the incinerator. He

discussed the anaerobic digestive process and gasification technology. He shared information that he received from a conference in San Francisco on biofuels. He will be making a presentation to the Palo Alto City Council.

The Board commended Director Scherzer for his presentation.

Mr. Jones reported that the City of Palo Alto's Plant Manager will be present at tomorrow's Engineering Committee meeting.

9. Manager's Report

- a) Set SBM date for Approval of FY14-15 Sewer Charge Rates and District Budget (June 18 or June 19)
- b) Set July RBM Date (July 3 or July 10)

Mr. Jones asked the Board to make a decision about the special meeting date for approval of the FY14-15 Sewer Charge Rates and the District Budget. He also asked the Board to give consideration to changing the July 3 Regular Meeting to July 10, due to the July 4 holiday.

The Board agreed to leave the Regular Board Meeting on July 3 and hold the Special Board Meeting on June 19.

10. Committee Reports

Mr. Jones pointed out that the Engineering and Intergovernmental meetings had not yet been held.

- a) Engineering – No report
- b) Finance

Director Sykes-Miessi reported that the Finance Committee paid the bills and discussed the budget and reserves policy.

Director Mitchell added that the Committee added a future agenda item for preparing a policy on temporary staff.

- c) Human Resources

Director Savage reported that the Human Resources Committee discussed the upcoming evaluation of the General Manager.

- d) Intergovernmental - No report
- e) Public Relations

Director Yanez reported that the Public Relations discussed the planning for the 75th Anniversary celebration.

- f) Directors' Reports on Attendance at Conferences/Trainings – No reports

11. Oral & Written Communication

Mr. Jones reported receiving a letter from EPA Can Do which he distributed to the Board. Director Mitchell suggested adding the letter to the next agenda.

Director Scherzer advised that he had a discussion with Dr. McNair regarding the quarterly newsletter. He invited Dr. McNair to stay in touch with Mr. Jones regarding submitting a proposal for the newsletter.

12. Future Agenda

Next meeting is May 1, 2014. Director Scherzer advised that he has a conflict with May 1 and asked if the meeting could be changed to May 8. Board agreed to move the meeting to May 8.

13. Adjournment

There being no further business, the meeting adjourned at 7:53 p.m.

APPROVED:

Board President

Board Secretary