



BOARD MEETING AGENDA

**Tuesday, February 2, 2010
3:00 p.m.**

**Oro Loma Sanitary District Boardroom
2655 Grant Avenue
San Lorenzo, CA 94580**

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a District meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Board Clerk's office at 510-276-4700. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

1. **Call To Order**
2. **Roll Call: Directors Becker, Dias, Kerr, Landis, Sidari**
3. **General Public**
(Members of the public wishing to comment on any item not on the agenda, but within the Board's jurisdiction, should notify the Board at this time. Those wishing to comment on any item on the agenda should do so at the time the item is considered. Comments may be limited to three (3) minutes. Time limitations shall be at the discretion of the President.)

CONSENT CALENDAR

- Motion
4. **Approval of Minutes of January 19, 2010**
(The Board will be asked to approve the minutes.)

COMMITTEE/AUTHORITY/CONFERENCE REPORTS

- Information
5. **Report from the Operations Committee**
(Director Sidari will report on the January 20, 2010 meeting.)
- Information
6. **Report from the Construction Committee**
(Director Landis will report on the January 20, 2010 meeting.)
- Information
7. **Report from the East Bay Dischargers Authority**
(Director Dias will report on the January 21, 2010 meeting.)
- Information
8. **Report from the Personnel/Safety/Public Information Committee**
(Director Becker will report on the January 21, 2010 meeting.)
- Information
9. **Report from the Alameda County Waste Management Authority**
(Director Landis will report on the January 27, 2010 meeting.)
- Motion
10. **Approval of Board Committee Minutes for Entry to District Record**
(The Board will be asked to approve the Board Committee minutes for entry to the District record by reference.)

STAFF REPORTS

11. **History and Status of StopWaste’s Facility Fee Increase**

(Staff will provide an overview of StopWaste’s ‘Facility Fee’ increase, including the basis for fee, historical fee increases, details of the current fee, and proposed settlement between WMAC and Republic Services.)

NEW BUSINESS

Motion

12. **Authorize the General Manager to Execute Agreement for the Operations and Maintenance of the EBDA Oro Loma Emergency Overflow Dechlorination Facility**

(The Board will be asked to authorize the General Manager to execute the agreement on behalf of the District.)

Motion

13. **Approval of Oro Loma Sanitary District Volunteer Program**

(The Board will be asked to approve the volunteer program.)

Motion

14. **Authorize the General Manager to Execute Letter Agreement with PFM Asset Management LLC for Investment Services**

(The Board will be asked to authorize the General Manager to execute the Letter of Agreement with PFM Asset Management LLC for investment services.)

Resolution

15. **Resolution Approving Plans and Specifications and Contract Documents and Calling for Sealed Bids: 2010 Plant Maintenance Project**

(The Board will be asked to adopt the resolution approving the plans and specifications and call for bids.)

16. **Staff/Directors Comments**

(Board and/or staff members may comment on items of interest.)

17. **Adjournment**

MINUTES OF THE REGULAR MEETING
OF THE SANITARY BOARD OF THE
ORO LOMA SANITARY DISTRICT

FEBRUARY 2, 2010

The regular meeting of the Sanitary Board of Oro Loma Sanitary District was called to order by President Kerr at 3:00 p.m., on Tuesday, February 2, 2010, at the District offices at 2655 Grant Avenue, San Lorenzo. Present were President Kerr and Directors Becker, Dias, Landis, and Sidari. Also in attendance were: Jason Warner, General Manager; Paul Zolfarelli, Director of Water Quality Services; Bill Halsted, District Engineer; Anna Wilewski-Turon, Finance Manager; Andreea Simion, Administrative Services Manager; Julie Kerr, Administrative Assistant; Mike Rodriguez, District Legal Counsel; and, member of the public, Dan Walters.

Director Sidari moved approval of the following Consent Calendar items based on staff recommendations: 4) Approval of Minutes of January 19, 2010. The motion was seconded by Director Dias and carried unanimously.

Director Sidari reported on the January 20, 2010 meeting of the Operations Committee. Items discussed included: 1) Natural Gas Usage: staff presented the most recent spreadsheet for DGS natural gas purchasing, showing the month of December 2009 at 13,665 therms, which was 1,373 therms more than November 2009, but 2,461 therms less than December 2008; the cost per therm remained fairly stable for the past six months, averaging \$0.60/therm; 2) Monthly Power and Chemicals Costs: the total monthly operating costs for chemicals, electricity, and gas for December 2009 was \$63,677; this was just below the two-year average of \$69,199; 3) Pilot Grease Acceptance Program: information received showed that the grease being fed to Digester No. 4 is increasing the production of digester methane gas; staff is performing additional analysis to solidify further the daily, monthly, and annual savings and funds generated by the project; 4) Trucked Waste Revenue Report: the revenues generated from the trucked-in chemical toilet/port-a-potty waste for 2009 were \$44,269, down from \$57,682 in 2008; and, 5) District Operations Overview: the plant is running well, and staff is preparing for the predicted storms, with fuel topped off and generators in place in case of power interruptions.

Director Landis reported on the January 20, 2010 meeting of the Construction Committee. Items discussed included: 1) Sewer Line Replacement 2009/2010–2010/2011: an information item was presented stating that staff is preparing the plans and specifications for the next two years' sewer line replacements; the scope includes the rehabilitation of 10,171 linear feet of VCP with HDPE pipe; the engineer's estimate is \$1.49 million; the project is expected to cross the fiscal year, with half the budget from FY 09/10 and the other half from FY 10/10; 2) EOC Trailer Replacement: a memo was presented to the Committee which outlined the scope, schedule and budget for the replacement of the EOC (Emergency Operations Center); the trailer has been installed and is completely functional; the installation is \$12,000 over the \$40,000 budget due to additional expenses for an increase in square footage, staff time for moving equipment, and utility reconnections; additional expenses will be transferred from "Unanticipated Critical Equipment" in the CIP; 3) 09/10 Maintenance Project: the project design is complete and ready to bid; bid documents are being modified so that the project will be bid with a line item for each of the six combined plant projects; 4) Grant Avenue Manholes: staff reported that on Grant Avenue, from Nielson Avenue to Railroad Avenue, a total of 24 manhole frames and covers were replaced; the work was contracted to El Camino Paving, Inc, at \$550 per manhole, with a total project cost of \$13,773.85, plus Oro Loma staff time of approximately two days for engineering and one day for inspection; Castro Valley Sanitary District is responsible for 25% of the work; 5) GIS Master Plan/ Upgrades: a proposal was introduced by Kennedy/Jenks to implement their non-proprietary Asset Information Management System (AIMS); AIMS will provide a platform to expand the GIS for

a full integration of maintenance and CCTV information; the system would be implemented in three phases – first the integration of AIMS and the server software to run the system, second the incorporation of the OASIS data into AIMS while leaving the functionality of OASIS, and third the incorporation of the CCTV data into AIMS; the plan is to implement Phase 1, and after a period of review, determine the feasibility of implementing the others; the cost to implement Phase 1 is \$29,000; 6) Waste Gas Burner Ignition Rehab: while staff has historically ignited the flare with the use of a handheld torch, the practice could be made safer by automating the ignition system; the cost of the HOA ignition system, plus installation, is \$19,035; the project would also replace the gas valve and pilot light control piping, at an additional cost of approximately \$10,000; the flare itself would not be rehabilitated at this time; it was reported that there is a possibility that the pilot light might not operate on the waste gas, and would require that it be plumbed to natural gas, thus increasing the project cost by an additional \$30,000 to bring natural gas to the flare; 7) Summary of Grease Receiving Facility Pilot Test: to date, the pilot test has cost \$53,000, which includes approximately \$16,000 in equipment that could be used in the full scale project; grease introduced to Digester No. 4 has increase the gas production, but not as much as anticipated; it was anticipated that we could get up to 20 cubic feet of gas per gallon of grease, but we are only producing approximately 5 CF; the smaller increase saves the District about \$50 per day in natural gas purchases; the District will begin charging the grease hauler \$0.05 per gallon, which will produce an additional \$250 per day for a total of approximately \$300/day; 8) Natural Gas Use Summary; 9) FY 2009/2010 Budget: the Committee requested that all projects over \$50,000 be reviewed by the Committee; 10) Ten-Year R&R and CIP Treatment Plant Projected Costs, Five-Year CIP Collections Projected Costs, Five-Year Total Projections: there were no changes to the report; and, 11) Additional Comments: Chair Landis asked about the progress of the solar project; staff replied that RTI sent out an electrician the previous week to prepare for the wire pull; staff also stated that if the solar project was to dissolve, the District could cut power purchases by approximately the same amount by moving to fine bubble aeration, which would also provide for operational improvements.

President Kerr reported on the January 21, 2010 meeting of the East Bay Dischargers Authority. Items of interest included an update status on the NPDES Permit and a review of Sanitary Sewer Overflow (SSO) Strategies. The State Water Board has placed a high priority on reducing the number of SSOs to the Bay watersheds. In response to that demand, the Bay Area Clean Water Agencies (BACWA) and the Central Valley Clean Water Agencies have recently produced a manual, Best Management Practices for Sanitary Sewer Overflow Reduction Strategies, in which the District's Supervisor of Field Maintenance, Lenny Rather, has written a chapter on CCTV inspections of pipe. It was further pointed out that the SSO performance of EBDA agencies is strong compared to overall trends throughout the State.

Director Becker reported on the January 21, 2010 meeting of the Personnel/Safety/Public Information Committee. Items discussed included: 1) CSRMA Safety Program Audit: every 1-3 years, CSRMA conducts an audit of the District's safety program; they send a list of forms, procedures, policies, guidelines, etc., that they wish to review during the audit; this year, staff assembled the audit information into a three-inch binder, and presented it to David Patzer, the auditor; Patzer was highly complimentary, indicating that the District's safety program is well organized, professional, and exceeds standards in many areas; after reviewing the paperwork, Patzer inspected the plant, where he was impressed to see the high level of safety awareness displayed by the employees, and indicated that he would be writing "a short report" of the findings; a couple of suggestions were made – to ask a CSRMA Advisor to provide workers' compensation training to all employees, and to install a certain kind of eyewash fountains in the plant; the suggestions are currently in the process of being implemented; 2)

Earth Day 2010 Poster Contest: the Poster Contest began on January 19th and will conclude on March 19th; poster materials were delivered to all Oro Loma schools, and information was posted on the District's website; the Awards Ceremony will take place on Tuesday, May 25th; and, 3) Volunteer Opportunities at Oro Loma: at the Board's request, staff developed a draft Volunteer Program for the District, which consists of a short program description, a Volunteer Interest Form, a Volunteer Application and Agreement, and a Summary of Policies Governing Volunteer Service Conditions; the last document outlines employment policies including Equal Opportunity Employment, Harassment Policy, Violence in the Workplace, and Electronic Media; the volunteer would acknowledge having read and understood the policies by signing an acknowledgment form; in discussing the program, the Committee commented that it would be a great community outreach tool, asked that the program materials be posted on the District's website, and reconfirmed that the volunteers would need to be approved by the Board, on an individual basis, based on staff's recommendation. In response to Director Dias's question as to whether volunteers would be covered under workers' compensation, and what they would be paid, staff and legal counsel advised that upon approval by the Board of a volunteer's services, the person would be covered by worker's compensation for medical costs only, as outlined in the CSRMA policy.

Director Landis reported on the January 27, 2010 meeting of the Alameda County Waste Management Authority. Items of interest included: the adoption of a cooperative agreement between the Authority, Waste Management of Alameda County, and Republic Services, with regards to the recently increased facility fee; an agreement with Schnitzer Steel Industries is still unresolved.

Director Landis moved approval of the Board Committee minutes for entry to the District record by reference. The motion was seconded by Director Dias and carried unanimously.

Staff provided a report on the history and status of Alameda County facility fee increases. Administrative Services Manager Simion started the presentation by reviewing the Alameda County Waste Management Authority's (ACWMA) revenue sources. ACWMA adopted a \$15.7 million budget for FY 2009/10 in June 2009, with three major revenue sources: Measure D Landfill Surcharges collected on waste disposed at the Vasco Road and Altamont Landfills; Waste Import Mitigation Fees, for waste disposed by the City and County of San Francisco at WMAC's Altamont Landfill; and, AB939 Facility Fees, which fund countywide recycling, waste prevention and planning efforts contained in the County Integrated Waste Management Plan (CoIWMP). General Manager Warner provided background information on the facility fee: the Alameda County Facility Fee was first adopted January 1, 1991, at \$1.50 per ton; this fee applied to those wastes deposited in landfills in Alameda County, with the exception of materials used for alternative daily cover (ADC); since inception, the Facility Fee has been a "pass-through" fee imposed on solid waste haulers, and ultimately on agencies and ratepayers; the Authority cites Section 41901 et seq. of the Public Resources Code, and the JPA, which allows them to establish a fee for the preparation, adoption and implementation of the CoIWMP. The history of the Facility Fee includes: in 2008, it was increase by 33% from \$1.50 to \$2.00 per ton; in May 2009, it was increased by an additional 117% to \$4.34 per ton, effective January 1, 2010; at that time, the Authority expanded the base of the fee to apply to ADC and to all wastes originating in Alameda County and deposited in landfills outside of Alameda County; the District was notified of the fee increase in a letter from Gary Wolff on July 9, 2009; after review by the Solid Waste Committee, WMAC incorporated the fee increase into the proposed rate increase, for consideration by the full Board; and, at its September 1, 2009 meeting, the Oro Loma Board approved the rate, including an amount to cover the fee increase. As a result of this Facility Fee increase, 0.30% of the September 2009 garbage rate increases was

associated with the increase in this fee. In January 2010, two solid waste haulers who had challenged ACWMA's authority to change the base of the Facility Fee, signed settlement agreements with the Authority, the terms of which include: the fee will sunset on January 1, 2013; create a franchise task force to explore funding sources for customer fees, permit counter fees, or others; update the 2011 CoIWMP to designate other sources of revenue; commitment to consider future proposals from WMAC and Republic for landfill diversion; and, discuss discounted fees. Looking into the future, as part of its strategic planning discussions, the Authority has determined that, in order for the agency to maintain permanent funding, the Facility Fee would have to gradually increase to \$20.67 per ton by 2020.

Director Landis moved approval authorizing the General Manager to execute an Agreement for the Operations and Maintenance of the EBDA Oro Loma Emergency Overflow Dechlorination Facility. The motion was seconded by Director Becker and carried unanimously.

Director Becker moved approval of the Oro Loma Sanitary District Volunteer Program. The motion was seconded by Director Landis and carried unanimously.

Director Dias moved approval authorizing the General Manager to execute a Letter Agreement with PFM Asset Management LLC for investment services. The motion was seconded by Director Becker. Director Landis stated that he was opposed to hiring an investment consultant, and expressed his trust in staff's ability to manage the funds without outside help. President Kerr stated that, while he personally never had good luck with a financial advisor, he felt that this agreement was a good thing for the District, and was in favor of it. General Manager Warner explained that staff did not feel that currently the District was getting the most out of its investments. The bulk of the District's money is in LAIF, and the District has limited or delayed knowledge of how or where those funds are invested. By using PFM's services, and under the terms of the agreement, the District would maintain ownership of all securities, may terminate the relationship for any reason, at any time, and would pay fees and expenses of approximately \$11,000 per year, assuming a \$10 million balance. The investments would be made in more secure, safe instruments, which would better serve the public. Director Dias reminded the Board that there would be a trial period where \$10 million would be invested through PFM, and, at the same time, the District would invest the in two other instruments. At the end of the trial period, the District would analyze the performance of the three investments. When reminded that the District would receive from PFM monthly reports on the investments, Director Landis instructed staff to distribute copies of the reports to the full Board. President Kerr called for the vote, and the motion passed 4-1, with Director Landis voting in the negative.

Director Landis moved adopting of Resolution No. 3508, A RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND CONTRACT DOCUMENTS AND CALLING FOR BIDS: 2010 PLANT MAINTENANCE PROJECT. This project includes the upgrade and rehabilitation of six plant utilities, with an Engineer's estimate of \$1.1 million. The motion was seconded by Director Dias and carried unanimously.

General Manager Warner informed the Board that: 1) the letters from Waste Management regarding garbage delinquencies were mailed out to parcel owners; the front desk has received approximately 6-7 calls; the main question posed is why the parcel owners were not notified earlier; approximately 4,500 letters were mailed; and, 2) in answer to the Board's concerns with the Monkey Bridge Project, District Engineer Halsted indicated that the design submittals were due the next day; Halsted and Assistant Engineer Cruz were meeting with the affected homeowners the next day, to

explain the project and answer questions; there were only two comments received during the CEQA review, one from Alameda County, acknowledging the project and reminding the District to obtain a permit for the work, and one from a resident who lives adjacent to the new large lift station, and who was questioning the engineering principles in this project; and, the bridge would be removed during the project. Warner concluded by mentioning the work being done by the railroad tracks included the removal of two manholes that are no longer needed.

President Kerr asked staff about progress with the solar project. General Manager Warner informed the Board that staff has met with Renewable Technologies (RTI), and that several inquiries on the status of the project have gone unanswered by RTI. Warner added that staff will meet with another solar company the following week, and will discuss with legal counsel steps to be taken to bring the matter to a conclusion with RTI. Director Dias requested that a closed session be scheduled with legal counsel for the next Board meeting, in order to discuss the District's options.

There being no further business to come before the Board, the meeting adjourned at 4:45 p.m..

Roland J. Dias
Secretary

(Recording Secretary:
Julie Kerr)