

**MINUTES OF THE ADJOURNED REGULAR MEETING
OF THE DISTRICT BOARD
MT. VIEW SANITARY DISTRICT
JULY 30, 2009**

The District Board of the Mt. View Sanitary District convened in an adjourned regular session at its regular place of meeting, Mt. View Sanitary District Meeting Room, 3800 Arthur Road, Martinez, County of Contra Costa, State of California, on July 30, 2009, at 6:30 PM.

ROLL CALL OF DIRECTORS

PRESENT: Directors David P. Maggi, Elmer "Al" J. Schaal and Randell E. Williams, Vice President Stanley R. Caldwell, and President Gregory T. Pyka

ABSENT: None

Also Present: STAFF – District Manager Michael D. Roe, Secretary Pro Tem Cindy Y. Chen, District Engineer Randolph W. Leptien and Consultant Brent Ives

PUBLIC – None

PUBLIC COMMENT

None.

OLD BUSINESS

1. PUMP STATION NO. 1 RENOVATION PROJECT

A. REPORT FROM STAFF

Engineer Leptien reported the bid results from the July 29, 2009 bid opening, including a summary and the actual bids by line item. The low bid was submitted by McGuire and Hester. Engineer Leptien continues to review the bids with Nute Engineering to determine the "lowest, responsible, responsive" bid. He will report back to the Board on August 13, 2009 with Staff's recommendations and a proposed resolution directing Staff to forward the low bid and the bid documents to the Clean Water State Revolving Fund (CWSRF) along with the funding application and request.

Engineer Leptien indicated a correction to the staff report related to item #8 in the discussion section. The District has up to 90 days, instead of 60 days, to award the contract. Engineer Leptien, however, does not believe that the District can afford to wait for 90 days for this project. The decision on timing is the District Manager's.

Engineer Leptien stated that no action is required this evening. The Board posed no questions.

2. REPORT ON FUNDING ALTERNATIVES AND APPLICATION TO STATE REVOLVING FUND

A. REPORT FROM STAFF

Engineer Leptien reported that this is an update on a white paper memorandum by Whitley Burchett & Associates (WBA) received on July 9. According to WBA, the stimulus funding provided under the American Recovery and Reinvestment Act (ARRA) of 2009 was quickly absorbed by previously submitted Clean Water State Revolving Fund (CWSRF) loan applications. Consequently, the ARRA stimulus funding is unavailable to the District.

The other funding source is Proposition 84, which has not yet materialized due mostly to the financial status of the California State Government. Prop 84 fund is intended for regional projects which, in essence, require partnership with other agencies.

The good news, Engineer Leptien reported, is that there is CWSRF, a separate and bonded fund, which is currently accepting applications. CWSRF provides 20-year loans with an average interest rate of 3%. Engineer Leptien added that staff will put together an application for projects, and the amount of the application is intended to be approximately equal to our current debt that is scheduled to be paid off in 2011. Staff will return on August 13 with a resolution.

Vice President Caldwell asked when the Bartle Wells financial report will be available. Engineer Leptien replied that it is a moving target now. We are still looking at projects at the marshes and honing in on the projects here at the plant. Engineer Leptien also stated that he has extended the scope for the west service area project and the cost estimate needs to be revised accordingly. Eventually, Bartle Wells will run through the numbers in its analysis to determine the payment amount. Bartle Wells also needs to factor in the GASB 45 requirements in order to provide a comprehensive, combined forecast – a revenue and expense forecast for the next five years, including cash flow and available funds.

Engineer Leptien plans to submit a staff report for the 8/13 meeting.

3. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION FISCAL COMMITTEE MEETING – AUGUST 28, 2009

A. REPORT FROM STAFF

District Manager Roe reported that this item was placed on the agenda at the request of Vice President Caldwell for the Board's consideration.

Vice President Caldwell stated that this meeting was set originally in July, delayed to August 13 and 14 and further postponed to August 28 due to conflicts with the CASA and BACWA conferences. There are still discussions about the option of webinar (a seminar via the web) instead of a physical meeting.

B. CONSIDER ADOPTION OF A MOTION DETERMINING THAT VICE PRESIDENT CALDWELL'S ATTENDANCE AT THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION FISCAL COMMITTEE MEETING ON AUGUST 28, 2009 IS A SIGNIFICANT BENEFIT TO THE DISTRICT AND THEREFORE ITS OFFICIAL BUSINESS AND DIRECTING HIM TO ATTEND

It was moved by Director Maggi, seconded by President Pyka, to determine that vice President Caldwell's attendance at the California Special Districts Association Fiscal Committee meeting on August 28, 2009 is a significant benefit to the District and therefore its official business, and direct him to attend.

Motion carried by the following vote:

AYES:	President Pyka, Vice President Caldwell, and Directors Maggi, Schaal and Williams
NOES:	None
ABSENT:	None
ABSTAIN:	None

NEW BUSINESS

4 RECRUITMENT OF ASSISTANT DISTRICT MANAGER

A. REPORT FROM STAFF

This item was tabled to the August 13, 2009 meeting.

District Manager Roe suggested moving items up and releasing Secretary Pro Tem for the study session of Board policies and procedures manual. Hearing no objections, President Pyka digressed from the order of the agenda and proceeded to item #6.

REPORTS

6. DISTRICT MANAGER

District Manager Roe provided an update with respect to the GASB 45 issues. Staff is conducting a survey to determine what the vesting requirements are for other similar agencies and how they approach the pre-funding and other related issues. He hopes to have the results compiled for the August 13 meeting. District Manager Roe also

contacted the actuary about the possible impact of various vesting timeframes. Preliminary results seem to indicate that vesting is not a significant driver of retiree health care costs. He will come forth with a report and recommendations for meeting the obligations – whether to pay as we go, or to pre-fund fully or partially.

District Manager Roe also provided an update related to the Administrative Civil Liability (ACL). He and Attorney Adams have changed the settlement language significantly in several areas. Due to vacations of Water Board staff, there has been a delay in reaching a settlement agreement. The most significant issue, however, is the cost for the Supplemental Environmental Project (SEP). The cost for the SEP is escalating above the \$190,000 quoted previously. New information has come to our attention due to the recent initiation of tide gate operations -- specifically, the water level elevation and the water leakage beyond the levees. Based on Nute Engineering's opinion and assessment, the likely estimate is now \$267,000 and could run upwards of \$360,000. Due to these escalating costs, staff modified the settlement agreement to provide more flexibility for the District with regard to SEP options. One option in the revised agreement is to walk away from the SEP project should the cost continue to escalate. We are also trying to find an alternative project and language was added to the agreement to allow a substitution. Another option, albeit not a preferred one, is to just pay the \$125,000 SEP amount to the State and rid ourselves of the whole issue. We prefer to conduct a project with continuity of the marsh management.

Director Williams inquired as to the possibility of conducting select pieces of the project. District Manager Roe explained that the SEP is cumbersome and the Regional Water Board attaches specific water-management performance goals that we need to achieve. The habitat goals for the SEP further complicate the process.

Director Schaal mentioned the recent Marin County spill into the Bay, and asked how our ACL fine level compares with other fines on, for example, cost per gallon. District Manager Roe responded that prior to the negotiation our fine was twice the amount of Sewerage Agency of Southern Marin (SASM). After negotiation, our fine is comparable.

Director Schaal was interested in the spill in Marin County after the SASM event. District Manager Roe indicated that Staff will investigate.

7. ENGINEER

None.

8. SECRETARY

None.

9. **DIRECTORS**
 - A. **CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS MEETING – JULY 17, 2009**
 - B. **STANLEY R. CALDWELL – CONTRA COSTA SPECIAL DISTRICTS ASSOCIATION QUARTERLY MEETING – JULY 20, 2009**
 - C. **STANLEY R. CALDWELL CASA PRIVATE SEWER LATERAL TASKFORCE – JULY 23, 2009**

Director Williams expressed thanks to Staff, Engineer Leptien, and Attorney Adams for making David Contreras' retirement party a big success. Director Williams stated that he talked to Supervisor Gayle Uilkema and thanked her for attending. Supervisor Uilkema expressed her gratitude to the District for working together with her and requested that District Manager Roe call to set up a meeting with her and continue this relationship.. Director Williams expressed that we should also thank all participated in and contributed to the event.

Vice President Caldwell stated that he has three written Director Reports. He also mentioned a surprise announcement by Contra Costa Mosquito & Vector Control District (CCMVCD) General Manager Craig Downs in a recent meeting of the Contra Costa Special Districts Association that Karl Malamud-Roam is leaving CCMVCD.

President Pyka expressed thanks for everyone who helped with the retirement party for David Contreras. Director Williams also commended the Subcommittee for planning and organizing the retirement party.

COMMUNICATIONS – INFORMATION ONLY – NO ACTION NECESSARY

10. **EMAIL FROM SUSAN HURL – JULY 21, 2009 – QUARTERLY RECYCLING REPORT.**
11. **THANK YOU CARD FROM DISTRICT MANAGER MICHAEL D. ROE WITH REGARD TO RECENT LOSS IN FAMILY**

BOARD ITEMS – Limited to requests and directives for future meetings

None.

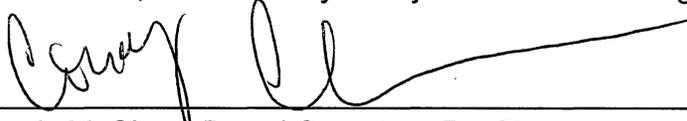
At 7:02 PM, the Board proceeded to the study session.

- 5 **BOARD POLICIES AND POLICY AND PROCEDURES MANUAL**
 - A. **STUDY SESSION CONDUCTED BY BRENT IVES OF BHI MANAGEMENT**

A study session was held from 7:02 PM to 8:11 PM.

ADJOURNMENT

At 8:11 PM, President Pyka adjourned the meeting.

A handwritten signature in black ink, appearing to read 'Cindy Y. Chen', written over a horizontal line.

Cindy Y. Chen, Board Secretary Pro Tem