



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RODEO SANITARY DISTRICT
LOCATION: JOHN SWETT UNIFIED SCHOOL DISTRICT BOARD ROOM, 400 PARKER AVE., RODEO, CA

A Regular Meeting of the Governing Board was held at 1:00 p.m. on August 9, 2022. Pursuant to the authorizations provided by Government Code section 54953, this meeting was available telephonically, using the Zoom video conferencing system. Members of the public were provided options to participate in the meeting as provided on the agenda.

1) **ROLL CALL**

President Batchelder called the meeting to order at 1:01 P.M.

Directors Present: Connie Batchelder, Richard Frakes , Janet Callaghan, Maureen Brennan, Angela Noble

Staff/Consultants Present: Steve Beall, District Manager, Nancy Lefebvre, District Administrator, Carl Nelson, District Counsel

Absent: None

Others Present- None

*via video-conference

a) **PLEDGE OF ALLEGIANCE TO THE FLAG-** District Manager Steve Beall led the pledge of allegiance.

2) **PUBLIC COMMENTS-Communication from the public on subjects not on the agenda-** None

3) **CALL FOR REQUESTS TO CONSIDER ITEMS OUT OF ORDER-**

Items 11 and 12.

4) **REPORTS**

a) District Manager:

Energy Conservation Project

The following three elements have been eliminated from the project: Thermal Dryer/Screw Press, Hypochlorite Generation and the MCC Rehab. These three elements have been eliminated due to funding constraints. As part of the District's agreement with the State Water Resources Control Board SRF Program, the District's net income must be 115% of the annual debt service, for all debts. Currently, the SRF debt

service is about \$970k. This results in the District's ability to borrow up to about \$9 million. This is a considerable restriction unless the District increases the net income via sewer service fee increases.

After inspecting the interior of Digester A, a new Capital Improvement need has been realized. This cover system repair must not be eliminated due to other projects consuming the available funds. Please note that the thermal dryer element was eliminated due to the inability to meet the necessary relationship between the three participating agencies. It was likely going to be eliminated anyway due to the borrowing constraints as the overall cost of that project element would have exceeded the District's ability to borrow. Currently, Engie is working on developing the scope and costs to repair Digester A's cover. The construction costs for the PV system, battery storage, aeration upgrades and centrifuge are approximately \$5 million. The cover repairs could be around \$1 million - \$2 million. It is also likely that the cover repair would drive the proforma to an unfavorable scenario with respect to no costs to the District. The District could proceed knowing there is a cost component the District must fund due to the need to repair the Digester cover. Simply, repairing the cover is a necessity that would not generate any savings. In part, the thought is since the District is borrowing, and would have a contractor on site, certain one-off project costs (costs to borrow, mobilization) are all rolled into the current project.

One very important item to bring into the conversation is the need for construction administration. Engie would be responsible for the contractors, the District would be responsible for construction inspection. This was not made very clear at the onset of this project. The District hired consultants to perform the construction inspection for the SRF projects and a combo of District staff and consulting achieved a very cost-effective inspection for the Bar Screen Project. The District Manager would take the lead for the District in the inspection of the Energy Projects with staff and consulting as support. Based on the previous experience from completed projects, the Board can expect about \$100,000- \$150,000 per million dollars of construction costs for inspection. For example, if the construction costs were \$5 million, the needed inspection would cost the District between \$500,000 and \$750,000. These costs could be part of the project funding. Finally, it is recommended that the District work with an independent consultant to review the scope and assumptions from Engie. This would help to eliminate any surprises during construction or after the project implementation. District staff and counsel have done a thorough review of all the proposed contract/agreement documents. The District has already invested approximately \$30,000 in the development of the contract/agreement documents and financial documents for borrowing the funds for the project. The District had planned to roll these costs into the funds borrowed.

District Personnel

After 15 years with the District, James Petalio, the District's senior operator is Retiring. Jim will remain until we fill the position or October 5th, whichever comes first. We will be having a retirement celebration so stay tuned!

The most recent hire for the District, Dusty Garcia has resigned. He resigned for personal/family reasons and has moved back to Arizona. Unfortunately, the time spent training for his Class B license will not benefit the District. The District's current Operator In Training is in the right place at the right time (so to speak). After being selected

during a competitive interview process for the OIT position, Kevin Henriquez was a logical choice to step into the newly open position. We are filling the position as a trainee rather than a certified operator (will save \$\$), but Kevin has been with the District since March, is familiar with all aspects of the District, AND HAS A CLASS B ALREADY!!!! RSD is fortunate to have the OIT Training program to help the District through difficult situations like this.

Collection System Operation and Maintenance:

- a. Counsel for the District: No report.
- b) Secretary of the District: No report
- c) Board Members:

Administrative Committee

August 1, 2022 – Vice President Janet Callaghan (stipend), Director Angela Noble (stipend)

Budget and Finance Committee

August 8, 2022-C. Batchelder (stipend), M. Brennan (stipend)

5) CONSENT CALENDAR-

Staff Recommendation (Motion required): Adopt the consent calendar as recommended.

- 1. Expenditures July 2022 were reviewed by the Budget Committee.
- 2. July 2022 Financial Statements reviewed by the Budget Committee.
- 3. Adopt Minutes of May 10, 2022 Regular Meeting. Reviewed by Administrative Committee.
- 4. Adopt Minutes of June 14, 2022 Regular Meeting. Reviewed by Administrative Committee

MOTION: By Noble, seconded by Brennan to approve the Consent Calendar. Motion passed by the following vote of the Board:

VOTE:	AYES:	Brennan, Callaghan, Frakes, Batchelder, Noble
	NOES:	None
	ABSENT:	None
	ABSTAIN:	None

6) EMERGENCY SITUATIONS REQUIRING BOARD ACTION:

Resolution 2020-03 requires Board action to continue the emergency provisions contained in the resolution.

In light of the continuing existence of the COVID-19 pandemic, and Executive Order N-33-20 and the Contra Costa Health Officer Orders, and the need for the District Manager to remain authorized to take all actions necessary for the District to continuously provide essential services to the Rodeo community, and to take all reasonable steps to recover such costs from any and all available sources, and to make determinations, in response to Executive Order N-33-20 and the Contra Costa Health Officer Orders, regarding which District facilities comprise Essential Infrastructure, which District services are Essential Governmental Functions, which District employees and contractors comprise the Essential Workforce and are needed to continue providing Essential Governmental Functions, and to confirm:

- That the District wastewater treatment facility (“WWTP”) located at 800 San Pablo Avenue, Rodeo, and its other facilities used to provide continuous and uninterrupted collection, conveyance, and treatment of wastewater, are crucial infrastructure within the meaning of the Executive Order and Essential Infrastructure under the Health Officer Orders:
- That the continuous and uninterrupted collection, conveyance, and treatment of wastewater by the District is an Essential Governmental Function;
- That specified District employees and contractors comprise the Essential Workforce and are needed to continue providing Essential Governmental Functions,

MOTION: By Frakes, seconded by Noble, that Resolution 2020-03 Declaring Emergency and Delegating Authority in Response To COVID-19 pandemic remain in place. Motion passed by the following vote of the Board:

VOTE:	AYES:	Brennan, Callaghan, Frakes, Batchelder, Noble
	NOES:	None
	ABSENT:	None
	ABSTAIN:	None

7A) OLD BUSINESS: DISTRICT GOALS AND FUTURE WORK DEVELOPMENT DISCUSSION)-Deferred

8A) ORDINANCE 2022-200 (DISCUSSION AND ACTION)

Review of revised Ordinance 2022-200 establishing a revised calculation method for sewer service charges to be billed by the Rodeo Sanitary District to mixed Residential and Commercial users sharing one meter. Staff developed draft Ordinance 2022-200 based on the work from Bartle Wells. The proposed method was based on Central Sanitary District’s methodology. Under the current methodology, (from Ordinance No. 2018-100), mixed-use customers on a single water meter are charged the highest volumetric rate of all the uses on the property for all usage. The proposed method estimates flows from various users on a single water meter to a square-foot based allocation method. This has the advantage of being a bit more affordable to these users as compared to the current method of billing all flow at the highest rate.

MOTION: By Noble, seconded by Frakes, to approve Ordinance 2022-200, send out Prop 218 notices and set Public Hearing to adopt Ordinance 2022-200 for the October Board Meeting.

VOTE: AYES: Callaghan, Batchelder, Brennan, Frakes, Noble
NOES: None
ABSENT: None
ABSTAIN: None

Items 11 and 12 were taken out of order at this time.

11) CLOSED SESSION

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Pursuant to Govt. Code § 54957 (b) (1)
Title: District Manager

The Board entered into the closed session at 1:46 p.m. and returned to open session at 2:19p.m.

12) REPORT OUT OF CLOSED SESSION

District Board has taken action by motion to appoint Best, Best and Krieger as District Counsel subject to negotiation of satisfactory agreement.

8B) AUTHORIZE DISTRICT MANAGER TO NEGOTIATE AND EXECUTE RETENTION AGREEMENT WITH NEW DISTRICT COUNSEL (DISCUSSION AND ACTION)

MOTION: By Noble, seconded by Frakes, to negotiate and execute retention agreement with Best, Best and Krieger to act as District Counsel for the District subject to negotiation.

VOTE: AYES: Callaghan, Batchelder, Brennan, Frakes, Noble
NOES: None
ABSENT: None
ABSTAIN: None

8C) APPROVE OPERATIONS MANAGER JOB DESCRIPTION (DISCUSSION AND ACTION)

The District Manger has been given an opportunity to a fundamental change to the staffing structure at the District. After 15 years of service, the District's Senior Operator is retiring. The District Manager has been wanting to drop a few hats to focus on other District needs and not rely on consulting to fulfill those needs. Additionally, and more important, over the years the District's philosophy of having one person act as District

Manager, District Engineer, Chief Plant Operator, Lab Director, Legally Responsible Official of the Collection System is risky. Your District Manager wears all of those hats. If the DM goes down, the District is extremely vulnerable since no one person can act as back-up and there is no one on staff who can either. The District Manager is seeking to create the Operations Manager position for RSD. This position would take the Chief Plant Operator and Legally Responsible Official of the Collection System hats from the DM. This would free the DM up to perform tasks that are planned to be completed by consulting like policy development, easement identification and development, District Code revision, Sewer System Management Plan updates and maintenance. These items alone would save the District about \$50,000 per year (but would need be used to offset the increased salary of the new position). Lastly, it is likely the new Operations Manager could succeed the existing DM when retirement comes freeing the District to explore new configurations, like part time engineering and lab support

MOTION: By Batchelder, seconded by Noble, to approve job description and authorize the position of Operations Manager.

VOTE: AYES: Callaghan, Batchelder, Brennan, Frakes, Noble
NOES: None
ABSENT: None
ABSTAIN: None

8D) APPROVE BROWN ACT COMPLIANCE POLICY (DISCUSSION AND ACTION)

Board Approval of the new Brown Act Compliance Policy for the District's Policy Manual.

MOTION: By Noble, seconded by Callaghan, to approve the Brown Act Compliance Policy.

VOTE: AYES: Callaghan, Batchelder, Brennan, Frakes, Noble
NOES: None
ABSENT: None
ABSTAIN: None

9) PUBLIC HEARING- None

10) COMMUNICATION:

Relevant Communications to and from the District are included in the Board Packet.

11) Item 11 was taken out of order earlier in the meeting.

12) Item 12 was taken out of order earlier in the meeting.

13) **SUGGESTIONS FOR FUTURE AGENDA ITEMS-** None

14) **ADJOURNMENT**

Meeting adjourned at 2:44 p.m. The next meeting of the Rodeo Sanitary Board of Directors will be held on Tuesday September 13, 2022 at 1:00 P.M.at John Swett Unified School District Board Room.

Connie Batchelder, President
Rodeo Sanitary District

Countersigned:

Nancy Lefebvre, District Administrator
Rodeo Sanitary District