1. **Call to Order**
Chair Francis called the meeting to order at 1:30 P.M. on Thursday, December 21, 2006 at the Oro Loma Sanitary District Boardroom, 2600 Grant Avenue, San Lorenzo, CA 94580.

2. **Roll Call**
**PRESENT:** Ron Dias, Oro Loma Sanitary District; Harry Francis, Castro Valley Sanitary District; Jennifer Toy, Union Sanitary District; Bill Quirk, City of Hayward, and, Shelia Young, City of San Leandro.

**ABSENT:** None

**OTHERS**
**PRESENT:** Chuck Weir   East Bay Dischargers Authority  
Carrie Wilson   East Bay Dischargers Authority  
Eileen Murray   Legal Counsel  
Rich Currie   Union Sanitary District  
Mike Cameron   Oro Loma Sanitary District  
Roland Williams   Castro Valley Sanitary District  
Dean Wilson   City of San Leandro  
Tony Santos   City of San Leandro

3. **Public Forum**
No members of the public addressed the Commission.

**C O N S E N T    C A L E N D A R**

4. **Commission Meeting Minutes of November 16, 2006**
5. **Report From the Financial Management Committee**
6. **List of Disbursements for November 2006**
7. **Treasurer’s Report for November 2006**

A motion by Commissioner Dias, seconded by Commissioner Toy, to approve Items 4 - 7 was approved unanimously by a vote of 5 – 0.

**R E G U L A R   C A L E N D A R**

8. **Report From The Managers Advisory Committee**
The Managers Advisory Committee met on December 13, 2006. A copy of the MAC agenda was attached for the Commission’s information. Attendance included the following:

Chuck Weir   East Bay Dischargers Authority  
Alex Ameri   City of Hayward
The MAC discussed the items in the agenda.

The Commission accepted the report.

9. Report From the Operations and Maintenance Committee
The Operations & Maintenance Committee, Commissioners Francis and Dias, met with the General Manager on December 12, 2006. There were no members of the public present. A copy of the Committee agenda was attached for the Commission’s information.

Item No. 4. Status Report – O&M Projects and Activities
The Committee reviewed these items and concurred with the approaches being taken by staff. On the topic of bidding constraints due to the Joint Powers Agreement (JPA), the Committee acknowledged that the JPA was written more than thirty years ago and that modifications were worth considering. The Committee requested that suggested language be presented for consideration.

The Committee reviewed the bids for the equipment packages at the San Leandro Pump Station. The Committee was informed that the Authority’s Design Engineer, Dodson Engineers, had reviewed the bids and recommended rejecting the low bid from Marshall J. Brown Co. Inc. as it did not comply with the bid specifications. A review of the bids and contracts for purchase of equipment were all separate agenda items for the Committee and are discussed below.

The Committee reviewed the status of the underground storage tanks at the Oro Loma Effluent Pump Station and concurred with staff’s recommendation to take no action to replace the tanks at this time. There are simply too many unknown risks associated with their replacement at this time.

The Committee reviewed the Final Report on Pump Station Capacity prepared by Dodson Engineers and acknowledged that all the pump stations can meet the contractual capacities and design criteria. There is one exception in that the Oro Loma Pump Station cannot meet the design criteria with one diesel pump out of service. This is deemed an acceptable risk since it could only occur due to mechanical problems during extreme wet weather events. In fact the station was originally designed and accepted with this minor weakness. Staff will research the possibility of installing a third diesel driven pump in space provided for an additional pump. Such a system would have a likely cost approaching $1,000,000.

Staff continues to learn the computer model that will be used to evaluate system capacity during real events. Once all parameters have been entered into the model arrangements will be made to provide the program to the member agencies.

Item No. 5, 7, 9, and 11 Review of Bids for Check Valves, Butterfly Valves, Standby Generator System, and Vertical Mixed-Flow Pumps with Motors
The Committee reviewed the bid results as described in the attached agenda reports. As noted above, the Authority’s Engineering Consultant is recommending that the low bid for Check Valves from Marshall J. Brown be rejected as it was not in compliance with the bid
specifications. The valves did not include fusion bond epoxy coating. The Committee concurred with rejecting this bid and accepting the bid from the next lowest bidder. The Committee concurred with staff’s recommendation to accept the lowest responsive, responsible bids as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Accepted Bidder</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check Valves</td>
<td>Frank A. Olsen Company</td>
<td>$12,323.55</td>
</tr>
<tr>
<td>Butterfly Valves</td>
<td>Frank A. Olsen Company</td>
<td>$8,739.15</td>
</tr>
<tr>
<td>Standby Generator System</td>
<td>Kohler Power Systems</td>
<td>$120,658.13</td>
</tr>
<tr>
<td>Vertical Mixed-Flow Pumps</td>
<td>Prime Pump</td>
<td>$189,752.68</td>
</tr>
<tr>
<td>with Motors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Committee noted that three of the bids were lower and one higher than the Engineer’s estimate. With the rejection of one low bid the total of the bids is $331,473.51, while the Engineer’s estimate was $416,000 resulting in a positive bid result of $84,526.49, or 20.3% less than the estimate.

Item No. 6, 8, 10, and 12 Contracts for Purchase of Equipment for Check Valves, Butterfly Valves, Standby Generator System, and Vertical Mixed-Flow Pumps with Motors
Based on the results of the bids, the Committee recommended approving Contracts for Purchase of Equipment as noted in the above table.

Acceptance of the bids and approving contracts for purchase are all separate action items. The Committee recommended approval of all items.

A motion by Commissioner Dias, seconded by Commissioner Toy, to approve the Report from the Operations & Maintenance Committee and authorize the General Manager to Issue Notices Inviting Bids in Commission Agenda Items 9A, 9B, and 9C was unanimously approved by a vote of 5 – 0.

A motion by Commissioner Dias, seconded by Commissioner Young, approving Commission Agenda Item Nos. 10 – 17 as follows:

Resolution No. 06-12 Awarding Bid for Purchase of Equipment between East Bay Dischargers Authority and Frank A. Olsen Company for Purchase of Check Valves,

Resolution No. 06-13 Approving a Contract for Purchase of Equipment between East Bay Dischargers Authority and Frank A. Olsen Company for Purchase of Check Valves,

Resolution No. 06-14 Awarding Bid for Purchase of Equipment between East Bay Dischargers Authority and Frank A. Olsen Company for Purchase of Butterfly Valves,

Resolution No. 06-15 Approving a Contract for Purchase of Equipment between East Bay Dischargers Authority and Frank A. Olsen Company for Purchase of Butterfly Valves,

Resolution No. 06-16 Awarding Bid for Purchase of Equipment between East Bay Dischargers Authority and Kohler Power Systems – California for Purchase of Standby Generator Systems,
Resolution No. 06-17 Approving a Contract for Purchase of Equipment between East Bay Dischargers Authority and Kohler Power Systems – California for Purchase of Standby Generator Systems,

Resolution No. 06-18 Awarding Bid for Purchase of Equipment between East Bay Dischargers Authority and Prime Pump Corporation for Purchase of Vertical Mixed-Flow Pumps with Motors, and

Resolution No. 06-19 Approving a Contract for Purchase of Equipment between East Bay Dischargers Authority and Prime Pump Corporation for Purchase of Vertical Mixed-Flow Pumps with Motors, were unanimously approved by a roll call vote as follows:

AYES: Commissioners Dias, Toy, Quirk, Young and Chair Francis
NOES: None
ABSTAIN: None
ABSENT: None

ITEM NO. 18 REPORT FROM THE PERSONNEL COMMITTEE

The Personnel Committee, Commissioners Toy and Young, met with the General Manager on December 4, 2006. A copy of the Committee agenda is attached for the Commission's information. There were no members of the public present.

The Committee considered Commissioner Compensation for Calendar Year 2007 and acknowledged that current compensation is likely still about in the middle of all CASA agencies. The Committee recommended no increase at this time. The Committee is interested in hearing the perspective of the other Commissioners. This item is considered separately in Agenda Item No. 19, Commissioner Compensation for Calendar Year 2007.

The Committee also continued the discussion of staff salary and benefit issues as outlined in the Committee agenda report. The Committee discussed issues associated with a MAC review of the JPA to make it more current with the current time.

There was discussion as to how to make the subject of establishing staff salary and benefits less controversial. Although the Committee was not supportive of the General Manager’s proposal to tie salary and benefits to the budget approval process, the Committee concluded that a Closed Session discussion with the General Manager was appropriate. This also applied to the change of the Administrative Assistant job title to Assistant to the General Manager.

On the topic of converting the General Manager’s car allowance to salary, there was concern that PERS may not approve it as it could be deemed “spiking”. It was noted that Union Sanitary District did this for Steve Hayashi a year before he retired. Mr. Hayashi was contacted and he confirmed that PERS did not consider it spiking since it
was done a year before he retired. PERS has also been contacted on this matter, but no response has been received as of this writing.

As noted above, the Committee requested a Closed Session with the Commission to discuss: (1) meeting with the General Manager, the agency’s designated representative, regarding the budget approval process authorization for the General Manager to set staff compensation at the average of the surveyed agencies; (2) meeting with the General Manager, the agency’s designated representative, regarding a change in the Administrative Assistant job title to Assistant to the General Manager; and, (3) consideration of the proposal to convert the General Manager’s car allowance to salary.

A motion by Commissioner Ward, seconded by Commissioner Young, to accept the report from the Personnel Committee was approved by a unanimous vote of 5 – 0.

Recommendation

Approve the Report from the Personnel Committee.

ITEM NO. 19 COMMISSIONER COMPENSATION FOR CALENDAR YEAR 2007

The Personnel Committee reviewed the issue of adjusting Commissioner Compensation for the Calendar Year 2007 and has recommended no increase from the current $234 per authorized meeting.

Recommendation

Approve no increase in Commissioner Compensation for Calendar Year 2007.
16. **Staff Report**
   A. **Monthly O&M Report.** The monthly reports for October 2006 were attached for the Commission's information.
   B. **EPA/SWRCB/RWQCB and Other Regulatory Issues.** Items of regulatory significance were discussed in other agenda reports.
   C. **BACWA Minutes.** The minutes from the August 24, 2006 and September 27, 2006 meetings were included in the agenda packet.
   D. **Correspondence.** Other correspondence and items of interest were either enclosed in the Agenda packet or distributed at the Commission meeting.

17. **Closed Session**
   At 1:45 P.M. the Commission pursuant to Government Code Section 54957.6, Chair Francis adjourned the Commission meeting to Closed Session to give direction to the Personnel Committee, Commissioners Toy and Young, regarding labor negotiations.

18. **Reconvene to Open Session**
   Chair Francis reconvened to Open Session at 1:57 P.M. and Legal Counsel, Chuck Kilian, reported that there was no action taken by the Commission in closed session. There was discussion regarding the contents of the Personnel Committee report. Commissioner Toy then reported that the Commission reconfirmed the discussions from previous closed sessions. The recommendation with regards to staff salary and benefits is 5% retroactive to July 1, 2006.

   A motion by Commissioner Ward, seconded by Commissioner Young, to adopt the recommendations of the Personnel Committee and approve a 5% salary increase retroactive to July 1, 2006 was approved by a vote of 4 – 1. Commissioner Dias stated that the reason for his vote was that he felt the Commission should have gone with the 7% recommendation instead of the 5%.

   Chair Francis granted Administrative Assistant Carrie Wilson permission to address the Commission. Ms. Wilson stated that she found the 5% to be unacceptable and that she no longer wished to have the General Manager represent her or negotiate for her. She stated that she is a Classified employee and the General Manager and O&M Manager are Unclassified employees.

   General Manager Weir also was granted permission to address the Commission. He stated that he found it a little bit curious that the Closed Session in September was exactly the same language as written for this Commission meeting, and it was to give direction to the Personnel Committee, Commissioners Toy and Young, regarding labor negotiations with employees. He stated that there has been no negotiation, no discussion, no meet and confer.

   Commissioner Young requested that Legal Counsel comment on Mr. Weir’s statement. Mr. Kilian stated that there is always a duty under the Meyers-Milias-Brown Act to meet and confer in good faith with employees regarding their salaries and conditions of employment. He stated that he was not present for all of the discussions with the Personnel Committee.
He would have to look into whether or not there has been any problem with meeting and conferring. He stated that what the Commission granted was a unilateral increase and he that there is always a duty to meet and confer in good faith. If any employee wishes to meet and confer, since there are no contracts here such as labor union contracts, and puts it in writing that they wish to meet and confer in good faith then the Commission could appoint the Personnel Committee or anyone else to meet and confer with that employee to discuss their concerns. It doesn’t mean that the Commission would have to agree, it simply means that they must meet and confer in good faith.

Chair Francis asked if what they had just voted on and approved would still stand. Legal Counsel Kilian state that it still stands since it was a unilateral decision by the Commission

Commissioner Ward stated there is a 2 year salary freeze for the City of Hayward miscellaneous employees.

Commissioner Young suggested that the Authority hire someone, chosen by the Commission, to take a look at all of the work already done, to review the concerns of the Committee. She also stated that she will not meet and confer with any employees.

20. Items From the Commission
Commissioner Young stated that the City of San Leandro was presented with the National Pretreatment Award by the USEPA.

Commissioner Ward thanked General Manager Weir for his presentation to the City of Hayward City Council.

Chair Francis toured Oro Loma Sanitary District.

21. Adjournment
With no further business, Chair Francis adjourned the meeting at 2:36 P.M.

Charles V. Weir
General Manager/Secretary