

MINUTES

1053rd MEETING OF THE BOARD OF TRUSTEES OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

FEBRUARY 14TH, 2018

TIME: 5:00 P.M.
PLACE: Office of the District, 23187 Connecticut Street, Hayward
TRUSTEES: Elisa Marquez, President, City of Hayward
Wendi Poulson, Vice-President, City of Alameda
Eric Hentschke, Secretary, City of Newark
Humberto Izquierdo, County-at-Large
P. Robert Beatty, City of Berkeley
Alan Brown, City of Dublin
Betsy Cooley, City of Emeryville
George Young, City of Fremont
James N. Doggett, City of Livermore
Jan O. Washburn, City of Oakland
Robert Dickinson, City of Piedmont
Kathy Narum, City of Pleasanton
Ed Hernandez, City of San Leandro
Subru Bhat, City of Union City

Board President Marquez called the regularly scheduled board meeting to order at 5:02 PM.

Trustees Marquez, Poulson, Hentschke, Beatty, Brown, Cooley, Young, Washburn, Narum, and Bhat were present; Trustees Izquierdo and Dickinson were absent. Trustee Hernandez arrived at 5:06 P.M. and Trustee Doggett arrived at 5:08 P.M.

Board President Marquez invited members of the public to speak on any issue relevant to the District. Andrew Brown of Highmark Capital Management and David Alvey of Maze & Associates were present. Accounting Associate Michelle Matthes was also present, along with Mosquito Control Technician Jeremy Sette. to record the minutes.

Mr. Subru Bhat and Mr. Alan Brown were introduced as new Board Members, representing the City of Union City and the City of Dublin, respectively.

The Board approved the minutes of the 1052nd meeting held January 10th, 2018. (Narum, Washburn) —unanimous.

Andrew Brown of Highmark Capital Management presented to the Board regarding ACMAD's Pension Rate Stabilization Fund Investment Strategy. President Marquez asked if the Board could reevaluate the investment strategy at future meetings (yes, it will be put in a board agenda for review in six months). Trustee Narum asked about the feasibility and sensibility of splitting funds in both Conservative and Moderately Conservative, either 50/50% or 25/75%, for example (the policy would fall somewhere in between the

Conservative and Moderate Conservative plan, Highmark does not offer that type of split option though). Trustee Bhat asked where the \$500k came from, originally (the funds are from the surplus revenue reserve) and commented that the District should choose the investment strategy with the least amount of risk. Trustee Narum commented on the importance of long-term plans, per a recent presentation at Stanford University, and how the District is aligned with these planning practices. Trustee Washburn commented that the investing process will take three years. Trustee Beatty asked for clarification on what the Board was voting on (Conservative vs Moderately Conservative Investment Strategy and Active vs Passive Portfolio). Trustee Hernandez commented that CalPERS investment strategy is capital management. The Board voted (11-1) to approve the Moderately Conservative Investment Strategy with the caveat that in six months the Finance Committee will review (Narum, Hernandez)—opposed by Trustee Bhat. The Board voted (10-2) to approve the Active Portfolio (Hernandez, Narum)—opposed by Trustees Bhat and Beatty. Trustee Young asked for a recommendation from Andrew Brown (Andrew Brown answered that Moderately Conservative could be considered appropriate at this point) and requested clarification on the fee structure. Trustee Hernandez commented on the current economic market and its impact on financial decision making.

David Alvey of Maze & Associates presented the Financial Audit and Memorandum on Internal Controls for Fiscal Year 2016-17. Trustee Narum commented that part of the audit process is to review proper internal controls for fraud protection. Trustee Bhat requested clarification on how the Board can approve a draft, what if the numbers change? Mr. Alvey and Trustee Narum answered that it is standard practice to approve an audit draft, followed by a certified final report. President Marquez asked how long the audit process took (approximately 1 week of field work, which began in November). The audit report was approved (Bhat, Washburn)—unanimous.

The President's Award Plaque was presented to Past Board President Kathy Narum by President Marquez.

The 5-year award, a pewter belt buckle, was presented to Trustee George Young.

The General Manager reported on the State of California Master Mutual Aid Agreement. The Board voted to approved resolution 1053-1 adopting the State of California Master Mutual Aid Agreement (Doggett, Brown)—unanimous.

During discussion of resolution 1053-2 recognizing the mosquito control benefits of Unmanned Aerial Systems (UAS, or "drones"), Trustee Narum commented on the concern for privacy of private home-owners regarding drones and asked if drones will be used over private homes (no, and the District will specify these restrictions in District policy). Trustee Beatty asked for clarification of the state law regarding mosquito control drone use (the law allows for the use of pesticide applications by mosquito control districts). Trustee Bhat asked if the Board had a budget for drone purchases (yes, \$40,000). Trustee Narum asked if the Board will discuss this policy further in the future (yes). The Board approved resolution 1053-2 (Beatty, Washburn)—unanimous.

The Board underwent a first reading of revisions to chapter 200 of ACMAD policy. Trustee Narum commented on the importance of preferring local vendors within Alameda County.

Trustees Beatty and Washburn gave a report on behalf of the Strategic Planning Committee meeting.

The Board reviewed warrants dated January 15, 2018 numbering 035518 through 037918 amounting to \$120,114.21 and warrants dated January 31, 2018 numbering 038018 through 040718 amounting to \$124,672.77. The Board reviewed the Budget, as well as Investments, Reserves, and Cash Balance as of January 31, 2018.

The General Manager presented the monthly staff report for January 2018. Trustee Washburn praised staff involvement at the annual MVCAC conference and commented that it was the best ACMAD representation in his 33 years of attending, and arguably the most contributions by any District regardless of its size. He also commented on the District's recent excellence in all fields and its positive influence and presence at the conference. Notable talks at the conference were given by ACMAD's Lab Director Eric Haas-Stapleton, and Trustee Washburn also provided recognition to multiple ACMAD papers that were either already in, or in process of publication in official scientific journals. Trustee Bhat asked where it will be held next year (Burlingame).

The General Manager presented the Manager's report for January 2018. A typo was noted- the CSDA Annual Dinner is on March 22nd, not 23rd, at 6:00 P.M. President Marquez and Trustees Beatty, Hernandez and Young stated they would attend the dinner. Trustee Narum asked about who the architect for capital projects was (Carlos Castillo) and if there were any bids in the works (the architect's fees are around \$1,500 thus far and a full bidding process will occur when the plans are finalized). Trustee Bhat asked about what the timetable was for the possible annexation of Albany (possibly by mid-year). Trustee Narum commented on the importance of setting up community meetings to discuss the annexation. Trustee Hernandez asked what the amount Albany would be taxed (tentatively, the same as other cities, but this process is yet to be finalized).

Board President Marquez asked for reports on conferences and seminars attended by Trustees. Trustee Washburn previously reported on his attendance of the annual MVCAC.


Board President Marquez asked for announcements from the Board. Trustee Bhat asked about Board committee availability (various committees can be joined). Trustee Brown asked about an opportunity to attend a CSDA leadership conference (yes, information will be provided). Trustee Hernandez asked when presentations are given to city councils (they were last given in 2016, planned again for fall of 2018 by the General Manager). Trustee Young commented on his frustration with the online ethics training module.

Board President Marquez asked trustees for items to be added to the agenda for the next Board meeting (none).

The meeting adjourned at 6:35 P.M.

Respectfully submitted,

Approved as written and/or corrected
at the 1054th meeting of the Board of
Trustees held March 14th, 2018


Elisa Marquez, President
BOARD OF TRUSTEES


Eric Hentschke, Secretary
BOARD OF TRUSTEES