

MINUTES OF THE SPECIAL CONTINUED ANNUAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
DOROTHY M. SAKAZAKI  
ENVIRONMENTAL ENDOWMENT FUND

MAY 10, 2018

1. CONVENE THE SPECIAL MEETING OF THE DOROTHY M. SAKAZAKI  
ENVIRONMENTAL ENDOWMENT FUND BOARD OF DIRECTORS

The Directors of the Dorothy M. Sakazaki Environmental Endowment Fund Nonprofit Public Benefit Corporation convened in a duly noticed special continued annual meeting at its regular place of meeting at the Mt. View Sanitary District Board Room, 3800 Arthur Road, Martinez, County of Contra Costa, State of California, on May 10, 2018, at 6:38 p.m.

2. ROLL CALL OF DIRECTORS

PRESENT: Directors Brian A. Danley and Elmer J. Schaal, Secretary David P. Maggi and President Stanley R. Caldwell

ABSENT: Director Gregory T. Pyka (Excused)

ALSO PRESENT: Mt. View Sanitary District (MVSD): District Manager Neal B. Allen, Assistant District Manager Lilia M. Corona, Secretary Sheri L. Riddle, District Engineer Christopher E. Elliott, and District Legal Counsel J. Daniel Adams

PUBLIC: None

3. PUBLIC COMMENT

None

4. NEW BUSINESS

A. MINUTES OF THE APRIL 12, 2018, MEETING OF THE BOARD OF DIRECTORS OF THE DOROTHY M. SAKAZAKI ENVIRONMENTAL ENDOWMENT FUND

1. REPORT FROM STAFF

MVSD District Legal Counsel Adams recommended approval of the minutes of the April 12, 2018, meeting.

2. CONSIDER ADOPTION OF A MOTION APPROVING THE APRIL 12, 2018, MINUTES

It was moved by Director Danley, seconded by Director Schaal, to approve the minutes of the April 12, 2018, Special Annual meeting of the Board of Directors of the Dorothy M. Sakazaki Environmental Endowment Fund.

Motion carried by the following vote:

AYES: Directors Danley and Schaal, Secretary Maggi and President Caldwell  
NOES: None  
ABSENT: Director Pyka  
ABSTAIN: None

B. MINUTES OF THE APRIL 30, 2018, MEETING OF THE AUDIT COMMITTEE OF THE DOROTHY M. SAKAZAKI ENVIRONMENTAL ENDOWMENT FUND

1. REPORT FROM STAFF

MVSD District Legal Counsel Adams recommended acceptance of the minutes of the April 30, 2018, meeting.

2. CONSIDER ADOPTION OF A MOTION ACCEPTING THE APRIL 30, 2018, MINUTES

It was moved by Director Danley, seconded by Secretary Maggi, to accept the minutes of the April 30, 2018, meeting of the Audit Committee of the Dorothy M. Sakazaki Environmental Endowment Fund.

Motion carried by the following vote:

AYES: Directors Danley and Schaal, Secretary Maggi and President Caldwell  
NOES: None  
ABSENT: Director Pyka  
ABSTAIN: None

C. COMBINED FEDERAL CAMPAIGN APPLICATION

1. REPORT FROM STAFF

Assistant District Manager Corona reported that at the Dorothy M. Sakazaki Environmental Endowment Fund (DMSEEF) Special Meeting held February 27, 2016, the Board of Directors authorized Mt. View Sanitary District

staff (MVSD) to take all necessary action to apply to be a 2016 affiliate of the United Way Bay Area including payment of the \$100 application fee from DMSEEF funds.

Assistant District Manager (ADM) Corona attempted to complete the Application Packet for Federation Member Charities seeking local inclusion in the Fall 2016 NorCal (0106) Combined Federal Campaign (Campaign), with the application materials supplied by Director Schaal. The application required the attachment of an audit if annual income / revenue exceeded \$100,000. In 2015, DMSEEF revenue exceeded the limit, but no audit was performed, and therefore the application could not be completed for 2016.

MVSD initiated the audit process for all prior years. This audit was completed for 2012 through 2016 and accepted by the DMSEEF Board on May 11, 2017.

Upon attempting to complete the 2018 Combined Federal Campaign application, ADM Corona discovered that the Campaign regulations and the application had changed. The application now requires that audited financial statements and IRS Form 990 must be prepared using the accrual method of accounting for organizations with revenues of \$100,000 or greater. The DMSEEF audited financial statements were prepared using the accrual basis of accounting. IRS Form 990 for tax year 2016 (latest available) was completed and filed by Cropper Accountancy using the cash basis of accounting. The Combined Federal Campaign established a new application system for 2018, which addresses this accounting method requirement for the first time. The previous application system did not address this requirement. Therefore, the Campaign application could not be completed for 2018.

The Combined Federal Campaign allows government employees the opportunity to contribute to charitable organizations through payroll deduction. Participating in this campaign gives non-profit organizations access to the world's largest workplace charity campaign. There are other workplace charity campaign organizations that offer similar access to private as well as governmental workplaces. These other organizations provide additional services to non-profits to enhance the non-profit's ability to raise funds. There are additional costs associated with these alternatives to the Combined Federal Campaign.

MVSD District Manager Allen is seeking direction on whether the Board wishes MVSD District Staff to continue efforts to participate in the Combined Federal Campaign or other workplace charity campaigns.

MVSD District Manager Allen recommended moving forward with the branding of the DMSEEF and then pursue a campaign next year.

## 2. COMMENT AND PROVIDE DIRECTION AS MAY BE REQUIRED

The Board directed MVSD staff to move forward with the branding of the DMSEEF and then pursue application for the Combined Federal Campaign or another workplace charity campaign next year.

### D. DOROTHY M. SAKAZAKI ENVIRONMENTAL ENDOWMENT FUND ANNUAL REPORT OF CORPORATION ACTIVITIES - 2017

#### 1. REPORT FROM STAFF

MVSD District Manager Allen reviewed the DMSEEF annual report which included discussion of the following items:

- 2017 Activities Conducted by the Dorothy M. Sakazaki Environmental Endowment Fund (Corporation)
- Peyton Slough Hydraulic Relief Project
- MVSD Wetlands Fieldtrip Program
- Audit Committee Meeting
- Annual Meeting
- Appointment of Ad Hoc Committee – Dorothy M. Sakazaki Environmental Endowment Fund “Branding”
- Actions Taken to Receive Funds
- Annual Report Required Components
- Assets and Liabilities
- Principal Changes in Assets and Liabilities
- Revenue or Receipts of the Corporation
- Expenses of the Corporation
- Corporation Transactions
- Indemnifications or Advances Paid
- Independent Auditors Report

#### 2. COMMENT AND PROVIDE DIRECTION AS MAY BE REQUIRED

There was no direction provided.

#### 3. CONSIDER ADOPTION OF A MOTION ACCEPTING THE ANNUAL REPORT

It was moved by Director Danley, seconded by Secretary Maggi, to adopt a motion accepting the Annual Report.

Motion carried by the following vote:

AYES: Directors Danley and Schaal, Secretary Maggi and President Caldwell  
NOES: None  
ABSENT: Director Pyka  
ABSTAIN: None

E. DOROTHY M. SAKAZAKI ENVIRONMENTAL ENDOWMENT FUND (DMSEEF) –  
CONFLICT OF INTEREST POLICY PERIODIC REVIEW

1. REPORT FROM STAFF

MVSD District Legal Counsel Adams reported Article VI of the DMSEEF Conflict of Interest Policy States as follows:

**“Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.”

MVSD District Legal Counsel Adams stated the Board of Directors has received the Annual Report of the DMSEEF's 2017 Fiscal Year activities under Agenda Item 4D at this meeting. Upon receipt of the Annual Report, it can be confirmed that the DMSEEF is operating in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. It is thereby requested that the Board, having completed review of the Annual Report, adopt the following motions:

- a. Based upon the fact that Directors and Staff donate their time without any compensation, current compensation arrangements and benefits are reasonable; and
- b. Current operations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not

result in inurement, impermissible private benefit or in an excess benefit transaction.

It is further requested that each Director arrange with the MVSD Board Secretary to execute the original Conflict of Interest Policy "Annual Statement" a copy of which is included in the meeting materials.

2. CONSIDER ADOPTION OF A MOTION FINDING AS FOLLOWS:

- a) BASED UPON THE FACT THAT DIRECTORS AND STAFF DONATE THEIR TIME WITHOUT ANY COMPENSATION, CURRENT COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE; AND
- b) CURRENT OPERATIONS CONFORM TO THE ORGANIZATION'S WRITTEN POLICIES, ARE PROPERLY RECORDED, REFLECT REASONABLE INVESTMENT OR PAYMENTS FOR GOODS AND SERVICES, FURTHER CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT, IMPERMISSIBLE PRIVATE BENEFIT OR IN AN EXCESS BENEFIT TRANSACTION

It was moved by President Caldwell, seconded by Director Schaal, to adopt a motion finding that based upon the fact that Directors and Staff donate their time without any compensation, current compensation arrangements and benefits are reasonable; and current operations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Motion carried by the following vote:

- AYES: Directors Danley and Schaal, Secretary Maggi and President Caldwell
- NOES: None
- ABSENT: Director Pyka
- ABSTAIN: None

F. ACCEPTANCE OF FUNDS FOR THE PEYTON SLOUGH HYDRAULIC RELIEF PROJECT

1. REPORT FROM STAFF

MVSD District Manager Allen reported the Mt. View Sanitary District received a check from Andeavor Logistics LP (Tesoro Martinez Refinery) in the amount of \$5,720 as additional contribution toward the completion of the

Peyton Slough Hydraulic Relief Project. MVSD District Manager Allen recommended the board adopt a resolution accepting the check.

2. CONSIDER ADOPTION OF RESOLUTION NO. 026-2018 ACCEPTING FUNDING FROM ANDEAVOR LOGISTICS LP (TESORO MARTINEZ REFINERY) FOR THE PEYTON SLOUGH HYDRAULIC RELIEF PROJECT

It was moved by President Caldwell, seconded by Secretary Maggi, to adopt Resolution No. 026-2018, a resolution of the Board of Directors of the Dorothy M. Sakazaki Environmental Endowment Fund accepting funding from Andeavor Logistics LP (Tesoro Martinez Refinery) for the Peyton Slough Hydraulic Relief Project.

Motion carried by the following vote:

AYES:	Directors Danley and Schaal, Secretary Maggi and President Caldwell
NOES:	None
ABSENT:	Director Pyka
ABSTAIN:	None

5. COMMUNICATIONS

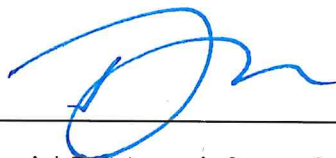
None

6. FUTURE BOARD ITEMS

A. REQUESTS AND DIRECTIVES FOR FUTURE MEETINGS

7. ADJOURNMENT TO THE MVSD REGULAR BOARD MEETING

At 7:09 p.m. President Caldwell adjourned the meeting to the Mt. View Sanitary District Board of Directors Regular Board Meeting.



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David P. Maggi, Secretary