

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 22, 2010

TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

I. Call to Order: Vice President James called the meeting to order at 7:08 P.M.

II. Roll Call:

Present:	James, Merrill, Miller, O'Keefe
Absent:	Brand (provided prior notice of absence)
Others Present:	Jennifer Faught, for District Counsel Douglas Humphrey, District Manager

Agenda Items: Directors and Officers of the Board did not announce any conflicts of interest posed by items on the meeting agenda.

III. Public Comment: There was no public comment.

IV. Approval of Minutes

A. Approval of Minutes of April 8, 2010 Board Meeting

MOTION: By Miller, seconded by Merrill, to approve the minutes of the April 8, 2010 Board Meeting, as corrected.

VOTE: AYES: Merrill, Miller, O'Keefe, James
NOES: None
ABSTAIN: None

V. Communications

A. Oral Communications:

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings

Miller reported on his attendance at a recent County Special District Association meeting. He said that Dwight Meadows was re-elected as the special district representative to Local Agency Formation Commission (LAFCO) and that George Schmidt would be the alternate representative again. James reported that he had attended a Kensington Improvement Club meeting.

One item discussed at this meeting was the issue that a parcel tax that would provide additional funds for the Police Protective and Community Services District will be on the ballot this next election. James said the tax would provide about \$1 million per year in addition to the current \$1.5 million for police services. James said he also attended a public meeting held by East Bay Municipal Utility District (EBMUD) to describe EBMUD's project to modify Summit Reservoir. James said the plan seems sound; it would remove the dual earthen dams constructed about 120 years ago and replace the 37 million gallon reservoir with a 5 million gallon steel tank.

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B. Written Communications: None.

VI. Reports of Staff and Officers

A. Attorney's Report: Ms. Faught said she had no special report for tonight's meeting. Humphrey distributed a summary memo from Mike Riback regarding the duty to defend employees and officers of the District, and pointed out that Riback has asked to discuss this issue in his presence at a future meeting.

B. Manager's Report:

1. Monthly Maintenance Summary Report – March 2010. Humphrey reported that March had been a fairly typical month for maintenance activities. About 65,000 feet of lines had been cleaned by the field crews and about 21,000 feet of lines had been videoed. There were 11 service calls and 6 of these were due to problems in private laterals. There were 2 main line problems that resulted in overflows and there are 11 total overflows now for the last twelve months. Both overflows were small, but unfortunately both entered into homes. Humphrey said he does not anticipate claims on either of these.
2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects. There were no repairs or projects to report.
3. Capital Improvement Projects. Humphrey said the pipebursting contractor has returned to the District and is now working on replacements for Stege again.
4. Miscellaneous Items. Humphrey said there were no items to report.

VII. Business

A. Administration Building Project – Project Status Update

Humphrey informed the board that, Stege had received a temporary occupancy report on Monday and consequently began moving into the new building immediately. Humphrey said there are many issues that need to be resolved as with any new building or home, but that staff was pleased to be in the new building and working on getting settled and transitioned to new offices. He commented that staff had been tremendous in making this move, particularly the field crews in moving the numerous boxes and some furniture items as well. Everyone had assisted and done their part, it had been a true team effort. He told the Board that the invitations to the open house on May 27 would be sent in the next two weeks and that staff was working on details to ensure everything is ready for this open house.

B. Draft Budget FY 2010/2011

Humphrey provided the Board a summary of the draft budget and pointed out that he had developed this draft in the format of two reserve funds, as recommended by Bartle Wells, the District's financial consultant who prepared the recent rate study. There was a lengthy discussion about details in the budget and several changes were suggested. Humphrey said he would revise the budget accordingly for further review at future meetings. The draft

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Proposition 218 rate increase notice was also reviewed in detail and the Board made several recommendations and directed Humphrey to get a final version prepared, printed and mailed to property owners. The Board decided that protests would be accepted by mail, in person, or by fax, but not by electronic messages. The Board also agreed that any protest submitted must be signed by the property owner in order to be accepted as a valid protest.

C. Stege's Administrative Order (AO) and East Bay Municipal Utility District (EBMUD) Stipulated Order (SO) Status

Humphrey reported on the status of work on the AO and EBMUD's SO, as well as his attendance at numerous meetings related to these. He pointed out that Stege had submitted a revised overflow response plan to the Environmental Protection Agency (EPA) and the regional Board by April 15, 2010, as required by the Stege AO. He informed the Board that Oakley Water Strategies is preparing a master calendar for all important milestones and deadlines associated with the AO and SO over the next three years. The product will be a report that can be used by all East Bay Collection System agencies, including Stege, once completed in the next few weeks.

VIII. Monthly Financial Statements –March 2010

A. Monthly Investment, Cash, Receivables Report, March 2010

B. Monthly Operating, Statement, March 2010

C. Financial Issues

Humphrey said the financial reports indicate that expenses are about as expected for this time of the fiscal year and close to budgeted amounts.

IX. Approval of Checks

1. Checks for March 2010 - Fund No. 3418 & 3423.

MOTION: By Merrill, seconded by Miller, to approve payment of the bills, Check Nos. 20067 through 20101, in the amount of \$184,351.95 from Fund Nos. 3418 & 3423.

VOTE: AYES: Merrill, Miller, O'Keefe, James

NOES: None

ABSTAIN: None

X. Future Agenda Items

May 13, 2010

Draft Budget FY 2010/11

District Investment Policy

Lateral Program – EBMUD or Stege Sanitary District?

Directors' Meeting Compensation

May 27, 2010

Draft Budget – FY 2010/11

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4th July Discussion

EBMUD SO

Governmental Accounting Standards Board (GASB) 45 – Other Post Employment
Benefits (OPEB) Discussion

Administrative Building “Open House” (4-6 P.M., prior to meeting)

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:27 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, May 13, 2010 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary