

MEETING OF AUGUST 27, 2009

TIME OF MEETING: 7:00 P.M.

\*\*\*\*\* **MINUTES** \*\*\*\*\*

**I. Call to Order:** President Merrill called the meeting to order at 7:00 P.M.

**II. Roll Call:** Present: Brand, James, Miller, O’Keefe, Merrill  
 Others Present: Mike Riback, District Counsel  
 Rex Delizo, Deputy District Manager  
 Doug 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 August 6, 2009 Board Meeting

MOTION: By James, seconded by Miller, to approve the minutes of the August 6, 2009 Board Meeting as corrected.

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

B. Approval of Minutes of August 10, 2009 Special Board Meeting

MOTION: By James, seconded by O’Keefe, to approve the minutes of the August 10, 2009 Special Board Meeting as corrected.

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

**V. Communications**

A. Oral Communications:

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
  - a. Board members provided reports on issues discussed at the California Association of Sanitation Agencies (CASA) held in San Diego, August 12-15, 2009. Miller said the California Forward program presentation was very good, as was the California Sanitation Risk Management Authority (CSRMA) training. Overall, he thought the conference was not up to the quality of typical CASA conferences in recent years. O’Keefe said the presentation by Las Virgenes of their 50<sup>th</sup> anniversary events and items was very good and may be helpful as

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we approach Stege's 100<sup>th</sup> anniversary. She mentioned that the presentation on the private sewer lateral task force was a good summary of their efforts, but commented to Dave Williams that enforcement of lateral ordinances was not addressed. James said he liked the CSRMA seminar and said it was motivational, but not too much. He said the presenter provided good examples of management decisions. Merrill said he thought the presentations were somewhat spotty. He spoke about the details of the Encina Wastewater Treatment Plant presentation on its biosolids treatment. Merrill also noted that at the Private Lateral Task Force meeting Friday morning, Tim Anderson, State Legislative Chairperson, reported that Sonoma County has a voluntary assessment program where homeowners can finance energy saving improvements to their homes and put up to \$7,000 on their property tax bill to be paid off over ten years. The County earns

- b. 7% interest, better than the Local Agency Investment Fund (LAIF); Anderson suggested that lateral repairs could be finance similarly.

Miller commented that the Cerrito Theater will begin food service in mid to late September. O'Keefe said the El Cerrito Planning Commission received information on a proposed project on the parcel behind Marshall's that would include 61 units and a training center for the blind.

**B. Written Communications:**

1. Candidate Statements, Region 3, California Special Districts Association (CSDA) 2009 Board Elections. The Board discussed the different candidates briefly and directed the District Secretary to cast the Stege ballot for the incumbent, Dr. Kohnen.
2. California Association of Sanitation Agencies (CASA) August 17, 2009 – Alert – State Water Board Fees for NPDES Permits. The Board said this issue had been mentioned at the CASA conference. The state is proposing a different structure for NPDES permit fees, but it is unclear if it will result in an increase of fees for collection agencies.

**VI. Reports of Staff and Officers**

- A. Attorney's Report: Riback reported that the CASA attorneys group is working on a "best practices" guide for handling the issue of indemnification between design professionals and the agencies that hire them.

**B. Manager's Report:**

1. Monthly Maintenance Summary Report – July 2009  
Humphrey reported that July was a remarkable month because there were only 4 service calls the entire month, an unusually low figure. There were no overflows caused by stoppages in main lines and the total for the past 12 months is now only 8. All of the calls were after normal working hours and one of those 4 required immediate response.
2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

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Humphrey said there were no repairs to report.

3. Capital Improvement Projects

The pipebursting contractor completed about three weeks of work for Stege and will return later in the fall after completing work in other local agencies. Staff still updates its replacement priority on a continuous basis as video work is done every week, so there is plenty of replacement work ready for the contractor.

4. Miscellaneous Items

Humphrey said that the East Bay Municipal Utility District (EBMUD) has not yet announced who they have hired to be their program coordinator for the work on their Stipulated Order.

**VII. Business**

A. Administration Building Project – Project Status Update

Humphrey gave the Board a brief status report on the building project. He said there had been some difficulties in dealing with the City Building Official, but it has not delayed the project and the contractor plans to pour the foundation on Monday. Humphrey said that framing will occur after that and should be done before the end of September.

B. Stege National Pollutant Discharge Elimination System (NPDES) Permit Status

Humphrey provided the Board with a detailed report on the permit issue and referred the Board to his background reports and letters included in the agenda packet. He indicated that the Regional Board staff has agreed to the suggested modifications regarding the anti-backsliding issue, so Kent Alm of Meyers Nave will be working with the Regional Board's Counsel to modify the permit language. He also said that the permit adoption hearing has been delayed until November and the comment deadline is now October, essentially a two month extension. The Environmental Protection Agency (EPA) plans to provide draft administrative enforcement orders the week after Labor Day, and the EPA Regional Administrator, Alexis Strauss, and the Regional Board Executive Officer, Bruce Wolfe, have offered to meet with the political bodies of the satellite agencies to explain the orders. The target period for these meetings is the end of September and early October, after enforcement orders are provided and prior to the comment deadline for the permits.

C. Resolution No. 1957-0809 Establishing Salary of the District Manager/Engineer

MOTION: By James, seconded by O'Keefe, to approve Resolution No. 1957-0809 Establishing Salary of the District Manager/Engineer.

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

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D. Enforcement Discussion – Backflow Prevention Devices, Laterals, Smoke Testing

Humphrey introduced the issue and reminded the Board about previous discussions on the subject. He said that Delizo had provided Counsel with copies of the warning letters now used for both the lateral testing and smoke testing program follow up. Counsel has given feedback about improvements that should be made to these letters to property owners, such as date certain times for corrections and designation as first, second and final notice, essentially using the letterw as a progressive process leading to a hearing before the Board. Riback also said that he would prepare a “district counsel letter” for non-compliance related lateral testing that points out the non-compliance and threatens legal action if compliance does not occur by a certain date. Directors Miller, James and Merrill all indicated they liked this approach and think that the District needs to follow through with one or two enforcements to identify the time and expenses involved with the process. Miller also expressed his thought that the warning letters need to provide staff contact information for individuals that may not have web access, since the current letters refer to the District web site to obtain certain information. Humphrey expressed his concern about the expense and staff time and involvement to fully enforce, essentially replace a lateral on private property when only 8% of the sales since January 2008 could be considered “non-compliant”. Humphrey said the compliance rate has steadily increased since the program was initiated in 2005, staff tracks it weekly, and enforcement could be instituted anytime in the future if and when compliance rates decrease. His other concern was about a “final” notice to non-compliant owners; he asked why staff should send a final notice unless it absolutely intends to take the enforcement process through a hearing and get the lateral into full compliance. His thought is that the progressive notices and designation of a final notice may cause a problem unless the plan is to take all noticed properties through the entire enforcement process.

E. Sewer System Management Plan (SSMP) - Approval of Revised Plan

Humphrey explained the State’s requirement for SSMPs differed from the Regional Water Board’s in that a Communications section is required. The Regional Board’s deadlines were met last August and the State’s final deadline for completion of all SSMP elements is August 31, 2009. In addition, the State requires that the agency’s political board formally approves the SSMP; therefore, approval of the draft SSMP is recommended at tonight’s meeting.

MOTION: By Miller, seconded by Brand, to approve the revised SSMP presented to the Board at tonight’s meeting.

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

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**VIII. Monthly Financial Statements – July 2009**

A. Monthly Investment, Cash, Receivables Report, July 2009

B. Monthly Operating, Statement, July 2009

Humphrey said this was the first report of the new fiscal year, although the books for the previous year have not yet been closed. Miller noticed a discrepancy of one dollar in a couple of places and Humphrey said he would check with the bookkeeper, but he suspects this is caused by rounding figures to the nearest dollar. Merrill pointed out that no interest was posted on the operating report but it appears from the cash and receivables report that interest was received. Humphrey said the interest received would have been the quarterly interest from last fiscal year, but he thinks there should be interest posted for the month on the operating report. Again, he said he would check this with the bookkeeper.

C. Financial Issues

Humphrey said the auditor plans to return next week and present the audit report to the Board in October.

**IX. Approval of Checks**

1. Checks for August 2009 - Fund No. 3418

MOTION: By James, seconded by O’Keefe, to approve payment of the bills, Check Nos. 19452 through 19499 in the amount of \$213,012.84 from Fund Nos. 3418 & 3423.

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

**X. Future Agenda Items**

**September 10, 2009**

Consideration of Use of Public Art in Administration Building Project  
 Smoke Testing Update  
 Administration Building – Security, Furniture, Phones

Potential litigation was also discussed briefly and Counsel was asked to look at how a discussion may be placed on the agenda, perhaps a closed session.

**September 24, 2009**

Adopt Employee Incentive Award Goals & Objectives for FY 2009/10  
 Administration Building Project Status  
 Stege NPDES Permit & EBMUD SO  
 System Offer to EBMUD/Private Lateral Inspection Program  
 Record Retention Program

Humphrey informed the Board that the Executive Officer of the Regional Board, Bruce Wolfe, has offered to attend this meeting to discuss the upcoming

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administrative enforcement order that will be issued by EPA to Stege shortly after Labor Day. The Regional Director of the EPA may also be able to attend the meeting. The Board indicated they would like to accept this offer.

**XI. Adjournment**

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:41 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, September 10, 2009 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

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Douglas Humphrey  
STEGE SANITARY DISTRICT  
Secretary