

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF AUGUST 16, 2010

TIME OF MEETING: 7:00 P.M.

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

**I. Call To Order:** President Brand called the meeting to order at 7:08 P.M.

**II. Roll Call:** Present: Merrill, Miller, O'Keefe, Brand  
 Absent: James (provided prior notice)  
 Others Present: Steven T Itelson, Consulting Actuary  
 Douglas Humphrey, District Manager

**Agenda Items:** Directors and Officers of the Board did not announce any conflict 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 July 22, 2010 Board Meeting

MOTION: By O'Keefe, seconded by Miller, to approve the minutes of the July 8, 2010 Board Meeting, as corrected.

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

Item VII. A was taken out of order at this time during the meeting.

**VII. A. Other Post-Employment Benefits (OPEB) and Consideration of Investment of Funds into Trust**

Humphrey introduced the actuary who performed the recent OPEB analysis for Stege, Mr. Steve Itelson. Itelson explained the process he undertakes to complete an OPEB analysis and some of the underlying assumptions. He summarized the results of the Stege analysis and explained how Stege can use the results, whether or not the Board decides to use a trust for investment of its retiree health funds. He answered several questions from Directors, including why rate of return assumptions are set at the levels they are for the Public Employees Retirement System (PERS) trust. He also reminded the Board that he can provide another "scenario" calculation as part of his contracted service and also said he could participate in a future board meeting by conference call if needed. He told the Board that the rate for an individual for Kaiser Medicare supplemental coverage through PERS is dropping to \$282 per month in January 2011. Itelson also suggested that if the Board decides to invest OPEB funds into a trust, it would be advisable initially to put portion of the unfunded liability in trust rather than the full amount.

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**V. Communications**

A. Oral Communications:

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

a. City & Community Meetings: There were no reports by Directors.

B. Written Communications: Humphrey said there were no communications to consider.

**VI. Reports of Staff and Officers**

A. Manager's Report:

1. Administrative Order (AO)/Stipulated Order (SO) Issues

2. Administration Building – Status

3. Policy Regarding Video of Meetings

4. Hybrid Vehicle Purchase

Humphrey gave the Board a brief update on SO issues, what he could do without violating confidentiality of settlement conferences. He also provided a very brief update on some remaining issues with the building project. Jen Faught from Meyers Nave prepared a summary memo regarding the video of Board meetings and the Board decided it would revise its Board policies and procedures accordingly.

**VII. Business**

A. Other Post-Employment Benefits (OPEB) and Consideration of Investment of Funds into Trust

This item was taken out of order immediately after approval of the minutes.

B. Resolution No. 1970-0810 Accepting Completion of the Work and Directing Filing of Notice of Completion for the Standard Pipe Bursting Project, Stege Sanitary District Project No. 08201

MOTION: By Merrill, seconded by O'Keefe, to approve Resolution No. 1970-0810 Accepting Completion of Work and Directing Filing Notice of Completion, Standard Pipe Bursting Project, Stege Sanitary District Project No. 08201.

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

NOES: None

ABSTAIN: None

C. Award of Contract – Standard Sewer Rehabilitation Project No. 10201 – July 2010

Humphrey pointed out that the bid from D'Arcy & Harty is considerably less than the other bidders, but that the unit prices from them are lower on almost all the items in the bid, not just one or two items. He said he believes they simply wanted this job and that's why they bid lower than the other bidders.

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He also reminded the Board that D'Arcy has worked for the District previously and staff had no problems or issues with their work, which was excellent.

MOTION: By Merrill, seconded by Miller, to award the Standard Sewer Rehabilitation Project No. 10201 – July 2010 to D'Arcy & Harty Construction Inc.

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

**VIII. Approval of Checks**

A. Checks for July 2010 - Fund No. 3418 & 3423

MOTION: By Merrill, seconded by Miller, to approve payment of the bills, Check Nos. 20357 through 20406, in the amount of \$98,436.64 from Fund Nos. 3418 & 3423.

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

**IX. Future Agenda Items**

**August 26, 2010**

Closed Session – Meet with Labor Negotiator (Manager's Compensation)  
 East Bay Municipal Utility District (EBMUD) Stipulated Order (SO) &  
 Administrative Order (AO)

Salary Survey

Closed Session – District Counsel Performance Evaluation

Resolution Establishing Salary of District Manager

**September 9, 2010**

District Emergency Response Preparedness Plan

Leadership in Energy and Environmental Design (LEED) Status & Points  
 Determination

**X. Adjournment**

The meeting of the Stege Sanitary District Board of Directors was adjourned at 9:49 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, August 26, 2010 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