

MEETING OF JANUARY 31, 2008

TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

I. **Call to Order:** O'Keefe called the meeting to order at 7:02 P.M.

II. **Roll Call:** Present: Merrill, Miller, O'Keefe
Absent: James (provided prior notice of absence)
Brand (provided prior notice of absence)
Others Present: Mike Riback, 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.

CLOSED SESSION

Public Employee Performance Evaluation (Government Code Section 54957)

Title of Position: District Manager

The Board briefly discussed if they wanted to hold the session since two Directors were absent from the meeting.

MOTION: By Miller, seconded by Merrill, to defer the closed session until the next meeting since only three Board members are present.

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

IV. **Approval of Minutes**

A. Approval of Minutes of January 17, 2008 Board Meeting.

Merrill suggested some minor changes and Miller noted that staff had already made a revision to include Merrill's request for three phase power for the new building.

MOTION: By Miller, seconded by Merrill, to approve the minutes of the January 17, 2008 Board meeting as corrected.

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

V. **Communications**

A. Oral Communications:

1. Brief reports from Directors on matters related to the District, including

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attendance at city or community meetings. Miller said he missed the local Special District Association meeting. O'Keefe noted the recent California Special District Association (CSDA) newsletter requested articles, and commented that the District should consider sending an article in the future.

B. Written Communications:

1. January 18, 2008 Correspondence from Mr. Andy and Ms. Susan Dean. Humphrey summarized the situation regarding the Deans' claim, and said that everything is now finished to the Deans' satisfaction. He said this event highlighted the need for better communications with the claims administrator, and staff has already had follow-up training to go over the proper procedures for Stege in these situations when there are back-ups into homes or businesses.

VI. Reports of Staff, Officers, and Committees

A. Attorney's Report: Riback said he had no report this evening. He answered questions from Directors about Form 700 "Statement of Economic Interests".

B. Manager's Report:

1. Monthly Maintenance Summary Report – December 2007. Humphrey reviewed the monthly report with the Board and commented that the majority of field crew time was spent on assisting a contractor with the cleaning of the large diameter lines in Central Avenue. A total of about 8500 feet of lines were cleaned and about 100 feet was videoed. There was one main line overflow. There were 13 service calls and 7 of these were related to lateral problems. There were 10 after-hours calls for service, and 8 of these required an immediate response. Humphrey commented that the maintenance work is still in a transitional state, in that the goal is to work towards a system that includes video work first to determine if cleaning is needed, as well as post cleaning video to assess the quality of cleaning. This requires very reliable video equipment, and Humphrey indicated he will request a new video camera in next year's budget.
2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects. Humphrey reported there had been three repairs for a total expense of \$11,861, and the Central Avenue repair actually is part of the cleaning project and that expense will be recategorized as such.
3. Capital Improvement Projects. Humphrey said that the contractor is finished and the contract period is now expired. Staff is working on bid documents for another similar pipebursting project.
4. Miscellaneous Items – Humphrey provided the Board a brief report on miscellaneous issues. He said that Fred Bondoc is still undergoing rehabilitation following shoulder surgery. Fred may return on limited duty in February and will not be on full duty status until late March at the earliest. He said that he and Rex Delizo had attended the Bay Area Clean Water Agencies (BACWA) annual meeting and collection systems committee meeting earlier this week. He said that he has been invited to the next East Bay Municipal Utility District (EBMUD) blue ribbon panel

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meeting on February 19th and thinks this could be a very important meeting regarding the permitting of EBMUD wet weather treatment facilities and the impact on the satellite agencies.

VII. New Business

A. Fiscal Year 2006-2007 Financial Audit Report.

Merrill commented again that he would like to see the previous year's numbers in the report, for comparison purposes. Humphrey noted that some of this is included in the management report he prepares which is included in the front of the audit report. Merrill said he would like to see this data in the auditor's portion of the report. Miller said he believes the format used in Stege's report is customary for this type of organization, and noted that Stege is not a for-profit business. O'Keefe suggested that Merrill can ask the new auditors, once selected, if they can provide this in future audit reports.

Merrill also noticed a typographical error on page 8, and Humphrey said he would make sure this is corrected to state 50% instead of 0.5%.

MOTION: By Merrill, seconded by Miller, to accept the Fiscal Year 2006-2007 financial audit report, including a corrected figure on page 8.

VOTE: AYES: Merrill, O'Keefe, Miller
 NOES: None
 ASBTAIN: None

B. Long-Range Planning Workshop Discussion. Humphrey explained he had developed the draft agenda to help focus the workshop on true long-range issues. He summarized the agenda and pointed out that the topics all relate to the top three goals identified by the Board as part of their strategic planning work. There was discussion about the specific topics, time allotted to each, and the sequence of the topics. Some changes were suggested and Humphrey said he would revise the LRP schedule accordingly for further review at the next meeting.

C. Administration Building Project – Update. Humphrey provided the Board with a project update and explained the status of a potential joint effort with the City El Cerrito in the use of an environmental consultant. The City believes they need to prepare a mitigated negative declaration (MND) for their recycling center project and suggested that Stege team with them to cover the Stege project as well. Humphrey said he has worked with City staff this week in case this is needed, but he was surprised that City planning staff thought a MND might be necessary for Stege's project. Furthermore, he thinks it is problematic to have one report or document prepared for both the City and Stege project, because any issues or problems with the City project could potentially delay Stege's project. He asked Riback if his firm could help and Riback said that was a good idea. Riback said that he has a partner that

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specializes in environmental work and he suggested he would speak with her and follow up with Humphrey on this issue. He also said that he thought the first step was to determine if there's a need to prepare an environmental impact report, which he believes is questionable. He also suggested that Humphrey contact the City staff and let them know that Stege would prepare its own, separate EIR if it determines one is needed; Stege should not make use of one joint report and MND with El Cerrito, but should have one of its own if one must be prepared. Riback said he would set up a meeting with his partner and Humphrey to go over his firm's findings after they conduct an initial study for the project and determines whether or not the project qualifies for a categorical exemption.

VIII. Monthly Financial Statements – December 2007

- A. Monthly Investment, Cash, Receivables Report, December 2007.
- B. Monthly Operating, Statement, as of December 2007.
- C. Financial Issues.

Humphrey noted there were no significant issues to discuss. Expenses are generally within budgeted amounts, and the total expenses are within budget.

IX. Approval of Checks

- 1. Checks for January 2008 - Fund No. 3418.

MOTION: By Miller, seconded by Merrill, to approve payment of the bills, Check Nos. 18116 through 18143 in the amount of \$37,189.10 from Fund Nos. 3418 & 3423.

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

X. Future Agenda Items

February 14, 2008

- Long-Range Planning Workshop – Discussion about Topics
- Bill Paying Process
- Administration Building Project – Environmental Report Requirements

February 28, 2008

- Presentation of Safety Superstar Award & Updated Safety Programs (David Patzer)
- Administration Building Project – Status Report
- Long Range Planning Discussion

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XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 8:47 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, February 14, 2008 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary