

MEETING OF JANUARY 28, 2010

TIME OF MEETING: 7:00 P.M.

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

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

**II. Roll Call:**

Present:	James, Merrill, Miller, Brand
Absent:	O’Keefe (provided prior notice of her absence)
Others Present:	Mike Riback, District Counsel Tom Gaffney, Bartle Wells Consultants Rick Nedell, Anchor Engineering 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.

Item VII. D was taken out of order at this time in the meeting.

**VII.D Consideration of Approval of Rate Consultant – Bartle Wells**

Humphrey introduced Mr. Tom Gaffney of Bartle Wells and said he was present to propose his services to the Board and answer any questions the Board may have about his firm, his experience, and his proposal. Humphrey said he had worked with Mr. Gaffney in the past and that Bartle Wells’ experience in working with public agencies, particularly water and wastewater agencies, was extensive as witnessed by their client list. James said he thinks the use of Bartle Wells is a good idea and a three year horizon for rate setting is appropriate. Miller said he agrees. Merrill expressed his reservations about the need for a consultant at this time. He said that we do not know enough about the future requirements to set rates too far in advance. He said he also believes that staff and the Board have enough data to set the near term rates without the assistance of a consultant. He believes that we should wait and conduct a rate study later, after there is more definition of needs and requirements, for a five year period of possible increases. Brand asked Humphrey if there were advantages to waiting until the next meeting when O’Keefe would also be present. Humphrey said that a possible advantage would be if it helped the Directors be more certain or comfortable with their decision, but cautioned that time was of the essence given the need for public notice and hearings after the Board decides about a rate increase, if there is to be an increase. Brand also expressed concern since Mr. Gaffney said that Stege’s rate was relatively low for the Bay Area and California, and wanted to make sure there were no preconceived ideas about the need for and magnitude of proposed rate

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increases. James said he believes the Board should take action now if it chooses to hire a consultant this fiscal year.

MOTION: By James, seconded by Miller, to contract with Bartle Wells for the proposed rate setting services in an amount not to exceed \$19,000.

VOTE: AYES: James, Miller, Brand  
 NOES: Merrill  
 ABSTAIN: None

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

VII. A. Administration Building Project – Project Status Update and Consideration of Increase to Anchor Engineers Construction Management Services

Humphrey introduced Mr. Rick Nedell of Anchor Engineers and said Mr. Nedell was present to provide a project update as well as to explain his request for additional funds for construction management (CM) services for the project. Nedell informed the Board that the project was proceeding very well and said this has been a very good project since the relationship among the contractor, owner, designer and construction manager has been very positive and cooperative. The only concern is that the schedule for completion is now estimated to be mid-March, due to weather delays in the completion of site work and paving. Nedell also explained the need for additional funds for CM services in order for Anchor to manage construction to project completion. He said the need was the result of three main issues; the addition of CM for demolition work and contractor prequalification services, the delay in project start last summer, and the additional time required due to weather issues. Nedell reminded the Board that he has worked for the District over twenty years and has asked for additional funds only once before, his record is that he usually spends less than his contract amount. Also, his original estimate of services required are very close to what is now requested with this request. James asked what the demolition contract amounted to, and when told that it was \$80,000 remarked that the \$39,500 CM cost was a higher ration than usual. Mr. Nedell explained that the contractor had taken eight weeks to complete the demolition, rather than the usual ten days.

MOTION: By Miller, seconded by James, to increase Anchor Engineer’s contract for CM services for the Administration Building project by \$85,528.

VOTE: AYES: James, Merrill, Miller, Brand  
 NOES: None  
 ABSTAIN: None

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**CLOSED SESSION**

**Public Employee Performance Evaluation** (Government Code Section 54957)

Title of Position: District Manager

The Board entered into closed session at 8:41 P.M. The Board returned to open session at 9:00 P.M. and President Brand announced the Board had taken no reportable action.

**IV. Approval of Minutes**

A. Approval of Minutes of January 7, 2010 Board Meeting

MOTION: By Merrill, seconded by James, to approve the minutes of the January 7, 2010 Board Meeting, as corrected.

VOTE: AYES: James, Merrill, Miller, Brand,  
 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 meeting of the Contra Costa Chapter meeting of the California Special District’s Association (CSDA) and said the main item was simplifying the rules regarding the special district selection committee, which selects the special district representatives to the Local Agency Formation Commission (LAFCO). Miller also attended two El Cerrito City Council meetings. A new curfew ordinance and the City’s reserve policy were discussed at the January 19 meeting. Transit-oriented development (TOD) and the expansion of paving plans were also discussed at the meeting.

a. California Association of Sanitation Agencies (CASA) in Palm Desert, January 13-15, 2010

James commented that the one-half day California Sanitation Risk Management Authority (CSRMA) session was good and the length of the seminar was a good idea. He said he attended the program planning committee and suggested that in future conferences that they do not schedule overlapping sessions. Merrill commented that he thought the overall schedule was better, the previous Saturday sessions did not include much and were poorly attended. He said the disposable wipe issue was discussed and that Humphrey should follow up with a copy of Stege’s newsletter to Mike Dillon, who is consulting with Jared Huffman on his proposed legislation on the matter. Merrill also said the proposed requirement that agencies mark private laterals as part of the USA process was also discussed in committee meetings. Miller said he enjoyed the CSRMA seminar, particularly the

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functional capacity testing program and the CSRMA safety program incentives. Miller suggested that Humphrey place that incentive program on a future agenda for discussion by the Board. He also showed the CSRMA Risk Management calendar as an example of what might be done for the Stege 100<sup>th</sup> anniversary celebration in 2013.

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

**VI. Reports of Staff and Officers**

- A. Attorney’s Report: Riback reported on legislation by Senator Correia, Senate Bill 694. The bill provides for increasing the limit that mandatory bids are required for public agency projects, provided that the agency adopt and follow the uniform construction cost accounting system. He reported that Leno has introduced a Brown Act bill and there is also a bill related to increasing the maximum administrative civil liabilities (ACLs). He also promised to clarify the District’s duty to defend District employees and Directors against civil lawsuits brought as a result of the employees’ acts, given a variant interpretation by Kent Alm earlier in the month.

- B. Manager’s Report:

- 1. Monthly Maintenance Summary Report – December 2009

Humphrey reported that December was a typical December, about 80,000 feet of lines were cleaned and 4000 feet were videoed. There were 8 service calls and 5 of these were related to lateral problems. There were 4 after-hours calls and 3 of these needed immediate response. There was one overflow caused by a main line problem. The total number of overflows caused by main line problems for the calendar year was 12, so the monthly average was one overflow per month. This is the lowest total recorded in Stege history, slightly more than half the previous low. Of the 12, only one reached water, though 4 ended up in homes and resulted in claims against the District.

- 2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

Humphrey said there were no repairs or miscellaneous projects to report.

- 3. Capital Improvement Projects

Humphrey said the pipebursting contractor is working in the District, but will be moving to another project soon.

- 4. Miscellaneous Items

- a. Quarterly Claims Report

- b. Quarterly Lateral Report

Humphrey provided summaries of the reports.

**VII. Business**

- A. Administration Building Project – Project Status Update and Consideration of Increase to Anchor Engineers Construction Management Services

This item was taken out of order, immediately after Public Comment and item VII.D.

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- B. Stege’s National Pollutant Discharge Elimination System (NPDES) Permit and East Bay Municipal Utility District (EBMUD) Stipulated Order (SO)  
Humphrey summarized the status of the workshops with EBMUD and their proposed lateral ordinance. He said he attended the first reading of the ordinance at an EBMUD Board meeting last week. He indicated they are not likely to change anything in the ordinance at this time, most notably that their ordinance requires replacement of only the upper lateral.
- C. Long-Range Planning (LRP) Workshop 2010  
The Board reviewed the agenda again. James suggested that the rate discussion, item 6, may be coordinated with the Administrative Order (AO) / Stipulated Order (SO) impacts (item 4). Humphrey agreed and said he would modify the agenda and workshop materials accordingly.
- D. Consideration of Approval of Rate Consultant – Bartle Wells  
This item was taken out of order, immediately after Public Comment.

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

- A. Monthly Investment, Cash, Receivables Report, December 2009
- B. Monthly Operating, Statement, December 2009  
Humphrey stated that expenditures are on track with the budgeted amounts for this time of the fiscal year. He also noted that reserves are lower, about \$4.7 million, than the start of the fiscal year and will continue to lessen to about \$3 million at the end of the year as the pipebursting and building projects reach their conclusion.
- C. Financial Issues  
Humphrey indicated there were no other issues to discuss.

**IX. Approval of Checks**

- 1. Checks for January 2010 - Fund No. 3418 & 3423.  
Brand and other Directors questioned the check #19877 for over \$50,000 regarding the new phone system. Humphrey said this check should not be approved yet since he believes that is an incorrect amount and this is not a time critical purchase anyway.

MOTION: By Merrill, seconded by James, to approve payment of the bills, Check Nos. 19838 through 19885, excepting No. 19877, in the amount of \$369,529.66 from Fund Nos. 3418 & 3423.

VOTE: AYES: James, Merrill, Miller, Brand  
 NOES: None  
 ABSTAIN: None

**X. Future Agenda Items**

- February 11, 2010**
- Administration Building Project
- Long-Range Planning (LRP) Discussion

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LRP Workshop – Draft Action Plan

Administration Building Project

EBMUD Stipulated Order - Status

**XI. Adjournment**

The meeting of the Stege Sanitary District Board of Directors was adjourned at 11:22 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, February 11, 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