

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JANUARY 27, 2011

TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

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

II. Roll Call: Present: Merrill, Miller, O’Keefe, James
Absent: Brand (provided prior notice of his absence)
Others Present: Kent Alm, Meyers Nave
Benjamin Reyes, 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.

The Closed Session was taken out of order, after the Attorney’s report.

CLOSED SESSION

Conference with District Counsel regarding Potential Litigation – one case
(Government Code Section 54956.9(b)(1))

IV. Approval of Minutes

A. Approval of Minutes of January 6, 2011 Board Meeting

MOTION: By O’Keefe, seconded by Miller, to approve the minutes of the January 6, 2011 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
 - a. California Association of Sanitation Agencies (CASA) in Palm Desert, January 12-14, 2011.

Miller said that he thought the Associates session at the CASA conference was very good and it was notable that the Associates seemed to have a bigger role in the conference than in recent history. He said that Jackie Kepke’s report regarding climate change issues was particularly good. Merrill commented on Tim Moore’s talk, “presumed toxic”, which highlighted in wet testing flaws in the State Board proposal regarding whole effluent toxicity. He also reported on the situation in Sacramento regarding their new discharge permit and ammonia standards. Particularly interesting was the comment and different viewpoint expressed by a Director from an Orange County agency, highlighting the different views

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JANUARY 27, 2011

TIME OF MEETING: 7:00 P.M.

on Bay-Delta issues. Merrill also commented on the speaker from Sacramento in the final session at the conference, who gave an interesting talk on Governor Brown's quick transition to his new administration. James commented on the CSRMA workshop which was held on the first day of the conference. He said that David Patzer did a very good job explaining OSHA standards regarding multi-employer work site rules and agency vulnerability and liabilities. He said that Patzer also explained there was new language in state law regarding "serious violations" issued by OSHA, which is likely to result in increased fines and liabilities for California agencies.

B. Written Communications:

1. January 14, 2011 Letter from East Bay Munciple Utility District (EBMUD) regarding EBMUD's Urban Water Management Plan 2010
Humphrey said this was information, no discussion was required.
2. January 10, 2011 Notice of Intent to Adopt a Negative Declaration – City of El Cerrito Recycling Center Humphrey said this was also an information only item and there was no need to discuss.
3. January 10, 2011 Letter from CASA, Governor Releases 2011-12 "Painful" Budget Humphrey explained this was the first letter from CASA this year, and it summarizes the Governor's proposed budget.
4. January 20, 2011 Correspondence from Contra Costa County Special District Association (CCSDA) Regarding a 20th Anniversary Event
Humphrey said that Miller has asked this be discussed at this meeting. Miller stated his position that he did not support expenditure of District funds in support of the CSDA anniversary event. There was discussion about the event and the Board directed Humphrey to respond to the County CSDA and inform them that none of the Stege Directors will attend the event.

VI. Reports of Staff and Officers

- A. Attorney's Report: Reyes reported that he had attended the CASA Attorneys Committee meeting and there was a good discussion regarding Brown Act Issues, including the need to notice specific properties when placing real estate negotiations as closed sessions on agendas.

The following item was taken out of order at this time during the meeting:

CLOSED SESSION (The Board entered the session at 7:46 P.M.)

Conference with District Counsel regarding Potential Litigation – one case
(Government Code Section 54956.9(b)(1))

The Board returned to open session at 9:24 P.M. and President James reported that the Board had taken no reportable action during the closed session.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JANUARY 27, 2011

TIME OF MEETING: 7:00 P.M.

B. Manager's Report:

1. Claim Associated with EBMUD Water Line Break on January 2, 2011
Humphrey said staff is preparing a claim to present to EBMUD regarding this incident and the consequent damages to Stege's system and a downstream property owner.
2. Monthly Maintenance Summary Report – December 2010 Humphrey said that maintenance in December was focused on cleaning and crews cleaned about 73,000 feet of main lines. There were 6 service calls and 3 of these were after normal working hours, all of which required an immediate response.
3. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects
Humphrey said there were none to report.
4. Capital Improvement Projects Humphrey said the contractor will return in February to replace more main lines.
5. Miscellaneous Items
 - a. Quarterly Claims Report Humphrey noted that he had changed the report format and said this will actually make it easier for staff to track claims and their progress.
 - b. Quarterly Lateral Report Humphrey referred the board to the report and said there had been an increase in laterals that did not comply with the District's requirements, particularly in July and August of last year. He said that staff will continue to follow up with the property owners and realtors involved in those transactions.
 - c. Stege Administrative and Stipulated Orders (AO & SO) Humphrey provided the Board with a brief update of meetings and the progress of work with the satellite agencies and EBMUD on SO issues.

VII. Business

A. Long-Range Planning (LRP) Workshop 2011

The Board discussed the revised agenda. James remarked that the alternatives analysis had not been added to the SO section and Humphrey said this was his oversight, but that it would be included on the final agenda and he did have some items on that to discuss with the Board. Humphrey said he would prepare the final agenda for the Board and finish the background materials for the LRP.

B. District Financial Audit for Fiscal Year 2009-2010

Humphrey explained to the Board that some minor revisions had been made to the report and Cropper had now included to the letter to the Board dated December 21, 2010.

MOTION: By Merrill, seconded by Miller, to accept the Fiscal Year 2009-10 Stege Audit report prepared by Cropper Accountancy.

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JANUARY 27, 2011

TIME OF MEETING: 7:00 P.M.

ABSTAIN: None

B. Resolution No. 1976 -0111 Appointing Benjamin T. Reyes II as District Counsel

MOTION: By O'Keefe, seconded by Merrill, to adopt resolution No. 1976-0111 Appointing Benjamin T. Reyes II as District Counsel.

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

VIII. Monthly Financial Statements –December 2010

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

B. Monthly Operating, Statement, December 2010

Humphrey said there were no exceptional items regarding finances that needed discussion. He pointed out the trust fund for retiree health benefits had been added to the investment report and Merrill questioned why it was shown in that manner. Humphrey said he would discuss this further with the Administrative Supervisor, but he thought it should be shown on the report but perhaps not included in the "total" cash and savings line.

C. Financial Issues

Humphrey said there were no issues to discuss at this time.

IX. Approval of Checks

1. Checks for January 2011 - Fund No. 3418 & 3423.

MOTION: By Merrill, seconded by O'Keefe, to approve payment of the bills, Checks No. 20767 through 20793 in the amount of \$122,117.96 from Fund Nos. 3418 and 3423.

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

X. Future Agenda Items

February 10, 2011

Long-Range Planning (LRP) Discussion

Interim Review of Manager's Performance

February 24, 2010

LRP Workshop – Draft Action Plan

EBMUD Stipulated Order - Status

Humphrey said the lateral ordinance revision will be on a future agenda as a Code of Regulations revision.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JANUARY 27, 2011

TIME OF MEETING: 7:00 P.M.

XI. Adjournment

The meeting was adjourned at 10:45 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, February 10, 2011 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.