

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JULY 8, 2010

TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

I. Call to Order: President Brand called the meeting to order at 7:04 P.M.

II. Roll Call: Present: Merrill, Miller, O’Keefe, Brand
 Absent: James, provided prior notice of his absence
 Others Present: David M Wood, AECOM
 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.

VII.B. Consideration of Approval of Proposal for Engineering Services from AECOM – Sewer System Modeling and Sewer Flow and Rainfall Data Analysis

This item was taken out of order at this time of the meeting.

Humphrey introduced Mr. David Wood of AECOM. Humphrey explained that he had assisted the City of Oakland with their selection of a consultant to provide flow monitoring, modeling, and inflow identification services. He said that AECOM was the prime consultant for one of the teams that proposed on the Oakland job, but they did not get the Oakland contract. He said that he was very impressed with AECOM and Mr. Wood, so he and Albany had contacted Wood to discuss the possible need for a flow model for Stege. Humphrey then eventually requested a proposal from AECOM and this proposal is under consideration for approval at tonight’s meeting. A couple of revisions need to be made to the proposal, specifically a correction of the design storm total and revision of the statement that Stege owns 23 flow meters. Humphrey said that sub basin flow monitoring is already planned, and required, to be done this upcoming wet weather season. Wood said he will use this data to develop the model. Wood noted that the model would run in Infoworks, which could be licensed for \$50,000.

Wood presented a summary of the process of flow model development, the components that make the model, and how it is revised to incorporate new data. He answered several detailed questions about the model, how it works, and what value it may have in the future. Humphrey said he agreed with Wood that the Stege model may be very useful at the time that flow allocation discussions and negotiations among East Bay Municipal Utility District (EBMUD) and the satellite agencies take place in the future. Possession of good data and a model will provide the District with a background for intelligent negotiations on this matter, which will have a huge impact on the amount of capital work and expense the District will undertake in the future. The flow model and data generated

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from the model will also be useful in targeting work to be done in certain areas and can also be used in looking at options like local storage of peak flows and the sizing and location of needed volumes for storage.

MOTION: By Merrill, seconded by O'Keefe, to approve the proposal from AECOM, with noted revisions, to provide sewer system modeling and sewer flow and rainfall data analysis.

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

NOES: None

ABSTAIN: None

CLOSED SESSION

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

The Board entered the closed session at 8:21 P.M. The Board returned to open session at 8:41 P.M. and President Brand announced the Board had taken no reportable actions during the closed session.

CLOSED SESSION

Public Employee Performance Evaluation (Government Code Section 54957)
Title of Position: District Manager

The Board entered the closed session at 8:41 P.M. The Board returned to open session at 9:30 P.M. and President Brand announced the Board had taken no reportable actions during the closed session.

IV. Approval of Minutes

A. Approval of Minutes of June 24, 2010 Board Meeting

MOTION: By O'Keefe, seconded by Miller, to approve the minutes of the June 24, 2010 Board Meeting, as corrected.

VOTE: AYES: Merrill, Miller, O'Keefe

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. Debriefing - Fourth of July Fair Miller expressed his thanks to Walter Lunn and the field staff, who set up much of the District's booth on Friday the 2nd. He said there was considerable interest in the smoke

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testing pictures. He said that a large grid map that indicates the District map pages, similar to the one we had used in prior years, would be helpful for future fairs. Miller also thanked Dwight Merrill for assisting him at the end of the day as well as working his “shift”. Merrill thanked Al Miller for handling two time slots, set up, and take down.

- b. City & Community Meetings Directors indicated there was nothing to report.

B. Written Communications:

1. June 15, 2010 Letter from CSDA Requesting Committee Participation
Humphrey informed the Board that CSDA has requested volunteer assistance.
2. June 23, 2010 Letter from County Auditor-Controller Regarding Chevron Assessment Appeals Property Tax Refund
3. July 2, 2010 CASA Legislative Update
Humphrey said both items 2 and 3 were informational for the Board.

VI. Reports of Staff and Officers

A. Manager’s Report:

1. Claims. Humphrey provided a brief update on the Ayers’ claim that was rejected last meeting. He said that the claims administrator understands and agrees this is not a substantiated claim as submitted, and she will inform the claimant.
2. Administration Building – Status. Humphrey told the board that only a small number of punch list items remain before the project is closed and completed.

VII. Business

A. Private Sewer Laterals – Testing and Replacement Upon Sale or Transfer of Property; Implementation by Stege or EBMUD Ordinance

Humphrey provided the Board with a brief update about the issue and what other satellites are thinking and doing regarding this issue. O’Keefe and Merrill both expressed their opinion that they now think it is in the best interest of the District to let EBMUD implement their ordinance. O’Keefe noted that enforcement is going to become necessary and legal expenses associated with enforcement can be significant. She also noted that EBMUD, as a larger agency, might be better equipped to handle enforcement actions. The Board decided that no vote should be taken tonight since James was not present, and directed Humphrey to put this item on the next meeting agenda.

B. Consideration of Approval of Proposal for Engineering Services from AECOM – Sewer System Modeling and Sewer Flow and Rainfall Data Analysis

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

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C. Actuarial Analysis of Retiree Health Benefits (OPEB) – GASB 45

Humphrey explained the actuarial report results and noted the impact of a difference in assumed rates of return. He pointed out that the accrued liability would be the amount the Board could put in a trust to avoid the footnotes in financial reports about “unfunded liabilities”. The Board directed Humphrey to obtain information on potential trusts, mainly Public Employees Retirement System (PERS) and Public Agency Retirement System (PARS), and bring this to the Board for more discussion and a decision. Humphrey said he would do this and get trust portfolio options as well as administrative expense information related to the trust options.

D. Resolution No. 1968-0710 Accepting Report on Sewer Service Charges and Electing to Collect Certain Sewer Service Charges on the Tax Roll

MOTION: By O’Keefe, seconded by Miller, to approve Resolution No. 1968-0710 Accepting Report on Sewer Service Charges and Electing to Collect Certain Sewer Service Charges on the Tax Roll, as corrected.

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

VIII. Approval of Checks

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

MOTION: By Miller, seconded by Merrill, to approve payment of the bills, Check Nos. 20283 through 20315, in the amount of \$621,088.78 from Fund Nos. 3418 & 3423.

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

IX. Future Agenda Items

July 22, 2010

Quarterly Lateral Report

Quarterly Claims Report

EBMUD Stipulated Order (SO) & Administrative Order (AO)

Closed Session – Meet with Labor Negotiator – District Manager’s Compensation

Kids for the Bay – Watershed Action Program

Directors’ Training Program

The Private Lateral issue will also be discussed again.

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The Meeting with the Labor Negotiator will not be on this agenda, and will be scheduled after the Manager has provided the negotiator with salary information from other Districts and discussed that with him.

August 12, 2010

Board Governance Issues

Closed Session – District Counsel Performance Evaluation

Resolution Establishing Salary of District Manager

The Counsel Evaluation will be done at the meeting on August 26, when Counsel will be present. The Board asked Humphrey to discuss this with both Mike Riback and Ben Reyes, and get their opinion about whether both should be part of this evaluation.

The Albany Service issue will also be on a future agenda, once the Manager has received more information from Albany and had a chance to speak with them further about the possibility of providing contracted services.

X. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:47 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, July 22, 2010 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary