

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JULY 22, 2010

TIME OF MEETING: 7:00 P.M.

***** **MINUTES** *****

I. Call To Order: President Brand called the meeting to order at 7:06 P.M.

II. Roll Call: Present: James, Merrill, Miller, O’Keefe, Brand
 Others Present: Jennifer Faught, District Counsel
 Jonah Landor-Yamagata, Kids for the Bay
 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 8, 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: James, Merrill, Miller, O’Keefe, Brand
 NOES: None
 ABSTAIN: None

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

VII.B. Kids for the Bay – Watershed Action Program

Humphrey introduced Jonah Landor-Yamagata who has taken over Krista Mendohlson’s position at Kids for the Bay and is the new contact for Stege. Mr. Landor-Yamagata then presented a slide show summary of the program at Kensington School last year that was funded by Stege. He said that Kids for the Bay had 28 class programs involving 540 kids last year throughout the Bay Area. He said the teachers trained by their program generally continue with some environmental education in following years and this is one of the goals they have, to train teachers so they can continue this type of education of students in the future. He concluded the presentation and said that Kids for the Bay would like to work with Stege again this coming school year at a local elementary school, either Harding or Fairmount. He added that both teachers involved and the principal were very appreciative of Stege’s support and wanted to thank the Stege board for the support of this program at their school.

The Directors expressed some thoughts about the program and indicated their desire to continue to support this next year. O’Keefe said that she would like

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to see Kids for the Bay ask questions of students in future programs about whether the program inspired them to pursue careers in science, which she sees as a need that this program can potentially help provide.

MOTION: By O'Keefe, seconded by James, to support a Kids for the Bay program in two classes at a local elementary school this coming school year, at a total cost of \$12,000. The Manager is directed to pursue a grant to help offset the District expenses for the program.

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

Al Miller reported on his attendance at recent California Special District Association (CSDA) and El Cerrito City Council meetings on July 19 and referred Directors to his summary memo. He said the new El Cerrito Police Chief, Silvia Moir, was sworn in at the Council meeting with many previous fellow officers in attendance. The City Council voted to put a one-half cent sales tax on the ballot this fall. The Planning Commission will meet next Wednesday to discuss the Tradeway/C of C site development proposals.

B. Written Communications

1. July 7, 2010 Letter from the California Association of Sanitation Agencies (CASA) Regarding Support on Vacaville Permit

Humphrey informed the Board that this letter was a follow-up thank you for a contribution from Stege that was 1-2 years ago.

VI. Reports of Staff and Officers

A. Attorney's Report

Ms. Faught said she had no report for tonight. Humphrey said that Oakland City staff had mentioned their concern about Proposition 22, an initiative that will be on the ballot later this year. The concern is that it could potentially restrict cities and districts abilities to raise rates without a formal election process. Faught said she would look into this and Humphrey said he is sure this will be discussed at the upcoming CASA conference.

B. Manager's Report

1. Monthly Maintenance Summary Report – June 2010:

Humphrey said June was a month that crews concentrated on cleaning activities, cleaning about 80,000 feet of lines. There was no video work completed for the month. There were 6 service calls and three of these

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were related to problems in private laterals. There were 3 calls for service after normal working hours and two of these required immediate responses. There was one overflow caused by a blockage in a main line, the one at Ayer's Lounge on San Pablo Avenue, although District fault is actually still not confirmed.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

3. Capital Improvement Projects

Humphrey said he had nothing to report on items number 2 and 3.

4. Miscellaneous Items

a. East Bay Municipal Utility District (EBMUD) Stipulated Order (SO) and Stege Sanitary District Administrative Order (AO)

b. Quarterly Claims Report

c. Quarterly Lateral Report

d. Directors' Training Schedule

Humphrey provided the Board with updates on laterals and claims and referred them to the reports in the agenda package. He also provided the Board with the dates of their latest ethics training classes and noted that all Directors need to take a class again by the end of this year.

Faught indicated that Meyers Nave can provide the class if Directors don't want or are not able to take the class at the CASA conference.

VII. Business

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

Humphrey referred the Board to his summary memo and provided a very brief update on the status of other satellite programs.

MOTION: By O'Keefe, seconded by Miller, that Stege shall not submit a "no less stringent than" application to the East Bay Municipal Utility District (EBMUD) for the implementation of its lateral testing and replacement program upon the sale of property; rather, Stege will assist EBMUD in the implementation of its ordinance regarding laterals beginning January 1, 2011 and the Manager is directed to determine the items needed to implement this.

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

NOES: None

ABSTAIN: None

Miller commented that he thinks Humphrey and staff should facilitate this transition to EBMUD's implementation of its ordinance by providing information to the realtor associations and community, similar to what was previously done when Stege implemented its program about four years ago. This would include working with EBMUD to assist in the transition to

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EBMUD's program to benefit Stege customers. O'Keefe stated that she voted affirmatively because this will free some staff time for Stege and she believes that EBMUD will be better able than Stege to handle enforcement actions that will be necessary and required in the future for properties that are not in compliance with the ordinance.

B. Kids for the Bay – Watershed Action Program

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

VIII. Monthly Financial Statements – June 2010

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

B. Monthly Operating, Statement, June 2010

Humphrey noted that this was a draft report for the end of the fiscal year. He said that expenses were slightly less than that budgeted for the year, but this could change as final numbers are developed. He said the payment of technical and legal expenses regarding regulatory orders gives a misleading figure on operating expenses, because Stege paid these on behalf of other EBMUD satellite agencies and the reimbursement of these expenses may not be shown as an offset in this reporting period.

C. Financial Issues

Humphrey said the auditor has completed their initial work and will return in September to complete their field work.

IX. Approval of Checks

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

MOTION: By Merrill, seconded by O'Keefe, to approve payment of the bills, Check Nos. 20316 through 20356, in the amount of \$56,909.00 from Fund Nos. 3418 & 3423.

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

X. Future Agenda Items

August 12, 2010

Board Governance Issues

Closed Session – Meet with Labor Negotiator – Manager's Compensation

Other Post Employment Benefits (OPEB) – Investments in Trust?

Humphrey noted that the actuary will be present at this meeting to discuss his report. O'Keefe asked if Counsel could supply some information regarding the legality of videotaping of public meetings, like Stege's, by members of the public who want to video. She said this has been an issue at other agencies and wonders if a policy may be needed.

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August 26, 2010

Closed Session – District Counsel Performance Evaluation

East Bay Municipal Utility District (EBMUD) Stipulated (SO) and
Administrative Order (AO)

Salary Survey

Resolution Establishing Salary of District Manager

Humphrey said that he will speak to Ben Reyes and Mike Riback about what they prefer and suggest regarding the evaluation of Counsel and which of them should be present at this meeting.

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 9:43 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, August 12, 2010 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary