

MEETING OF JUNE 26, 2008

TIME OF MEETING: 7:00 P.M.

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

**I. Call To Order:** President O’Keefe called the meeting to order at 7:01 P.M.

**II. Roll Call:** Present: Brand, James, Merrill, Miller, O’Keefe  
 Others Present: Benjamin Reyes, District Counsel  
 Robert Bragg, Urban Drought Solutions  
 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.

Item V.B. 3, Memorandum from Dwight Merrill dated June 5, 2008 regarding Gray Water, was taken out of order at this time in the meeting.

Humphrey introduced the subject and referred the Board to Merrill’s memorandum on the issue. Mr. Bragg introduced himself to the Board and explained that the County had referred him to Stege to discuss approvals for use of gray water systems in this area. Bragg said his company works to implement the use of gray water systems.

Humphrey said he thinks that Stege does not have authority over gray water systems because these systems divert water from the building plumbing and distribute it into the ground. He said the County Environmental Health Department would be the appropriate group to contact. Merrill said that he thinks Stege should be neutral in regards to a policy on gray water; it is acceptable as long as any use meets applicable local and state standards. Reyes said he believes it is a regulatory issue and does not seem to be a Stege issue. Miller said he believes that Stege has no authority over gray water if it is diverted from the sewer system before it reaches Stege’s area of jurisdiction. It was generally agreed by the Board that there was no action necessary on the issue.

**CLOSED SESSION**

**Conference With Labor Negotiator** (Govt. Code Section 54957.6)  
 Agency Negotiator: Board President  
 Title of Position: District Manager

The Board entered to closed session at 7:20 P.M. The Board returned to open session at 7:37 P.M. and President O’Keefe announced the Board had taken no reportable action.

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**IV. Approval of Minutes**

A. Approval of Minutes of June 12, 2008 Board Meeting.

MOTION: By James, seconded by Miller, to approve the minutes of the June 12, 2008 Board meeting, as corrected.

VOTE: AYES: James, 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. Miller reported on his attendance at a recent El Cerrito City Council meeting and an East Bay Municipal Utility District (EBMUD) Water Supply management workshop. He referred the other Directors to a package of background materials he compiled from the meetings and said that Humphrey had a copy of this in the District office if Directors want to review the information. He also mentioned that El Cerrito has a plan for streetscape pavers on San Pablo Avenue that will be about two feet by two feet and contain historical information on them. He suggested that Stege may want to contact the City staff about putting information on one or more of these, particularly by the original Stege junction area. O’Keefe said she attended an El Cerrito Planning Commission meeting as a Commissioner and recused herself from discussion on the City’ Recycling Center project, on the advice of City staff.

B. Written Communications:

1. California Special Districts Association (CSDA) Board of Directors – Call for Nominations, Seat C.
2. Legislative Update on Major Issues – Memorandum from California Association of Sanitation Agencies Office dated June 19, 2008.
3. Memorandum from Dwight Merrill dated June 5, 2008 regarding Gray Water.

There was no action on items 1 and 2. Item 3 was taken out of order immediately after III. Public Comment.

**VI. Reports of Staff, Officers, and Committees**

A. Attorney’s Report: Mr. Reyes reported on Senate Bill 1642, a bill regarding public contracting. He said this bill would require alternative dispute resolution for claims over \$50,000, a significant drop from the current level of \$375,000.

B. Manager’s Report:

1. Capital Improvement Projects. Humphrey said that the District’s new pipebursting contractor, Pacific Trenchless, Incorporated (PTI), had started work and already completed one replacement section on an easement

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line behind Yale Avenue in Kensington. He said that he had received feedback from a neighbor, a realtor, which was extremely positive.

2. Miscellaneous Items. Humphrey reported that staff had already made room reservations for the California Association of Sanitation Agencies (CASA) conference although the item will be formally placed on next meeting's agenda. He said he had also registered Miller and O'Keefe for the CSRMA workshop the day prior to the conference and could register any other Directors that were interested in attending. Humphrey also said the new audit firm had completed preliminary field work this week and said he anticipates a good working relationship with them based upon how this week progressed.

**VII. Business**

- A. Administration Building Project – Status Report. Humphrey said that he had just received an updated project schedule from VBN Architects prior to the meeting, but wanted to review it and discuss it with VBN before distributing it to the Board. He said it appears the schedule is about two months later than the schedule provided in April, with construction starting in December instead of October. He said that VBN has told him their mechanical designer was struggling in obtaining information from hydronics companies. James said the designer had contacted him and asked him questions about the alternative system.
- B. Resolution No. 1936-0608 Authorizing an Amendment to the Contract Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, Stege Sanitary District.

MOTION: By Miller, seconded by James, to approve Resolution No. 1936-0608 Authorizing an Amendment to the Contract Between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, Stege Sanitary District.

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

Merrill said he voted no because, as he said at the last two meetings, he thought there would be more discussion after the long-range planning workshop and he thought the item should be discussed in the context of all compensation.

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C. Resolution No. 1937-0608 Approving and Adopting Annual Budget for Fiscal Year 2008-2009.

Humphrey provided the Board with a thorough summary of the budget. He explained his background budget transmittal memo and answered several questions from the Directors

MOTION: By Merrill, seconded by James, to approve Resolution No. 1937-0608 Approving and Adopting Annual Budget for Fiscal Year 2008-2009.

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

D. Resolution No. 1938-0608 Approving and Authorizing Disposal of Surplus Property of the Stege Sanitary District - Easement Rodder.

Humphrey said the rodder is no longer useful to the District and that the City of El Cerrito staff is interested in buying this for use on one of their lines. O’Keefe asked about the process for selling an item like this and Humphrey said that staff has been using EBay so all public members may bid on surplus items. He said this has worked well and complies with state laws for disposal of public items.

MOTION: By James, seconded by Merrill, to approve Resolution No. 1938-0608 Approving and Authorizing Disposal of Surplus Property of the Stege Sanitary District - Easement Rodder.

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

E. Resolution No. 1939-0608 Accepting Report on Sewer Service Charges and Electing to Collect Certain Sewer Service Charges on the Tax Roll.

MOTION: By James, seconded by Brand, to approve Resolution No. 1939-0608 Accepting Report on Sewer Service Charges and Electing to Collect Certain Sewer Service Charges on the Tax Roll.

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

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- F. Resolution No. 1940-0608 Approving Amendment to Provide Additional Services and Compensation – Administration Building Project Agreement With VBN Architects.

MOTION: By Miller, seconded by James, to approve Resolution No. 1940-0608 Approving Amendment to Provide Additional Services and Compensation – Administration Building Project Agreement with VBN Architects.

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

- G. Review of Directors’ Meeting Compensation Rate.

Humphrey provided a summary of his memo that outlined the history of the compensation rate for Stege Directors and the cost-of-living index increases since 1987. Humphrey said that the cost-of-living increases since 1987 support a possible increase to a fee of \$196 per meeting day.

MOTION: By James, seconded by Merrill, to direct the Manager to prepare an ordinance that revises the Directors’ meeting compensation rate to \$196 per meeting day.

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

Humphrey said he would prepare an ordinance for the Board’s consideration at the next Board meeting.

**VIII. Monthly Financial Statements – May 2008**

- A. Monthly Investment, Cash, Receivables Report, May 2008
- B. Monthly Operating, Statement, May 2008

Humphrey said that the cash, investment & receivables balance was slightly less than \$6 million and would end the fiscal year at about the same level, as predicted earlier. He said there were no unusual or exceptional items on the operating statement, expenses will be about \$100,000 less than budgeted amounts for the fiscal year.

- C. Financial Issues

Humphrey said again that the auditors had done their preliminary field work this week and there were no other financial issues to discuss.

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**IX. Approval of Checks**

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

MOTION: By James seconded by Merrill, to approve payment of the bills, Check Nos. 18344 through 18460 in the amount of \$41,974.96 from Fund Nos. 3418, 3421 & 3423.

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

**X. Future Agenda Items**

**July 10, 2008**

- 4<sup>th</sup> of July Debriefing
- Board Governance Evaluation
- Resolution Establishing Salary of Manager

An item for “Conference with Labor Negotiator” will be on this agenda instead of the one for establishing the salary of the Manager since the President still needs to meet with the Manager first. Humphrey asked the Board if they wanted a review for Board Governance at the next meeting and, if so, how detailed a review they wanted. There was a brief discussion and it was generally agreed with Merrill’s suggestion that there should be a brief “self” review by the Board regarding its performance and function.

**July 24, 2008**

- Administration Building Project Status
- LAIF Alternatives
- District Counsel Performance Evaluation
- Quarterly Lateral Report

The Directors asked Humphrey if he could send a questionnaire in advance of the Counsel evaluation. Reyes said he would provide some forms to Humphrey so this could be forwarded to the Board members. O’Keefe said she would appreciate it if the meeting could end by 10 P.M. as she has an early morning flight the next day.

**XI. Adjournment**

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:23 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, July 10, 2008 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

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Douglas Humphrey  
 STEGE SANITARY DISTRICT

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

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Secretary