

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF JUNE 9, 2010

TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

I. Call to Order: President Brand called the meeting to order at 7:02 P.M.

II. Roll Call: Present: James, Merrill, Miller, O'Keefe, Brand
Others Present: Rex Delizo, Deputy 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 May 27, 2010 Board Meeting

MOTION: By O'Keefe, seconded by Miller, to approve the minutes of the May 27, 2010 Board Meeting, as corrected.

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: Miller reported on attendance at a recent El Cerrito City Council meeting. A design build contract for the new El Cerrito Recycling Center is expected in September with construction slated for 2011.

B. Written Communications: None.

VI. Reports of Staff and Officers

A. Manager's Report:

1. Fourth of July.

Monica Kortz, Recreation Director for the City of El Cerrito, dropped off flyer postcards for the 12th Annual WorldOne Festival at the Cerrito Vista Park. She mentioned briefly that Stege's booth would be in the park near the dugout. Setup can be as early as Friday morning as security will be provided throughout the week-end. Kortz will be sending a formal letter next week with more specifics.

The Board had several suggestions for new display items for staff to consider, including showing a typical sewer inspection video, photos of the new building, and a sample of hardened grease in sewers. James will

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not be present this year. The remaining Board members decided the booth schedule to be as follows:

- 10-12 Noon O'Keefe
- 12-2 P.M. Brand
- 2-4 P.M. Merrill
- 4-6 P.M. Miller

VII. Business

A. Other Post-Employment Benefits (OPEB) – Actuarial Study

An actuarial valuation of the retiree health program for District employees was provided to the Board. The valuation is based on a starting health insurance benefit of \$280.00. The new Kaiser Medical Supplemental Rate is \$298.36 and the Public Employees Retirement System (PERS) minimum is \$108. They discussed whether to raise the current benefit from \$280 to \$300 and also whether to place the OPEB funds in an irrevocable trust. The CalPERS trust would allow an assumed investment rate of 7.75% and the Public Agency Retirement System (PARS) trust would allow a varied interest rate from 4.75% to 10.0% depending on the chosen investment mix. O'Keefe asked what other agencies are doing with these funds and for more information on the trust. Merrill suggested possibly consulting a financial planner for advice.

The Board discussed other possible actuarial valuation scenarios using a combination of the retiree health insurance benefits of \$108, \$280 and \$300 with assumed investment rates of 4.75%, 7.75% and 10.0%. The Board decided to run one more scenario with the existing benefit of \$280 and the CalPERS trust investment rate of 7.75%. The Board will then compare the valuation and decide on their next course of action.

James asked for future agenda items to address using an irrevocable trust and whether the retiree health insurance benefit policy is a defined contribution or a defined benefit.

B. Revision of Directors' Compensation Rate

MOTION: By Merrill, seconded by James, that there should be no increase in Directors' meeting compensation rate this year.

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

C. Draft Budget for Fiscal Year 2010-2011

The draft budget was provided to the Board for review and comment. There is currently 1 letter of support for the rate increase and 26 letters of protest

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representing 41 parcels. The Board requested a utility cost comparison between the old and new buildings.

D. District Investment Policy

The Board is required to review the District's Investment Policy annually.

MOTION: By Miller, seconded by Merrill, to reaffirm approval of the current investment policy and make no changes.

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

NOES: None

ABSTAIN: None

VIII. Approval of Checks

A. Checks for May 2010 – Fund Nos. 3418 & 3423

MOTION: By Miller, seconded by Merrill, to approve payment of the bills, Check Nos. 20209 through 20245, in the amount of \$51,830.51 from Fund Nos. 3418 & 3423.

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

NOES: None

ABSTAIN: None

IX. Future Agenda Items

The Board requested the following items be added as future agenda items:

OPEB Irrevocable Trust

Retiree Health Insurance Benefit Policy, Defined Contribution or Defined Benefit
100th Year Anniversary Planning

Leadership in Energy and Environmental Design (LEED), Formal LEED's Points

Determination and Building Commissioning Process Schedule

Directors Training Schedule

District Emergency Preparedness Status

June 24, 2010

Service Rate Hearing

Approve FY 2011-2011 Budget

Resolution Accepting Report on Sewer Service Charges

Approve Incentive Award Goals Achieved in 2009-2010

Fourth July Discussion

July 8, 2010

Fourth July Debriefing

Board Governance Evaluation

Annual Review of Manager's Performance

Consultant – Discharge Alternatives Study

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Salary Survey

X. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 8:53 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, June 24, 2010 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Rex Delizo
STEGE SANITARY DISTRICT
Secretary