

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF JUNE 9, 2011
TIME OF MEETING: 7:00 P.M.

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

- I. Call To Order:** President James called the meeting to order at 7:04 P.M.
- II. Roll Call:** Present: Brand, Merrill, Miller, O'Keefe, James
Absent:
Others Present: Rex Delizo, Senior Engineer /Deputy
Manager
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.

CLOSED SESSION

Public Employment (Government Code Section 54957 (b))
Title of Position: District Manager

The Board entered the closed session at 7:07 P.M. The Board returned to open session at 8:30 P.M. and President James announced that the Board had approved the hiring of Rex Delizo as District Manager effective July 1, 2011 and appointed James to negotiate Delizo's compensation.

IV. Approval of Minutes

A. Approval of Minutes of May 26, 2011 Board Meeting

MOTION: By Miller, seconded by O'Keefe, to approve the minutes of the May 26, 2011 meeting, as corrected.

VOTE: AYES: Brand, 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

Miller commented that he had attended a recent El Cerrito City Council meeting. He said he has provided Humphrey with a copy of the City of El Cerrito City Manager's budget presentation and noted that he likes the linkage in the City's budget between budget areas and City goals.

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B. Written Communications:

1. April 26 and May 26, 2011 Letters from the Contra Costa County Grand Jury re: Elected Board Membership Report & Ethics and Transparency Issues in Contra Costa County

Humphrey led a discussion on the two letters from the Grand Jury and possible responses. Merrill offered a written draft response and the Board discussed responses. The Board directed Humphrey to draft a reply to the letters for further consideration by the Board at the next meeting.

VI. Reports of Staff and Officers

A. Manager's Report:

1. Fourth of July The Board set a schedule for working the District booth. Miller will cover from 10 AM to noon, Brand will be there from noon to 3 PM, and Merrill will be present from 3 to 6 PM. The Board asked Humphrey to have smoke testing maps, maps with page numbers, and some other items available at the fair.
2. Kids for the Bay – 2011-12 Humphrey said that Kids for the Bay has requested funding for their program again next year and that he has included this in the draft budget figures. He said they have indicated they would like to work at Madera Elementary next year. The Fairmont School Class that participated in the program this past year gave the District excellent and colorful thank you cards.
3. Employee Benefits Humphrey gave the Board a brief summary of some benefit revisions that employees have requested. The Board directed Humphrey to make recommendations and put this on the next agenda for further discussion.
4. Definition of "Majority" – Board Voting Humphrey provided the draft language provided by Counsel and the Board asked that he bring this back for formal approval at a future meeting.

VII. Business

A. Draft Budget FY 2011/2012

Humphrey provided the Board with a summary of the budget and said he would have a final budget ready for their approval at the next meeting. Humphrey answered several questions from board members regarding the budget.

- B. Approval of Ordinance No. 1979-0611, Amending Sections 1.2 and 4.4 and Repealing and Reenacting Section 4.6 of the Stege District Ordinance Code, Relating to Sewer Laterals

Humphrey reminded the Board that this ordinance was necessary to implement East Bay Municipal Utility District (EBMUD's) ordinance in connection with Stege operations, and was required as part of the pending Stipulated Order. There were questions regarding the use of escrow funds by Stege and Humphrey replied that he believed this language in section 4.6.4 did need to be removed. He said he would check to confirm this.

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MOTION: By Miller, seconded by O'Keefe, to adopt Ordinance No. 1979-0611, Amending Section 1.2 and 4.4 and Repealing and Reenacting Section 4.6 of the Stege Sanitary District Ordinance Code Relating to Sewer Laterals, as revised at the meeting.

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

VIII. Approval of Checks

A. Checks for June 2011 - Fund No. 3418 & 3423

MOTION: By Miller, seconded by O'Keefe, to approve payment of the bills, Checks No. 21077 through 21107 in the amount of \$26,794.37 from Fund Nos. 3418 and 3423.

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

IX. Future Agenda Items

June 23, 2011

Approve FY 2011/2012 Budget
Resolution Accepting Report on Sewer Service Charges
Approve Incentive Award Goals Achieved in 2010/11
4th of July Discussion
Stege SO

Humphrey said a draft response to the Grand Jury, for at least the response due in July, would also be on this agenda. He noted that a recommendation regarding benefit revisions would also be included. An ordinance code revision regarding a majority vote will be on a future agenda, but may be deferred to July since the next agenda is very full and includes the budget.

July 14, 2011

4th of July Debriefing
District Investment Policy

X. Adjournment

The meeting was adjourned at 10:37 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on June 23, 2011 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

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Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary