

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF JUNE 28, 2012
TIME OF MEETING: 7:00 P.M.

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

I. Call To Order: President Miller called the meeting to order at 7:01 P.M.

II. Roll Call: Present: Brand (arrived at 7:03 P.M.), Gilbert-Snyder,
Merrill, O'Keefe, Miller
Absent: None
Others Present: Rex Delizo, District Manager
Ben Reyes, District Counsel
Doug Humphrey, Humphrey Consulting

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

Conference with District Counsel -- Existing Litigation

(Government Code Section 54956.9(a))

UNITED STATES OF AMERICA and PEOPLE OF THE STATE OF CALIFORNIA *ex rel.* CALIFORNIA STATE WATER RESOURCES CONTROL BOARD and CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SAN FRANCISCO BAY REGION, *v.* CITY OF ALAMEDA, *et. al.*, US District Court, Northern District (San Francisco) Case No. C 09-05684 RS

CLOSED SESSION

Public Employment (Government Code Section 54957 (b))

Title of Position: District Manager

The Board entered into the closed session at 7:02 P.M. and returned to open session at 9:11 P.M. President Miller announced that he was appointed by a 5-0 vote to be the labor negotiator and confer with the District Manager regarding compensation.

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IV. Approval of Minutes

A. Approval of Minutes of June 14, 2012 Board Meeting

MOTION: By O'Keefe, seconded by Gilbert-Snyder, to approve the minutes of the June 14, 2012 Board Meeting, as corrected.

VOTE: AYES: Gilbert-Snyder, Merrill, O'Keefe, Miller
NOES: None
ABSTAIN: Brand
ABSENT: 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 that he attended the June 19, 2012 City of El Cerrito City Council Meeting.

B. Written Communications:

1. August 08-11, 2012 California Association of Sanitation Agencies (CASA) Conference

The Board authorized, by consensus, attendance at the upcoming conference for all Directors that want to attend. Directors indicated their initial plans but will confirm by the Board meeting on July 26, so staff can make appropriate registration and hotel arrangements.

VI. Reports of Staff and Officers

A. Attorney's Report:

District Counsel, Ben Reyes, reported that he will be providing AB1234 training on July 19th at 5:30P.M. at the City of Pinole and invited the Board to attend, if needed. Reyes also clarified that the Brown Act expressly permits that labor negotiations can be in closed session.

B. Manager's Report:

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1. Monthly Maintenance Summary Report – May 2012

The Board was informed that about 117,000 feet of lines had been cleaned and that about 19,000 feet of lines had been videoed. There were 5 service calls and 3 were related to problems in private laterals. There was 1 service call after normal working hours and no overflows caused by problems in District main lines. Delizo indicated that staff is currently revising the format to this report and it will have a slightly different look next month.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

There were no point repairs or miscellaneous projects completed in May.

3. Capital Improvement Projects

D'Arcy and Harty is currently working on one last job under the current contract. The next standard pipe bursting project is currently being advertised. The pre-bid meeting is scheduled for July 17 and the bid opening is scheduled for July 24. Reyes requested a copy to review for any legal updates.

4. Miscellaneous Items

The property at 421 Santa Fe Ave. was added to the Board tour of the District. The District was assigned booths for the 4th of July Fair in the park along Moeser Lane, similar to previous years.

VII. Business

A. Benefit Request - Standby Pay

As requested at the last Board meeting on June 14, 2012, this item was brought back as a business item. Maintenance staff requests an additional \$15 per day increase in standby pay. The current rate is \$35 per day/\$245 per week. This request would increase standby pay to \$50.00 per day/\$350 per week. A survey of standby pay for other agencies was provided which ranged from \$200 per week to \$540 per week with an average of \$335. Delizo recommended the rate be increased to at least \$45 per day to stay fair and competitive with other agencies.

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MOTION: By Brand, seconded by Gilbert-Snyder, to approve an increase of standby pay from \$35 per day/\$245 per week to \$45 per day/\$315 per week.

VOTE: AYES: Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller
NOES: None
ABSTAIN: None
ABSENT: None

B. Review Directors Meeting Compensation

As requested at the last Board meeting on June 14, 2012, this item was brought back with the phrase "increase" the compensation rate corrected to read "change" the compensation rate. The rate has not been changed since 2008 when it was increased from \$190 to \$196. The cost-of-living increase for the past year is 2.4% which would result in an increase of \$4.70 per meeting day, if used as the basis for an increase. A motion was made rounding this down to \$4.00 per meeting for a total meeting compensation rate of \$200 per meeting day.

MOTION: By O'Keefe, seconded by Gilbert-Snyder, to direct the Manager to prepare an ordinance that revises the Directors' meeting compensation rate to \$200 per meeting day.

VOTE: AYES: Brand, Gilbert-Snyder, O'Keefe
NOES: Merrill, Miller
ABSTAIN: None
ABSENT: None

C. Medical/Flexible Benefits Plan

The Board was provided a set of scenarios to consider as possible alternatives to the flexible benefits/cafeteria plan including, as requested, using cash in lieu values of \$300, \$400 and \$500. Also provided was a scenario where all employees decide to take District provided medical care and a comparison of

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cash out amounts among the scenarios. A motion was made to apply the scenario which would provide for the lowest cost medical coverage and a cash in lieu amount of \$500, but was tabled after further discussion. The Board requested the scenario be modified using cash in lieu values of \$600, \$700 and \$800 to try and smooth out the initial impact of the transition to the employees. Also requested was an added column indicating the difference in cash out received from the current plan for each scenario. This item will be brought back at a future Board meeting.

D. Resolution No. 1995-0612 Approving and Adopting Annual Budget for Fiscal Year 2012-2013

The final Budget was provided for consideration and approval. The Board was provided an added table indicating salary and benefits as a percentage of operations for the last 10 years. The Board would like to see this again in the future but with salary and benefits separated instead totaled together.

MOTION: By Merrill, seconded by O'Keefe, to approve the Resolution No. 1995-0612 Approving and Adopting Annual Budget for Fiscal Year 2012-2013.

VOTE: AYES: Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller
 NOES: None
 ABSTAIN: None
 ABSENT: None

E. Resolution No. 1996-0612 Accepting Report on Sewer Service Charges and Electing to Collection Certain Sewer Service Charges on the Tax Roll

The preliminary sewer service charges were available but won't be finalized until the Contra Costa County Assessment roll is complete and East Bay Municipal Utility District (EBMUD) water consumption report is received.

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MOTION: By Merrill, seconded by O'Keefe, to approve the Resolution No. 1996-0612 Accepting Report on Sewer Service Charges and Electing to Collection Certain Sewer Service Charges on the Tax Roll and provide an update when the report is finalized.

VOTE: AYES: Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller
NOES: None
ABSTAIN: None
ABSENT: None

F. Review and Approval of Incentive Award Goals Achieved in 2011-2012

A revised memo was provided to the Board with corrected figures for approval. The Board requested a comparative history of the incentive awards for next year.

MOTION: By Gilbert-Snyder, seconded by Merrill, to approve the incentive goals achieved in 2011-2012 and pay \$13,030 to employees for achievement of these goals that resulted in direct savings to the District.

VOTE: AYES: Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller
NOES: None
ABSTAIN: None
ABSENT: None

VIII. Monthly Financial Statements – May 2012

- A. Monthly Investment, Cash, Receivables Report, May 2012
- B. Monthly Operating, Statement, May 2012
- C. Financial Issues

Reyes requested information regarding an accounts receivable item regarding an East Bay Municipal Utility District (EBMUD) claim re-imbusement. He would like to review the details and make sure it stays within any statute of limitations. He also asked staff to review current flexible benefits' check

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writing practices to maintain compliance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules.

IX. Approval of Checks

A. Checks for June 2012 - Fund No. 3418 & 3423

MOTION: By Merrill, seconded by O'Keefe, to approve the payment of the bills, Check Nos. 21862 through 21893 in the amount of \$137,314.00

VOTE: AYES: Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller
NOES: None
ABSTAIN: None
ABSENT: None

X. Future Agenda Items

June 30, 2012

Board Tour of the District

July 12, 2012

4th of July Debriefing

CASA Conference

District Investment Policy

Resolution Establishing Salary of District Manager

EBMUD/Richmond Wastewater Services

July 26, 2012

CLOSED SESSION – Existing Litigation

CLOSED SESSION – Quarterly Claims Report

Quarterly Financial Statements

CASA Conference Confirmations

Medical/Flexible Benefits Plan

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O'Keefe provided notice that she will not be able to attend the meeting on July 12, 2012. Brand provided notice that he may not be able to attend the meeting on July 26, 2012.

XI. Adjournment

The meeting was adjourned at 10:57 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Saturday, June 30, 2012 at 9:00 A.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary