

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF MARCH 29, 2012
TIME OF MEETING: 7:00 P.M.

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

- I. Call To Order:** President Miller called the meeting to order at 7:00 P.M.
- II. Roll Call:**
- | | |
|-----------------|---|
| Present: | Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller |
| Absent: | None |
| Others Present: | Rex Delizo, District Manager |
| | Steven Itelson, Consulting Actuary |
| | Doug Humphrey, Humphrey Consulting, LLC |

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

The Board entered into the closed session at 7:02 P.M. and returned to open session at 7:49 P.M. President Miller reported that the Board had taken no reportable actions.

Item VII. A was taken out of order at this time in the meeting.

VII. Business

- A. Actuarial Analysis Scenarios

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Consulting actuary, Steven Itelson, made a brief introductory presentation to the Board. He explained the underlying assumptions for the actuarial valuation and some of the different parameters to consider for the remaining actuarial scenarios available to the District per his agreement. Parameters discussed included rate of return, benefit increases, spousal continuance, mortality rates, earlier retirement assumptions and the severity of the impact of each on the final cost. Other items suggested included using a 10 or 20 year financing period instead of 30 years, contributing a fixed amount, say \$10,000, more than the Annual Required Contribution (ARC) into the California Employers' Retiree Benefit Trust (CERBT) and contributing extra into a side fund, not part of the CERBT, based on more conservative assumption scenarios. Merrill proposed using a scenario assuming a higher spousal continuance rate, lower mortality rate, and retirement assumptions based on staff's actual anticipated retirement dates. Other Board members felt that the actuarial is a "guesstimate" and instead of changing the various parameters, they felt it would be sufficient to lower the rate of return to 6.5% instead of the current 7.5%. Itelson explained that on further review in preparation for tonight's meeting, he would increase the likelihood of spousal continuance in the original analysis which he felt as too low. Based on this finding, Itelson was willing to add one more scenario, free of charge, to accommodate this change. In the end, Itelson was instructed to move forward with the three scenarios as follows:

- 1) Raising the spousal continuance rate, along with lowering the mortality rate, and using retirement assumptions based on staff's actual anticipated retirement dates
- 2) Lowering the rate of return from 7.5% to 6.5%
- 3) Raising the spousal continuance rate

IV. Approval of Minutes

A. Approval of Minutes of March 15, 2012 Board Meeting

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MOTION: By Merrill, seconded by Gilbert-Snyder, to approve the minutes of the March 15, 2012 Board Meeting, as amended.

VOTE: AYES: Brand, Gilbert-Snyder, Merrill, O'Keefe, Miller
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

The Board had nothing to report.

B. Written Communications:

1. 2012 Community Clean Water Initiative Ballot

The Board agreed that the initiative was poorly structured and could have been more informative. There was also question as to whether the funds would truly be 100% used in the community where it is generated. Nevertheless, the Board felt there is a still need to meet the Clean Water Act requirements by the local agencies, so if not funded, it would take away funds from other existing community services. The Board instructed staff to vote yes on the proposed annual clean water fee of \$151.36 for parcel number 503-160-030-6 and instructed staff to submit the ballot by the April 6th deadline. The other parcels owned by the District do not have a residence, are considered vacant, and therefore, do not get a vote or a fee.

MOTION: By O'Keefe, seconded by Miller, to vote "YES" on the 2012 Community Clean Water Initiative Ballot

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

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2. News Article: The Press-Enterprise, March 16, 2012 - 'Flameless Cremation' Idea Raises Concerns

This was an informational item and no action was needed. The Board indicated concern of the prospect of flushing waste products of chemically "cremated" human remains into District sewers. The Board discussed the effect the hot water and potassium hydroxide mixture would have on pipes and subsequently the treatment plant. The Board suggested this would be a good regional topic for the California Association of Sanitation Agencies (CASA) to consider in the future.

3. California Association of Sanitation Agencies (CASA) 2012 Spring Conference, April 25-27, 2012, Napa, CA – Preliminary Program

The Board was provided a copy of the preliminary program. Gilbert-Snyder will inform staff of his plans before the deadline to register. Brand will not attend due to schedule conflicts.

4. News Article: The New York Times, March 24, 2012 - Both Coasts Watch Closely as San Francisco Faces Erosion

This was an informational item and no action was needed. There was concern again on how a sea level rise could affect District lines near the Bay and specifically who is responsible for maintaining the berm at the Hoffman Marsh. The Board asked staff to consider investigating the effect of a sea levels rise on the Hoffman Marsh area and how to best protect our sewer lines.

VI. Reports of Staff and Officers

A. Attorney's Report:

Reyes reported on the difference between a regular meeting and a special meeting with regards to the Brown Act. Re-scheduled regular meetings are not considered special meetings which are typically to address a specific item that needs immediate attention. Re-scheduled regular meetings are considered standard meetings used to discuss normal business.

B. Manager's Report:

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1. Monthly Maintenance Summary Report – February 2012

The Board was informed that about 105,000 feet of lines had been cleaned and that about 28,000 feet of lines had been videoed. There were 27 service calls, 17 of which were pump station false alarms and 6 were related to problems in private laterals. There were 18 service calls after normal working hours, 17 of which were pump station false alarms and one overflow caused by problems in District main lines. Miller suggested putting an asterisk on tables and reports indicating the high service call counts were due to the pump station false alarms.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

There were no repairs or miscellaneous projects to report.

3. Capital Improvement Projects

D'arcy and Harty are currently working on Norvell St. at Donal Ave. and then will take two weeks to work in Albany before finishing up scheduled work in the District.

4. Miscellaneous Items

To date, four of the Board members have completed online Sexual Harassment Prevention Training. When all Board members have completed the training, staff will send in the renewal application to become reaccredited for the District of Distinction program. Also, four of the Board members have completed the FORM 700 which is due to be submitted by April 2nd.

VII. Business

B. 100th Year Anniversary Planning

The Board was provided the information supplied by Lisa Martinengo of High Spirits Event Planning including a new quote from a local caterer, 269 The Arlington, based in Kensington. Miller provided staff with contact information of another local caterer and suggested putting ads announcing the anniversary in some of the smaller community publications. The Board felt they should decide on a budget, specifics of a reception/catered event, a theme for the entire year, types of pins/trinkets, a banner, and possibly a

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commemorative art sculpture. Staff was asked to get information on the cost for the design work to produce an ebook of the historical publication.

C. Long Range Planning (LRP) Workshop – Discussion of Topics

Brand informed staff that he has a schedule conflict that will not allow him to make the Long Range Planning Workshop on April 21, 2012. Staff received confirmation from all Board Members and the meeting facilitator of their availability for the Saturday two weeks later. Therefore, the Board decided to re-schedule the workshop for May 5th, 2012 to accommodate the schedule conflict. The Board was provided an updated draft agenda as discussed in the last Board meeting. Staff will prepare background information for the different topics.

VIII. Monthly Financial Statements –February 2012

A. Monthly Investment, Cash, Receivables Report, February 2012

B. Monthly Operating, Statement, February 2012

C. Financial Issues

There were no outstanding financial issues to discuss. Staff is currently working on preparing a draft Budget for review at the Board meeting on May 3, 2012.

IX. Approval of Checks

1. Checks for March 2012 - Fund No. 3418 & 3423.

MOTION: By Merrill, seconded by O'Keefe, to approve payment of the bills, Check Nos. 21687 through 21711 in the amount of \$109,106.56

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

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X. Future Agenda Items

April 12, 2012

Long Range Planning Discussion of Topics
CSRMA SHELL Award

May 3, 2012

Long Range Planning Draft Action Plan
Draft Budget for FY 2012/2013
Quarterly Claims Report
CLOSED SESSION – Existing Litigation

May 5, 2012

Long Range Planning Workshop

XI. Adjournment

The meeting was adjourned at 10:25 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, April 12, 2012 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary