

MEETING OF MAY 1, 2008

TIME OF MEETING: 7:00 P.M.

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

**I. Call to Order:** President O’Keefe called the meeting to order at 7:03 P.M.

**II. Roll Call:** Present: Brand, James, Merrill, Miller, O’Keefe  
 Others Present: Tim Craig, VBN Architects  
 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.

**IV. Approval of Minutes**

A. Approval of Minutes of April 17, 2008 Board Meeting.

MOTION: By Miller, seconded by James, to approve the minutes of the April 17, 2008 Board meeting.

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 Contra Costa chapter Special District Association meeting. He said he cast a vote for George Schmidt as the Local Agency Formation Commission (LAFCO) representative, but David Piepho was the winner. He said that Alamo’s incorporation was a subject covered at the meeting. He also asked Humphrey to revisit the ethics training of Board members and report back to the Board regarding deadlines for the next training times.

a. Board members will provide reports on issues discussed at the California Association of Sanitation Agencies (CASA) held in The Resort at Squaw Creek April 23-26, 2008.

Miller reported on several of the presentations at CASA. He said he was particularly interested in the talk on a proposed new city in Abu Dabi named Masdar City, with a goal of no carbon emissions. It was interesting that some of the design features will be similar to those used in past centuries in that part of the world. Miller also mentioned a talk on the treatment of dry weather storm flow. He said a San Francisco Bay Region Water Board staff member, Tom Mumley, spoke about a pilot project that the East Bay Municipal Utility District (EBMUD) is conducting on taking the “first flush” storm flows from

MEETING OF MAY 1, 2008

TIME OF MEETING: 7:00 P.M.

an Oakland storm water pump station into the EBMUD treatment plant. Miller said it was reported at the Saturday morning session that there will also be a change to the CASA dues structure and a letter will be coming soon. Merrill reported on his attendance at the CASA meeting. He mentioned the presentation by E.J. Shalaby, Manager of West County Wastewater District, about their solar power project. He also mentioned the issue of Central Valley salinity and the serious impacts this has and will have in the future on reducing the acreage of viable agricultural land in California's Central Valley. Miller informed the Board that he would leave a copy of presentations and materials from the conference at the District office if Directors wanted to review them.

Item VI.B was taken out of order at this point in the meeting

VI.B. Administration Building Project - Status Report

Humphrey introduced Tim Craig of VBN who was present to give the Board a project update and review an updated LEED matrix for the project. Humphrey and Craig gave a brief update and summarized the design collaboration meeting at VBN's office earlier on April 22. Humphrey said that he, Rex Delizo, and Al Miller had attended the entire meeting and that Dwight Merrill had attended the electrical and part of the mechanical design portion, and James had attended the mechanical design portion of the meeting. Rick Nedell of Anchor Engineering also attended the entire meeting.

Craig referred the Board to the LEED matrix and said that there are currently 28 LEED points available as part of the current project that will be designed. Merrill commented that he is concerned that LEED points are driving the design. Craig said that this is not the case, and that VBN has certain design philosophies that it follows. The LEED points are a reflection of what would be included in VBN's design of the project regardless of the LEED accreditation issue; they are natural fallout from what VBN considers proper design. Craig said that the issues that fall into the "maybe" category in his matrix are not necessarily included in VBN's design and that additional construction expense would be incurred to add them to the project. Craig replied to a question that it would take about \$750 to \$1000 per LEED point to provide the documentation necessary to become LEED-certified, and that a decision needs to be made soon regarding whether or not the Board wants to pursue certification since design documents will need to include this. Craig believes the current design provides enough points to be at the "certified" level, but not quite enough to be at the Silver level. Craig said he would like to have about 2-3 LEED points in addition to that required for certification as a cushion in case any points are disallowed. O'Keefe asked Craig if LEED points factor in the total cost of items like recycled materials, since energy expanded in the process. Craig said they do factor this in.

James said he thinks Stege should pursue certification, at a level of "certified" or better, and get the LEED plaque. Merrill said he disagreed. He provided his

MEETING OF MAY 1, 2008

TIME OF MEETING: 7:00 P.M.

opinion that the design should be energy efficient and provide many of the items that result in LEED points, but the District should not pay about \$30,000 to receive a plaque. Miller said he agrees the District should pursue certification and that he feels obligated as a public official to provide the type of building that embodies sustainable design, and LEED certification is desirable. Brand stated that he agrees with Miller. Humphrey suggested that Craig include in project design and specifications what he needs to obtain LEED certification per the Board's direction tonight. Craig said VBN will still look for opportunities to obtain additional points when certain design features make sense on their own merit, not simply to get more points. Craig said he would return to the Board for approval if there are any such items and associated expenses.

B. Written Communications:

1. "Forensic Focus" – McGovern & Greene, LLP, CPA's & Forensic Accountants (per Director O'Keefe). Humphrey said the article was included in the agenda at President O'Keefe's request. O'Keefe said that she thought this article raised some very good points, although parts are more applicable to non-profit organizations. There was a discussion about various processes and functions performed by District staff, and what checks and balances are in place in order to avoid fraudulent actions. This included handling of cash associated with permit issuance, timekeeping, and check preparation. The Board directed Humphrey to follow up with a report to the Board in the next few months regarding the checks and balances, processes and procedures that are in place to avoid fraudulent actions by employees.

C. Manager's Report:

Humphrey provided a brief report to the Board on some current issues. He said that he will probably not attend the Water Environment Federation (WEF) Collection Systems Conference in Pennsylvania due to the poor advance registration figures for the pre-conference workshop. He and Gisa Ju from RMC have prepared a presentation for the workshop, and Rich Cunningham from Albany can present Humphrey's portion since Cunningham will be present at the conference with his WEF Committee duties.

MEETING OF MAY 1, 2008

TIME OF MEETING: 7:00 P.M.

**VI. Business**

A. Resolution No. 1928-0508 Amending Resolution No. 1834-0304 Establishing the Investment Policy of the Stege Sanitary District.

Humphrey reminded the Board this issue was discussed at the last meeting and some changes were suggested. Brand questioned the new language and said he thought it was more appropriate to change it to reflect that higher yield comes with higher risk, not less liquidity if funds are invested in prudent mutual funds. The Board discussed this and agreed the language should be revised. Some other editorial revisions were also suggested.

MOTION: By Merrill, seconded by James, to approve Resolution No. 1928-0508 Amending Resolution No. 1834-0304 Establishing the Investment Policy of the Stege Sanitary District, as corrected at the meeting.

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

B. Administration Building Project – Status Report.

This item was taken out of order immediately after item VI.A, Oral Communications.

C. Approval of Agreement for Construction Management Services for Administration Building Project – Anchor Engineering.

Humphrey said that he had received the draft agreement from Mike Riback, but that it is not ready for approval tonight, Humphrey said that Rick Nedell from Anchor has contacted an architect that specializes in ADA issues review and he is working with him to add this scope to the Anchor contract. Humphrey asked James if he preferred to have this work in Anchor’s agreement, not in a separate agreement and James confirmed that he thought it was better to include in Anchor’s agreement for services. Humphrey said he would get this included so the agreement could be considered for approval at the next Board meeting. Merrill again expressed his concern that the Anchor agreement is about 10% of the estimated construction cost and that is high. Humphrey said that it is correct and referred the Board to Nedell’s comments at the April Board meeting about his fees, and pointed out the construction cost figure is still an estimate.

D. Fourth of July Fair.

Humphrey said it was time to discuss arrangements for the annual fair. Board members asked for the following times to host the booth: Miller –setup and take down, O’Keefe – 10-11:30 A.M., James – 11:30 A.M. - 1 P.M., Brand – 1-2:30 P.M., Merrill – 2:30-4 P.M. The Board discussed which items to give away to customers at the Fair. Grease scrapers, pill boxes (for disposal of pills), crayons, coloring books, and tattoos for kids were all mentioned. Humphrey asked if the Directors wanted to do something special or in addition to the normal items since this is the 95<sup>th</sup> anniversary year for Stege.

MEETING OF MAY 1, 2008

TIME OF MEETING: 7:00 P.M.

Miller said he did and suggested something like refrigerator magnets could be purchased for this purpose. Humphrey was directed to put together some suggestions with expenses for the Board to consider.

**VII. Approval of Checks**

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

MOTION: By James, seconded by Merrill, to approve payment of the bills, Check Nos. 18319 through 18352 in the amount of \$51,678.20 from Fund Nos. 3418 & 3423.

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

**VIII. Future Agenda Items**

**May 22, 2008**

- Administration Building Project Status
- Review of Draft Budget for Fiscal Year 2008-2009
- Retiree Medical Care Contribution Rate
- Approve Salary Ranges for District Positions
- Resolution Approving PERS Contract Amendment - Final Compensation
- Resolution – Walt Lunn & Pomeroy Award

Humphrey said that the retiree medical care rate did not need to be addressed at this meeting. The agreement with Anchor Engineering for construction management services should be on the agenda.

**June 12, 2008**

- District Counsel Performance Evaluation
- Approve Incentive Award Goals Achieved in 2007-2008
- Local Agency Investment Fund (LAIF) Alternatives
- Annual Review of Manager’s Performance

**IX. Adjournment**

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:29 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, May 22, 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  
 Secretary