

MEETING OF MAY 22, 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: Mike Riback, District Counsel
 Rick Nedell, Anchor Engineering
 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: None.

IV. Approval of Minutes

A. Approval of Minutes of May 1, 2008 Board Meeting.

MOTION: By James, seconded by Miller, to approve the minutes of the May 1, 2008 Board meeting, as corrected.

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

V. Communications

A. Oral Communications: James reported on his attendance at the Kensington Property Owners’ Association (KPOA) annual town meeting. James said there was no mention of Stege at the meeting. Miller reported on attendance at a recent El Cerrito City Council meeting and said the Council approved \$1.5 million for paving projects this year. He also reported on his attendance as a committee member at a recent California Sanitation Risk Management Authority (CSRMA) Pooled Liability Committee meeting. He said that issues regarding cell phone “hands-free” usage and policies about liability and damage waivers on rental cars were discussed. Humphrey said he plans to bring a revised cell phone policy to the Board within the next two months.

B. Written Communications:

1. California Association of Sanitation Agencies (CASA) “News from the Capitol” – May 14, 2008. The article was briefly discussed by the Board.

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

VII. I. Approval of Construction Management Services for the Stege Administration Building Project – Anchor Engineering.

Humphrey said the revised agreement presented in the agenda packet had been reviewed by both Counsel and Anchor Engineering and is ready for Board approval. James pointed out that the fee should be changed to “not to

MEETING OF MAY 22, 2008

TIME OF MEETING: 7:00 P.M.

exceed” instead of an approximate total. There were other changes suggested to sections 1.1, 1.3, 1.4 and 2.

MOTION: By Miller, seconded by Merrill, to approve contract for Construction Management Services for the Stege Administration Building Project – Anchor Engineering, as subject to language changes articulated by Counsel at the meeting.

VOTE: AYES: James, Merrill, Miller, O’Keefe

NOES: None

ABSTAIN: Brand

VI. Reports of Staff, Officers, and Committees

A. Attorney’s Report: Riback reported on Assembly Bill (AB) 3030, which Riback said would place a five year limitation on the term of Proposition 218 fee increases.

B. Manager’s Report:

1. Monthly Maintenance Summary Report – April 2008. Humphrey said that April had been a very active month for the crews, and they had cleaned over 86,000 feet of lines and videoed about 25,000 feet. Unfortunately, there were 4 overflows caused by problems in District main lines, all in the last week of the month and all in lines that had been treated by foaming. Humphrey said the foaming is very effective, but can lead to stoppages and overflows if the field crews do not follow up after the treatment and remove dead, decayed roots. The timing is somewhat tricky, but staff is working with the foam application contractor to develop a systematic schedule so these resultant stoppages are minimized in the future. Overall, results of the foaming are very beneficial. There were 20 total service calls and 9 of these were related to problems in laterals. There were 7 after-hours calls and 5 of these required immediate assistance.
2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects. Humphrey said there were two repairs for a total cost of \$ 10,815.
3. Capital Improvement Projects. Humphrey said that the pipebursting contractor will start work in late June or early July.
4. Miscellaneous Items. Humphrey led a brief discussion about the Fourth of July Fair and the Board decided to buy 1000 business card size magnets to give away at the Fair. There was more discussion about some specific items to have at the Fair and Humphrey said he would make sure the items are available for giving to the public. Humphrey also mentioned the safety and service awards that had been presented to employees and one Board member earlier in the week.

VII. Business

A. Administration Building Project – Status Report.

Humphrey gave a brief summary of project status. He said that VBN has requested an additional \$29,000 for work on the LEED certification for the

MEETING OF MAY 22, 2008

TIME OF MEETING: 7:00 P.M.

project. There was some discussion about this and a question as to why VBN requested \$1,000 a point when Tim Craig had said the cost was \$750 to \$1,000. The Board directed Humphrey to speak with VBN and ask for a not to exceed figure instead of a flat fee. Humphrey said he would do so and return with this information at the Board next meeting. Humphrey said that VBN had also requested an additional \$5,700 for the mechanical designer's work on an analysis of James' suggested alternative heating and cooling system, and design of an alternative system if the analysis indicates its worth. Humphrey said this was within his approval limit and he would direct VBN to have this work done unless he was told otherwise by the Board.

B. Review of Draft Fiscal Year 2008-09 District Financial Budget.

A thorough review of the budget was conducted and several suggestions were made and many questions were answered. James suggested that the reserve for one year of capital improvements should be revisited, since it is dubious that this reserve is truly needed and it will whipsaw the total reserve requirement in the future if a greater amount of replacements are performed each year. Humphrey said he would prepare a revised reserve policy and bring it to the Board for consideration next month, along with a revised draft budget.

C. Resolution No. 1929-0508 Commending Walter W. Lunn on Receiving the California Water Environment Association (CWEA) Richard D. Pomeroy Award 2007.

MOTION: By Merrill, seconded by James, to approve Resolution No. 1929-0508 Commending Walter W. Lunn on Receiving the California Water Environment Association (CWEA) 2007 Richard D. Pomeroy Award, as amended.

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

D. Resolution No. 1930-0508 Establishing Salary Range of Maintenance Employees Employed by Stege Sanitary District Beginning July 1, 2008.

Humphrey explained that the top of the salary ranges for all positions had been increased by the latest cost-of-living increase figure for the Bay Area, 3.2%.

MOTION: By James, seconded by Miller, to approve Resolution No. 1930-0508 Establishing Salary Range of Maintenance Employees Employed by Stege Sanitary District Beginning July 1, 2008.

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

MEETING OF MAY 22, 2008

TIME OF MEETING: 7:00 P.M.

- E. Resolution No. 1931-0508 Establishing Salary Range of Administrative and Technical Employees Employed by Stege Sanitary District Beginning July 1, 2008.

MOTION: By James, seconded by Miller, to approve Resolution No. 1931-0508 Establishing Salary Range of Administrative and Technical Employees Employed by Stege Sanitary District Beginning July 1, 2008.

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

- F. Resolution No. 1932-0508 of Intention to Approve an Amendment to Contract Between the Board of Administration California Public Employee’s Retirement System and the Board of Directors Stege Sanitary District.

MOTION: By James, seconded by Miller, to approve Resolution No. 1932-0508 of Intention to Approve an Amendment to Contract Between the Board of Administration California Public Employee’s Retirement System and the Board of Directors Stege Sanitary District.

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

- G. Resolution No. 1933-0508 Ordering Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of the Election Order – Stege Sanitary District.

MOTION: By Merrill, seconded by James, to approve Resolution No. 1933-0508 Ordering Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of the Election Order – Stege Sanitary District.

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

- H. Consideration of Variance from District Regulations, 338 Berkeley Park Blvd., Kensington.

Humphrey explained that the previous property owner had asked for a variance of District standards since one of the two lateral sections at the subject property was ABS pipe. Humphrey said that, in addition to the use of

MEETING OF MAY 22, 2008

TIME OF MEETING: 7:00 P.M.

a pipe material that is not acceptable to the District, this ABS section had been installed recently without a permit from Stege, and he recommended denial of the variance request.

MOTION: By James, seconded by Merrill, to deny the request for a variance of District standards and regulations, and to direct the Manager to inform the requestor of this action, and work with owner to correct the situation.

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

I. Approval of Construction Management Services for the Stege Administration Building Project – Anchor Engineering.

This item was taken out of order after Item V.B, Written Communications.

VIII. Monthly Financial Statements –April 2008

- A. Monthly Investment, Cash, Receivables Report, April 2008
- B. Monthly Operating, Statement, April 2008
- C. Financial Issues

Humphrey reviewed the reports for the Board. He pointed out that the cash account with the County had been reduced significantly due to a maturation of the County’s estimate regarding the amount of property taxes that will be received. He said that the financial situation of the District is still sound and that expenses are within budgeted amounts for this fiscal year. Merrill asked if the check reports could be sent in advance of the meeting, similar to the minutes, so that Directors could review them in advance of the meeting. Humphrey said he would check with staff.

IX. Approval of Checks

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

MOTION: By Merrill seconded by Miller, to approve payment of the bills, Check Nos. 18353 through 18392 in the amount of \$25,844.36 from Fund Nos. 3418 & 3423.

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

X. Future Agenda Items

June 12, 2008

- Approve Incentive Award Goals Achieved in 2007-2008
- District Counsel Performance Evaluation

MEETING OF MAY 22, 2008

TIME OF MEETING: 7:00 P.M.

Local Agency Investment Fund (LAIF) Alternatives
Administration Building Project Status
Salary Survey Data Update
Annual Review of Manager's Performance

Humphrey said that perhaps a revised reserve policy would be added to this agenda. It was also discussed that the LAIF alternative issue should be deferred to a later meeting since Brand will not be able to attend this meeting.

A revised cell phone policy may also be considered at this meeting.

June 26, 2008

Review Directors' Meeting Compensation
Approve Fiscal Year Budget 2008-2009
Administration Building Project Status
Stege Sanitary District Surplus Property

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:45 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, June 12, 2008 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary