

MEETING OF MAY 7, 2009

TIME OF MEETING: 7:00 P.M.

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

I. Call to Order: President Merrill called the meeting to order at 7:03 P.M.

II. Roll Call: Present: Brand, James, Miller, O’Keefe, Merrill
 Others Present: 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 23, 2009 Board Meeting

MOTION: By Miller, seconded by James, to approve the minutes of the April 23, 2009 Board meeting as corrected.

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

B. Approval of Minutes of April 23, 2009 Special Board Meeting

MOTION: By Miller, seconded by James, to approve the minutes of the April 23, 2009 Special Board meeting.

VOTE: AYES: James, Miller, Merrill, 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

a. California Association of Sanitation Agencies (CASA) Conference in Napa (April 29 – May 2, 2009)

b. Other Meetings

James reported on his attendance at the California Sanitation Risk Management Authority (CSRMA) workshop the day prior to the CASA conference. He said there was a presentation on workers compensation that highlighted why it’s good that we rarely have these types of claims. James also said there was a presentation on employment law updates that covered some recent cases that had scary results. Miller also attended the CSRMA workshop and said the pre-

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employment assessment and periodic evaluation service seems to be a very useful tool that can be used to combat future workers compensation claims, or at least more accurately assess the portion incurred by the current employer.

Merrill said he attended the CASA conference and reported that Andy Lukas from Brown & Caldwell (B&C) had given a presentation on his experiences with allocating flows to satellite collection systems. He said that Mr. Lukas stated that carrots work better than sticks, but Merrill said that the “carrots” Lukas cited sounded more like sticks. Lukas stated that in the case of Milwaukee, all charges are based on actual measure, not hypothetical flows.

Miller said he also attended the El Cerrito Earth Day celebration and took materials related to wastewater and water that had been provided by Stege staff. Miller said he plans to ask the Board to consider some type of Earth Day support for next year’s event.

B. Written Communications:

Humphrey explained the copies of items in the agenda package needed no formal response or action. He remarked that the CASA update reports again indicate serious financial issues for the State, particularly given the likelihood that the ballot measures in May will be defeated. He also noted the letter of appreciation from the California Water Environment Association (CWEA) for Walter Lunn’s efforts and introduced the Marin Independent Journal article regarding cyber crime and the theft of funds from Novato Sanitary District.

C. Manager’s Report:

1. Quarterly Lateral Report
2. Records Retention and Destruction
3. Follow-up Items

Humphrey provided the Board with a brief overview of the quarterly lateral report. He said the compliance and houses sold figures for April and May are somewhat misleading, since these do not relate to the date the houses sell but instead are the date that Rex enters them into the database. Many of the April sales are shown in May since Rex was on vacation the end of April. Overall, compliance is very good, at a rate of over 90%. Humphrey said the only houses in the last year that are noncompliant or with “nothing on file” are ones that have no realtor associated with their sale. There was some further discussion and the Board expressed the need to renew their discussion on enforcement, beginning with asking Counsel to develop the enforcement process flowchart mentioned in July and August 2008. Humphrey also mentioned that he and staff are working diligently to scan, as necessary, and destroy many paper files prior to the move to the new building. He said that he will revise the records retention policy and bring it to the Board for consideration at a future meeting.

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Humphrey said he had reviewed the old land sales agreements with the East Bay Municipal Utility District (EBMUD) and there were no restrictions on the use of the property. He also said that he had some brief conversations with EBMUD staff and they definitely want to retain the Point Isabel property no matter what happens with their studies and permits.

VI. Business

A. Administration Building Project 08101-A – Project Status

Humphrey reported that the prebid meeting had been held on April 28 and bidders received plans and specifications on April 30. Bids will be opened on May 21.

B. Draft Budget Fiscal Year 2009-10

Humphrey introduced the draft budget and led a discussion about different alternatives for capital expenditures and service charges in future years, depending upon whether or not a revolving fund loan is obtained for this next fiscal year’s replacement project. He referred the Board to his twenty year financial plan and said the reserve level should be about \$4.3 million at the end of the fiscal year if a loan is obtained and about \$2.9 million if no loan is obtained. There was a discussion about the impacts of replacement levels, reserve funds and service rates and their interrelationship. The Board also asked questions about some specific items in the budget. Humphrey said he would revise the budget again for the next meeting, including an alternative with no loan funds included and lesser replacement work.

O’Keefe needed to leave the meeting at this time due to prior commitments, about 9:00 P.M.

C. Review of District Investment Policy

Humphrey said this is the annual review of the District policy, which was slightly modified last year to allow up to 20% of reserve funds to be invested into mutual funds.

MOTION: By James, seconded by Miller, to reaffirm approval of the current investment policy and make no changes

VOTE: AYES: Brand, James, Miller, Merrill
 NOES: None
 ABSTAIN: None

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VII. Approval of Checks

A. Checks for April 2009 - Fund No. 3418

MOTION: By James, seconded by Miller, to approve payment of the bills, Check Nos. 19161 through 19199 in the amount of \$74,488.64 from Fund Nos. 3418 & 3423.

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

VIII. Future Agenda Items

May 22, 2009

- Draft Budget for Fiscal Year 2009/2010
- Approve Salary Ranges for District Positions
- Administration Building Project Status – Award of Contract
- 4th of July Discussion
- Private Lateral Inspection Program & Ordinance

Humphrey said the Board discussed a change in the meeting date had been changed to May 21 at the end of the last meeting, but some Directors have a conflict with that date. The date was changed again to Friday, May 22, and Miller and Merrill both expressed concern about the number of changes to the regular meeting dates that had been made in the last few months.

June 11, 2009

- Private Lateral Inspection Program and Ordinance
- Kids for the Bay – Consideration of Support
- Public Art – Administration Building
- Administration Building Project Status

Miller suggested a resolution of appreciation for the excellent safety record and performance of District employees as a future agenda item. Humphrey said that the draft budget should be on the June 11 agenda and he reminded the Board that he would not be present at this meeting, but Rex Delizo would handle this meeting.

IX. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 9:55 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Friday, May 22, 2009 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
 STEGE SANITARY DISTRICT
 Secretary