

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MAY 27, 2010

TIME OF MEETING: 7:00 P.M.

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

I. Call To Order: Vice President James called the meeting to order at 7:01 P.M.
Brand arrived at the end of the roll call.

II. Roll Call: Present: James, Merrill, Miller, O’Keefe, Brand
Others Present: Ben Reyes, for District Counsel
Rich Cunningham, City of Albany
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 May 13, 2010 Board Meeting

MOTION: By Merrill, seconded by James, to approve the minutes of the May 13, 2010 Board Meeting, as corrected.

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

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

VII.B. City of Albany – Collection System Operations

Humphrey introduced Rich Cunningham, Public Works Manager for the City of Albany. Humphrey explained Mr. Cunningham had approached him about the possibility of Stege providing contract sewage collection system services to the City of Albany, and that he and Cunningham have discussed this informally. Humphrey thought it may have promising potential to Stege and its customers, so he asked Cunningham to attend this meeting and explain Albany’s position and needs to the Stege Board.

Cunningham thanked Humphrey and provided a summary of Albany’s needs. There was a lengthy discussion about details and the Board asked Humphrey to maintain contact and discussions with Albany regarding contract services. Ben Reyes said he could also assist Humphrey in the legal aspects of the issue. Humphrey said he would keep the Board informed and request assistance in the future, if any is needed.

V. Communications

A. Oral Communications:

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings Merrill reported on his

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MAY 27, 2010

TIME OF MEETING: 7:00 P.M.

attendance at a recent lunch hosted by East Bay Municipal Utility District (EBMUD) Director Andy Katz. He said that there were presentations on updates to EBMUD plans and programs, related to water issues. Merrill commented that even some EBMUD Directors apparently think that the Point Isabel wet weather facility discharges raw sewage when it operates in winter. Miller and James also attended and commented on EBMUD's plans to use more tiers for water service charges.

B. Written Communications:

1. May 21, 2010 Contra Costa Local Agency Formation Commission (LAFCO) June 9th Meeting Cancellation Humphrey said there was nothing to discuss, this notice of cancellation is self-explanatory.
2. May 15, 2010 Memo from Measure D Campaign Manager There was a brief discussion about the issue. The Board generally agreed that individual members are free to take positions, but the Board does not take formal positions on measures such as this one that do not directly affect Stege operations.
3. May 12, 2010 Circular Letter from California Public Employees Retirement System (PERS) Regarding Actuarial Experience Study Humphrey reported on the PERS letter and noted there is an expected slight increase, less than 0.5% of total District payroll, in retirement contributions from the District that will result from this study.
4. May 14, 2010 Letter from Contra Costa County Auditor-Controller Regarding Proposition 1A Notification Humphrey said this letter explains the shift of property tax revenue in the current fiscal year. He said that total tax revenue shift this year is about 12% of the total property tax that would have been received.

VI. Reports of Staff and Officers

- A. Attorney's Report: Ben Reyes provided a brief explanation of Mike Riback's memo to the Board regarding the duty of the District to defend employees and officers for actions resulting from their work duties.
- B. Manager's Report:
 1. Monthly Maintenance Summary Report – April 2010: Humphrey said that April was a very busy month as almost 75,000 feet of lines were cleaned and the crews were very involved with the move to the new building all month as well. There were 9 service calls and 7 of these were related to problems in laterals. There were 3 calls after normal working hours and 2 of these required immediate response. There was one overflow that was caused by a "problem in a District main line". The overflow at 944 Avis Drive was determined to be caused by roots in the District HDPE main line, but those roots had grown into the main from a neighbor's lateral. Humphrey said that this may be a good example of a situation where the District could assist with the funding of a lateral replacement if the property owners are unable to get the work done on their own, Ben Reyes

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MAY 27, 2010

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said he could work with Humphrey and provide example agreements that may be able to be used in this type of situation.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

Humphrey referred the Board to the list of repairs and noted that some of these were for manhole work.

3. Capital Improvement Projects

Humphrey said the pipebursting contractor has completed work at Stege and staff needs to prepare a bid for pipebursting services again, since the current contract will expire soon after two years of work.

4. Miscellaneous Items

a. East Bay Municipal Utility District (EBMUD) Stipulated Order (SO) and Stege Sanitary District Administrative Order (AO)

b. Fourth of July Humphrey said that staff had received no plans or information yet from the City regarding the fair or its schedule. James said he will not be present this year. The Board asked Humphrey to put this on the agenda for the next meeting and to speak with City staff about when information on the fair is expected to be transmitted.

c. Government Accounting Standards Board (GASB) 45 – Other Post Employment Benefits (OPEB) (Retiree Health)

d. KIDS for the BAY

Humphrey said that KIDS for the Bay wants to work with Stege again next year and supplied a list of private schools that have not yet had the program. There was a discussion about whether Stege should support the program in private schools or ask KIDS for the Bay to go back to one of the public schools again. O’Keefe and James both said they thought that funding the program for local private schools would be fine with them. Merrill and Miller both said they preferred the program be done in public schools. Brand agreed that public schools should be the recipient of any Stege-funded effort. Humphrey said that a new contact from the program will come to a meeting in July or August to discuss next year’s plans.

VII. Business

A. Administration Building Project – Project Status Update

Humphrey provided a brief summary of some outstanding issues.

B. City of Albany – Collection System Operations

This item was taken out of order, immediately after Approval of the Minutes.

C. Draft Budget FY 2010/2011

Humphrey gave a brief summary of the budget and the board pointed out several items that needed review or revision. Humphrey said a revised draft will be considered again next meeting, the final draft prior to consideration of approval on June 24th.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MAY 27, 2010

TIME OF MEETING: 7:00 P.M.

D. Resolution No. 1963-0510 Establishing Salary Range of Administrative and Technical Employees Employed by Stege Sanitary District Beginning July 1, 2010

MOTION: By James, seconded by Merrill, to Resolution No. 1963-0510 Establishing Salary Range of Administrative and Technical Employees Employed by Stege Sanitary District Beginning July 1, 2010.

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

E. Resolution No. 1964-0510 Establishing Salary Range of Maintenance Employees Employed by Stege Sanitary District Beginning July 1, 2010

MOTION: By James, seconded by Merrill, to Resolution No. 1964-0510 Establishing Salary Range of Maintenance Employees Employed by Stege Sanitary District Beginning July 1, 2010.

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

VIII. Monthly Financial Statements – April 2010

A. Monthly Investment, Cash, Receivables Report, April 2010

B. Monthly Operating, Statement, April 2010

C. Financial Issues

Humphrey said that the operating statement indicates that expenses are about as predicted for this time of the fiscal year, as is the balance of cash and investments. He said there were no exceptional items to report.

IX. Approval of Checks

1. Checks for April 2010 - Fund No. 3418 & 3423.

MOTION: By James, seconded by Merrill, to approve payment of the bills, Check Nos. 20170 through 20208, in the amount of \$503,213.92 from Fund Nos. 3418 & 3423.

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MAY 27, 2010

TIME OF MEETING: 7:00 P.M.

X. Future Agenda Items**June 9, 2010**

Draft Budget FY 2010/2011

Government Accounting Standards Board (GASB) 45 – Other Post Employment
Benefits (OPEB) Discussion

District Investment Policy

Review Directors Meeting Compensation

Humphrey reminded the Directors this was a Wednesday meeting date and that Rex Delizo would be present since Humphrey could not attend.

June 24, 2010

Service Rate Increase Hearing

Approve FY 2010-2011 Budget

Resolution Accepting Report on Sewer Service Charges

Approve Incentive Award Goals Achieved, FY 2009/2010

Fourth of July Discussion

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 11:04 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Wednesday, June 9, 2010 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary