

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF MAY 03, 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
Kenneth W. Ruthenberg, Employee Benefit Lawyer
Jennifer Faught, District Counsel (teleconference)

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.

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

VII. Business

A. Flexible Benefits/Cafeteria Plan

Employee benefit lawyer, Kenneth W. Ruthenberg, of Chang, Ruthenberg and Long, who worked with previous staff on the current Cafeteria Plan, gave what he termed a “Cafeteria Plan 101” lesson and then answered numerous questions. He said it was fine for plans to give different medical premium benefits based on family status. The existing non-discrimination provision is focused mainly on highly compensated employees. A plan cannot discriminate in favor of highly compensated employees as to eligibility to participate or the benefits provided. He said that large agencies hire 3rd party companies to conduct regular “spouse” audits to verify family status but felt that our District was small enough to monitor this on its own. He also said that a 457 Deferred Compensation plan contribution option could not be a part of the Cafeteria Plan. A 401(K) plan could be included but is not an option provided to public agencies. After having all their questions answered, the

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item was left to be further discussed at the upcoming Long Range Planning Workshop.

IV. Approval of Minutes

A. Approval of Minutes of April 12, 2012 Board Meeting

MOTION: By O'Keefe, seconded by Gilbert-Snyder, to approve the minutes of the April 12, 2012 Board Meeting, as amended.

VOTE: AYES: Gilbert-Snyder, Merrill, O'Keefe, Miller
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) in Napa, CA April 25-27, 2012

In accordance with AB 1234, a report was given by Directors Gilbert-Snyder, Merrill and Miller on their attendance at the CASA Conference. Miller then reported on his attendance at the El Cerrito Council Meetings on April, 17 and May 1, 2012 and the Contra Costa Special Districts Association (CCSDA) meeting on April 16, 2012.

B. Written Communications:

1. CSDA e-News for the week of April 23, 2012 - General Manager Leadership Summit

Delizo announced his plans on attending the leadership summit in Napa, CA in July. The location is within forty (40) miles of the District Office and lodging allowance is not allowed unless preauthorized by the Board of Directors. The Board felt due to the scheduled events that went on late into the evening and the more than seventy (70) mile distance from the

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Manager's personal residence, that it was reasonable to pre-authorize the lodging allowance for this event.

MOTION: By Gilbert-Snyder, seconded by Merrill, to pre-authorize for the District Manager the regular allowance of the actual and necessary cost of lodging at the conference hotel for the General Manager Leadership Summit in Napa, CA, which is more than seventy (70) miles from the Manager's personal residence.

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

2. Letter from Steve Itelson, Consulting Actuary, dated April 9, 2012 - Valuation of Retiree Medical Plan as of July 1, 2011 – Alternate Scenarios
The Board was provided the results of the scenarios run by consulting actuary, Steven Itelson. The Board requested this be brought back as a Business item at a future Board Meeting.
3. East Bay Municipal Utility District (EBMUD) Memo, dated April 19, 2012 – Chemical Cremation and Wastewater Requirements
The Board was shown an EBMUD memo indicating funeral homes in the area are aware of chemical cremations but had no intentions of using the process anytime soon due to costs and regulatory uncertainty. EBMUD staff also indicated they will track legislation on this matter and work with CASA to monitor its progress. The Board decided to monitor the situation as well, and act accordingly when needed.

VI. Reports of Staff and Officers

A. Attorney's Report:

There was no Attorney's report.

B. Manager's Report:

1. Monthly Maintenance Summary Report – March 2012

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The Board was informed that about 40,000 feet of lines had been cleaned and that about 45,000 feet of lines had been videoed. There were 16 service calls, 6 of which were pump station false alarms and 3 were related to problems in private laterals. There were 4 service calls after normal working hours, 3 of which were pump station false alarms and 4 overflows caused by problems in District main lines.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

There were no repairs or miscellaneous projects to report.

3. Capital Improvement Projects

Darcy & Harty Construction Inc. is currently finishing up work on Cutting Blvd. and San Pablo Ave and will then continue to work on an easement line replacement near the intersection of Windsor Ave and Westminster Ave.

4. Quarterly Claims Report

The Board was given the status of 3 claims for the quarter ending on March 2011, all of which are closed or are in the process of closing. Staff is considering revising the format of the current report in an effort to more clearly communicate the information. The Board requested staff to clarify with counsel on whether this item should be under closed session in the future.

VIII. Business

B. Draft Budget FY 2012/2013

The Board was provided the first draft of the budget and given a brief summary. Some of the major items included \$30,000 budgeted for election expenses in case the upcoming election goes to ballot, contracted repairs for \$54,000, the annual rehabilitation project for \$1,240,000 as projected in the rate study conducted in 2010, the rehabilitation of the Burlingame Pump Station for \$180,000, and a capital budget item of \$350,000 for a new combination hydroflusher/vactor truck to replace the existing hydroflusher.

C. Resolution No. 1991-0512, Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of The Election Order

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The District has two seats, O'Keefe and Gilbert-Snyder, that are subject to selection by election this November. The estimated number of registered voters in the District as of 4/12/2012 is 19,873. The cost of the election, if it goes to the ballot, is estimated to be \$1.50 per registered voter for a total cost estimate of close to \$30,000. The "Not Gone to Ballot" fee is \$300 plus publication costs. The District has always taken advantage of the opportunity to consolidate its election with Contra Costs County and will, if needed, continue to do so again this year.

MOTION: By Merrill, seconded by O'Keefe, to approve Resolution No. 1991-0512 Ordering Even-Year Board of Directors Elections; Consolidation of Elections; and Specifications of the Election Order – Stege Sanitary District, as corrected.

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

VIII. Monthly Financial Statements –March 2012

- A. Monthly Investment, Cash, Receivables Report, March 2012
- B. Monthly Operating Statement, March 2012
- C. Local Agency Investment Fund (LAIF) Quarterly Statement
- D. California Employers' Retiree Benefit Trust (CERBT) Quarterly Statement

As requested, the Board was presented the current LAIF interest rate of 0.38% as shown on the LAIF quarterly statement.

IX. Approval of Checks

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

MOTION: By O'Keefe, seconded by Gilbert-Snyder, to approve payment of the bills, Check Nos. 21742 through 21784 in the amount of \$285,078.02

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NOES: None
ABSTAIN: None

X. Future Agenda Items

May 05, 2012

Long Range Planning Workshop

May 17, 2012

Draft FY 2012-13 Budget

100th Anniversary – Discussion

Long Range Planning Draft Action Plan

Miller suggested having an item at a future Board meeting regarding a possible Memorandum of Understanding due to the City of El Cerrito recycling center's new fence which encroaches onto District property.

XI. Adjournment

The meeting was adjourned at 10:35 P.M. The next meeting of the Stege Sanitary District Board of Directors will be the Long Range Planning Workshop held on Saturday, May 05, 2012 at 8:30 A.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary