

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF MAY 17, 2012
TIME OF MEETING: 7:00 P.M.

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

- I. Call To Order:** President Miller called the meeting to order at 7:03 P.M.
- II. Roll Call:** Present: Brand (7:10 P.M), Gilbert-Snyder, Merrill, O'Keefe,
Miller
Absent: None
Others Present: Rex Delizo, District Manager
Paul Soo, Assistant Engineer

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 03, 2012 Board Meeting

MOTION: By Merrill, seconded by O'Keefe, to approve the minutes of the May 03, 2012 Board Meeting, as amended.

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

V. Communications

A. Oral Communications:

There were no oral communications to report.

B. Written Communications:

There were no written communications to report.

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VI. Reports of Staff and Officers

A. Manager's Report:

There was no Manager's report.

VII. Business

A. Consideration of Claim – 62 Eureka Ave, Kensington

The claim, filed on April 27, 2012, contends that the District's contractor made a poor connection to the main when the main was replaced in 1997. Staff reviewed the claim and believes it should be denied. The mainline was replaced over 15 years ago and the connection was made in the same location and manner as was existing at the time. If the situation was caused by the construction, it should have manifested itself sooner than 15 years after the installation. As stated in the claim, the residence is located within the Blakemont slide area, so there is a history of ground movement which is the more likely cause of the problem.

MOTION: By O'Keefe, seconded by Gilbert-Snyder, to reject the claim.

VOTE: AYES: Brand, Gilbert-Snyder, O'Keefe, Miller

NOES: None

ABSTAIN: Merrill

B. Consulting Services Agreement with Water Works Engineers, LLC

This is the agreement with Water Works Engineers, LLC, previously discussed at the Board meeting on March, 15, 2012, regarding key upgrades to prolong the useful service life of the Burlingame Pump Station at a cost less than full replacement. The Board decided to approve the agreement after making several corrections and amendments and asked staff to clarify the referenced exhibits.

MOTION: By Merrill, seconded by Brand, to approve the agreement with Water Works Engineers, LLC for the Burlingame Pump Station design

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and project management services in the amount not to exceed \$29,750, as corrected, amended and clarified by staff.

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

C. Draft Budget FY 2012/2013

The Board was provided a second draft of the budget with updated figures and several pie charts showing revenue and expenses. Also included was a fund level vs. target reserves graph and projection to 2030. The final budget will be ready for adoption at an upcoming Board meeting in June.

D. Valuation of Retiree Medical Plan – Alternate Scenarios

This was a follow up to the information provided at the board meeting on May 3, 2012 regarding the results of the scenarios run by consulting actuary, Steven Itelson. The Board clarified that they intended to re-visit this item in one year, so no further discussion was needed.

E. Flexible Benefits/Cafeteria Plan

The Board was provided several scenarios to consider as possible alternatives to the flexible benefits/cafeteria plan. The board asked that a scenario be modified using the least cost medical premium offered and another with 90% of the least cost medical premium as the basis for the employees medical premium allotment. The board also requested staff research and report on other comparable sanitary district flexible benefit plans. This item will be brought back at a future Board meeting for discussion.

VIII. Approval of Checks

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

MOTION: By Merrill, seconded by Gilbert-Snyder, to approve payment of the bills, Check Nos. 21785 through 21813 in the amount of \$82,673.66

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

IX. Future Agenda Items

May 31, 2012

Draft Budget FY 2012/2013
 4th July Fair Discussion
 Approve Salary Ranges for District Positions
 CLOSED SESSION - Existing Litigation
 Draft Action Plan
 Kids for the Bay

June 14, 2012

Draft Budget FY 2012/2013
 Annual Review of Manager's Performance
 Review Directors Meeting Compensation
 4th July Fair Discussion

O'Keefe requested staff to add the District Reserve Policy to a future meeting agenda. Staff will provide dates available for a Board tour of the District which is typically on a Saturday. The Board also indicated their preferred assignments for the 4th of July Fair as follows:

10am-12pm	Brand
12pm-2pm	Gilbert-Snyder
2pm-4pm	Merrill
4pm-6pm	Miller
Not Available	O'Keefe

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X. Adjournment

The meeting was adjourned at 9:29 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, May 31, 2012 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary