

MEETING OF NOVEMBER 19, 2009

TIME OF MEETING: 7:00 P.M.

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

I. Call To Order: President Merrill called the meeting to order at 7:10 P.M.

II. Roll Call: Present: Brand, James, Miller, O’Keefe, Merrill
 Others Present: Jennifer Faught, District Counsel
 Doug 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 November 4, 2009 Board Meeting

MOTION: By Miller, seconded by Brand, to approve the minutes of the November 4, 2009 Board Meeting as corrected.

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

V. Communications

A. Oral Communications:

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

Miller reported on his attendance at the November 16th El Cerrito City Council meeting. He said the San Pablo Avenue Specific Plan was presented at the meeting and he has given the three volume set report to the Manager. He said that plan includes an additional 1200 living units along San Pablo Avenue over the next twenty to thirty years. Miller also reported on his attendance at the Regional Water Board hearing yesterday. Merrill also said he had attended yesterday’s hearing and had provided testimony on behalf of Stege and the other satellite agencies expressing grave concerns about the new permits that were considered by the Regional Board. All permits were adopted.

B. Written Communications:

1. January 13-15, 2010 California Association of Sanitation Agencies (CASA) Conference

Humphrey said he would attend the conference and could help provide transportation to Board members that attend. O’Keefe said she will not attend. The attendance of other Board members was approved. Brand is uncertain as to whether he will attend.

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2. November 12, 2009 Public Records Act Request (PRA) Letter
Addressed to Ms. Connie Sylte

Humphrey informed the Board that the District had received the noted Public Records Act request and informed the Board that staff was in the process of producing the requested materials. He said that he would charge the requestor for the reproduction costs of the documents, in accordance with established District policies set for that purpose. The Directors stated they felt it was very important that these charges be assessed so the cost of making the copies for the requestor was recovered. The requester will not be allowed to make his own copies.

VI. Reports of Staff and Officers

A. Attorney's Report: Ms. Faught gave a brief report on the Adobe Lumber case.

B. Manager's Report:

Monthly Maintenance Summary Report – October 2009

Humphrey reported that October was a fairly typical month for maintenance activities. Crews cleaned about 92,370 feet of lines and videoed about 9,620 feet. There were 15 service calls and 4 of these were related to problems in private laterals. There were 3 calls after normal working hours and 2 required immediate response. There were no overflows caused by problems in Stege main lines and the total for the last 12 months is now 10.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

3. Capital Improvement Projects

4. Miscellaneous Items

a. Kids for the Bay Program

Humphrey told the Board that he had attended one of the first classes at Kensington School. He said the instructor did a very good job of blending the "Stege issues" into the Kids for the Bay curriculum.

b. Newsletter

Humphrey said he was working with Rosalie Blajez to get the letter drafted for the Board's review.

c. 2010 Long-Range Planning Workshop (LRP)

The Board decided that February 13, 2010 was the best date for the LRP.

d. Salary Survey

Humphrey said he is still waiting for two agencies to respond to the request for salary information.

e. Public Employees Retirement System (PERS) – "Retirement - Eligible" Compensation

Humphrey said he has confirmed with PERS that only salary is eligible for the determination of retirement benefit, but he is still trying to find something in a written format that explains this.

f. Backflow Prevention Devices (BPDs) – Follow-up on Last Meeting

Humphrey explained to the Board that he had drafted letters and an item for the newsletter regarding the recent ordinance revision about BPDs and that property owners are responsible for damage if they are

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non-compliant. Some of the Board members questioned if this was a good idea, and asked Ms. Faught to consult with Riback about whether, given the tendency of California courts to impose strict liability, such a policy could actually be enforced.

VII. Business

A. Administration Building Project – Project Status Update

Humphrey provided the Board with an update on the status of the project. He said the major item is that the building is “water-tight” and that rain will not affect the interior at this point. The project is slightly ahead of schedule, so a February completion date is still planned.

B. Stege’s National Pollutant Discharge Elimination System (NPDES) Permit and East Bay Municipal Utility District (EBMUD) Stipulated Order (SO)

Humphrey reported that the Regional Water Board had adopted the new NPDES Permit at their hearing yesterday. The US Environmental Protection Agency (EPA) issued an administrative order (AO) to Stege yesterday afternoon following the Water Board action, since Stege, and the other EBMUD satellite agencies, cannot reliably comply with the new standards set in the new permit. The AO prescribes actions that Stege must take to be considered to be “compliant” with its new permit. Humphrey said that most of these required programs and activities are already being done, but some will need to be intensified or accelerated in the near future.

C. Flexible Benefits Plan – Contribution Rate for 2010

Humphrey informed the Board about the PERS health plan rates for 2010 and said it was time again to review the District’s contribution rate to the flexible benefits program. There was a lengthy discussion about the contribution rate to the plan, but most of the discussion centered on the cash out limit. O’Keefe expressed her concern that the contribution rate is a higher percentage of the Kaiser family rate than it was two years ago. Similarly, the cash out limit is a higher percentage of the total contribution rate and she said she is concerned about this, particularly in light of the State’s economic conditions. Merrill agreed. James and Miller expressed their opinion that the cash out should not be limited to less than the full contribution rate. Miller said he didn’t think we should be limited by what the State does, and James said that the cash limit discriminates against employees who have working spouses with insurance from their own employers.

MOTION: By James, seconded by Miller, to eliminate the cash out “limit” in the flexible benefits plan.

There was further discussion about the subject.

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MOTION: By O’Keefe, seconded by Brand, to table the issue until next meeting.

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

The motion failed, since it required a two-thirds majority. Brand indicated that he agreed there should be no limit on the cash out.

Merrill called the vote for the original motion or question.

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

MOTION: By O’Keefe, seconded by Miller, to table the issue regarding the contribution rate until next meeting.

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

The result is the elimination of the cash out limit, beginning January 2010.

D. Consideration of Claim – Mr. Chastain, 5708 Columbia, Richmond

Humphrey explained that the claim was for the cost of a rented sewer cleaner. The Chastains tried to do the work themselves and pushed roots from their lateral into the area of the connection of the main line and their lateral. The Chastains did not contact the District first and the Manager recommends rejection of the claim.

MOTION: By James, seconded by Miller, to reject the claim and direct the Manager to make the appropriate notifications to the claimant and claims administrator.

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

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VIII. Monthly Financial Statements – October 2009

A. Monthly Investment, Cash, Receivables Report, October 2009

B. Monthly Operating, Statement, October 2009

Humphrey said that expenses are close to the budgeted amount for this time in the fiscal year. Reserve balances are starting to drop, a reflection of the expenses on the building project which is expected.

C. Financial Issues

Humphrey told the Board that the auditor would be present at the next meeting to present the financial audit for Fiscal Year 2008-09.

IX. Approval of Checks

1. Checks for November 2009 - Fund No. 3418.

MOTION: By O’Keefe, seconded by James, to approve payment of the bills, Check Nos. 19659 through 19717 in the amount of \$469,605.34 from Fund Nos. 3418 & 3423.

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

X. Future Agenda Items

December 17, 2009

- Nomination & Election of Officers
- Fiscal Year 2008-09 Financial Audit
- Service Charge Review Schedule
- Administration Building Project Status
- EBMUD SO

Humphrey said that the Flexible Benefit Contribution Rate will also be on this agenda. Items regarding Anchor Engineers agreement and an agreement with Emeryville for expense reimbursement for professional services associated with the permit may also be on this agenda.

January 7, 2010

- Set Long-Range Planning Date
- Service Fee Increase Discussion
- Administration Building Project

It was noted the LRP date has already been set, so that item will not be needed.

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XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 11:30 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, December 17, 2009 at 2:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary