

MEETING OF OCTOBER 8, 2008

TIME OF MEETING: 7:00 P.M.

\*\*\*\*\* MINUTES \*\*\*\*\*

**I. Call To Order:** President O’Keefe called the meeting to order at 7:04 P.M.

**II. Roll Call:** Present: Brand, James (arrived at 7:15 P.M.), Merrill, Miller, O’Keefe  
 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 September 25, 2008 Board Meeting.

MOTION: By Miller, seconded by Brand, to approve the minutes of the September 25, 2008 Board meeting, as amended at this meeting.

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

**V. Communications**

A. Oral Communications:

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings. Miller said he had attended the first El Cerrito City Council meeting in the new City Hall and Council Chambers.

B. Written Communications:

1. California Association of Sanitation Agencies (CASA) Legislative Update – Governor Vetoes Hundreds of Bills.
2. Letter from Governor Schwarzenegger to the Members of the California State Assembly: “I am returning Assembly Bill 2986 without my signature”.
3. East Bay Municipal Utility District (EBMUD) Letter of August 29, 2008 Regarding Hydrant Meter.
4. Mercury News – “San Mateo, Hillsborough and Crystal Springs Fined \$1.7 Million for Discharging Sewage”.
5. Marin Independent Journal – “Leno’s Sewage Bill Doesn’t Make the Grade”.

There was a brief discussion about the written items. Humphrey said the governor’s veto of the Leno bill was a surprise and that apparently the State Water board staff did not like some of the provisions of the bill. Humphrey said he was still working on the hydrant meter issue and at

MEETING OF OCTOBER 8, 2008

TIME OF MEETING: 7:00 P.M.

least EBMUD has agreed to allow Stege some usage of their water. The Regional Water Board, not a third party, is pursuing enforcement against the San Mateo agencies for sewage overflows. This is encouraging, although the proposed fine amounts seem excessive.

## **VI. Business**

### **A. Investment Alternatives to the Local Agency Investment Funds (LAIF)**

Humphrey provided a brief summary of his background memo. There were some suggestions made during a discussion of this item, including purchasing shares of an index fund over a period of 10-12 months, or “dollar cost averaging”, as the way to transition. The Board decided it would like additional information before making a final decision, specifically it would like to see a comparison of LAIF returns vs. S&P 500 index returns for a 20 or 30 year period. Another graph should indicate a projection of the fund balance over the next few years, depending upon the rate of return. Merrill reiterated his point that the majority of retiree health care funds are needed in future years and also that use of an index fund would help diversify Stege’s investments. Humphrey said he would prepare the requested information and bring this item back to the Board for consideration.

### **B. Administration Building Project – Status Report and Approval to Bid Demolition Project**

A summary of project status was presented by Humphrey. He said the meeting with neighbors had gone very well; only Mr. Henrichs and Ms. Walmsley had attended. He said the proposed air handling system was an efficient rooftop package unit rather than a heat pump and said he would follow up with the designers to determine if a heat pump can be used instead. He said the schedule for the demolition project is on track, but would like to have an additional Board meeting on October 30 to award the project contract if the bids are “clean” so demolition can be completed prior to Thanksgiving. The Board indicated they would be available for an October 30 meeting if needed. Humphrey said he will set a Board meeting date on the 30<sup>th</sup> for the award, but may cancel if after bids are received on October 28, there are any bid issues.

MEETING OF OCTOBER 8, 2008

TIME OF MEETING: 7:00 P.M.

C. Resolution No. 1944-1008 of the Board of Directors of Stege Sanitary District Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority's (SDRMA) Health Benefits Ancillary Coverages.

Humphrey said approval of this resolution is the action needed to implement the transition to the SDRMA dental plan, as discussed at previous meetings.

MOTION: By James, seconded by Miller, to approve Resolution No. 1944-1008 Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority's Health Benefits Ancillary Coverages.

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

**VII. Approval of Checks**

A. Checks for September 2008 - Fund No. 3418.

MOTION: By James, seconded by Miller, to approve payment of the bills, Check Nos. 18681 through 18715 in the amount of \$71,550.28 from Fund Nos. 3418 & 3423.

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

**VIII. Future Agenda Items**

**October 23, 2008**

- Flex Plan Review
- Administration Building Status – Award Demo Contract & Status Report
- Quarterly Lateral Report
- Enforcement Issues

Humphrey noted that the Demo project will be awarded on October 30 in a special meeting, not at the October 23 meeting, Miller requested that Board officer succession/rotation policy be reviewed prior to the December meeting.

**November 6, 2008**

- Review of EBMUD Wet Weather Facilities Studies
- Salary Survey Date Update
- Service Charge Review Schedule
- Administration Building – Bid Construction Project

MEETING OF OCTOBER 8, 2008

TIME OF MEETING: 7:00 P.M.

Humphrey said the Investment - Alternatives to LAIF issue may be ready for this meeting.

**IX. Adjournment**

The meeting of the Stege Sanitary District Board of Directors was adjourned at 8:51 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, October 23, 2008 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

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Douglas Humphrey  
STEGE SANITARY DISTRICT  
Secretary