

MEETING OF OCTOBER 23, 2008

TIME OF MEETING: 7:00 P.M.

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

I. Call To Order: Vice President Merrill called the meeting to order at 7:00 P.M.

II. Roll Call: Present: Brand, James, Merrill, Miller, O’Keefe (7:02 P.M.)
 Others Present: Mike Riback, District Counsel
 Douglas Humphrey, District Manager
 Walter Lunn, Collection System Superintendent

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: O’Keefe said she noticed large blocks of concrete in the area by Stege’s large line across Hoffman Marsh.

IV. Approval of Minutes

A. Approval of Minutes of October 8, 2008 Board Meeting.

MOTION: By Miller, seconded by James, to approve the minutes of the October 8, 2008 Board meeting as corrected.

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 reported on the El Cerrito City Council meeting he had attended on Monday evening. He said that City staff had reported that recycling pick up will likely change to a single stream type of pick up. This will result in a change in use for the Recycling Center, it will have an expanded reuse section, but trucks will not bring material to the Center in the future. The design of the Center will also change; the new building will be an estimated \$3 million project instead of \$7.5 million estimated for the previous project that would have included use of the Center for all recycling activities.

B. Written Communications: Humphrey said there were no written communications to consider.

VI. Reports of Staff and Officers

A. Attorney’s Report: Riback indicated he had no report for this meeting.

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B. Manager's Report:**1. Monthly Maintenance Summary Report – September 2008.**

Humphrey said that September had been the second consecutive month with no overflows caused by problems in Stege main lines. He said this had been the last month of the quarter so there was less footage cleaned than in the past two months, a total of about 37,000 feet. A total of about 23,000 feet had been videoed and field staff worked with the new video camera and is transitioning to the use of this new equipment. There were 10 service calls and 7 of these were related to problems with laterals. There were 3 after-hours calls for service and 1 of these required immediate response by staff. There was a discussion regarding the summary of footage cleaned and Humphrey said he would draft something different for this portion of the report and see if it satisfies the Board.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects.

Humphrey reported there were 2 repairs for a total cost of \$5050.

3. Capital Improvement Projects.

Humphrey said there was no capital project activity in September.

4. Miscellaneous Items:**a. Quarterly Lateral Report.**

Humphrey stated the report had been updated and said the deficiencies and “no reports” were less since staff had begun notifying listing agents about Stege requirements prior to sales of homes. This began in April 2007 after advice from District Counsel and Humphrey said the results were evident if one looks at data beginning in late 2007, after the notification process had a chance to take full effect.

VII. Business**A. Administration Building Project – Status Report.**

Humphrey said that staff had hosted a pre-bid meeting for the demolition project earlier in the week and would open bids next Tuesday. He said that Pacific Gas & Electric's (PG&E) requirement is that they must perform all the demolition of gas and electric lines, and this may take as much as four weeks from now to get this done. The City's demolition permit must be signed by PG&E after they perform this demolition, so there may not need to be a meeting next week to award the demolition project since timeliness of the award may not be an issue. Humphrey said he would send a message to the Board next Monday if a meeting is needed, otherwise the award will be made at the November 6 meeting.

Humphrey said he had confirmed that heat pumps will be used for the heating, ventilating, air conditioning (HVAC) system. He said that three units are in the current design, one for each zone in the building. Humphrey requested authority to process payment of an additional \$12,360 in design fees to VBN. The structural engineer had stated in September 2007 they would need an additional \$7000 if drilled piers and an engineered slab was required, and this

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is what will be done. The other \$5360 is needed since the hydronic system was scoped, but the designers now need to revert to the originally scoped package unit approach. There was some discussion about this and the Board decided to approve the additional fees, but asked Humphrey to express their concern that VBN did not point out there would be additional expenses involved with a return to the original design if the hydronic system was not used.

B. Discussion of Draft Enforcement Policy.

Humphrey introduced the item and referred the Board to his background memo on the subject. There was a lengthy discussion about the different types of violations of District regulations that occur, how they may be discovered, and the processes that are involved with notification and potential enforcement. Riback informed the Board about a potential process for the enforcement of violations of the District's lateral testing and replacement upon the sale of property program. Humphrey recommended that staff work with Counsel to pursue enforcement on two to three of the lateral violations and track the actual amount of time expended on each one so an estimate of required time of complete enforcement can be made. The Board asked that a draft plan to accomplish this be provided to them in the near future. Riback said he will provide a summary of enforcement steps for use in this draft plan that Humphrey will develop.

C. Resolution No. 1945-1008 Amending the Personnel Policies of the Stege Sanitary District Regarding Article IV, Section 4, Vacation Leave and Sick Leave Accumulation.

Humphrey explained that he had drafted the revised policy as a follow-up to the Board's discussion about this subject a few weeks ago. He said vacation leave accumulation allowed by most of Stege's comparison agencies is established as a multiple of the amount earned in a year. The most common multiple is two, or accumulation of up to twice the amount earned in a year. Sick leave accumulation is more complicated, and Humphrey suggested that the limit of 480 hours be reinstated and that James' suggestion of a 50% value for a conversion rate be implemented. The draft policy includes these features. Merrill said he didn't think a multiple type of limit for vacation accumulation was any more logical than a set amount of hours. Merrill asked why sick leave is not paid to employees when their service is terminated, other than retirement, and suggested the next to last paragraph in section 4.4.4 be deleted and replaced with the same language that is in section 4.2.1, except "accumulated sick leave" should be inserted instead of "earned vacation time".

MOTION: By Merrill, seconded by O'Keefe, to approve Resolution No. 1945-1008 Amending the Personnel Policies of the Stege Sanitary District Regarding Article IV, Section 4, Vacation and Sick Leave Accumulation, as revised tonight.

VOTE: AYES: Brand, Merrill, O'Keefe

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NOES: James, Miller

ABSTAIN: None

D. Flex Plan Contribution Rate.

Humphrey explained the increases in the Public Employees Retirement System (PERS) health care plans. He said that the Kaiser family rate would increase about 8% on January 1, 2009. There was a general discussion about the flex plan and the historical contribution rates.

James pointed out that the Kaiser family rate had been used as somewhat of a benchmark in the past because it had the lowest rates. However, the PERS Choice plan will be lowest this next year and it may be a good idea to use that as the benchmark and contribute that full rate to the flex plan. He also said he would like to increase the cash limit by at least the same percentage the contribution rate increases.

MOTION: By James, seconded by Miller, to raise the flex plan contribution rate to \$1250 per month and raise the cash limit to \$730 per month.

VOTE: AYES: Brand, James, Miller, O’Keefe

NOES: Merrill

ABSTAIN: None

VIII. Monthly Financial Statements –September 2008

A. Monthly Investment, Cash, Receivables Report, September 2008.

B. Monthly Operating, Statement, September 2008.

C. Financial Issues.

Humphrey said that the financial reports indicate no unusual issues and that expenses are on track with the budget. He pointed out that both the operating and cash and investment reports now include a separate “fund” for Retiree Health Care. He also noted that the bookkeeper had prepared revised reports for July and August that include this fund.

IX. Approval of Checks

1. Checks for October 2008 - Fund No. 3418.

MOTION: By Merrill, seconded by Brand, to approve payment of the bills, Check Nos. 18716 through 18740 in the amount of \$68,585.83 from Fund Nos. 3418 & 3423.

VOTE: AYES: Brand, James, Merrill, Miller, O’Keefe

NOES: None

ABSTAIN: None

X. Future Agenda Items

November 6, 2008

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Service Charge Review Schedule
Administration Building Project Status

Humphrey said other items for this agenda would include Board Officer Succession and Demolition Project Award. The Alternative to LAIF Investment of Reserves will be on this agenda or the November 20 agenda.

October 30, 2008

Award of Demolition Project

Humphrey said that this meeting would likely not be necessary because the PG&E work will take about four weeks to get done, so there is no need to award the contract next week.

November 20, 2008

Flex Plan Contribution Rate
Administration Building Project Status –Approval of Plans and Specs
Enforcement Issues

It was noted that the flex plan item will not be needed since that was concluded tonight and it was suggested that the Retiree Medical Care Contribution Rate could still be considered.

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:30 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on November 6, 2008 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary