

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF OCTOBER 21, 2010

TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

- I. Call To Order:** Vice President James called the meeting to order at 7:01 P.M.
- II. Roll Call:**
- | | |
|-----------------|--|
| Present: | Merrill, Miller, James |
| Absent: | Brand, O'Keefe (both provided prior notice of absence) |
| Others Present: | Mike Riback, District Counsel
Doug Humphrey, District Manager (arrived at 7:23 PM)
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:** Mr. Bryce Nesbitt, Kensington Improvement Club (KIC) spoke to the Board about the path between Yale Avenue and Stanford Avenue in Kensington. He said it is well-used but overgrown, and the KIC wants to make some improvements in the pathway. He continued that there is no County financial support for this purpose; in fact, the ownership of the path is not taken by the County. He said that he is aware that there is a Stege line in the path and he wants to make sure that Stege is supportive of improvements in the path and he would like the Board to prepare a letter of approval for the proposed improvements. The Board indicated that, though they couldn't take action on an item that was not on the agenda, they would direct staff to prepare an agenda item and a resolution or letter of support for the next meetings.

IV. Approval of Minutes

A. Approval of Minutes of October 7, 2010 Board Meeting

MOTION: By Merrill, seconded by Miller, to approve the minutes of the October 07, 2010 Board Meeting as corrected.

VOTE: AYES: Merrill, Miller, James
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 his attendance at a recent El Cerrito City Council meeting. He said there was discussion regarding the Eden Housing Manor project which would be a mixed use development. He said the City also approved many new codes effective January 1, 2011, including the new

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Uniform Building Code, new Fire Code, and the “Green Book” of public works specifications. He noted that the new fire code will require sprinklers in all newly constructed residences.

B. Written Communications:

1. October 14, 2010 Memo from M. Moustakas Environmental Protection Agency (EPA) re: Approval of Stege’s Subbasin Flow Monitoring Plan
2. October 8, 2010 Letter from the California Association of Sanitation Agencies (CASA) re: Passing of State Budget

Humphrey said that there was no action to take regarding these communications, but he wanted to inform the Board that EPA had approved the submitted flow monitoring plan. He said the second item was an update report from the CASA office regarding the passing of the state budget and an informational item. Merrill asked if there would be an issue since the East Bay Municipal Utility District (EBMUD) flow monitoring was done in different years than Stege’s monitoring. Humphrey answered that there is always a concern, but the flow model is supposed to take these variations in storms into account.

VI. Reports of Staff and Officers

A. Attorney’s Report: Riback discussed the issue of public agencies’ notices regarding sales tax increases they have proposed. He said the law changed a few years ago in a case involving Salinas. The result is that providing information in flyers or publicity generated by the agency regarding proposed increases is acceptable, but advocacy is not. He emphasized that the court will look at the tenor, style, and timing of publicity from the agency in determining whether it is a reasonable item or not. He said he has seen some pieces from some of his clients recently that had to be revised because of this standard which has resulted from the Salinas case.

B. Manager’s Report:

1. Monthly Maintenance Summary Report – September 2010

Humphrey said the month had been a good one since there were no overflows related to problems in District main lines. Lunn commented that there had been a shortage of staff due to family leave and surgery issues, so the cleaning footage was less than in typical months and quarters, since this situation had started in August. Lunn also said that he and his crews had videoed all 3 and 6 month frequency lines and revised the cleaning frequency in many of these line segments. Humphrey reported that the crews had cleaned about 60,000 feet last month and videoed about 1000 feet. There were 6 service calls and 1 call after normal working hours. There were no overflows caused by problems in District main lines, and there were no calls related to private laterals.

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

Humphrey said the contractor will start on line replacements in the next few weeks.

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4. Miscellaneous Items

- a. East Bay Municipal Utility District (EBMUD) Stipulated Order (SO) and Stege Sanitary District Administrative Order (AO) and SO
Humphrey provided the Board with a status report on EBMUD's workshops and issues related to their SO and said there would be one more asset management workshop with EBMUD in December. He also reported on the status of the drafting of the SOs for Stege and the other EBMUD satellite agencies.
- b. Quarterly Claims Report
Humphrey gave the Board a summary of the claims report and noted that this report and future claims reports will include only claims that are still open or were closed during the preceding quarter. He said the format of the claims will also be modified to make the presented information clearer.
- c. Quarterly Lateral Report
Humphrey provided a brief summary of the lateral report. He noted there are more properties in the last 3 to 4 months that have not tested their laterals or requested extensions, but said this is still fairly typical that there are more sold properties in very recent months that have not had laterals replaced or tested. He said he would expect the number of these to decrease as times progresses, similar to historical results. He said the overall compliance rate of about 91% is still very high.
- d. Human Resource Issues
Humphrey reported on various human resource issues, including the recent use of a temporary employee due to the temporary loss of two maintenance workers to family leave and surgery.

VII. Business: There were no business items to consider.

VIII. Monthly Financial Statements – September 2010

A. Monthly Investment, Cash, Receivables Report, September 2010

B. Monthly Operating, Statement, September 2010

Humphrey reported that expenses are close to what would be expected at this time of the year, and are slightly less than budgeted for this time of the year.

C. Financial Issues

Humphrey said there were no other financial issues to discuss and said that the financial auditors would be present next week to complete their audit of last fiscal year.

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IX. Approval of Checks

1. Checks for October 2010 - Fund No. 3418 & 3423

MOTION: By Miller, seconded by Merrill, to approve payment of the bills, Check Nos. 20521 through 20553, in the amount of \$79,066.42 from Fund Nos. 3418 & 3423.

VOTE: AYES: Merrill, Miller, James
 NOES: None
 ABSTAIN: None

X. Future Agenda Items

November 4, 2010

District Emergency Preparedness Plan

Flexible Benefits Plan Review - Contribution Rate

Resolution Approving Change to District Personnel Policy – Personal Protective Equipment and Clothing

Humphrey reminded the Board that the Kensington path issue would also be included on this meeting's agenda.

November 18, 2010

Flexible Benefits Plan Review - Contribution Rate

East Bay Municipal Utility District (EBMUD) Stipulated Order (SO) and Stege Sanitary District Administrative Order (AO) and SO

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 9:08 P.M., in memory of Jay James' father-in-law, Ed Burton, the inventor of the Micro-phor wastewater treatment process. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, November 4, 2010 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
 STEGE SANITARY DISTRICT
 Secretary