

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF OCTOBER 20, 2011
TIME OF MEETING: 7:00 P.M.

***** MINUTES *****

- I. Call To Order:** President Miller called the meeting to order at 7:09 P.M.
- II. Roll Call:** Present: Brand, Merrill, O’Keefe (7:50 P.M.), Miller
Absent: None
Vacant: One
Others Present: Mike Riback, District Counsel
Rex Delizo, District Manager
Lisa Martinengo, High Spirits Event Planning
Doug Humphrey, Humphrey Consulting, LLC

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:** Merrill asked staff to investigate lamphole #101109 on Carlson Blvd. that is missing a cover.

IV. Approval of Minutes

A. Approval of Minutes of October 06, 2011 Board Meeting

MOTION: By Brand, seconded by Merrill, to approve the minutes of the October 06, 2011 Board Meeting, as amended.

VOTE: AYES: Brand, Merrill, O’Keefe, Miller
NOES: None
ABSTAIN: None
ABSENT: None
VACANT: One

Item VII. A was taken out of order at this time in the meeting.

VII. Business:

A. 100th Year Anniversary Planning – Event Planner

Lisa Martinengo of High Spirits Event Planning was introduced to the Board and answered several questions on planning an event to celebrate the Stege’s 100th year anniversary. She addressed goals, target audience, budget, timeline and themes. The Board would prefer to have a public open house or educational event which serve the dual purpose of raising Stege’s profile in the community. The Board asked Martinengo to work with staff to develop some cost estimates for some of the ideas that were discussed.

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V. Communications

A. Oral Communications:

There were no oral communications to consider.

B. Written Communications:

There were no written communications to consider.

VI. Reports of Staff and Officers

A. Attorney's Report:

Riback reported about the California Redevelopment Agencies and League of California Cities reply to the briefs submitted by the State and Santa Clara County Defense of AB 1X 26 and 27 filed with the Supreme Court. Riback will forward the reports to staff for distribution to the Board.

B. Manager's Report:

1. Monthly Maintenance Summary Report – September 2011

The Board was informed that about 29,000 feet of lines had been cleaned and that about 23,000 feet of lines had been videoed. There were 3 service calls and 2 of these were related to problems in private laterals. There was 1 service call after normal working hours and 1 overflow caused by problems in District main lines.

2. Monthly Report of Sewer Repairs and Miscellaneous Capital Projects

The Board was informed that 7 repairs were completed for a total of \$23,947. The 7 sewer lines were found to have a severe localized defect that required only a spot repair.

3. Capital Improvement Projects

D'arcy and Harty informed staff that they have had push back their return to December.

4. Miscellaneous Items

a. Stege Sanitary District Stipulated Order

b. East Bay Municipal Utility District (EBMUD) Stipulated Order (SO)

Humphrey gave an update to the board on the status of the Stipulated Orders. Humphrey briefed the board on a small coordinating meeting he attended on behalf of Stege on October 11, 2011 with Kent Alm, Oakland Attorney Marilee Allen, and some East Bay Collection System Advisory Committee (EBCSAC) representatives. Part of the discussion involved revisiting the Technical Advisory Board (TAB) Joint Powers Authority (JPA) and possibly creating a EBCSAC JPA to help share costs equitably among the communities. Humphrey also briefed the Board on the EBCSAC meeting on October 20, 2011 where the communities discussed drafting a comment letter to the East Bay Municipal District (EBMUD) Flow Modeling and Limits Report (FMLR). All parties agreed that a collaborative approach between EBCSAC and EBMUD is still considered the best course of action going forward with discussions with the United States Environment Protection Agency (EPA). Humphrey provided the Board with a

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summary of potential technical, legal, financial and legislative support services that may be required for all future negotiations.

c. Quarterly Claims Report

The Board was given the status of open claims and claims that closed in the last quarter ending September 2011.

d. Quarterly Lateral Report

The Board was given the status of lateral inspections and replacements. EBMUD's regional private sewer lateral program began in Stege on Monday, October 17th. The Board asked staff to consult with counsel about the remaining delinquent properties that have not complied with Stege's lateral program and, specifically, any issues of selective enforcement.

VII. Business:

B. Board of Directors' Vacancy – Application Review

The Board reviewed the 6 applications and decided to have staff schedule interviews with all 6 of the candidates at the next Board meeting on November 3rd. The Board came to consensus on 7 questions for the interview and will allow 20 minutes per applicant of which the final 5 minutes will be reserved for Board review and discussion.

VIII. Monthly Financial Statements – September 2011

A. Monthly Investment, Cash, Receivables Report, September 2011

B. Monthly Operating, Statement, September 2011

C. Financial Issues

The Board was informed that the auditors were in this week to perform their final audit. This is the 4th audit in a row by Cropper Accountancy and standard practice is to use a different auditor every 3 years. Staff can prepare a Request for Proposals in January 2012. However, using the same firm for one more year would help provide consistency since there is a new District Manager and Administrative Supervisor in place who are still getting familiar with the process. The Board directed staff to bring this back at a future meeting for discussion.

IX. Approval of Checks

1. Checks for October 2011 - Fund No. 3418 & 3423

Four stale-dated checks were voided and re-issued.

MOTION: By Merrill, seconded by Brand, to approve payment of the bills, Check Nos. 21358 through 21388, in the amount of \$50,070.42

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

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ABSTAIN: None

ABSENT: None

VACANT: One

X. Future Agenda Items

November 03, 2011

Board Vacancy – Candidate Interviews

November 17, 2011

Board Vacancy - Appointment

Closed Session – District Counsel Performance Evaluation

Peaking Factor Comparison / GWI

Stege Sanitary District Stipulated Order

Flexible Benefits Plan Review - Contribution Rate

East Bay Municipal Utility District (EBMUD) Stipulated Order

XI. Adjournment

The meeting was adjourned at 10:40 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Thursday, November 17, 2011 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
 STEGE SANITARY DISTRICT
 Secretary