

MEETING OF SEPTEMBER 25, 2008

TIME OF MEETING: 7:00 P.M.

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

I. Call To Order: President O’Keefe called the meeting to order at 7:01 P.M.

II. Roll Call: Present: Brand, James, Merrill, Miller, O’Keefe
 Others Present: Mike Riback, District Counsel
 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 11, 2008 Board Meeting.

James remarked that the motion in the Administration Building Project item should be changed, since he did not agree that there should be a cost increase for a hydronic system. James furnished language that would change that motion in the minutes.

MOTION: By Miller, seconded by James, to approve the minutes of the September 11, 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 his attendance at a recent El Cerrito City Council meeting. He said that the City Council will hold their first meeting in the new chambers on October 6. He also said that Andy Katz, East Bay Municipal Utility District (EBMUD) Director, had addressed the Council regarding EBMUD’s drought programs. O’Keefe said the recent El Cerrito Planning Commission meeting had permits on its agenda. She said that the developers of the Albert’s Nursery site had requested a two year extension of their permit and that the project in the southeast corner of El Cerrito Plaza had already received a one year extension that will end soon.

B. Written Communications:

1. California Association of Sanitation Agencies (CASA), “A Done Deal!” Humphrey said there was nothing to discuss, this is just information on the state’s budget deal as reported by Mike Dillon from the CASA office.

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VI. Reports of Staff and Officers

A. Attorney's Report: Riback said he had no formal report, and added the oldest legal firm in California, Heller-Erman, had just announced they would be closing the firm.

B. Manager's Report:

1. Monthly Maintenance Summary Report – August 2008.

Humphrey said that August had been a good month for maintenance activities and results. Stege field staff cleaned about 66,947 feet and videoed about 17,884 feet of main lines. There were 16 service calls and 11 of these were related to problems in private laterals. There were 4 after-hours calls and 2 of these required immediate responses.

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

Humphrey referred the Board to the summary report and said there were 8 repairs for a total cost of \$5,850.

3. Capital Improvement Projects.

Humphrey reported that the pipebursting contractor, PTI had completed the latest set of replacement lines and would return to do additional work in late winter or spring.

4. Miscellaneous Items.

a. Status Report on Smoke Testing & Flow Metering.

b. Sewer System Management Plan (SSMP).

Humphrey gave the Board a summary of smoke testing progress and the status of flow metering plans. He said that smoke testing in the area of Kensington that flows into the Wellesley area where there had been overflows last winter should be completed tomorrow. He led a discussion about the meter study performed for EBMUD as part of their wet weather facility permits, and said that the study results will be helpful for choosing the types of meters for use in Stege. He said the results reinforced the use of meters that Stege had used in recent winters the past three years, a radar-type meter. He informed the Board that staff has received quotes for the purchase, as well as the maintenance, of meters that staff plans to purchase and install prior to this winter.

VII. Business

A. Administration Building Project – Status Report.

Humphrey provided the Board with a summary of the current state of the project. He said that the background work on the asbestos-containing materials at the City Corporation Yard site had been completed and that quotes would be received next week for the removal of this material. He said the demolition contract would be bid in October, with demolition taking place in early November. These items are on track with the recent schedule update that Anchor Engineers has provided. Humphrey remarked that he and Stege staff are talking with the City of El Cerrito staff and impressing upon them the need for their prompt move from the Corporation Yard site. He said the city staff is working diligently to get all items removed so demolition and removal

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of asbestos material can proceed on schedule. He said he had given VBN the Board's comments and decision regarding the heating and cooling system for the new building.

Miller asked Humphrey if he had considered using anyone to document the demolition and construction process, from an historical viewpoint, so there is an historical record of the events. There was a brief discussion about this and Miller suggested contacting the El Cerrito Historical Society to see if they have any suggestions.

- B. Resolution No. 1935-0908 Adding Article I, Section 1, 1.1.9, Cellular Phone Policy to the Personnel Policies of the Stege Sanitary District. Humphrey said the employees had requested that the allowance be established at \$60 per month in order that the typical, basic plan of about \$45 per month would be covered.

MOTION: By Merrill, seconded by James, to approve Resolution No. 1935-0908 Adding Article I, Section 1, 1.1.9, Cellular Phone Policy to the Personnel Policies of the Stege Sanitary District, as amended at this meeting.

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

- C. Resolution No. 1943-0908 Adding Article I, Section 1, 1.1.10, Vehicle Policy for District Manager and Collection System Superintendent to the Personnel Policies of the Stege Sanitary District.

MOTION: By Miller, seconded by James, to approve Resolution No. 1943-0908 Adding Article I, Section 1, 1.1.10, Vehicle Policy for District Manager and Collection System Superintendent to the Personnel Policies of the Stege Sanitary District, as amended at this meeting.

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

- D. Approval of Employee Incentive Award Goals & Objectives for Fiscal Year 2008-2009. Humphrey led a discussion about the recommended goals and objectives. It was decided that two of the goals were essentially "phased out" and these two numbers 3 and 4, should be eliminated as goals. It was also decided that savings from a change to dental plans should be included, at up to 50% savings the first year, and lesser percentages in the second and third years. Miller also proposed the concept of a modest increase, about 2%, in the savings percentage contributed to the employee incentive program for

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successive years of improvement in the goals that continue to show improvement year-to-year.

MOTION: By James, seconded by Merrill, to approve Employee Incentive Award Goals & Objectives for Fiscal Year 2008-2009.

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

E. Vacation and Sick Leave – Employees Nearing Retirement.

Humphrey told the Board he had reviewed the District sick and vacation leave policies from a retirement, or employee nearing retirement perspective, and believes there may be some improvements that could be made. He referred the board to his summary memo on the issue and pointed out some issues involved with the existing policy. There was a discussion about alternatives, including a future switch to annual leave, similar to what O’Keefe has handled in her position with the state. It was decided that Humphrey would bring this back at a future meeting for consideration of revisions to the current policy, if any changes are recommended.

VIII. Monthly Financial Statements – August 2008

- A. Monthly Investment, Cash Receivables Report, August 2008.
- B. Monthly Operating Statement, August 2008.
- C. Financial Issues.

Humphrey noted that expenses are in line with the budget for this time of the fiscal year. He said that next month’s report will show the new “account” for retiree health care. He said that the new audit firm had completed almost all their field work at Stege this week and that the financial audit appears to be progressing very well.

IX. Approval of Checks

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

MOTION: By Merrill, seconded by James, to approve payment of the bills, Check Nos. 18660 through 18680 in the amount of \$40,816.19 from Fund No. 3418.

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

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X. Future Agenda Items

October 8, 2008 (please note this is a Wednesday)

Investments – Alternatives to the Local Agency Investment Fund (LAIF)

Flex Plan Review & Retiree Medical Care Contribution Rate

Administration Building – Bid Demolition Project

The sick and vacation leave issue will also be on this agenda, and the flex plan review will not be included.

October 23, 2008

Flex Plan Review

Administration Building Status – Award Demo Contract & Status Report

Quarterly Lateral Report

Enforcement Issues

XI. Adjournment

The meeting of the Stege Sanitary District Board of Directors was adjourned at 10:12 P.M. The next meeting of the Stege Sanitary District Board of Directors will be held on Wednesday, October 8, 2008 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.

Douglas Humphrey
STEGE SANITARY DISTRICT
Secretary