

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
 MEETING OF DECEMBER 8, 2016
 TIME OF MEETING: 2:00 P.M.
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

*****MINUTES*****

- I. Call To Order:** President Alan Miller called the meeting to order at 2:00 P.M.
- II. Roll Call:** Present: Gilbert-Snyder, James, Merrill, O’Keefe, Miller
 Absent: None
 Others Present: Rex Delizo, District Manager
 Ben Reyes, District Counsel
 A.J. Major, Vavrinek, Trine, Day & Co., LLP
 (Items VII.A & VI.C.2 only)
 Kary Richardson, Administrative Supervisor
 (Items VII.A, VI.C, & VIII only)
 Mandi Billinge, Kids for the Bay (Item VII.B only)

Agenda Items: Directors and Officers of the Board did not announce any conflicts of interest posed by items on the meeting agenda.

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

VII. Business

B. Fiscal Year 2015-2016 Financial Audit/Financial Reporting

The District’s auditor, A.J. Major from Vavrinek, Trine, Day & Co., LLP, gave a presentation to the Board of his audit of the District’s finances for Fiscal Year 2015-16 and gave it a clean “unmodified” opinion. In the future, the Board asked to have the engagement letter included for reference while reviewing the audit.

MOTION: By Merrill, seconded by Gilbert-Snyder, to accept the Fiscal Year 2015-16 Financial Audit Report

VOTE: AYES: Gilbert-Snyder, James, Merrill, O’Keefe, Miller

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NOES: None
 ABSTAIN: None
 ABSENT: None

Item VI.C was taken out of order at this time in the meeting.

VI. Reports of Staff and Officers

C. Administrative Supervisor's Report:

1. Expenditure Notification Threshold

The Administrative Supervisor asked the auditor to report on his experience with establishing a threshold on expenditures exceeding budget amounts that would require the attention of the Board. The auditor said this can be done but is typically discretionary. The Board asked for this item to be brought back for further discussion.

2. Connection Charge Calculation Report

Administrative Supervisor, Kary Richardson, reported on the updated connection charge calculation. The Board requested staff prepare an ordinance increasing the connection charge to the calculated amount of \$2,154 per connection for approval at an upcoming Board meeting.

MOTION: By Merrill, seconded by James, to approve the preparation of an Ordinance increasing the connection charge to the calculated amount of \$2,154 per connection

VOTE: AYES: Gilbert-Snyder, James, Merrill, O'Keefe, Miller
 NOES: None
 ABSTAIN: None
 ABSENT: None

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

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VIII. Financial Statements – November 2016

- A. Monthly Investment, Cash, Receivables Report, November 2016
- B. Monthly Operating Statement, November 2016

The financial items were reviewed by the Board with no significant issues.

III. Public Comment: There was no public comment.

CLOSED SESSION

Conference with Legal Counsel - Existing Litigation

Gov. Code § 54956.95

Claimant: Dorje

Agency Claimed Against: Stege Sanitary District

The Board entered into the closed session at 3:03 P.M. and returned to open session at 3:07 P.M. President Miller announced the Board had taken no reportable actions.

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

VII. Business

- B. Kids for the Bay

Kids for the Bay Executive Director/Founder, Mandi Billinge, gave a presentation to the Board on the Watershed Action Program (WAP). Two third grade teachers from Fairmont Elementary School in EI Cerrito have committed to participate in the WAP for the 2016-2017 school year.

NOMINATION AND ELECTION OF OFFICERS

Nomination and Election of Officers - 2017

MOTION: By Gilbert-Snyder, seconded by James, to nominate and elect Beatrice O'Keefe for president and Dwight Merrill for vice president of the Stege Sanitary District Board of Directors for 2017

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VOTE: AYES: Gilbert-Snyder, James, Merrill, O'Keefe, Miller
 NOES: None
 ABSTAIN: None
 ABSENT: None

IV. Approval of Minutes

A. Approval of November 10, 2016 Board Meeting Minutes

MOTION: By James, seconded by Gilbert-Snyder, to approve the minutes of the November 10, 2016 Board Meeting, as corrected

VOTE: AYES: Gilbert-Snyder, James, Merrill, O'Keefe, Miller
 NOES: None
 ABSTAIN: None
 ABSENT: None

V. Communications

A. Oral Communications

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings

a. City & Community Meetings

Miller gave a brief report on his attendance at the El Cerrito City Council Meeting held on December 6, 2016 and a Meyers Nave webinar on Proposition 64.

B. Written Communications

There were no written communication items to consider.

VI. Reports of Staff and Officers

A. Attorney's Report:

1. New Legislation Regarding Second Units - SB 1069 & AB 2299

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Reyes reported that the new requirements apply to “local agencies” which the legislation defines to mean a city, county, or city and county. (Gov. Code §65852.2(i)(2)). Accordingly, special districts, including the District, are not subject to the requirements of SB 1069 and AB 2299.

B. Manager’s Report:

1. Monthly Maintenance Summary Report – November 2016

The Manager reported on last month’s maintenance activities to the Board with no significant issues.

2. Monthly Report of Sewer Replacements and Repairs

The Manager reported there were no replacement invoices and one repair invoice paid in November.

3. Consent Decree Minimum Requirements Quarterly Report

The Manager reported on the District’s current minimum requirement status as of December 1st with no significant issues.

4. District Personnel Policy - Substance Abuse Policy

The Manager reported on the District’s current Substance Abuse Policy. Although the enactment of Proposition 64 will legalize recreational use of marijuana in California, marijuana will still remain an illegal Schedule I substance under the federal Controlled Substances Act. Therefore, even with the passage of Proposition 64, the District will continue to prohibit use, possession and impairment at work.

5. State Water Resources Control Board - Fiscal Year (FY) 2016-17
Wastewater User Charge Survey

The Manager reported on the survey of sewer rates and connection (capacity) fees for FY 2016-17.

6. 2017 California Association of Sanitation Agencies (CASA) Conference

The Manager reported on the upcoming CASA conferences.

C. Administrative Supervisor’s Report:

This item was taken earlier in the meeting.

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VII. Business

A. Fiscal Year 2015-2016 Financial Audit/Financial Reporting

This item was taken earlier in the meeting.

B. Kids for the Bay

This item was taken earlier in the meeting.

C. 2017 Board of Director's Meeting Calendar

The Board reviewed and accepted the meeting schedule for calendar year 2017.

MOTION: By James, seconded by O'Keefe, to accept the Board Meeting Schedule for Calendar Year 2017

VOTE: AYES: Gilbert-Snyder, James, Merrill, O'Keefe, Miller
 NOES: None
 ABSTAIN: None
 ABSENT: None

VIII. Financial Statements – November 2016

This item was taken earlier in the meeting.

IX. Approval of Checks

A. Checks for December 8, 2016 - Fund No. 3418 & 3423

MOTION: By O'Keefe, seconded by James, to pay the bills, Check Nos. 24677 through 24717 in the amount of \$115,829.35.

VOTE: AYES: Gilbert-Snyder, James, Merrill, O'Keefe, Miller
 NOES: None
 ABSTAIN: None
 ABSENT: None

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X. Future Agenda Items

January 12, 2017

Board Governance Review
Connection Charge Ordinance
Service Rate Discussion
CASA Conference
Director's Contact Info
Board Training Summary

January 26, 2017

CLOSED SESSION – Quarterly Claims Reports
CLOSED SESSION – Manager Performance Evaluation
Resolution for Disposal of Surplus Property
Quarterly Financial Statements
CASA Conference – Director's Report
Service Rate Discussion

XI. Adjournment

The meeting was adjourned at 4:30 P.M. The next meeting of the District Board of Directors will be held on Thursday, January 12, 2017 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary