

STEGE SANITARY DISTRICT BOARD OF DIRECTORS  
 MEETING OF DECEMBER 14, 2017  
 TIME OF MEETING: 2:00 P.M.  
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

\*\*\*\*\*MINUTES\*\*\*\*\*

**I. Call to Order:** President Beatrice O’Keefe called the meeting to order at 2:00 P.M.

**II. Roll Call:** Present: Gilbert-Snyder, James, Merrill, Miller, O’Keefe  
 Absent: None  
 Others Present: Rex Delizo, District Manager  
 Kristopher Kokotaylo, District Counsel  
 A.J. Major and Ahmad Gharaibeh, Vavrinek, Trine,  
 Day & Co., LLP (up to Item VII.A only)  
 Kary Richardson, Administrative Supervisor  
 (for Items VII.A, VI.A, VIII, and IX)

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

**PUBLIC HEARING – ORDINANCE NO. 2094-1217 AMENDING CHAPTER 7, SECTION 7.3 OF THE STEGE SANITARY DISTRICT ORDINANCE CODE – SEWER CONNECTION CHARGES**

President O’Keefe opened the public hearing at 2:01 P.M. The Manager announced the public hearing was noticed in the local newspaper two times on November 29, 2017 and December 6, 2017 in accordance with Government Code Section 6062a. A summary of the proposal was presented which would be implemented by Ordinance No. 2094-1217 to amend Chapter 7, Section 7.2 and 7.3 of the Stege Sanitary District Ordinance Code in accordance with Senate Bill No. 229 (SB 229) and to be consistent with Government Code section 65852.22. No members of the public were in attendance to ask questions or make statements. President O’Keefe closed the public hearing at 2:04 P.M. and the Board began consideration of Ordinance No. 2094-1217.

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MOTION: By James, seconded by Miller, to approve Ordinance No. 2094-1217 Amending Chapter 7, Section 7.2 and 7.3 of the Stege Sanitary District Ordinance Code – Accessory Dwelling Units, as amended

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

**III. Public Comment:** There was no public comment.

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

**VII. Business**

**A. Fiscal Year 2016-2017 Financial Audit/Financial Reporting**

The District’s auditors, A.J. Major and Ahmad Gharaibeh, from Vavrinek, Trine, Day & Co., LLP, gave a presentation to the Board of the audit of the District’s finances for Fiscal Year 2016-17 and gave it a clean “unmodified” opinion. The Board asked staff to add a regular payroll review by the Board as part of the District’s future internal controls.

MOTION: By James, seconded by Gilbert-Snyder, to accept the Fiscal Year 2016-17 Financial Audit Report

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

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

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**VI. Reports of Staff and Officers**

A. Administrative Supervisor's Report:

1. Connection Charge Calculation Report

Administrative Supervisor, Kary Richardson, reported on the updated connection charge calculation. The Board requested staff show the calculation of the connection charge using the commercial and industrial sewer service rate per gallon instead of the single family unit (SFU) flat rate. The item will be brought back for further review and consideration at a future Board meeting.

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

**VIII. Financial Statements – November 2017**

A. Monthly Investment, Cash, Receivables Report, November 2017

B. Monthly Operating Statement, November 2017

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

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

**IX. Approval of Checks**

A. Checks for December 14, 2017 - Fund No. 3418 & 3423

MOTION: By James, seconded by Gilbert-Snyder, to pay the bills, Check Nos.25270 through 25297 in the amount of \$35,900.52

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

The Board resumed the order of the agenda at this time in the meeting.

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**IV. Approval of Minutes**

A. Approval of November 9, 2017 Board Meeting Minutes

MOTION: By James, seconded by Gilbert-Snyder, to approve the minutes of the November 9, 2017 Board Meeting

VOTE: AYES: Gilbert-Snyder, James, Merrill, Miller, O'Keefe  
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 report on his attendance at the El Cerrito City Council Meeting held on November 21, 2017.

B. Written Communications

1. Form 700 NetFile Training

The Board reviewed the notice of the upcoming Form 700 training.

2. Letter from Honorable Benjamin T. Reyes II re: Holiday Luncheon

The Board reviewed the letter from Judge Reyes stating his regrets for missing this year's Holiday Luncheon.

3. Letter from Kids for the Bay re: Watershed Action Program (WAP) update

The Board reviewed the update to the Watershed Action Program (WAP).

**VI. Reports of Staff and Officers**

A. Administrative Supervisor's Report:

1. Connection Charge Calculation Report

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This item was taken out of order earlier in the meeting (see above).

B. Attorney's Report:

Kokotaylo reported on the procedure when a quorum of the Board is not possible during an emergency and on changes by local agencies from "at large" elections to voting districts.

C. Manager's Report:

1. Monthly Maintenance Summary Report – November 2017

The Manager reported no significant issues.

2. Monthly Report of Sewer Replacements and Repairs

The Manager reported there were no payments for sewer replacements or repairs made in November.

3. Consent Decree Quarterly Report

The Manager reported no significant issues.

4. 2018 California Association of Sanitation Agencies (CASA) Conference

The Manager reported on the upcoming CASA conference.

**VII. Business**

A. Fiscal Year 2017-2018 Financial Audit/Financial Reporting

This item was taken out of order earlier in the meeting (see above).

B. 2018 Board of Director's Meeting Calendar

The Board reviewed and accepted the meeting schedule for calendar year 2018.

MOTION: By James, seconded by Merrill, to accept the Board Meeting Schedule for Calendar Year 2018

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

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**VIII. Financial Statements – November 2017**

This item was taken out of order earlier in the meeting (see above).

**IX. Approval of Checks**

This item was taken out of order earlier in the meeting (see above).

**X. Future Agenda Items**

**January 18, 2018**

CLOSED SESSION – Quarterly Claims Reports

CLOSED SESSION – Manager Performance Evaluation

Connection Charge Ordinance

Resolution for Disposal of Surplus Property

Quarterly Financial Statements

Service Rate Discussion

District of Distinction (even years)

CASA Conference

Director's Contact Info

Board Training Summary

Long Range Planning Discussion of Topics

**February 15, 2018**

Board Governance Review/Approval

Actuarial Analysis of Retiree Health Benefits Report (even years)

Service Rate Discussion

CASA Conference

Board Training Summary

Form 700

Long Range Planning Discussion of Topics

The Board asked to include two topics at a future board meeting: 1) consideration of deferring the San Pablo Avenue Specific Plan Area Connection Charge for

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developments, and 2) a continuity plan for the District Manager in emergency situations.

**NOMINATION AND ELECTION OF OFFICERS**

Nomination and Election of Officers - 2018

MOTION: By Gilbert-Snyder, seconded by Miller, to nominate and elect Dwight Merrill for President and Jay Z. James for Vice President of the Stege Sanitary District Board of Directors for 2018

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

**XI. Adjournment**

The meeting was adjourned at 3:58 P.M. The next meeting of the District Board of Directors will be held on Thursday, January 18, 2018 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California

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Rex Delizo  
STEGE SANITARY DISTRICT  
Secretary