

STEGE SANITARY DISTRICT BOARD OF DIRECTORS  
 MEETING OF JUNE 28, 2018  
 TIME OF MEETING: 7:00 P.M.  
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

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

**I. Call To Order:** President Dwight Merrill called the meeting to order at 7:00 P.M.

**II. Roll Call:** Present: Gilbert-Snyder, James, Miller, O'Keefe, Merrill  
 Absent: None  
 Others Present: Rex Delizo, District Manager  
 Kristopher Kokotaylo, District Counsel  
 Juliet Christian-Smith, Resident

**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.

Closed Session was moved to the end of the meeting by unanimous consent of the Board.

**IV. Approval of Minutes**

A. Approval of June 14, 2018 Board Meeting Minutes

MOTION: By Gilbert-Snyder, seconded by O'Keefe, to approve the minutes of the June 14, 2018 Board Meeting

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

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a. City & Community Meetings

Miller gave a report on his attendance at the El Cerrito City Council Meetings held on June 18 & 19, 2018.

B. Written Communications

1. California Association of Sanitation Agencies (CASA) - Designation of Agency Representative and Consent to Electronic Transmission

The Board agreed to receive official communications by email and then designated the District's official voting representative and two alternates.

MOTION: By James, seconded by Miller, to consent to receiving official communications from CASA by email rather than regular mail

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

MOTION: By James, seconded by O'Keefe, to designate President Merrill as the District's official voting representative and Vice President James and District Manager Delizo as the two alternates

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

**VI. Reports of Staff and Officers**

A. Attorney's Report:

Kokotaylo provided brief explanations of the federal code that provides that elected officials be defined as employees as it relates to the collection of income taxes, the Supreme Court ruling that nonunion workers cannot be

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forced to pay fees to public sector unions (Janus v. AFSCME) and then gave a brief presentation on the aspects of Rosenberg's Rules of Order for Parliamentary Procedure. The Board asked to have an agenda topic at a future Board meeting that includes District Counsel, on consideration of adopting the Rosenberg's Rules of Order or creating a customized District rules of order.

**B. Manager's Report**

1. Monthly Maintenance Summary Report – May 2018

The Manager reported no significant issues on last month's maintenance activities.

2. Monthly Report of Sewer Replacements and Repairs

The Manager reported on the invoices paid in May.

3. Consent Decree Quarterly Report

The Manager reported no significant issues on the District's annual requirement status.

4. 4<sup>th</sup> of July Fair

The Manager confirmed the plans for the upcoming fair.

5. California Association of Sanitation Agencies (CASA)

The Manager reported on the upcoming annual conference.

**VII. Business**

A. Resolution No. 2102-0618 Approving and Adopting Annual Budget for Fiscal Year 2018-2019

The Board reviewed and approved the resolution adopting the budget for fiscal year 2018-2019.

MOTION: By Miller, seconded by James, to approve Resolution No. 2102-0618 Approving and Adopting the Annual Budget for Fiscal Year 2018-2019

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

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ABSENT: None

B. Incentive Award Contribution (IAC) Achievements for FY 2017-2018

The Board reviewed and approved the tabulation of the cost saving goals achieved by employees.

MOTION: By James, seconded by Gilbert-Snyder, to approve the Incentive Goals Achieved in 2017-2018 and award \$20,027 to employees for achievement of goals that resulted in direct savings to the District

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

C. Incentive Award Contribution (IAC) Goals and Objectives for FY 2018-2019

The Board reviewed and approved the cost savings goals and objectives for next fiscal year 2018-2019.

MOTION: By O'Keefe, seconded by Miller, to approve the Employee Incentive Award Goals and Objectives for FY 2018-2019

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

D. Reserve Fund Policy

The Board reviewed, discussed and agreed to not change the District's Reserve Fund Policy at this time. The Board did ask to revisit this topic before the upcoming rate study to prepare for a discussion with the rate study consultant on changes to the policy language.

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E. Amendment to Legal Services Contract with Meyers Nave

The Board reviewed and approved the amendment that increases compensation for legal services based on the cumulative annual CPI over a four year period for All Urban Consumers, San Francisco-Oakland-San Jose, since the last increase in 2014.

MOTION: By O'Keefe, seconded by Gilbert-Snyder, to approve the Amendment to Legal Services Contract with Meyers Nave

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

**VIII. Financial Statements – June 2018**

A. Monthly Investment, Cash, Receivables Report, June 2018

B. Monthly Operating Statement, June 2018

The financial items were reviewed by the Board.

**IX. Approval of Checks**

A. Checks for June 28, 2018 - Fund No. 3418 & 3423

MOTION: By Miller, seconded by James, to pay the bills, Check Nos. 25559 through 25586 in the amount of \$78,765.84

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

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**X. Future Agenda Items**

**July 11, 2018 (Wednesday)**

July 4<sup>th</sup> Fair Debrief  
 District Investment Policy  
 CASA Conference  
 Form 470  
 Notice of Completion

**July 26, 2018**

CLOSED SESSION – Quarterly Claims  
 CASA Conference  
 Reimbursement Report per Gov. Code 53065.5  
 Quarterly Financial Statements  
 Candidate Filing Period  
 Resolution – District Manager Compensation  
*PUBLIC HEARING/RESOLUTION – Sewer Service Charges*  
*PUBLIC HEARING/ORDINANCE – Director’s Meeting Compensation*  
*Rules of Order*

**CLOSED SESSION**

**Liability Claims**

Gov. Code § 54956.95  
 Claimant: Pacific Academy Nomura School, Inc.  
 Agency Claimed Against: Stege Sanitary District

**Public Employment Performance Evaluation**

Gov. Code § 54957  
 Title: District Manager

The Board entered into closed session at 9:00 P.M. and returned to open session at 9:56 P.M. President Merrill announced the Board appointed him labor negotiator by a 5-0 vote for the purpose of negotiations with the District Manager.

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MOTION: By James, seconded by Gilbert-Snyder, to appoint President Dwight Merrill as labor negotiator for the purpose of negotiations with the District Manager

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

**XI. Adjournment**

The meeting was adjourned at 9:57 P.M. The next meeting of the District Board of Directors will be held on Wednesday, July 11, 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