

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF APRIL 14, 2016
TIME OF MEETING: 7:00 P.M.

*****MINUTES*****

- I. Call To Order:** President Alan Miller called the meeting to order at 7:00 P.M.
- II. Roll Call:** Present: Gilbert-Snyder, James (arrived 7:02 P.M.), Merrill, O'Keefe, Miller
Absent: None
Others Present: Rex Delizo, District Manager
Ben Reyes, District Counsel

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

Conference with Legal Counsel--Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (5 potential cases)

The Board entered into the closed session at 7:01 P.M. and returned to open session at 7:06 P.M. President Miller announced the Board had taken no reportable actions.

IV. Approval of Minutes

A. Approval of Minutes March 24, 2016 Special Board Meeting

MOTION: By Gilbert-Snyder, seconded by O'Keefe, to approve the minutes of the March 24, 2016 Special Board Meeting, as amended

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

ABSTAIN: None

ABSENT: None

B. Approval of Minutes March 24, 2016 Regular Board Meeting

MOTION: By Gilbert-Snyder, seconded by O’Keefe, to approve the minutes of the March 24, 2016 Regular Board Meeting, as amended

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 reported on his attendance at the El Cerrito City Council Meeting held on April 5, 2016.

b. California Association of Sanitation Agencies (CASA) – Public Policy Forum, Sacramento, CA

In accordance with AB 1234, Director Merrill gave a report on his attendance at the CASA conference.

B. Written Communications

1. MCE – Re-Source Newsletter (Forwarded by Email)

The Board was forwarded the email for review. James commented that it was inappropriate for the District to distribute advertising material only from MCE but not from other utility providers like PG&E and EBMUD.

VI. Reports of Staff and Officers

A. Attorney’s Report:

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

Reyes reported that the Supreme Court of California held in *Ardon v. City of Los Angeles*, Case No. S223876, that inadvertent disclosure of otherwise privileged documents under a Public Records Act request does not waive privilege.

B. Manager's Report:

1. Board Training Summary

The Manager reported that all Board training is up to date.

2. Long Range Planning (LRP) Discussion of Topics

The Manager reported on the latest draft agenda for the upcoming workshop.

3. Employee Life Insurance – Reliance Standard Life Insurance Company

The Manager reported that the AM Best rating of the insurance carrier is A+ which is slightly lower than the AA rating specified by the Board's action.

MOTION: By Merrill, seconded by James, to accept Reliance Standard Life Insurance Company as the carrier recognizing they carry an A+ rating

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

NOES: None

ABSTAIN: None

ABSENT: None

VII. Business

A. Service Rate Discussion

The Board discussed whether to continue to hold rates constant for FY 2016-17. Proposition 218 requires the District to undertake the appropriate procedural notification process when imposing a new assessment (rate) or increasing an existing assessment. However, it is unclear as to whether or not the Proposition 218 procedural steps are required when the district reduces its rates, or keeps them in place. District Counsel's research concluded that it is unlikely that the District faces significant Constitutional liability if the District

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

keep the rates in place without undertaking the Prop 218 notification requirements. However, the District's Ordinance has already been adopted and the rate structure has been established for the FY 2016-17. In order to keep them in place for the next fiscal year, the District will have to amend the rate ordinance following its normal procedures including holding a public hearing and a 30 day rate notice.

MOTION: By Gilbert-Snyder, seconded by Merrill, to continue to hold rates constant for FY 2016-17, amend the rate ordinance, conduct a public hearing and issue a 30 day rate notice

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

VIII. Approval of Checks

A. Checks for April 14, 2016 - Fund No. 3418 & 3423

MOTION: By James, seconded by Merrill, to pay the bills, Check Nos. 24266 through 24309 in the amount of \$604,326.97

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

IX. Future Agenda Items

April 28, 2016

Quarterly Financial Statements

Long Range Planning Discussion of Topics

Draft Budget

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

Elections Resolution

Employee Benefits Request

July 4th Fair Discussion

May 14, 2016

Long Range Planning Workshop

X. Adjournment

The meeting was adjourned at 8:14 P.M. The next meeting of the District Board of Directors will be held on Thursday, April 28, 2016 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary