I. **Call To Order:** President Merrill called the meeting to order at 7:01 P.M.

II. **Roll Call:**

- Present: Brand, Miller, O’Keefe, Merrill
- Absent: Gilbert-Snyder (provided prior notice of absence)
- Others Present: Rex Delizo, District Manager
  - Ben Reyes, District Counsel
  - Jay James, Resident

California Special Districts Association (CSDA) issued an official ballot to the District for the CSDA Board of Directors 2014 Election that is due back by August 1, 2014. Due to the time sensitive nature of the ballot that arose after posting of the agenda, a motion was made to add this item to the current agenda for further discussion and possible action.

**MOTION:** By O’Keefe, seconded by Miller, to add to the agenda, as a time sensitive item, the CSDA Board of Directors 2014 Election Ballot as Item VII. E

**VOTE:**

- **AYES:** Brand, Miller, O’Keefe, Merrill
- **NOES:** None
- **ABSTAIN:** None
- **ABSENT:** Gilbert-Snyder

**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 District Counsel – Existing Litigation**
  - (Government Code Section 54956.9(a))
IV. Approval of Minutes
A. Approval of Minutes June 26, 2014 Board Meeting

MOTION: By O’Keefe, seconded by Miller, to approve the minutes of the June 26, 2014 Board Meeting, as amended

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

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 brief reports on his attendance at the El Cerrito City Council Meeting held on July 15, 2014 and the Quarterly Meeting of the Contra Costa Special Districts Association held on July 21, 2014.

b. 4th of July Fair – Debriefing
Each Director that worked the event gave a review of their experience staffing the District booth and wanted to acknowledge and thank the maintenance crew for all the help they provided to setup for the event.

B. Written Communications
1. IRS Fact Sheet – Special District Board Members Considered Employees
The Board reviewed the fact sheet prepared by the California Special Districts Association (CSDA) regarding the confusion about whether special district board members — elected and appointed — are considered employees of districts for purposes of federal tax laws. Chapter 3 of Internal Revenue Service (IRS) Publication 963 states that “public officials” are classified as “employees” under federal law. The reason for this classification is based on the general rule of federal common law that a person is an employee if the entity for which that person works has the right to control the manner and means of that person’s performance. In short, if the employer has the right to tell the worker not only what shall be done but how it shall be done, then he or she is an employee. Therefore, IRS Form W2 (for employees) and not Form 1099 (for contracted individuals) should be used for special district board members to report wages and withheld taxes.

VI. Reports of Staff and Officers
A. Attorney’s Report
District Counsel informed the Board about the recently signed Senate Bill 854 that created a registration program to fund the Department of Industrial Relations’ monitoring and enforcement of prevailing wage laws.

B. Manager’s Report
The Board was informed that about 53,000 feet of lines had been cleaned and about 10,000 feet of lines had been videoed. There were 11 service calls and 6 were related to problems in private laterals. There were 2 service calls after normal working hours and 1 overflow caused by a problem in District main line.

   The Board reviewed the reports and was informed that the Hoffman Marsh Cured-in-place Pipe Project, Burlingame Pump Station Rehabilitation and the Standard Pipe Bursting Projects have all been completed. There will be two separate reports next month to finalize this fiscal year projects and another to begin the next fiscal year.

3. Reimbursement Report per Government Code 53065.5
   The Board reviewed the latest annual report that shows the reimbursements paid by the District within the preceding fiscal year of at least one hundred dollars ($100) for each individual charge for services or product received. The information will be made available on the District website for public inspection.

   The Board verified their plans to attend the conference. Staff will make the appropriate registration and hotel arrangements.

5. Election Filing Period
   The Board was informed that the filing period began on July 14th and ends on August 8th. The last day to file a candidate statement is also on August 8th.

6. District of Distinction
   The Board was informed that the application and all supporting materials will be sent to the Special District Leadership Foundation (SDLF) for review and approval as soon as Board members complete the required training.
STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF JULY 24, 2014
TIME OF MEETING: 7:00 P.M.

VII. Business
A. Resolution 2031-0714 Accepting Report on Sewer Service Charges and Electing to Collect Certain Sewer Service Charges on the Tax Roll
The Board approved use of the tax roll as the means of collecting sewer service charges.

MOTION: By Miller, seconded by Brand, to approve Resolution No. 2031-0714 Accepting Report on Sewer Service Charges and Electing to Collect Certain Sewer Service Charges on the Tax Roll

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

B. Resolution No. 2032-0714 Resolution Establishing Salary of the District Manager/Engineer
The Resolution establishes the salary for the District Manager at $161,400 per year.

MOTION: By O’Keefe, seconded by Miller, to approve Resolution No. 2032-0714 Establishing Salary of the District Manager/Engineer

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

C. District Investment Policy
The Board conducted the annual review of investment policies. The District investment policy is a typical policy that identifies safety, liquidity and yield as the goals of investments. The Board decided no changes are necessary at
this time but requested a future agenda item for discussing implementation of
the policy. The Board also asked for clarification on whether an exchange-
traded fund (ETF) would be considered a mutual fund under this policy.

D. Amendment to Legal Services Contract with Meyers Nave
The Board approved the Third Amendment to the Agreement for Legal
Services with Meyers Nave which increases the compensation for legal
services by the cost of living from the last increase two years ago.

MOTION: By Miller, seconded by O’Keefe, to approve the Third
Amendment to the Agreement for Legal Services with Meyers Nave

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

E. CSDA Board of Directors 2014 Election Ballot
This was added to the agenda as a time sensitive item. The Board discussed
the qualifications of the two candidates, Stanley Caldwell and Shane
McAfee, and decided to cast the Board vote for the incumbent, Stanley
Caldwell.

MOTION: By O’Keefe, seconded by Miller, to vote for Stanley Caldwell
for the CSDA Board of Directors, Bay Area Network Region 3, Seat C

VOTE: AYES: Brand, Miller, O’Keefe, Merrill
NOES: None
ABSTAIN: None
ABSENT: Gilbert-Snyder
STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF JULY 24, 2014
TIME OF MEETING: 7:00 P.M.

VIII. Monthly financial Statements – June 2014
   A. Monthly Investment, Cash, Receivables Report, June 2014
   B. Monthly Operating Statement, June 2014
   C. Local Agency Investment Fund (LAIF) Quarterly Statement

   The financial items were reviewed by the Board.

IX. Approval of Checks
   A. Checks for July 2014 - Fund No. 3418 & 3423

      MOTION: By Brand, seconded by O’Keefe, to approve the payment of
      the bills, Check Nos. 23195 through 23244 in the amount of $459,525.93

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

X. Future Agenda Items

   August 14, 2014
   CASA Conference
   Citizen Feedback
   SSMP Approval
   District Investment Policy Implementation

   August 28, 2014
   CLOSED SESSION – Existing Litigation
   CASA Conference – Director’s Report

   The Board was asked by Director Brand to consider moving the date of the
   September 18th meeting to either the week before or after to accommodate a
   scheduling conflict.
XI. Adjournment

The meeting was adjourned at 8:26 P.M. The next meeting of the Stege Sanitary District Board of directors will be held on Thursday August 14, 2014 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

________________________________
Rex Delizo
STEGE SANITARY DISTRICT
Secretary