

STEGE SANITARY DISTRICT BOARD OF DIRECTORS MEETING
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA
JUNE 20, 2024 @7:00 P.M.
www.stegesano.org • staff@stegesano.org

***** AGENDA *****

(Items on the agenda may be taken out of order.)

Public comment is limited to three (3) minutes for each individual speaker.

In accordance with California Government Code Section 54957.5, any writing that is a public record and relates to an open session agenda item which is distributed less than 72 hours prior to the meeting shall be available for public inspection at the District Office, 7500 Schmidt Lane, El Cerrito, during regular business hours. Copies of the agenda are posted on the District website at www.stegesano.org. Those disabled persons requiring auxiliary aids or services in attending or participating in this meeting should notify the District at least 48 hours prior to the meeting at 510/524-4668.

Members of the public can observe the live stream of the meeting by accessing <https://zoom.us/j/84090509848> or by calling (669) 900-9128 and entering the Meeting ID# 840 9050 9848 followed by the pound (#) key.

The ability to participate and observe remotely as identified above is predicated on the technology being available and functioning without technical difficulties. Should the remote platform not be available, or become non-functioning, or should the Board of Directors otherwise encounter technical difficulties that makes that platform unavailable, the Board of Directors will proceed with business in person unless otherwise prohibited by law.

*Public comment can be sent remotely by delivering a physical copy to **7500 Schmidt Lane, El Cerrito, CA 94530** or via email to comments@stegesano.org with "Public Comment" in the subject line. To provide written comment on an item on the agenda or to address the Board during Public Comment, please note the agenda item number that you want to address or whether you intend for the comment to be included in Public Comment. Comments timely received at least 15 minutes before the starting time of the meeting will be provided to the Board of Directors and will be added to the official record.*

Public Comment during the meeting is limited to in-person participants and those comments timely received at least 15 minutes before the starting time of the meeting. Members of the public will not have the ability to comment via Zoom unless the Board of Directors is required to provide that opportunity due to a Director participating pursuant to AB 2449. In such a circumstance, the Chair will make an announcement at the beginning of the meeting. Those interested in commenting (if required per AB 2449) should raise their virtual hands to notify the host during the relevant agenda item.

Pursuant to AB 2449, Board Members may be attending this meeting via remote conferencing. In the event that any Board Member elects to attend remotely, all votes conducted during the meeting will be conducted by roll call vote.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS MEETING
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA
JUNE 20, 2024 @7:00 P.M.
www.stegesd.org • staff@stegesd.org

Director Beach may participate via teleconference from 15924 Tower Road, Malta, IL 60150.

I. Call To Order

II. Roll Call

Agenda Items: Directors and Officers of the Board will consider and announce if they have any conflicts of interest posed by items on the meeting agenda.

III. Public Comment

(Members of the public are invited to address the Board concerning topics that are **not** on the agenda)

Hearing/
Ordinance
/Motion:

PUBLIC HEARING – ORDINANCE NO. 2239-0624 ADOPTING SEWER SERVICE CHARGE RATES FOR FISCAL YEARS 2024-25, 2025-26, 2026-27, 2027-28, 2028-29

(The Board will hold a hearing on proposed sewer service charge increases that would be implemented by Ordinance No. 2238-0624)

Hearing/
Ordinance
/Motion:

PUBLIC HEARING – ORDINANCE 2240-0624 AMENDING CHAPTER 7 OF THE STEGE SANITARY DISTRICT ORDINANCE CODE – CONNECTION CHARGE

(The Board will hold a hearing on a proposal to modify the district-wide sewer connection charge and the sewer capacity charge for development within the San Pablo Avenue Specific Plan Area that would be implemented by Ordinance No. 2239-0624)

Motion:

IV. Approval of Minutes

A. Approval of May 16, 2024 Board Meeting Minutes

(The Board will be asked to review and approve the minutes of May 16, 2024 Board Meeting)

Info/Motion:

V. Communications

STEGE SANITARY DISTRICT BOARD OF DIRECTORS MEETING
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA
JUNE 20, 2024 @7:00 P.M.
www.stegesan.org • staff@stegesan.org

A. Oral/Written Communications

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
2. KIDS for the BAY (KftB) Watershed Action Program (WAP) Progress Report, Invoice, and Proposal
3. CASA 2024 President's Memo/Designation of Representatives

Info/Motion: **VI. Reports of Staff and Officers**

A. Attorney's Report

B. Committee Reports

C. Manager's Report

1. Monthly Maintenance Summary Report
2. Monthly Report of Sewer Replacements and Repairs
3. Consent Decree Quarterly Report
4. July 4th Fair Planning
5. Draft Newsletter
6. 2024 California Association of Sanitation Agencies (CASA) Conferences
 - July 31-August 2 – Annual Conference, Monterey, CA
7. 2024 California Special Districts Association (CSDA) Conference
 - September 9-12 – Annual Conference, Indian Wells, CA

VII. Business

A. Review of Director's Meeting Compensation

(The Board will review the meeting compensation rate)

B. District Working Capital and Reserve Fund Policy

(The Board will review and consider amendments to the Policy)

C. Resolution No. 2241-0624 Approving and Authorizing Amendment to Employment Agreement with Rex Delizo to Serve as District Manager/Engineer, Secretary of the Board, and Treasurer of the District
(The Board will consider approval of the resolution)

D. Resolution No. 2242-0624 Establishing Salary Ranges of Maintenance, Technical and Administrative Employees Employed by Stege Sanitary District Beginning July 1, 2024

STEGE SANITARY DISTRICT BOARD OF DIRECTORS MEETING
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA
JUNE 20, 2024 @7:00 P.M.
www.stegesan.org • staff@stegesan.org

(The Board will consider approval of the resolution)

- E. Resolution No. 2243-0624 Approving and Adopting Annual Budget for Fiscal Year 2024-2025

(The Board will consider approval of the resolution)

- F. Incentive Award Contribution (IAC) Achievements for FY 2023-2024

(The Board will consider approval of the achievements)

- G. Incentive Award Contribution (IAC) Goals and Objectives for FY 2024-2025

(The Board will consider approval of the goals and objectives)

- H. Resolution No. 2244-0624 Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of the Election Order

(The Board will consider approval of the resolution)

VIII. Financial Statements

- A. Monthly Investment, Cash, Receivables Report

- B. Monthly Operating Statement

(The Board will review the reports and statements)

IX. Approval of Checks

- A. Checks for June 20, 2024 - Fund No. 3418 & 3423

(The Board will be asked to approve the checks)

Info:

X. Future Agenda Items

July 18, 2024

July 4th Fair Debrief

Public Hearing/Resolution – Establish and Collect Sewer Service Charges

Public Hearing/Ordinance – Directors Meeting Compensation

Resolution – Notice of Completion

District Investment Policy

Reimbursement Report per Gov. Code 53065.5

Candidate Filing Period

CASA Conference

CSDA Conference

Form 470

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July 4th Fair Debrief
Quarterly Financial Statements
San Pablo Avenue Specific Plan Area Impact Fee Status Report
CLOSED SESSION – Quarterly Claims Report

August 8, 2024

(none)

CLOSED SESSION

Public Employment Performance Evaluation

Gov. Code § 54957

Title: District Manager

Conference with Labor Negotiator

Gov. Code § 54957.6

Agency Designated Representative: Board President Gilbert-Snyder

Unrepresented Employee: District Manager

XI. Adjournment

(The next meeting of the Stege Sanitary District Board of Directors is scheduled to be held on July 18, 2024 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California.)

Stege Sanitary District

Notice of Public Hearing: Proposed Increase in Sewer Service Rates

Thursday, June 20, 2024, 7:00 p.m.

Stege Sanitary District Office, 7500 Schmidt Lane, El Cerrito

The Stege Sanitary District Board of Directors will conduct a public hearing to consider comments on and objections to a proposed five-year service rate increase.

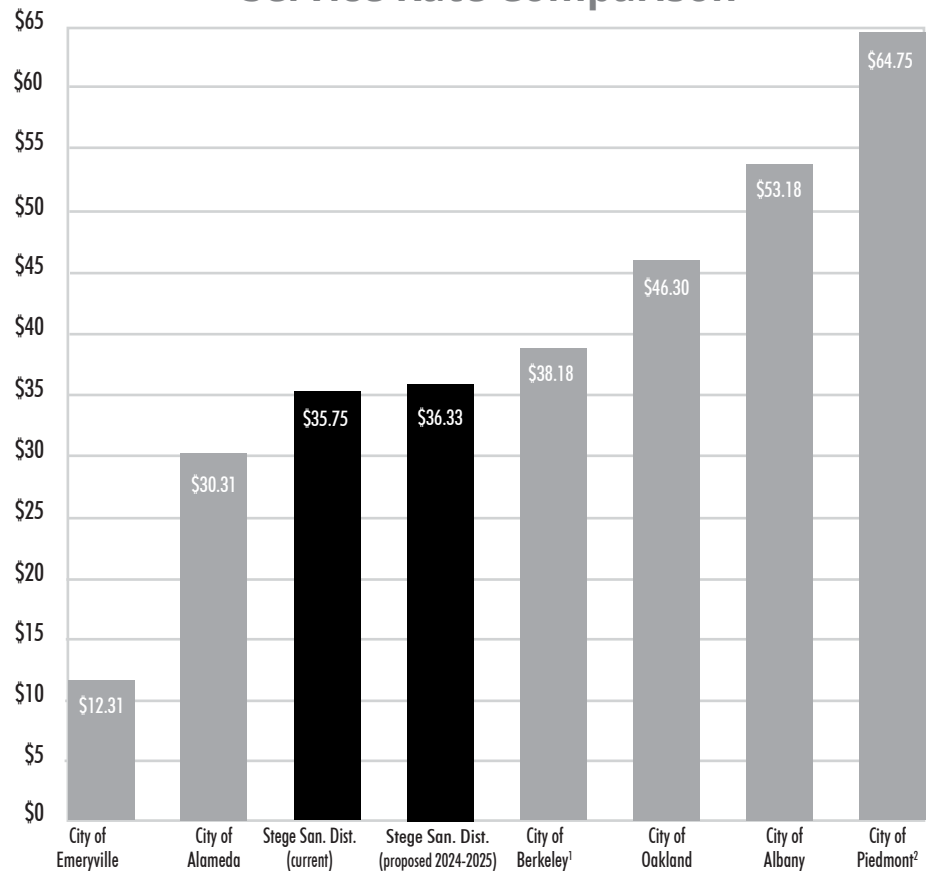
You are receiving this notice pursuant to Article XIII D, Section 6 of the California Constitution ("Proposition 218") because you are a customer or property owner of record within the District's service area. Under Proposition 218, you have the right to object to the proposed rate increase. Written objections or protests may be handed in at the hearing, sent by U.S. mail or other delivery service to Stege Sanitary District, 7500 Schmidt Lane, El Cerrito, CA 94530, or faxed to (510) 524-4697. The Board of Directors will review the amount of the rates as well as the methodology for calculating the proposed rates at the public hearing. If the owners of a majority of the properties in the District object in writing to the proposed rate increase by the end of the hearing, the District may not approve the rate increase at this time. Any objections must be received in writing by the end of the hearing.

Proposed Rate Increase

The Stege Sanitary District Board of Directors is considering raising service rates over the next five years to meet necessary operating and capital improvement expenses while maintaining sufficient emergency reserve funds. The new rates would take effect on July 1, 2024.

Stege Sanitary District is committed to protecting the environment and public health of our community. District rates provide funds to pay for the administration, operation, and maintenance of the District's wastewater collection system, for capital improvements required to maintain adequate levels of customer service, for unforeseen emergencies, for lawful obligations and expenses, and to comply with applicable laws and regulations imposed by state and federal regulatory agencies.

Monthly Single Family Residential Service Rate Comparison



1-Based on a parcel size of 5,000-9,999 sq. ft. 2-Based on 4,000 gallons/month of wastewater flow

Why a Rate Increase Is Necessary

The District requires revenues sufficient to fund current and future costs of operating, maintaining and administering the existing sewer facilities, fund current and future debt payments, and fund capital improvements and infrastructure replacement programs. These revenues allow the District to protect public health and safely and reliably collect, convey, and treat wastewater. By State law, the District may not collect more revenue than

is necessary to recover the total costs of providing services. The proposed rates were developed through a comprehensive Sewer Rate Study designed to meet all legal requirements and fairly and equitably recover the required revenue. The Sewer Rate Study was prepared by Lechowicz and Tseng and is available for public review at Stege Sanitary District Office, 7500 Schmidt Lane, El Cerrito or www.stegesan.org.

Single-Family Residential Rates

Since the difference in usage between single family residences have an insignificant effect on the cost of providing service to the users, a flat rate system is utilized. The proposed increase would change the current rate of \$35.75 per month per single-family residence to the following:

Proposed Single-Family Residence Monthly Rates				
2024-25	2025-26	2026-27	2027-28	2028-29
\$36.33	\$36.92	\$37.50	\$38.08	\$36.67

Multi-Family Residential Rates

Individual multi-family units typically utilize up to one-third less sewer service. Therefore, multi-family buildings are charged a lower rate. The proposed multi-family rate would change the present \$24.74 per month to the following:

Proposed Multi-Family Residence Monthly Rates				
2024-25	2025-26	2026-27	2027-28	2028-29
\$25.31	\$25.88	\$26.47	\$27.06	\$27.66

Commercial Rates

Commercial, industrial, and institutional rates are based on water use. The proposed commercial rate would change the present \$9.02 per 1,000 gallons of water used to the following:

Proposed Commercial Rates per 1,000 gal Water Used				
2024-25	2025-26	2026-27	2027-28	2028-29
\$9.25	\$9.48	\$9.72	\$9.96	\$10.21

If you have questions or comments about the proposed service rate increase, you may:

- Attend the Public Hearing on Thursday, June 20, 2024 at 7:00 p.m.
- Call the District office at (510) 524-4668
- Email the District at staff@stegesan.org
- Write a letter to 7500 Schmidt Lane, El Cerrito, CA 94530

Pursuant to California Government Code Section 53759, there is a 120-day statute of limitations judicially challenging the rates set forth in this Notice that begins the effective date of the ordinance or resolution approving these rates.



[*NOTE: The rate increase schedule proposed below is purposefully postponed by one (1) fiscal year.***]**

ORDINANCE NO. 2239-0624

ORDINANCE ADOPTING SEWER SERVICE CHARGE RATES
FOR FISCAL YEARS 2024-25, 2025-26, 2026-27, 2027-28, 2028-29
STEGE SANITARY DISTRICT

The Directors of the Stege Sanitary District find and determine as follows:

- A. The Stege Sanitary District (the “District”) retained Lechowicz & Tseng Municipal Consultants to conduct a Sewer Rate Study (“Rate Study”) to examine the District’s current and projected costs and the District’s existing rate structure, a copy of which is on file with the District.
- B. The Rate Study recommends that the District update its rates and charges to more accurately recover the costs of providing service to the District’s customers.
- C. The Rate Study has been considered by the Directors of the Stege Sanitary District.
- D. A Notice of Public Hearing containing information on the proposed sewer service charge was duly mailed to every property owner receiving sewer service from the District at least 45 days prior to the public hearing on the proposed increase conducted on June 20, 2024, at which time the Directors heard from all who wished to comment on this matter.
- E. All written protests presented by the affected property owners were considered and tallied at the public hearing on June 20, 2024, and the District did not receive protests by a majority of the owners of the identified parcels affected by this change.
- F. The amount of the charges imposed does not exceed the proportional cost of the service attributable to the properties receiving service, and revenues from the charges and fees are not being used for any other purpose than that for which they are imposed.

- G. This Ordinance was adopted in accordance with the requirements of the law including the provisions of Section 6 of California Constitution Article XIII D.
- H. This Ordinance is enacted pursuant to and in implementation of Ordinance No. 1966-0610, "An Ordinance Amending Ordinance No. 1892-0606 Establishing and Providing for the Collection of Sewer Service Charges," which Ordinance was adopted on June 29, 2006. Accordingly, annual sewer service charges and annual sewer service charge rates for Fiscal Years 2024-25, 2025-26, 2026-27, 2027-28, 2028-29 and each fiscal year thereafter unless and until amended shall be as provided in this Ordinance and District Ordinance Code Section 7.2. This Ordinance also reflects the addition of a multi-unit dwelling rate and other revisions to reflect the basis for the calculations.

In consideration of the foregoing findings and determinations, IT IS ORDAINED as follows:

1. Residential Sewer Service Charges. Pursuant to Section 5.1 of Ordinance No. 1966-0610 and District Ordinance Code Section 7.2, the annual sewer service charge payable by each residential customer shall be as follows:

Single Family Dwellings

- a. For Fiscal Year 2024-25, the sum of \$429.00.
- b. For Fiscal Year 2025-26, the sum of \$436.00.
- c. For Fiscal Year 2026-27, the sum of \$443.00.
- d. For Fiscal Year 2027-28, the sum of \$450.00.
- e. For Fiscal Year 2028-29 and each fiscal year thereafter unless and until amended, the sum of \$457.00.

Multi-Unit Dwellings

- a. For Fiscal Year 2024-25, the sum of \$297.00.
- b. For Fiscal Year 2025-26, the sum of \$304.00.
- c. For Fiscal Year 2026-27, the sum of \$311.00.
- d. For Fiscal Year 2027-28, the sum of \$318.00.
- e. For Fiscal Year 2028-29 and each fiscal year thereafter unless and until amended, the sum of \$325.00.

Thus, Section 7.2.5.1 of the District Ordinance Code is amended to read as follows:

7.2.5.1 Residential Customer Sewer Service Charge. Except as provided in Section 7.2.7, each residential customer shall pay an annual sewer service charge established by the District's Board of Directors for one (1) residential dwelling unit, as follows:

- a. Single Family Dwellings
 - i. For Fiscal Year 2024-25, the sum of \$429.00.
 - ii. For Fiscal Year 2025-26, the sum of \$436.00.
 - iii. For Fiscal Year 2026-27, the sum of \$443.00.
 - iv. For Fiscal Year 2027-28, the sum of \$450.00.
 - v. For Fiscal Year 2028-29 and each fiscal year thereafter unless and until amended, the sum of \$457.00.
- b. Multi-Unit Dwellings
 - i. For Fiscal Year 2024-25, the sum of \$297.00.
 - ii. For Fiscal Year 2025-26, the sum of \$304.00.
 - iii. For Fiscal Year 2026-27, the sum of \$311.00.
 - iv. For Fiscal Year 2027-28, the sum of \$318.00.
 - v. For Fiscal Year 2028-29 and each fiscal year thereafter unless and until amended, the sum of \$325.00.

2. Non-Residential Sewer Service Charges. Pursuant to Section 5.2 of Ordinance No. 1966-0610 and District Ordinance Code Section 7.2, the annual sewer service charge payable for each non-residential customer shall be calculated based upon the following sewer service charge rates, except that in no case shall the charge be less the applicable charge for one residential multi-unit dwelling unit:

- a. For Fiscal Year 2024-25, the rate of \$9.02 per 1000 gallons.
- b. For Fiscal Year 2025-26, the rate of \$9.25 per 1000 gallons.
- c. For Fiscal Year 2026-27, the rate of \$9.48 per 1000 gallons.
- d. For Fiscal Year 2027-28, the rate of \$9.72 per 1000 gallons.
- e. For Fiscal Year 2028-29 and each fiscal year thereafter unless and until amended, the rate of \$9.96 per 1000 gallons.

Thus, Section 7.2.5.2 of the District Ordinance Code is amended to read as follows:

7.2.5.2 Non-Residential Customer Sewer Service Charge. Each non-residential customer shall pay an annual sewer service charge calculated as follows:

7.2.5.2.1 The customer's annualized water consumption shall be determined as provided in Section 7.2.6.

7.2.5.2.2 The customer's annual sewer service charge shall be the amount in dollars obtained when the customer's annualized water consumption is multiplied by the applicable annual sewer charge rate established by the District's Board of Directors, except that in no case shall the annual charge be less than the applicable charge for one residential multi-unit dwelling unit.

7.2.5.2.3 The non-residential annual sewer charge rate shall be equal to the annual sewer service charge established by the District's Board of Directors for one (1) residential dwelling unit divided by the annual residential unit water discharge specified in Section 7.2.6.1 phased-in over five years. The result shall be expressed in terms of dollars per thousands of gallons, as follows:

For Fiscal Year 2024-25, the rate of \$9.02 per 1000 gallons.

For Fiscal Year 2025-26, the rate of \$9.25 per 1000 gallons.

For Fiscal Year 2026-27, the rate of \$9.48 per 1000 gallons.

For Fiscal Year 2027-28, the rate of \$9.72 per 1000 gallons.

For Fiscal Year 2028-29 and each fiscal year thereafter unless and until amended, the rate of \$9.96 per 1000 gallons.

3. Typical Gallons Per Year. Sections 7.2.1.1 and 7.2.6.1 of the District Ordinance Code are amended to read as follows:

7.2.1.1 The average wastewater flow discharged from a typical residential dwelling in the District's territory is *45,448* gallons per year. This is based on the annualized, metered water consumption during the winter period of December, January and February for the average single family residential dwelling unit.

...

7.2.6.1 The discharge from each residential dwelling unit is presumed to be *45,448* gallons per year and shall not be based upon measured water consumption or other conditions of occupancy of the dwelling unit. The District may periodically review water consumption figures and update this discharge factor.

4. Automatic Increases; Exceptions. The increases in sewer service charges and sewer service charge rates for Fiscal Years 2024-25, 2025-26, 2026-27, 2027-28, and 2028-29 shall occur automatically on July 1st of each respective fiscal year without further approval or other actions by the District’s Board of Directors. Notwithstanding the automatic nature of those increases, the Board may review scheduled increases at the beginning of each fiscal year and may, in its discretion, reduce the scheduled charges and rates for that fiscal year. Any such reduction for each fiscal year shall not affect the charges and rates for subsequent fiscal years as established by this ordinance unless the Board independently acts to reduce charges for that subsequent fiscal year in accordance with this Section. Furthermore, any action by the Board to reduce charges and rates pursuant to this Section 3 shall not affect the Board’s ability to increase charges and rates in excess of the charges and rates specified in this ordinance so long as the Board complies with all notice, hearing and other requirements of law.

5. Adoption. This Ordinance is effective upon the expiration of one week from the date of publication of a summary of the Ordinance, as prescribed by California Health and Safety Code Section 6490.

6. CEQA. Adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act.

7. District Ordinance Code. Section 7.2 of the current District Ordinance Code, last amended in February 2023, shall be revised in accordance with this ordinance.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Ordinance was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 20th day of June 2024, by a X-X vote as follows:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

PAUL GILBERT-SNYDER, President
Stege Sanitary District
Contra Costa County, California

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

DRAFT

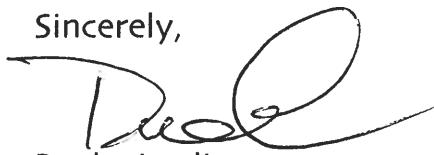
Rocky Leplin
1481 Mariposa
Richmond, CA 94804
rjkwrl@gmail.com
510-693-8632

May 9, 2024

Stege Sanitary District:

I object to a rate increase for low-income seniors.

Sincerely,



Rocky Leplin

From: Brent Green <execoach@mindspring.com>
Sent: Thursday, May 09, 2024 7:55 PM
To: staff@stegesasan.org
Subject: Rate increase objection for 6-20-24 meeting

Per your recent newsletter on increased rates I object to the rise.

I'm a senior citizen age 77 on a fixed income, whereas Commercial rates are NOT. Moreover, business entities make a profit which usually go up. Readjust your rate increases based on this and other criteria (means tested by age or income).

Thank you,

Brent Green

From: ciellynn@gmail.com <ciellynn@gmail.com>
Sent: Tuesday, May 21, 2024 9:16 PM
To: staff@stegesano.org
Subject: RE: Proposed Increase in Single-Family Residence Monthly Rates

Dear Stege Sanitary,

I was ALARMED to see that the proposed rate increase is the highest for the Single-Family Residence. To the extent that our local city or state taxes fund your services, **you do NOT have my permission to raise these rates to such an exorbitant level.**

The proposed rates should be the highest for Multi-Family and Commercial groups.

Further, prudent fiscal management is incumbent upon you. Based on a recent job opening you posted, in which 100% of employee medical and dental costs, your fiscal management is OUT of CONTROL.

Most employers pay a portion of employee medical and dental costs, with an employee co-pay (various levels). Before you ask permission for increased costs to rate-payers AND tax-payers: **GET YOUR HOUSE in ORDER.**

You do NOT have my permission to misappropriate and misuse my dollars to fund such an outlandish benefits to employees. Your benefit package is absurd and NOT in keeping with public institutions, such as the University of California.

I insist on a reduction in Single-Family Residence rates beginning in 2024-2025, until you improve your fiscal management and get employee benefits costs under control.

Thank you,
C.L. Weaver, Rate-Payer
El Cerrito, CA

1155 King Court
El Cerrito, Ca 94530

SAN JOSE CA 950
20 MAY 2024 PM 3 L



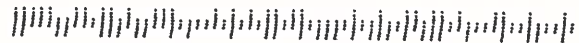
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MAY 22 2024

STEGE SANITARY DISTRICT

Stege Sanitary Dist.
7500 Schmidt Ln.
El Cerrito, Ca 94530

94530-240100



Dear 5/18/24
Stege Sanitary Dist.
Board of Directors,

We are opposed to
the rate increase.
El Cerrito already
has excessive
city taxes!

No on the rate
hike!

Jerrance & Anfont
Muncan



Stege Sanitary District Sewer Rate Study

Draft Report
March 11, 2024



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135

Alameda, CA 94501

(510) 545-3182

www.LTmunicconsultants.com

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LIST OF ACRONYMS

CIP – capital improvement plan
EBMUD – East Bay Municipal Utility District
EDU – equivalent dwelling unit (i.e. a single family home)
EPA – Environmental Protection Agency
FY – fiscal year (July 1 to June 30)
LF – linear feet
O&M – operations and maintenance
Prop 218 – Proposition 218
SPASPA – San Pablo Ave Specific Plan Area
Stege SD – Stege Sanitary District

SECTION 1: EXECUTIVE SUMMARY

1.1 Background

The Stege Sanitary District (Stege SD or District) owns and operates a sewer collection system serving the City of El Cerrito, the Richmond Annex, and the Kensington community. Stege SD is commonly referred to as one of the East Bay Municipal Utility District's (EBMUD) satellite sanitation agencies. Sewer flows collected within the District's service area are conveyed to EBMUD for treatment and disposal. The Stege Sanitary District last conducted a sewer rate study in April 2019 which established rates through fiscal year (FY) 2024. Stege SD has established the following financial goals to guide the rate adjustment:

- 1) Fund operating costs and existing debt service expenses
- 2) Fund capital improvements on a pay-as-you-go basis
- 3) Maintain reasonable and adequate operating and capital fund working capital targets and reserves
- 4) Minimize rate impacts on customers

1.2 Need for a Rate Adjustment

Stege SD has increased the sewer rates over the past five years according to the five-year rate plan adopted in 2019. The sewer utility is an infrastructure-intensive enterprise. Stege SD's most significant funding challenge is the construction cost of the Sewer Rehabilitation Program. The program was initiated to conduct pipeline replacements required by the Environmental Protection Agency's (EPA) Consent Decree to reduce inflow and infiltration. The District is required to replace over two miles of sewer pipelines per year. The rehabilitation program is conducted in conjunction with the District's other planned capital projects such as vehicle replacement, interceptor cleaning, pump station rehabilitation, and others. Over the next five years, total planned capital projects are projected to cost about \$20.3 million.¹

The District's primary source of revenue is the sewer service charges which are collected annually with the Contra Costa County property taxes. Other revenue sources include property taxes, interest earnings, permit fees, and contracted services. Current rate revenue for FY 2024 is \$7.52 million. This amount of revenue is adequate to cover operations and maintenance (O&M) and debt service expenses but is not adequate to fully fund this year's capital improvement plan (CIP). This year has unusually high capital costs due to pump station rehabilitation, flow meter purchases, and vehicle replacements. District revenues and expenditures for FY 2023 and FY 2024 are summarized in Table 1. Stege SD has more than adequate reserves to cover the projected deficit in FY 2024.

¹ Does not include debt service costs or the private sewer lateral program

As of June 30, 2023, Stege SD’s total reserve fund balance was estimated at about \$10.4 million. Working capital fund targets have been established for the Operating Fund and the Capital Fund and are accounted for separately due to the magnitude of the cost of the CIP. For the Operating Fund, the District maintains a target consisting of 60% of annual O&M costs. This target is intended to equal the O&M expenses incurred each year between July and December, the gap in time each year when the District has limited revenues before the sewer service charges are collected with the property taxes. For FY 2024, the operating target fund balance is approximately \$2.1 million.

The capital fund target is equal to a 3-year average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the annual debt service cost. The goal of the capital fund target is to ensure that the District will have adequate funds available on an annual basis to conduct the sewer pipeline replacements required by the EPA. However, capital reserves can also be used to fund any emergency repair or cash flow shortfall. For FY 2024, the capital fund target balance is approximately \$4.2 million.

**Table 1: Summary of Revenues and Expenses
Stege Sanitary District
Sewer Rate Study**

	Budget FY 2023	Budget FY 2024	
Revenues			
Property Tax	\$500,000	\$500,000	
Sewer Service Charges	6,984,000	7,521,000	[1]
Stege SD Capacity Fees	50,000	50,000	
All Other Revenues	<u>136,000</u>	<u>136,000</u>	
Total Revenues	7,670,000	8,207,000	
Expenses			
Operating Expenses	3,328,000	3,471,000	
Capital Expenses	<u>4,314,000</u>	<u>5,713,000</u>	
Total Expenses	\$7,642,000	\$9,184,000	
Net Annual Revenues	\$28,000	(\$977,000)	
1 - The FY2024 tax roll revenue is shown above. The adopted FY2024 budget estimated \$7,733,000 in service charge revenues.			

1.3 Requirements of Proposition 218

Proposition 218, the “Right to Vote on Taxes Act”, was approved by California voters in November 1996 and is codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges. For many years, there was no legal consensus on whether water and sewer service fees met the definition of “property-related fees.” In July 2007, the California Supreme Court essentially confirmed that Proposition 218 applies to water and wastewater (sewer) service fees.

Stege SD must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – Stege SD must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – Stege SD must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases are Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to sewer rates and charges, including:

1. **Cost of Service** - Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** - Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** - The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** - No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** - No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for sewer service are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

1.4 Proposed Rates

The District’s current sewer service charges are \$35.75 monthly (\$429 annually) for single family residential customers, \$24.74 monthly (\$297 annually) for multi-family residential customers, and \$9.02 per 1,000 gallons for non-residential customers. The recommended service charges are shown in Table 2. The rate per equivalent dwelling unit (EDU; i.e. the typical single family customer) is proposed to increase by \$7 annually over the next five years to keep up with inflationary cost increases. As part of the rate setting process, the definition of one EDU is proposed to be updated to reflect current patterns in wastewater flows. While sewer flows for all customer classes have decreased over the past five years, single family residential flows have decreased by a greater percentage than multi-family residential or commercial sewer flows.

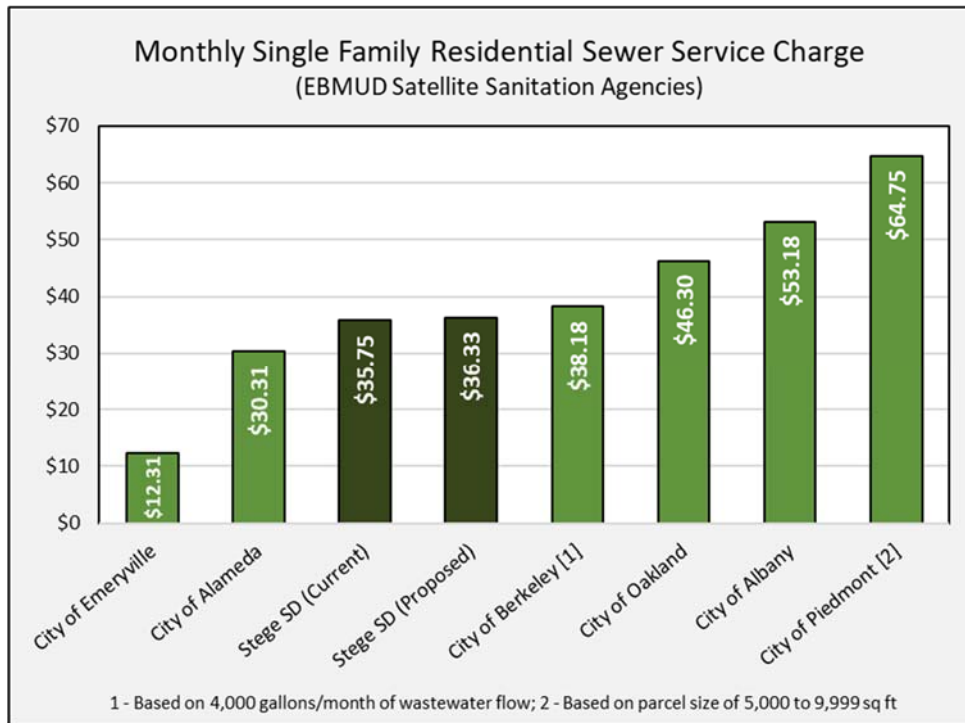
**Table 2: Recommended Monthly Sewer Service Charges
Stege Sanitary District
Sewer Rate Study**

Service Charges	Current FY 24	5-Year Planning Horizon (Prop 218)				
		FY 25	FY 26	FY 27	FY 28	FY 29
Single Family Residential [1] % Increase	\$35.75	\$36.33 1.6%	\$36.92 1.6%	\$37.50 1.6%	\$38.08 1.5%	\$38.67 1.5%
Multi-family Residential [1] % Increase	\$24.74	\$25.31 2.3%	\$25.88 2.3%	\$26.47 2.3%	\$27.06 2.2%	\$27.66 2.2%
Non-Residential (per 1,000 gal) % Increase	\$9.02	\$9.25 2.5%	\$9.48 2.5%	\$9.72 2.5%	\$9.96 2.5%	\$10.21 2.5%

Note: Stege SD bills customers annually on the property tax roll. The equivalent monthly residential rates are shown here.

1 - Per dwelling unit; i.e. per each single family home or apartment/townhouse/condo unit

The survey below compares Stege SD's equivalent monthly single family charge to the rates of other EBMUD satellite sanitation agencies. The District's rates will remain competitively priced.



SECTION 2: CURRENT RATES AND CUSTOMER BASE

This section provides an overview of Stege SD’s sewer rates, customer base, and current rate revenues.

2.1 Current Sewer Rates

Table 3 below shows a history of sewer service charges which were approved as part of the prior rate study beginning in 2019 through 2024. Stege SD currently charges residential customers on an equivalent dwelling unit (EDU) basis and commercial customers based on metered water use as billed by EBMUD. Prior to 2019, the District had not raised its rates for three years. Additionally, the District did not distinguish between single family and multi-family residential customers and both groups paid the same rates. Because the average multi-family residential customer discharges less flow than the average single family customer, a new multi-family rate was adopted beginning in FY 2020. Currently, single family residential sewer flow is assumed to be 47,574 gallons per year which equates to a flow charge of \$9.02 per 1,000 gallons. The flow charge is the commercial rate and demonstrates proportionality as required by Proposition 218 (i.e. both residential and commercial customers pay the equivalent of \$9.02 per 1,000 gallons). The current assumed annual flow per multi-family residential dwelling unit is 32,924 gallons per year.

**Table 3: Historical Sewer Service Charges
Stege Sanitary District
Sewer Rate Study**

Fiscal Year	Single Family Residential (\$/EDU/mo)		Multi-family Residential (\$/EDU/mo)		Non-Residential (\$/1,000 gal)	
2019	\$20.17	-	\$20.17	-	\$4.97	-
2020	\$22.58	12.0%	\$21.00	4.1%	\$5.59	12.6%
2021	\$25.33	12.2%	\$21.91	4.3%	\$6.30	12.7%
2022	\$28.42	12.2%	\$22.82	4.1%	\$7.10	12.7%
2023	\$31.92	12.3%	\$23.78	4.2%	\$8.01	12.8%
2024	\$35.75	12.0%	\$24.74	4.1%	\$9.02	12.5%

2.2 Current Rate Revenues

Stege SD serves about 13,100 parcels which equate to about 17,500 equivalent dwelling units, see Table 4. As described on the previous page, every 47,574 gallons of commercial sewer flow is one EDU. There are currently about 4,800 multi-family dwelling units within Stege SD. Based on the current assumption of about 33,000 gallons of sewer flow per multi-family dwelling unit compared to 47,574 gallons per single family dwelling unit, the ratio of one multi-family dwelling unit to one single family dwelling unit is about 69%. Thus, the number of multi-family EDUs is about 3,300. Current rates generate about \$7.52 million annually. The residential class contributes about 84% of rate revenues including single family and multi-family residential.

Table 4: Summary of Sewer Service Units (EDUs) FY2023/24
Stege Sanitary District
Sewer Rate Study

Customer Class [1]	Number of Parcels	Number of EDUs	Revenue	% of Revenue
Residential	11,361	11,384	\$4,884,000	65%
Multi-Family Residential	1,039	3,349	1,437,000	19%
Commercial	347	1,714	735,000	10%
Industrial	23	408	175,000	2%
Institutional	245	662	284,000	4%
Miscellaneous	<u>104</u>	<u>15</u>	<u>6,000</u>	<u>0%</u>
Total	13,119	17,532	\$7,521,000	100%

1 - The District's single agricultural parcel is not billed and is not included in this table.

Source: Stege Sanitary District FY 2023/24 Sewer Service Charges Summary for Contra Costa County Tax Rolls

2.3 Updated Residential Flows

Stege SD does not directly meter the wastewater flow of individual utility accounts. However, metered water use can be used as a proxy for sewer flow. This method for estimating sewer discharge is commonly used by sewer service providers throughout California. Residential customers typically have high water use in the summer due to irrigation for landscaping. This water use occurs outdoors and does not flow into the sewer system. Therefore, it is necessary to identify low water use periods during the winter to better estimate water use that flows into the sewer. Based on the 5-year average of winter water usage data from 2018 through 2022, the average single family residential sewer flow is estimated as 45,448 gallons. This represents a 4.5% reduction from the current assumed flow of 47,574 gallons per year established in the 2019 Rate Study.

The same analysis was conducted for multi-family residential customers. The current multi-family sewer flow established in the 2019 Rate Study is estimated to be 32,924 gallons annually per dwelling unit. Based on 2018 through 2022 winter water usage data, the average annual flow per multi-family dwelling

unit is now estimated as 32,514 gallons per year, a 1.2% reduction. The average multi-family dwelling unit flow is about 72% of the average single family flow.

2.4 EDU Adjustment

It is recommended that Stege SD adjust its EDU definition to reflect the lower sewer flows of single family customers relative to the sewer flows measured in 2019. It is proposed that one EDU reflect 45,448 gallons of annual flow rather than 47,574 gallons (current) and this flow adjustment be phased-in over the next five years. Individual single family customers may discharge more or less than 45,448 gallons per month but this amount is used for rate design purposes.

The water use of commercial customers is metered monthly by EBMUD. Commercial customers typically have a water meter for indoor use and a dedicated meter for outdoor irrigation. It is assumed that 100% of indoor commercial water use flows into the sewer. Outdoor water use is not included in this study. It is also assumed that indoor commercial water use will remain constant at the FY 2024 level over the next five years. Due to the change in EDU flow from 47,574 gallons to 45,448 gallons, the commercial customer class will gain 131 EDUs, which is about 4.7% more EDUs than current.

**Table 5: Current and Proposed EDU Count
Stege Sanitary District
Sewer Rate Study**

	Current	Proposed to be phased in by FY 2029	Units	% Change
Flow per Single Family Dwelling	47,574	45,448	gallons per year	-4.5%
Flow per Multi-Family Dwelling	32,924	32,514	gallons per year	-1.2%
Single Family Residential	11,384	11,384	EDUs	0.0%
Multi-Family Residential [1], [2]	3,349	3,461	EDUs	3.3%
Commercial	<u>2,799</u>	<u>2,930</u>	EDUs	4.7%
Total	17,532	17,775	Systemwide	1.4%

1 - There are currently 4,838 multi-family dwelling units. Based on the current EDU assignment, these 4,838 MF dwelling units equal 3,349 EDUs. The ratio of one MF dwelling unit to one single family dwelling unit is 0.69. Current average annual MF flow per dwelling is about 33,000 gallons compared to the current average annual single family flow per dwelling unit of 47,574 gallons (i.e. 69%)

2 - Based on the proposed EDU assignment, there are 3,461 MF EDUs. The ratio of one MF dwelling unit to one single family dwelling unit is 0.72. The proposed average annual MF flow per dwelling is about 32,514 gallons compared to the proposed average annual single family flow per dwelling unit of 45,448 gallons (i.e. 72%)

SECTION 3: REVENUE REQUIREMENT

Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves. The sewer utility cost of service was developed based on the FY 2023-24 adopted budget, capital project list developed by staff, and reserve recommendations from the Board.

3.1 Revenues

For FY 2024, Stege SD budgeted about \$8.21 million in total revenues. The majority, approximately \$7.52 million (about 92%), is made up of service charges paid by ratepayers, see Table 6. Other revenue categories include property taxes, capacity fees, interest earnings, permit fees, and other.

**Table 6: Revenues
Stege Sanitary District
Sewer Rate Study**

Revenue	Budget FY 2023	Budget FY 2024	
Property Tax	\$500,000	\$500,000	
Sewer Service Charges	6,984,000	7,521,000	[1]
Stege SD Capacity Fees	50,000	50,000	
San Pablo Ave SPA Impact Fees	50,000	50,000	
Permit Fees and Contracted Services	45,000	45,000	
Interest	20,000	20,000	
Other	<u>21,000</u>	<u>21,000</u>	
Total Revenue	\$7,670,000	\$8,207,000	
1 - The FY 2024 tax roll revenue is shown above. The adopted FY 2024 budget estimated \$7,733,000 in service charge revenues.			

3.2 Operating Expenses

Stege SD manages its finances via an Operating Fund and a Capital Fund. Operating expenses are shown in Table 7. About \$3.47 million in expenses are budgeted for FY 2024 and all line-items are expected to increase by 3% annually over the next ten years.

**Table 7: Operating Expenses
Stege Sanitary District
Sewer Rate Study**

Operating Expenses	Budget FY 2023	Budget FY 2024
Maintenance/Engineering	\$2,225,000	\$2,301,000
Pump Stations	40,000	40,000
Contracted Repairs	70,000	72,000
General and Administrative	<u>993,000</u>	<u>1,058,000</u>
Total Operating Expenses	\$3,328,000	\$3,471,000

3.3 Capital Expenses

A summary of the District’s budgeted FY 2023 and FY 2024 capital expenses is shown in Table 8. More detailed information regarding sewer rehabilitation, capital equipment costs, and other capital costs is provided in Table 9. The District’s Capital Improvement Plan includes over \$45.4 million in expenditures over the next 10 years (FY 2025-FY 2034) (not including debt service or the private sewer lateral program). The sewer rehabilitation funding group was developed to comply with the Environmental Protection Agency’s Consent Decree and is comprised of the annual pipebursting project. Annually, Stege SD expects to replace 3 to 4 miles of pipeline at a cost of \$185 per linear foot plus inflation of 3% per year. Over the next 10 years, approximately 37 miles of pipeline are projected be replaced at a total cost of \$42.3 million. The pipebursting project represents 93% of projected capital improvement projects over the next decade. The capital equipment funding group includes smaller value capital items including flow meters, vehicle replacement, manhole “smart” covers, and other miscellaneous items. The other capital costs funding group includes manhole adjustments, minor repairs to the Administration Building, pump station rehabilitation, and interceptor cleaning.

**Table 8: Capital Expenses
Stege Sanitary District
Sewer Rate Study**

Capital Expenses	Budget FY 2023	Budget FY 2024
Debt Service	\$44,000	\$44,000
Construction	3,833,000	4,558,000
Capital Equipment	<u>437,000</u>	<u>785,000</u>
Total Capital Expenses	\$4,314,000	\$5,387,000

**Table 9: 10-Year Capital Improvement Plan
Stege Sanitary District
Sewer Rate Study**

	Budget	5-Year Planning Horizon (Proposition 218)					10-Year Planning Horizon					10-Year Projection Total
	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	
Costs in \$1,000s												
Sewer Rehabilitation Project												
Footage (LF)	18,812	18,900	18,988	19,084	19,168	19,259	19,347	19,440	19,532	20,304	19,713	193,735
Cost per LF	\$185	\$190	\$196	\$202	\$208	\$214	\$220	\$227	\$234	\$241	\$248	
Total Project Cost	\$3,473	\$3,594	\$3,719	\$3,850	\$3,983	\$4,122	\$4,265	\$4,414	\$4,568	\$4,891	\$4,891	\$42,297
Capital Equipment												
Flow Meters	175	40	0	0	40	0	40	0	0	0	150	270
Vehicle Replacement	610	30	0	35	0	25	30	0	35	0	35	190
Manhole Covers ("Smart")	0	0	0	15	0	0	0	0	15	0	0	30
Rodders	0	0	0	0	0	300	0	0	0	0	300	600
Vactor	0	0	0	0	0	0	425	0	0	0	425	850
Misc. Other	0	10	10	20	20	20	10	10	20	20	10	150
Total Capital Equipment	785	80	10	70	60	345	505	10	70	20	920	2,090
Other capital costs												
Manhole Adjustments	25	50	50	25	25	25	30	30	50	25	30	340
Administration Building [1]	10	10	10	10	10	10	10	10	10	10	40	130
Pump Station Rehab	1,000	0	0	0	0	0	0	0	30	0	0	30
Interceptor Cleaning	50	50	50	50	50	50	50	50	50	50	50	500
Total other capital costs	1,085	110	110	85	85	85	90	90	140	85	120	1,000
Total Capital Projects	\$5,343	\$3,784	\$3,839	\$4,005	\$4,128	\$4,552	\$4,860	\$4,514	\$4,778	\$4,996	\$5,931	\$45,387

1 – Minor annual repairs

3.4 Working Capital and Additional Reserve

3.4.1 Operating Working Capital

Currently the District maintains an Operating Working Capital target balance and a Capital Improvement Working Capital target balance. It is recommended that the Operating target remain at its current level equal to 60% of operating and maintenance costs. This level of funding adjusts annually to equal the District’s costs from July to December, reflecting the lag in the collection of service charges on the property tax roll.

3.4.2 Capital Improvement Working Capital

The current Capital Improvement target balance is equal to a 3-year rolling average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the annual debt service cost. The ultimate goal of the capital fund target is to ensure that the District will have adequate funds available on an annual basis to conduct sewer pipeline replacements or to fund other emergency needs. Due to the high construction cost of the annual pipeline replacements, Stege SD makes large payments to contractors throughout the year. The District needs appropriate working capital to fund these disbursements. The reserve and working capital recommendations for the District’s funds as well as the current estimated fund balances are summarized in Table 10.

**Table 10: Current Estimated Reserves
Stege Sanitary District
Sewer Rate Study**

	Current Estimated Fund Balance [1]	Target Fund Balance	Policy
Operating Reserve	\$2,500,000	\$2,082,000	60% of annual O&M to account for break in tax revenue collection from May to December; target increases as operating costs increase
Capital Reserve	<u>\$7,878,000</u>	<u>\$4,726,000</u>	3-year rolling average of capital improvements (average of past, current, and future years) [2] plus the annual debt service cost
Total Reserves	\$10,378,000	\$6,808,000	

1 - Source: FY 2024 Budget; estimated as of June 30, 2023

2 - For FY 2024 (shown in table), the target is the average of the past year (FY 2023), current year (FY 2024), and future year (FY 2025) capital costs.

3.5 Cash Flow

This subsection provides the operating and capital cash flows. Stege SD has established the following financial goals to guide the cash flow analysis and rate study process:

- 1) Fund operating costs and existing debt service expenses
- 2) Fund capital improvements on a pay-as-you-go basis
- 3) Maintain reasonable and adequate operating and capital fund working capital targets and reserves
- 4) Minimize rate impacts on customers

Although Stege SD is budgeted to operate at a deficit in FY 2024 as shown in Table 1, the District's reserve funds will remain well above their respective targets.

3.5.1 Operating Fund Cash Flow

The Operating Fund cash flow is provided in Table 11.

EDU Adjustment

As shown in Table 5, there is a proposed adjustment in EDUs for existing customers from 17,532 to 17,775. To mitigate rate impacts, this adjustment is proposed to be phased-in over the next five years. In addition, it is expected that Stege SD will gain two new EDUs annually from growth.

Rate Change

Stege SD's current service charge is \$429 per EDU which is made up of \$191 for the O&M service charge and \$238 for the capital service charge. The O&M service charge is proposed to increase to \$226 over the next five years to fund operating expenses and maintain the target fund balance.

Other Revenue Sources and Expenses

The Operating Fund's other revenue sources such as interest earnings, permit fees, and contracted services currently generate about \$81,000 annually and are projected to remain the same through FY 2029. Expenses are expected to increase by 3% annually due to inflation.

Fund Balance

The FY 2024 fund balance is about \$2.5 million which is above the fund target of \$2.1 million based on 60% of expenses. From FY 2025 to FY 2029, the target balance is projected to be met each year with the proposed rate increases.

**Table 11: Operating Fund Cash Flow
Stege Sanitary District
Sewer Rate Study**

	Budget FY 24	5-Year Planning Horizon (Proposition 218)					10-Year Planning Horizon				
		FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Number of EDUs	17,532	17,582	17,630	17,678	17,727	17,777	17,779	17,781	17,783	17,785	17,787
Increase		\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
O&M Service Charge	\$191.00	\$198.00	\$205.00	\$212.00	\$219.00	\$226.00	\$233.00	\$240.00	\$247.00	\$254.00	\$261.00
Beginning Fund Balance	\$2,500	\$2,459	\$2,446	\$2,458	\$2,494	\$2,551	\$2,626	\$2,704	\$2,784	\$2,860	\$2,930
Sources											
Operating Service Charge	3,349	3,481	3,614	3,748	3,882	4,018	4,142	4,267	4,392	4,517	4,642
Interest Earnings	15	15	15	15	15	15	15	15	15	15	15
Permit Fees & Contracted Services	45	45	45	45	45	45	45	45	45	45	45
Other	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
Total Sources	3,430	3,562	3,695	3,829	3,963	4,099	4,223	4,348	4,473	4,598	4,723
Uses [1]											
Maintenance/Engineering	2,301	2,370	2,441	2,514	2,590	2,667	2,748	2,830	2,915	3,002	3,092
Pump Stations	40	41	42	44	45	46	48	49	51	52	54
Contracted Repairs	72	74	76	79	81	83	86	89	91	94	97
General and Administrative	<u>1,058</u>	<u>1,090</u>	<u>1,122</u>	<u>1,156</u>	<u>1,191</u>	<u>1,227</u>	<u>1,263</u>	<u>1,301</u>	<u>1,340</u>	<u>1,380</u>	<u>1,422</u>
Total Uses	3,471	3,575	3,682	3,793	3,907	4,024	4,145	4,269	4,397	4,529	4,665
Net Sources and Uses	(41)	(13)	13	36	57	75	79	79	76	69	59
"Transfer" to Capital Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance	2,459	2,446	2,458	2,494	2,551	2,626	2,704	2,784	2,860	2,930	2,988
Target Minimum Balance [2]	2,083	2,145	2,209	2,276	2,344	2,414	2,487	2,561	2,638	2,717	2,799
Does it meet target?	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Costs shown as \$1,000s

1 - Operating cost inflation estimated at 3%

2 - Minimum balance 60% of O&M

3.5.2 Capital Fund Cash Flow

The Capital Fund cash flow is provided in Table 12.

Rate Change

The capital service charge is proposed to remain the same at \$238 per EDU over the next five years.

Other Revenue Sources and Expenses

As new development occurs, the Capital Fund collects capacity fees and impact fees from the San Pablo Avenue Specific Plan Area (SPASPA) development. These customers pay SPASPA impact fees as well as Districtwide capacity fees. Stege SD's other main capital revenue source is property taxes which are assumed to remain the same through FY 2029.

In addition to the capital improvements described above, the Capital Fund is responsible for debt service payments on the District's outstanding State Revolving Fund Loan. The current payment is about \$43,000 annually. In FY 2026, the loan will be paid off and the annual debt service cost will fall to \$0 beginning in FY 2027.

Fund Balance

The FY 2024 beginning fund balance is \$7.9 million which is well in excess of the fund target of about \$4.7 million. From FY 2025 to FY 2029, the target balance is projected to be met each year with the proposed rate adjustments.

Table 12: Capital Fund Cash Flow
Stege Sanitary District
Sewer Rate Study

	Budget FY 24	5-Year Planning Horizon (Proposition 218)					10-Year Planning Horizon				
		FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
Number of EDUs	17,532	17,582	17,630	17,678	17,727	17,777	17,779	17,781	17,783	17,785	17,787
Capital Service Charge											
Capital Service Charge	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00	\$238.00
O&M Charge	<u>\$191.00</u>	<u>\$198.00</u>	<u>\$205.00</u>	<u>\$212.00</u>	<u>\$219.00</u>	<u>\$226.00</u>	<u>\$233.00</u>	<u>\$240.00</u>	<u>\$247.00</u>	<u>\$254.00</u>	<u>\$261.00</u>
Total Charge (O&M + Capital)	\$429.00	\$436.00	\$443.00	\$450.00	\$457.00	\$464.00	\$471.00	\$478.00	\$485.00	\$492.00	\$499.00
% Increase over previous year	0%	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%
Beginning Fund Balance	\$7,878	\$6,944	\$7,495	\$8,002	\$8,398	\$8,683	\$8,556	\$8,122	\$8,033	\$7,682	\$7,112
Sources											
Capital Service Charges	4,173	4,184	4,196	4,207	4,219	4,231	4,231	4,232	4,232	4,233	4,233
Property Taxes	500	500	500	500	500	500	500	500	500	500	500
Interest Earnings	5	5	5	5	5	5	5	5	5	5	5
Stege SD Capacity Fees	50	5	5	5	5	5	5	5	5	5	5
San Pablo Ave SPA Impact Fees	<u>50</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total Sources	4,778	4,704	4,716	4,727	4,739	4,751	4,751	4,752	4,752	4,753	4,753
Uses											
Sewer Rehabilitation	3,473	3,594	3,719	3,850	3,983	4,122	4,265	4,414	4,568	4,891	4,891
Private Sewer Lateral Program	326	326	326	326	326	326	326	326	326	326	326
Capital Equipment	785	80	10	70	60	345	505	10	70	20	920
Other capital costs	1,085	110	110	85	85	85	90	90	140	85	120
Debt Service	<u>43</u>	<u>43</u>	<u>44</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Uses	5,712	4,153	4,209	4,331	4,454	4,878	5,186	4,840	5,104	5,322	6,257
Net Sources and Uses	(934)	551	507	396	285	(127)	(435)	(88)	(352)	(569)	(1,504)
"Transfer" from Operating Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Fund Balance	6,944	7,495	8,002	8,398	8,683	8,556	8,122	8,033	7,682	7,112	5,609
Fund Target Minimum Balance [1]	4,726	4,691	4,246	4,317	4,554	4,731	4,751	4,717	4,763	5,235	5,464
Does it meet target?	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Costs shown as \$1,000s

1 - The capital fund target each year is equal to an average of the past year, current year, and future year capital improvement cost (not including the private sewer lateral program) plus the annual debt service payment.

SECTION 4: RATE DESIGN

4.1 Rate Structure Recommendations

As described in previous sections, it is recommended that Stege SD's current billing method remains the same where single family and multi-family customers are billed a flat charge per EDU and commercial customers are billed a flow rate per 1,000 gallons of metered use.

The definition of one EDU is proposed to be adjusted based on the observed new trends in flows over the past five years. The service charges for multi-family and commercial customers are proposed to be adjusted to reflect the new EDU definition of 45,448 gallons per year, down from the current EDU definition of 47,574 gallons per year.

4.2 Rate Smoothing Plan

A rate smoothing plan was developed to phase in the proposed changes in EDUs, see Table 13. The adjustment in single family and multi-family residential flows (and corresponding EDU count) is phased-in over five years.

**Table 13: Rate Smoothing Plan
Stege Sanitary District
Sewer Rate Study**

Rate Smoothing Plan	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Single Family Gallons/Year	47,574	47,149	46,724	46,299	45,873	45,448
EDUs	11,384	11,384	11,384	11,384	11,384	11,384
Multi-Family Gallons/Year	32,924	32,842	32,760	32,678	32,596	32,514
EDUs	3,349	3,372	3,394	3,417	3,439	3,461
Commercial Gallons/Year	133,160,280	133,160,280	133,160,280	133,160,280	133,160,280	133,160,280
EDUs	2,799	2,824	2,850	2,876	2,903	2,930
Total EDUs – Existing Customers [1]	17,532	17,580	17,628	17,676	17,725	17,775

1 - Does not include growth

4.3 Recommended Rates

The proposed rate adjustments are provided in Table 14. The rate adjustments are designed to keep up with inflationary cost increases. Based on the evaluation of sewer flows described in this report, single family residential customers contribute lower flows than previously assumed and the multi-family and commercial customer classes make up a higher relative amount of total District flows.

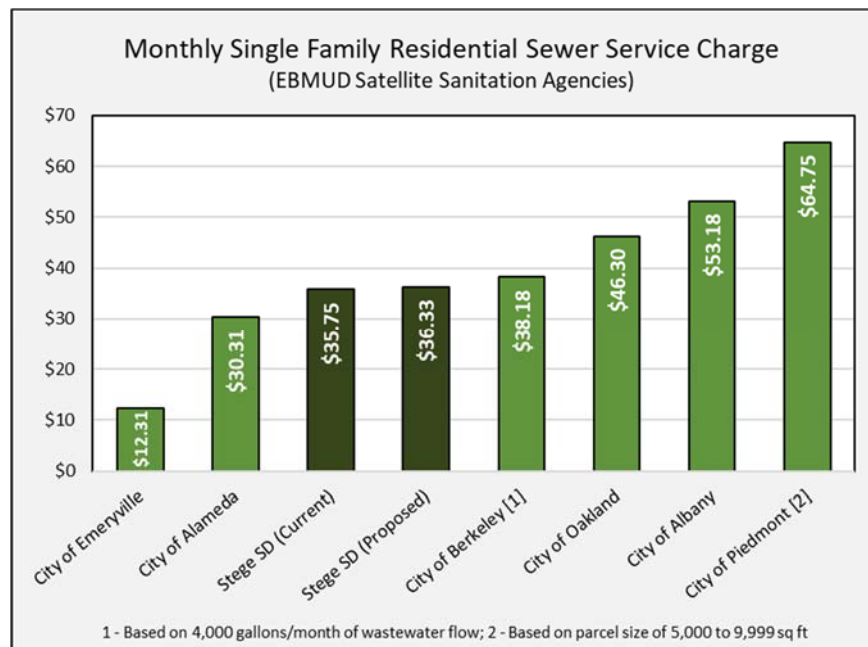
**Table 14: Proposed Service Charges
Stege Sanitary District
Sewer Rate Study**

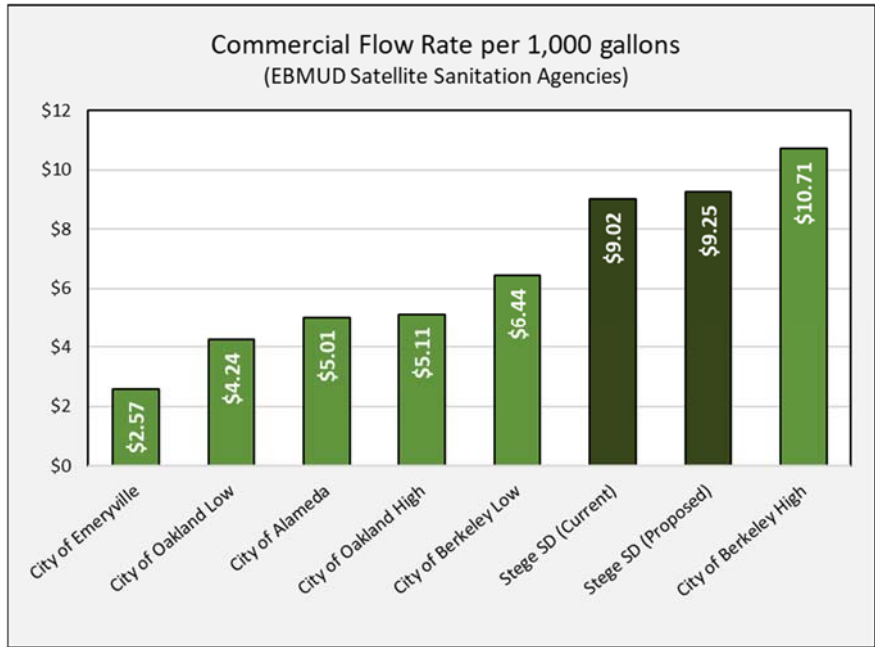
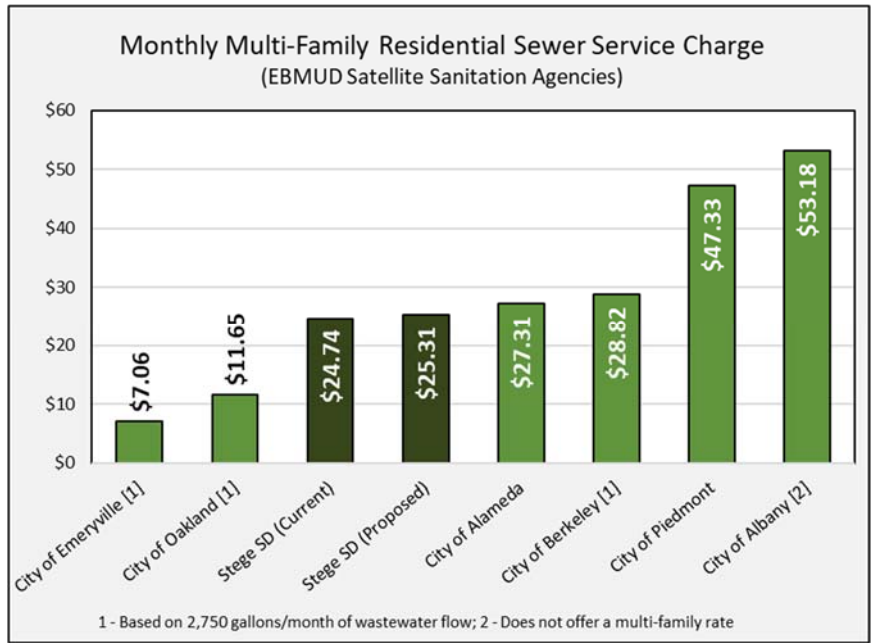
SINGLE FAMILY			
Fiscal Year	\$/dwelling/yr	\$/dwelling/month	% Change
2024	\$429	\$35.75	
2025	\$436	\$36.33	1.6%
2026	\$443	\$36.92	1.6%
2027	\$450	\$37.50	1.6%
2028	\$457	\$38.08	1.6%
2029	\$464	\$38.67	1.5%
MULTI-FAMILY			
Fiscal Year	\$/dwelling/yr	\$/dwelling/month	% Change
2024	\$297	\$24.74	
2025	\$304	\$25.31	2.3%
2026	\$311	\$25.88	2.3%
2027	\$318	\$26.47	2.3%
2028	\$325	\$27.06	2.2%
2029	\$332	\$27.66	2.2%
COMMERCIAL			
Fiscal Year	\$/1,000 gallons		% Change
2024	\$9.02		
2025	\$9.25		2.5%
2026	\$9.48		2.5%
2027	\$9.72		2.5%
2028	\$9.96		2.5%
2029	\$10.21		2.5%

4.4 Bill Impacts

A rate survey was conducted to compare Stege SD's current and FY 2025 proposed rates with the rates of other local agencies. The typical single family bill will remain competitive with the other EBMUD satellite sanitation agencies. The only satellite agencies with lower single family residential bills than Stege SD are the City of Emeryville and the City of Alameda. Stege SD's current and proposed multi-family bill is also in the lower half of bills for the surveyed agencies. All other agencies besides the City of Albany offer a multi-family rate that is less than the single family rate.

Stege SD's current and proposed commercial rates are in the upper range of surveyed agencies but less than the City of Berkeley's high strength commercial rate. However, the bill survey provided here shows the equivalent flow rate per 1,000 gallons and does not necessarily reflect the minimum charges of the agencies. For example, the City of Emeryville's minimum commercial charge is \$12.31 per month which reflects about 4,800 gallons per month. Use over 4,800 gallons per month is charged a rate of \$2.57 (rounded) per 1,000 gallons. Lower flow customers would pay a higher average rate per 1,000 gallons than indicated.





STEGE SANITARY DISTRICT

**NOTICE OF PUBLIC HEARING CONCERNING PROPOSAL TO AMEND
THE DISTRICT CODE OF THE STEGE SANITARY DISTRICT TO
MODIFY SEWER CONNECTION CHARGES AND THE SEWER
CAPACITY CHARGE TO FUND IMPROVEMENTS REQUIRED TO
SERVE DEVELOPMENT WITHIN THE SAN PABLO AVENUE SPECIFIC
PLAN AREA OF THE STEGE SANITARY DISTRICT**

NOTICE IS HEREBY GIVEN as follows:

The Directors of the Stege Sanitary District are considering a proposal to modify the district-wide sewer connection charge to establish the following charges: \$2,446 per dwelling unit for single-family residential; \$1,505 per dwelling unit for multi-family residential; and \$94.07 per fixture unit for non-residential and detached accessory dwelling units. The Directors of the Stege Sanitary District are also considering a proposal to modify the sewer capacity charge for all development within the San Pablo Avenue Specific Plan Area to \$256.41 per fixture unit, in addition to sewer connection charges for development district-wide, in order to fund required improvements. Data indicating the cost required to provide the service for which the proposed charge is levied and the revenue sources anticipated to provide the service is available on file at 7500 Schmidt Lane, El Cerrito, California.

Prior to adoption of an ordinance to effect the proposed sewer capacity charge, the District Board will hold a public hearing at which any interested person is invited to attend and address the Board concerning the proposal. The time, date and place of the public hearing is as follows:

Date: Thursday, June 20, 2024
Time: 7:00 P.M. Regular Board of Directors' Meeting
Place: Board Meeting Room, 7500 Schmidt Lane, El Cerrito, California

At the conclusion of the public hearing, the Board will consider the proposed Ordinance and may take action at that time.

Dated: June 3, 2024



REX DELIZO
STEGE SANITARY DISTRICT
Secretary

ORDINANCE NO. 2240-0624

ORDINANCE AMENDING CHAPTER 7, SECTION 7.3 OF THE
STEGE SANITARY DISTRICT ORDINANCE CODE – SEWER CONNECTION CHARGES

The Directors of the Stege Sanitary District find and determine as follows:

- A. The Stege Sanitary District (the “District”) imposes a sewer capacity, or “connection” charge on all developments and connections to its system within its service territory. This charge allows new development to buy into a fair share of the District’s existing system. The District uses these funds to acquire, construct, install, and replace existing capital facilities and other assets.
- B. The District also imposes an additional sewer capacity charge, based on anticipated development within the San Pablo Avenue Specific Plan Area (“SPASPA”), to fund sewer system improvements that will be required to serve development in the SPASPA.
- C. The District needs to have the ability to evaluate developments for system impacts, and to require developers to fund sewer system improvements and additions of capacity that are made necessary by their development.
- D. The District retained Lechowicz & Tseng Municipal Consultants to conduct a Connection Charge and SPASPA Impact Fee Study (“Fee Study”) to examine the District’s capital costs of facilities needed to serve new development, a copy of which is on file with the District.
- E. The Fee Study recommends that the District update its rates and charges to accurately recover the capital costs of facilities needed to serve new development.
- F. The District’s sewer connection fees are established in accordance with Government Code section 66013.
- G. The District held a properly noticed public hearing regarding the proposed sewer connection charge and SPASPA capacity charge on June 20, 2024.

H. The District finds that the purpose of the sewer connection charge and SPASPA capacity charge established in this Ordinance is to reimburse the District for costs which have been paid for existing wastewater collection facilities and will be paid for a reasonable share of the cost of future facilities and provide funds for capital projects necessary to maintain service, including service to new connections, within the District and SPASPA.

In consideration of the foregoing findings and determinations,

IT IS ORDAINED by the District Board as follows:

1. Section 7.3.5 of the District Ordinance Code is amended to read as follows, with additions in underline and deletions in strikethrough text:

7.3.5 Schedule/Determination of Charges.

7.3.5.1 District-Wide Schedule. The applicable connection charges and connection charge rates for new connections and increased discharges to the District’s system shall be as follows:

Sewer Connection/Capacity Charge – District-Wide

Land Use	Equivalent Fixture Units per Dwelling Unit	Average Gallons per Day per Equivalent Fixture Unit	Cost per Equivalent Fixture Unit	Sewer Capacity Charge
Single Family Residential	26	5	\$129.01 <u>94.07</u>	\$3,354 <u>2,446</u> per dwelling unit
Multi-Family Residential	17	5	\$129.01 <u>94.07</u>	\$2,493 <u>1,505</u> per dwelling unit
Non-Residential	NA	5	\$129.01 <u>94.07</u>	\$129.01 <u>94.07</u> per fixture unit

7.3.5.2 San Pablo Avenue Specific Plan Area Schedule. In September 2017, a special study was completed to help plan for future developments in the San Pablo Avenue Specific Plan Area (SPASPA) in the City of El Cerrito. (“Sewer Capacity Charge for the San Pablo Avenue Specific Plan Area,” September 12, 2017, Urban Economics) and an additional updated connection fee study was conducted in April 2019 (“Connection Charge and SPASPA Impact Fee Study.”) Without pipe upsizing, the anticipated development in the SPASPA would surcharge existing facilities. An additional capacity charge will fund sewer capacity improvements needed to serve projected growth within the SPASPA. For new connections and increased discharges in the SPASPA, both residential and nonresidential developments will pay the sewer connection/capacity charge as shown in the table below. For SPASPA developments, these charges must be paid in addition to the rates listed above in section 7.3.5.1:

Sewer Connection/Capacity Charge – San Pablo Avenue Specific Plan Area

Land Use	Cost per Equivalent Fixture Unit
Residential	\$271.19 256.41
Non-Residential	\$271.19 256.41

7.3.5.2.1 If a proposed development in the SP~~A~~SPA will result in an exceedance of the growth scenario for its specific block and development type as summarized in Appendix C of the BKF technical memorandum dated July 28, 2017, or any subsequent studies or memorandums, and may create, in the sole determination of the District, demand that will exceed the sewer capacity of the planned improvements, then the District may require a sewer capacity study that will confirm whether or not additional changes must be made to the sewer system. For developments that will not result in exceeding the growth scenario, the District will not require a special study. If a study is required, such study must be conducted in accordance with District criteria. Upon District approval and agreement with the study, the District may in its sole discretion, either (a) pay a pro rata share of the costs of any required improvements; or (b) enter into a reimbursement agreement with the owner(s) in which the owner(s) pay all or a portion of the entire cost of the required improvements, the actual cost to be determined by the District, and the District agrees to collect fees from those subsequently connecting to the oversized facility and to reimburse such payments to the owner(s) for a period not to exceed ten (10) years.

7.3.5.2.2 This section 7.3.5.2 will sunset without further action of the Board when all of the sewer system improvements identified in the September 12, 2017, Urban Economics study have been completed, and either the District has collected enough funds to cover the costs of the improvements, or the improvements have otherwise been paid for.

7.3.5.3 Accessory Dwelling Units. Consistent with state law, the District will neither require a new or separate connection for Attached Accessory Dwelling Units, nor charge a connection charge for such units. The District will require the payment of a connection charge for Detached Accessory Dwelling Units described in the following table:

Land Use	Cost per Equivalent Fixture Unit
Attached Accessory Dwelling Unit/Junior Accessory Dwelling Unit	\$0
Detached Accessory Dwelling Unit	\$129.04 94.07

7.3.5.3.1 For purposes of this subsection, the following terms mean:

“Accessory Dwelling Unit” means an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons. It includes permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling.

“Attached Accessory Dwelling Unit” means an Accessory Dwelling Unit that is constructed and contained within the existing space of the single-family residence or accessory structure and has an independent exterior access from the existing residence.

“Detached Accessory Dwelling Unit” means an Accessory Dwelling Unit that is constructed either to expand the envelope of the existing single-family residence or accessory structure, or to be a new accessory structure on the parcel.

“Junior Accessory Dwelling Unit” means a unit that does not exceed 500 square feet in size and is contained entirely within an existing single-family structure.

7.3.5.4 **Adjustment of Charges.** The above rates may be adjusted annually for inflation based on the Construction Cost Index published by the Engineering-News Record.

3. The District finds that the purpose of this Ordinance is to reimburse the District for costs which have been paid for existing wastewater collection facilities and will be paid for a reasonable share of the cost of future facilities and provide funds for capital projects necessary to maintain service, including service to new connections, within the existing District service area. Thus, the adoption of this Ordinance is statutorily exempt from the provisions of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15273(a).

4. Notice of the proposed new charges was published on June 5, 2024 and June 12, 2024. This Ordinance is effective upon the expiration of one week from the date of publication of a summary of the Ordinance, as prescribed by California Health and Safety Code Section 6490.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

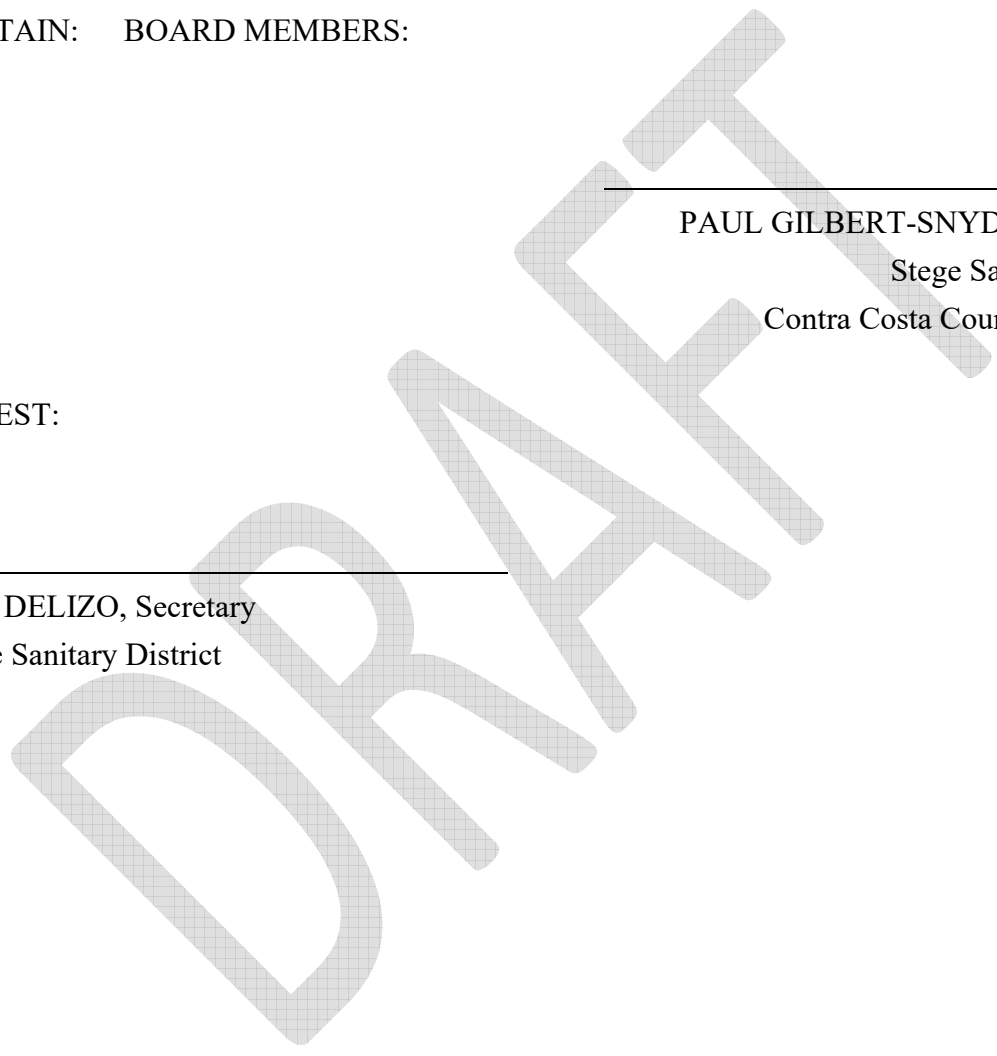
I HEREBY CERTIFY that the foregoing Ordinance was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 20th day of June 2024 by a X-X vote as follows:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:
ABSTAIN: BOARD MEMBERS:

PAUL GILBERT-SNYDER, President
Stege Sanitary District
Contra Costa County, California

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District





Stege Sanitary District Capacity Charge and SPASPA Impact Fee Study

Draft Report
March 11, 2024



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

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LIST OF ACRONYMS

BART – Bay Area Rapid Transit
 DU – dwelling unit
 EDU – equivalent dwelling unit
 FU – plumbing fixture unit
 LF – linear feet
 RCNLD – replacement cost new less depreciation
 SF – single family
 SPASPA – San Pablo Ave Specific Plan Area
 Stege SD – Stege Sanitary District

SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Background

The purpose of this report is to update the sewer capacity fee and impact fee charged by the Stege Sanitary District (Stege SD or District) to new development connecting to the sewer system. Capacity or impact fees are one-time hookup fees intended to recover the capital cost of facilities needed to serve new development. Capacity and impact fees do not collect revenues to cover the costs of maintenance, operations, or repairs. Instead, these on-going costs are recovered through District rates and charges billed annually to customers on the property tax roll. Stege SD currently has two capital facilities fees: a Districtwide capacity fee and an impact fee for new development in the San Pablo Avenue Specific Plan Area (SPASPA).

1.1.1 SPASPA Impact Fee

The San Pablo Avenue Specific Plan Area (SPASPA) is a development area within the City of El Cerrito along San Pablo Avenue spanning from the El Cerrito Plaza BART (Bay Area Rapid Transit) station to just north of the Del Norte BART station. The City of El Cerrito adopted the San Pablo Avenue Specific Plan in September 2014 and development is projected to include about 3,400 dwelling units, 162,000 square feet of commercial space, and 260 hotel rooms. Existing sewer pipelines located in the SPASPA and pipelines downstream of the SPASPA are insufficiently sized to serve the projected development and must be upsized. The cost of these localized improvements is recovered in the SPASPA impact fee. The impact fee is only charged to new development in the SPASPA. New development outside of the SPASPA is not charged the impact fee.

1.1.2 Districtwide Capacity Fee

All new development within Stege SD's service area pays the Districtwide capacity fee. The capacity fee is charged to both SPASPA and non-SPASPA development. The current Districtwide capacity fee recovers new development's proportional share of general District facilities (such as lift stations, the Administrative Building, cleaning equipment and vehicles, etc.). The pipelines in or downstream of the SPASPA that are scheduled to be upsized are excluded from the Districtwide capacity fee calculation.

1.2 Legal Requirements

California Government Code Sections 66013, 66016, and 66022 describe the legal requirements pertaining to establishing capacity fees and impact fees. Absent a 2/3 vote, fees must be proportional to the cost of providing facilities to serve new development. This Study is intended to provide support for the Stege Board of Directors to make the following findings set forth in the Mitigation Fee Act: (i) that there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed and (ii) that there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

1.3 Current and Proposed Fees

The current and proposed fees are provided in Table 1 and Table 2. Stege SD calculates its development fees on a fixture unit basis. The cost per fixture unit is proposed to decrease for both the SPASPA fee and the Districtwide fee. It is proposed that the updated Districtwide fee provide cost recovery for pipeline and manhole assets and exclude other assets such as the Administration Building and vehicles.

Stege SD’s current policy for the Districtwide fee is to charge each new single family residential dwelling for 26 fixture units and each multi-family dwelling unit for 17 fixture units. It is proposed that Stege SD charge each multi-family dwelling unit for 16 fixture units. The Districtwide single family fee will decrease from \$3,354 to \$2,446 and the multi-family fee will decrease from \$2,193 to \$1,505.

**Table 1: Proposed Districtwide Capacity Fee
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study**

	Current		Proposed	
COST PER FIXTURE UNIT				
Districtwide Fee	\$129.01		\$94.07	
SINGLE FAMILY DWELLING UNIT				
Districtwide Fee	\$3,354	26 FU	\$2,446	26 FU
MULTI-FAMILY DWELLING UNIT				
Districtwide Fee	\$2,193	17 FU	\$1,505	16 FU

FU – plumbing fixture units

Table 2 shows the total fees for new development in the SPASPA. New development outside of the SPASPA will pay the fees shown in Table 1 in addition to SPASPA impact fees. SPASPA residential fees are not based on a pre-set number of plumbing fixtures. Instead, the number of fixtures and SPASPA impact fees are calculated on the particulars of each new development.

**Table 2: Proposed Combined Districtwide Capacity Fee and SPASPA Impact Fee
 Stege Sanitary District
 Capacity Charge and SPASPA Impact Fee Study**

	Current		Proposed	
COST PER FIXTURE UNIT				
Districtwide Fee	\$129.01		\$94.07	
SPASPA Fee	<u>\$271.19</u>		<u>\$256.41</u>	
Total	\$400.20		\$350.48	
SINGLE FAMILY DWELLING UNIT				
Districtwide Fee	\$3,354	26 FU	\$2,446	26 FU
SPASPA Fee	<u>\$7,051</u>	26 FU [1]	<u>\$6,667</u>	26 FU [1]
Total (unrounded)	\$10,405		\$9,112	
MULTI-FAMILY DWELLING UNIT				
Districtwide Fee	\$2,193	17 FU	\$1,505	16 FU
SPASPA Fee	<u>\$4,610</u>	17 FU [1]	<u>\$4,103</u>	16 FU [1]
Total	\$6,803		\$5,608	

1 – Example fixture counts shown. Actual fees and fixture counts will be determined based on the permit conditions of each new development

SECTION 2: METHODOLOGY

2.1 Overview

This Study seeks to allocate to each new development project the costs attributable to the increased demand for sewer collection facilities that is reasonably related to the development project. This allocation does not include costs attributable to existing deficiencies in public facilities but includes the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with buildout projections.

2.2 Measurement of Level of Service

The Districtwide fee is for collection system facilities that are delivered on a systemwide basis for connections throughout the City of El Cerrito, the Richmond Annex, and the Kensington community. For example, continued renewal and reinvestment in a segment of pipeline provides upstream and downstream benefits as the system can operate more efficiently. For the Districtwide fee and SPASPA fees, this Study identifies the planned level of service for the type of facilities funded by the fee. The planned level of service is generally calculated by dividing:

(i) the value of existing facilities that are intended to provide the service throughout the study period (Districtwide fee) or (ii) the cost of new facilities (SPASPA)

by

The estimated number of plumbing fixture units through buildout.

Throughout this report, the “level of service” is measured as a cost (in dollars) per unit of capacity (i.e. per plumbing fixture unit).

2.3 Existing Facilities

The value of existing pipeline and manhole facilities was evaluated for the calculation of the Districtwide fee. Stege SD’s fixed asset list was reviewed and edited to remove donated facilities and assets that are scheduled to be replaced in the capital improvement plan. To calculate the value of existing facilities using the Replacement Cost New Less Depreciation (RCNLD) method, the book cost of facilities less depreciation was escalated to present worth using the Engineering News Record’s Construction Cost Index for San Francisco for December 2023.

2.4 Planned Facilities

The cost of new facilities in the SPASPA was determined using capital improvements described in the Sewer Capacity Charge for the San Pablo Avenue Specific Plan Area Memorandum (October 19, 2017) (CIP). The memorandum is a planning tool that identifies major capital projects and associated costs needed to serve the SPASPA area.

SECTION 3: CAPACITY THROUGH BUILDOUT

3.1 Fixture Unit Basis

The District currently assesses capacity and impact fees on a fixture unit basis. For the Districtwide fee, it is assumed that the typical new single family dwelling unit is a two bathroom home and has 26 plumbing fixture units as shown below.

**Table 3: Fixture Units Per Typical 2 Bathroom House
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study**

Fixture Type	Equivalent Fixture Count		Typical Residence # of Fixtures	=	# of Equivalent Fixture Units per Typical Dwelling
Bathtub or Bath/Shower	2	x	2	=	4
Bidet	2				
Clothes Washer, Domestic	3	x	1	=	3
Dishwasher, Domestic	2	x	1	=	2
Drinking Fountain (per head)	0.5				
Floor Drain	2				
Floor Sink	3				
Food waste grinder, Commercial	3				
Lavatory in sets of two or three	2				
Lavatory, single	1				
Shower multi-head each additional	1				
Shower single-head trap	2				
Sink	3	x	3	=	9
Sink, Mop	3				
Toilet	4	x	2	=	8
Urinal	2				
Water Closet	4				
Watercooler (per head)	0.5				
Other	1				
Total Equivalent Fixture Units					26

Per the District's Sewer Rate Study (March 2024), the average annual single family residential flow is 45,448 gallons or about 125 gallons per day. Divided by 26 fixture units, the average flow per fixture unit is about 5 gallons per day.

The majority of new dwelling units in the SPASPA are expected to be multi-family apartments, condominiums, and/or townhomes and will likely have one bathroom per dwelling unit. It is projected that the typical multi-family dwelling unit will have 16 plumbing fixtures based on the average number of fixture units for multi-family dwelling units that have been constructed in the SPASPA since 2018.

3.2 Capacity Through Buildout

The capacity through buildout is calculated in Table 4. The number of existing customers is taken from the Sewer Rate Study (March 2024). Each single family dwelling unit and commercial equivalent dwelling unit (EDU) represents 26 fixture units (i.e. the number of plumbing fixture units in a single family home). Each multi-family dwelling unit is assumed to have 16 fixture units. The SPASPA impact fee will be charged based on the permit of each new development such that not every multi-family dwelling will be charged for exactly 16 fixture units. However, for planning purposes, 16 fixture units and 26 fixture units are assumed per multi-family and single family dwelling unit, respectively.

The future development estimate shown in Table 4 is taken from the Sewer Capacity Charge for the San Pablo Avenue Specific Plan Area Memorandum (October 19, 2017) plus additional connections that were not originally envisioned in the 2017 memo. It is estimated that new SPASPA connections will make up 11% of the District's total connections at buildout.

**Table 4: Fixture Unit Count Through Buildout
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study**

Customers	Count		Fixture Units per du/ 1,000 sq ft/ room	Total Equivalent Fixture Units	% of Build-out
Existing Customers					
SF Residential	11,384	Dwelling Units	26.0	295,972	
Multi-Family Residential	4,838	Dwelling Units	16.0	77,411	
Commercial	2,930	EDUs	26.0	<u>76,180</u>	
Total Existing in 2024				449,563	89%
SPA Customers					
Multi-Family Residential	3,371	Dwelling Units	16.0	53,936	
Commercial [1]	162,364	sq ft	NA	3,247	
Hotel [2]	260	rooms	10	2,600	
Net of SPA fixture units added since inception				<u>(4,595)</u>	
Total Future SPA Customers estimated left to connect from 2024 to Buildout				55,188	11%
Total Buildout				504,751	100%

SF – Single Family

1 - based on 100 gallons per day per 1,000 sq ft used by the Central Contra Costa Sanitary District; one FU = 5 gallons per day of flow

2 - based on one bath/shower, one sink, one toilet, plus 10% margin for other hotel facilities, rounded up

SECTION 4: COST OF CAPACITY

This section calculates the cost of capacity for the Districtwide facilities and SPASPA facilities. The value of the sewer infrastructure for the two fees is divided by the buildout capacity to calculate unit costs expressed as \$/fixture unit. The cost per fixture unit is then multiplied by the number of fixture units per new connection to calculate the total capacity fee or impact fee.

4.1 Background

The Stege Sanitary District provides the collection, transmission, and conveyance of sewage from homes, businesses, and other customer laterals to the trunklines of the East Bay Municipal Utility District (EBMUD). Stege SD also provides sewer pipeline cleaning and spill response for its customers. The current Districtwide capacity fee is \$129.01 per fixture unit based on the level of service needed for the collection and conveyance per 5 gallons of flow. The current SPASPA impact fee is \$271.19 per fixture unit based on the level of service needed to convey 5 gallons of flow through SPASPA area pipelines before connecting with Districtwide facilities.

4.2 SPASPA Planned Facilities Component

The San Pablo Avenue Specific Plan Area Memorandum (October 19, 2017) developed a construction cost estimate for the SPASPA improvements. The current pipelines in the SPASPA and downstream of the SPASPA are insufficient to convey the flow of the proposed development. \$14.9 million in retrofits are needed to upsize 22,592 linear feet (LF) of existing lines. Stege SD staff reviewed construction pricing trends and determined that this cost estimate is reasonable based on current conditions.

Since 2017, another development has connected in the SPASPA that was not originally anticipated in the SPASPA memo. In addition to the 22,592 LF identified in 2017, the 11795 San Pablo Ave, Wall Ave Multi-family Development will require the upsizing of 570 LF at a cost of about \$339,000. Deducted from these costs is about \$1.1 million in impact fees already paid. The total cost of SPASPA capacity is \$14.15 million and is divided by the fixture unit count from Table 4 net of fixture units already paid. The proposed cost per fixture unit is about \$256.

Table 5: SPASPA Impact Fee Calculation
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study

Asset	Cost
SPASPA Improvement Cost [1]	\$14,900,000
11795 San Pablo Ave, Wall Ave Multi-family Development	\$339,264
Net of SPASPA fees already paid	<u>(\$1,088,534)</u>
Total Cost	\$14,150,730
SPASPA Fixture Units	59,783
Less SPASPA Fixture Units Already Paid	<u>(4,595)</u>
Total Fixture Units	55,188
Cost per Fixture Unit	\$256.41
Cost per Single Family Unit (26 Fixture Units)	\$6,667
Cost per Multi-Family Unit (16 Fixture Units)	\$4,103
Current Cost per Fixture Unit	\$271.19

1 - Based on 22,595 LF of pipeline at \$425/LF

4.3 Districtwide Existing Facilities Component

The Stege SD Districtwide fee is proposed to be updated to reflect the status of existing facilities and up-to-date costs to provide service to new connections. Capacity fee funds will be used to upgrade and improve pipelines and manholes to ensure that wastewater discharge is collected and conveyed to EBMUD in a manner compliant with environmental regulations. As described above, the SPASPA fee recovers the cost of upsizing existing District pipelines serving the SPASPA. Because the cost of these pipelines is accounted for in the SPASPA fee, they must be deducted from the Districtwide fee to avoid double charging for the same facilities. It is estimated that the SPASPA pipelines make up about 3% of the District total, see Table 6.

**Table 6: Adjustment % for Pipelines
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study**

Category	Linear Feet	
Districtwide Pipelines [1]	775,191	A
Less Planned SPASPA Improvements [2]	<u>(23,162)</u>	
Net pipelines	752,029	B
Net pipelines as % of total existing	97.0%	B/A

1 - Sewer model inventory file

2 - Deduction for pipelines that are included in the SPASPA impact fee

Table 7 calculates the Districtwide capacity fee. As described, the Districtwide fee is based on the value of existing facilities at their current value. Current facilities are described in Stege SD’s fixed asset list. The original cost of assets less accumulated depreciation (i.e. book value) was escalated to current dollars based on the Engineering News Record’s Construction Cost Index for San Francisco. The value of pipelines was reduced by 3% to account for the SPASPA lines being replaced. The value of existing Districtwide pipeline and manhole facilities is about \$48.6 million. This amount divided by the buildout fixture units calculated in Table 4 results in a fee of about \$96 per fixture unit.

Table 7: Districtwide Capacity Charge Calculation
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study

Asset	Replacement Cost New Less Depreciation
Pipelines	\$11,218,593
Standard Pipeline Replacements & Rehab	<u>\$37,305,763</u>
Total	\$48,524,356
Adjustment	97.0%
Adjusted Value	\$47,074,493
Adjusted Pipelines	\$47,074,493
Manholes	\$362,099
Pump Stations	<u>\$46,202</u>
Total Existing Facilities Component	\$47,482,795
Buildout Fixture Units	504,751
Cost per Fixture Unit	\$94.07
Cost per Single Family Unit (26 Fixture Units)	\$2,446
Cost per Multi-Family Unit (16 Fixture Units)	\$1,505
Current Cost per Fixture Unit	\$129.01

SECTION 5: FEE COMPARISON

5.1 Proposed Fees

Table 8 and Table 9 compare the Districtwide and SPASPA current and proposed fees. The cost per fixture unit is proposed to decrease for both the SPASPA and the Districtwide fee. The prior study assumed that each single family residential dwelling unit would have an average of 26 fixture units and each multi-family dwelling unit would have an average of 17 fixture units. This study assumes each multi-family dwelling unit will have 16 fixture units per dwelling. For SPASPA dwelling units, the actual SPASPA fee charged to each connection will be determined based on the fixture unit count of each development. 16 fixture units per multi-family dwelling was used for planning purposes to estimate the District’s buildout capacity.

Most new connections are expected to be multi-family dwelling units located in the SPASPA. Both the SPASPA and the Districtwide portions of the total fee for multi-family dwellings are proposed to decrease reflecting the downward adjustment to the fixture unit costs and the reduction in multi-family fixture units from 17 to 16. Unlike the SPASPA fee, the Districtwide fee is not assessed individually for each new connection. Instead, each new single family connection is proposed to be charged for 26 fixture units and each new multi-family connection is proposed to be charged for 16 fixture units.¹

**Table 8: Proposed Districtwide Capacity Fee
Stege Sanitary District
Capacity Charge and SPASPA Impact Fee Study**

	Current		Proposed	
COST PER FIXTURE UNIT				
Districtwide Fee	\$129.01		\$94.07	
SINGLE FAMILY DWELLING UNIT				
Districtwide Fee	\$3,354	26 FU	\$2,446	26 FU
MULTI-FAMILY DWELLING UNIT				
Districtwide Fee	\$2,193	17 FU	\$1,505	16 FU

¹ The number of single family dwelling fixture units was based on home sales data since 2013. The number of multi-family dwelling fixture units was based on the average number of fixture units per dwelling for construction in the SPASPA since 2018.

Table 9: Proposed Combined Districtwide Capacity Fee and SPASPA Impact Fee Stege Sanitary District Capacity Charge and SPASPA Impact Fee Study

	Current		Proposed	
COST PER FIXTURE UNIT				
Districtwide Fee	\$129.01		\$94.07	
SPASPA Fee	<u>\$271.19</u>		<u>\$256.41</u>	
Total	\$400.20		\$350.48	
SINGLE FAMILY DWELLING UNIT				
Districtwide Fee	\$3,354	26 FU	\$2,446	26 FU
SPASPA Fee	<u>\$7,051</u>	26 FU [1]	<u>\$6,667</u>	26 FU [1]
Total	\$10,405		\$9,112	
MULTI-FAMILY DWELLING UNIT				
Districtwide Fee	\$2,193	17 FU	\$1,505	16 FU
SPASPA Fee	<u>\$4,610</u>	17 FU [1]	<u>\$4,103</u>	16 FU [1]
Total	\$6,803		\$5,608	

1 - Example fixture counts shown. Actual fees and fixture counts will be determined based on the permit conditions of each new development

5.2 Annual Review

It is recommended that the Districtwide fee be reviewed annually and potentially be updated based on the change in the Engineering News Record’s Construction Cost Index over the prior year. Suggested language for implementing this policy is:

Each year, commencing on (m/d/y) and continuing thereafter on each (m/d) , the capacity fee shall be adjusted by an increment based on the change in the Engineering News Record Construction Cost Index for San Francisco over the prior year.

However, the Board of Directors may at its option determine, by resolution adopted prior thereto, that such adjustment shall not be effective for the next succeeding year, or may determine other amounts as appropriate.

The capacity fee should also be reviewed in detail when updated information, such as a revised master plan or capital improvement program, is obtained, but not less than every five years.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
 MEETING OF MAY 16, 2024
 TIME OF MEETING: 7:00 P.M.
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

*****MINUTES*****

I. Call To Order: Vice President O’Keefe called the meeting to order at 7:00 P.M.

II. Roll Call: Present: Beach, Christian-Smith, Merrill, O’Keefe
 Absent: Gilbert-Snyder (gave prior notice)
 Others Present: Rex Delizo, District Manager
 Kristopher Kokotaylo, 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.

IV. Approval of Minutes

A. Approval of April 18, 2024 Board Meeting Minutes

MOTION: By Merrill, seconded by Christian-Smith, to approve the minutes of the April 18, 2024 Board Meeting

VOTE: AYES: Christian-Smith, Merrill, O’Keefe
 NOES: None
 ABSTAIN: Beach
 ABSENT: Gilbert-Snyder

V. Communications

A. Oral/Written Communications

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
 There were no items to consider.
2. CASA Member Alert - CASA Congressional Outreach Requested for Support of H.R.7944, the Water Systems PFAS Liability Protection Act

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
 MEETING OF MAY 16, 2024
 TIME OF MEETING: 7:00 P.M.
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

The Board approved submitting a letter advocating for support of H.R. 7944, the Water Systems PFAS Liability Protection Act.

MOTION: By Merrill, seconded by Christian-Smith, to approve submitting a letter to urge Representative Garamendi to support H.R. 7944, as corrected

VOTE: AYES: Christian-Smith, Merrill, O'Keefe
 NOES: None
 ABSTAIN: Beach
 ABSENT: Gilbert-Snyder

VI. Reports of Staff and Officers

A. Attorney's Report:

Kokotaylo reported on an update to the Taxpayer Protection and Government Accountability Act.

B. Committee Reports

There were no reports.

C. Manager's Report

1. Monthly Maintenance Summary Report

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

2. Monthly Report of Sewer Replacements and Repairs

The Manager reported no invoices were paid in April.

3. Draft Budget

The Manager reported on the updated draft budget.

4. Draft Newsletter

The Manager reported on the draft of the latest newsletter which will be put on hold until a decision on a proposed rate increase is final.

5. 4th of July Fair

The Manager reported on the plans for the upcoming fair and a request by El Cerrito to renew the District's sponsorship of the event.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
 MEETING OF MAY 16, 2024
 TIME OF MEETING: 7:00 P.M.
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

MOTION: By Christian-Smith, seconded by Beach, to sponsor the El Cerrito 4th of July Festival at the \$2,500 “Stars and Stripes” level

VOTE: AYES: Beach, Christian-Smith, Merrill, O’Keefe
 NOES: None
 ABSTAIN: None
 ABSENT: Gilbert-Snyder

6. Board Training Summary

The Manager reported that the Directors’ have met all the training deadlines.

VII. Business

A. Cancellation of the June 6, 2024 Board Meeting

The Board agreed to cancel the upcoming Board meeting on June 6, 2024 since there are no timely agenda items to consider.

MOTION: By Christian-Smith, seconded by Beach, to approve the cancellation of the June 6, 2024 Board Meeting and have staff post a Notice of Meeting Cancellation on the District website and bulletin board outside the District office

VOTE: AYES: Beach, Christian-Smith, O’Keefe
 NOES: None
 ABSTAIN: Merrill
 ABSENT: Gilbert-Snyder

VIII. Financial Statements – May 2024

A. Monthly Investment, Cash, Receivables Report

B. Monthly Operating Statement

The financial items were reviewed by the Board.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
 MEETING OF MAY 16, 2024
 TIME OF MEETING: 7:00 P.M.
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

IX. Approval of Checks

A. Checks for May 16, 2024 - Fund No. 3418 & 3423

MOTION: By Christian-Smith, seconded by Beach, to pay the bills,
 Check Nos. 1021 through 1058 in the amount of \$1,804,913.55

VOTE: AYES: Beach, Christian-Smith, Merrill, O'Keefe
 NOES: None
 ABSTAIN: None
 ABSENT: Gilbert-Snyder

X. Future Agenda Items

June 6, 2024 (*Meeting Cancelled*)

~~Draft Budget~~

~~Review Directors Meeting Compensation~~

~~District Working Capital and Reserve Policy~~

~~July 4th Fair Discussion~~

~~CASA/CSDA Conference~~

June 20, 2024

Approve District Manager Salary

Approve Employee Salary Ranges

Approve and Adopt Final Budget

Review and Approve Incentive Award

Adopt Employee Incentive Award Goals & Objectives

July 4th Fair Planning

Consent Decree Quarterly Report

CASA/CSDA Conference

CLOSED SESSION – Manager Performance Evaluation

CLOSED SESSION – Conference with Labor Negotiator

CLOSED SESSION – Counsel Performance Evaluation

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF MAY 16, 2024
TIME OF MEETING: 7:00 P.M.
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

- + *PUBLIC HEARING – Sewer Service Rates*
- + *PUBLIC HEARING – Connection Fees*
- + *Review Directors Meeting Compensation*
- + *District Working Capital and Reserve Policy*
- + *Resolution Ordering Board Election*

CLOSED SESSION

Conference with Legal Counsel—Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9

Number of Potential Cases: 1

Giddings – Government Tort Claim filed: 4/16/2024

The Board entered into closed session at 8:12 P.M. and returned to open session at 8:30 P.M. Vice President O’Keefe announced the Board had taken no reportable actions.

XI. Adjournment

The meeting was adjourned at 8:31 P.M. The next meeting of the District Board of Directors will be held on Thursday, June 20, 2024 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary



WATERSHED ACTION PROGRAM PROGRESS REPORT

PREPARED FOR
STEGE SANITARY DISTRICT

KIDS for the BAY
1771 Alcatraz Avenue
Berkeley, CA 94703

INTRODUCTION

KIDS for the BAY (KftB) is providing the Watershed Action Program (WAP) to two fifth grade classes in the City of El Cerrito during the 2023-2024 school year. This program is engaging fifty-eight students, their families, and two partner teachers at Madera Elementary School in El Cerrito. KftB Educator Sakshi Srivastava is inspiring the school community to protect the watershed through hands-on environmental science education. Dedicated Madera Elementary partner teachers Briana Campbell and Nathan Slavik are committed to learning and teaching this meaningful curriculum.

SUMMARY OF 2023-2024 WATERSHED LESSONS

Madera Elementary School is in a residential area near the start of the Baxter Creek watershed, which begins in the El Cerrito hills near the Berkeley Country Club. The watershed continues through more densely populated urban areas before draining into the San Francisco Bay.

The fifth grade students and teachers at Madera Elementary School were excited to explore the Baxter Creek watershed in the classroom with hands-on investigations, outdoors on the school campus and in the surrounding neighborhood. The WAP is helping to engage school communities in El Cerrito in connecting with local watershed habitats, learning hands-on science and taking action to help protect and restore their local watershed.

Watershed Exploration

The young Madera scientists began the program with an engaging experience to learn about the concept of watersheds. To simulate the natural flow of water, they constructed their own miniature watersheds with crumpled parchment paper, blue and brown marker pens, and water spray bottles. Students predicted how the water would flow across the ridges of the paper landforms by tracing pathways with markers. “It looks like the water will come down these two paths and then combine over here,” predicted Lucy, as she added blue lines onto her mountain range. Young scientists observed watershed formation, runoff patterns, and the impact of topography on water flow. “The more we sprayed the water, the more the drops started coming together and then flowing down right where we predicted!” exclaimed Maison.

The Watershed Scavenger Hunt activity provided an exciting opportunity for students to get outside, explore their school campus and engage their senses, observation skills and curiosity. Students were able to understand the specific issues that impact their unique watershed. “I can hear water moving inside this storm drain. It smells really bad, though! Do you think something toxic is down there?” Hien asked his partner.

Students continued their watershed investigation back in the classroom by examining large colorful satellite maps of the San Francisco Bay. They studied the estuary with a bird’s-eye view to identify bodies of water, islands, bridges, and cities. Teacher Mr. Slavik appreciated the increase in understanding among his students. “It is so great to have KIDS for the BAY come in to teach about these topics that I don’t have expertise in,” he shared.

Bay Estuary Studies

At the beginning of the second lesson, students were eager to share the impact their new knowledge had on their families. “We have been making little watersheds using paper all the time since the last lesson. I even showed my parents at home!” exclaimed Araxie. In their next activity, students created three-dimensional models of the San Francisco Bay estuary watershed. They discussed what a scientific model is and how it can be used. “A model is like the mini watershed we made last time. Watersheds are all around the world, but we made a small part of one to see how watersheds work,” shared Zoey. The young scientists carefully added accurate representations of bridges, islands and bay organisms to their bay models. Once they constructed all of the features in their model, students added clear freshwater and blue ocean water, which mixed together demonstrating the brackish water composition of the real-life estuary. “There is the most brackish water in the middle of the bay!” observed Elodie.

In the next step of the bay model experiment, the Madera Environmentalists added ‘pollution’ to observe how plastic trash or pesticides might spread through a watershed. Ms. Sakshi asked the class to imagine an oil spill in the San Francisco Bay. Students added drops of yellow food color to demonstrate how toxic pollutants might spread through a connected aquatic habitat, and the potential impacts on aquatic wildlife. “No! All of our animals are getting covered in oil. It will be impossible to clean off!” shouted Milo. Students began to move their animals away from the ‘pollution’, but it continued to spread throughout their models, impacting every interconnected watershed ecosystem. Students were very concerned about how extensively pollution can spread in a watershed and were eager to learn how to reduce pollution at the source by practicing the Five Rs (Reduce, Reuse, Recycle, Rot and Refuse).

Understanding Plastic Pollution and The Storm Drain System

Focusing specifically on stormwater pollution, students studied the path that pollution travels to become marine debris. The young Environmentalists examined the critical role the storm drain system plays not only in transporting stormwater, but also in transporting waste and pollutants to waterways. They learned how the system operates by channeling rain and contaminants from streets to the San Francisco Bay and subsequently to the vast Pacific Ocean. The students discovered that, unlike the sewer system, water traveling through the storm drain system does not get cleaned at a treatment center before entering our waterways. Determined to find a solution to this issue, Griffin wondered, “Why can’t we filter out the trash in the storm drain? Then it won’t go to the bay or ocean!” Students were saddened to learn how stormwater pollution contributes to the problem of microplastics in bay and marine food chains. After discussing biomagnification, the young scientists grappled with the fact that plastic litter directly impacts their health as well as wildlife health. “My mom told me that scientists are even finding microplastics in seafood. I don’t know if there is a way to avoid it,” shared Paget. In a future activity students learned how to reduce plastic pollution at the source, which helped them feel empowered to work towards solutions to these problems.

The Sanitary Sewer System

To learn more about what can and cannot go into the sanitary sewer system, students worked in groups to sort a variety of items. One group categorized car oil, rain water, soapy water, leaves, and butter. “When I wash my hands in the school bathroom, the soapy water goes to the sanitary sewer system and gets cleaned out, right?” asked Piper. Her group agreed, and put ‘soapy water’ in the category for things that can go down the drain. When they got to butter, they were stumped. “I’m not sure about the butter. Does it count as a FOG (fat, oil, grease)?” asked Samuel. “Well, you can use it to cook and it does harden when it’s cold, so I think it would clog the drain,” explained Isla. “Okay, I think I need to tell my Dad that. He doesn’t know!” said Samuel.

Waste Treatment and Prevention

To illustrate some of the consequences of pollution, students studied images of organisms impacted by plastic marine debris. Looking at sea lions entangled in fishing nets and the polluted stomach contents of an albatross, they were overcome with disbelief. “Is that a whole lighter in the bird’s stomach? It hasn’t broken down at all!” asked Isla. Cedar pointed out, “Scientists should study this so they can see what kind of plastic trash is getting in the ocean the most. Then companies can make less of that plastic.”

Students were ready to take immediate action to reduce marine plastic pollution with a trash cleanup. The young Environmentalists made initial predictions of the types of pollution they would find. “I bet we’ll find a lot of plastic trash around the lunch tables,” said Connor. Students were eager to catalog and collect litter outside, around their school campus. “The area by the planters has so much trash hidden under the leaves,” exclaimed Arshia. The Madera Environmentalists were proud to decrease the amount of marine debris traveling to our bay and ocean!

Back in the classroom, students compared their predictions with their findings from their neighborhood cleanup survey. “We found way more plastic straw wrappers and water bottles than we thought we would,” noted Judah. All the young Environmentalists agreed that preventing pollution from entering our environments is a much better option than cleaning it up later. They had some insightful and creative ideas about using the Five Rs (Reduce, Reuse, Recycle, Rot and Refuse) to create less waste. “The school could give us reusable straws instead of giving us plastic straws with our milk and juice,” suggested Elyza. “I didn’t realize that recycling uses so much energy! I will tell my mom that we should try the other Rs before recycling,” shared Raiya.

Investigating Bay Organisms and Food Chains

Madera students continued their environmental exploration by learning about the wildlife that lives in the San Francisco Bay estuary. They discussed the resources that a watershed provides for wildlife and people. “The rivers provide food and shelter for so many animals,” noted Maxeene. “It’s important we keep it clean for them.” The class made complex connections about how an organisms’ anatomy and adaptations determine its place in the food web. “The food web is much more complicated! It shows that so many animals can eat the plankton, not just one,” shared Gray. The class investigated food chains by examining specimens from the producer and consumer levels. Students began by observing samples of bull kelp and sea lettuce from the producer level. They performed fun yoga movements to represent the kelp anatomical adaptations, including a holdfast, float and blades. “After the imaginary sea urchin ate our holdfast, we couldn’t stay in one place. That anchor is so important,” noted Griffin. The class was amazed to learn that bull kelp is a vital source of oxygen and food for many marine species.

The Environmentalists were inspired and engaged during their investigation of real striped bass fish and Dungeness crabs from the San Francisco Bay! “I’ve never been able to hold a whole fish in my hands before!” exclaimed Gaden. The class carefully inspected the inside of the striped bass fishes’ gills to reveal a bright red, oxygenated underside. “These little teeth look like they might grip onto the fish’s food, so it stays in their mouth,” observed Minh Quyen as she investigated her bass specimen’s mouth and many sharp teeth.

Evaluating Watershed Health

Students explored their school campus once again, this time looking for evidence to determine its ecological health. As ‘Watershed Detectives’ they categorized features of their environment as healthy, unhealthy, or both, and made arguments with evidence to support their claims. “The native plants around

the school attract birds and butterflies which is healthy, but there's too much trash on the ground, which is unhealthy,” explained Cedar.

After determining that their watershed possessed both healthy and unhealthy attributes, the students went on to discuss the disparity between communities experiencing environmental harm versus health. “It is unfair that some neighborhoods have more pollution and less nature than others,” observed Piper.

During their watershed lessons, the young Environmentalists developed a deep connection to their local watershed and a desire to improve it. They drew inspiration from environmental leaders who have enacted real change in their own communities. “Good leaders help bring people together and make sure that everyone’s ideas are heard,” noted Amelia.

ACTION PROJECT

Environmental Action Projects empower students and teachers to make a collective impact in the watershed health of their community through leadership, advocacy and action. This program allows classes to choose an Action Project with a specific topic and application they are inspired by. The two classes at Madera Elementary opted for the ocean acidification Action Project. In this activity they will learn about the root causes of this change in the environment and how it affects bay and sea organisms. Students will learn about the risks of specific threats to the local watershed and how to take action against them. Details of the Action Project will be provided in the final report.

FIELD TRIP

This program culminates with a bay field trip to Keller Beach in the spring. Details of the field trip will be provided in the final report.



KIDS for the BAY

A Project of Earth Island Institute

1771 Alcatraz Avenue, Berkeley, CA 94703

Tel: (510) 734-3835

Email: info@kidsforthebay.org

<https://kidsforthebay.org>

Mandi Billinge, Executive Director/Founder

INVOICE May 24, 2024

TO: Stege Sanitary District
ATTN.: Rex Delizo, P.E.

FROM: Earth Island Institute/KIDS for the BAY
Tax ID#: 942889684

SERVICE: Watershed Action Program for two fifth grade classes

DESCRIPTION: Professional development for two teachers with Academic Credit units option
Five hands-on watershed lessons for each class of teachers and students
Implementation of student-centered Environmental Action Projects
Bay Field Trip to Keller Beach
Curriculum Guide
Equipment Kit
Ongoing support when teachers continue to teach the program to future classes of students through our Blue Watershed Classrooms teacher follow-up support program

FEE: \$12,000

Please make your check payable to KftB/Earth Island Institute and mail to the above address.

Everyone is an Environmentalist!

*Photos are for internal use only



The young Environmentalists from Madera Elementary School did hands-on experiments and activities to learn about and care for their watershed. Pictured are students participating in a campus trash cleanup, creating a miniature watershed model, completing a watershed scavenger hunt and investigating a satellite map of the San Francisco Bay Estuary!

The two classes were very proud to collectively clean up 938 total pieces of trash!



“Scientists should study pollution so they can see what kind of plastic trash is getting in the ocean the most. Then companies can make less of that plastic.”

Cedar, Fifth Grade Student, Madera Elementary School, El Cerrito





KIDS for the BAY

KIDS for the BAY Brings the Estuary to the Classroom

*Photos are for internal use only



Students enjoyed building clay bridges and islands to complete scientific models of the San Francisco Bay estuary. They studied where salt water and freshwater mixed in their models to create brackish water. Our young scientists were very engaged with investigating the organisms that live in this unique habitat.



"Why can't they filter out the trash in the storm drain? Then it won't go to the bay or ocean!"

Griffin, Fifth Grade Student, Madera Elementary School, El Cerrito

"These little teeth look like they might grip onto the fish's food, so it stays in their mouth."

Minh Quyen, Fifth Grade Student, Madera Elementary School, El Cerrito

KIDS for the BAY

Watershed Action Program Proposal to Stege Sanitary District For the 2024 – 2025 School Year

Introduction

KIDS for the BAY (KftB) has successfully provided the Watershed Action Program to schools in the Stege Sanitary District (SSD) area for the past fifteen years. We will be submitting our Final Report on the Watershed Action Program for the 2023 – 2024 School Year in July. We would like to request continued funding for the Watershed Action Program for the coming 2024 – 2025 school year at the \$12,000 level, to continue our partnership with SSD and to deliver this program in your area of service.

A description of the Watershed Action Program and organizational information on KIDS for the BAY are included in this proposal.

The Watershed Action Program

Working with KftB, schools adopt their local watershed and use the watershed as an important educational resource, and as a focus for environmental action. In the Watershed Action Program (WAP) students:

- learn how their school neighborhood connects with their local creeks, the San Francisco Bay estuary and the Pacific Ocean
- study watershed ecology, environmental health and environmental justice issues
- learn about point and nonpoint sources of pollution that pollute the watershed including sanitary sewer system pollution and how to prevent back-ups
- plan pollution reduction projects, including personal actions to reduce pollution, presentations to families and peers and school campus trash cleanup projects
- implement restoration projects to plant trees, wildflowers and native grasses along local creeks
- complete neighborhood, creek and bay habitat trash cleanup projects.

The WAP is a comprehensive, in-depth education program. It includes:

- five two-hour watershed lessons at the school site, both inside the classroom, and outside in the local watershed, with preparation and follow up activities for the teacher to complete with their students
- creek, bay and neighborhood trash cleanup projects
- a watershed field trip to a local creek or bay habitat
- an Environmental Action Project, which the students plan, develop and implement, with instruction and guidance from KftB and their classroom teacher.

Next Generation Science Standards

The KIDS for the BAY Watershed Action Program supports Next Generation Science Standards and includes a useful guide for teachers to help them identify the standards integrated into each activity.

Watershed Lessons

For each lesson the KftB Educator teaches all the activities and models them for the teacher with their students. Each lesson includes hands-on activities in the classroom and outside in the local watershed. Students engage with visual aids, multimedia resources, group work, problem solving and critical thinking. They learn about the unique ecosystem of the San Francisco Bay estuary watershed, its biology, chemistry and ecology and how it connects with their neighborhoods through local urban creeks, the storm drain system and the sanitary sewer

system. Students study sources of pollution to their local watershed and learn how pollution entering the storm drain system and the sanitary sewer system affect the entire ecosystem. Students experiment with creating mini watershed models to learn how water flows in watershed systems. They also create three-dimensional models of the San Francisco Bay estuary and experiment with mixing freshwater and saltwater to create brackish water in the bay. Adding red dye to simulate pollution teaches students how trash, oil and other pollutants can spread throughout the bay-ocean ecosystem, and inspires students to reduce pollution at the source.

Reducing Sanitary Sewer System Pollution

KftB students learn about the importance of **preventing sanitary sewer system back-ups**, the problems caused by pollution entering the bay through the sanitary sewer system and how to reduce this pollution. They learn about **the importance of keeping Fats, Oils, and Greases (FOG) out of the sanitary sewer system**. Students brainstorm different types of foods that contain FOG, learn how FOG can collect in pipes and cause sanitary sewer system back-ups and overflows, and learn how to dispose of FOG safely to prevent these back-ups and overflows. Students learn how the sanitary sewer system and the storm drain system are normally separate systems, but when an overflow occurs, sewage water can enter the storm drain system and cause serious pollution problems.

Students also **learn about the problems with “flushable” wipes**, which are not actually flushable, and cause clogging and back-up problems when flushed down the toilet. Instead these wipes should be disposed of in the garbage.

KftB students learn that disposing of **prescription medicine, household chemicals and automotive fluids into the sanitary sewer system can introduce harmful chemicals to the bay**. They learn that these items should not be disposed of down the drain but should be taken to local disposal sites.

KftB students:

- take home free gift food scrapers and educate their families to use scrapers to remove FOG from pots and pans after cooking and dispose of FOG in the garbage can
- complete take-home interviews and make pledges with family members to change their behaviors at home to reduce sanitary sewer system pollution.

Students will also learn about **plastic pollution**, which is especially harmful to aquatic life due to its durability, buoyancy, and ability to absorb toxins. Students will take action to **help reduce plastic pollution and microplastics at the source** by practicing the **Five Rs (Reduce, Reuse, Recycle, Rot and Refuse)**, and help to protect the watershed environment, aquatic life and human health.

Creek, Bay and Neighborhood Trash Cleanup Projects

After learning how everything in a watershed is connected, students are motivated to clean up their own neighborhood, creek and bay habitats, because they see how a piece of garbage can travel through the watershed system to harm an aquatic animal living many miles away. Students organize trash cleanup projects and recruit their families and fellow school students to participate.

Creek and Bay Field Trips

The field trips give students and teachers a direct, hands-on experience in a natural watershed habitat. In addition to learning the science of the habitat, students make real connections with nature and develop further reasons to protect and care for their watershed. The KftB Educator meets the class at the field trip site and leads activities with students and models them for the teacher. Sample field trip descriptions:

Creek Field Trip – Students study the creek habitat and the fascinating aquatic invertebrates that make the creek their home. They are excited to find damselfly nymphs, water striders, mayfly nymphs, caddis fly larvae and many more interesting invertebrates. Students study the adaptations of these organisms and complete a survey to determine if their creek site is healthy by assessing the quantity of a variety of aquatic invertebrate indicators. Students study locally native creek-side plants, including ferns, willows, buckeye trees and more and complete observational drawings of the plants. They investigate the velocity of the creek and test the water quality to further assess the health of the creek habitat. Tests include pH and oxygen levels, salinity, temperature and other indicators of creek health.

Bay Field Trip – Students study the animal and plant life in the rocky shore habitat and learn about the adaptations that help them survive in this special environment. Crabs, barnacles, clams, mussels, marine pill bugs and sea lettuce are some of the organisms the students find in their investigations. Students closely observe a shoreline crab’s anatomy and answer questions about its adaptations and behaviors before carefully returning it to the exact rock under which it was discovered. Students collect plankton in bay water samples, including larval fish, juvenile crabs, barnacles, diatoms, and many more species. They identify zooplankton and phytoplankton using field microscopes. Students also learn how the San Francisco Bay is an important site in the Pacific Flyway for migratory birds. They observe a variety of birds, including egrets and cormorants, and use binoculars and field guides to identify the birds and classify their feeding habits.

Students use field journals to identify plants, animals and landmarks and record their observations. The field journals are prepared with specific information and activities for each field trip site. The students are proud of their journals and excited to have a scientific record of their experience to take back to school with them and share with their families. All field trip sites are on public land and accessible by public transport. Students often bring their families back to their field trip site to share what they have learned. The field trips take students into the outdoors and give them a direct, hands-on experience in a natural habitat that builds on the prior classroom learning experiences.

Local Watershed Action Projects

Students have the opportunity to develop their leadership skills by completing an Environmental Action Project in their local watershed environment. Students select their own project, as a class, and take action to:

- adopt, clean up and restore local urban creeks by removing trash and invasive plants and by planting trees and wildflowers, in collaboration with local agencies
- complete daily water usage logs and implement water conservation projects
- teach family members and peer students how to safely prepare and cook fish from the San Francisco Bay to reduce the intake of toxins
- lead school wide assemblies and video presentation events to teach how to protect and care for the watershed environment
- Organize schoolwide zero-waste events to practice using the Five Rs (Reduce, Reuse, Recycle, Rot and Refuse) to reduce trash and waste.

Teacher Training Model

KftB provides the unique opportunity for teachers to learn alongside their students in a comprehensive Teacher Training Model, which includes:

- professional level academic credit for teachers through our partnership with California State University East Bay
- modeling of classroom lessons, field trips and Environmental Action Projects
- a curriculum guide

- an equipment kit
- a year of follow-up support to help teachers to teach programs themselves with each new class of students (Blue Watershed Classrooms program)
- a Schoolwide Impact Approach which ensures that a grade level team of teachers, the school principal, students and parents are engaged in the WAP.

Blue Watershed Classrooms

Our Blue Watershed Classrooms teacher follow-up program (BWC) provides support for KftB partner teachers who continue to develop watershed-friendly, low-waste classrooms with their students and families. A KftB Educator meets with each teacher to provide a program orientation and an equipment kit. Teachers are provided with the tools to lead easy-to-follow lessons on watershed health, and school campus trash cleanup projects with their students, to commit to low-waste events with students and families and to set up effective waste-management systems in their classrooms. Teachers and students may also lead schoolwide educational events and trash cleanup field trips. All teacher participants receive a certificate and recognition on the KftB website. They are also entered into a drawing to win a KftB Classroom Workshop or Spring Field Trip for their class. In the 2022-2023 school year, 20 partner teachers and 426 students participated in the BWC. The BWC program is available in an online format that makes it very user-friendly for teachers!

Organization Description

KIDS for the BAY provides vital environmental science education, primarily to under-resourced elementary school communities in Alameda and Contra Costa Counties. KftB programs turn the local environment into a living laboratory for hands-on science education and environmental stewardship. KftB students learn that everyone has the right to live in a clean and healthy environment. Students are empowered to become environmentalists and take action in their communities. Teachers are provided with the tools and skills needed to turn the local environment into a key educational resource and to develop a watershed-friendly, zero-waste classroom with their students. Programs support Next Generation Science Standards. Since 1992, KftB has provided empowering programs for **109,382 students** and more than **12,800 parents**. We have also provided curricula, resources and training to **4,363 teachers**. We are currently completing our 31st year of operation. KftB is a project of Earth Island Institute, our fiscal sponsor.

Mission Statement

KIDS for the BAY collaborates with teachers to inspire environmental consciousness in children and cultivate a love of learning. We are committed to equal access to environmental science education and to restoring a healthy environment for all communities.

The goal of KftB is equal access to environmental education for all children. KftB teaching strategies include: English Language Learner support, support for students with special educational needs, and addressing environmental health and justice issues that affect the communities we partner with. KftB provides internal professional development for our staff to develop culturally literate, environmental education leaders from diverse backgrounds. Staff training in Diversity, Equity and Inclusion, Teaching Environmental Justice, Culturally Responsive Classroom Management and Teaching English Language Learners is provided annually. Our website list of Past Staff includes many women and 75% people of color. During our more than 30-year history, KftB has helped to develop a new generation of leaders in environmental education. Please visit our website to read our Diversity Policy and our Theory of Change: kidsforthebay.org.



June 17, 2024

TO: CASA Member Agencies
FROM: Roland Williams, President
SUBJECT: **CASA ANNUAL BUSINESS MEETING—July 31-AUGUST 2, 2024**
Monterey Marriott, Monterey, CA

CASA will hold its annual business meeting during the July 31-August 2, Annual Conference at the Monterey Marriott. The meeting will be held in-person on Thursday, August 1. The agenda for the meeting is as follows:

Election of the Directors for FY 2024-25

The membership will be asked to approve a slate of four nominees for the open seats on the Board of Directors. The Directors will serve three-year terms. The slate was recommended by the Nominating Committee and approved by the Board of Directors. The nominees are:

- Rita Duncan, Oro Loma Sanitary District
- Georjean Vonheeder-Leopold, Dublin San Ramon Services District
- Roland Williams, Castro Valley Sanitary District
- Fauzia Rizvi, Western Municipal Water District

Brief biographies of the nominees are attached. The Board consists of 13 Directors, 12 elected by the members and one Associate Director appointed by the President. If elected, the four Directors will join eight incumbents. In addition to the elected Directors, the President will appoint a new Associates Director, Mike Metts of Dudek, to a one-year term. The Board of Directors will then elect a President, Vice President and Secretary-Treasurer for one-year terms. **The election will take place by written ballot at the conference. Agency representatives attending the meeting may cast their votes up until 5:00 p.m. on Thursday, August 1, 2024. Electronic submission of ballots in advance of the conference is also encouraged.**

Approval of the Dues Resolution: Proposed 3% Increase

The proposed dues resolution includes an increase of approximately 3% for both agency members and associate members. This dues increase will ensure that CASA is able to keep up with inflation, service cost increases, and generally continue to deliver high quality services and advocacy on behalf of our members. The members will be asked to approve the dues resolution during the Annual Business Meeting.

Other Informational Items

In addition to the action items above, upon request, members can receive a copy of the adopted FY 2025 Budget, approved by the Board on May 23, 2024, and the year-end FY 2024 Treasurer's Report. The FY 2025 budget development process included a thorough review of revenues and expenditures by the CASA Board and staff, as well as an assessment of CASA's ability to maintain and enhance its delivery of services to our members.

Message from the President

It has been a wonderful experience serving as your President this past year, and I am proud of all the great things we have accomplished as an organization! During this past year, CASA has continued to thrive by expanding our offerings, growing our staff, adding new members, and continuing to deliver the members services you rely on every day. I have enjoyed working with all of our member agencies and the CASA team throughout the year and believe this organization is stronger than ever.

The CASA Team continues to thrive even as we shift roles and face new challenges. After Debbie Welch's retirement in 2023, this was the first full year with Shacara Gamboa as our new Manager of Association Services, and it has gone exceedingly well! We also celebrated the promotion of long-time CASA regulatory advocate Jared Voskuhl to Director of Regulatory Affairs, and we welcomed CASA's long-time climate change consultant Sarah Deslauriers to the CASA team as our new full time Director of Air, Climate and Energy (ACE) Programs. We were also pleased to welcome Melissa Thorme of the Santa Lucia Preserve CSD to the CASA Board this year, and welcome back Scott Goldman of the South Coast Water District.

We continue to grow our membership base as well, welcoming several new members and expanding our local agency membership to 134 agencies! We appreciate all the contributions of our associate and agency members and all the support, expertise and time they provide to making CASA such a great group. We particularly want to acknowledge those agency and associate representatives who serve on CASA Committees, attend our various workgroup meetings, and attend CASA events and conferences. You are what makes our education and advocacy work, and it is truly appreciated.

Several programs that were once pilots are now permanent fixtures of our CASA offerings, including the CASA LEAD Mentorship Program (now entering its fourth year), our professional development and human resources (HR) workgroup, and the Partnering for Impact (PFI) event just to name a few. We are excited to continually improve and expand CASA's efforts to meet the needs of our membership.

CASA's advocacy at the state, federal and regional level continues to be a point of pride for our organization. CASA co-sponsored state legislation with our environmental partners to address PFAS focusing on "essentiality" of uses and reiterating our shared goal of better source control and keeping these chemicals out of our systems. We are also working on language for the potential fall climate bond that includes greater recycled water and wastewater funding, fighting a statewide initiative that would negatively impact local agency's ability to collect fees, and much more. At the federal level, the WIPPES Act (setting a national standard for wipes based on our successful California legislation) continues to move forward on a bi-partisan basis, and our work related to seeking an exemption for public agencies to PFAS designation under CERCLA is constant.

CASA's regulatory advocacy continues to grow and expand as well, not just on hot topic issues like PFAS, but on issues like nutrients and ocean acidification, exfiltration, infrastructure financing, and more. With our new Director of ACE on board, we will be able to enhance our advocacy on issues like the Advanced Clean Fleets rules and other CARB rulemakings, and undertake the large-scale air toxics pooled emissions study on behalf of our member agencies.

We continue to regularly host and sponsor virtual events on topics such as nutrients, PFAS, award-winning projects, and implementation of the SSS WDR, though we also love seeing all of you at our in-person conferences and events throughout the year as well!

It has been an honor to serve as your President this past year and I am proud of all the great work CASA continues to do as the voice of the clean water sector in California.

A handwritten signature in black ink, appearing to read 'Roland Williams', with a long, sweeping flourish extending upwards and to the right.

Roland Williams
CASA President

Rita Duncan, Director



Rita Duncan was appointed to the Oro Loma Sanitary District Board in January 2016, formerly served as Board President, and has been on the CASA Board since 2021. She was previously the Director of Human Resources at a Bay Area manufacturing company, and also formerly the Director of the Math, Engineering, Achievement, and Education Outreach Program for the Stanford School of Engineering. Rita also currently serves as Vice-Chair of the CASA Federal Legislative Committee.

Georgan Vonheeder-Leopold, Director



Georgan Vonheeder-Leopold is a Director on the Dublin San Ramon Services District Board has been an active member of CASA for more than 15 years. Georgan has been active in public service for more than 35 years and has served on various city and county commissions as well as a host of nonprofit boards. She has lived in Dublin since 1971 and recently retired from a long career in tax accounting. She is a former CASA President and has served on the CASA Board since 2015.

Roland Williams, Director



Roland Williams is the General Manager of the Castro Valley Sanitary District (CVSan). He has been with CV San for 19 years, serving for 12 years as the General Manager. Prior to coming to CVSan, Roland worked for Harris and Associates as a project manager on wastewater treatment plant projects. He has also served on the CASA Utility Leadership Committee and has held various volunteer roles with CWEA, WEF, APWA, and CSRMA. His hobbies include fitness training, reading, travel, and spending time with family. He is the current CASA President and has served on the CASA Board since 2015.

Fauzia Rizvi, Western Municipal Water District



Fauzia Rizvi joined Western's Board of Directors in December 2020 and represents Division 5, which includes the City of Corona, Home Gardens, El Cerrito, and a portion of Temescal Canyon. She has a strong background as a business owner and community advocate, with an expertise working as a professional in the field of water management and consulting. Director Rizvi serves on several joint committees and regional authorities on behalf of WMWD and is a long-time resident of the City of Corona. She would be a new member on the CASA Board of Directors.



OFFICIAL BALLOT

The voting members of the California Association of Sanitation Agencies (CASA) are requested to cast their votes on the following important actions:

Board of Directors FY 2025

The Nominating Committee and the Board of Directors recommend election of the following slate of Directors to the four available Board seats:

- Rita Duncan, Oro Loma Sanitary District (Director - North)
- Georgian Vonheeder-Leopold, Dublin San Ramon Services District (Director - North)
- Roland Williams, Castro Valley Sanitary District (Manager - North)
- Fauzia Rizvi, Western Municipal Water District (Director - South)**

Please check one:

- Approve the slate of Directors
- Do not approve the slate of Directors

Dues Resolution FY 2025 (See below Proposed Resolution No. 24-214)

Please check one:

- Approve the Dues Resolution
- Do not approve the Dues Resolution

Please mark this Official Ballot for approval or disapproval and then insert the voting agency name and your name and sign your name and date below where indicated.

In order to be counted, this original completed, signed and dated Official Ballot **must be returned to CASA by 5:00 p.m. on Thursday, August 1, 2024.** Materially incomplete or illegible ballots will not be counted.

Date: _____
_____ Insert name of CASA Member Agency

E-Signature of CASA Member Agency representative

Insert name of representative

Electronic Submission is preferred. Please send ballot to Cheryl MacKelvie at cmackelvie@casaweb.org.



2025 CASA Annual Membership Dues

Annual membership dues shall be determined as follows:

- Active Member.** Dues are based on the member agency’s annual operations and maintenance budget. The dues schedule for calendar year 2025 shall be:

Agency Operations & Maintenance Budget FY 2024-2025

1.	Up to \$500,000	\$1,010
2.	Between \$500,001 - \$1,000,000	\$1,915
3.	Between \$1,000,001 - \$1,500,000	\$2,810
4.	Between \$1,500,001 - \$2,000,000	\$3,660
5.	Between \$2,000,001 - 2,500,000	\$4,510
6.	Between \$2,500,001 - 3,000,000	\$5,575
7.	Between \$3,000,001 - 3,500,000	\$6,685
8.	Between \$3,500,001 - \$4,000,000	\$7,800
9.	Between \$4,000,001 - 4,500,000	\$8,915
10.	between \$4,500,001 - \$5,000,000	\$10,030
11.	Between \$5,000,001 - \$10,000,000	\$15,175
12.	Between \$10,000,001 - \$20,000,000	\$19,100
13.	Between \$20,000,001 - \$100,000,000	\$22,810
14.	Over \$100,000,000	\$31,300

- Associate Member.** Dues for associate members shall be:

Associate Number of Employees		2025 Dues
1.	Employer with 1-5 employees	\$640
2.	Employer with 6-15 employees	\$1,305
3.	Employer with 16-29 employees	\$1,980
4.	Employer with 30-74 employees	\$2,545
5.	Employer with 75-120 employees	\$3,130
6.	Employer with over 121 employees	\$3,700

- Honorary Member.** There shall be no dues for honorary members.

Adopted by the California Association of Sanitation Agencies by electronic ballot and announced at the annual conference held in Monterey at the Monterey Marriott on August 2nd, 2024.

ATTEST:

Tony Trembley
Secretary - Treasurer



2025 DESIGNATION OF AGENCY REPRESENTATIVES

The bylaws of the California Association of Sanitation Agencies (CASA) provide that each voting member of the Association shall designate in writing the individual who shall exercise the voting rights and other privileges on behalf of the member agency, and two alternates to that individual as well. (Article II, Section 1.)

Please designate your agency’s representative and two alternates and return this form to CASA. You may revise or update this designation at a future date.

Type or print name of Agency Representative

Telephone number

Email address

Type or print name of Alternate #1

Telephone number

Email address

Type or print name of Alternate #2

Telephone number

Email address

Submitted by:

Date:

Signature

Print name

CONSENT TO ELECTRONIC TRANSMISSION

As a member of the CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) your written consent is required in order to receive official communications from, and/or to send official communications to, CASA by electronic transmission (i.e. email).

This consent form will allow CASA to send you meeting notices, ballots, conduct meetings, and handle other official business that requires member or board approval, by electronic transmission. It also allows you to send the same types of information to CASA via electronic transmission.

Before signing this consent form, please review and be aware of the following:

1. You are not required to sign this form. You may request that meeting notices, ballots, and other matters of official business be sent to you via regular mail.
2. You have the right to withdraw your written consent at any time after signing this form by providing CASA with written notice that you are withdrawing your consent relative to electronic transmission.
3. This consent to electronic transmission is broad, and may include transmission of meeting notices, ballots, and other important information regarding CASA. It also allows CASA to conduct meetings via electronic transmission, although that will not be a frequent occurrence. This consent form represents consent under both California Corporations Code 20 and 21 (transmission from and to CASA). This consent form also meets the requirements for consent under the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Sec. 7001(c)(1)).
4. Consenting to electronic transmission via email requires that you have access to a computer, have a current email account, and have provided your current email address to CASA.

The undersigned CASA member representative has read and understands the foregoing, and hereby provides this written consent to receive and send information, including but not necessarily limited to meeting notices, ballots, and other information regarding CASA, via electronic transmission (i.e. email), until such time as this consent is revoked in writing. This consent also allows CASA to conduct meetings via electronic transmission.

Insert Agency Name: _____

E-Signature of Member Agency Representative: _____

Date: _____

Insert name and title: _____

*Email address for official CASA notices:

PLEASE EMAIL THIS FORM TO CMACKELVIE@CASAWEB.ORG.

*Please indicate if you do not have access to (or do not want) this type of transmission

STEGE SANITARY DISTRICT MONTHLY MAINTENANCE SUMMARY REPORT

May 2024

QUARTER 2

VEHICLE	DAYS	FOOTAGE (LF)
<i>UNIT 10 COMBO</i>	<i>14</i>	<i>73,457</i>
<i>UNIT 11 RODDER</i>	<i>0</i>	
<i>UNIT 15 CCTV</i>	<i>11</i>	<i>16,092</i>
<i>UNIT 16 COMBO</i>	<i>13</i>	<i>24,295</i>
TOTAL MONTH CLEANED		97,752
TOTAL MONTH CCTV'D		16,092

QUARTERLY SUB-TOTALS

YEAR	QUARTER	TOTAL CLEANED (LF)	PLANNED TO CLEAN (LF)	Q END NOT COMPLT'D (LF)	TOTAL CCTV'D (LF)	PLANNED TO CCTV (LF)	Q END NOT COMPLT'D (LF)
2024	2	163,886	188,935	0	45,305	64,948	0
2024	1	289,011	226,685	0	52,450	54,605	24,296
2023	4	228,862	184,938	0	48,625	50,930	23,849
2023	3	260,224	215,376	0	64,008	65,576	27,963
2023	2	245,563	202,070	0	52,033	60,081	38,937
2023	1	262,178	204,795	0	61,882	58,488	29,188

MONTHLY SERVICE CALLS

May-2024

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS
5/5/2024 Sunday 4:37 PM	191218 191217	6836 DEL MONTE AVE. RICHMOND, CA 94804	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C,OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
5/6/2024 Monday 8:26 AM	232015 233014	105 SANTA FE AVE. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	O				WE CHECKED OUR LINE AND FOUND IT TO BE CLEAR, WE DID NOT SMELL A ODOR.
5/7/2024 Tuesday 3:48 PM	171208 171207	1612 ROGER CT. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	E				WE FOUND THE WATER TO BE THE CUSTOMER'S PROBLEM.
5/9/2024 Thursday 6:12 PM	221106 221005	4050 EL CERRITO PLAZA EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C, OF				WE FOUND THE BACKUP TO BE THE CUSTOMER'S PROBLEM. OUR MAINLINE WAS CLEAR.
5/20/2024 Monday 9:02 AM	234408 234407	825 COVENTRY RD. KENSINGTON, CA 94707 <i>Last Call: 12/7/1998</i>	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	T				NOISE IN SEWER FROM HYDRO NOZZLE.
5/20/2024 Monday 9:40 AM	161904 161901	1528 RICHMOND ST. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
5/23/2024 Thursday 11:35 AM	172511 172510	7324 PEBBLE BEACH CT. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C				WE FOUND THE CONGESTION TO BE THE CUSTOMER'S PROBLEM.
5/30/2024 Thursday 10:10 PM	273113 273112	15 ARLINGTON LN. KENSINGTON, CA 94707	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C, LC				WE FOUND THE PROBLEM IN THE CUSTOMER'S LATERAL. OUR MAINLINE WAS CLEAR.
5/31/2024 Friday 12:30 PM	275223 275219	50 ARLMONT DR. KENSINGTON, CA 94707	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	T				CUSTOMER THOUGHT CONCRETE WAS CRACKED DUE TO SEWER MAINLINE . WE FOUND OUR MAINLINE TO BE OK.

PROBLEM TYPE:

- Water (A)
- Broken Main (B)
- S/S Congestion (C)
- Debris in Main (D)
- EBMUD (E)
- Soft Stoppage (F)
- Grease (G)
- Lateral Cause (LC)
- Misc (M)
- MH Cover (MC)
- Odor (O)
- Overflow (OF)
- PG+E (P)
- Roots (R)
- Surcharge (S)
- Storm Drain (SD)
- Unknown (U)
- Other (T)
- Wipes/Rags (W)

SPILL

- LOCATION:**
- Lamp/Manhole (MH)
 - Mainline (ML)
 - Lateral (L)
 - Cleanout (CO)
 - Building (BLDG)
 - Other (O)

SPILL

- CAUSE:**
- Blockage (B)
 - Surcharge (S)
 - Line Break (ML)
 - Other (O)

SPILL END

- LOCATION:**
- Building (BLDG)
 - Creek (C)
 - Strt/Pvmnt (ST)
 - Storm Dm (SD)
 - Yard (Y)
 - Other (O)

MAINLINE:	0
LATERAL:	5
OTHER:	4
TOTAL SERVICE CALLS:	9
MAINLINE OVERFLOW:	0
MAINLINE SURCHARGE:	0

SANITARY SEWER OVERFLOWS (SSOs) LAST 12 MONTHS

June-2024

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS	CAT*	VOL	RCVR'D	NET
3/8/2024 Friday 10:53 AM	265304 265303	838 SEA VIEW DR. EL CERRITO, CA 94530	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	B,D,OF	MH	ML	SD	DEBRIS IN MAIN CAUSED SSO.	CAT 1	765 gallons	34 gallons	731 gallons
4/15/2024 Monday 9:50 AM	283101-1 283106	941 LIBERTY ST. EL CERRITO, CA 94530	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	B,D,OF, SD	BLDG	ML,B	BLDG	SSO CAUSED BY STORM DRAIN MATERIAL INSIDE DISTRICT MAIN.	CAT 3	171 gallons	0 gallons	171 gallons

PROBLEM TYPE:

Water (A)
Broken Main (B)
S/S Congestion (C)
Debris in Main (D)
EBMUD (E)
Soft Stoppage (F)
Grease (G)
Lateral Cause (LC)
Misc (M)
MH Cover (MC)

SPILL

LOCATION:
Lamp/Manhole (MH)
Mainline (ML)
Lateral (L)
Cleanout (CO)
Building (BLDG)
Other (O)

SPILL

CAUSE:
Blockage (B)
Surcharge (S)
Line Break (ML)
Other (O)

SPILL END

LOCATION:
Building (BLDG)
Creek (C)
Strt/Pvmnt (ST)
Storm Drn (SD)
Yard (Y)
Other (O)

TOTAL MAINLINE SSOs: 2
MAINLINE BREAK SSOs: 2
MAINLINE SURCHARGE SSOs: 0
CATEGORY 1 SSOs: 1
SSOs INTO BUILDINGS: 1

TOTAL SSO VOLUME (GALS): 936
TOTAL VOLUME RECOVERED (GALS): 34
TOTAL VOLUME UNRECOVERED (GALS): 902

*CATEGORY 1 SSO: Spill of any volume of sewage from or caused by a sanitary sewer system that results in a discharge to: A surface water, including a surface water body that contains no flow or volume of water; or A drainage conveyance system that discharges to surface waters when the sewage is not fully captured and returned to the sanitary sewer system or disposed of properly. Any spill volume not recovered from a drainage conveyance system is considered a discharge to surface water, unless the drainage conveyance system discharges to a dedicated stormwater infiltration basin or facility.

CATEGORY 2 SSO: Spill of 1,000 gallons or greater, from or caused by a sanitary sewer system that does not discharge to a surface water.

CATEGORY 3 SSO: Spill of equal to or greater than 50 gallons and less than 1,000 gallons, from or caused by a sanitary sewer system that does not discharge to a surface water.

CATEGORY 4 SSO: Spill of less than 50 gallons, from or caused by a sanitary sewer system that does not discharge to a surface water.

**STEGE SANITARY DISTRICT
MONTHLY REPLACEMENT AND REPAIR SUMMARY
May 2024**

I SEWER REPLACEMENT - FY 2023-2024			
A.	BUDGET ALLOCATION		\$3,473,000
B.	PRIOR BUDGET EXPENDED (WITH RETENTION)		\$451,598
C.	SEWER REPLACEMENTS PAID THIS MONTH (NO RETENTION)	<u>COST</u>	
	APB ENGINEERING	\$2,096,583	
SUBTOTAL FOR THIS MONTH			\$2,096,583
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	72.72%	\$2,525,601
E.	TOTAL 5% RETENTION HELD		\$132,926
F.	BUDGET REMAINING	23.45%	\$814,473
G.	PERCENTAGE OF FISCAL YEAR REMAINING	8.33%	
H.	TOTAL REPLACEMENT FOOTAGE PAID TO DATE	12,610 (\$ 210.83 /LF)	
II SEWER REPAIRS - FY 2023-2024			
A.	BUDGET ALLOCATION		\$72,000
B.	PRIOR BUDGET EXPENDED		\$27,000
C.	SEWER REPAIRS PAID THIS MONTH	<u>REPAIR COST</u>	
	APB ENGINEERING 35 FRANCISCAN WAY	\$27,300	
	1404 LIBERTY ST	\$3,375	
	5229 POTRERO AVE	\$5,700	
	950 LIBERTY ST	\$3,600	
SUBTOTAL FOR THIS MONTH			\$39,975
SUBTOTAL FOR LAST MONTH			\$27,000
D.	TOTAL BUDGET EXPENDED	93.02%	\$66,975
E.	TOTAL RETENTION HELD	0.00%	\$0
F.	BUDGET REMAINING	6.98%	\$5,025
G.	PERCENTAGE OF FISCAL YEAR REMAINING	8.33%	
H.	TOTAL NUMBER OF REPAIRS PAID TO DATE	12 (\$5,581 /REPAIR)	

**STEGE SANITARY DISTRICT
MONTHLY REPLACEMENT AND REPAIR SUMMARY
May 2024**

III SAN PABLO AVE SPECIFIC PLAN AREA (SPASPA) UPGRADE - FY 2023-2024			
A.	BUDGET ALLOCATION		\$0
B.	PRIOR BUDGET EXPENDED (WITH RETENTION)		\$0
C.	SPASPA UPGRADES PAID THIS MONTH (NO RETENTION)		
SUBTOTAL FOR THIS MONTH			\$0
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	0.00%	\$0
E.	TOTAL 5% RETENTION HELD	0.00%	\$0
F.	BUDGET REMAINING	100.00%	\$0
G.	PERCENTAGE OF FISCAL YEAR REMAINING	8.33%	
H.	TOTAL SPASPA UPGRADE FOOTAGE PAID TO DATE	(\$ - /LF)	



STEGE SANITARY DISTRICT

Report Date: 6/5/2024

% FY Remain: 8.33%

BOARD OF DIRECTORS CONSENT DECREE PROGRESS REPORT

FY Start Date 7/1/2023

FY End Date 6/30/2024

CD Start Date 9/22/2014

FY "Effective" Date 7/1/2013

CIP PROJECT	23201	COMPLETED	GOAL	PERCENTAGE
REPLACED since FY start	12,610 /	12,740	LF Yearly Objective Rate	99%
REPLACED since FY "Effective" Date	133,442 /	115,806	LF Cumulative Requirement	115%
CLEANED since FY start	943,410 /	211,200	LF Minimum Requirement	447%
HOTSPOTS since FY start	281,241 /	100,000	LF Minimum Requirement	281%
CCTV since FY start	211,669 /	77,616	LF Yearly Objective Rate	273%
CCTV since CD start	2,089,193 /	814,968	LF Cumulative Requirement	256%
ROOT FOAMING this FY	40,208 /	2,682	LF Minimum Requirement	664%

IMPORTANT CONSENT DECREE DATES:

July 15, annually	Provide any available Flow and Rainfall data to EBMUD
Nov 15, annually	Comments on Regional Technical Support Plan (RTSP) update by EBMUD
Sept 30, annually	Annual Report for prior Fiscal Year
May 1, 2022	Provide data to EBMUD for Flow Monitoring Calibration Plan
September 30, 2022	First Mid-course Check-in Output Test
June 30, 2026	Review of Regional Standards Report
December 15, 2028	Compliance WWF Output Test for San Antonio Creek
May 1, 2030	Provide data to EBMUD for Flow Monitoring Calibration Plan
September 30, 2030	Second Mid-course Check-in Output Test
June 30, 2031	Review of Regional Standards Report
December 15, 2034	Compliance WWF Output Test for Pt. Isabel
June 30, 2036	Review of Regional Standards Report
December 15, 2036	Compliance WWF Output Test for Oakport

July 4th Event List

- Setup for **One Booth**
- Canopy
- Tables & Chairs
- Red, White & Blue Bunting
- Hammer
- Crowbar
- Sandbags (w/ fused rope ends)
- Bungee Cords
- Masks and hand sanitizer
- Zip Ties
- Scissors
- #3 Slot Head Screwdriver
- Channel Lock Pliers
- Tissue
- Tape
- Waste Can
- Small cooler w/ bottled water for Directors
- Large SSD Banner
- Canopy “window” banner
- Large District Map w/ map page blocks
- District Sewer Map book
- Toilet Paper vs. Wipes Interactive Display
- “Flushable” Wipes Banner/Poster
- *Tools, Pipe, & Roots Displays*
- Board Member Contact List (in each box)
- Pad of paper for taking notes and info
- Schedule w/ Cell Phone #
- Monday setup
- Park truck onsite

Informational Handouts & Giveaways

- Latest Newsletter
- Latest Registered Contractors List
- Plumbers Outreach Tri-fold
- Wipes Outreach Tri-fold/Poster
- BPD Outreach Tri-fold
- General Guidelines
- 100th Anniversary Book
- Budget
- Performance Report
- BPD Drawing
- Easement Ordinance
- SSD Pens/Magnets/Other
- SSD Hand Sanitizer
- PSL Loan Program

Schedule (11am-5pm)

Setup	[staff]
11am-12:30	O’Keefe
12:30-2:00	Merrill
2:00-3:30	Gilbert-Snyder
3:30-5pm	Beach
Pack up	[staff]

MESSAGES

*PSL Loan Program
Proper “Flushable” Wipes Disposals
Sewer Problems? Call us first!*



DRAFT THE ENDEAVOR

A PUBLICATION OF THE STEGE SANITARY DISTRICT OF CONTRA COSTA COUNTY

VOLUME XXX NUMBER 1

SERVING EL CERRITO, KENSINGTON, AND RICHMOND ANNEX

Summer 2024

BOARD OF DIRECTORS

Paul Gilbert-Snyder
President

Beatrice O'Keefe
Vice President

Tessa Beach
Director

Juliet Christian-Smith
Director

Dwight Merrill
Director

DISTRICT MANAGER/ ENGINEER

Rex Delizo, P.E.

MISSION STATEMENT

To protect public health and the environment for the communities we serve through planning and operation of a safe, efficient, and economical wastewater collection system.

INSIDE

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Draft Fiscal Year 2024-2025 Budget..... 2

Monthly Residential Service Rate Comparison 3

Think Before You Flush.. 3

DO NOT Flush 3

Helpful Reminders 3

Sewer Problems? Call Us First!..... 4

Spotlight on Service Board of Directors 2024 Election 4



STEGER SANITARY DISTRICT Climate Change Impact Policy



Climate change will result in increased climate variability and intensity as well as groundwater and sea level rise within the District. These changes will impact District infrastructure, operations, and the community.

To address these changes, the District will:

- Monitor climate science and identify the potential District impacts;
- Plan for climate change by applying the best available science to improve resilience;
- Integrate climate science into planning, design, construction, operations, and maintenance activities;
- Reduce greenhouse gas (GHG) emissions;
- Support global, federal, state, and regional action that responds to the impacts of climate change;
- Support appropriate climate change legislation and regulations;
- Collaborate with other public agencies, utilities, regulators, and communities to develop sustainable climate change solutions;
- Educate communities and employees on the impacts of climate change;
- Consider environmental, social, and governance factors in the financial portfolio management of the District's investments;
- Consider the disproportionate impacts of climate change on marginalized neighborhoods and populations. **S**

Steger Sanitary District Performance Report for Calendar Year 2023

The Steger Sanitary District Performance Report shows how well the District is performing its mission "to protect public health and the environment for the communities we serve through planning and operation of a safe, efficient, and economical wastewater collection system." The report is prepared by the District Manager for use by the District's Board of Directors to help evaluate the value and effectiveness of the service being delivered to the customers of the District. Visit <https://www.stegesd.org/performance-report> to view and download the full document. **S**

Proposed Sewer Rate Schedule

On June 20, the Stege Sanitary District Board of Directors will hold a public hearing to consider raising service rates over the next five years. The increases may be necessary to meet operating and capital improvement expenses while maintaining sufficient emergency reserve funds. The new rates are proposed to take effect on July 1, 2024.

Stege Sanitary District is committed to protecting the environment and public health of our community. District rates provide funds to pay for the administration, operation, and maintenance of the District’s wastewater collection system, for capital improvements required to maintain adequate levels of customer service, for unforeseen emergencies, for lawful obligations and expenses, and to comply with applicable laws and regulations imposed by state and federal regulatory agencies. **S**



DRAFT Fiscal Year 2024-2025 Budget

REVENUE

Sewer Operation Fund

Non Operating Income:	
Interest	110,000
Miscellaneous	30,000
Operating Income:	
Permit & Inspection Fees	12,000
Sewer Service Charges	3,209,000
Contracted Services	33,000
Subtotal	3,394,000

Capital Fund

Non-Operating Income:	
Interest	16,000
Operating Income:	
Property Tax	585,500
Capital Service Charges	3,775,000
Connection Fees	100,000
San Pablo Ave. Impact Fee	100,000
Subtotal	4,576,500

TOTAL REVENUE 7,970,500

EXPENSES

Operating Expenses:

Maintenance/Engineering	2,412,208
Pump Stations	40,020
Contracted Repairs	74,000
General & Administration	1,162,825

Subtotal Operating Expenses 3,689,053

Capital Expenses

Capital Equipment	600,000
Debt Repayment -SRF Loan	43,900
Sewer Rehabilitation	5,188,810

Subtotal Capital Expenses 5,832,710

Other Expenses

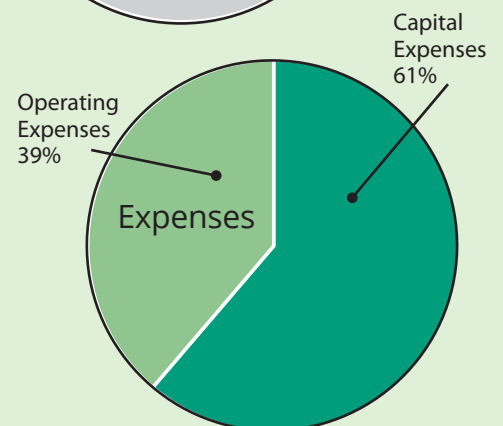
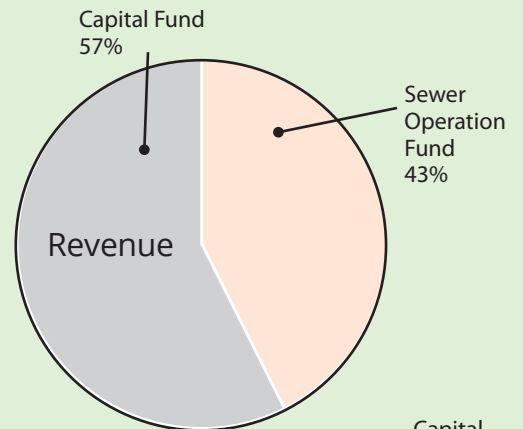
Transfer from Capital Fund	-
Retiree Medical Fund	-

TOTAL EXPENSES 9,521,763

Transfer to/(from) Reserves

Revenue	7,970,500
Expenses	9,521,763
Subtotal	(1,551,263)

TRANSFER TO/(FROM) RESERVES (1,551,263)



The District adheres to an investment policy for reserve funds that complies with state statutes and stipulates safety, liquidity, and yields as the order of investment objectives.



STEGE SANITARY DISTRICT
7500 Schmidt Lane
El Cerrito, CA 94530-0537 (510) 524-4667


DRAFT

PRSR STD
US POSTAGE
PAID
OAKLAND, CA
Permit No. 544

To Contact Us: (510) 524-4667 staff@stegasan.org www.stegasan.org @StegeSan



Sewer Problems? Call Us First!


Slow drains? Water or sewage backing up into your home? The problem might be a clog in your lateral—the private sewer line that runs from your home to the public sewer main—or the problem might be in the sewer main itself. **Call us before you call a plumber.** The District maintains a 24/7 emergency hotline that is always answered by a person, not a recording. The number is (510) 524-4667. If necessary, we will send out a crew to inspect and let you know if you need a plumber. The inspection is free and we try to respond within one hour of your call. 

Spotlight on Service

Board of Directors 2024 Election

Stege Sanitary District is an independent Special District of the State of California. It is a public agency administered by a duly-elected five member Board of Directors. Directors are elected at-large by District residents and serve four-year terms of office. In 2024, two positions on the Stege Sanitary District Board of Directors will be up for election. To learn more about the responsibilities and core beliefs of the

Board of Directors, go to <https://www.stegasan.org/board-of-directors-information-sheet>

Candidates must be US citizens, at least 18 years-of-age, and must reside within Stege Sanitary District. Procedures, deadlines and nomination papers may be obtained from the County Elections Office: Contra Costa County Election Division, 555 Escobar Street, Martinez, CA 94553 (925) 335-7800, www.cocovote.us 

Preliminary Program

Tuesday, July 30

3:00 p.m. – 5:00 p.m. CSRMA Executive Board Meeting

Wednesday, July 31

7:30 a.m. – 12:00 p.m. CSRMA Training Seminar

9:00 a.m. – 5:00 p.m. Registration

9:00 a.m. – 12:00 p.m. Tour of Monterey One Water (Space Limited)

11:00 a.m. – 12:00 p.m. CASA Board of Directors Meeting

12:00 p.m. – 1:15 p.m. Associates Committee Meeting

12:00 p.m. – 1:15 p.m. Lunch on Your Own

1:30 p.m. – 4:00 p.m. **Concurrent Sessions (Three Tracks)**

Financing and Project Delivery Track	Policy Track: Communicating Complex Topics	Technical Track: Regulatory Deep Dives
Track 1A: Funding Sources for Wastewater Infrastructure and Facilities	Track 2A: Green Hydrogen: What is It and Why Does it Matter to POTWS?	Track 3A: Regulatory Deep Dives: Nutrients
Track 1B: Progressive Design-Build: New Legislation and Case Studies	Track 2B: The Value and Complexities of Video Production and Public Messaging	Track 3B: Regulatory Deep Dives: PFAS

1:30 p.m. – 2:30 p.m. Track 1A, 2A, 3A

2:30 p.m. – 3:00 p.m. **Break**

3:00 p.m. – 4:00 p.m. Track 1B, 2B, 3B

4:15 p.m. – 5:15 p.m. Federal Legislative Committee Meeting

4:15 p.m. – 5:15 p.m. CSRMA Board of Directors Meeting

4:15 p.m. – 5:15 p.m. LEAD Mentor/Mentee Meetup

5:30 p.m. – 6:30 p.m. Welcome Reception

Thursday, August 1

7:30 a.m. – 9:00 a.m. Breakfast

7:30 a.m. – 4:30 p.m. Registration

8:00 a.m. – 9:00 a.m. CASA Education Foundation Board Meeting

8:00 a.m. – 9:00 a.m.	Statewide Biosolids Meeting Special Focus/Presentation: Regional Biosolids Initiatives
9:15 a.m. – 11:30 a.m.	Morning Sessions & Business Meeting Vice President Craig Murray, Presiding
9:15 – 10:15 a.m.	Keynote Speaker: Mabel Miguel (UNC Kenan-Flagler School)
10:15 – 11:15 a.m.	The Future of the Water Sector: A National Perspective
11:15 – 11:30 a.m.	Annual Business Meeting Adam Link, CASA Executive Director
12:00 p.m. – 1:30 p.m.	Luncheon Michael F. Dillon Award Presentation CASA Awards of Excellence Winners CASA Education Foundation Presentation
1:30 p.m. – 2:00 p.m.	Networking Break
2:00 p.m. – 4:00 p.m.	Afternoon Sessions
2:00 p.m. – 3:00 p.m.	Resilience in Action: Carbon & Energy Management
3:00 p.m. – 4:00 p.m.	TBD
4:15 p.m. – 5:15 p.m.	Communications Committee Meeting
4:15 p.m. – 5:15 p.m.	Engineering & Research Group Meeting
5:30 p.m. – 6:30 p.m.	Associates Reception
Friday, August 2	
8:00 a.m. – 9:30 a.m.	Breakfast
8:00 a.m. – 11:15 a.m.	Registration
8:00 a.m. – 9:00 a.m.	State Legislative Committee Meeting
9:15 a.m. – 11:00 a.m.	Closing Session President Roland Williams, Presiding
9:15 a.m. – 9:45 a.m.	Federal and State Legislative Updates <ul style="list-style-type: none"> • Jessica Gauger • Eric Sapirstein
9:45 a.m. – 10:30 a.m.	Closing Keynote Speaker
10:30 a.m. – 11:00 a.m.	Closing Business Session <ul style="list-style-type: none"> • 2024-2025 Board of Director Elections Results • Passing of the Gavel • President's Closing Remarks
11:00 a.m. – 1:00 p.m.	General Managers Meeting Roundtable and Lunch
11:00 a.m. – 3:00 p.m.	Attorneys Committee Meeting

REVIEW OF DIRECTORS’ COMPENSATION RATE

ISSUE:

The Board annually reviews the compensation that Directors receive for their attendance at District-related meetings.

FISCAL IMPACT:

The fiscal impact would depend on the amount of the change, if any, to the compensation rate. A cost-of-living increase applied to meeting fees since the last increase in July 2023 would increase expenses by 4.0% (April CPI-W) or about \$800 total for one year.

STRATEGIC PLAN:

GOAL 4: Provide Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees

BACKGROUND:

Meeting fees for Directors are based on amendments to the Sanitary District Act that became effective in 2001. At that time, the Board increased the meeting fees paid to Directors by taking the doubly conservative approach that the 5% allowable increase per year was not compounded and based the calculation on the 1986 fee of \$100 per meeting day. This resulted in a fee of \$165 per meeting day in 2001.

The Board’s history of meeting fees is as follows:

YEAR	RATE	APR CPI-W	% CHANGE	RATE ADJUSTED TO 2024
1986	\$100	109.4	-	\$316.88
2001	\$165	184.9	69.0%	\$309.36
2004	\$190	194.7	5.3%	\$338.30
2008	\$196	217.913	11.9%	\$311.81
2012	\$200	236.626	8.6%	\$293.01
2015	\$205	252.875	6.9%	\$281.04
2017	\$215	268.896	6.3%	\$277.19
2018	\$222.31	278.039	3.4%	\$277.19
2020	\$223.88	290.304	0.7%	\$267.35
2021	\$233.12	302.294	4.1%	\$267.34
2022	\$244.78	322.021	6.5%	\$263.52
2023	\$253.49	333.478	3.6%	<u>\$263.52</u>
2024		346.671	4.0%	

A comparison of meeting fees for comparable agencies is as follows:

COMPARABLE AGENCY	CURRENT RATE
West County SD	\$400.00
Ross Valley SD	\$314.00
Mt. View SD	\$281.00
Oro Loma SD	\$265.00
Napa SD	\$261.00
West Bay SD	\$260.00
Las Gallinas Valley SD	\$252.70
Castro Valley SD	\$250.00
Central Marin SA	\$225.00
Novato SD	\$225.00
West Valley SD	\$210.00
Rodeo SD	\$199.00
Ironhouse SD	\$170.00
AVERAGE	\$254.82
MEDIAN	\$252.70
STEGE SD (CURRENT)	\$253.49
STEGE SD (APR CPI-W)	\$263.52

The cost-of-living increase for the past year is 4.0% (April CPI-W) which would increase the Directors' compensation rate from \$253.49 to \$263.52 per meeting day and would increase total District expenses by about \$800 total for one year.

RECOMMENDATION:

Direct staff to prepare an ordinance to increase the Directors' compensation rate to \$263.52 based on the cost-of-living increase for the past year of 4.0% (April CPI-W).

ALTERNATIVES:

1. Direct staff to prepare an ordinance for a different Directors' compensation rate.
2. Take no action and keep the existing Directors' compensation rate the same.

ATTACHMENTS:

None

WORKING CAPITAL AND RESERVE FUND POLICY

ISSUE:

The District's Working Capital and Reserve Fund Policy shall be reviewed by the Board annually.

FISCAL IMPACT:

The cost to review the policy is minimal.

STRATEGIC PLAN:

GOAL 3: Ensure Financial Stability and Efficiency

WORK PLAN ITEM "h": Annually review the District's Reserve Policy by June of each year

BACKGROUND:

The District's Reserve Fund Policy is reviewed and approved by the Board annually. The last amendments after a review by the Board were only minor ones made back in June 2022.

RECOMMENDATION:

No changes are recommended.

ALTERNATIVES:

1. Make amendments and approve as amended.

ATTACHMENT:

Working Capital and Reserve Fund Policy Fund Policy – June 2022

STEGE SANITARY DISTRICT

Working Capital and Reserve Fund Policy

June 2022

The approved policy of the Board is for the Working Capital and Reserve Fund to consist of an Operating Working Capital, a Capital Improvement Working Capital, and a Capital Reserve.

The Operating Working Capital shall be equal to 60% of operating and maintenance costs. This level of funding adjusts annually to equal the District's actual costs from April 15 to December 15, reflecting the lag in the collection of sewer service charges from the County property tax roll.

The Capital Improvement Working Capital shall be a 3-year average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the annual debt service cost. The goal is to ensure that the District will have adequate funds available on an annual basis to conduct sewer pipeline replacements or in case of an emergency or natural disaster such as an earthquake.

The Capital Reserve is a reserve, or set-aside, established in 2019 that will be accumulated over time and used every five to ten years for major improvements. Annual funding of \$45,000 will accumulate \$225,000 (plus interest earnings) over five years, which could fund retrofits of the Administration Building such as HVAC improvements, roof repairs, repaving the parking lot, etc. This reserve could also provide funding following a natural disaster such as a fire or earthquake.

**RESOLUTION NO. 2241-0624 APPROVING AND AUTHORIZING AMENDMENT TO
EMPLOYMENT AGREEMENT WITH REX DELIZO TO SERVE AS DISTRICT
MANAGER/ENGINEER, SECRETARY OF THE BOARD, AND TREASURER OF THE
DISTRICT**

ISSUE:

An amendment is necessary to the District Manager's Employment Agreement to provide a salary increase.

FISCAL IMPACT:

The amendment to the Manager's Employment Agreement will provide a salary increase of 4.0% to \$270,600 per year effective as of July 1, 2024.

STRATEGIC PLAN:

GOAL 4: Provide Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees

WORK PLAN ITEM "b": Annually review employee salary and benefits by July of each year and conduct a survey vs. comparable agencies by June 2028 and at least every five (5) years thereafter

BACKGROUND:

Resolution No. 2131-1019 memorialized the District Manager's terms of employment in an Employment Agreement. After a recent performance evaluation, the Board would like to amend Employment Agreement to provide a salary increase to \$270,600 (↑4.0%) per year effective as of July 1, 2024.

RECOMMENDATION:

Approve the Resolution.

ALTERNATIVES:

1. Make amendments to the resolution and approve as amended.
2. Take no action and provide staff direction.

ATTACHMENTS:

Resolution

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RESOLUTION NO. 2241-0624

RESOLUTION APPROVING AND AUTHORIZING AMENDMENT NO. 4 TO EMPLOYMENT AGREEMENT WITH REX DELIZO TO SERVE AS DISTRICT MANAGER/ENGINEER, SECRETARY OF THE BOARD, AND TREASURER OF THE DISTRICT AND APPROVING AN AMENDMENT TO THE DISTRICT'S SALARY SCHEDULE IN CONFORMANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5

The Directors of the Stege Sanitary District find and determine as follows:

- A. The Stege Sanitary District (Employer) is a public agency and sanitary district organized and existing under and pursuant to the Sanitary District Act of 1923 (California Health and Safety Code § 6400 *et seq.*).
- B. Rex Delizo (Employee) has served as the District Manager/Engineer, Secretary of the Board, and Treasurer of the District since July 1, 2011.
- C. Employer entered into an employment agreement with Employee pursuant to Resolution No. 2131-1019 to memorialize Employee's terms of employment.
- D. Employer desires to amend Employee's employment agreement to provide a salary increase of 4.0% to \$270,600 per year effective as of July 1, 2024.
- E. The California Public Employees' Retirement System (CalPERS), has requested all CalPERS employers list their compensation levels on one document, approved and adopted by the governing body, in accordance with California Code of Regulations section 570.5.
- F. Employer desires to comply with CalPERS reporting requirement by amending the Salary Schedule to reflect compensation provided to Employee, as provided for in this resolution and Employee's employment agreement as amended.

In consideration of the foregoing findings and determinations, it is resolved:

1. The foregoing recitals are true and correct and are hereby incorporated by reference.
2. The Directors declare that the Board President, acting as the Labor Negotiator on behalf of the District, is authorized to execute the amendment to the Employment Agreement attached hereto as Exhibit A, between the Stege Sanitary District and Rex Delizo effective July 1, 2023.
3. The Directors hereby approve the necessary amendments to the District's Salary Schedule to reflect the compensation provided to Rex Delizo as District Manager/Engineer, Secretary of the Board and Treasurer of the District, as provided for in in this resolution and Rex Delizo's employment agreement as amended.

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 20th day of June 2024, by a X-X vote as follows:

AYES: BOARD MEMBERS:
 NOES: BOARD MEMBERS:
 ABSENT: BOARD MEMBERS:
 ABSTAIN: BOARD MEMBERS:

PAUL GILBERT-SNYDER, President
 Stege Sanitary District
 Contra Costa County, California

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

DRAFT

EXHIBIT A

AMENDMENT TO STEGE SANITARY DISTRICT DISTRICT MANAGER/ENGINEER, SECRETARY OF THE BOARD, AND TREASURER OF THE DISTRICT EMPLOYMENT AGREEMENT

This Amendment to the Employment Agreement (“Amendment”) is made by and between The Stege Sanitary District (“District”) and Rex Delizo (“Delizo”) (collectively the “Parties”) as of July 1, 2024.

RECITALS

1. On October 24, 2019, the Parties entered into an Employment Agreement (“Agreement”) memorializing the terms under which Delizo would serve as the District Manager/Engineer, Secretary of the Board, and Treasurer of the District; and
2. The purpose of this Amendment is to establish and memorialize an adjustment to the Agreement effective as of July 1, 2024.

AGREEMENT

Section 1 **General Provisions.**

The foregoing Recitals are true and correct and incorporated herein by reference.

Section 2 **Increase of Compensation; Amendment of Section V(a).**

Section 4(a)(i) of the Agreement is amended to read as follows:

Employee’s base annual salary as of July 1, 2024 shall be **\$270,600** per year, which sum shall be payable in installments at the same time as other employees of the District are paid and subject to customary withholdings. Employee is a salaried employee and is exempt from the FLSA.

Section 3 **Effect of this Amendment**

EXHIBIT A

Except as the Agreement has been expressly modified by the Amendment, the Agreement, as previously modified, shall continue in full force and effect according to its terms.

IN WITNESS WHEREOF, the PARTIES hereto have hereunto affixed their signatures as of the date and year first above written.

EMPLOYER

EMPLOYEE

Paul Gilbert-Snyder, President
Stege Sanitary District

Rex Delizo, PE
District Manager

Approved as to Form:

Kristopher Kokotaylo
District Counsel

**RESOLUTION NO. 2242-0624 ESTABLISHING SALARY RANGES OF
MAINTENANCE, TECHNICAL, AND ADMINISTRATIVE EMPLOYEES EMPLOYED
BY STEGE SANITARY DISTRICT, BEGINNING JULY 1, 2024**

ISSUE:

The District reviews its salary ranges for employees each year as part of the budget process.

FISCAL IMPACT:

The recommended salary range revision is a +4.0% cost-of-living adjustment based on the latest April CPI-W figures.

STRATEGIC PLAN:

GOAL 4: Provide Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees

WORK PLAN ITEM “b”: Annually review employee salary and benefits by July of each year and conduct a survey vs. comparable agencies by June 2028 and at least every five (5) years thereafter

BACKGROUND:

A salary comparison survey is typically conducted every five years to compare salaries and benefits to those of comparable positions at 11 comparable agencies which were chosen by Koff & Associates back in 2001 and an additional 2 comparable agencies that were added by the Board in subsequent years. In between the five years, the ranges are typically adjusted each year by a cost-of-living adjustment based on the latest April CPI-W figures.

The proposed salary ranges are based on an adjustment from the latest 2024 April CPI-W figure (+4.0%).

DATE	CPI-W	% CHANGE
APR 2023	333.478	
APR 2024	346.671	4.0%

The California Public Employees’ Retirement System (CalPERS), has requested all CalPERS employers list their compensation levels on one document, approved and adopted by the governing body, in accordance with California Code of Regulations section 570.5.

RECOMMENDATION:

Approve the Resolution.

ALTERNATIVES:

1. Amend the Resolution and approve as amended.
2. Take no action and provide staff further direction.

ATTACHMENTS:

- RESOLUTION

RESOLUTION NO. 2242-0624

RESOLUTION APPROVING AN AMENDMENT TO THE SALARY RANGES
OF MAINTENANCE, TECHNICAL, AND ADMINISTRATIVE EMPLOYEES EMPLOYED
BY STEGE SANITARY DISTRICT, BEGINNING JULY 1, 2024,
IN CONFORMANCE WITH CALIFORNIA CODE OF REGULATIONS,
TITLE 2, SECTION 570.5

The Directors of the Stege Sanitary District find and determine as follows:

- A. Stege Sanitary District job classifications are assigned to a salary range with a specified minimum and maximum level. The salary ranges are annually reviewed and adjusted, as necessary and appropriate, by Resolution.
- B. A review of the latest April CPI-W figures indicates a cost-of-living adjustment of +3.96% is appropriate for salary ranges effective as of July 1, 2024.
- C. The California Public Employees' Retirement System (CalPERS), has requested all CalPERS employers list their compensation levels on one document, approved and adopted by the governing body, in accordance with California Code of Regulations section 570.5.
- D. The District desires to comply with CalPERS reporting requirement by amending the previously approved salary ranges to reflect compensation provided to Employees.

In consideration of the foregoing findings and determinations, it is resolved:

1. The foregoing recitals are true and correct and are hereby incorporated by reference.
2. The Directors hereby approve the amended monthly salary ranges for maintenance, technical, and administrative employees of the Stege Sanitary District effective as of July 1, 2024 as follows:

**SALARY RANGES OF EMPLOYEES EMPLOYED BY
STEGE SANITARY DISTRICT BEGINNING JULY 1, 2024**

<u>CLASSIFICATION</u>	<u>MONTHLY SALARY RANGE (\$)</u>
COLLECTION SYSTEM WORKER I	\$7,169 to \$9,250
COLLECTION SYSTEM WORKER II	\$8,014 to \$10,340
COLLECTION SYSTEM WORKER III	\$8,665 to \$11,180
COLLECTION SYSTEM SUPERINTENDENT (IV)	\$11,679 to \$15,070
ENGINEERING TECHNICIAN/INSPECTOR	\$9,602 to \$12,390
SENIOR CIVIL ENGINEER	\$13,718 to \$17,700
ADMINISTRATIVE ASSISTANT	\$6,479 to \$8,360
ADMINISTRATIVE SUPERVISOR	\$12,881 to \$16,620
DISTRICT MANAGER	\$22,550 to \$22,550

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting, held on the 20th day of June 2024, by a X-X vote as follows:

AYES: BOARD MEMBERS:
 NOES: BOARD MEMBERS:
 ABSENT: BOARD MEMBERS:
 ABSTAIN: BOARD MEMBERS:

PAUL GILBERT-SNYDER, President
 Stege Sanitary District
 Contra Costa County, California

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

DRAFT

**RESOLUTION NO. 2243-0624 APPROVING AND ADOPTING ANNUAL BUDGET
FOR FISCAL YEAR 2024-25**

ISSUE:

The District budget for fiscal year 2024-25 is ready for consideration and approval by the Board.

FISCAL IMPACT:

Approval of the budget will provide the authority to spend \$3,689,053 for operating needs and \$5,832,710 for capital needs.

STRATEGIC PLAN:

GOAL 3: Ensure Financial Stability and Efficiency

WORK PLAN ITEM “c”: Annually develop and implement a financial budget by June of each year

BACKGROUND:

The draft budget has been presented to the Board for review and public input at several Board meetings over the previous months. The annual budget for FY 2024-25 is now ready for consideration and approval.

RECOMMENDATION:

Approve the resolution.

ALTERNATIVES:

1. Amend the Resolution and approve as amended.
2. Take no action and provide staff further direction.

ATTACHMENTS:

- Resolution
- June 20, 2024 Memo from District Manager to Board re: 2024-25 Budget
- Stege Sanitary District Fiscal Year 2024-25 Budget

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RESOLUTION NO. 2243-0624

RESOLUTION APPROVING AND ADOPTING ANNUAL BUDGET FOR
FISCAL YEAR 2024-2025

The Directors of the Stege Sanitary District find and determine as follows:

- A. The Directors of the Stege Sanitary District desire to establish the annual budget for fiscal year 2024-2025.
- B. Public sessions have been held to review and consider various District financial requirements for fiscal year 2024-2025.
- C. A proposed budget has been prepared by the Manager and presented to the Directors for their review and consideration.
- D. Upon their review, the Directors determine the proposed budget appropriate and necessary.

In consideration of these findings and determinations, it is resolved as follows:

The District's fiscal year 2024-2025 budget in the form attached to this resolution is approved and adopted.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 20th day of June 2024, by a X-X vote as follows:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

PAUL GILBERT-SNYDER, President
Stege Sanitary District
Contra Costa County, California

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

DRAFT



STEGER SANITARY DISTRICT

District Manager/Engineer:
Rex Delizo, P.E.

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 20, 2024

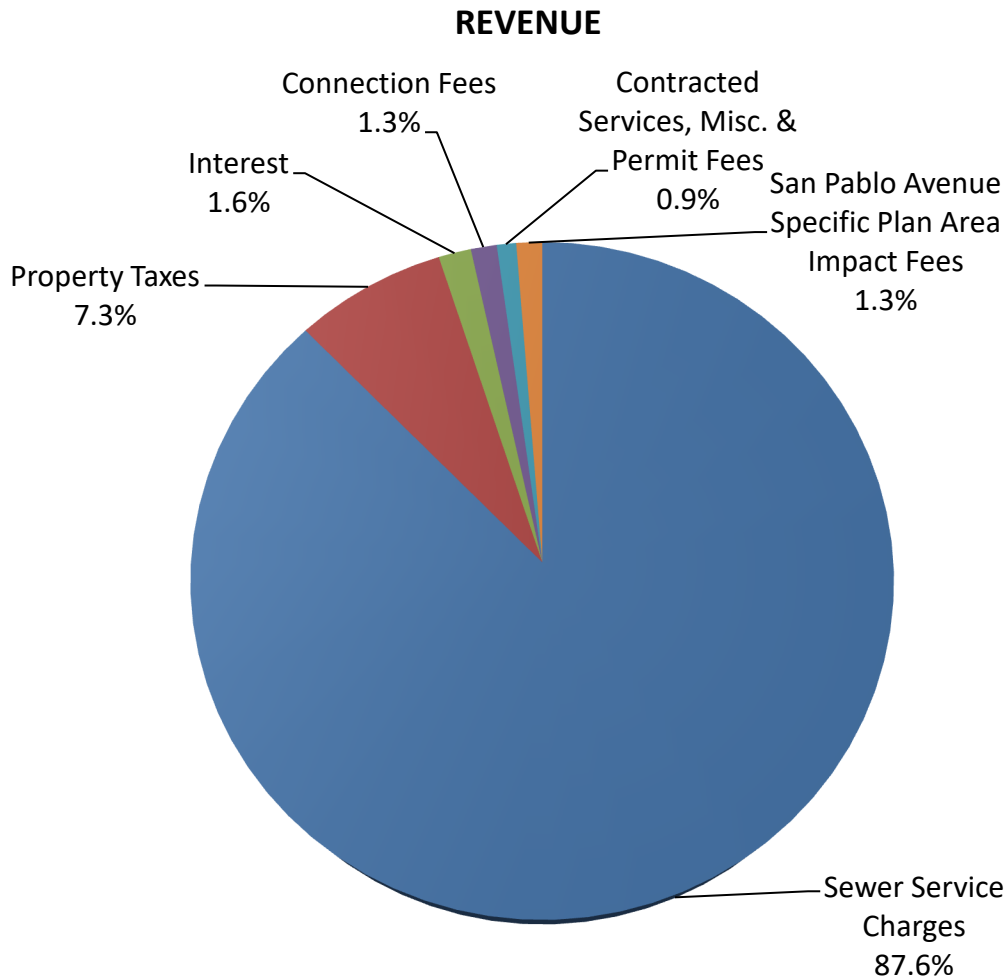
Re: Budget for Fiscal Year 2024-25

The Fiscal Year (FY) 2024-25 budget is presented for review and consideration by the Board of Directors. The budget includes all revenue and expenses for FY 2024-25 including supplemental data regarding fund target levels.

BUDGET OVERVIEW

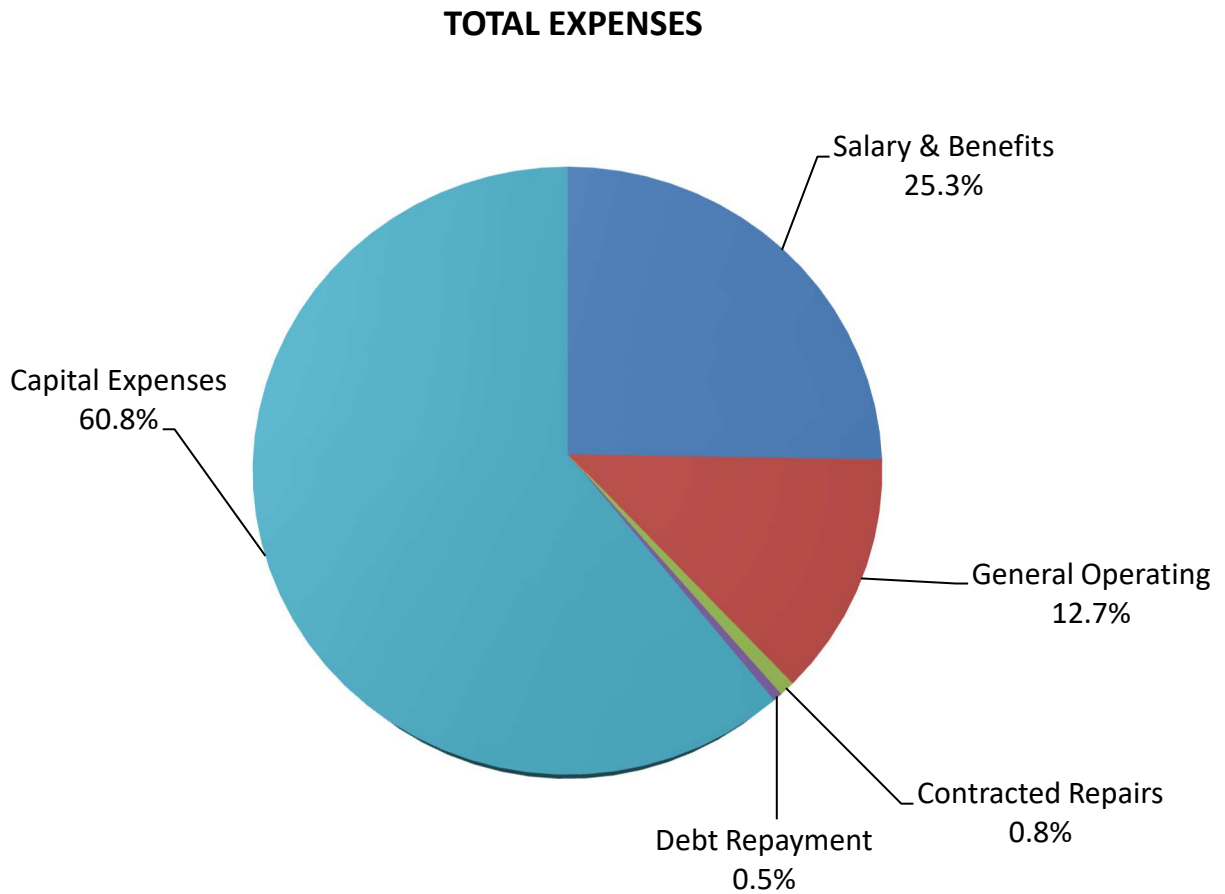
Revenue

The FY 2024-25 budget includes \$7,970,500 in revenue, exclusive of the transfer of funds. The budget estimates service charge revenue at \$6,984,000 (87.6% of total revenue), property tax at \$585,500 (7.3%), interest income at \$126,000 (1.6%), connection fees at \$100,000 (1.3%), San Pablo Avenue Specific Plan Area Impact Fees at \$100,000 (1.3%), and contracted services, miscellaneous income and permit fees at \$75,000 (0.9%).



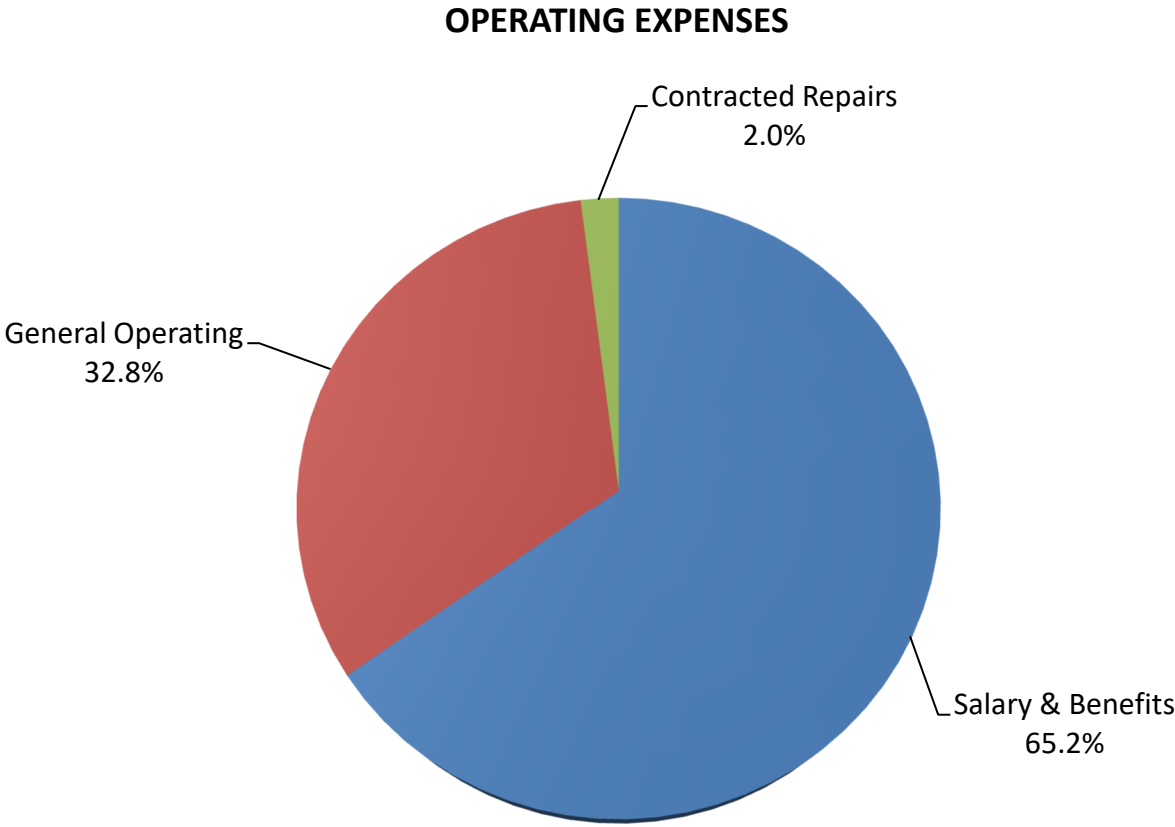
Expenses

The Total Operating and Capital Expenses for FY 2024-25 amounts to \$9,521,763. Salary and benefit expenses are budgeted at \$2,405,077 (25.3% of total expenses), operating and general expenses at \$1,209,976 (12.7%), debt repayment at \$43,900 (0.5%), repairs at \$74,000 (0.8%), and capital expenses (excluding debt) at \$5,788,810 (60.8%).



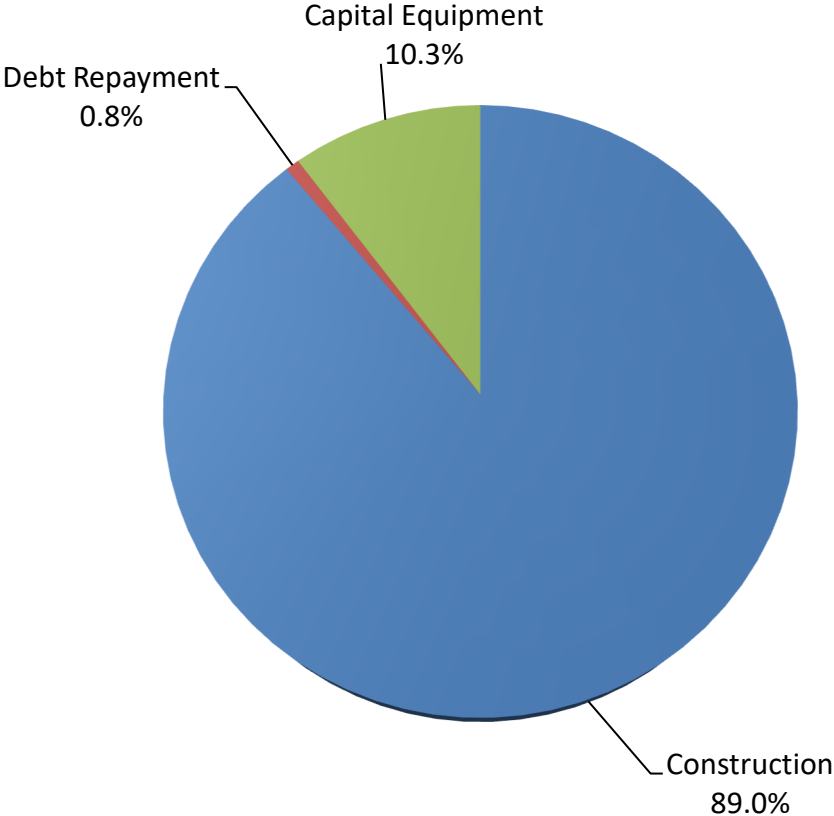
The budget estimates a deficit of \$1,551,263 which will transfer from the Working Capital and Reserve Fund.

The Operating Expenses for FY 2024-25 total \$3,689,053. The budget includes all operations, maintenance, and administrative expenses. The budget also includes the funding of the annual required contribution for “other post-employment benefits” or retiree health care funding. No additional staff is requested in this budget. Salary and benefit expenses are budgeted at \$2,405,077 (65.2%) of the operating budget. The operating and general expenses are budgeted at \$1,209,976 (32.8%) and contracted repairs at \$74,000 (2.0%).



The Capital Expenses for FY 2024-25 total \$5,832,710. Construction costs total \$5,188,810 (89.0%) which includes \$3,593,600 for the annual sewer rehabilitation project, \$285,210 for the Private Sewer Lateral Replacement Loan Program (funding limited to property tax revenue), \$50,000 for interceptor cleaning, \$50,000 for manhole adjustments, and \$10,000 for capital work on the administration building (funded by the Building Reserve Fund). The capital equipment expenses total \$600,000 (10.3%) and the annual debt service payment for an outstanding State Revolving Fund (SRF) loan is \$43,900 (0.8%).

CAPITAL EXPENSES



BUDGET CONTENTS

The budget detail sheets are similar to those used in previous years and show the budget amounts for the previous and upcoming fiscal year. A brief description of the exhibits attached to the budget detail sheets is as follows:

1. Revenue and Expenses Summary (Exhibits A & B). This information shows current sources of revenue, expenses, and compares them with the forecasts for proposed revenue and expenses for the upcoming fiscal year.
2. Budget Composite (Exhibit C). This item shows the allocation of expenses by the two District departments (Operations and Administration).
3. Reconciliation of Fund Balances (Exhibit D). This table shows the allocation of revenue to and expenses from the various funds of the District as well as internal fund transfers necessary to meet the targeted balances established by the Board.
4. 10 Year Financial Model. The spreadsheet and graph indicate the estimated operating and capital expenses, and how the financial state of the District is affected. Planned sewer service charge rates to support District expenses and target balances are also projected for the period shown.

FISCAL YEAR BUDGET

(Ref: Exhibits A-D & Detail Sheets)

Revenue

The District's principal revenue source is the annual sewer service charge which is allocated into both the Operation Fund (\$3,209,000) and the Capital Fund (\$3,775,500) based on the Sewer Rate Study prepared by public finance consulting firm, Lechowicz & Tseng Municipal Consultants. Due to the District being in a strong financial position with fiscal year end funds projected to exceed target levels, the annual sewer service charge rate is unchanged from the previous fiscal year.

The total amount of projected interest revenue of \$116,000 is split between both the Operation Fund and the Capital Fund. Expected revenue from miscellaneous income is set at \$30,000, permit and inspection fees at \$12,000, and contracted services at \$33,000, all of which are around the average amounts over the last several years. Property tax revenue has been projected up to \$585,500 based on recent trends exclusive of unpredictable redevelopment assessment pass-through payments. District wide connection fee revenue is projected to be \$100,000 and the San Pablo Avenue Specific Plan Area Impact Fee revenue is estimated at \$100,000 in anticipation of proposed developments as outlined in the City of El Cerrito San Pablo Avenue Corridor - Major Projects Report.

Operating Expenses

The proposed operating budget for FY 2024-25 of \$3,689,053 represents an 9% increase versus last year's budget. Salary (\$1,635,700) and benefits (\$769,377) combined are 65% of the operating budget which is slowly declining compared to past fiscal years as shown in the following table.

Salary and Benefits as Percentage of Operating Budget

Fiscal Year	Operating Budget (\$)	Salary (\$)	%	Benefits (\$)	%	Salary & Benefits (\$)	%
2024-25	3,689,053	1,635,700	44%	769,377	21%	2,405,077	65%
2023-24	3,470,661	1,574,160	45%	715,446	21%	2,289,606	66%
2022-23	3,328,307	1,515,960	46%	692,363	21%	2,208,323	66%
2021-22	3,138,636	1,429,460	46%	668,561	21%	2,098,021	67%
2020-21	3,063,711	1,247,160	41%	790,810	26%	2,037,970	67%

The retiree health “contribution” to fully fund the annual required contribution (ARC) as determined by the latest “Roll-forward” Actuarial Analysis of Retiree Health Benefits as of June 30, 2022 is \$23,417. Actual payments to retirees are anticipated to be about \$27,256, including administrative fees.

Contracted main line repair expenses are included as part of the operating expenses and increased slightly to \$74,000 which is consistent with the projections from the Sewer Rate Study.

Operating budget items notably different from the previous budget include:

- adding 4% to salaries which is a cost-of-living adjustment based on the latest April CPI-W figures,
- adding \$47,000 to Health Care Premiums (split between Operations and Administration) to account for increased health care premium rates and an employee choosing to receive health care coverage instead of cash-in-lieu,
- adding \$40,000 for the anticipated expenses due to the 2024 Board of Directors November election, and
- adding \$65,500 (20%) for liability and property insurance premiums as recommended by California Sanitation Risk Management Authority (CSRMA) due to market pressure created by wildfires, storms, civil disorders, and ‘social inflation’ (more litigation, more plaintiff-friendly judgements, and larger jury awards reflecting public sentiment more than actual damage).

Capital Expenses

The capital equipment expense of \$600,000 includes \$560,000 to replace a combination water jetting and vacuum system sewer cleaning truck and \$40,000 to replace a District passenger vehicle which are both at the end of their useful lives.

A full rehabilitation of the Canon Pump Station is included at a budget amount of \$1,200,000. Also included is \$50,000 for manhole adjustments based on anticipated paving projects in El Cerrito, Richmond, and Kensington, \$50,000 for large interceptor cleaning by way of a professional services contract, and \$10,000 to spend the Building Reserve Fund for any needed capital work on the Administration Building.

The Standard Sewer Rehabilitation (pipe-bursting) Project, at a budget amount of \$3,593,600, continues to be the primary means of flexible and efficient main line replacement. This amount has been increased by 3% (\$120,600) over last year’s budget, based on the projection of the Sewer Rate Study, to adequately fund the aggressive schedule of collection system rehabilitation required by the

USEPA Consent Decree. Also included is \$285,210 to continue funding the Private Sewer Lateral Replacement Loan Program from property tax revenue.

Fund Balances (Ref: Exhibit D)

Exhibit D presents the reconciliation of fund balances for FY 2023-24, based on the projected ending balances estimated for June 30, 2024. The table shows the allocation of revenue and expenses to and from the respective funds, produces the year-end balance of each fund, and compares each fund balance to its target balance.

The Operating Target Balance is equal to 60% of budgeted operating and maintenance costs. This is the District’s rough costs from May to December to reflect the lag in the collection of tax revenue and also provides a built-in mechanism to adjust for inflationary increases. The Operating Target Balance for FY 2024-25 is calculated to be \$2,213,432.

The Capital Target Balance is equal to the 3-year rolling average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the annual debt service cost. This is to ensure that the District will have adequate funds available on an annual basis to conduct sewer pipeline replacements or in case of an emergency such as an earthquake, and also provides a built-in mechanism to adjust for inflationary increases. The Capital Target Balance for FY 2024-25 is calculated to be \$3,551,867.

Based on the budgeted figures as shown, the total fund balance at the end of FY 2024-25 is projected to be about \$3.5M more than the total target balance. Note that this amount is based on estimated expenditures for FY 2023-24. Actual expenditures will not be finalized until after July. But as shown, the information gives indication that the District continues to be in a solid financial position while keeping rates unchanged from the previous fiscal year.

FY 2023-24 BUDGET PERFORMANCE

The final expenses for FY 2023-24 have not been settled, but staff is confident that the total operating expenses should be less than the budgeted amount. Several significant unencumbered balances which will not be fully expended include operating supplies (rods, augers, hoses, and nozzles), sewer materials (pipe, fittings, manholes, and castings), professional services (technical/legal support, litigation

expenses, labor relations, and flow monitoring modeling), and penalties & fines. No other operating expenses are expected to be of material variance to the budgeted amounts.

Similarly, total capital expenses are expected to be less than the budgeted amount since some capital expenses will not be expended in FY 2023-24. The Canon Pump Station Rehabilitation and delivery of the combination water jetting and vacuum system sewer cleaning truck have both been delayed until next fiscal year and their respective budget amounts (\$1,000,000 and \$560,000) have been carried over into the FY 2024-25 budget. The budget amounts for flow meters (\$175,000) and the Private Sewer Lateral Replacement Loan Program (\$326,400) will not be fully expended. Manhole adjustments (\$25,000) were not expended due to the lack of paving projects by the City of El Cerrito, City of Richmond, and Kensington requiring this level of work. No other capital expenses are expected to be of material variance to the budgeted amounts.

FUTURE COSTS

The operating expenses included in this budget are similar to what can be expected in the near future. The capital expense to fund collection system rehabilitation will continue to gradually rise over the next ten years to reflect inflation and fund the gradual ramp up of work as required by the USEPA Consent Decree and as projected in the Sewer Rate Study.

EXHIBIT A

STEGE SANITARY DISTRICT REVENUE SUMMARY

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
REVENUE			
I. SEWER OPERATION FUND (3418)			
Non Operating Income:			
Interest	\$ 15,000	\$ 110,000	633%
Miscellaneous	\$ 21,000	\$ 30,000	43%
Operating Income:			
Permit & Inspection Fees	\$ 12,000	\$ 12,000	0%
Sewer Service Charges	\$ 3,209,000	\$ 3,209,000	0%
Contracted Services	\$ 33,000	\$ 33,000	0%
Subtotal	\$ 3,290,000	\$ 3,394,000	3%
II. CAPITAL FUND (3423)			
Non-Operating Income:			
Interest	\$ 5,000	\$ 16,000	220%
Operating Income:			
Property Tax	\$ 500,000	\$ 585,500	17%
Capital Service Charges	\$ 3,775,000	\$ 3,775,000	0%
Connection Fees	\$ 50,000	\$ 100,000	100%
San Pablo Ave. Impact Fee	\$ 50,000	\$ 100,000	100%
Subtotal	\$ 4,380,000	\$ 4,576,500	4%
TOTAL REVENUE	\$ 7,670,000	\$ 7,970,500	4%

EXHIBIT B**STEGE SANITARY DISTRICT
EXPENSE SUMMARY****FISCAL YEAR 2024-2025**

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
EXPENSES			
I. OPERATING EXPENSES:			
Dept 41 - Maintenance/Engineering	\$ 2,232,974	\$ 2,412,208	8%
Dept 41 - Pump Stations	\$ 40,020	\$ 40,020	0%
Dept 41 - Contracted Repairs	\$ 72,000	\$ 74,000	3%
Dept 45 - General & Administration	\$ 1,053,273	\$ 1,162,825	10%
SUBTOTAL OPERATING EXPENSES	\$ 3,398,267	\$ 3,689,053	9%
II. CAPITAL EXPENSES:			
Dept 41 - Capital Equipment	\$ 785,000	\$ 600,000	-24%
Dept 41 - Debt Repayment (SRF)	\$ 43,900	\$ 43,900	0%
Dept 41 - Sewer Rehabilitation	\$ 4,884,400	\$ 5,188,810	6%
SUBTOTAL CAPITAL EXPENSES	\$ 5,713,300	\$ 5,832,710	2%
TOTAL	\$ 9,111,567	\$ 9,521,763	5%
OTHER EXPENSES:			
Transfer from Capital Fund	\$ -	\$ -	0%
Retiree Medical Fund	\$ -	\$ -	0%
SUBTOTAL OTHER EXPENSES	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 9,111,567	\$ 9,521,763	5%

**STEGE SANITARY DISTRICT
TRANSFER TO/(FROM) RESERVES****FISCAL YEAR 2024-2025**

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
REVENUE	\$ 7,670,000	\$ 7,970,500	4%
EXPENSES	\$ (9,111,567)	\$ (9,521,763)	5%
SUBTOTAL	\$ (1,441,567)	\$ (1,551,263)	
TRANSFER TO/(FROM) RESERVES	\$ (1,441,567)	\$ (1,551,263)	

EXHIBIT C

STEGE SANITARY DISTRICT BUDGET - COMPOSITE

FISCAL YEAR 2024-2025

ITEM	FISCAL YEAR 2023-2024 BUDGET	FISCAL YEAR 2024-2025 BUDGET	% Change	OPERATIONS	GENERAL & ADMIN.
OPERATING EXPENSES:					
010 Salaries & Wages	\$ 1,574,160	\$ 1,635,700	4%	\$ 1,359,260	\$ 276,440
020 Employee Benefits	\$ 715,446	\$ 769,377	8%	\$ 602,741	\$ 166,635
030 Directors' Expenses	\$ 45,478	\$ 37,449	-18%	\$ -	\$ 37,449
040 Election Expense	\$ -	\$ 40,000	0%	\$ -	\$ 40,000
060 Gasoline, Oil, Fuel	\$ 28,000	\$ 28,000	0%	\$ 28,000	\$ -
070 Insurance	\$ 320,000	\$ 385,500	20%	\$ 15,000	\$ 370,500
080 Memberships	\$ 19,100	\$ 19,100	0%	\$ 4,000	\$ 15,100
090 Office Expense	\$ 10,100	\$ 10,100	0%	\$ -	\$ 10,100
100 Operating Supplies	\$ 40,000	\$ 40,000	0%	\$ 40,000	\$ -
110 Contractual Services	\$ 102,300	\$ 105,300	3%	\$ 105,300	\$ -
120 Professional Services	\$ 176,100	\$ 166,100	-6%	\$ 84,000	\$ 82,100
130 Printing & Publications	\$ 29,000	\$ 23,500	-19%	\$ -	\$ 23,500
140 Rents & Leases	\$ 1,800	\$ 1,800	0%	\$ 1,000	\$ 800
150 Repairs & Maintenance	\$ 128,370	\$ 143,520	12%	\$ 125,520	\$ 18,000
160 Revenue Collection Expenses	\$ 14,600	\$ 14,600	0%	\$ -	\$ 14,600
170 Travel & Meetings	\$ 18,500	\$ 18,500	0%	\$ 14,000	\$ 4,500
190 Utilities	\$ 47,700	\$ 48,500	2%	\$ 10,000	\$ 38,500
200 Other Expenses	\$ 64,600	\$ 64,600	0%	\$ -	\$ 64,600
203 First Aid Supplies	\$ 500	\$ 500	0%	\$ 500	\$ -
204 Safety Equipment and Gloves	\$ 4,500	\$ 4,500	0%	\$ 4,500	\$ -
205 Uniforms and Boots	\$ 17,137	\$ 17,137	0%	\$ 17,137	\$ -
206 Safety Incentive Program	\$ 1,250	\$ 1,250	0%	\$ 1,250	\$ -
207 Contracted Repairs	\$ 72,000	\$ 74,000	3%	\$ 74,000	\$ -
410 Pump Stations	\$ 40,020	\$ 40,020	0%	\$ 40,020	\$ -
TOTAL OPERATING EXPENSES	\$ 3,470,661	\$ 3,689,053	6%	\$ 2,526,228	\$ 1,162,825
CAPITAL EXPENSES:					
650 DEBT REPAYMENT	\$ 43,900	\$ 43,900	0%	\$ 43,900	\$ -
300 CAPITAL EQUIPMENT	\$ 785,000	\$ 600,000	-24%	\$ 600,000	\$ -
400 CONSTRUCTION	\$ 4,884,400	\$ 5,188,810	6%	\$ 5,188,810	\$ -
TOTAL CAPITAL EXPENSES	\$ 5,713,300	\$ 5,832,710	2%	\$ 5,832,710	\$ -
TRANSFER TO CAPITAL FUND		\$ -		\$ -	\$ -
TOTAL BUDGET	\$ 9,183,961	\$ 9,521,763	4%	\$ 8,358,938	\$ 1,162,825

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - OPERATIONS**

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
010 SALARIES AND WAGES			
011 Engineering Salaries	\$ 614,100	\$ 636,200	4%
011.6 Cell Phone (3)	2,160	2,160	0%
012 Collection System Salaries	600,800	622,400	4%
012.6 Cell Phone (5)	3,600	3,600	0%
013 Overtime - Service Calls	15,400	15,400	0%
014 Overtime - Engineering/Inspection	500	500	0%
015 Standby	60,000	67,000	12%
017 Performance Incentive	12,000	12,000	0%
TOTAL SALARIES AND WAGES	\$ 1,260,660	\$ 1,359,260	8%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 345,410	\$ 354,240	3%
021a Deferred Comp Match	27,000	27,000	0%
022 Health Care Premiums & Admin Fees	81,634	123,721	52%
023 Life Insurance/Dental/LTD	13,680	13,680	0%
024 Workers' Compensation Insurance	21,200	22,300	5%
025 Unemployment Insurance	6,200	6,400	3%
026 Medicare	21,800	22,500	3%
027 Cash in Lieu (Dependent Care & Medical) Retiree Medical & ARC	24,000	18,000	-25%
'028 Retiree Medical (AnnReq'dContrib ARC)	1,456	-	-100%
'029 Retiree Health Care Premium	11,900	11,900	0%
030 Social Security (On Call Maintenance)	3,000	3,000	0%
TOTAL EMPLOYEE BENEFITS	\$ 537,257	\$ 602,741	12%
MAINTENANCE			
060 GAS, OIL AND FUEL	\$ 28,000	\$ 28,000	0%
070 CLAIMS	15,000	15,000	0%
080 MEMBERSHIPS	4,000	4,000	0%
100 OPERATING SUPPLIES			
101 Rods and Augers	5,000	5,000	0%
102 Chemicals	1,000	1,000	0%
104 Hose and Nozzles	25,000	25,000	0%
105 Emergency Readiness	500	500	0%
107 Engineering and Inspection Supplies	2,000	2,000	0%
108 Computer/Supplies	6,500	6,500	0%
Forward totals to next page	87,000	87,000	0%

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - OPERATIONS**

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
Totals from previous page	\$ 87,000	\$ 87,000	0%
110 CONTRACTUAL SERVICES			
111 Phone Service (Answering Service)	\$ 1,500	\$ 4,500	200%
112 Manhole Level Monitors	3,400	3,400	0%
115 Sewer Root Foaming	75,000	75,000	0%
116 Radio and Test Equipment Maintenance	500	500	0%
117 Utility Marking Service	6,000	6,000	0%
118 DOT Regulatory Compliance	900	900	0%
119 Collection System JPA	15,000	15,000	0%
120 PROFESSIONAL SERVICES			
121 Technical/Legal Support	\$ 62,000	\$ 62,000	0%
122 Safety Consultant	1,000	1,000	0%
123 Flow Monitoring Modeling	15,000	15,000	0%
124 Enforcement	6,000	6,000	0%
140 RENTS AND LEASES	1,000	1,000	0%
150 REPAIRS AND MAINTENANCE			
151 Vehicle Maintenance	\$ 50,000	\$ 55,000	10%
152 Equipment and Shop Maintenance	9,000	12,000	33%
153 Sewer Materials			
a. Pipe and Fittings	4,000	4,000	0%
b. Manholes	4,500	4,500	0%
c. Castings	1,000	1,000	0%
154 Emergency Sewer Replacement	12,500	12,500	0%
156 Building Maintenance	1,800	1,800	0%
157 Janitorial Services	5,700	5,700	0%
158 Yard Maintenance	2,520	2,520	0%
159 Refuse Service	5,100	5,100	0%
159a Refuse Service-Vactor	2,250	6,400	184%
160 Video Inspection Equipment Repair	15,000	15,000	0%
170 TRAVEL AND MEETINGS			
171 Training and Testing	\$ 3,000	\$ 3,000	0%
173 Travel Reimbursement	6,000	6,000	0%
174 Meetings and Conference	5,000	5,000	0%
Forward totals to next page	\$ 401,670	\$ 416,820	4%

DETAIL SHEET

STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
Totals from previous page	\$ 401,670	\$ 416,820	4%
193 WATER - HYDRO FLUSHER	\$ 10,000	\$ 10,000	0%
203 FIRST AID SUPPLIES	500	500	0%
204 SAFETY EQUIPMENT AND GLOVES	4,500	4,500	0%
205 UNIFORMS AND BOOTS	17,137	17,137	0%
206 SAFETY INCENTIVE PROGRAM	1,250	1,250	0%
TOTAL MAINTENANCE/ENGINEERING	\$ 435,057	\$ 450,207	3%
41.2 BURLINGAME PUMP STATION			
150 Repairs (Contracted)	\$ 20,000	\$ 20,000	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	1,800	1,800	0%
152 Telemetry	350	350	0%
153 Maintenance and Landscaping	960	960	0%
41.4 CANON PUMP STATION			
150 Repairs (Contracted)	10,000	10,000	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	1,560	1,560	0%
TOTAL PUMP STATIONS	\$ 40,020	\$ 40,020	0%
207 CONTRACTED REPAIRS	72,000	74,000	3%
TOTAL - MAINT/ENG EMPLOYEE SALARIES	\$ 1,260,660	\$ 1,359,260	8%
TOTAL - MAINT/ENG EMPLOYEE BENEFITS	537,257	602,741	12%
TOTAL OTHER MAINTENANCE/ENGINEERING	435,057	450,207	3%
TOTAL - PUMP STATIONS	40,020	40,020	0%
TOTAL CONTRACTED REPAIRS	72,000	74,000	3%
TOTAL OPERATIONS	\$ 2,344,994	\$ 2,526,228	8%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
010 SALARIES AND WAGES			
011 Administration Salaries	\$ 262,100	\$ 271,500	4%
012 Cell Phone	-	1,440	0%
017 Performance Incentive	3,500	3,500	0%
TOTAL - SALARIES & WAGES	\$ 265,600	\$ 276,440	4%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 102,420	\$ 104,300	2%
021a Deferred Comp Match	6,000	6,000	0%
022 Health Care Premiums & Admin Fees	19,800	25,249	28%
023 Life Insurance/Dental/LTD	2,196	2,196	0%
024 Workers' Compensation Insurance	4,600	4,800	4%
025 Unemployment Insurance	500	500	0%
026 Medicare	9,050	9,890	9%
Retiree Medical			
'028 Retiree Medical (AnnReq'dContrib(ARC))	-	-	0%
'029 Retiree Health Care Premiums	11,900	11,900	0%
029a Social Security	1,700	1,800	6%
TOTAL - EMPLOYEE BENEFITS	\$ 158,166	\$ 166,635	5%
GENERAL EXPENSES			
030 DIRECTORS' EXPENSES			
031 Board Meeting Compensation	\$ 24,478	\$ 16,449	-33%
032 Travel Reimbursement	10,000	10,000	0%
033 Meetings & Conference	10,000	10,000	0%
034 Training	1,000	1,000	0%
TOTAL - DIRECTORS' EXPENSES	\$ 41,007	\$ 37,449	-9%
040 ELECTION EXPENSES	\$ -	\$ 40,000	100%
070 INSURANCE			
071 Liability and Property Insurance	\$ 327,500	\$ 393,000	20%
072 Dividends (CREDIT)	(22,500)	(22,500)	0%
080 MEMBERSHIPS			
081 Memberships	\$ 15,000	\$ 15,000	0%
082 Memberships - Board	100	100	0%
Forward totals to next page	361,107	463,049	28%

DETAIL SHEET

STEGE SANITARY DISTRICT
ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL **FISCAL YEAR 2024-2025**

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
Totals from previous page	\$ 361,107	\$ 463,049	28%
090 OFFICE EXPENSES			
091 Stationery, Postage, Supplies	\$ 4,000	\$ 4,000	0%
092 Subscriptions	5,000	5,000	0%
094 Public Notice Postage	400	400	0%
096 Bank Charges	700	700	0%
120 PROFESSIONAL SERVICES			
121 Legal Services	\$ 35,000	\$ 45,000	29%
123 Audit and Special Reports	40,000	20,000	-50%
124 Resources Consultant	5,000	5,000	0%
125 Administrative Support	1,000	1,000	0%
126 Labor Relations/HR Training	100	100	0%
127 Litigation Expenses	5,000	5,000	0%
129 ADP Payroll Expenses	6,000	6,000	0%
130 PRINTING AND PUBLICATIONS			
131 Meetings and Hearings Notices	\$ 1,000	\$ 1,000	0%
132 Newsletters	20,000	20,000	0%
133 Publications (Ordinances & Notices)	7,500	2,000	-73%
134 Job Advertising	500	500	0%
140 RENTS AND LEASES	\$ 800	\$ 800	0%
150 BUILDING REPAIRS AND MAINTENANCE			
151 Administration Offices	\$ 9,000	\$ 12,000	33%
155 Office Equipment	6,000	6,000	0%
Forward totals to next page	508,107	597,549	18%

DETAIL SHEET

STEGE SANITARY DISTRICT
ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL **FISCAL YEAR 2024-2025**

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
Totals from previous page	\$ 508,107	\$ 597,549	18%
160 REVENUE COLLECTION EXPENSES			
161 EBMUD	\$ 600	\$ 600	0%
162 CCC Assessment Collection Fees	14,000	14,000	0%
170 TRAVEL AND MEETINGS			
173 Travel Reimbursement	\$ 1,500	\$ 1,500	0%
174 Meetings and Conferences	3,000	3,000	0%
190 UTILITIES			0%
191 Gas and Electricity	\$ 15,000	\$ 15,000	0%
192 Telephone & Computer Internet	14,000	14,000	0%
193 Water	4,200	5,000	19%
194 Security System	4,500	4,500	0%
200 OTHER EXPENSES			
201 Miscellaneous	\$ 7,500	\$ 7,500	0%
202 Property Taxes	100	100	0%
203 LAFCO Net Cost Apportionment	4,000	4,000	0%
204 Public Outreach	18,000	18,000	0%
205 Penalties & Fines	35,000	35,000	0%
TOTAL - GENERAL EXPENSES	\$ 629,507	\$ 719,749	14%
TOTAL - ADMIN. EMPLOYEE SALARIES	\$ 265,600	\$ 276,440	4%
TOTAL - ADMIN. EMPLOYEE BENEFITS	\$ 158,166	\$ 166,635	5%
TOTAL - ADMINISTRATION & GENERAL	\$ 1,053,273	\$ 1,162,825	10%
TOTAL OPERATIONS & ADMIN. (3418)	\$ 3,398,267	\$ 3,689,053	9%

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - CAPITAL EQUIPMENT EXPENSES**

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
CAPITAL EQUIPMENT EXPENSES			
300 CAPITAL OPERATIONS (3421)			
315 Flow Meters	\$ 175,000	\$ -	-100%
324 Vehicle Replacement	610,000	600,000	-2%
Sub-Total Capital Operations	\$ 785,000	\$ 600,000	-24%
TOTAL - CAPITAL EQUIPMENT EXPENSES (3421)	\$ 785,000	\$ 600,000	-24%

DETAIL SHEET

**STEGE SANITARY DISTRICT
ACCOUNT NO. 41 - CAPITAL EXPENSES**

FISCAL YEAR 2024-2025

ITEM	Fiscal Year 2023-2024 Budget	Fiscal Year 2024-2025 Budget	% Change
411 MANHOLES			
Manhole Adjustments	\$ 25,000	\$ 50,000	100%
428 RENEWAL & REPLACEMENT			
a. Interceptor Cleaning	\$ 50,000	\$ 50,000	0%
b. Pump Station Rehab	1,000,000	1,200,000	20%
c. Admin Building	10,000	10,000	0%
SUB TOTAL (428)	\$ 1,060,000	\$ 1,260,000	19%
434 STANDARD SEWER REHABILITATION (3423)			
a. Construction Costs	\$ 3,473,000	\$ 3,593,600	3%
e. San Pablo Ave. Specific Plan Upgrades	-	-	0%
f. Private Sewer Lateral Replacement Loan Program*	326,400	285,210	-13%
SUB-TOTAL (434)	\$ 3,799,400	\$ 3,878,810	2%
TOTAL CONSTRUCTION COSTS (400s)	\$ 4,884,400	\$ 5,188,810	6%
650 DEBT REPAYMENT (SRF LOANS)			
b. Repayment Project 02203	43,900	43,900	0%
TOTAL DEBT REPAYMENT (650)	\$ 43,900	\$ 43,900	0%
TOTAL CAPITAL EXPENSES (400-650)	\$ 5,713,300	\$ 5,832,710	2%

* Funding limited to property tax revenue.

EXHIBIT D

STEGE SANITARY DISTRICT FISCAL YEAR 2023-2024 RECONCILIATION OF FUND BALANCES

	FISCAL YEAR 2023-2024 BUDGET	3418 OPERATIONS FUND	3423 CAPITAL FUND
Total Fund Balances As of 6/30/2024 (est.)	\$ 11,488,031	\$ 2,500,000	\$ 8,988,031
OPERATING FUND			
REVENUE			
Contracted Services	\$ 33,000	\$ 33,000	
Interest Income	\$ 110,000	\$ 110,000	
Permit, Inspection Fees	\$ 12,000	\$ 12,000	
Sewer Service Charges	\$ 3,209,000	\$ 3,209,000	
Miscellaneous	\$ 30,000	\$ 30,000	
Subtotal	\$ 3,394,000	\$ 3,394,000	
EXPENSES			
General & Administration	\$ (1,162,825)	\$ (1,162,825)	
Operating/Pump Stations	\$ (2,526,228)	\$ (2,526,228)	
Subtotal	\$ (3,689,053)	\$ (3,689,053)	
Net Gain (Loss)*	\$ (295,053)	\$ (295,053)	
CAPITAL FUND			
REVENUE			
Property Tax Collection	\$ 585,500		\$ 585,500
Capital Service Charges	\$ 3,775,000		\$ 3,775,000
San Pablo Impact Fee	\$ 100,000		\$ 100,000
Interest Income	\$ 16,000		\$ 16,000
Connection Fees	\$ 100,000		\$ 100,000
Subtotal	\$ 4,576,500		\$ 4,576,500
EXPENSES			
Capital Equipment	\$ (600,000)		\$ (600,000)
Construction	\$ (5,188,810)		\$ (5,188,810)
Debt Repayment (SRF Loan)	\$ (43,900)		\$ (43,900)
Subtotal	\$ (5,832,710)		\$ (5,832,710)
Net Gain (Loss)*	\$ (1,256,210)		\$ (1,256,210)
Fund Balances			
Before transfers	\$ 9,936,769	\$ 2,204,947	\$ 7,731,822
Transfers between Reserves		\$ 8,485	\$ (8,485)
*Used from Reserves			
Fund Balances As of 6/30/2025 (est.)	\$ 9,936,769	\$ 2,213,432	\$ 7,723,337
TARGET BALANCE	\$ 6,421,478	\$ 2,213,432	\$ 4,208,046

(60% of annual O&M)

(3Yr Avg. of Capital Costs)

**STEGE SANITARY DISTRICT - 10 YEAR FINANCIAL MODEL
(\$ THOUSAND)**

FISCAL YEAR ENDING	(1) ANNUAL DEBT SERVICE	(2) DISTRICT O&M COSTS	(3) SYSTEM REHAB.	(4) CAPITAL EQUIP COSTS	(5) OTHER CAP COSTS	(6) TOTAL COSTS (1) thru (5)	(7) MONTH USER CHARGE	(8) TOTAL REVENUE	(9) CASH FLOW (8)-(6)	(10) FUND INTEREST	(11) FUND BALANCE	(12) TARGET BALANCE	(13) RESERVE RATIO (11)/(6)
2024	44	3471	4884	50	50	8499	35.75	8419	-80	20	11420	6543	1.35
2025	44	3598	3594	610	1310	9156	35.75	8141	-1015	20	10405	6982	1.25
2026	44	3705	3719	10	110	7588	35.75	8162	574	20	10980	6822	1.37
2027	0	4529	3850	420	85	8883	35.75	8183	-700	20	10279	6839	1.24
2028	0	3932	3983	60	85	8061	35.75	8204	143	20	10423	6721	1.28
2029	0	4049	4122	395	85	8651	35.75	8226	-425	20	9998	6946	1.20
2030	0	4172	4265	465	90	8992	35.75	8217	-775	20	9222	7162	1.11
2031	0	4297	4414	50	90	8851	35.75	8217	-634	20	8589	7295	1.04
2032	0	4426	4568	70	140	9203	36.92	8466	-737	20	7851	7431	0.93
2033	0	4558	4891	20	85	9553	42.75	9712	159	20	8010	7989	0.82
2034	0	4696	5060	810	120	10685	48.58	10958	273	20	8283	8259	0.75

Fund Balance vs. Target Balance FY 2024-25



**APPROVAL OF THE INCENTIVE AWARD CONTRIBUTION
ACHIEVEMENTS FOR FY 2023-24**

ISSUE:

The goals and objectives of the Incentive Award Contribution (IAC) are established each fiscal year and the achievements are ready for review.

FISCAL IMPACT:

The total savings is calculated in the attached memo and will be divided between the District and the nine (9) eligible employees (*District Manager is NOT eligible*).

STRATEGIC PLAN:

GOAL 4: Provide Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees

WORK PLAN ITEM "F": Provide an incentive award program and safety awards to recognize employee achievements

BACKGROUND:

The goals for the program are established each fiscal year. This year's achievements are as tabulated in the attached memo.

RECOMMENDATION:

Approve the IAC to be shared among the nine (9) eligible employees of the District and to be distributed on or about June 30, 2024.

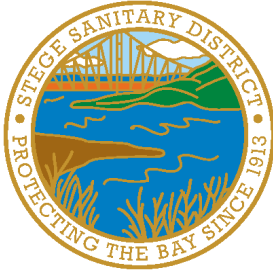
ALTERNATIVES:

1. Take no action and provide staff further direction.

ATTACHMENT:

Memo dated 6/20/2024 re: Incentive Award Contribution (IAC) Achievements for FY 2023-24

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STEGER SANITARY DISTRICT

District Manager/Engineer:
Rex Delizo, P.E.

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 20, 2024

Re: Incentive Award Contribution (IAC) Achievements for FY 2023-2024

BACKGROUND

For FY 2023-2024, the Board adopted cost saving incentives as goals for employees as follows:

1. Reduce the amount of overtime compensation in the performance of maintenance activities of the District.
2. Reduce the number of service calls related to main line problems.
3. Reduce the cost of equipment, vehicle and building repairs by performing repairs in-house, whenever safe to do so. The savings will be measured by comparing quotes to complete the repair work vs. the costs of staff time and materials.
4. The Board of Directors may consider additional cost savings goals eligible for an IAC as other cost saving measures are identified, including innovations in the way work is accomplished. Such innovations will be evaluated and recommended to the Board by the District Manager.

DISCUSSION

Following is a tabulation of how the employees fared in achieving the goals established for FY 2023-24 and the respective savings to be added to the Incentive Award Contribution (IAC).

1. Reduction in the Overtime Salary Expense

The average overtime labor charges between 2014 and 2019 was \$12,208, or 3.20% of total maintenance salary. For FY 2023-24, overtime labor charges are \$10,869, or 2.02% of total maintenance salary. Since the current fiscal year percentage is 1.18% less than the rolling 5 year average, there was a \$6,362 total savings in Overtime Expenses. Sixty percent of the savings is added to the IAC (\$3,817).

2. Reduction of Service Calls

The average number of service calls related to main line problems for the baseline time period between 2014 and 2019 is 1.1 per month at a cost of \$3,283 per year. The actual average number of service calls related to main line problems this FY 2023-24 is 0.3 per month at a cost of \$864 per year. The calculated cost savings to the District is \$2,419 per year. Sixty percent of the savings is added to the IAC (\$1,451).

3. Reduction of Repair Costs

A repair to a Burlingame submersible pump, replacement of a hydraulic pump drive of the rodder, and replacement of the turbo unit on one of the combination hydro/vacuum cleaning vehicles were completed by staff for a total cost savings of \$8,829. Sixty percent of the savings is added to the IAC (\$5,297).

4. Reduction of Other Costs

There were no other additional cost saving measures to be added to this year's IAC.

**SUMMARY OF INCENTIVE AWARD GOALS AND AWARD ASSESSMENT
FISCAL YEAR 2023-2024**

Incentive Award Goal	Total Savings (\$)	40% To District (\$)	60% To IAC (\$)
1. Reduce Overtime Charges	\$6,362	\$2,545	\$3,817
2. Reduce Service Calls	\$2,419	\$968	\$1,451
3. Reduce Repair Costs	\$8,829	\$3,532	\$5,297
4. Reduce Other Costs	\$0	\$0	\$0
TOTALS	\$17,610	\$7,044	\$10,566

RECOMMENDATION

Approve an IAC of \$10,566 to be shared among the eligible employees of the District and to be distributed on or about June 30, 2024.

**STEGE SANITARY DISTRICT
INCENTIVE AWARD PROGRAM
OVERTIME EXPENSE
JULY 1 - JUNE 30**

	YEAR	OVERTIME	MAINT SALARY	
	2014-2015	\$9,704	\$397,435	<i>With on call</i>
	2015-2016	\$11,568	\$354,660	<i>With on call</i>
	2016-2017	\$18,710	\$376,892	<i>With on call</i>
	2017-2018	\$9,676	\$367,630	<i>With on call</i>
	2018-2019	\$11,384	\$411,003	<i>With on call</i>
	2019-2020	\$15,782	\$427,140	<i>With on call</i>
	2020-2021	\$5,928	\$462,774	<i>With on call</i>
	2021-2022	\$16,557	\$529,755	<i>With on call</i>
	2022-2023	\$13,765	\$565,033	<i>With on call</i>
<i>as of May</i>	2023-2024	\$10,869	\$538,480	<i>With on call</i>

Year(s)	Total OT	Average/Yr	Total Salary	Avg Sal/Yr	OT (as % of Tot. Sal)	CALC SAVINGS
2014-2019	\$61,042	\$12,208	\$1,907,619	\$381,524	3.20%	
2023-2024	\$10,869	\$10,869	\$538,480	\$538,480	2.02%	\$ 6,362

Monthly Service Calls

		<u>Fiscal Year</u>	<u>ML Serv Calls</u>	<u>5 yr avg Baseline</u>
Per Hour	30.00	2000 - 2001	3.3	
2 Man Crew	2	2001 - 2002	2.8	
3 Hrs Per Call	3	2002 - 2003	4.3	
Equip Per Hr	20.00	2003 - 2004	4.0	
Pay Per Service Call	240.00	2004 - 2005	4.1	
		2005 - 2006	2.8	
		2006 - 2007	1.4	
5 Yr Baseline Service Calls Per Month	1.14	2007 - 2008	2.2	
12 Months	12	2008 - 2009	1.1	
Yearly Service Call Total	13.68	2009 - 2010	0.9	
Total Baseline Service Call Pay	3,283.20	2010 - 2011	0.9	3.70
		2011 - 2012	1.4	3.60
Actual Service Calls Per Month (ML Stop.)	0.3	2012 - 2013	1.4	3.32
12 Month Service Calls	3.6	2013 - 2014	2.4	2.90
Total Actual Service Call Pay	864.00	2014 - 2015	2.2	2.32
		2015 - 2016	1.3	1.68
Baseline vs Actual Service Calls	2,419.20	2016 - 2017	0.8	1.30
40% District	967.68	2017 - 2018	0.7	1.30
60% ICP	1,451.52	2018 - 2019	0.7	1.14
		2019 - 2020	0.9	1.40
		2020 - 2021	0.8	1.74
		2021 - 2022	1.5	1.62
		2022 - 2023	0.9	1.48
		2023 - 2024	0.3	1.14

Other Cost Compare Savings

<u>Product</u>	<u>Company</u>	<u>Qty</u>	<u>Hourly Rate</u>	<u>Amount</u>	<u>Materials</u>	<u>Freight</u>	<u>Total</u>
Pulled Pump	Shape Incorporated			4,400.00			4,400.00 Quote
	Done By Employee	1.00	94.07 (2 x CSW)	94.07			94.07 <u>4,305.93</u> Savings
Hydraulic Pump Drive	Weco			2,500.00			2,500.00 Quote
	Done By Employees	1.00	44.05 (1 x CSW)	44.05	(HAD PART)	650.34	694.39 <u>1,805.61</u> Savings
Replace Turbo	Municipal Maintenance Equip			2,761.41	1,218.09		3,979.50 Quote
	Done By Employees	1.00	44.05 (1 x CSW)	44.05	1,218.09		1,262.14 <u>2,717.36</u> Savings
	<u>Total Savings</u>		<u>District 40%</u>	<u>ICP 60%</u>			
Pulled Pump		4,305.93	1,722.37	2,583.56			
Hydraulic Pump Drive		1,805.61	722.24	1,083.37			
Replace Turbo		2,717.36	1,086.94	1,630.42			
Total		8,828.90	3,531.56	5,297.34			

**APPROVAL OF THE INCENTIVE AWARD CONTRIBUTION
GOALS AND OBJECTIVES FOR FY 2024-25**

ISSUE:

The goals for the Incentive Award Contribution (IAC) should be established each fiscal year.

FISCAL IMPACT:

The fiscal impact would be determined by the savings achieved in the next fiscal year.

STRATEGIC PLAN:

GOAL 4: Provide Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees

WORK PLAN ITEM "F": Provide an incentive award program and safety awards to recognize employee achievements

BACKGROUND:

The goals for the program are established each fiscal year. This year's recommended goals which are unchanged from the previous year are as stated in the attached memo.

RECOMMENDATION:

Approve the recommended goals and objectives.

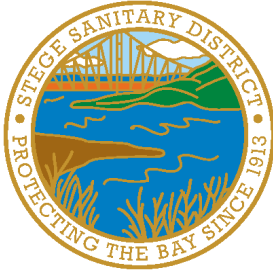
ALTERNATIVES:

1. Add, delete, and/or amend the goals and objectives, and approve as amended.
2. Take no action and provide staff further direction.

ATTACHMENT:

Memo dated 6/20/2024 re: Incentive Award Contribution (IAC) Goals and Objectives for FY 2024-25

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STEGE SANITARY DISTRICT

District Manager/Engineer:
Rex Delizo, P.E.

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 20, 2024

Re: Incentive Award Contribution (IAC) Goals and Objectives for FY 2024-2025

DISCUSSION

Based on the adopted District employee compensation policy, each year the Board will consider adoption of certain cost savings goals and objectives for the Incentive Award Contribution (IAC). The recommended goals and objectives are as follows:

1. Reduce overtime compensation incurred by the District in the performance of maintenance activities of the District.
2. Reduce the number of service calls related to main line problems in the collection system.
3. Reduce the cost of equipment, vehicle, and building repairs by performing repairs in-house, whenever safe to do so.
4. The Board of Directors may consider additional cost savings goals eligible for an Incentive Compensation Award as other cost saving measures are identified, including innovations in the way work is accomplished. Such innovations will be evaluated and recommended to the Board by the District Manager.

Item number 1, overtime reduction, historically used a baseline of \$15,077/year based on the average of overtime incurred for 1990-95. For the FY 2004-05, the period of 1995-00 was used as a baseline because the Board determined that the original intent at the initiation of the program was that the baseline should be a moving average. The comparison period has rolled forward one year

ever since. It is recommended that the period of 2015-20 be used as the baseline for the FY 2024-25 savings.

Overtime as a percentage of total salary should be used to determine the overtime savings instead of using the absolute overtime dollars of the baseline period. The percentage of overtime to total maintenance salary for the entire baseline period, multiplied by the overtime incurred, will provide the “baseline overtime amount” to determine the cost savings. It is recommended that this method be used again to calculate the overtime savings for this fiscal year as it was done for previous fiscal years.

Item number 2, cost savings from a low number of service calls related to main line problems, has been in accordance with the baseline of five (5) service calls per month, established in September 2001. The baseline prior to September 2001 was eight (8) per month. As of FY 2014-15, the baseline is compared to the same moving average time period of 2015-20 as Item number 1, overtime reduction. By this standard, the new baseline for the FY 2024-25 savings would be 0.9 per month.

Item number 3, the practice of performing equipment, vehicle and building repairs in-house as a cost savings measure has been eligible since FY 2011-12. Performing repairs in-house by staff not only saves the District money, but also reduces equipment and vehicle down time, helps maintain production, and encourages better knowledge of the equipment, vehicles and building. Staff will obtain quotes for any repair work proposed to be included in the ICP and will compare the costs of staff time and materials to complete the repair in-house. Up to 60% of the savings may be contributed to the IAC.

Below are the historical amounts that have been saved through the IAC:

<u>Fiscal Year</u>	<u>Total Savings</u>	<u>IAC</u>
2023-24	\$17,610	\$10,566
2022-23	\$19,071	\$11,443
2021-22	\$27,023	\$16,213
2020-21	\$12,737	\$7,642
2019-20	\$18,642	\$11,185
2018-19	\$12,208	\$7,325
2017-18	\$33,379	\$20,027
2016-17	\$32,721	\$19,632
2015-16	\$16,804	\$10,082
2014-15	\$26,777	\$16,066

RECOMMENDATION

Adopt the following IAC goals and objectives for FY 2024-2025:

1. Up to 60% of the overtime labor cost savings, determined as the difference in overtime cost from the average annual overtime incurred from 2015-2020 (**3.46%** of total salary), may be contributed to the IAC. Overtime cost will be determined as a percentage of overtime to total salary.
2. Reduce the number of service calls related to main line problems in the collection system. The savings shall be in accordance with the baseline of the average service calls related to main line problems that occurred from 2015-2020 (**0.9** service calls). Up to 60% of the District cost savings during the year may be contributed to the IAC.
3. Reduce the cost of equipment, vehicle, and building repairs by performing repairs in-house, whenever safe and effective to do so. The savings will be measured by comparing quotes to complete the repair work vs. the costs of staff time and materials. Up to 60% of the savings may be contributed to the IAC.
4. The Board of Directors may consider additional cost savings goals eligible for an Incentive Compensation Award as other cost saving measures are identified, including innovations in the way work is accomplished. Such innovations will be evaluated and recommended to the Board by the District Manager. Up to 60% of the savings may be contributed to the IAC.

**RESOLUTION NO. 2244-0624, EVEN-YEAR BOARD OF DIRECTORS ELECTION;
CONSOLIDATION OF ELECTIONS; AND SPECIFICATIONS OF THE ELECTION
ORDER**

ISSUE:

The District has two Director positions (Gilbert-Snyder and O'Keefe) that are subject to selection by election this November. The District typically chooses to consolidate its election with the general election which will be on November 5, 2024.

FISCAL IMPACT:

The number of registered voters in the District is about 25,000. If it goes to the ballot, the cost of the election is estimated to be \$1.50 per registered voter for a total cost of about \$37,500. The "Not Gone to Ballot" setup fee is about \$350 per seat up for election.

STRATEGIC PLAN:

GOAL 3: Ensure Financial Stability and Efficiency

GOAL 5: Maintain and Improve Community Outreach and Communication

WORK PLAN ITEM "g": Work cooperatively with other agencies within and around our service area

BACKGROUND:

The District has typically taken advantage of the opportunity to consolidate its election with Contra Costa County and should consider doing so again this year.

The candidate filing period for the General Election is 25 days from July 15 to August 9, 2024. If nomination papers for an incumbent elective officer are not filed by the filing deadline, the filing period for that office is extended 5 calendar days for non-incumbents only from August 9 to August 14, 2024. There shall be no extended filing period for candidates where the incumbent cannot file due to term limits or for offices that are vacant.

RECOMMENDATION:

Approve the Resolution.

ALTERNATIVES:

1. Amend the Resolution and approve, as amended.
2. Take no action and provide staff further direction.

ATTACHMENTS:

- Resolution

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RESOLUTION NO. 2244-0624

RESOLUTION ORDERING EVEN-YEAR BOARD OF DIRECTORS
ELECTION; CONSOLIDATION OF ELECTIONS; AND SPECIFICATIONS
OF THE ELECTION ORDER – STEGE SANITARY DISTRICT

The Directors of the Stege Sanitary District find and determine as follows:

- A. The California Elections Code requires a general district election be held in each district to choose a successor for each elective officer whose term will expire on the first Friday in December following the election to be held on the first Tuesday after the first Monday in November in each even-numbered year.
- B. Other elections may be held in whole or in part of the territory of the District, and it is to the advantage of the District to consolidate pursuant to Elections Code Section 10400.
- C. Elections Code Section 10520 requires each district involved in a general election to reimburse the county for the actual costs incurred by the county elections official in conducting the election for that district.
- D. Elections Code Section 13307 requires that before the nominating period opens, the District Board must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; determine the number of words; estimate the cost; and determine whether the estimate must be paid in advance.
- E. Elections Code Section 12112 requires the election official of the principal county to publish a notice of the election once in a newspaper of general circulation in the District.

In consideration of the foregoing findings and determinations, it is resolved:

That an election be held within the territory included in this District on the 5th day of November 2024, for the purpose of electing members to the Board of Directors of said District in accordance with the following specifications:

SPECIFICATIONS OF THE ELECTION ORDER

1. The election shall be held on Tuesday, the 5th day of November 2024. The purpose of the election is to choose members of the Board of Directors for the following seats:

Two (2) members of the District Board of Directors, full term (4 years)

2. The District has determined that the candidate will pay for the Candidate's Statement. The Candidate's Statement will be limited to 250 words. As a condition of having the Candidate's Statement published, the candidate shall pay the estimated cost at the time of filing. The District hereby establishes the cost for a candidate statement as \$657.00.
3. The District directs the Contra Costa County Registrar of Voters to publish the Notice of Election in a newspaper of general circulation that is regularly circulated in the territory.
4. This District hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the District, pursuant to Elections Code 10400.
5. The District will reimburse the county for the actual cost incurred by the county elections official in conducting the general district election upon receipt of a bill stating the amount due as determined by the elections official.
6. The Secretary of this Board is ordered to deliver copies of this Resolution to the Registrar of Voters and the Board of Supervisors of Contra Costa County.

* * * * *

STATE OF CALIFORNIA)
 COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 20th day of June 2024, by a X-X vote as follows:

AYES: BOARD MEMBER:
NOES: BOARD MEMBER:
ABSENT: BOARD MEMBER:
ABSTAIN: BOARD MEMBER:

PAUL GILBERT-SNYDER, President
Stege Sanitary District
Contra Costa County, California

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

STEGE SANITARY DISTRICT

Operating Statement

06/17/2024

May 2024

91.80% of Fiscal year Completed

	July - April 2024	Annual Budget	% of Annual Budget
Income			
31 - OPERATING REVENUE			
31010 - Sewer Service Charges	3,572,591	3,443,000	104%
31020 - Permit & Insp. Fees	21,958	12,000	183%
31030 - Connection Fees	44,623	50,000	89%
31040 - San Pablo Impact Fee	8,673	50,000	17%
31080 - Contracted Services	491	33,000	1%
31010a - Capital Service Charges	3,572,591	4,290,000	83%
Total 31 - OPERATING REVENUE	7,220,928	7,878,000	92%
32 - NON-OPERATING REVENUE			
32050 - Interest - 3418	235,234	15,000	1568%
32052 - Interest - 3423	33,360	5,000	667%
32057 - TVI Interest	33,846	-	#DIV/0!
32080 - Property Taxes	590,089	500,000	118%
32085 - Insurance Dividend	-	-	0%
32090 - Miscellaneous	2,277	21,000	11%
Total 32 - NON-OPERATING REVENUE	894,805	541,000	165%
Transfer (to)/from Reserves	-	764,961	0%
Total Income	8,115,733	9,183,961	88%
Expense			
OPERATING EXPENSES			
Administration/General			
45-010 - Salaries & Wages	247,496	265,600	93%
45-020 - Employee Benefits	123,250	144,566	85%
45-029 - Retiree Health	10,494	13,600	77%
45-030 - Directors Expenses	19,107	45,478	42%
45-070 - Insurance	246,990	305,000	81%
Administration - Other	207,086	283,500	73%
Total Administration	854,422	1,057,744	81%
Maintenance/Engineering			
41-010 - Salaries & Wages	1,191,881	1,308,560	91%
41-020 - Employee Benefits	464,093	543,924	85%
41-029 - Retiree Health	10,345	13,356	77%
41-100 - Operating Supplies	10,189	40,000	25%
41-110 - Contractual Services	71,942	102,300	70%
41-207 - Contracted Repairs	66,975	72,000	93%
Maintenance- Other	177,531	332,777	53%
Total Maintenance/Engineering	1,992,957	2,372,897	84%
Pump Stations	44,386	40,020	111%
Total OPERATING EXPENSES	2,891,766	3,470,661	83%
CAPITAL			
41-650 - Debt Repayment (SRF Loans)	43,939	43,900	100%
Construction Projects	2,548,181	4,884,400	52%
Outlay(Maintenance/Engineering)	103,271	785,000	13%
Total CAPITAL	2,695,390	5,713,300	47%
Total Expense	5,587,155	9,183,961	61%
Net	2,528,577	0	

STEGE SANITARY DISTRICT
Investment, Cash & Receivables Report
As of May 31, 2024

11:40:53 AM
06/17/2024

	<u>May 31, 2024</u>	<u>April 30, 2024</u>	<u>\$ Change</u>	<u>Deposits</u>	<u>Checks</u>	<u>Transfers</u>
ASSETS						
Current Assets						
Checking/Savings						
TVI & LAIF Investment Accts						
11012 · Sewer Operations- 3418	9,009,936	10,814,936	-1,805,000	0	0	-1,805,000
11014 · System Rehab- 3423	1,073,136	1,073,136	0	0	0	0
11017 · Five Star Money Market	1,000,000	1,000,000	0	0	0	0
11020 · TVI Investments	2,036,019	2,036,019	0	0	0	0
Total TVI & LAIF Investment Accts	<u>13,119,092</u>	<u>14,924,092</u>	<u>-1,805,000</u>	<u>0</u>	<u>0</u>	<u>-1,805,000</u>
Checking Accts						
100 · Mechanics Bank	190,392	59,250	131,143	200	130,943	0
101a · Five Star Bank	23,300	10,000	13,300	0	-1,791,700	1,805,000
100 · County Cash Acct #3418	105,112	-9,420	114,532 *	0 *	0	0
Total Checking Accts	<u>318,805</u>	<u>59,830</u>	<u>258,975</u>	<u>200</u>	<u>-1,660,757</u>	<u>1,805,000</u>
11021 · Petty Cash	250	250	0	0	0	0
Total Checking/Savings	<u>13,438,146</u>	<u>14,984,171</u>	<u>-1,546,025</u>	<u>200</u>	<u>-1,660,757</u>	<u>0</u>
301 · Ca Employer's Retiree Benefit Trust	304,696	304,696	0	0	0	0
Total CA Employer's Retiree Benefit Trust	<u>304,696</u>	<u>304,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Accounts Receivable						
11072 · Accounts Receivable/Notes Payable	221,129	220,638	491			
Total Accounts Receivable	<u>221,129</u>	<u>220,638</u>	<u>491</u>			

Note: * Reduction or Increase is based on property tax estimate.

I hereby certify that the invested funds of the Stege Sanitary District are in compliance with the investment policies of the Stege Sanitary District and provide sufficient liquidity to meet budgeted expenses for the next six month period.

Rex Delizo, District Manager

Date

11:11 AM	STEGE SANITARY DISTRICT			
06/17/2024	Check Report			
Accrual Basis	June 20, 2024			
	Name	Memo	Amount	Num
Jun 20, 24				
	City Of El Cerrito Recreation	4th of July Sponsorship	-2,500.00	1059
	County of Contra Costa	Data Processing Svcs April 2024	-14.61	1060
	CWEA	Renewal Deluca #431828	-221.00	1061
	Direct Line	Answering Service 5/01-31/24	-113.00	1062
	Dormatech Mechanical Systems, INC	HVAC Maintenance	-951.81	1063
	EBMUD 16792342421	Wet Weather Facilities Charge	-484.78	1064
	EBMUD 39830388387	Hydrant Meter	-1,367.60	1065
	EBMUD 92526846174	Hydrant Meter	-2,324.48	1066
	Exxonmobil	Gas	-289.73	1067
	Kellar Equipment	Kevlar Camera Strap	-373.55	1068
	KftB/Earth Island Institute	Watershed Action Program	-12,000.00	1069
	Mission Communication, LLC	Manhole Monitor Floats	-3,928.20	1070
	MR Copy	Copier Supplies	-1,242.47	1071
	Nakano Landscape	Landscaping May 2024	-290.00	1072
	PG&E- #0103467151-9	Burlingame Pump Station	-152.66	1073
	PG&E- #0607499583-5	Canon Pump Station	-96.12	1074
	PG&E- #6675831511-4	Office/Shop	-1,483.94	1075
	Redwood Public Law, LLP	Legal Services	-10,185.16	1076
	TelePacific Communications	Office Phones	-1,312.38	1077
	Universal Building Services	Janitorial Service May	-469.00	1078
	Vestis	Uniform Services	-300.87	1079
	WECO Industries, Inc.	O2 Sensor Replacement	-740.00	1080
Jun 20, 24			-40,841.36	

STEGE SANITARY DISTRICT 2024 BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
1/1 & 1/15 HOLIDAY CASA Winter Conf. Jan 24-26, Palm Springs	2/19 HOLIDAY CASA Policy Forum Feb 26-27, Wash, DC			5/27 HOLIDAY	6/19 HOLIDAY
1/18/2024 – 7:00 P.M.	2/1/2024 – 7:00 P.M.	3/2/2024 – 9:00 A.M.	4/18/2024 – 7:00 P.M.	5/2/2024 – 7:00 P.M.	6/6/2024 – 7:00 P.M.
<ul style="list-style-type: none"> • Board Governance Manual Review • Service Rate Discussion • Long Range Planning Workshop Agenda • Director’s Contact Info • Board Training Summ. • CASA/CSDA Conf. • Quarterly Financial Statements • SPASPA Status Report • CLOSED SESSION – Quarterly Claims Rpt. – Manager Perf. Eval. 	<ul style="list-style-type: none"> • (none) 	<p><u>9AM MEETING TIME</u></p> <ul style="list-style-type: none"> • Long Range Planning Workshop – Past 5 yrs. Expenditures Review – Self-Assessment of Governance – Strategic Plan Review 	<ul style="list-style-type: none"> • Draft Budget • Employee Benefit Package Review • Service Rate Discussion/Approval • July 4th Fair Discussion • Board Training Summ. • Quarterly Financial Statements • SPASPA Status Report • Appoint Labor Negot. • CLOSED SESSION – Quarterly Claims Rpt. – Conf. Labor Negot. 	<ul style="list-style-type: none"> • (none) 	<ul style="list-style-type: none"> • Draft Budget • Review Directors’ Meeting Compensation • District Working Capital and Reserve Policy • Approve Project Plans and Specs (+CEQA) • July 4th Fair Discussion • CASA/CSDA Conf.
	2/15/2024 – 7:00 P.M.	3/21/2024 – 7:00 P.M.		5/16/2024 – 7:00 P.M.	6/20/2024 – 7:00 P.M.
	<ul style="list-style-type: none"> • Board Governance Manual Approval • Actuarial Analysis of Retiree Health Benefits Report (even years) • Performance Report • District of Distinction (every 3 years) • Service Rate Discussion • Long Range Planning Workshop Agenda • Board Training Summ. • CASA/CSDA Conf. • CASA Conference Attendee Reports • Form 700 	<ul style="list-style-type: none"> • Auditor – RFP • California Employer’s Retiree Benefit Trust (CERBT) • Service Rate Discussion • Action Plan • Board Training Summ. • Consent Decree Quarterly Report • CASA Conference Attendee Reports • Form 700 		<ul style="list-style-type: none"> • Resolution Ordering Board Election (even years) • Draft Budget • Board Training Summ. • July 4th Fair Discussion • Review of Comparable Agencies • Service Rate Discussion/Approval • CLOSED SESSION – Manager Perf. Eval. – Conf. Labor Negot. 	<ul style="list-style-type: none"> • Resolution Salary of District Manager • Resolution Employee Salary Ranges • Resolution Approve/Adopt Budget • Review and Approve Incentive Award • Adopt Incentive Award Goals & Objectives • July 4th Fair Discussion • CD Quarterly Report • CASA/CSDA Conf. • CLOSED SESSION – Counsel Perf. Eval.

STEGE SANITARY DISTRICT

2024 BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
7/4 HOLIDAY 4 th of July Fair Booth CASA Annual Conf. Jul 31- Aug 2, Monterey		9/2 HOLIDAY CSDA Annual Conf. Sep 9-12, Indian Wells Board Training AB 1234 (even years) AB 1661 (odd years)		11/28-29 HOLIDAY	12/12 HOLIDAY LUNCHEON 12/25 HOLIDAY
7/18/2024 – 7:00 P.M.	8/8/2024 – 7:00 P.M.	9/5/2024 – 7:00 P.M.	10/3/2024 – 7:00 P.M.	11/7/2024 – 7:00 P.M.	12/12/2024 – 2:00 P.M.
<ul style="list-style-type: none"> • Hearing +Res./Ord. – Establish and Collect Sewer Service Charges – Director Meeting Compensation • Resolution Filing Notice of Completion • District Investment Policy • Reimb. Report per Gov. Code 53065.5 • Candidate filing period (even years) • CASA/CSDA Conf. • Form 470 • July 4th Fair Debrief • Quarterly Financial Statements • SPASPA Status Report • CLOSED SESSION – Quarterly Claims Rpt. 	<ul style="list-style-type: none"> • (none) 	<ul style="list-style-type: none"> • (none) 	<ul style="list-style-type: none"> • (none) 	<ul style="list-style-type: none"> • Proposed Meeting Calendar • Board Officer Succession Plan • CASA/CSDA Conf. 	<u>2PM MEETING TIME</u> <ul style="list-style-type: none"> • Fiscal Year Financial Audit • Resolution Certifying Election Results (even years) • Connection Charge Review • Emergency Contact Update • Meeting Calendar • Consent Decree Quarterly Report • CASA/CSDA Conf. • Pension + OPEB UAL Reports • Nomination & Election of Officers
	8/22/2024 – 7:00 P.M.	9/19/2024 – 7:00 P.M.	10/17/2024 – 7:00 P.M.		