

STEGE SANITARY DISTRICT BOARD OF DIRECTORS  
MEETING OF FEBRUARY 11, 2021  
TIME OF MEETING: 7:00 P.M.  
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

\*\*\*\*\* AGENDA \*\*\*\*\*

Items on the agenda may be taken out of order.

Public comment may be 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.stegesan.org](http://www.stegesan.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.*

*Public comment can be sent remotely by delivering to 7500 Schmidt Lane, El Cerrito, CA 94530 or via email to [comments@stegesan.org](mailto:comments@stegesan.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 15 minutes before the starting time of the meeting will either be provided as written comment or be read into the record, with a maximum allowance of 3 minutes per individual comment read into the record, subject to the Board President's discretion. Copies of all timely received written comments will be provided to the Board and will be added to the official record.*

*Pursuant to Executive Order N-29-20, Board Members Christian-Smith, Gilbert-Snyder, Merrill, Miller, and O'Keefe may be attending this meeting via remote conferencing. In the event that any Board Member elects to attend remotely, all votes conducted during the remote conferencing session will be conducted by roll call vote.*

**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)

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**IV. Approval of Minutes**

Motion:

- A. Approval of Minutes of January 21, 2021 Board Meeting  
(The Board will be asked to review and approve the minutes of January 21, 2021 Board Meeting)

Info/Motion: V.

**V. Communications**

- A. Oral Communications
1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
    - a. California Association of Sanitation Agencies (CASA) Winter Conference, January 27-28, 2021
    - b. City & Community Meetings
- B. Written Communications
1. TAKE ACTION: H.R. 535 and S.91 Special Districts Provide Essential Services Act

Info:

**VI. Reports of Staff and Officers**

- A. Attorney's Report
- B. Manager's Report
1. Monthly Maintenance Summary Report
  2. Monthly Report of Sewer Replacements and Repairs
  3. Draft Long Range Planning Agenda
  4. 2020 Performance Report
  5. Form 700 Statement of Economic Interest/Conflict of Interest
  6. SDLF Certificate in Special District Governance
  7. Fiscal Year (FY) 2020 Community Power Resiliency Allocation to Special Districts - Notification of Award Denial

**VII. Business**

Res./Motion:

- A. RESOLUTION 2154-0221 REVISING THE MISSION STATEMENT OF THE STEGE SANITARY DISTRICT  
(The Board will consider approval of the resolution)

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Res./Motion: B. RESOLUTION 2155-0221 AMENDING THE BOARD GOVERNANCE MANUAL OF THE STEGE SANITARY DISTRICT  
(The Board will consider approval of the resolution)

Res./Motion: C. RESOLUTION 2156-0221 AMENDING THE EMPLOYEE PERSONNEL POLICIES OF THE STEGE SANITARY DISTRICT, ARTICLE IV, SECTION 1. EMPLOYEE BENEFITS, 4.1.8. RETIREE HEALTH BENEFITS  
(The Board will consider approval of the resolution)

Res./Motion: D. RESOLUTION 2157-0221 EXTENDING EMERGENCY PAID SICK LEAVE AND EMERGENCY FAMILY AND MEDICAL LEAVE FOR STEGE SANITARY DISTRICT EMPLOYEES  
(The Board will consider approval of the resolution)

Info: **VIII. Financial Statements**  
A. Monthly Investment, Cash, Receivables Report  
B. Monthly Operating Statement  
(The Board will review the statements)

Motion: **IX. Approval of Checks**  
A. Checks for February 11, 2021- Fund No. 3418 & 3423  
(The Board will be asked to approve the checks)

Info: **X. Future Agenda Items**  
**March 6, 2021 @ 9:00 AM**  
Long Range Planning Workshop  
  
**March 18, 2021**  
California Employer's Retiree Benefit Trust (CERBT) Contributions  
Consent Decree Quarterly Report  
Board Training Summary  
Form 700

**XI. Adjournment**

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF FEBRUARY 11, 2021

TIME OF MEETING: 7:00 P.M.

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(The next meeting of the Stege Sanitary District Board of Directors is the Long Range Planning Workshop scheduled to be held on March 6, 2021 at 9:00 A.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, CA.)

STEGE SANITARY DISTRICT BOARD OF DIRECTORS  
 MEETING OF JANUARY 21, 2021  
 TIME OF MEETING: 7:00 P.M.  
 DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

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

- I. Call To Order:** President O’Keefe called the meeting to order at 7:00 P.M.
- II. Roll Call:** Present: Christian-Smith (video-conference), Gilbert-Snyder (video-conference), Merrill, Miller (video-conference), O’Keefe (video-conference)
- Absent: None
- Others Present: Rex Delizo, District Manager  
 Kristopher Kokotaylo, District Counsel  
 Kian Malek, City Ventures (video-conference for Item VII.D)

**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.

**PUBLIC HEARING – ORDINANCE NO. 2150-0121 APPROVING INCREASE IN SEWER CONNECTION CHARGES**

The Manager gave a report on the proposed sewer connection charges as follows: \$3,048 per dwelling unit for single-family residential; \$1,993 per dwelling unit for multi-family residential; \$117.24 per fixture unit for non-residential and detached accessory dwelling units; and \$258.28 per fixture unit for all development within the San Pablo Avenue Specific Plan Area. President O’Keefe opened the public hearing at 7:03 P.M. There were no members of the public in attendance nor any comments or objections received by mail or email. The public hearing was closed at 7:05 P.M. The Board made final comments and began consideration of Ordinance No. 2150-0121.

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MOTION: By Miller, seconded by Gilbert-Snyder, to approve Ordinance 2150-0121 Amending Chapter 7, Section 7.3 of the Stege Sanitary District Ordinance Code – Sewer Connection Charge

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

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

**VII. Business**

D. Resolution No. 2153-0121 Resolution Approving an Agreement for Grant of Easements and Accepting Sewer Easements and Authorizing the Release And Reconveyance of an Easement Located in the City of Richmond

The Board approved the resolution to release and reconvey an unused sewer easement and reserve that the District has no plans to use in the future in exchange for receiving formal sewer easements from the owner for existing sewer lines on the property.

MOTION: By Merrill, seconded by Gilbert-Snyder, to approve Resolution No. 2153-0121 Resolution Approving an Agreement for Grant of Easements and Accepting Sewer Easements and Authorizing the Release And Reconveyance of an Easement Located in the City of Richmond

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

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

**CLOSED SESSION**

**Liability Claims**

Gov. Code § 54956.95

Claimant: Lucia

Agency Claimed Against: Stege Sanitary District

**Liability Claims**

Gov. Code § 54956.95

Claimant: Gailfus

Agency Claimed Against: Stege Sanitary District

**Liability Claims**

Gov. Code § 54956.95

Claimant: Jones

Agency Claimed Against: Stege Sanitary District

**Public Employment Performance Evaluation**

Gov. Code § 54957

Title: District Manager

The Board entered into closed session at 7:17 P.M. and returned to open session at 7:55 P.M. President O'Keefe announced the Board had taken no reportable actions.

**IV. Approval of Minutes**

**A. Approval of January 7, 2021 Board Meeting Minutes**

MOTION: Gilbert-Snyder, seconded by Merrill, to approve the minutes of the January 7, 2021 Board Meeting, as amended

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

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NOES: None  
ABSTAIN: None  
ABSENT: None

**V. Communications**

**A. Oral Communications**

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
  - a. City & Community Meetings

Miller gave a report on a recent El Cerrito City Council Meeting.

**B. Written Communications**

There were no written communications to consider.

**VI. Reports of Staff and Officers**

**A. Attorney's Report:**

Kokotaylo reported on the Families First Coronavirus Response Act (FFCRA) that ended on December 31, 2020. For the District to voluntarily continue to provide FFCRA leave to eligible employees, an action of the Board is required. The Board asked Kokotaylo to work with staff to bring this item back for consideration at a future Board meeting.

**B. 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 payments were made for sewer replacements and repairs made in December.

3. San Pablo Avenue Specific Plan Area Status Report

The Manager reported on the status of the impact fee.

4. District of Distinction Accreditation Levels



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The Manager reported on the requirements for increased accreditation levels and will bring back information on Certificate in Special District Governance requirements.

5. California Association of Sanitation Agencies (CASA)

The Manager reported on the upcoming conference dates for 2021.

**VII. Business**

A. Resolution No. 2151-0121 Approving an Amendment to the Salary Ranges of Maintenance, Technical, and Administrative Employees Employed by Stege Sanitary District, Beginning January 1, 2021, in Conformance with California Code of Regulations, Title 2, Section 570.5

The Board approved the resolution increasing all District salary ranges by \$1000.

MOTION: By Merrill, seconded by Gilbert-Snyder, to approve Resolution No. 2151-0121 Approving an Amendment to the Salary Ranges of Maintenance, Technical, and Administrative Employees Employed by Stege Sanitary District, Beginning January 1, 2021, in Conformance with California Code of Regulations, Title 2, Section 570.5

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

B. Approval of Plans and Specifications – Redundant Sanitary Sewer Forcemain Project Burlingame and Canon Pump Stations, Project #21202

The Board approved the plans and specifications.

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MOTION: By Gilbert-Snyder, seconded by Miller, to approve the Plans and Specifications – Redundant Sanitary Sewer Forcemain Project Burlingame and Canon Pump Stations, Project #21202

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

C. Resolution No. 2152-0121 Making Findings and Directing Filing of Notice of Exemption, Pursuant to California Environmental Quality Act, Redundant Sanitary Sewer Forcemain Project Burlingame and Canon Pump Stations, Project #21202

The Board approved the California Environmental Quality Act (CEQA) exemption.

MOTION: By Miller, seconded by Gilbert-Snyder, to approve Resolution No. 2152-0121 Making Findings and Directing Filing of Notice of Exemption, Pursuant to California Environmental Quality Act, Redundant Sanitary Sewer Forcemain Project Burlingame and Canon Pump Stations, Project #21202

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

D. Resolution No. 2153-0121 Resolution Approving an Agreement for Grant of Easements and Accepting Sewer Easements and Authorizing the Release And Reconveyance of an Easement Located in the City of Richmond

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

E. Draft Long Range Planning Agenda

The Board reviewed and discussed the draft agenda for the upcoming long range planning workshop scheduled for Saturday, March 6, 2021.

**VIII. Financial Statements**

A. Monthly Investment, Cash, Receivables Report

B. Monthly Operating Statement

C. Cash on Hand vs. Target Chart

D. Local Agency Investment Fund (LAIF) Quarterly Statement

E. California Employers' Retiree Benefit Trust (CERBT) Quarterly Statement

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

**IX. Approval of Checks**

A. Checks for January 30, 2020 - Fund No. 3418 & 3423

MOTION: By Miller, seconded by Merrill, to pay the bills, Check Nos. 26929 through 26957 in the amount of \$281,093.95

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

NOES: None

ABSTAIN: None

ABSENT: None

**X. Future Agenda Items**

**February 11, 2021**

Actuarial Analysis of Retiree Health Benefits Report

Long Range Planning Workshop Agenda

Board Training Summary

CASA Conference

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Form 700

+*Mission Statement revision*

+*Board Governance manual*

+*Resolution for FFCRA Extension*

+*Performance Report*

+*SDLF Certificate in Special District Governance*

**March 6, 2021 @ 9AM**

Long Range Planning Workshop

**XI. Adjournment**

The meeting was adjourned at 9:06 P.M. The next meeting of the District Board of Directors will be held on Thursday, February 11, 2021 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California

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Rex Delizo  
STEGE SANITARY DISTRICT  
Secretary

## Director Miller Report on CASA Virtual Winter Conference, 26-28 January 2021

26 JAN: CSRMA Training - All three CSRMA training sessions were recorded and will be available for watching in about a week.

### **Session 1 – Workers Comp Law Update**

1. This presentation is only an overview of the changes.
2. Must have written Covid 19 Prevention Plan - CPP
3. SB 1159 is about Claims for “persons on site”

**Question for Rex:** How do we cover our EC Standby employees in our CPP?

### **Session 2 – Competency Based Training System**

1. Training based on SOPs requiring demonstrated ability to perform duties.
2. Regular Competency Assessments involved.

#### **Questions for Rex:**

1. Do we have SOPs for all of the equipment our crew operates?
2. How often do we perform Competency Assessments on our employees?
3. How often do we perform Competency Assessments on our EC Standby employees?

### **Session 3: Best Practices for Dealing with First Aid Claims**

1. Went through what is and what is not a 1<sup>st</sup> Aid claim
2. Encouraged use of the 24/7 “Nurse Triage Program” provided at no charge by CSRMA.

#### **Questions for Rex:**

1. Have we ever used the Nurse Triage Program?
2. Is our Employee Incentive Program connected in any way with a safety record? If so, please check with Chris, because the presenter of this session said it was illegal to do that. I’m guessing that that situation would discourage employees from making W/C claims.

## 27 JAN: CASA Sessions Day 1

### **0915 – 1015: Heather McGowan, The Future of Work**

She emphasized that Covid dictated “working from home” will have a lasting influence on how work is done in the post Covid future. She also showed that ever since the beginning of the Industrial Revolution the “how, where, and what” of work has evolved at an ever increasing rate of change, which will continue into the future.

She also emphasized that successful employers need to be able to motivate their current and new employees to “keep up with this increasing pace of change” and reward them for doing so if they

Branding:

She has written a book about this called *The Adaption Advantage*.

**Question for Rex:** How/what can SSD offer to our employees to motivate them to “keep up with the increasing pace of change” they are facing and reward them for doing so

### **1030 – 1115: What’s Next in CA? Executive & Legislative Priorities for 2021**

CA Senator Ben Allen knows a lot about water and wastewater issues. His comment that stuck with me was his stating the strong need to “**switch the responsibility for removing unwanted materials for sewer water from Cities and Special Districts to the manufacturers!**” Including PFAS.

## **1115 – 1200: Mastering the IQ/EQ Equation: The Neuroscience Behind Communication in Water**

To get your desired information out, **Speak up, Speak first, Speak often!** especially on Social Media

**You need to NAIL the ABCs**

Assessment: Measure what you value. What does success look like?

Branding: What is the “heart beat” of your organization? Do your communications clearly show that?

Content: Everyone is not your audience; your customers (constituents) are! If our customers are not listening, it’s our fault, not theirs’.

A successful strategy is always focused on your Audience, Audience, Audience. Your Audience needs 7 to 8 “touches” to get and keep their attention. If what you are doing isn’t working, change what you are doing. An remember, A “pivot” is a change in strategy, not a change in vision.

## **28 JAN: CASA Sessions Day 2**

### **0800 – 0900: CSRMA Board Meeting**

1. Agenda Item D.2: Financial Audit of 39 JUN 2020
  - Workers Comp program back in the Black after two years in the Red
  - Unmodified audit results
  - No Internal Control deficiencies
2. Agenda Item E.1.c: Declaration of Dividend as of 31 DEC 2020
  - Total Dividend \$1,344,560
  - SSD Dividend \$18,721
3. Agenda Item E.2.A CSRMA Workers Comp Awards
  - Ora Loma Sanitary District
  - San Elijo JPA
  - Fairfield Suisun Sewer District
  - Goleta SD

### **0915 – 1015: What’s Next in DC? New Congress, New Opportunities**

- Scott Berry, US Water Alliance; Recovering Stronger. Stressed priority need for all agencies of the Federal gov’t with water responsibilities to get coordinated.
- Joe Sheehy, Legislative Director for Congresswoman Grace NapoLitano. Her interests are:
  - Clean Water SRF
  - Waste Water Epidemiology
  - Rate Payer Assistance &
  - Water recycling

**From:** Colleen Haley <colleenh@csda.net>

**Sent:** Tuesday, February 02, 2021 2:02 PM

**Subject:** TAKE ACTION: H.R. 535 and S.91 Special Districts Provide Essential Services Act

Dear District Managers and Representatives:

CSDA is calling on special districts to send letters of support for [H.R. 535](#) and [S. 91](#), the Special Districts Provide Essential Services Act, and share with them the pandemic's impacts on operations, services and staff. **Would your district be able to send a letter to support the bills?** See letter template link below.

[Click here to find your U.S. House representative.](#)

[Click here to download your template letter.](#)

[Click here to commit your support and/or sign onto future national letters to Congress.](#)

[Click here for a bill fact sheet, talking points, FAQ and discussion guide.](#)

CSDA and national partners have spearheaded this effort since April 2020. U.S. Representative John Garamendi, D-Calif., and Senator Kyrsten Sinema, D-Ariz., again lead this year's bills with Senator Dianne Feinstein, D-Calif., and Senator John Cornyn, R-Texas, as bipartisan cosponsors in the Senate.

Both bills are identical to last year's bipartisan S. 4308. Primary provisions of H.R. 535 and S. 91 include:

- A requirement for states to distribute 5 percent of future Coronavirus Relief Fund allocations to special districts within their respective state within 60 days of receiving funds from the U.S. Treasury.
- Special districts applying for funding would submit information to their state demonstrating the degree to which they have experienced or anticipate they will experience COVID-19-related revenue loss, grant/inter-governmental revenue loss, or increased COVID-19-related expenditures.
- Limits allocations such that a special district may not receive funding that exceeds the amount the district expended in any quarter of 2019. Special districts providing services the federal Cybersecurity and Infrastructure Security Agency deems to be within a "[critical infrastructure sector](#)" would be exempt from limitations.
- Provides flexibility for states with excess funds reserved for special districts that make a good faith effort to distribute funds to districts within the state. States file a waiver with U.S. Treasury after 60 days demonstrating how the state distributed its special districts funding. If approved, the state may use the balance of the funds for other COVID-19 response purposes.
- "Special district" would be defined as a "*political subdivision of a State, formed pursuant to general law or special act of the State, for the purpose of performing one or more governmental or proprietary functions.*"
- Would direct the U.S. Department of Treasury to consider special districts as eligible issuers to take advantage of the Municipal Liquidity Facility, as established in the [CARES Act](#), for access to capital during the current financial downturn.

A full list of House cosponsors can be found [here](#), and a full list of Senate cosponsors can be found [here](#).

For more information and resources, please contact me or Cole Karr, CSDA Public Affairs Field Coordinator and Federal Advocacy Coordinator, at [colek@csda.net](mailto:colek@csda.net).

Thank you,

Colleen

**Colleen Haley**

*Bay Area Public Affairs Field Coordinator*

California Special Districts Association

[1112 I Street, Suite 200](#)

[Sacramento, CA 95814](#)

530-902-3932 cell

[www.csda.net](http://www.csda.net)

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## FACT SHEET:

### H.R. 535 (Garamendi) & S. 91 (Sinema): Special Districts Provide Essential Services Act

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**Summary:** H.R. 535 and S. 91 would provide special districts access to future appropriations to the Coronavirus Relief Fund, enhance Federal Reserve programs to allow special districts access to capital, and establish a definition for “special district” in federal law for program eligibility.

#### Main provisions:

- Would require states to distribute 5 percent of future Coronavirus Relief Fund allocations to special districts within their respective state within 60 days of receiving funds from the U.S. Treasury.
- Special districts applying for funding would submit information to their state demonstrating the degree to which they have experienced or anticipate they will experience COVID-19-related revenue loss, grant/inter-governmental revenue loss, or increased COVID-19-related expenditures.
- Allocations would be limited such that a special district may not receive funding that exceeds the amount the district expended in any quarter of 2019. Special districts providing services the federal Cybersecurity and Infrastructure Security Agency deems to be within a [“critical infrastructure sector”](#) would be exempt from limitations.
- Provides flexibility for states with excess funds reserved for special districts that make a good faith effort to distribute funds to districts within the state. States file a waiver with U.S. Treasury after 60 days demonstrating how the state distributed its special districts funding. If approved, the state may use the balance of the funds for other COVID-19 response purposes.
- “Special district” would be defined as a *“political subdivision of a State, formed pursuant to general law or special act of the State, for the purpose of performing one or more governmental or proprietary functions.”*
- Would direct the U.S. Department of Treasury to consider special districts as eligible issuers to take advantage of the Municipal Liquidity Facility, as established in the [CARES Act](#), for access to capital during the current financial downturn.

#### Frequently Asked Questions:

##### *Why is this bill necessary?*

The Special Districts Provide Essential Services Act is necessary to meet the needs of special districts across the nation delivering essential services to their communities. Many special districts provide critical infrastructure, as defined by the U.S. Department of Homeland Security, that cities and counties do not provide to the communities they serve. Despite this, special districts are not considered eligible for direct Coronavirus Relief Fund disbursements. Many states and counties did not release their portions of Coronavirus Relief Funds, in part intended for municipalities serving fewer than 500,000 people, to special districts despite their ability to do so. **Without changes to the current law, special districts will continue facing obstacles to funding. This legislation allows special districts access to local government resources that have already been authorized and appropriated.**

*Would the Special Districts Provide Essential Services Act authorize any new programs or provide new emergency appropriations?*

**No.** The legislation only ensures special districts have access to COVID-19 relief funds for state and local governments made under Section 601 of the Social Security Act (the Coronavirus Relief Fund). The bill would require a small portion of future Section 601 appropriations to be directed to special districts. This makes the amount directed to special districts contingent upon what Congress appropriate under Section 601 in the future.

*Would the bill cover COVID-19-related revenue loss?*

The legislation would allow special districts access and use assistance made available under Section 601 of the Social Security Act (the Coronavirus Relief Act). The CARES Act currently only allows funds to be used only COVID-19-related expenditures. Congress may amend Section 601 to allow funds to be used for COVID-19 revenue loss in a separate effort.

*Why is the mandate to direct future allocations 5 percent?*

The National Special Districts Coalition and Congressman Garamendi settled on a 5 percent share based on property tax revenue data for special districts relative to cities and counties. Special districts receive at least 10 percent of each state's property tax revenue when comparing to city and county governments. Based figures listed within the U.S. Census Bureau's 2017 Census of Governments, expenditures tend to track with revenue figures. Special districts fully understand general purpose governments - counties and cities – have more services (full health departments, office of emergency services, etc.) that are utilized while also experiencing large declines in sales tax revenues. Being mindful of the situation, special districts ask for 5 percent of future allocations, which in some states is rather modest.

*Does the bill outline how states must distribute the funds?*

No. The bill gives states discretion to direct funding to special districts based on districts' needs with each respective state. However, the states would be required to distribute the funds within 60 days of receiving their portion from the U.S. Department of the Treasury.

*How many special districts are there in the U.S.?*

There are approximately 30,000 special districts serving millions of Americans across the country. This is hard to ascertain, as there is no federal definition of "special district" in current law. "Special districts" definitions vary across states. To remedy this, the Special Districts Provide Essential Services Act establishes a "special district" definition.

*Does the Special Districts Provide Essential Services Act prioritize particular types of districts over the others?*

No, the bill does not specify which districts are eligible for the funds. Special purpose governments meeting the definition established in the bill would all be eligible. States would make determination on how the funds are distributed in their respective states.

The bill defines “special district” as *a political subdivision, formed pursuant to general law or special act of a State, for the purpose of performing one or more governmental or proprietary functions.*

### Talking Points:

- Special districts are local governments providing critical infrastructure, first response and community enrichment services to millions across California and the country.
- We are local governments, not businesses or non-profits, and though we provide services like water, sewer, fire protection, parks, and others, we are separate and distinct from cities and counties.
- Many special districts have not received access to Coronavirus Relief Act funding for local governments through their states and counties, despite providing essential services counties and cities do not provide their residents.
- The Special Districts Provide Essential Services Act would allow a portion of resources provided in future Coronavirus Relief Fund appropriations to be directed to special districts.
- ***These bills do not ask for a new appropriation.*** Rather, it authorizes a mechanism for special district access appropriations Congress makes in the future under Section 601 of the Social Security Act (CARES Act / Coronavirus Relief Fund).
- The bill would give states flexibility on how to disburse funds to special districts within their respective states.
- This bill also allows special districts to use the Federal Reserve’s Municipal Liquidity Facility program as a tool to access capital during an economic downturn / period of revenue loss – a tool other local governments have access to.
- This bill remedies the problem, providing greater fiscal certainty for special districts, with a definition of special districts and direction for states to provide 5 percent of their respective proportion of the Fund to special districts.
- The legislation does not intend to divert monies appropriated for cities and counties.
- Without access to federal resources, special districts will continue falling into economic distress, deferring maintenance, delaying capital projects, reducing staff and cutting services to their communities.

### Discussion Guide for Impacts on Your Special District

- Share with your representative where your special district is located (region), what services your district provides and how many people live in the community
- Quantify previously unbudgeted expenses due to COVID-19 and share what those expenses have been (PPE, technology upgrades to for telecommuting, etc.)
- To what extent has your district experienced revenue loss? What do you project it to be?
- Have you had to cancel or significantly change routine operations or programs?
- *If a utility provider:* have you experienced revenue loss due diminished commercial and industrial service? Have you noticed unpaid residential customer bills? (state whether you have issued moratoriums on shutoffs)

- How many employees do you have, and how many now must either work from home and/or have been let go/furloughed?
- Have staff members had to take emergency sick or family leave time?
- Have you had to repurpose your district's facilities to accommodate community needs?



## STEGE SANITARY DISTRICT

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

*District Counsel:*  
Kristopher Kokotaylo

*Board of Directors:*  
Juliet Christian-Smith  
Paul Gilbert-Snyder  
Dwight Merrill  
Alan C. Miller  
Beatrice R. O'Keefe

Thursday, February 11, 2021

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Alex Padilla  
United States Senate  
B03 Russell Senate Office Building  
Washington, D.C. 20510



The Honorable Mark DeSaulnier  
United States House of Representatives  
503 Cannon House Office Building  
Washington, D.C. 20515

### **RE: Support H.R. 535 and S. 91, the Special Districts Provide Essential Services Act**

Dear Senator Feinstein, Senator Padilla, and Representative DeSaulnier:

The Stege Sanitary District (District) respectfully requests your support of H.R. 535 and S. 91, the Special Districts Provide Essential Services Act, and its inclusion in any potential pandemic relief package. These bills would ensure that your constituents receiving essential services, like fire protection, water, wastewater, childcare, healthcare, resource and agricultural conservation, and more from a special district, rather than a city or county, are not excluded from future COVID-19 relief approved for state and local governments.

Our District provides sanitary sewer services to Kensington, El Cerrito and a portion of Richmond known as the Richmond Annex and currently operates and maintains 148 miles of sanitary sewers and two pumping stations serving over 35,000 residents residing within the District boundaries. Our employees are on the front-lines, yet our District has yet to receive the direct access to funding that other government agencies, as well as businesses and non-profits, have received.

Our District is just one of 2,000 across the state that, altogether, anticipate a \$1.26 billion impact due to COVID-19 through the end of Fiscal Year 2021. Furthermore, 46 percent are unlikely to maintain current staffing of essential workers or are uncertain that they can, and 54 percent are

unlikely to maintain or are uncertain about the level of essential services they can provide through this fiscal year.

These bills are identical to the bipartisan S. 4308 from the 116th Congress. H.R. 535 and S. 91 would allow the vital services that communities rely upon to continue unhindered, while also providing greater certainty for these governments to retain their essential workers. Specifically, the legislation would establish a federal definition of “special district”, allow special districts’ access to future Coronavirus Relief Fund allocations, and designate special districts as “eligible issuers” of the Federal Reserve Board’s Municipal Liquidity Facility.

Without ready access to pandemic relief available to other units of local government, the risk of special districts’ inability to continue providing uninterrupted, vital services to their communities will continue to grow. We look forward to working with you to ensure all essential workers and the vulnerable communities they serve receive equitable access to these important relief funds

Thank you for your consideration of our request,  
STEGE SANITARY DISTRICT

Beatrice O’Keefe  
Board of Directors President

cc: Governor Gavin Newsom  
Cole Karr, Federal Advocacy Coordinator, California Special Districts Association  
[advocacy@csda.net]

**STEGE SANITARY DISTRICT  
MONTHLY MAINTENANCE SUMMARY REPORT  
Jan-21**

**1. ROUTINE PREVENTIVE MAINTENANCE ACTIVITES**

There were 19 normal working days	Days	Feet
Unit #10 (combo) operated:	3	8,086
Unit #11 (rodder) operated:		
Unit #15 (video) operated:	7	14,943
Unit #16 (combo) operated:	17	83,066

	Month (feet)		Quarter (feet)		
	Planned	Unplanned	Planned	Unplanned	Remaining
Total Cleaned	88,203	2,949	88,203	2,949	113,327
Total Video	11,013	3,930	11,013	3,930	41,685

**2. MONTHLY SERVICE CALLS**

After-hour service calls: 6 calls 3 out

**STEGE SANITARY DISTRICT - SERVICE CALLS, OVERFLOWS AND BACKUPS**

YEAR	MO	SERVICE CALLS		LATERAL PROBLEMS		STRUCTURAL MAINLINE FAILURES		MAINLINE OVERFLOWS INTO HOMES	
		CURRENT MONTH	12 MONTH AVERAGE	CURRENT MONTH	12 MONTH AVERAGE	CURRENT MONTH	TOTAL LAST 12-MOS	CURRENT MONTH	TOTAL LAST 12-MOS
2021	Jan	14	12.7	10	6.8	0	2	0	2
		CATEGORY 1 SSOs		OVERFLOWS CAUSED BY MAINLINE		OVERFLOWS RELATED TO WET WEATHER			
		CURRENT MONTH	TOTAL LAST 12-MONTHS	CURRENT MONTH	TOTAL LAST 12-MONTHS	CURRENT MONTH	TOTAL LAST 12-MONTHS		
		0	1	0	5	0	0		

**3. SAFETY AND TRAINING**

Safety and training meetings were conducted twice a month.

# MONTHLY SERVICE CALLS

# January-2021

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS
1/2/2021 Saturday 8:52 AM	221005 221004	6417 FAIRMOUNT AVE. 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.
1/2/2021 Saturday 5:00 PM	221005 221004	6417 FAIRMOUNT AVE. EL CERRITO, CA 94530 <i>Last Call: 1/2/2021</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
1/4/2021 Monday 11:26 AM	102106 102105	5301 TEHAMA AVE. RICHMOND, CA 94804 <i>Last Call: 3/28/2014</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C, G				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
1/5/2021 Tuesday 1:06 PM	187408 187407	2355 CARQUINEZ AVE. EL CERRITO, CA 94530 <i>Last Call: 3/1/2001</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C, OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
1/6/2021 Wednesday 10:18 AM	271112 271111	406 VILLAGE DR. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	T				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM (SINK HOLE).
1/9/2021 Saturday 2:42 PM	161105 161104	5216 SCHOOL ST. EL CERRITO, CA 94530	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	F, G				DISTRICT LINE WAS FULL OF GREASE.
1/11/2021 Monday 9:07 AM	161516 161514	6612 HAGEN BLVD. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	T				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM. (BROKEN CLEAN OUT CAP)
1/11/2021 Monday 9:19 AM	224116 224115	520 NORVELL ST. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	P				WE FOUND THIS TO BE A PG&E PROBLEM.
1/11/2021 Monday 1:48 PM	234216 234214	379 OCEAN VIEW AVE. 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.
1/20/2021 Wednesday 5:14 PM	161310 161325	1740 LIBERTY ST. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C, LC				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
1/20/2021 Wednesday 6:55 PM	224115 224102	509 NORVELL 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.
1/27/2021 Wednesday 10:30 AM	232203 232202	7431 WARD AVE. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
1/28/2021 Thursday 1:20 PM	231103 231102	1629 OCEAN VIEW AVE. KENSINGTON, CA 94707 <i>Last Call: 9/18/2008</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
1/30/2021 Saturday 2:18 PM	189128 189127	2690 TAMALPAIS AVE. EL CERRITO, CA 94530 <i>Last Call: 2/8/2019</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	O				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.

**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 Drn (SD)
  - Yard (Y)
  - Other (O)

<b>MAINLINE:</b>	<b>1</b>
<b>LATERAL:</b>	<b>10</b>
<b>OTHER:</b>	<b>3</b>
<b>TOTAL SERVICE CALLS:</b>	<b>14</b>
<b>MAINLINE OVERFLOW:</b>	<b>0</b>
<b>MAINLINE SURCHARGE:</b>	<b>0</b>



# SANITARY SEWER OVERFLOWS (SSOs) LAST 12 MONTHS

## February-2021

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS	CAT*	VOL	RCVR'D	NET
<b>1/23/2020</b> Thursday 12:41 PM	102104 102103	1531 SAN JOAQUIN ST. RICHMOND, CA 94804	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	D, OF	BLDG	ML	BLDG	BROKEN CONNECTION @ 1528 SAN JOAQUIN CAUSED SSO.	CAT 3	10 gallons	10 gallons	0 gallons
<b>3/23/2020</b> Monday 8:00 PM	102311 102308	1338 SOUTH 56TH ST. RICHMOND, CA 94804	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	W, OF	MH	B	ST	SSO WAS CAUSED BY CLOTH TOWELS AND WIPES	CAT 3	5 gallons	5 gallons	0 gallons
<b>4/19/2020</b> Sunday 10:44 AM	282104 282103	651 KEARNEY ST. EL CERRITO, CA 94530	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	B, D, OF	BLDG	ML	BLDG	SSO CAUSED BY BROKEN MAIN DUE TO CONSTRUCTION.	CAT 3	151 gallons	26 gallons	125 gallons
<b>7/15/2020</b> Wednesday 11:56 AM	231906 231901	329 RUGBY AVE. KENSINGTON, CA 94707	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	B	ML	ML	SD, C	BROKEN MAIN	CAT 1	117 gallons	12 gallons	105 gallons
<b>12/13/2020</b> Sunday 4:37 PM	262118 262104	703 EVERETT ST. EL CERRITO, CA 94530	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	OF, T	BLDG	B	BLDG	WE FOUND A PLASTIC SOFTBALL IN SEWER LINE.	CAT 3	36 gallons	36 gallons	0 gallons
<b>12/22/2020</b> Tuesday 8:36 PM	212115 212154	5735 COLUMBIA AVE. RICHMOND, CA 94804	Main <input checked="" type="checkbox"/> Lateral <input type="checkbox"/> Other <input type="checkbox"/>	D, W	MH	B	ST	FOUND DEBRIS AND BABY WIPES IN MAINLINE.	CAT 3	6 gallons	6 gallons	0 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: 6  
MAINLINE BREAK SSOs: 3  
MAINLINE SURCHARGE SSOs: 0  
CATEGORY 1 SSOs: 1  
SSOs INTO BUILDINGS: 3

TOTAL SSO VOLUME (GALS): 325  
TOTAL VOLUME RECOVERED (GALS): 95  
TOTAL VOLUME UNRECOVERED (GALS): 230

\*CATEGORY 1 SSO: Discharges of untreated or partially treated wastewater of any volume resulting from an enrollees sanitary sewer system failure or flow condition that: Reach surface water and/or reach a drainage channel tributary to a surface water; or Reach a municipal separate storm sewer system and are not fully captured and returned to the sanitary sewer system or not otherwise captured and disposed of properly. Any volume of wastewater not recovered from the municipal separate storm sewer system is considered to have reached surface water unless the storm drain system discharges to a dedicated storm water or ground water infiltration basin (e.g., infiltration pit, percolation pond).

CATEGORY 2 SSO: Discharges of untreated or partially treated wastewater of 1,000 gallons or greater resulting from an enrollee's sanitary sewer system failure or flow condition that do not reach surface water, a drainage channel, or a municipal separate storm sewer system unless the entire SSO discharged to the storm drain system is fully recovered and disposed of properly.

CATEGORY 3 SSO: All other discharges of untreated or partially treated wastewater resulting from an enrollees sanitary sewer system failure or flow condition.

**STEGE SANITARY DISTRICT**  
**MONTHLY REPLACEMENT AND REPAIR SUMMARY**  
**January 2021**

<b>I SEWER REPLACEMENT - FY 2019-20</b>			
A.	BUDGET ALLOCATION		\$2,867,000
B.	PRIOR BUDGET EXPENDED (WITH RETENTION)		\$0
C.	SEWER REPLACEMENTS PAID THIS MONTH		\$0
SUBTOTAL FOR THIS MONTH			\$0
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	0.00%	\$0
E.	TOTAL 5% RETENTION HELD		\$0
F.	BUDGET REMAINING	100.00%	\$2,867,000
G.	PERCENTAGE OF FISCAL YEAR REMAINING	41.67%	
H.	TOTAL REPLACEMENT FOOTAGE PAID TO DATE	0 ( \$ - /LF)	
<b>II SEWER REPAIRS - FY 2019-20</b>			
A.	BUDGET ALLOCATION		\$66,000
B.	PRIOR BUDGET EXPENDED		\$27,600
C.	SEWER REPAIRS PAID THIS MONTH		\$0
SUBTOTAL FOR THIS MONTH			\$0
SUBTOTAL FOR LAST MONTH			\$27,600
D.	TOTAL BUDGET EXPENDED	41.82%	\$27,600
E.	TOTAL RETENTION HELD	0.00%	\$0
F.	BUDGET REMAINING	58.18%	\$38,400
G.	PERCENTAGE OF FISCAL YEAR REMAINING	41.67%	
H.	TOTAL NUMBER OF REPAIRS PAID TO DATE	5 \$ 5,520.00 /REPAIR)	

**STEGE SANITARY DISTRICT**  
**MONTHLY REPLACEMENT AND REPAIR SUMMARY**  
**January 2021**

III SAN PABLO AVE SPECIFIC PLAN AREA (SPASPA) UPGRADE - FY 2020-21			
A.	BUDGET ALLOCATION		\$1,000,000
B.	PRIOR BUDGET EXPENDED		\$0
C.	SPASPA UPGRADES PAID THIS MONTH		
1	None		
		SUBTOTAL FOR THIS MONTH	\$0
		SUBTOTAL FOR LAST MONTH	\$0
D.	TOTAL BUDGET EXPENDED	0.00%	\$0
E.	TOTAL 5% RETENTION HELD	0.00%	\$0
F.	BUDGET REMAINING	100.00%	\$1,000,000
G.	PERCENTAGE OF FISCAL YEAR REMAINING	41.67%	
H.	TOTAL SPASPA UPGRADE FOOTAGE PAID TO DATE	0 ( \$ - /LF)	

**Stege Sanitary District**  
**Long Range Planning Workshop Agenda**  
**Saturday, March 6, 2021 @9:00am**

TIME	TOPIC
9:00 AM	<i>Review of Agenda &amp; Last Action Plan</i>
9:15 AM	<b>Past 5 Years Expenditures Review [0.5 hr.]</b>
9:30 AM	The Board will review and discuss trends from the past 5 years.
9:45 AM	<b>Salary Survey [0.5 hr.]</b>
10:00 AM	The Board will review and consider implementing the salary survey information.
10:15 AM	<i>Break</i>
10:30 AM	<b>USEPA Consent Decree Progress and Planning [0.75 hr.]</b>
10:45 AM	The Board will review and discuss the progress
11:00 AM	and planning of the USEPA Consent Decree.
11:15 AM	<b>Self Assessment Of Governance - Review &amp; Discussion [0.75 hr.]</b>
11:30 AM	
11:45 AM	
12:00 PM	<i>Lunch</i>
12:15 PM	<b>San Pablo Ave. Specific Plan Area (SPASPA) Progress and Planning [1.0 hr.]</b>
12:30 PM	
12:45 PM	
1:00 PM	
1:15 PM	
1:30 PM	<b>Future Funding Considerations [0.75 hr.]</b>
1:45 PM	The Board will review and discuss future funding considerations.
2:00 PM	<i>Break</i>
2:15 PM	
2:30 PM	
2:45 PM	<b>Tiered Pricing [0.75 hr.]</b>
3:00 PM	The Board will discuss considering tiered pricing.
3:15 PM	<b>Strategic Plan [0.5 hr.]</b>
3:30 PM	The Board will review and discuss the plan.
3:45 PM	<i>Wrap Up, Review, Action Items</i>

# **STEGE SANITARY DISTRICT**

## **Calendar Year 2020 Performance Report**



**JANUARY 2021**

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# STEGE SANITARY DISTRICT

## Calendar Year 2020 Performance Report

The Stege Sanitary District Performance Report gives a good sense of how well the District is performing its mission *“to protect public health and the environment for the communities it serves through planning and operation of a safe, efficient, and economical wastewater collection system.”* This 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.

### **Awards & Recognition**

Collection System of the Year Award: The Stege Sanitary District has been honored with the California Water Environment Association (CWEA) San Francisco Bay Section 2020 Collection System of the Year Award, Small System Category (0-249 Miles). The CWEA award is designed to honor exceptional wastewater agencies based on excellent regulatory compliance, administrative procedures, maintenance programs, safety programs, training programs, emergency procedures, and significant accomplishments over the past year.

National Environmental Achievement Award: The Stege Sanitary District is part of a collective that was honored with the National Association of Clean Water Agencies (NACWA) 2020 National Environmental Achievement Award (NEAA), Operations & Environmental Performance Category, for the *“East Bay Wet Weather Collaboration to Significantly Reduce Infiltration and Inflow”*. The NACWA NEAA recognizes an innovative and effective project, system or method relating to wastewater treatment plant or collection system operations developed and successfully implemented in a cost-effective manner while achieving environmental compliance objectives. EBMUD and the seven satellite collection system agencies of Albany, Alameda, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District, under a collaboratively negotiated Consent Decree with the U.S. Environmental Protection Agency, use an asset management based approach to reduce infiltration and inflow at the source, rather than designing, constructing, and operating costly new storage and/or treatment facilities. The approach includes identifying and eliminating major sources of Infiltration and Inflow,

rehabilitating main sewer lines, and implementing a Regional Private Sewer Lateral (PSL) program that requires property owners to demonstrate that their PSLs are leak-free.

District of Distinction: The Stege Sanitary District is currently accredited as a District of Distinction through the Special District Leadership Foundation (SDLF). The District of Distinction accreditation is one of the most prestigious local government awards in the state of California and clearly validates the District's commitment to good governance and to ethical and sound operating practices. The District has been accredited as a District of Distinction since 2009.

Transparency Certificate of Excellence: The Stege Sanitary District is a current holder of the SDLF District Transparency Certificate of Excellence. The certificate, covering three main subject areas including basic transparency, website access and outreach activities, highlights the core components necessary to engage and make information available to the public. The certificate demonstrates the District's commitment to engaging the public and creating greater awareness of District activities. The District has been a holder of this certificate since 2013.

Recognition in Special District Governance: Director Alan C. Miller and District Manager, Rex Delizo, are both recipients of the SDLF Recognition in Special District Governance. This recognition demonstrates to constituents and colleagues the extent of their commitment and dedication to providing the best possible service to the communities they serve by acknowledging they have taken the time and made the effort to get core governance training and continuing education.

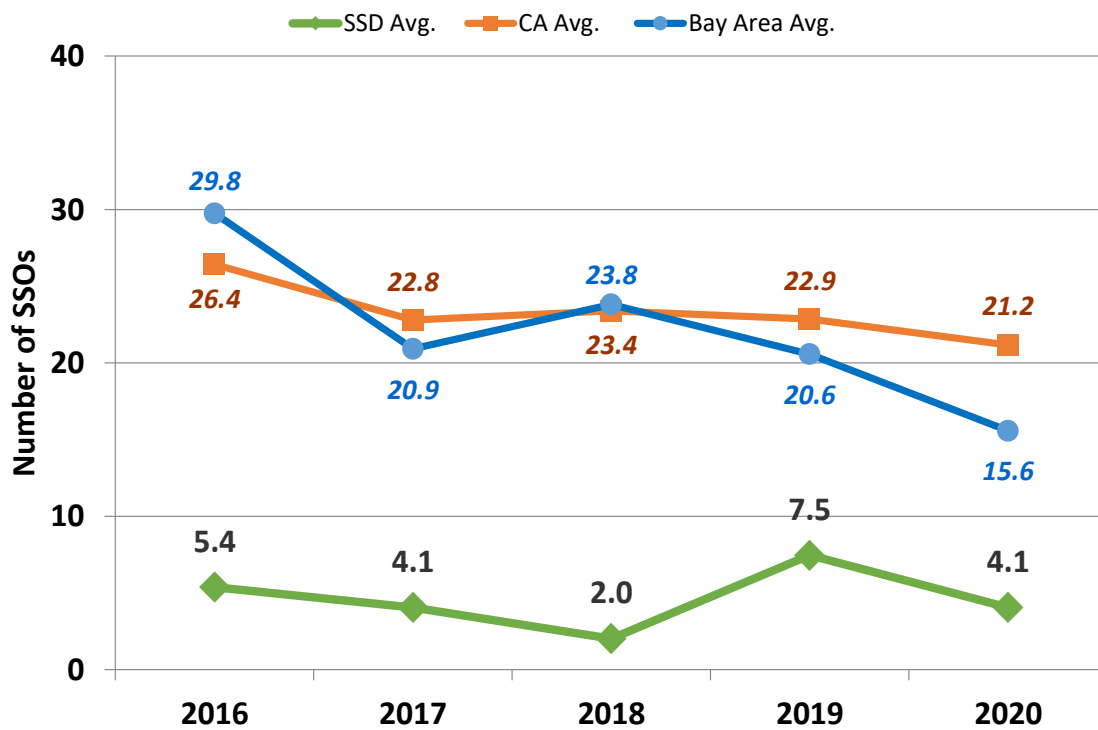


### Sanitary Sewer Overflows (SSOs)

The District’s ultimate goal is to maintain the sewer collection system so that there are no sanitary sewer overflows (SSOs). While the ultimate goal is to prevent all SSOs, the District would like to have the number of SSOs well below the industry average of the State and San Francisco Bay Area Region.

**TABLE 1**

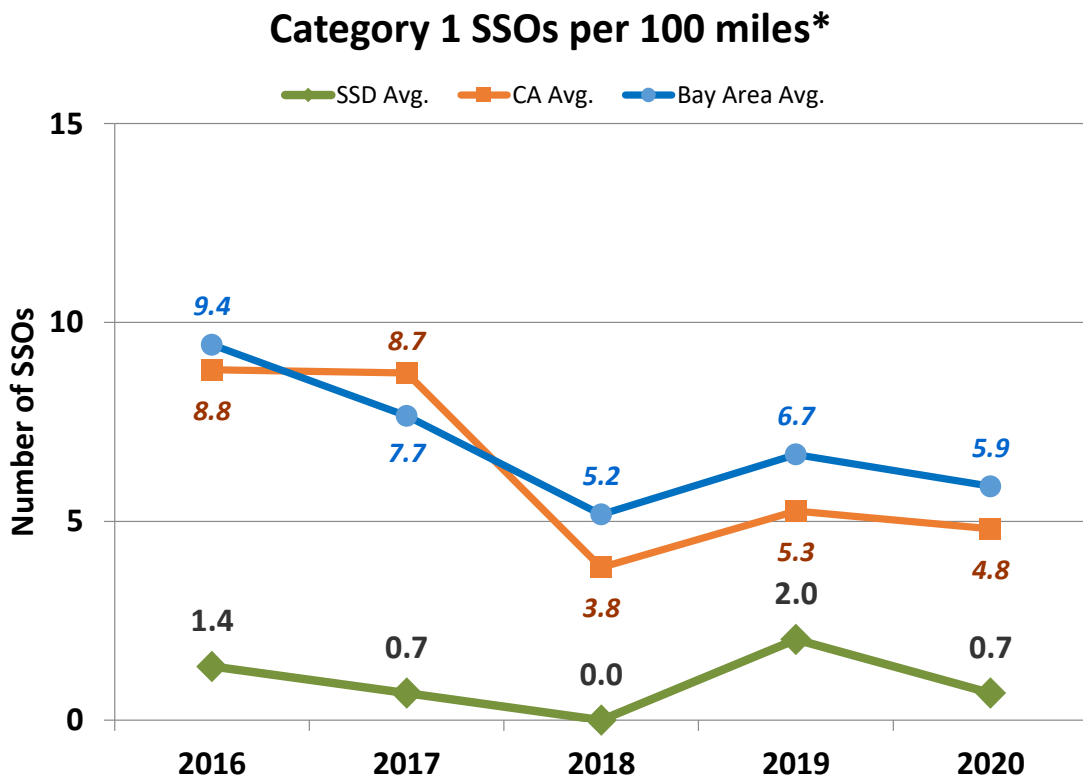
#### Total SSOs per 100 miles\*



\*Per California Integrated Water Quality System (CIWQS) website on 1/2021

Particularly important is preventing SSOs from reaching a creek, river or other body of water, or not fully recovering SSOs that reach a storm drain. All of these instances are considered “Category 1” SSOs by the State Water Resources Control Board (SWRCB). While the ultimate goal is to prevent all SSOs, the District would like to have the number of “Category 1” SSOs well below the industry average of the State and San Francisco Bay Area Region.

**TABLE 2**



\*Per California Integrated Water Quality System (CIWQS) website on 1/2021

When an SSO occurs, the District’s goal is to restore flow within the system, contain the spill, return it back to the system, and mitigate the effects of the overflow. The fundamental goal is to convey all of the collected sewage to the East Bay Municipal Utility District (EBMUD) Wastewater Treatment Plant.

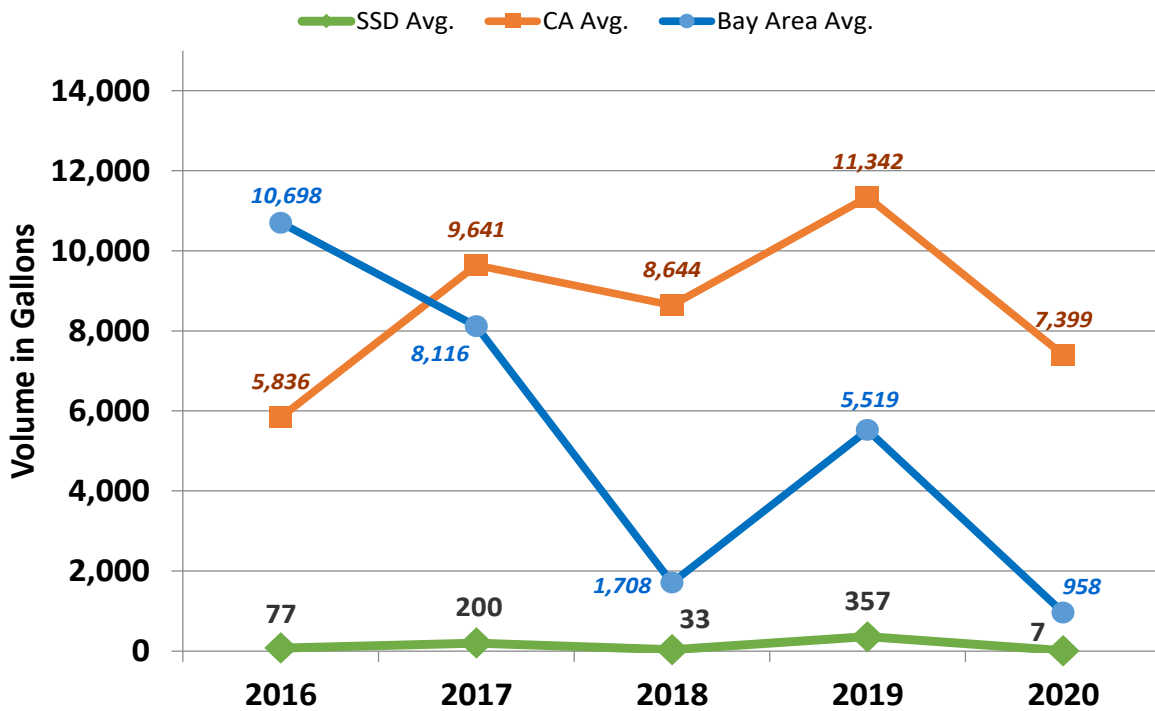
**TABLE 3**

<b>YEAR</b>	<b>VOLUME OF SEWAGE (GALS)</b>	
	<b>COLLECTED</b>	<b>SPILLED AND NOT RECOVERED</b>
2020	1,130,134,000	230
2019	1,668,940,000	12,463
2018	1,110,077,000	1,094
2017	1,444,115,000	6,524
2016	1,233,553,000	2,555

While the ultimate goal is to prevent all SSOs, the District would like to have the volume of sewage spilled per 1000 capita well below the industry average of the State and San Francisco Bay Area Region.

TABLE 4

**Volume of Sewage Overflow per 1000 Capita\***



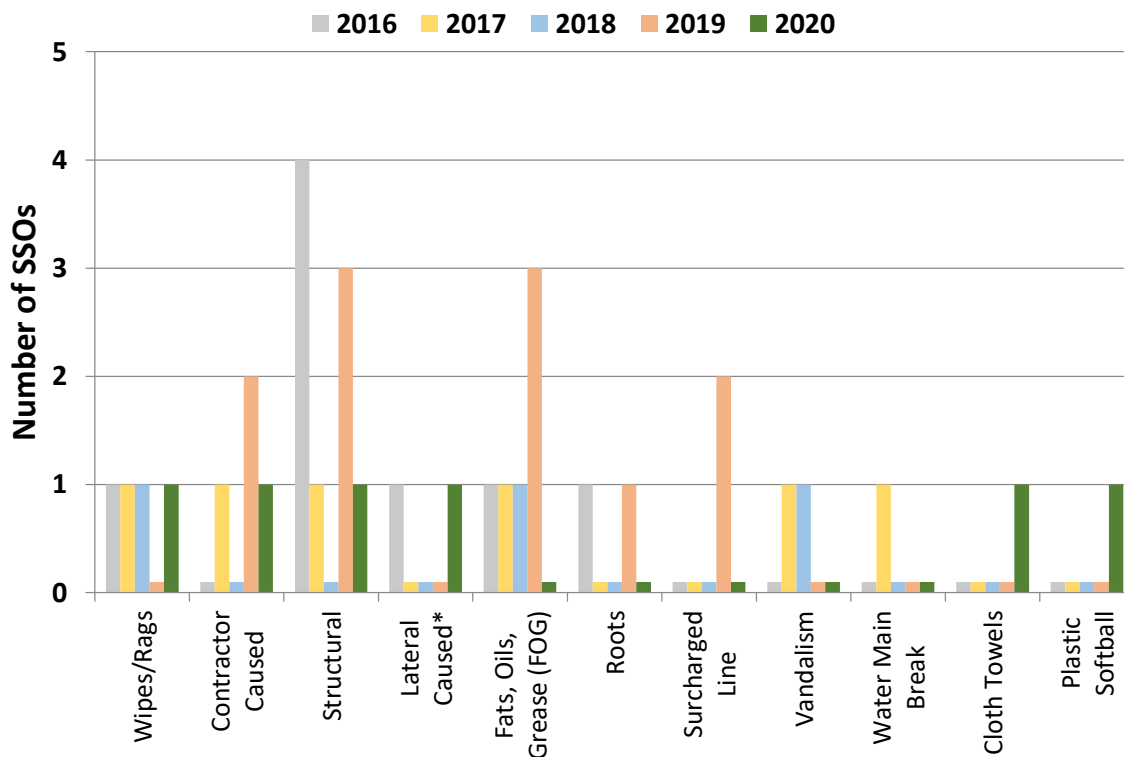
\*Per California Integrated Water Quality System (CIWQS) website on 1/2021

**ASSESSMENT:** As shown in Tables 1 and 2, the number of SSOs decreased this past year and continues to be well below the industry average for the State and San Francisco Bay Area Region. As shown in Tables 3 and 4, the volume of SSOs is the lowest it's been over the last five years and continues to be far below both the volume of sewage successfully collected and transported and the industry average for the State and San Francisco Bay Area Region.

Staff assesses each SSO to determine the cause in order to take the necessary steps to prevent a reoccurrence. Different causes result in different responses including increasing maintenance frequency, adaptive cleaning, point repairs, line rehabilitation, increasing pipe size, and/or targeted public education, outreach and/or enforcement.

**TABLE 5**

**Causes of Sanitary Sewer Overflows**



*\*Lateral caused SSOs are caused by defective laterals and/or property owners pushing roots, wipes and/or other debris into the main sewer causing a stoppage.*

**ASSESSMENT:** Table 5 shows that in 2020 there were 6 SSOs due to a variety of different causes. For the SSOs due to excessive “flushable” wipes, the cloth towels, and the plastic softball, targeted notices were mailed to educate all the residents upstream of each respective SSO that only human waste and toilet paper should be disposed in the sewer system.

The contractor caused SSO was due to a City contractor damaging the mainline during construction of a storm drain catch-basin and ADA accessible curb ramp. The contractor never

notified the District and made an unpermitted repair with unapproved pipe material. We educated both the City and the City's contractor on best practices to prevent overflows including protecting the sewer main during construction work and instructed them to notify the District immediately whenever there are any issues regarding our sanitary sewers. The City's contractor subsequently repaired the mainline with a proper permit, inspection, and approved pipe material.

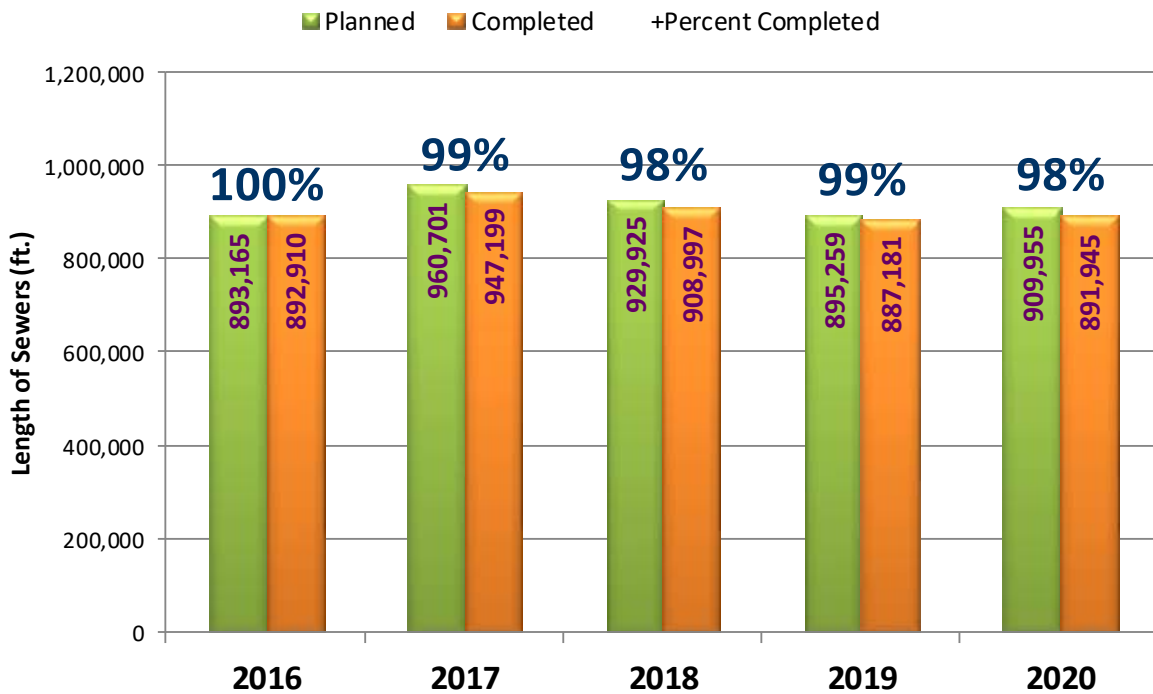
The "lateral caused" SSO was due to broken lateral connection of a neighboring property and was repaired shortly thereafter to prevent a reoccurrence. The mainline that experienced the SSO due to structural defects was repaired within a week by pipe bursting the damaged section with HDPE pipe.

### Sanitary Sewer Maintenance

The District’s goal is to maintain **100%** of the sewer mains scheduled over the course of a year through a combination of hydro-flushing, rodding, and/or closed-circuit television (CCTV) inspection. Note that the District uses a dynamic schedule to assign an appropriate maintenance frequency to each individual line. Revisions and modifications are made regularly as Maintenance staff are continuously evaluating line conditions and updating frequencies as they clean and inspect lines.

**TABLE 6**

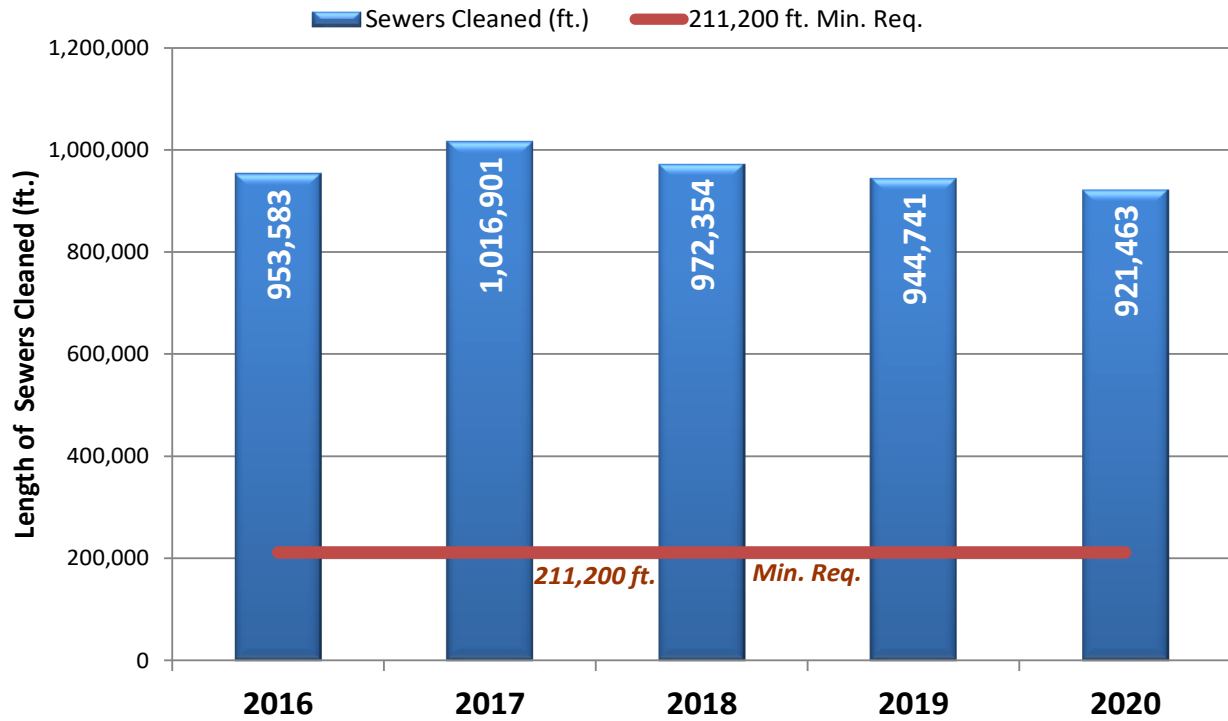
### Sanitary Sewer Maintenance Planned vs. Completed



The minimum requirement, per the U.S. Environmental Protection Agency Consent Decree Case Nos. C 09-00186-RS and C 09-05684-RS (USEPA Consent Decree), is to clean a total of at least **211,200 feet** of sewer mains per year, planned or unplanned, including repeats.

**TABLE 7**

### Sanitary Sewer Cleaning

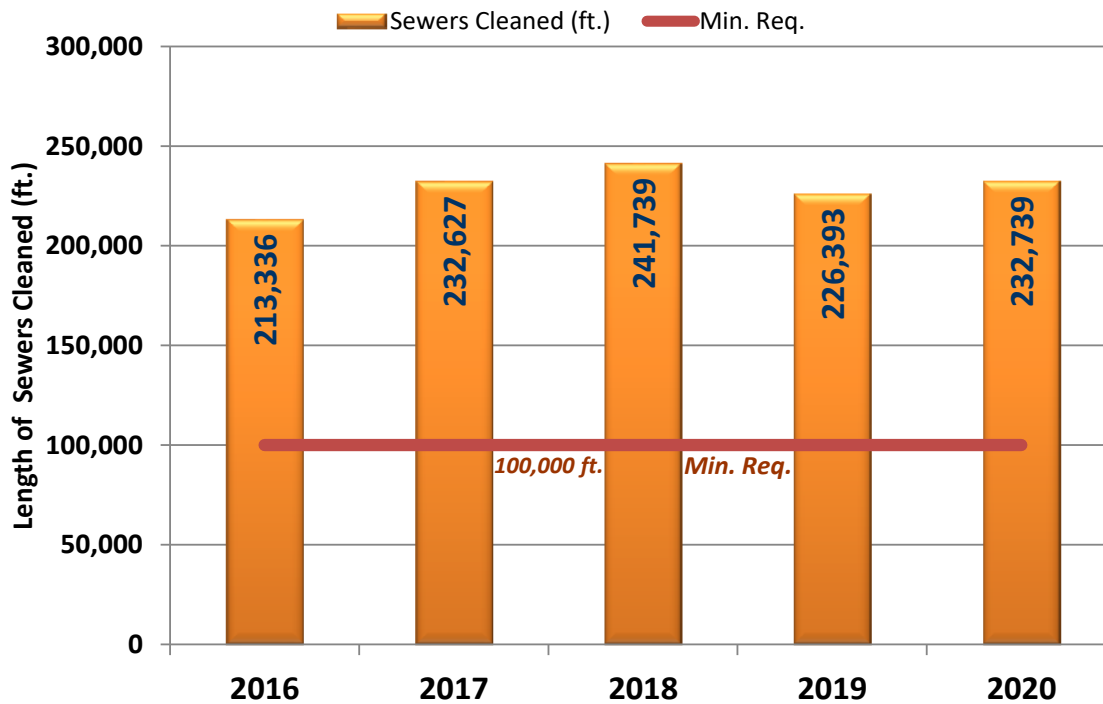




The minimum requirement, per the USEPA Consent Decree, for “hot spot” lines (six month or less interval), is to clean 100,000 feet of sewer mains per year, planned or unplanned, including repeats.

TABLE 8

### Sanitary Sewer Hot Spot Cleaning



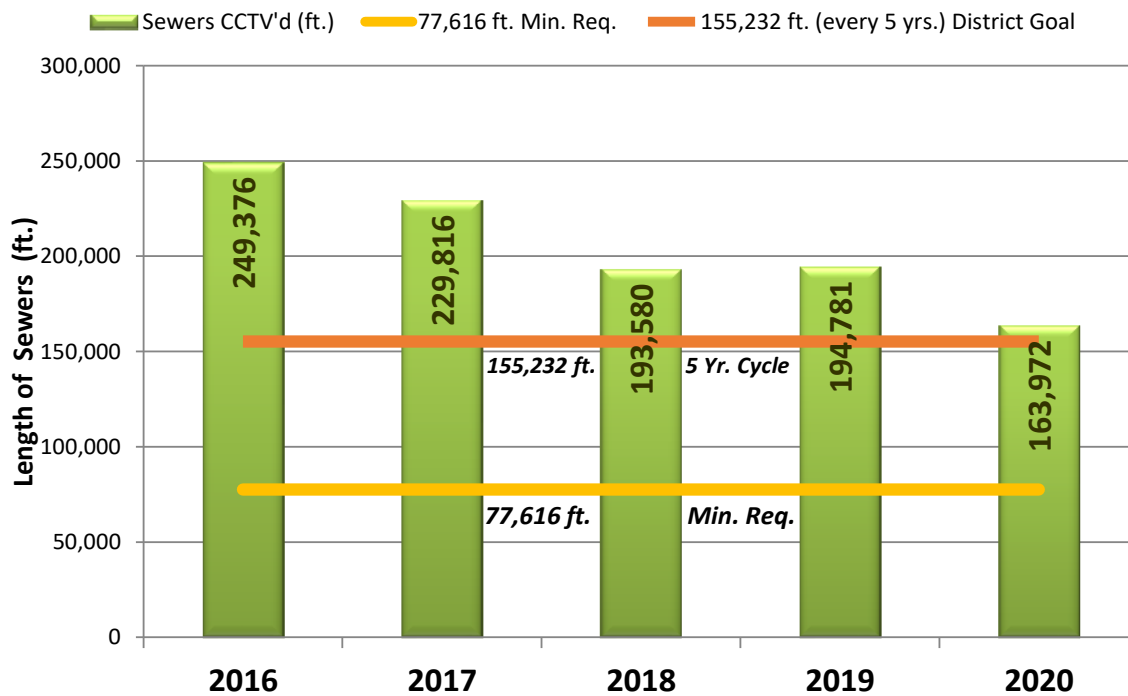
**ASSESSMENT:** As shown in Table 6, Maintenance staff continues to routinely complete close to 100% of the scheduled maintenance work and, as shown in Table 7 and 8, continue to perform well above the USEPA required cleaning rate of at least 211,200 feet per year and hot spot cleaning of 100,000 feet per year. Recognize that our intent is not to maintain lines merely to fulfill the USEPA requirements, but to maintain the District sewer main lines as necessary and appropriate to fulfill our mission and prevent SSOs.

### Sanitary Sewer Condition Assessment

The District’s goal is to CCTV inspect every line in the District on a five year revolving schedule which is equivalent to at least **155,232 feet** per year. The minimum requirement, per the USEPA Consent Decree, is to CCTV inspect no less than 10 percent of the lines on a cumulative total of **77,616 feet** per year.

**TABLE 9**

### Sanitary Sewer Condition Assessment

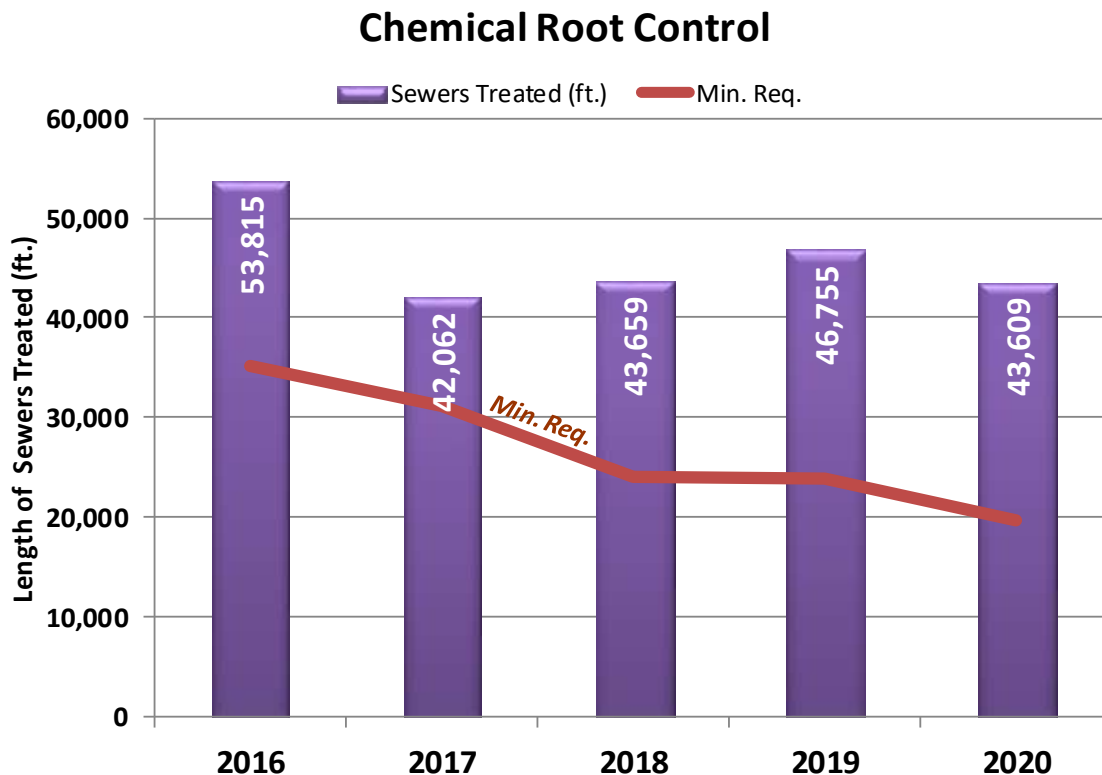


**ASSESSMENT:** Maintenance staff continues to complete CCTV inspection work above the 5 year revolving schedule rate and more than twice the USEPA required CCTV inspection rate of 77,616 feet per year. Again, our intent is not to CCTV inspect lines merely to fulfill the USEPA requirements, but as necessary and appropriate to fulfill our mission and prevent SSOs.

## Chemical Root Control

The current minimum requirement, per the USEPA Consent Decree, is to chemically treat with foam to control excessive roots no less than **19,756 feet** of lines annually on a three year rolling average.

**TABLE 10**



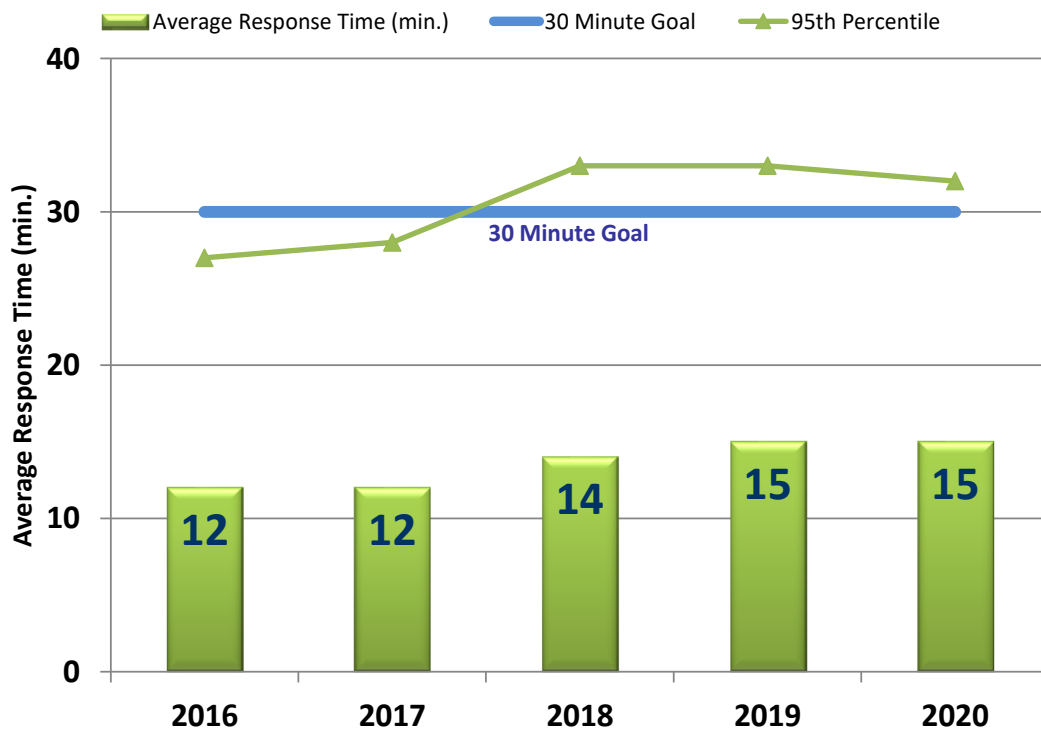
**ASSESSMENT:** The District continues to stay well above the USEPA required minimum feet per year. The minimum requirement will continue to be reduced each year, pending USEPA approval, as lines are rehabilitated or CCTV assessment indicates there are no longer excessive roots requiring treatment. A reduction is currently proposed to decrease the minimum requirement by another 5,520 feet for 2021 due to recently rehabilitated sewer mains no longer having excessive roots requiring treatment. Again, our intent is not to chemically treat with foam to control excessive roots merely to fulfill the USEPA requirements, but as necessary and appropriate to fulfill our mission and prevent SSOs.

### Service Call Response

The District’s goal is to respond to service calls quickly to prevent as much spillage as possible in the event of an SSO. The goal of the District is to respond to service calls during business hours within **30 minutes**.

**TABLE 11**

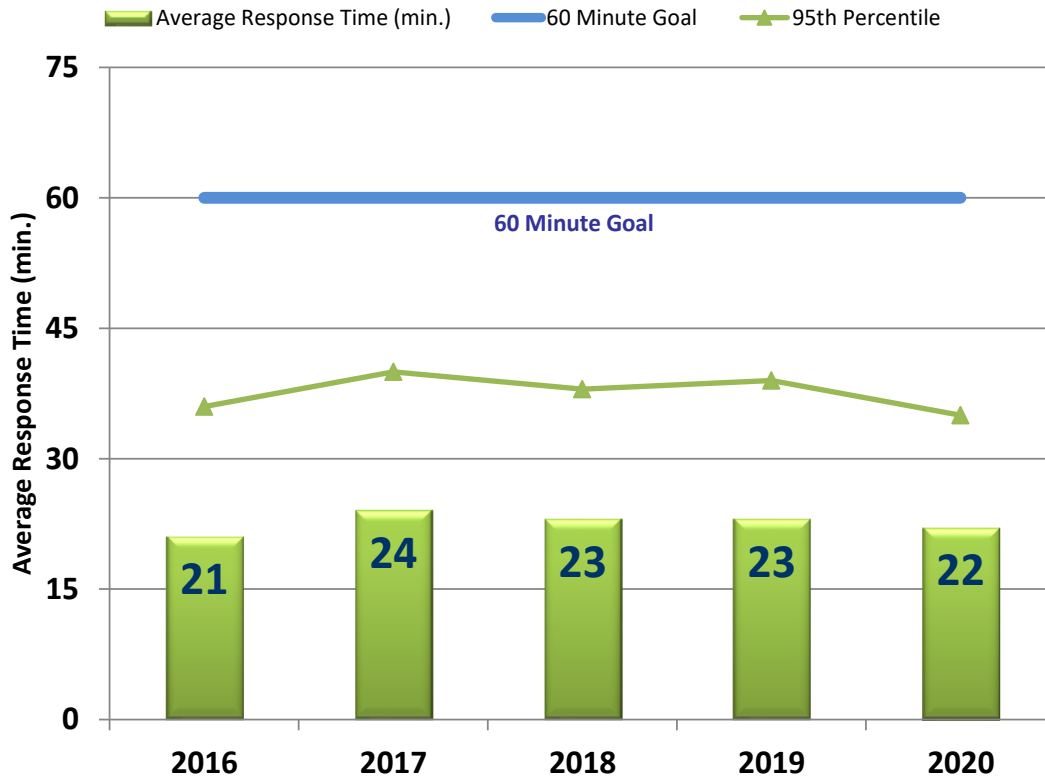
### Service Call Response Time DURING Business Hours (min.)



After business hours, the goal of the District is to respond to service calls within **60 minutes**.

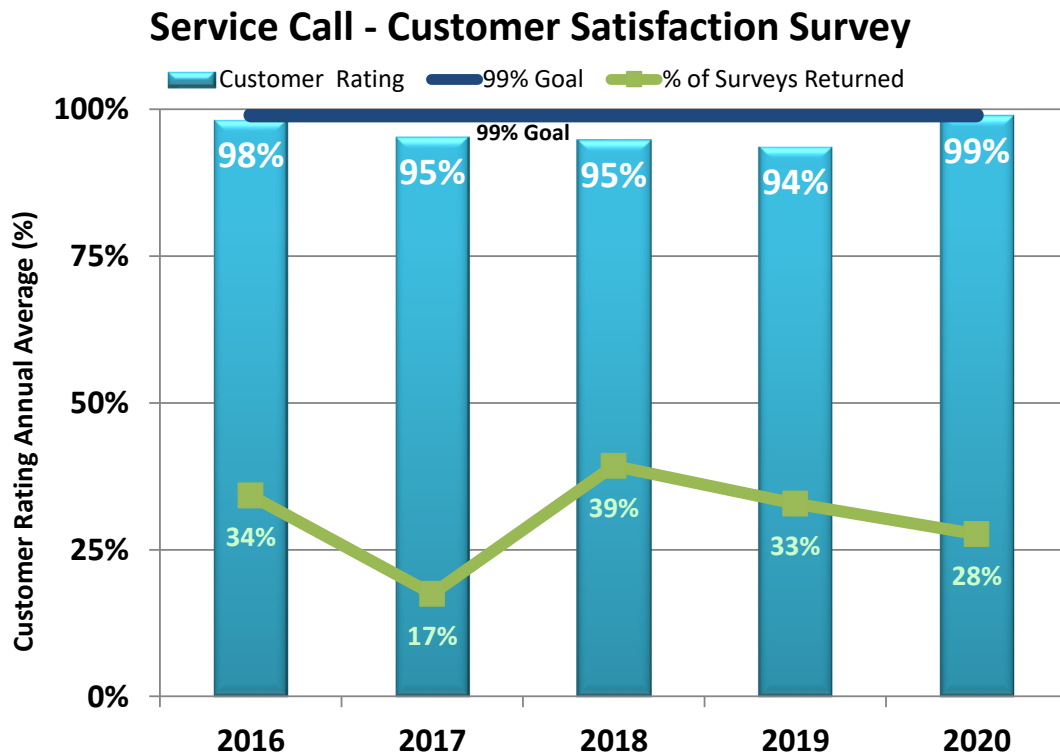
TABLE 12

**Service Call Response Time  
AFTER Business Hours (min.)**



A customer satisfaction survey is sent after each service call for feedback on the quality of service received. The goal is for 99% satisfaction.

TABLE 13



Surveys Sent	184	149	112	137	152
Surveys Returned	63	26	44	45	42

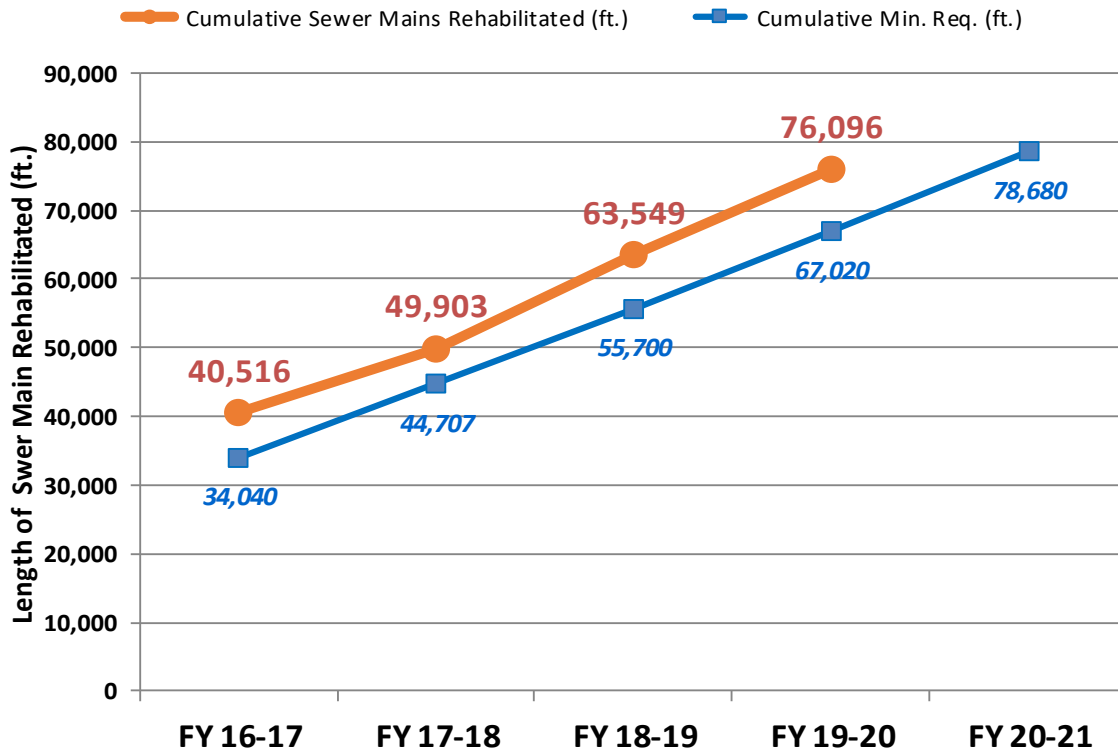
**ASSESSMENT:** As shown in Table 11 and 12, both average response times continue to be well below the 30 minute and 60 minute goals. The fast response time, in conjunction with staff making a concerted effort to be conscientious, courteous, and helpful, contributes to the consistently high customer satisfaction rating as shown in Table 13.

### Sanitary Sewer Main Rehabilitation

The minimum requirement, per the USEPA Consent Decree, is to complete rehabilitation of 67,020 feet of sewer main by the end of FY 2019-20 and to continue at no less than the feet of sewer main stated in the Consent Decree Appendix based on a cumulative total (e.g., 34,040 feet by June 30, 2017; 44,707 feet by June 30, 2018; etc.) for the duration of the Consent Decree.

TABLE 14

### Sanitary Sewer Main Rehabilitation

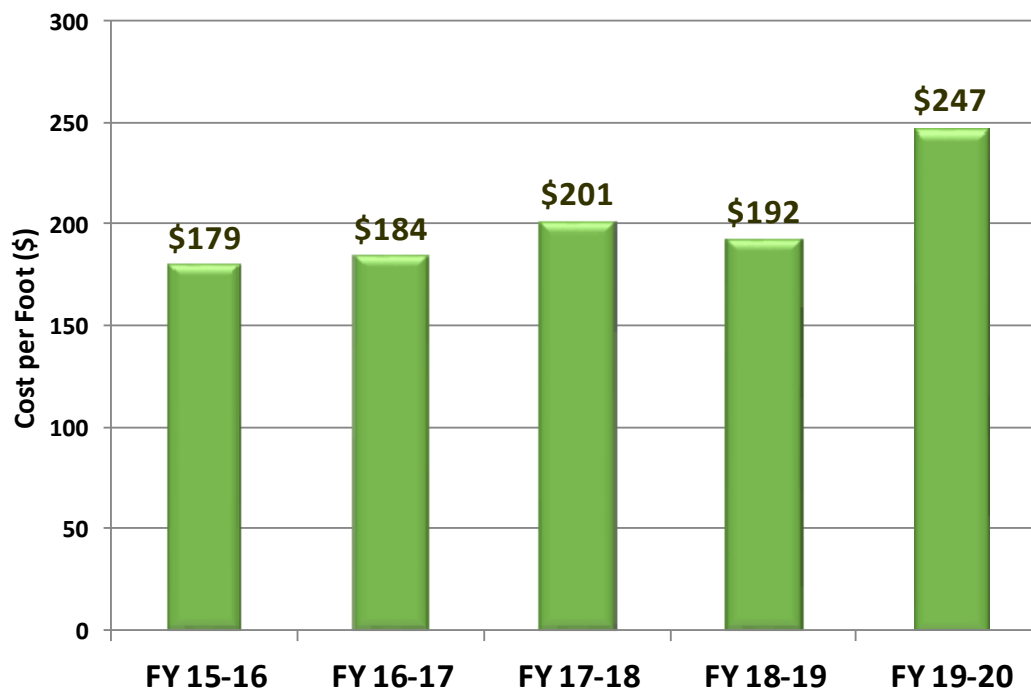


**ASSESSMENT:** As shown in Table 14, the District’s cumulative rehabilitation total of 76,096 feet at the end of FY 19-20 is 14% above the required cumulative rehabilitation total of 67,020 feet. The current total is already 97% of the Consent Decree requirement for FY 20-21 with more than 11,000 feet of rehabilitation work scheduled and still to be completed.

The cost to complete the required rehabilitation of sewer main is subject to market conditions and other external factors. Staff continues to adjust projects to try to stay one step ahead of the market to keep construction costs as low as possible.

TABLE 15

### Sewer Main Rehabilitation Cost per Foot



**ASSESSMENT:** The sewer main rehabilitation cost per foot increased to \$247 for FY 2019-20 due to sections of sewer work requiring open trench replacement instead of the less costly pipe bursting method due to necessary capacity upsizing and/or utility conflicts. Engineering staff will continue to try to stay ahead of the required cumulative rehabilitation total and manage upcoming projects accordingly to try to protect against the high construction cost increases that our neighboring agencies are experiencing.

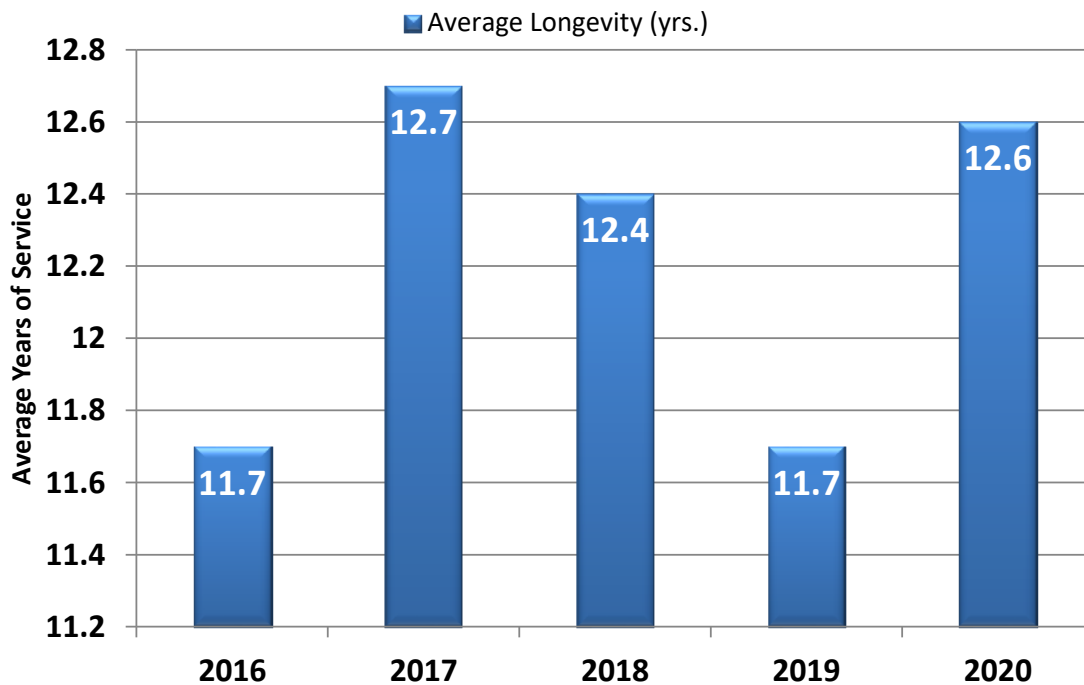


## Employee Retention/Longevity

Once time and money have been invested to recruit and train good employees, it's in the District's best interest to retain and motivate them to continue to provide value to the District. Excessive employee turnover increases expenses, has a negative effect on employee morale, and would be a prime indicator that something is not right within the workplace.

TABLE 16

### Employee Retention/Longevity

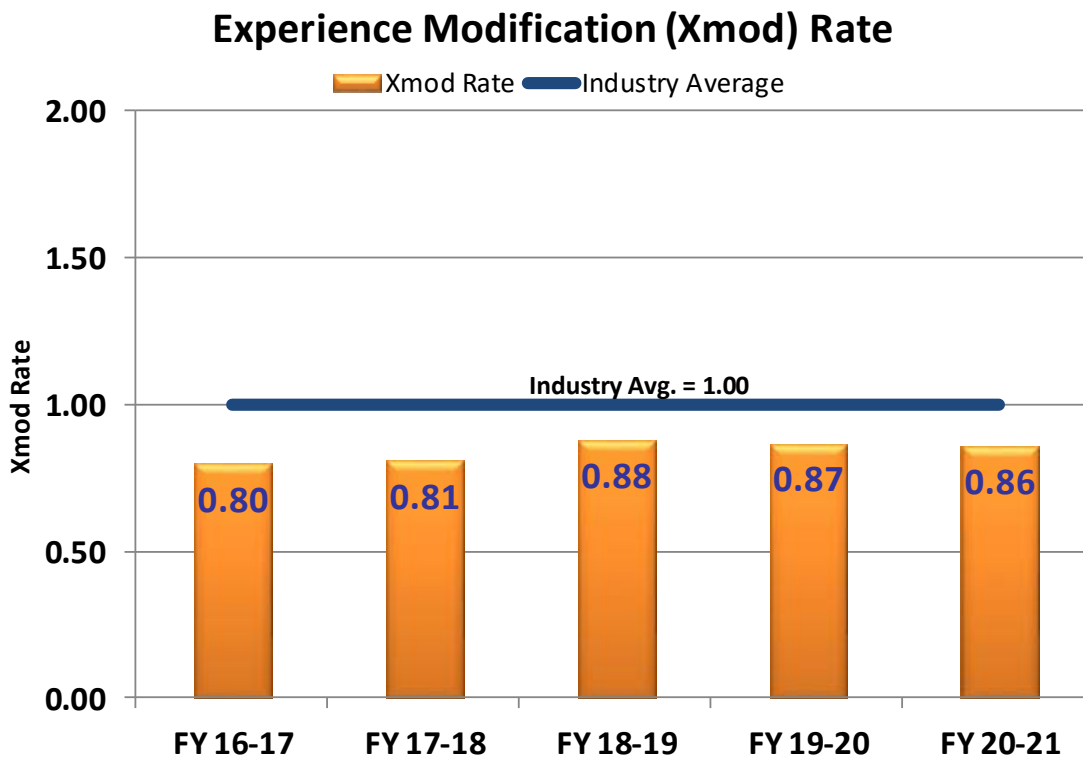


**ASSESSMENT:** Employee retention continues to remain high. For the last decade, the majority of turnover has been as a result of retirement. The District continues to value its employees and, in return, employees continue to be loyal to the District. Our highly trained, highly skilled workforce longevity helps to keep the District's institutional knowledge and history intact. The average years of service remains around 12 years.

### Experience Modification (Xmod) Rate

The Experience Modification (Xmod) rate is the factor resulting from the statistical comparison of a company's Workers' Compensation loss history to the loss history of an average company. The number is used by worker's compensation insurance providers to gauge both past cost of injuries and future chances of risk. An Xmod of 1.0 is exactly average. Numbers over 1.0 indicate that the District has more injuries and illness than the industry average, while numbers below 1.0 are better than the average.

TABLE 17



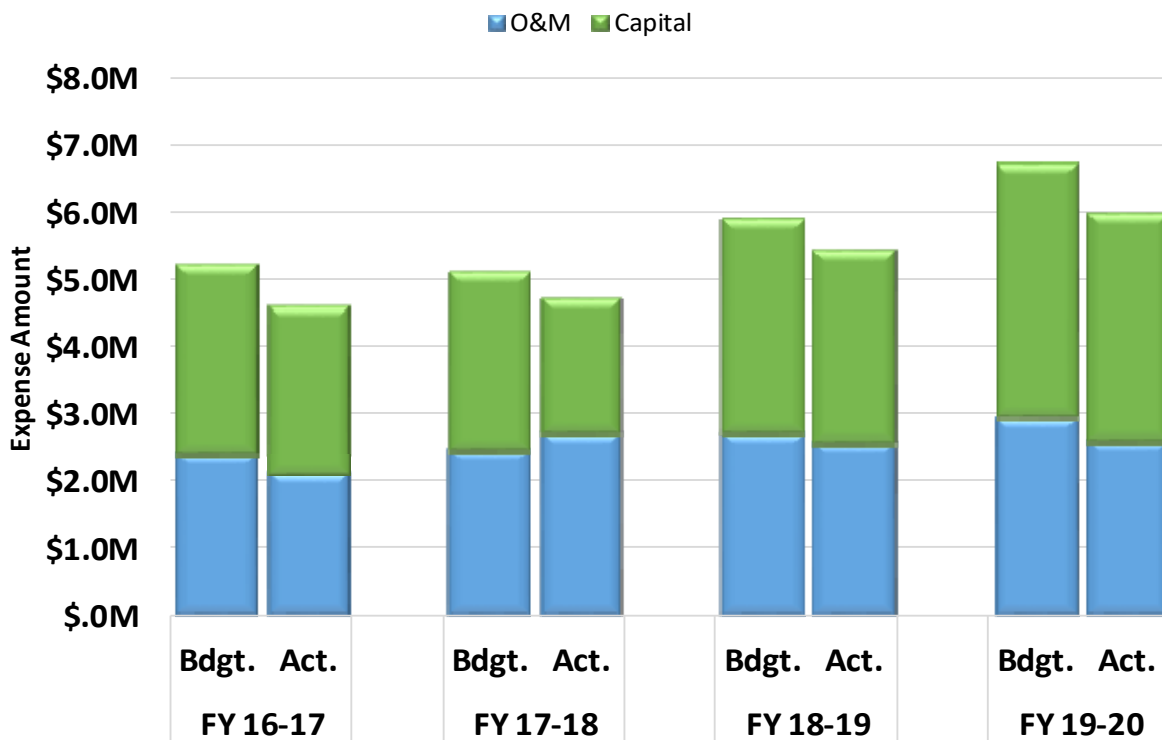
**ASSESSMENT:** The District continues to have a historically safe workplace and, until recently, had gone 20 years without a worker's compensation insurance incident. Because the District has a small staff, potential losses have significant impacts on the Ex-Mod rate. Even with the recent minor incident, the District's Xmod rate continues to perform better than the industry average.

**Finances**

The annual budget represents a detailed analysis of how management forecasts the District’s revenues and expenditures for the fiscal year. The goal is to execute the planned budget while keeping the financial operation within the forecasted amounts.

TABLE 18

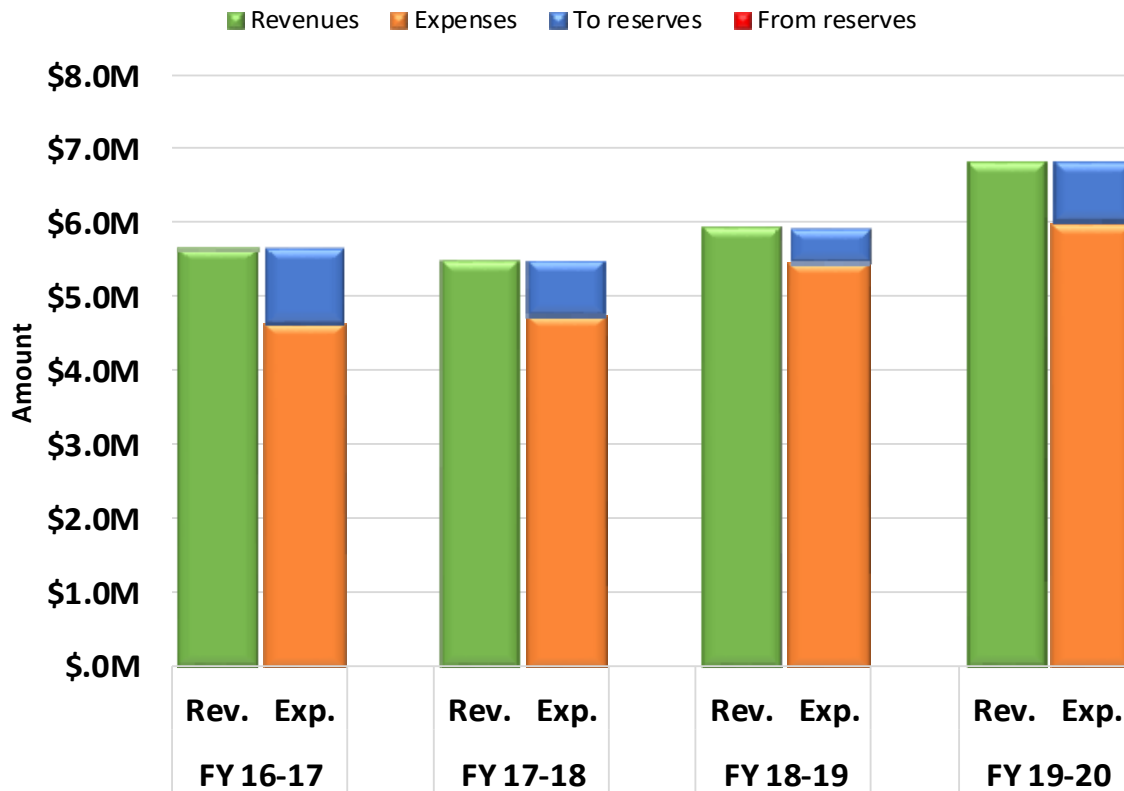
**Budget vs. Actual Expenses**



An additional goal is to have a balanced budget, where revenues equal expenditures, so there is neither a significant deficit nor a significant surplus.

TABLE 19

### Actual Revenues vs. Actual Expenses



The District maintains a Working Capital and Reserve Fund that consists of an Operating Working Capital, a Capital Improvement Working Capital, and a Capital Reserve.

The target for the *Operating Working Capital* is equal to 60% of operating and maintenance costs. This level of funding is intended to adjust annually to equal the District’s budgeted costs from May to December, reflecting the lag in the collection of sewer service charges from the County tax roll.

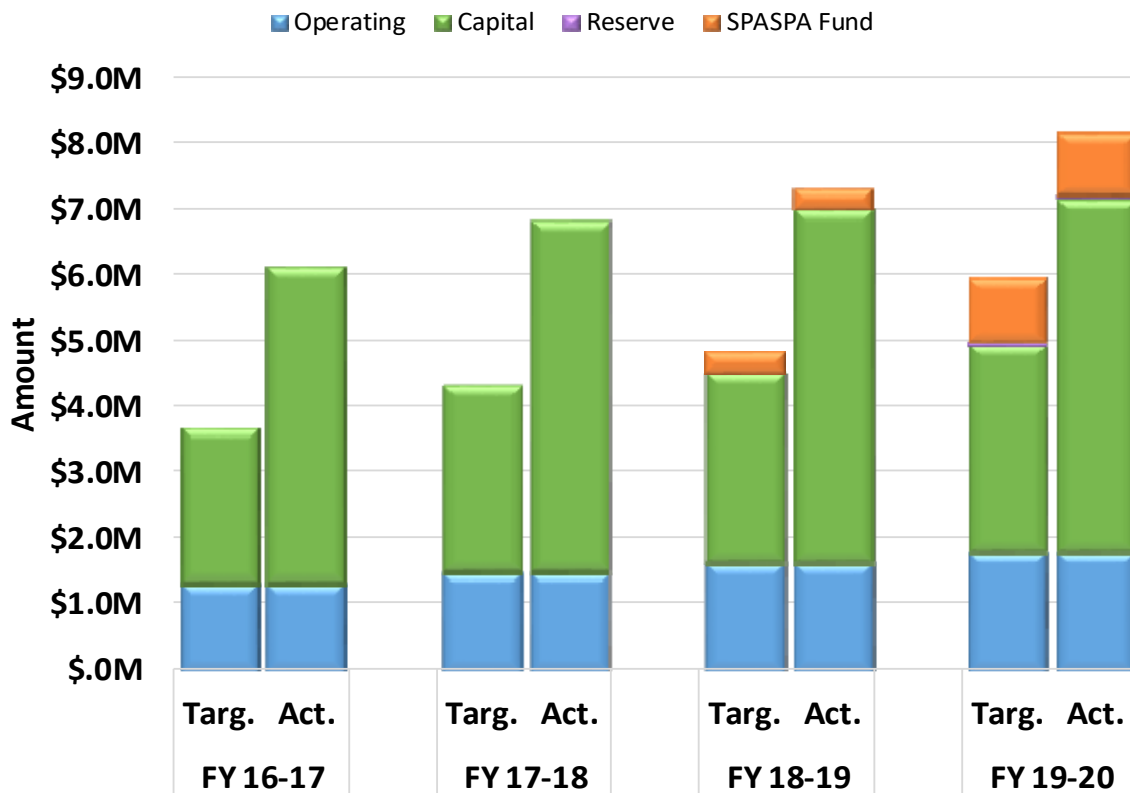
The target for the *Capital Improvement Working Capital* is equal to the 3-year average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the

annual debt service cost to ensure that the District has 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*, or set-aside, of \$45,000 per year is accumulated over time and used every five to ten years for major improvements such as Administration Building retrofits.

Beginning in 2018, a separate *San Pablo Avenue Specific Plan Area (SPASPA) Fund\** began collecting impact fees for localized sewer capacity improvements needed to serve projected development along the San Pablo Avenue corridor. This impact fee is charged to developers for new development in the SPASPA.

TABLE 20

**Working Capital and Reserve Fund Target vs. Actual Amount (Accrual Basis)**



**ASSESSMENT:** For FY 2019-20, actual expenses were 11% less than the forecasted budget amount as shown in Table 18 and 14% less than actual revenues as shown in Table 19. This net gain was added to the fiscal year end amount increasing it to 144% of the Working Capital and Reserve Fund Target goal of \$6.0 million, as shown in the Table 20. Although the District currently exceeds its fund targets, upcoming capital projects, retirement funding requirements, and 3% annual inflation will reduce the District's excess fund reserves over time.\*

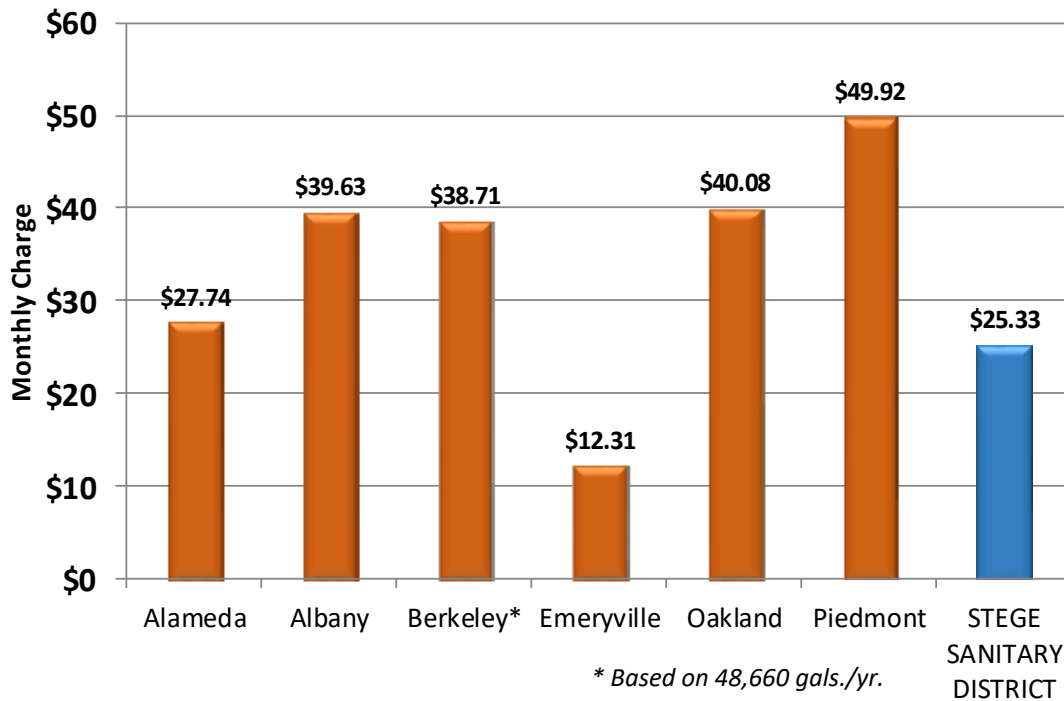
*\* Per Connection Charge and SPASPA Impact Fee Study by Lechowicz & Tseng Municipal Consultants, May 2019*

### Sewer Service Charge

The District’s Sewer Service Charge covers the cost of the operation, maintenance, and capital improvements to the sanitary sewer system. The goal is to provide a high level of service that is both cost effective and efficient while maintaining a sewer service charge among the most affordable of the East Bay agencies.

TABLE 21

### Monthly Sewer Service Charge Comparison



**ASSESSMENT:** The District continues to be in a strong financial position moving forward into FY 2020-21. The District will continue with the financial plan outlined in the 2019 Sewer Rate Study to ensure long-term financial stability while minimizing rate impacts on customers and to keep the District’s sewer service charge, as shown on Table 21, among the most affordable of the East Bay agencies.



FOR DIRECTORS AND TRUSTEES

## Certificate in Special District Governance

This certificate is an opportunity for staff, directors and trustees to demonstrate to their constituents and colleagues the extent of their commitment and dedication to providing the best possible service to the communities they serve.

### Requirements

- CSDA'S SPECIAL DISTRICT LEADERSHIP ACADEMY (OR SDLA CONFERENCE - FIRST TIME TRACK)**  
Requires completion of all four modules of the California Special Districts Association (CSDA) Special District Leadership Academy within the last two years:  
Module 1: Governance Foundations  
Module 2: Setting Direction & Community Leadership  
Module 3: Board's Role in Finance & Fiscal Accountability  
Module 4: Board's Role in Human Resources
- ELECTIVE COURSES**  
Requires at least 10 hours of continuing education from the California Special Districts Association (CSDA) or another statewide association specializing in local government.

### Frequently Asked Questions (FAQs)

#### What is the purpose of this certificate?

The Certificate in Special District Governance was designed to acknowledge special district board directors and trustees that have taken the time and made the effort to get core governance training and continuing education. The program is comprised of two distinct parts: the CSDA Special District Leadership Academy and at least 10 hours of continuing education from the California Special Districts Association (CSDA) or another statewide association specializing in local government.

#### Who should apply?

This is an individual recognition. Special district board members, trustees and staff are encouraged to apply.

#### What do you receive?

Upon completion and verification of the application and submission of the one-time fee, you will be recognized by receiving a custom certificate in a beautiful padded folder, that can be presented at an upcoming event should you be able to attend.

#### Is there a way for my district to be recognized also?

Yes. Completion of this certificate is now applied through the District of Distinction program. Qualifying districts may receive Silver, Gold, or Platinum recognition as a District of Distinction. See the District of Distinction application for details.

#### How long is the certificate good for?

This achievement lasts a lifetime. All you need to do is keep SDLF current anytime you change address, jobs, etc.

**Fees \$65**



**CERTIFICATE IN SPECIAL DISTRICT GOVERNANCE APPLICATION**

**Submit Application**

**Submit this application along with all required documentation and payment of \$65.**

SPECIAL DISTRICT LEADERSHIP FOUNDATION

1112 I Street, Suite 200

Sacramento, CA 95814

Phone: 916-231-2909 • Fax: 916-442-7889 • sdlf.org

Name:		
District:		
Contact Name:		
Contact Title:		
Mailing Address:		
City:	State:	Zip:
Phone:	Fax:	
Email:	Website:	

**CSDA SPECIAL DISTRICT LEADERSHIP ACADEMY**

Module	Date Taken
SDLA Conference - First Time Track	
Module 1: Governance Foundations	
Module 2: Setting Direction/Community Leadership	
Module 3: Board's Role In Finance & Fiscal Accountability	
Module 4: Board's Role In Human Resources	

**ELECTIVES\* (AT LEAST 10 HOURS REQUIRED WITHIN THE LAST TWO YEARS) - Related Continuing Education (Full day = 8 hours, Half day = 4 hours, Webinar = 2 hours)**

Course Title & Sponsoring Organization	Date Taken	Hours
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

*\*Please attach any verifying documentation. Use additional pages if necessary.*

**PAYMENT**

Total: \$	<input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> Mastercard <input type="checkbox"/> Discover <input type="checkbox"/> American Express
Acct. Name:	Acct. Number:
Expiration Date:	Authorized Signature:



February 4, 2021

Rex Delizo  
District Manager  
Stege Sanitary District  
7500 Schmidt Lane  
El Cerrito, CA 94530-0537

SUBJECT: **NOTIFICATION OF AWARD DENIAL**  
Fiscal Year (FY) 2020 Community Power Resiliency Allocation to Special Districts

Dear Mr. Delizo:

The California Governor's Office of Emergency Services (Cal OES) received your agency's proposal for the FY 2020 Community Power Resiliency Allocation Program Request for Proposal (RFP). Through the competitive RFP process, we received 233 proposals. Unfortunately, your proposal was not selected for funding. Your proposal score was 105.67 out of a possible 156 points. Please find enclosed a copy of the appeal guidelines and your agency's scores.

You have 15 calendar days from the date of this letter to appeal. All appeals must adhere to the procedures detailed in the appeal guidelines. Formal letters of appeal should be directed to:

Cal OES Office of Legal Affairs  
3650 Schriever Avenue  
Mather, California 95655  
appeals@caloes.ca.gov

We encourage your agency to check the Cal OES website for future funding opportunities. Thank you for your interest in this RFP.

Sincerely,

GINA BUCCIERI-HARRINGTON  
Assistant Director

Enclosure



3650 SCHRIEVER AVENUE, MATHER, CA 95655  
(916) 845-8513 TELEPHONE

**PROGRAM NAME: COMMUNITY POWER RESILIENCY ALLOCATION TO SPECIAL DISTRICTS  
PROGRAM**

ID#	SUBRECIPIENT	RAW SCORE	a. Program Plan				b. Emergency Plan	c. Priority Funding	Budget Narrative	COMP. ASSESSMENT	TOTAL
			1	2	3	4					
021	Stege Sanitary District	105.67	15.33	15.33	15.67	16.00	22.33	4.00	8.67	8.33	105.67



## Appeal Guidelines for Competitive Funding Decisions For State and Federal Grant Money

Effective for appeals received on or after September 1, 2011.

### **PURPOSE**

The purpose of these Guidelines is to provide a process for resolution of disputes between a Grant Applicant and The California Governor's Office of Emergency Services (Cal OES) concerning a competitive funding decision. These Guidelines supersede the appeals procedure formerly administered by the California Council on Criminal Justice.

### **GROUND'S FOR APPEAL**

Any Applicant who is denied state or federal funding by Cal OES may appeal Cal OES's decision in this regard. There is no particular format required for an appeal, but the documents supporting the appeal must clearly establish that the appealing party (hereafter Appellant) has standing to appeal and sufficient grounds to proceed with an appeal.

**Standing:** An Appellant must have standing to appeal; i.e., the appeal must demonstrate that the Appellant is directly affected by the funding decision. Only those who have submitted a proposal have standing to appeal Cal OES's decision to deny state or federal funding for that particular proposal.

**Grounds:** The appeal documents shall identify grounds for appeal. The appeal must show that (a) Cal OES did not follow its criteria or priorities (as specified in the applicable Request for Proposal (RFP) with respect to evaluating the Appellant's proposal; AND (b) this failure constitutes a sufficiently substantial error justifying a change in the funding decision. An appeal will be rejected if it fails to show that both of these criteria are met. Only the information provided by the Appellant in the original RFP will be considered as part of the appeal process. The Appellant cannot provide new or different information to support their original RFP.

**Appeal Address:** A hard copy of all documents referred to in this procedure shall be emailed, mailed, faxed, or hand-delivered to:

Cal OES Office of Legal Affairs  
California Governor's Office of Emergency Services  
3650 Schriever Avenue  
Mather, CA 95655  
appeals@caloes.ca.gov

### **APPEAL PROCESS AND TIMELINES**

In case of a dispute regarding compliance with timelines, the date the document was postmarked or date stamped by Cal OES (in the case of a fax or hand-delivery) shall govern. Failure of the appealing party to comply with timelines shall constitute grounds for rejection of the appeal.

#### **Level One Appeal to Cal OES Assistant Director**

**Step 1 Standing:** Within fifteen (15) calendar days of the date of the letter from Cal OES denying funding, the Appellant shall file an appeal in writing, together with any supporting documents or information necessary to determine standing for the appeal and grounds on which to base the appeal. (See Above). If the Cal OES Chief Counsel does not establish standing for an appeal, the appeal and decision will be returned.

**Step 2 Review:** If it is determined that there is standing for the appeal to advance, the Cal OES Assistant Director of Finance and Administration, or his or her designee, will review the issues in the documentation submitted by the Appellant to determine if there are sufficient grounds to overturn the original grant decision. It is critical that the Appellant submit all documentation that may support their appeal. Appellant cannot however amend or supplement their original proposal as part of the appeal process. The Assistant Director shall make a written determination on the appeal within ten (10) calendar days, or as soon as practical, after receipt of the Level One appeal. This decision shall indicate the decision reached and the reasons therefore.

### **Level Two Appeal to Cal OES Chief Deputy Director**

A second level appeal may only be submitted if there are new facts or documentation that was not available at the time of the first level appeal. Cal OES will not reconsider previously submitted materials. Within five (5) calendar days of receiving the Level One appeal decision, the Appellant may file a Level Two appeal in writing with the Cal OES Chief Deputy Director, or his/her designee (same address as above), together with any supporting documents or information, including a copy of the Level One decision.

The appeal must state the issues in the dispute, and the relevance of the documentation not submitted under the first level appeal. The Chief Deputy Director shall issue a written decision on the appeal that includes the Chief Deputy Director's ruling and the basis for his/her ruling.

The Chief Deputy Director's decision shall be deemed a final judgment and is non-appealable.

Cal OES reserves the right to request a telephone meeting or personal meeting with any Appellant. However, there is no requirement under this appeal process for a hearing or meeting with the Appellant and Cal OES.

### **Third-Party Rights**

No rights or remedies will accrue to third parties as a result of this appeals process, or the actions or consequences stemming from this process.

**RESOLUTION 2154-0221 REVISING THE MISSION STATEMENT OF THE STEGE  
SANITARY DISTRICT**

**ISSUE:**

The Board will consider a resolution revising the District's mission statement.

**FISCAL IMPACT:**

The fiscal impact to revise the District's mission statement is minimal.

**STRATEGIC PLAN:**

GOAL 5: Maintain and Improve Community Outreach and Communication

WORK PLAN ITEM "i": Maintain governance and transparency practices that qualify for the Special District Leadership Foundation District of Distinction Accreditation and the District Transparency Certificate of Excellence

**BACKGROUND:**

At the 1/7/2020 Board Meeting, during the review of the Board Governance Manual, the Board discussed a revision to the District's mission statement that would better represent the District's mission. The Board requested a resolution be prepared and brought back at a future Board meeting for consideration.

As requested, a resolution to implement the revised mission statement is ready for review and approval.

**RECOMMENDATION:**

Approve the resolution.

**ALTERNATIVES:**

1. Take no action (keep the existing mission statement).
2. Amend the mission statement and approve the resolution, as amended.

**ATTACHMENTS:**

- Resolution 2154-0221

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RESOLUTION NO. 2154-0221

A RESOLUTION REVISING THE MISSION STATEMENT OF THE STEGE  
SANITARY DISTRICT

The Board of Directors of the Stege Sanitary District finds and determines as follows:

- A. The Board of Directors of the Stege Sanitary District reviews the District’s mission statement annually.
- B. After the latest review, the Board agreed on a revision that more accurately represents the District’s mission.

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

The revised mission statement of the Stege Sanitary District is as follows:

“To protect public health and the environment for the communities ~~it~~we serves through planning and operation of a safe, efficient, and economical wastewater collection system.”

\*\*\*\*\*

STATE OF CALIFORNIA)  
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the forgoing Resolution was duly and regularly adopted by the Board of Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 11<sup>th</sup> of February 2021 by a X-X vote as follows:

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

---

BEATRICE O'KEEFE, President  
Stege Sanitary District  
Contra Costa County, California

ATTEST:

---

REX DELIZO, Secretary  
Stege Sanitary District

**RESOLUTION 2155-0221 AMENDING THE BOARD GOVERNANCE MANUAL OF  
THE STEGER SANITARY DISTRICT**

**ISSUE:**

The Board will consider a resolution to amend the Board Governance Policy Manual.

**FISCAL IMPACT:**

The fiscal impact to review the manual is minimal.

**STRATEGIC PLAN:**

GOAL 5: Maintain and Improve Community Outreach and Communication

WORK PLAN ITEM "i": Maintain governance and transparency practices that qualify for the Special District Leadership Foundation District of Distinction Accreditation and the District Transparency Certificate of Excellence

**BACKGROUND:**

At the 1/7/2020 Board Meeting, the Board conducted their annual review of the Board Governance Policy Manual and made minor amendments. The Board discussed a possible change to the Board/Board Communications section regarding "serial" meetings but wanted more time to work out the language. Directors Gilbert-Snyder and Merrill announced that they would work together on better language for this section. The Board asked staff to bring the manual back with the minor amendments for consideration at a future Board meeting.

**RECOMMENDATION:**

Approve the resolution.

**ALTERNATIVES:**

1. Take no action (keep the manual unchanged).
2. Amend the manual and approve the resolution, as amended.

**ATTACHMENTS:**

- RESOLUTION 2155-0221
- Board Governance Policy Manual (amended)

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RESOLUTION NO. 2155-0221

RESOLUTION AMENDING THE BOARD GOVERNANCE MANUAL OF THE  
STEGE SANITARY DISTRICT

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

- A. The District establishes and maintains a Board Governance Manual which is reviewed annually.
- B. After the latest review, the District determined the need to make amendments to the Board Governance Manual.

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

- 1. The Stege Sanitary District Board Governance Manual is hereby approved with several amendments throughout.
- 2. The effective date of this amendment is February 11, 2021.

\*\*\*\*\*

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 11<sup>th</sup> day of February 2020 by a X-X vote as follows:

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

---

BEATRICE O'KEEFE, President  
Stege Sanitary District  
Contra Costa County, California

ATTEST:

---

REX DELIZO, Secretary  
Stege Sanitary District

## SECTION 1

### MISSION STATEMENT

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

*(Resolution No. [2154-0221](#))*

## SECTION 2

### DISTRICT SUMMARY

The Stege Sanitary District (District) was organized in 1913 to provide for the collection, treatment and disposal of wastewater from the developed area in southwest Contra Costa County. The original District boundaries were similar to those of today, however service within the boundaries has expanded to include over 35,000 people and 13,900 sewer connections. The only expected growth of the District is through building on the few remaining vacant parcels, commercial and residential development within the San Pablo Avenue Specific Plan, and BART's Transit Oriented Development (TOD).

The present service area of the District comprises 5.3 square miles and includes the communities of El Cerrito, Kensington and a part of Richmond Annex. The sewage collection system includes approximately 150 miles of collection lines and two small pump stations. The primary elements of this collection system are the public main sewers and the private lateral sewers. The District owns and has maintenance responsibility for the main sewers located in public rights-of-way or in easements on private land. Individual property owners own and have maintenance responsibility for their lateral sewers installed from the building plumbing to the main sewer. Wastewater collected in the District system flows to the Special District #1 Interceptor sewer and is then conveyed to the East Bay Municipal Utility District (EBMUD) Wastewater Treatment Facility in Oakland.

## SECTION 3

### ROLES OF DISTRICT OFFICERS

The Stege Sanitary District Board of Directors consists of five (5) Directors elected at large and serving staggered four (4) year terms with elections being held on even-numbered years. The roles, obligations, and responsibilities of members of the Board are as follows:

**Officers of the Board** include the **President**, **Vice-President** and **Secretary** of the Board. The term of office of the President and Vice-President of the Board of Directors shall commence upon their election by the Board.

The **President** of the Board shall be elected annually by the Board at the last meeting of each calendar year. The President of the Board shall serve as Chairperson at all Board meetings. The President shall have the same rights as the **other Directors** to vote; introduce motions, resolutions and ordinances; and to engage in debate. The President signs all contracts, deeds, warrants, releases, receipts and documents in the name of the District unless the Board, by resolution, authorizes the Manager or other District officers or employees to sign the documents. The President of the Board is also responsible for interacting with and communicating Board directions to the Manager so that the Manager can effectively and efficiently carry out Board directives.

The **Vice-President** shall be elected annually by the Board at the last meeting of each calendar year, to act in the President's absence or inability to act.

The **Secretary** of the Board may be a Director or an individual appointed by the Board to serve in the position of Secretary of the Board for a period of time deemed appropriate by the Board. It is the current practice of the Board to designate the District Manager as Secretary.

If a Secretary is a Director, the Secretary shall be elected annually to the office by the Board at the last regular meeting of each calendar year. If not a Director, the Secretary shall serve at the pleasure of the Board for an unspecified term of office. The Secretary shall be responsible for preparation of minutes and a record of actions taken at Board and Board Committee meetings and other duties established by the Sanitary District Act of 1923 (the "Act") or otherwise by law.

#### **District Counsel**'s Role in Representing the District

As a direct report of the Board of Directors, the District Counsel is responsible for representing the Stege Sanitary District in all legal matters. As Chief Legal Officer, the District Counsel represents the District as a whole, including the District Board of Directors, District management



and staff. The District Counsel shall comply with all applicable professional rules of conduct that govern the representation of organizations, including State Bar Rules of Professional Conduct, Rule No. 3-60, which states:

“In representing an organization, a member [lawyer] shall conform his or her representation to the concept that the client is the organization itself, acting through its highest authorized officer, employee, body, or constituent overseeing the particular engagement.”

It is the policy of the District Board of Directors that the District Counsel may not represent any Board Member or employee of the District in an individual or personal capacity. The District Counsel shall take direction from the majority of the Board. The District Counsel cannot take any action requested by an individual Board member or employee contrary to the desires of the Board as expressed by the Board majority. However, given the nature of legislative entities, which may often be split with a consistent “majority” and “minority,” the District Counsel should provide balanced legal advice to both sides.

This policy is not intended to discourage the individual Board Members or the District Manager or Staff from seeking legal advice from the District Counsel related to District policy and operations. The District Counsel shall use his or her professional judgment to ensure that legal services are provided in a manner consistent with this policy and the Rules of Professional Conduct.

## **SECTION 4**

### **CORE BELIEFS OF THE DISTRICT BOARD OF DIRECTORS**

1. We strive to meet our public health and environmental requirements, in the most efficient and cost effective way, for present and future District customers.
2. Our work will be of high-quality and responsive to our customers’ desires and needs. Our customers are those who pay our rates and/or use our services.
3. Stege Sanitary District operates for the benefit of our customers and the public, not for the benefit of our staff or board. We will try to accommodate both our customers and our staff, but our customers come first.
4. We are committed to working in the best interests of the District, not personal interests.
5. We will earn and keep the public trust in our stewardship by adhering to high standards of honesty, transparency, and personal integrity.
6. We will plan and proactively take advantage of evolving technology and best management practices.

7. We are committed to minimizing hazards to our employees and the public, recognizing the special hazards involved in operating a wastewater collection system.

### **FINANCIAL RATES**

8. Our rates shall be fair, equitable, and reasonable.
9. Our reserves shall be maintained at levels that will provide adequate, but not excessive, funds to support anticipated working capital and emergency needs.
10. “Pay as you go” with existing funds rather than borrowed is the preferred way to finance our fixed assets.
11. We will periodically review all procedures and policies to ensure our rates are fair, justified and sustainable to achieve our mission and maintain the current and long-term viability of the District.

### **ASSET MANAGEMENT**

12. We are entrusted by our customers with funds and fixed assets to accomplish our mission. We are stewards of these resources, not owners.
13. Recognizing the long life of our fixed assets, we are committed to managing them over the long term and maintaining them in a serviceable condition.
14. The benefits of capital replacements must justify the costs or to fulfill regulatory requirements.

### **PERSONNEL**

15. We believe a diverse and inclusive work environment is important in fulfilling our core values.
16. We believe that the District must strive to create a safe, productive, and positive working environment for all staff, ensuring effective collaboration and communication at all levels.
17. To encourage safe and productive work methods, we support professional training and development for staff and Directors.
18. We believe that our staff should be compensated at levels that are consistent with recruiting, hiring, and retaining high quality employees.
19. Our personnel management philosophy is based on the belief that our employees value doing a good job.

### **ETHICS/INTEGRITY**

20. We are committed to ethical personnel practices.
21. We are committed to prudent, ethical, and legal financial practices.
22. We are committed to an open ~~and~~ transparent governance.
23. We believe that the staff, manager, and board should work together as a team in order to accomplish District goals.
24. We believe in equal opportunity for all, and special privilege for none.

25. As individuals, we are responsible for our actions; as a group, we support our colleagues in their efforts to fulfill their responsibilities.
26. We are mindful that, as elected officials, our actions, both inside and outside the board room, may reflect on the District.

## SECTION 5

### CULTURAL NORMS OF THE DISTRICT BOARD OF DIRECTORS

1. The Board will be efficient in the number of meetings it holds to limit costs and payments to Directors. No more than one board meeting and one committee meeting per month or two board meetings per month should be the normal schedule.
2. Directors will be compensated with meeting fees consistent with current law and will not receive any health or pension benefit.
3. Board members will be reimbursed expenses only for pre-approved meetings which offer significant benefits to the District. CASA and CSDA meetings will generally be reimbursed for actual and reasonable travel expenses though each Director should try to hold down costs.
4. If a member is attending a non-board meeting for which expenses will be reimbursed, the member should attend the sessions, pay attention, and, in accordance with AB 1234, provide a brief report at the next regular meeting.
5. Directors are expected to attend all board meetings. It is understood that there sometimes will be personal and business reasons that result in absences. In the event when Directors need to be excused from attendance at a meeting, they should give notice at an earlier meeting or contact staff. In the event a Director would like a change to the agenda because of an expected absence, the Director should contact the Board President prior to the meeting, rather than the District Manager or staff.
6. The Board President will contact and speak to Directors that have attendance, tardiness, lack of attentiveness, or meeting participation issues or problems.
7. Directors should be engaged, participate, and pay attention at all board meetings.
8. Newly elected or appointed Directors should receive a copy of the Board Governance Policy Manual and Board Handbook prior to attendance at their first board meeting. The new Directors will be asked to review the material and be ready to discuss it with the full board at a meeting within six months after their term begins. The purpose is to reach a consensus regarding board operations, which may include modifications of certain items.
9. Newly elected or appointed Directors should take a tour of District facilities within the first six months of their term. The Manager and Superintendent should be contacted to arrange this tour, which is an important part of a new Director's orientation.

10. In order to distribute the Directors' duties evenly, the offices of President and Vice President will be rotated among Directors so that each Director will hold those offices about once every five years. The Director who is Vice President will ordinarily be the President the following year. This rotational scheme will be followed unless there are unusual circumstances or a significant change in the composition of the Board.
11. Neither District staff nor District vehicles shall be expected to be used to transport board members to or from regular board meetings.

## SECTION 6

### PROTOCOLS

#### BOARD MEETINGS

In general, District Ordinance Code Section 2.5.2 covers Board meetings.

1. Rules of Order. Ordinarily, meetings of the Board will be conducted informally in the manner determined by the President. However, at the request of any Director, the meeting shall be conducted in accordance with the rules of order and parliamentary procedure as specified in the current edition of The Standard Code of Parliamentary Procedure by Alice F. Sturgis, copyright 1950. A copy of that reference work shall be available at every Board meeting.
2. Board Room Layout/Seating. Board meetings shall be conducted around a rectangular meeting table so Directors, Manager, and Counsel face each other. Seats for the public will be available.
3. Agenda Preparation. The Board Secretary shall prepare the agenda in consultation with the Board President, with assistance from District staff. The agenda shall be completed and posted at the District office and website no later than 72 hours prior to the start of the meeting, and agenda packets will be delivered to Directors at least 72 hours prior to the start of the meeting. Some supporting information may be supplied closer to the meeting or at the meeting.
4. Agenda Structure. The basic structure of each regular meeting agenda includes items for Roll Call, Conflict of Interest review, Public Hearings, Public Comment for issues not included on the agenda, Closed Sessions, Approval of Minutes, Communications (both oral and written), reports of Staff and Officers, Business, Monthly Financial Statements, Approval of Checks, Future Agenda Items (generally for the next two meetings), and Adjournment. The first of two meetings of the month is considered a study session and will generally not include any monthly or quarterly reports.
5. Agenda Item Identification. The Manager, as Secretary, will provide specific items for Board meeting agendas. Other agenda items may be identified as part of the Future Agenda

Item section of the regular meeting. Items identified after the adjournment of the most recent Board meeting may be added by request of any Director to the Manager. The President shall be contacted if the Manager discourages inclusion of requested items.

6. Meeting Minutes. The Board Secretary shall record action meeting minutes, including a summary of Public Comment, if any. The meeting minutes will provide an overview of the decisions reached and the actions to be taken and not a verbatim recording of the discussions. The Board will consider approval of the draft minutes at the following meeting.
7. Getting Questions Answered About Agenda Items Before a Meeting. Directors are encouraged to contact the Manager prior to the meeting if they have any questions. Some questions on agenda items may be answered prior to the meeting and this will help to minimize the length of meetings. The Manager will let the Board know if these questions become excessive.
8. Public Participation. All Board meetings are open and public, and all persons are permitted to attend any meeting, except closed sessions of the Board held in accordance with law. Public participation is addressed in Ordinance Code 2.5.2.8. Directors and staff members shall treat members of the public who attend Board meetings with respect. The President will accommodate public members wishing to speak on specific agenda items by moving these items up on the agenda, if the Board determines it is practical. The President may invite members of the public to sit at the table if seating is available.
9. Public Addressing Board. Members of the public will be asked to complete a request slip if they wish to address the Board. The Board President may choose to limit the time allowed for any member of the public to address the Board. In the event there is a large group completing slips, the Board President may ask the public members to refrain from repeating what others have said, and to further limit time allowed to speak.
10. Informal Board Reports at Meetings. Directors may briefly comment on any subject not on the agenda during the Public Comment section of the agenda. There will also be an agenda item titled Oral Communication at each Board meeting that provides an opportunity for brief informal, verbal reports. Other informal reports should be brief and limited to specific subjects on the agenda.
11. Allow Majority to Set Direction – How We Act When We’re Not in Majority. Directors shall accept decisions of the Board after action is taken. Discussion of an item shall not continue at that meeting after a vote on it has been taken.
12. Bringing Agenda Items Back for Further Discussion – Revisiting Issues. There are times that additional discussion on items may be desirable and necessary. Additional information or analysis may help to clarify questions and it may be appropriate to defer items for future agendas if and when a majority of Directors want this. Tabling should not be used as a mechanism to simply defer decisions.
13. Explanation of Votes. Explanation of a vote after the vote has been taken is discouraged. Director’s viewpoints should be expressed as part of the discussion of an issue prior to the vote.

14. Sharing Expertise. The expertise of individual Directors can be an important and useful tool in deliberating issues and setting policies. Directors should share their expertise in a judicious manner, staying on topic and being mindful not to engage in lengthy accounts of personal experiences.
15. Deliberation at Meetings. Deliberation of issues at meetings should be focused, open, honest, and undertaken with a goal of reaching a solution. When the Board is stymied or obviously there are differing opinions regarding an item under discussion or review, the Board should first focus on issues where there is agreement among directors. Disagreements should then be discussed and deliberated, in hopes of reaching a consensus.
16. Preparation for Board Meetings. Directors should come to meetings well-prepared. Agenda materials should be read and reviewed in advance of the meeting, and questions that can be answered in advance of the meeting that are not relevant to policy decisions and/or agenda items should be asked of the Manager outside of the meeting.
17. Discussion of Policy vs. Non-Policy Issues. The major focus at Board meetings shall be on policy issues, Manager's performance, and Board fiduciary responsibilities. The Board should avoid directing the Manager on day-to-day operations.
18. Disclosure. Directors should disclose to the Board if they have had discussions with parties that have a personal, financial interest in an agenda item that is to be considered by the Board.
19. Number of Meetings. The Board will generally meet twice monthly in all months except November and December, when there will usually be one meeting. An annual special meeting for long-range planning will usually be held in the Spring. Other special meetings should be scheduled to be on the same days as regular meetings, when possible, to avoid extra meeting expense compensation.
- ~~19-20.~~ Remote Conferencing. In the event that any Board Member elects to attend remotely, all votes conducted during the remote conferencing session will be conducted by roll call vote.

## **BOARD/ MANAGER RELATIONS**

- ~~20-21.~~ Board/Manager Communications. Informal communications between the Manager and individual Directors by phone, electronic communication, or personal meeting is expected to occur occasionally. Formal communications regarding any concerns of Manager conduct should be directed to the Manager through the Board President. There will be communications with the Manager at Board meetings as part of the normal meeting process, and at times as specific agenda items.
- ~~21-22.~~ Manager/Board Communications. The Manager's concern about Board members' conduct should be directed through the Board President or the Vice President if the concern regards the President.
- ~~22-23.~~ Manager Performance Evaluation and Review. The Board will review the performance of the Manager periodically, at least twice per year. An interim review by the Board will occur sometime early in the calendar year at a Board meeting. An annual review will be

performed in June at a Board meeting and will be used as a factor in the determination of any compensation adjustments for the Manager for the next fiscal year.

23-24. Individual Board Member Request for Action. Individual Directors should ask the Manager to take action on issues only if there is a concern such as safety that necessitates immediate action, or another situation that requires quick action. Otherwise, Directors should request actions through the Board meeting process.

24-25. Individual Board Members Request for Information. Individual Board members are encouraged to ask the Manager if they have questions regarding District business or activities. The Manager will let the Board know if these types of questions become excessive. Requests for information that would require substantial staff time to handle should only come through the Board, not individual Directors.

### **BOARD/STAFF RELATIONS**

25-26. Individual Board Member Request for Information. There may be instances when information should be obtained from staff. For example, when the Manager is not present or the information requested is ministerial such as conference, meeting, or hotel arrangements, staff should be contacted. Directors should generally request information regarding District business from the Manager instead of directly from staff members.

26-27. Individual Board Member Request for Action. Directors should not request action of staff, unless the requests involve ministerial types of actions such as conference, meeting, or hotel arrangements.

27-28. Handling Complaints from Staff. Directors who receive complaints from staff related to the District Manager should direct that staff to contact/inform the Board President or District Counsel as appropriate for follow up and consideration. Complaints related to other issues should be directed to the Manager.

28-29. Board/Staff Communications. Directors may informally communicate with staff at various District functions like the holiday lunch, safety and recognition awards lunch, and day-to-day encounters at the District office. Communications on issues like employee salaries and benefits, disciplinary issues, and other Board business should be directed through the Manager.

### **BOARD/COMMUNITY RELATIONS**

29-30. Handling Complaints from the Community. Complaints from the community directed to Directors should be passed on to the Manager for response/action.

30-31. Addressing Concerns of the Community. Directors should be sensitive to the concerns of the community. Hosting a booth at the annual El Cerrito Fourth of July Fair, answering questions, listening to customers at this and other public events and venues provides an awareness of the community's concerns and issues. Specific concerns may be discussed at Board meetings, and some may be easily handled by passing on to the Manager and staff for action.

31.32. Visiting District Sites. Directors are invited to visit District facilities and projects periodically.

## **BOARD/BOARD RELATIONS**

32.33. Role of the President. The President is in charge of the conduct of the Board meetings and has final approval of the agenda. The Board traditionally appoints the President as representative of the Board in negotiations with the Manager for the Manager's compensation. The President is also the official representative and spokesperson for the Board of Directors.

33.34. Use of Committees. Ad hoc Committees, created in accordance with the District Ordinance Code, may be used to address special issues as they arise.

34.35. Confidentiality and Trust. In order for the Board to function most effectively, there must be a high level of trust among the Board members. In order to maintain trust, Board members will respect the confidentiality of closed sessions and personal information. Board members may disagree, but will not indulge in backstabbing, double crossing, or other counterproductive activities.

35.36. Role in Public. Directors shall identify themselves as speaking for themselves, not as a representative of the Board, unless relating Board policy. Directors should not undercut Board actions in Public.

36.37. Board/Board Communications. Conversations between and among Board members are governed by the Brown Act. All Board members shall familiarize themselves with the Brown Act and comply with its requirements. Whenever three or more Board members are together outside of a Board meeting, they shall avoid discussing District matters. **To avoid any possibility of a "serial" meeting, when even two members are together, even they should avoid discussing District matters or, at a minimum, announce the discussion at a Board meeting.** Communications include electronic communications. General matters relating to sewage collection and local government are not restricted by the Brown Act and are appropriate topics of conversation under any circumstances.

37.38. Electronic Communication during Meetings. The Board shall avoid disrupting meetings with electronic communication devices (e.g., cellular phones). All Board Members shall turn off electronic communication devices or set them to silent or vibrate. Board Members shall step outside of the meeting room to talk on a cellular phone. No communication is allowed that would be a violation of the Brown Act.

38.39. Self-Assessment of Governance. The Board will have an item at its annual Long Range Planning Workshop to assess the effectiveness of its governance.

39.40. Team Effectiveness. Directors are expected to support each other and function as a team. Newly appointed or elected Directors are expected to review the Board Governance Policy Manual and Board Handbook. Existing Directors are expected to assist new Directors in their transition onto the Board. Both new and existing Directors should work together



constructively to develop a new consensus as to how the Board will govern and conduct its business.

## SECTION 7

### CODE OF ETHICS AND BEHAVIOR

The Board of Directors of the Stege Sanitary District is committed to providing excellence in legislative leadership that results in the provision of the highest quality of services to its constituents. In order to foster civil and ethical behavior between and among members of the Board of Directors, the following rules shall be observed.

1. The dignity, style, values, and opinions of each Director shall be respected.
2. Responsiveness and attentive listening in communication is encouraged.
3. The needs of the District's constituents should be the priority of the Board of Directors.
4. The primary responsibility of the Board of Directors is the formulation and evaluation of policy and oversight of operations. Routine matters concerning the operational aspects of the District are the domain of the District Manager.
5. Directors should commit themselves to emphasizing the positive and avoid double talk, hidden agenda, gossip, backbiting, and other negative forms of interaction.
6. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.
7. Differing viewpoints are a healthy part of the decision-making process. Individuals have the right to disagree with ideas and opinions without being disrespectful. Once the Board of Directors takes action, Directors should commit to supporting said action and not to create barriers to the implementation of said action.

The Board of Directors shall observe the following rules when interacting with District Staff.

1. In seeking clarification on ministerial items, Directors may approach staff members directly to obtain information.
2. In seeking clarification on non-ministerial items, especially those involving personnel, legal action, land acquisition and development, finance, and programming, Directors should refer directly to the District Manager.
3. In handling complaints from residents and property owners of the District, said complaints should be referred directly to the District Manager.

4. In handling items related to safety, concerns for safety or hazards should be reported to the District Manager or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
5. When approached by District staff concerning specific District policy, Directors should direct inquiries to the District Manager. The chain of command should be followed.

The work of the District is a team effort. The Board should work together in a collaborative process with District Staff, assisting each other in conducting the affairs of the District.

1. When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive manner and routing their questions to the District Manager.
2. Directors should develop a working relationship with the District Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.
3. Individual Directors should function as a part of the whole Board. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively.
4. Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

## **SECTION 8**

### **CONFLICT OF INTEREST CODE**

The Political Reform Act (Cal. Gov. Code Sec. 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the FPPC to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Sec. 18730 and any amendments to it duly adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Stege Sanitary District.

Designated employees shall file their statements of economic interest (Form 700) with Contra Costa County resulting in an electronic copy to Stege Sanitary District. Stege Sanitary District

will retain statements for all designated employees and will make the statements available for public inspection and reproduction (Cal. Gov. Code Sec. 81008).

APPENDIX TO STEGE SANITARY DISTRICT  
CONFLICT OF INTEREST CODE  
DESIGNATED OFFICIALS AND EMPLOYEES

<u>Designated Positions</u>	<u>Disclosure Category</u>
Secretary of the Board	All
Legal Counsel	All
Consultants <sup>1,2</sup>	All

It has been determined that the positions listed below manage public investments and will file a Statement of Economic Interest pursuant to Cal. Gov. Code Sec. 87200:

<u>Position</u>	<u>Disclosure Category</u>
Members of the Board of Directors	All
District Manager	All

Persons who hold more than one position need only file one Statement of Economic Interest.

<sup>1</sup> With respect to Consultants, the District Manager may determine, in writing, whether a particular consultant participates in the making of governmental decisions in conducting the firm's business with the District. Such determination shall include a description of the consultant's duties, and, based upon that description, a statement of the extent of disclosure requirements. The District Manager shall forward a copy of this determination to the Board of Supervisors of the Contra Costa County. Nothing herein excuses any such consultant from any other provisions of this Conflict of Interest Code.

<sup>2</sup> If these Designated Employees are business firms, the Statement shall be filed by the individual or individuals in the firm who participate in the making of governmental decisions in conducting the firm's business with the District.

Disclosure Categories

Category 1. A designated employee assigned to Category 1 is required to disclose investments which may foreseeably be materially affected by any decision made or participated in by the designated employee.

Category 2. A designated employee assigned to Category 2 is required to disclose interests in real property which may be materially affected by any decision made or participated in by the designated employee.

Category 3. A designated employee assigned to Category 3 is required to disclose income which may be materially affected by any decision made or participated in by the designated employee.

Category 4. A designated employee assigned to Category 4 is required to disclose any business entity in which the designated employee is a director, officer, partner, trustee, or holds any position of management which may be materially affected by any decision made or participated in by the designated employee.

*(Ordinance No. 2074-0117)*

## SECTION 9

### STATEMENT OF ECONOMIC INTERESTS (FORM 700)

The California Political Reform Act requires certain state and local government officials to disclose their private economic interests on an official Statement of Economic Interests form. The purpose of the financial disclosure is to alert public officials to personal interests that might be affected while they are performing their official duties (i.e., making governmental decisions). Disclosure also helps inform the public about potential conflicts of interest.

Disclosure is made on the Statement of Economic Interests (Form 700) available at Fair Political Practices Commission website ([www.fppc.ca.gov](http://www.fppc.ca.gov)). Filed forms are public documents that must be made available to anyone who requests them.

Essentially, there are four times to file Form 700:

- An "initial" statement is required within 30 days of the date when an office or position has been added to a newly-adopted or newly-amended conflict of interest code.
- An "assuming office" statement is required within 30 days of the date when taking a position already designated in a conflict of interest code.
- "Annual" statements are required before April 1 of each year, covering the preceding calendar year.

- A "leaving office" statement is required within 30 days of the date you leave a designated position.

To ensure current regulations and deadlines are met, Directors shall refer to the Fair Political Practices Commission website ([www.fppc.ca.gov](http://www.fppc.ca.gov)) and Contra Costa County website ([www.cocovote.us](http://www.cocovote.us)) for up to date rules and filing schedules.

## **SECTION 10**

### **CAMPAIGN FINANCES (FORM 460/470)**

Any candidate or officeholder who has a controlled committee, or who has raised or spent or will raise or spend \$2,000 or more during a calendar year in connection with election to office or holding office shall file a California Fair Political Practices Commission Form 460 - Recipient Committee Campaign Statement available at the Fair Political Practices Commission website ([www.fppc.ca.gov](http://www.fppc.ca.gov)).

Any candidate or officeholder who does not have a controlled committee and who does not intend to raise or spend \$2,000 or more in a calendar year shall file a California Fair Political Practices Commission Form 470 - Officeholder and Candidate Campaign Statement available at the Fair Political Practices Commission website ([www.fppc.ca.gov](http://www.fppc.ca.gov)). This statement is used to declare that the candidate/officeholder has no intention of receiving or spending \$2,000 or more in a calendar year.

In most cases, July 31 is the filing deadline. To ensure current regulations and deadlines are met, Directors shall refer to the Fair Political Practices Commission website ([www.fppc.ca.gov](http://www.fppc.ca.gov)) and Contra Costa County website ([www.cocovote.us](http://www.cocovote.us)) for up to date rules and filing schedules.

## **SECTION 11**

### **BOARD MEMBER COMPENSATION POLICY**

It is the policy of the Stege Sanitary District Board of Directors that Board members will be compensated for attendance at all Board meetings, in accordance with Section 2.9 of the District Code of Regulations. Board members will not be compensated for attendance at CASA, City

Council, City Council Committee, Neighborhood Council, other Special District Meetings, or Special District Association Meetings. Compensation will consist of meeting fees consistent with current law and will not include any health, pension or other benefit.

The current Directors' fees payable to members of the Board of Directors of the Stege Sanitary District is \$223.88 per meeting day of service.

*(Ordinance No. 2139-0720)*

## **SECTION 12**

### **POLICY PROHIBITING ACCEPTANCE OF GRATUITIES**

Board members shall not accept gratuities offered or presented except for trivial items of negligible commercial value, such as a hat, cap, note pad, pen, blotter, calendar or other item that does not exceed \$25.

Gifts that are offered should be refused; gifts that are delivered shall be returned if possible, and gifts that cannot be returned should be donated to the District for disposition.

One area that is often troublesome is the acceptance of meal invitations. Inexpensive, working meals (such as lunch) for the purpose of discussion of business related to the District may be acceptable; however, Board members are cautioned that these events shall be kept as infrequent as possible.

To ensure current regulations are met, Directors shall refer to the Fair Political Practices Commission website ([www.fppc.ca.gov](http://www.fppc.ca.gov)) for up to date rules regarding limits on gifts.

## **SECTION 13**

### **ATTENDANCE AT MEETINGS, SEMINARS AND CONFERENCES POLICY**

It shall be the policy of the Board of Directors of the Stege Sanitary District to encourage its members to maintain and enhance their directorship and committee skills through attendance at Board approved meetings, seminars and conferences determined to have value for that purpose.

*(Ordinance No. 1456-0189)*

## **SECTION 14**

### **EXPENSE REIMBURSEMENT POLICY**

If time permits, Directors shall seek Board approval before attending meetings, seminars, and conferences for which reimbursement is sought. District staff attendance at such function shall be preapproved by the Manager and within the constraints of the appropriate budget.

All Directors and staff who claim reimbursement of travel expenses shall be responsible for maintaining and submitting a record of travel expenses incurred on behalf of the District and, where required, for documenting said costs.

Meal and incidental expenses shall be reimbursed at amounts that do not exceed the Internal Revenue Service (IRS) standards established for the location in which the expenses were incurred.

District procedures regarding reimbursement of personal expenses related to travel on District business should be reviewed and updated periodically.

It shall be the policy of the Stege Sanitary District to reimburse travel expense claims for its Directors and staff, in conformance with all applicable District policies and procedures, and appropriate procedures shall be established.

*(Ordinance No. 1762-0501)*

## **SECTION 15**

### **REQUIRED BOARD TRAINING COURSES**

The Board of Directors of the Stege Sanitary District shall, at a minimum, take the required training courses as follows:

- AB 1234 Ethics Training every 2 Years, as required by law
- AB 1825 Harassment Prevention Training every 2 Years, as required by law

- Governance Training every 5 Years, as required to maintain Special District Leadership Foundation's District of Distinction Accreditation

The Board of Directors of the Stege Sanitary District are encouraged to complete all four modules of the California Special Districts Association (CSDA) Special District Leadership Academy as follows:

- Module 1: Governance Foundations
- Module 2: Setting Direction & Community Leadership
- Module 3: Board's Role in Finance & Fiscal Accountability
- Module 4: Board's Role in Human Resources

## **SECTION 16**

### **PUBLIC RELATIONS POLICY**

It is the policy of the Stege Sanitary District Board of Directors that: 1) customers should be periodically informed about District business, and 2) any requests from the media (print, audio, or video) regarding District affairs shall be directed to the District Manager.

District newsletters are a means of conveying this information, and newsletters should be sent to all known customers. There should be two newsletters each year, and the target transmittal dates are May and November. These dates provide an even spacing of six months between letters and the May date allows for informing customers about budget information for the next fiscal year, including service charge changes.

Other means of conveying this information include through the District website, email, participating in community events such as the 4th of July Fair, and social media and online communities such as Facebook, Twitter, Nextdoor, and Yelp.

## **SECTION 17**

### **EQUAL EMPLOYMENT OPPORTUNITY (EEO)**

It is the policy of the District that employment practices and conditions shall be free of unlawful discrimination on the basis of race, religion, color, national origin, ancestry, pregnancy,



childbirth, medical condition, physical or mental disability, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military or veteran status, political affiliation, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act of the California Family Rights Act), domestic violence victim status, or any other basis as defined and protected by federal or state law (collectively, “protected categories”). This policy covers District employees, applicants, volunteers, and elected or appointed officials.

*(Resolution No. 2144-0820 – Amended Personnel Policy)*

## **SECTION 18**

### **DISCRIMINATION AND HARASSMENT PREVENTION POLICY**

The District is committed to providing a work environment free from discrimination and harassment. This includes discrimination and harassment based on a “protected category,” as defined above. Discrimination and harassment are prohibited by the District and may result in disciplinary action, up to and including dismissal.

Accordingly, the District adopts this anti-discrimination and anti-harassment policy or Discrimination and Harassment Prevention Policy (“DHP Policy”) to encourage professional and respectful behavior and prevent discriminatory and harassing conduct in the workplace. The District also prohibits retaliation against a person who engages in activities protected under this policy (“protected activities”). Reporting, or assisting in reporting, suspected violations of this policy and cooperating in investigations or proceedings arising out of a violation of this policy are considered “protected activities.”

This DHP Policy covers District employees, applicants, and elected or appointed officials. As used in this DHP Policy only, the term “employee” includes contractors and volunteers in the workplace. The DHP Policy extends to conduct with a connection to an employee’s work, even when the conduct takes place away from District premises. In addition, discrimination or harassment carried out by persons with whom the District has a business, service, or professional relationship is prohibited and may result in termination of the business relationship, or other appropriate response as determined by the District.

All employees, applicants, and elected or appointed officials are expected to assume responsibility for maintaining a work environment that is free from discrimination, harassment, and retaliation. Employees, applicants, and elected or appointed officials are encouraged to

promptly report conduct that they believe violates this policy so that the District has an opportunity to address and resolve any concerns. Managers and supervisors are required to promptly report conduct that they believe violates this policy. We are committed to responding to alleged violations of this policy in a timely and fair manner and to taking appropriate action aimed at ending the prohibited conduct.

A. Prohibited Discrimination. As used in this policy, discrimination is defined as the unequal treatment of an employee or applicant in any aspect of employment, including discrimination based solely, or in part, on the employee's, or applicant's protected category. Discrimination also includes unequal treatment based upon the employee or applicant's association with a member of these protected categories. Discrimination may include, but is not necessarily limited to:

1. Hostile or demeaning behavior towards applicants or employees because of their protected category;
2. Allowing the applicant's or employee's protected category to be a factor in hiring, promotion, compensation or other employment-related decisions unless otherwise permitted by applicable law; and
3. Providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or employees because of their protected category.

B. Prohibited Harassment. As used in this policy, harassment is defined as disrespectful or unprofessional conduct, including disrespectful or unprofessional conduct based on any of the protected categories listed above. Harassment in employment may take many different forms including:

1. Verbal conduct such as epithets, derogatory comments, threats, gestures, teasing, slurs or unwanted jokes or comments.
2. Visual conduct such as the posting or distribution of offensive posters, symbols, cartoons, drawings, photographs, or emails.
3. Physical conduct such as physically threatening another person, assault, offensive touching, impeding or blocking movement, restraint, or physical interference with normal work or movement.

C. Sexual Harassment. As used in this policy, sexual harassment is defined as harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, and gender expression, or conduct of a sexual nature. It may include any of the actions described as harassment above, as well as other unwelcome sex-based conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors,

conversations regarding sexual activities, or other verbal or physical conduct of a sexual nature. Sexually harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal.

Sexual harassment is generally categorized into two types:

1. Quid Pro Quo Sexual Harassment (“this for that”)

- a) Submission to sexual conduct is made either explicitly or implicitly as a term or a condition of an individual's employment.
- b) Submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual.

2. Hostile Work Environment Sexual Harassment

- a) Conduct of a sexual nature or on the basis of sex by any person in the workplace that unreasonably interferes with an employee's work performance and/or creates an intimidating, hostile or otherwise offensive working environment.

Examples of such conduct include:

- Unwelcome sexual advances, flirtation, teasing, sexually suggestive or obscene letters, invitations, notes, emails, voicemails or gifts.
- Sex, gender or sexual orientation-related comments, slurs, jokes, remarks or epithets.
- Leering, obscene or vulgar gestures or making sexual gestures.
- Displaying or distributing sexually suggestive or derogatory objects pictures, cartoons, or posters or any such items.
- Impeding or blocking movement, unwelcome touching or assaulting others.
- Any sexual advances that are unwelcome as well as reprisals or threats after a negative response to sexual advances.
- Conduct or comments consistently targeted at one gender, even if the content is not sexual.

- D. No Retaliation: Employees should feel free to report valid claims of unlawful harassment without fear of retaliation of any kind. The District will not retaliate against or tolerate retaliation against employees for making any complaint of unlawful harassment in good faith, or against any employee for cooperating in an investigation.

1. As used in this policy, “retaliation” is defined as any adverse employment action taken against an employee because the employee engaged in any protected activity, as defined above.
  2. “Adverse employment action” is conduct or an action that materially affects the terms and conditions of the employee’s employment status or is reasonably likely to deter the employee from engaging in protected activity. Even actions that do not result in a direct loss of compensation may be regarded as an adverse employment action when considered in the totality of the circumstances.
  3. Examples of retaliation under this policy include but are not limited to: demotion; suspension; reduction in pay; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; harassing another employee for filing a complaint; denying employment opportunities because of making a complaint or for cooperating in an investigation; changing someone’s work assignments for identifying harassment or other forms of discrimination in the workplace; treating people differently such as denying an accommodation; or not talking to an employee when otherwise required by job duties, or otherwise excluding the employee from job-related activities because of engagement in activities protected under this policy.
- E. Harassment and Abusive Conduct Prevention Training. All District employees are required to participate in sexual harassment and abusive conduct prevention training. The training will also cover other types of prohibited harassment, such as harassment based on gender identity, gender expression, and sexual orientation. Supervisory employees are required to take two hours of training under this section every two years. Non-supervisory employees are required to take one hour of training every two years. The District will make this training available to employees during regular working hours at no cost to the employee. Records of these training activities will be maintained in District files.
- F. Employee Response. Any employee who believes he or she has been unlawfully harassed or discriminated against should promptly report it orally or in writing to the employee’s supervisor or the District Manager. An employee is not required to complain first to a supervisor if that person is the individual who is harassing and/or engaging in discriminatory action against the employee. Instead, the employee may report the harassment/discrimination to the District Manager. If the District Manager is the harassing and/or discriminating actor, the employee may report the harassment/discrimination to the President of the Board of Directors.

When notified of a potential violation of the DHP Policy, the President of the Board of Directors will consult with District Counsel.

- G. Supervisor Duty to Report. All managers and supervisors are required to promptly report conduct that they believe violates the District's DHP Policy so that the District has an opportunity to address and resolve any concerns. The District is committed to responding to alleged violations of this policy in a timely and fair manner and to take appropriate action aimed at ending the prohibited conduct.
- H. Complaint & Investigation Procedure: The District will take an affirmative role to protect its employees from discrimination, harassment, and retaliation. Any employee or applicant who experiences or witnesses behavior that they believe violates this policy is encouraged to:
1. Identify the offensive behavior to the offending employee or other person and request that the behavior cease.
  2. Report the offensive behavior either orally or in writing to the employee's supervisor or manager or the District Manager. Any manager or supervisor who receives a complaint of harassment or discrimination must immediately report the complaint to the District Manager. If the District Manager is the subject of the complaint of harassment or discrimination, the manager or supervisor must report the complaint to the President of the Board of Directors.
  3. The District Manager or his/her designee will promptly look into the facts and circumstances of any alleged violation, as appropriate. As provided above, the President of the Board of Directors will perform this duty if the District Manager is the subject of the complaint.
  4. The District shall initiate an investigation where it has reason to believe that conduct in violation of this DHP policy has occurred. All investigations will be timely, thorough, fair, and completed by qualified personnel.
    - i. To the extent possible, the District will endeavor to keep the reporting of the applicant or employee's concerns confidential; however, complete confidentiality cannot be guaranteed when it interferes with the District's ability to fulfill its obligations under this policy.
    - ii. All employees are required to cooperate fully with any investigation.
  5. Upon completion of the investigation, if the misconduct is substantiated, the District will take appropriate remedial action, as provided below, to prevent and correct misconduct and unlawful behavior, up to and including formal discipline where warranted.

- I. Filing External Complaints: Employees and applicants may file formal complaints of discrimination, harassment, or retaliation with the agencies listed below. Individuals who wish to pursue filing with these agencies should contact them directly to obtain further information about their processes and time limits.

**California Department of Fair Employment and Housing**

2218 Kausen Drive, Suite 100 Elk Grove, CA 95758

800-884-1684 (voice), 800-700-2320 (TTY) or California's Relay Service at

711 [contact.center@dfeh.ca.gov](mailto:contact.center@dfeh.ca.gov)

<https://www.dfeh.ca.gov>

**U.S. Equal Employment Opportunity Commission**

450 Golden Gate Avenue 5 West,

P.O. Box 36025

San Francisco, CA 94102-3661

1-800-669-4000 or 510-735-8909 (Deaf/hard-of-hearing callers only)

<http://www.eeoc.gov/employees>

J. Remedial Action:

1. If harassment or discrimination is found to have occurred in violation of District policy, the District shall take action to ensure or confirm that the harassment or discrimination is stopped. The District shall take whatever measures are reasonably necessary to ensure its workplaces remain free from unlawful discrimination or harassment.
2. The District shall maintain a complaint procedure to provide an avenue for complaints, investigations, and appropriate remediation. Employees are encouraged to utilize the complaint process described in subsection (H) above if they experience unlawful discrimination or harassment. The complaint process shall be available and disseminated to all District employees.
3. Employees found to have engaged in discrimination or harassment covered by this DHP Policy may be subject to disciplinary action, up to and including termination of employment.
4. Employees found to have been dishonest or uncooperative during an investigation into allegations of discrimination or harassment may be subject to disciplinary action, up to and including termination of employment.
5. This DHP Policy shall not be construed to create a private or independent right of action against the District, or any of its employees or officials. The District reserves the right to interpret and apply this policy to provide greater protection than what is afforded under existing federal and state law.

- K. Obligation of Employees. Employees are responsible for knowing the District's policy on anti-discrimination and anti-harassment; refraining from discriminatory behavior, including harassment; reporting incidents of discrimination in a timely fashion; cooperating with any investigation concerning allegations of discrimination; and maintaining confidentiality concerning any such investigation.

*(Resolution No. 2144-0820 – Amended Personnel Policy)*

## **SECTION 19**

### **DISTRICT ELECTIONS POLICY**

The Stege Sanitary District Board of Directors is comprised of five (5) Directors elected at large and serving staggered four (4) year terms with elections being held on even-numbered years.

California Elections Code Section 10505 requires a general district election be held in each special 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.

As allowed in California Elections Code Section 10400, District elections shall be consolidated with the statewide general elections to reduce costs and achieve greater voter participation.

As set forth in California Elections Code Section 10520, the District shall reimburse the county for the actual costs incurred by the county elections official in conducting the election for the District.

As set forth in California Elections Code Section 13307, before a 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, may estimate the cost; and determine whether the estimate must be paid in advance.

As set forth in California Elections Code Section 12112, the election official of the principal county shall publish a notice of the election once in a newspaper of general circulation in the District.

After the election, upon receipt of the statement of the election official declaring the elected candidate(s), the Board Secretary shall immediately notify each winning candidate.

At the first Board Meeting, which shall occur after the county elections official declares the elected candidate or elected candidates, the District Board of Directors shall adopt a Resolution certifying the election results. The Resolution shall direct the Secretary of the Stege Sanitary District to enter on the official records of the Stege Sanitary District, the Resolution certifying the results of the election, showing: 1) the whole number of ballots cast in the Stege Sanitary District; 2) the names of the persons voted for; 3) for what office each person was voted for; 4) the number of votes given at each precinct to each person and 5) the total number of votes given to each person. The Resolution shall also direct the Secretary of the Stege Sanitary District to deliver to each of the persons so elected a certified copy of the Resolution signed by the Secretary and authenticated.

Pursuant to California Elections Code Section 10554, elected candidates take office at noon on the first Friday in December following the District election. Each elective officer shall take the official oath and execute any bond required prior to taking office. All Directors elected shall be inducted into the respective office after taking the Oath of Office.

## **SECTION 20**

### **CHECK APPROVAL POLICY**

All Stege payments shall be reviewed and approved by the Board. All checks shall be signed by the District Manager and the Board President (or his/her designee). Time critical payments, where there is not time for Board review and approval, shall be reviewed and approved by the Board President (or his/her designee).

## **SECTION 21**

### **POLICY PROHIBITING DISCUSSION WITH BIDDERS**

Directors shall not discuss District projects or bids with any potential bidders. Any inquiries regarding District projects or procurements shall be referred to the District Manager or staff, with the District Manager's permission, for appropriate handling and response.



## SECTION 22

### LEGISLATIVE ADVOCACY POLICY

Although the expenditure of public funds for the purpose of supporting or opposing a ballot measure or candidate is prohibited, the expenditure of public funds is allowed to advocate for or against proposed legislation or regulatory actions which will affect the public agency expending the funds.

It is the policy of the District to proactively monitor and advocate for legislation affecting the District. Monitoring legislation is a shared function of the Board of Directors and District Manager or designated staff. This process involves interaction with local, state, and federal government entities both in regard to specific items of legislation and to promote positive intergovernmental relationships. Accordingly, involvement and participation in local, regional, state, and national organizations such as the California Special Districts Association (CSDA) and the California Association of Sanitation Agencies (CASA) is encouraged and supported by the District. Generally, the District will not address matters that are not pertinent to the District's mission statement, such as social issues or international relations issues.

Legislative issues affecting the District shall be added to a board meeting agenda for formal direction from the Board of Directors. Legislative position letters shall typically state whether the District is in the position of "support", "support if amended", "oppose", or "oppose unless amended", and shall include justification for the recommended action. If possible, the letter shall include examples of how the bill would specifically affect the District, e.g. "the funding the District will lose due to this bill could pay for X capital improvements." The District may also choose to provide a letter of concern or interest regarding a legislative issue without taking a formal position.

**SECTION 23**

**BOARD HANDBOOK**  
(Under Separate Cover)

**SECTION 24**

**DISTRICT ORDINANCE CODE**  
(Under Separate Cover)

**RESOLUTION NO. 2156-0221 AMENDING THE EMPLOYEE PERSONNEL POLICIES  
OF THE STEGE SANITARY DISTRICT, ARTICLE IV, SECTION 1. EMPLOYEE  
BENEFITS, 4.1.8. RETIREE HEALTH BENEFITS**

**ISSUE:**

The Board will consider a resolution to change the current \$280 per month retiree health benefit level.

**FISCAL IMPACT:**

The fiscal impact of changing the current \$280 per month retiree health benefit level to \$324.48 per month is in the attached report.

**STRATEGIC PLAN:**

GOAL 3: Ensure Financial Stability and Efficiency

WORK PLAN ITEM "m": Establish and follow a plan to fully fund retirement liabilities

**BACKGROUND:**

At the Board meeting held on September 3, 2020, the Board reviewed potential retiree health benefit level changes with Administrative Supervisor, Kary Richardson, and approved having the actuarial run the next retiree health benefit level valuation to match the 2021 Kaiser Medicare Supplemental rate of \$324.48 per month for current and future retirees.

The actuarial, Total Compensation Systems, Inc., and Administrative Supervisor, Kary Richardson, are scheduled to be in attendance at the meeting to discuss the results of the report.

**RECOMMENDATION:**

Approve the resolution.

**ALTERNATIVES:**

1. Keep the current retiree health benefit at \$280 per month (no change).
2. Instruct staff to have the actuarial run an alternate benefit valuation at a different rate, or for future retirees only.

**ATTACHMENTS:**

- Resolution No. 2156-0221
- Actuarial Study of Retiree Health Liabilities Under GASB 74/75
- CalPERS 2021 Monthly Premiums

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RESOLUTION NO. 2156-0221

RESOLUTION AMENDING THE EMPLOYEE PERSONNEL POLICIES OF THE STEGE  
SANITARY DISTRICT, ARTICLE IV, SECTION 1. EMPLOYEE BENEFITS, 4.1.8.  
RETIREE HEALTH BENEFITS

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

- A. The District establishes and maintains personnel policies for its employees and Board Members, and these policies are subject to periodic review and amendment.
- B. After the latest review, the Board decided the Retiree health benefit level of \$280, which has been unchanged since established in 2008, should be increased to match the 2021 Kaiser Medicare Supplemental rate of \$324.48 per month for current and future retirees.

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

The Stege Sanitary District Personnel Policy, Article IV. Benefit Provision Section 1. Employee Benefits, 4.1.8. Retiree Health Benefits is amended to read as follows:

Health benefit levels are established as follows:

The benefit level is established at ~~\$280.00~~\$324.48 per month. The minimum CalPERS Health Plan participation benefit paid each month to CalPERS by the District on behalf of the eligible retiree, is part of the benefit.

The effective date of this amendment is February 11, 2021.

\*\*\*\*\*

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 11<sup>th</sup> day of February 2020 by a X-X vote as follows:

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

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BEATRICE O'KEEFE, President  
Stege Sanitary District  
Contra Costa County, California

ATTEST:

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REX DELIZO, Secretary  
Stege Sanitary District

**Stege Sanitary District  
Actuarial Study of  
Retiree Health Liabilities Under GASB 74/75  
Valuation Date: June 30, 2020  
Measurement Date: June 30, 2020  
For Fiscal Year-End: June 30, 2021**

*Prepared by:  
Total Compensation Systems, Inc.*

*Date: January 25, 2021*

DRAFT

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**Stege Sanitary District  
Actuarial Study of Retiree Health Liabilities**

**PART I: EXECUTIVE SUMMARY**

**A. Introduction**

This report was produced by Total Compensation Systems, Inc. for Stege Sanitary District to determine the liabilities associated with its current retiree health program as of a June 30, 2020 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2021. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2021 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2021 measurement date is provided on page 13.

**B. Key Results**

Stege Sanitary District uses an Actuarial Measurement Date that is 12 months prior to its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2020 will be used on a look back basis for the June 30, 2021 Fiscal Year-End.

<b>Key Results</b>	<b>Current Year</b>	<b>Prior Year</b>
	<i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>	<i>June 30, 2019 Measurement Date for June 30, 2020 Fiscal Year-End</i>
Total OPEB Liability (TOL)	\$540,603	\$291,966
Fiduciary Net Position (FNP)	\$232,611	\$224,781
Net OPEB Liability (NOL)	\$307,992	\$67,185
Service Cost ( <i>for year following</i> )	\$13,820	\$4,521
Estimated Pay-as-you-go Cost ( <i>for year following</i> )	\$21,028	\$18,227
GASB 75 OPEB Expense ( <i>for year ending</i> )	\$252,983	\$9,743

Refer to results section beginning on page 10 or the glossary on page 27 for descriptions of the above items.

<b>Key Assumptions</b>	<b>Current Year</b>	<b>Prior Year</b>
	<i>June 30, 2020 Measurement Date for June 30, 2021 Fiscal Year-End</i>	<i>June 30, 2019 Measurement Date for June 30, 2020 Fiscal Year-End</i>
Valuation Interest Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.00%	7.00%
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	2.75%

# Total Compensation Systems, Inc.

## C. Summary of GASB 75 Accounting Results

### 1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. A more detailed version of this table can be found on page 12.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
<b>Balance at June 30, 2019 Measurement Date</b>	<b>\$291,966</b>	<b>\$224,781</b>	<b>\$67,185</b>
Service Cost	\$4,521	\$0	\$4,521
Interest on TOL / Return on FNP	\$19,958	\$7,940	\$12,018
Employer Contributions	\$0	\$20,302	(\$20,302)
Benefit Payments	(\$20,302)	(\$20,302)	\$0
Administrative Expenses	\$0	(\$110)	\$110
Experience (Gains)/Losses	\$4,092	\$0	\$4,092
Changes in Assumptions	(\$1,319)	\$0	(\$1,319)
Changes in Benefit Terms	\$241,687	\$0	\$241,687
Net Change during 2019-20	\$248,637	\$7,830	\$240,807
<b>Actual Balance at June 30, 2020 Measurement Date</b>	<b>\$540,603</b>	<b>\$232,611</b>	<b>\$307,992</b>

### 2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 24.

<b>Balances at June 30, 2021 Fiscal Year-End</b>	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
Differences between expected and actual experience	\$7,749	\$0
Changes in assumptions	\$0	(\$1,169)
Differences between projected and actual return on assets	\$7,284	(\$760)
<b>Total</b>	<b>\$15,033</b>	<b>(\$1,929)</b>

<b>To be recognized fiscal year ending June 30:</b>	<i>Deferred Outflows</i>	<i>Deferred Inflows</i>
2022	\$2,970	(\$532)
2023	\$2,970	(\$528)
2024	\$2,966	(\$150)
2025	\$2,614	(\$150)
2026	\$1,059	(\$150)
Thereafter	\$2,454	(\$419)
<b>Total</b>	<b>\$15,033</b>	<b>(\$1,929)</b>

## Total Compensation Systems, Inc.

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### 3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

<b>To be recognized fiscal year ending June 30, 2020</b>	<i>Expense Component</i>
Service Cost	\$4,521
Interest Cost	\$19,958
Expected Return on Assets	(\$15,731)
Administrative Expenses	\$110
Recognition of Experience (Gain)/Loss Deferrals	\$1,059
Recognition of Assumption Change Deferrals	(\$150)
Recognition of Investment (Gain)/Loss Deferrals	\$1,529
Employee Contributions	\$0
Changes in Benefit Terms	\$241,687
<b>Net OPEB Expense for fiscal year ending June 30, 2020</b>	<b>\$252,983</b>

\* May include a slight rounding error.

### 4. Adjustments

The above OPEB expense includes all deferred inflows and outflows except any contributions after the measurement date. Contributions from July 1, 2020 to June 30, 2021 minus prior contributions after the measurement date of \$20,302 should also be reflected in OPEB expense. June 30, 2021 deferred outflows should include contributions from July 1, 2020 to June 30, 2021.

### 5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

<b>Net OPEB Liability at June 30, 2020 Measurement Date</b>	<i>Discount Rate</i>	<i>Healthcare Trend Rate</i>
1% Decrease in Assumption	\$385,605	\$235,740
Current Assumption	\$307,992	\$307,992
1% Increase in Assumption	\$244,245	\$397,828

# Total Compensation Systems, Inc.

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## D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan. For this 2020 valuation, the District cap was increased from a fixed \$280 per month to \$324.48 per month (assumed to increase in future years with medical trend):

<i>All Participants</i>	
Benefit types provided	Medical only
Duration of Benefits	Lifetime
Required Service	CalPERS Retirement
Minimum Age	CalPERS Retirement
Dependent Coverage	Spouse only
District Contribution %	100% of cap
District Cap	\$324.48 in 2021

## E. Summary of Valuation Data

This report is based on census data provided to us as of January, 2021. Distributions of participants by age and service can be found on page 18.

	<b>Current Year</b>	<b>Prior Year</b>
	<i>June 30, 2020 Valuation Date</i> <i>June 30, 2020 Measurement Date</i>	<i>June 30, 2018 Valuation Date</i> <i>June 30, 2019 Measurement Date</i>
<b>Active Employees eligible for future benefits</b>		
Count	10	10
Average Age	45.8	44.2
Average Years of Service	12.3	10.5
<b>Retirees currently receiving benefits</b>		
Count	6	6
Average Age	70.3	68.3

We were not provided with information about any terminated, vested employees.

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### F. Certification

The actuarial information in this report is intended solely to assist Stege Sanitary District in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of Stege Sanitary District. Release of this report may be subject to provisions of the Agreement between Stege Sanitary District and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2020 to June 30, 2021, using a measurement date of June 30, 2020. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by Stege Sanitary District. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the District personnel records.
- We used benefit descriptions provided by the District.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of Stege Sanitary District and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all applicable Actuarial Standards of Practice. My experience and continuing education are consistent with the

## **Total Compensation Systems, Inc.**

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requirements described for actuaries under the Qualification Standards of the American Academy of Actuaries.

Respectfully submitted,

Geoffrey L. Kischuk  
Actuary  
Total Compensation Systems, Inc.  
(805) 496-1700

## PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

### A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by Stege Sanitary District. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

### B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Stege Sanitary District uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2020 at 7.00% interest.

For any *current retirees*, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2020 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

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### C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an “implicit rate subsidy”).

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method” and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the “entry age actuarial cost method”. Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee’s projected pay.

### D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current *cost of retiree health benefits* (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.
- The “*trend*” rate at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.
- *Mortality rates* varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.
- *Employment termination rates* have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.
- The *service requirement* reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.



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- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

### E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.
- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.
- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.
- Liability changes resulting from plan changes, for example, cannot be deferred.

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### F. Valuation Results

This section details the measured values of the concepts described on the previous pages.

#### 1. Actuarial Present Value of Projected Benefit Payments (APVPBP)

##### Actuarial Present Value of Projected Benefit Payments as of June 30, 2020 Valuation Date

	<u>Total</u>
Active: Pre-65 Benefit	\$94,033
Post-65 Benefit	\$271,425
Subtotal	\$365,458
Retiree: Pre-65 Benefit	\$22,257
Post-65 Benefit	\$266,147
Subtotal	\$288,404
Grand Total	\$653,862
Subtotal Pre-65 Benefit	\$116,290
Subtotal Post-65 Benefit	\$537,572

#### 2. Service Cost

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

##### Service Cost Valuation Year Beginning July 1, 2020

	<u>Total</u>
# of Eligible Employees	10
<b>First Year Service Cost</b>	
Pre-65 Benefit	\$2,710
Post-65 Benefit	\$11,110
Total	\$13,820

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

## Total Compensation Systems, Inc.

### 3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

#### Total OPEB Liability and Net OPEB Liability as of June 30, 2020 Valuation Date

	<i>Total</i>
Active: Pre-65 Benefit	\$68,526
Active: Post-65 Benefit	\$183,673
Subtotal	\$252,199
Retiree: Pre-65 Benefit	\$22,257
Retiree: Post-65 Benefit	\$266,147
Subtotal	\$288,404
Subtotal: Pre-65 Benefit	\$90,783
Subtotal: Post-65 Benefit	\$449,820
Total OPEB Liability (TOL)	\$540,603
Fiduciary Net Position as of June 30, 2020	\$232,611
Net OPEB Liability (NOL)	\$307,992

### 4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be *in*accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

<i>Year Beginning</i>	
<i>July 1</i>	<i>Total</i>
2020	\$21,028
2021	\$22,072
2022	\$23,619
2023	\$25,256
2024	\$26,976
2025	\$28,830
2026	\$31,116
2027	\$33,275
2028	\$35,680
2029	\$38,274

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### G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	<i>TOL</i>	<i>FNP</i>	<i>NOL</i>
<b>Balance at June 30, 2019</b>	<b>\$291,966</b>	<b>\$224,781</b>	<b>\$67,185</b>
Service Cost	\$4,521	\$0	\$4,521
Interest on Total OPEB Liability	\$19,958	\$0	\$19,958
Expected Investment Income	\$0	\$15,731	(\$15,731)
Administrative Expenses	\$0	(\$110)	\$110
Employee Contributions	\$0	\$0	\$0
Employer Contributions to Trust	\$0	\$0	\$0
Employer Contributions as Benefit Payments	\$0	\$20,302	(\$20,302)
Actual Benefit Payments from Trust	\$0	\$0	\$0
Actual Benefit Payments from Employer	(\$20,302)	(\$20,302)	\$0
Expected Minus Actual Benefit Payments**	\$2,075	\$0	\$2,075
<b>Expected Balance at June 30, 2020</b>	<b>\$298,218</b>	<b>\$240,402</b>	<b>\$57,816</b>
Experience (Gains)/Losses	\$2,017	\$0	\$2,017
Changes in Assumptions	(\$1,319)	\$0	(\$1,319)
Changes in Benefit Terms	\$241,687	\$0	\$241,687
Investment Gains/(Losses)	\$0	(\$7,791)	\$7,791
Other	\$0	\$0	\$0
Net Change during 2020	\$248,637	\$7,830	\$240,807
<b>Actual Balance at June 30, 2020*</b>	<b>\$540,603</b>	<b>\$232,611</b>	<b>\$307,992</b>

\* May include a slight rounding error.

\*\* Deferrable as an Experience Gain or Loss.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Stege Sanitary District is shown beginning on page 24. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

### Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2021

	<i>Beginning Balance</i>	<i>Change Due to New Deferrals</i>	<i>Change Due to Recognition</i>	<i>Ending Balance</i>
Experience (Gains)/Losses	\$4,716	\$4,092	(\$1,059)	\$7,749
Assumption Changes	\$0	(\$1,319)	\$150	(\$1,169)
Investment (Gains)/Losses	\$262	\$7,791	(\$1,529)	\$6,524
Deferred Balances	\$4,978	\$10,564	(\$2,438)	\$13,104

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

### Preliminary OPEB Expense Fiscal Year Ending June 30, 2021

	<i>Beginning Net Position</i>	<i>Ending Net Position</i>	<i>Change</i>
Net OPEB Liability (NOL)	\$67,185	\$307,992	\$240,807
Deferred Balances	\$4,978	\$13,104	\$8,126
Net Position	\$62,207	\$294,888	\$232,681
Adjust Out Employer Contributions			\$20,302
OPEB Expense			\$252,983

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## H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined “roll-forward” valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer considers or puts in place an early retirement incentive program.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer desires the measured liability to incorporate more recent census data or assumptions.
- The employer forms a qualifying trust or changes its investment policy.
- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.

We anticipate that the next valuation we perform for Stege Sanitary District will be a roll-forward valuation with a measurement date of June 30, 2021 which will be used for the fiscal year ending June 30, 2022. Please let us know if Stege Sanitary District would like to discuss whether another full valuation would be preferable based on any of the examples listed above.

**PART III: ACTUARIAL ASSUMPTIONS AND METHODS**

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Stege Sanitary District to understand that the appropriateness of all selected actuarial assumptions and methods are Stege Sanitary District's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, Stege Sanitary District's actual historical experience, and TCS's judgment based on experience and training.

**A. ACTUARIAL METHODS AND ASSUMPTIONS:**

*ACTUARIAL COST METHOD:* GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

*SUBSTANTIVE PLAN:* As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Stege Sanitary District regarding practices with respect to employer and employee contributions and other relevant factors.

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### **B. ECONOMIC ASSUMPTIONS:**

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

**INFLATION:** We assumed 2.75% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

**INVESTMENT RETURN / DISCOUNT RATE:** We assumed 7.00% per year net of expenses. This is based on assumed long-term return on employer assets.. We used the “Building Block Method”. (See Appendix C, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

**TREND:** We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

**PAYROLL INCREASE:** We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.

**FIDUCIARY NET POSITION (FNP):** The following table shows the beginning and ending FNP numbers that were provided by Stege Sanitary District.

#### **Fiduciary Net Position as of June 30, 2020**

	<u>06/30/2019</u>	<u>06/30/2020</u>
Cash and Equivalents	\$0	\$0
Contributions Receivable	\$0	\$0
Total Investments	\$224,781	\$232,611
Capital Assets	\$0	\$0
Total Assets	\$224,781	\$232,611
Benefits Payable	\$0	\$0
Fiduciary Net Position	\$224,781	\$232,611

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### **C. NON-ECONOMIC ASSUMPTIONS:**

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

#### ***MORTALITY***

<i>Participant Type</i>	<i>Mortality Tables</i>
Miscellaneous	2017 CalPERS Mortality for Miscellaneous and Schools Employees

#### ***RETIREMENT RATES***

<i>Employee Type</i>	<i>Retirement Rate Tables</i>
All Participants	Hired 2012 and earlier: 2017 CalPERS 2.0% @55 Rates for Miscellaneous Employees Hired 2013 and later: 2017 CalPERS 2.0% @62 Rates for Miscellaneous Employees

#### ***COSTS FOR RETIREE COVERAGE***

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be “community-rated.” However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Following are the criteria we applied to Stege Sanitary District to determine that it is reasonable to assume that Stege Sanitary District’s future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

- **Plan qualifies as a “pooled health plan.”** ASOP 6 defines a “pooled health plan” as one in which premiums are based at least in part on the claims experience of groups other than the one being valued.” Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.
- **Rates not based to any extent on the agency’s claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.
- **Rates not based to any extent on the agency’s demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.
- **No refunds or charges based on the agency’s claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.
- **Plan in existence 20 or more years.** Enabling legislation to allow “contracting agencies” to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.
- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and



## Total Compensation Systems, Inc.

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a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.

- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.
- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.
- **The agency does not represent a large part of the pool.** The District is in the CalPERS Bay Area region. Based on the information we have, the District constitutes no more than 0.02% of the Bay Area pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Bay Area pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

<i>Participant Type</i>	<i>Future Retirees Pre-65</i>	<i>Future Retirees Post-65</i>
All Participants	\$3,894	\$3,894

### ***PARTICIPATION RATES***

<i>Employee Type</i>	<i>&lt;65 Non-Medicare Participation %</i>	<i>65+ Medicare Participation %</i>
Miscellaneous	90%	90%

### ***TURNOVER***

<i>Employee Type</i>	<i>Turnover Rate Tables</i>
Miscellaneous	2017 CalPERS Turnover for Miscellaneous Employees

### ***SPOUSE PREVALENCE***

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

### ***SPOUSE AGES***

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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## PART IV: APPENDICES

### APPENDIX A: DEMOGRAPHIC DATA BY AGE

#### **ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE**

	<i>Total</i>	<i>Under 5 Years of Service</i>	<i>5 – 9 Years of Service</i>	<i>10 – 14 Years of Service</i>	<i>15 – 19 Years of Service</i>	<i>20 – 24 Years of Service</i>	<i>25 – 29 Years of Service</i>	<i>30 – 34 Years of Service</i>	<i>Over 34 Years of Service</i>
Under 25	1	1							
25 – 29	0								
30 – 34	0								
35 – 39	1			1					
40 – 44	2		2						
45 – 49	3		1			2			
50 – 54	1			1					
55 – 59	1						1		
60 – 64	1	1							
65 and older	0								
<b>Total</b>	<b>10</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>

#### **ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS**

<i>Age</i>	<i>Total</i>
Under 50	0
50 – 54	0
55 – 59	1
60 – 64	0
65 – 69	2
70 – 74	1
75 – 79	1
80 – 84	1
85 – 89	0
90 and older	0
<b>Total</b>	<b>6</b>

### APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions Stege Sanitary District should take to manage the liability created by the current retiree health program. The following items are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Stege Sanitary District's practices, it is possible that Stege Sanitary District is already complying with some or all of these suggestions.

- We suggest that Stege Sanitary District maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Stege Sanitary District should determine whether the benefit is material and subject to GASB 74 and/or 75.
- Under GASB 75, it is important to isolate the cost of retiree health benefits. Stege Sanitary District should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Stege Sanitary District should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Stege Sanitary District should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.
- Several assumptions were made in estimating costs and liabilities under Stege Sanitary District's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, Stege Sanitary District should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Stege Sanitary District to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

# Total Compensation Systems, Inc.

## APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

**Paragraph 50:**                    **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Stege Sanitary District. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	6
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	10
Total Number of participants	16

\*We were not provided with information about any terminated, vested employees

**Paragraph 51:**                    **Significant Assumptions and Other Inputs**

Shown in Appendix C.

**Paragraph 52:**                    **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Stege Sanitary District in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

## Total Compensation Systems, Inc.

Mortality Table	2017 CalPERS Retiree Mortality for All Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for All Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

### Retirement Tables

Retirement Table	2017 CalPERS 2.0% @55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0% @55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2017 CalPERS 2.0% @62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0% @62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

### Turnover Tables

Turnover Table	2017 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$235,740	\$307,992	\$397,828

### **Paragraph 53:**

#### **Discount Rate**

The following information is intended to assist Stege Sanitary District to comply with

## Total Compensation Systems, Inc.

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Paragraph 53 requirements.

53.a: A discount rate of 7.00% was used in the valuation. The interest rate used in the prior valuation was 7.00%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 30 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 25 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.

CERBT - Strategy 1

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59.0000	7.7950
All Fixed Income	25.0000	4.5000
Real Estate Investment Trusts	8.0000	7.5000
All Commodities	3.0000	7.7950
Treasury Inflation Protected Securities (TIPS)	5.0000	3.2500

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	\$385,605	\$307,992	\$244,245

### **Paragraph 55: Changes in the Net OPEB Liability**

Please see reconciliation on pages 2 or 12.

### **Paragraph 56: Additional Net OPEB Liability Information**

The following information is intended to assist Stege Sanitary District to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2020.

The measurement date is June 30, 2020.

56.b: We are not aware of a special funding arrangement.

56.c: Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension systems.

56.d: The District cap was increased from a fixed \$280 per month to \$324.48 per month which is assumed to increase in future years with medical trend.

## **Total Compensation Systems, Inc.**

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56.e: Not applicable

56.f: To be determined by the employer

56.g: To be determined by the employer

56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D

56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

### **Paragraph 57:**

#### **Required Supplementary Information**

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.

57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.

57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 30 years.

57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

### **Paragraph 58:**

#### **Actuarially Determined Contributions**

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 30 years.

### **Paragraph 244:**

#### **Transition Option**

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

## Total Compensation Systems, Inc.

### APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

#### EXPERIENCE GAINS AND LOSSES

Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)							
				2020	2021	2022	2023	2024	2025	Thereafter	
2017-18	\$3,703	9.6	\$772	\$386	\$2,545	\$386	\$386	\$386	\$386	\$386	\$615
2018-19	\$1,993	9.6	\$208	\$208	\$1,577	\$208	\$208	\$208	\$208	\$208	\$537
2019-20	\$4,092	8.8	\$0	\$465	\$3,627	\$465	\$465	\$465	\$465	\$465	\$1,302
<b>Net Increase (Decrease) in OPEB Expense</b>			<b>\$980</b>	<b>\$1,059</b>	<b>\$7,749</b>	<b>\$1,059</b>	<b>\$1,059</b>	<b>\$1,059</b>	<b>\$1,059</b>	<b>\$1,059</b>	<b>\$2,454</b>



## Total Compensation Systems, Inc.

### CHANGES OF ASSUMPTIONS

#### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2019-20	(\$1,319)	8.8	\$0	(\$150)	(\$1,169)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$419)
Net Increase (Decrease) in OPEB Expense			<b>\$0</b>	<b>(\$150)</b>	<b>(\$1,169)</b>	<b>(\$150)</b>	<b>(\$150)</b>	<b>(\$150)</b>	<b>(\$150)</b>	<b>(\$150)</b>	<b>(\$419)</b>

## Total Compensation Systems, Inc.

### INVESTMENT GAINS AND LOSSES

#### Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2017-18	(\$1,906)	5	(\$764)	(\$382)	(\$760)	(\$382)	(\$378)				
2018-19	\$1,756	5	\$352	\$352	\$1,052	\$352	\$352	\$348			
2019-20	\$7,791	5	\$0	\$1,559	\$6,232	\$1,559	\$1,559	\$1,559	\$1,555		
<b>Net Increase (Decrease) in OPEB Expense</b>			<b>(\$412)</b>	<b>\$1,529</b>	<b>\$6,524</b>	<b>\$1,529</b>	<b>\$1,533</b>	<b>\$1,907</b>	<b>\$1,555</b>	<b>\$0</b>	<b>\$0</b>

# Total Compensation Systems, Inc.

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## APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
<u>Actuarial Present Value of Projected Benefit Payments:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
<u>Deferred Inflows/Outflows of Resources:</u>	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
<u>Fiduciary Net Position:</u>	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
<u>Measurement Date:</u>	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Liability (NOL):</u>	The Total OPEB Liability minus the Fiduciary Net Position.
<u>OPEB Benefits:</u>	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>OPEB Expense:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

## Total Compensation Systems, Inc.

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<u>Pay As You Go Cost:</u>	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
<u>Service Cost:</u>	The annual dollar value of the “earned” portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
<u>Service Requirement:</u>	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
<u>Total OPEB Liability (TOL):</u>	The amount of the actuarial present value of projected benefit payments attributable to participants’ past service based on the actuarial cost method used.
<u>Trend Rate:</u>	The rate at which the employer’s share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can’t be more than 30 months prior.

## Stege Sanitary District Retiree Medical Plan

per Actuarial Valuation of Retiree Health Benefits Summary as of June 30, 2020

Fiscal Year	Number Retired	Premiums Paid by District on Cash Basis	District Contribution (ARC)	Premiums paid over/(under) ARC	Assets End of Year
2020-21	6	\$21,761	\$21,028	\$733	\$233,380
2021-22	6	\$23,363	\$22,072	\$1,291	\$234,671
2022-23	7	\$27,256	\$23,619	\$3,637	\$238,308
2023-24	8	\$31,150	\$25,256	\$5,894	\$244,202
2024-25	8	\$31,150	\$26,976	\$4,174	\$248,376
2025-26	9	\$35,044	\$28,830	\$6,214	\$254,590
2026-27	9	\$35,044	\$31,116	\$3,928	\$258,518
2027-28	9	\$35,044	\$33,275	\$1,769	\$260,287
2028-29	10	\$38,938	\$35,680	\$3,258	\$263,544
2029-30	10	\$38,938	\$38,274	\$664	\$264,208

# CalPERS 2021 Regional Health Premiums (Actives and Annuitants)

Effective Date: January 1, 2021

## Region 1

Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

## Basic Monthly Premiums (B)

Plan	Subscriber	Plan Code	Party Rate	Subscriber & 1 Dependent	Plan Code	Party Rate	Subscriber & 2+ Dependents	Plan Code	Party Rate
Anthem Blue Cross Del Norte	\$935.84	504	1	\$1,871.68	504	2	\$2,433.18	504	3
Anthem Blue Cross Select	925.60	506	1	1,851.20	506	2	2,406.56	506	3
Anthem Blue Cross Traditional	1,307.86	509	1	2,615.72	509	2	3,400.44	509	3
Blue Shield Access+	1,170.08	525	1	2,340.16	525	2	3,042.21	525	3
Blue Shield Access+ EPO	1,170.08	524	1	2,340.16	524	2	3,042.21	524	3
Blue Shield Trio*	880.50	451	1	1,761.00	451	2	2,289.30	451	3
Health Net SmartCare	1,120.21	528	1	2,240.42	528	2	2,912.55	528	3
Kaiser Permanente	813.64	533	1	1,627.28	533	2	2,115.46	533	3
PERS Choice	935.84	548	1	1,871.68	548	2	2,433.18	548	3
PERS Select	566.67	557	1	1,133.34	557	2	1,473.34	557	3
PERSCare	1,294.69	566	1	2,589.38	566	2	3,366.19	566	3
Peace Officers Research Assoc of CA	799.00	592	1	1,725.00	592	2	2,199.00	592	3
UnitedHealthcare SignatureValue Alliance	941.17	576	1	1,882.34	576	2	2,447.04	576	3
Western Health Advantage	757.02	591	1	1,514.04	591	2	1,968.25	591	3

## Supplement/Managed Medicare Monthly Premiums (M)

Plan	Subscriber	Plan Code	Party Rate	Subscriber & 1 Dependent	Plan Code	Party Rate	Subscriber & 2+ Dependents	Plan Code	Party Rate
Anthem Blue Cross Select and Medicare Preferred	\$383.37	455	4	\$766.74	455	5	\$1,150.11	455	6
Anthem Blue Cross Select and Medicare Preferred PPO Dental/Vision <sup>1</sup>	383.37	459	4	766.74	459	5	1,150.11	459	6
Anthem Blue Cross Medicare Preferred	383.37	515	4	766.74	515	5	1,150.11	515	6
Anthem Blue Cross Medicare Preferred Dental/Vision <sup>1</sup>	383.37	512	4	766.74	512	5	1,150.11	512	6
Kaiser Permanente Senior Advantage	324.48	536	4	648.96	536	5	973.44	536	6
Kaiser Permanente Senior Advantage plus Dental <sup>2</sup>	324.48	542	4	648.96	542	5	973.44	542	6
PERS Choice Medicare Supplement	349.97	551	4	699.94	551	5	1,049.91	551	6
PERS Select Medicare Supplement	349.97	560	4	699.94	560	5	1,049.91	560	6
PERSCare Medicare Supplement	381.25	569	4	762.50	569	5	1,143.75	569	6
Peace Officers Research Assoc of CA Medicare Supplement	513.00	595	4	1,022.00	595	5	1,635.00	595	6
UnitedHealthcare Group Medicare Advantage	311.56	579	4	623.12	579	5	934.68	579	6
UnitedHealthcare Group Medicare Advantage PPO Dental/Vision <sup>3</sup>	311.56	585	4	623.12	585	5	934.68	585	6

\*Blue Shield Trio is only available in El Dorado, Nevada, Placer, Sacramento, and Yolo.

<sup>1</sup>Dental and Vision coverage is an additional \$38.00 per member per month premium. You will be billed directly for this amount.

<sup>2</sup>Dental benefit is an additional \$15.05 per member per month premium. You will be billed directly for this amount.

<sup>3</sup>Dental and Vision coverage is an additional \$25.55 per member per month premium. You will be billed directly for this amount.

**RESOLUTION 2157-0221 EXTENDING EMERGENCY PAID SICK LEAVE AND  
EMERGENCY FAMILY AND MEDICAL LEAVE FOR STEGE SANITARY DISTRICT  
EMPLOYEES**

**ISSUE:**

The Board will consider a resolution voluntarily extending protections and relief offered by the Families First Coronavirus Response Act (FFCRA).

**FISCAL IMPACT:**

The fiscal impact will be to provide up to 2 weeks of paid sick leave and 10 weeks of expanded family and medical leave to eligible employees.

**STRATEGIC PLAN:**

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

WORK PLAN ITEM “h”: Provide a safety and wellness program that promotes a safe work environment and good health

**BACKGROUND:**

At the 1/21/2020 Board Meeting, District Counsel Kokotaylo reported on the Families First Coronavirus Response Act (FFCRA) that requires employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19 which ended on December 31, 2020. For the District to voluntarily continue to provide FFCRA leave to eligible employees, an action of the Board is required. The Board asked Kokotaylo to work with staff to bring this item back for consideration at a future Board meeting.

As requested, a resolution to implement the voluntary extension is ready for review and approval.

**RECOMMENDATION:**

Approve the resolution.

**ALTERNATIVES:**

1. Take no action and do not extend the FFCRA.
2. Amend the details of the extension and approve the resolution, as amended.

**ATTACHMENTS:**

- Resolution 2157-0221

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## RESOLUTION NO. 2157-0221

## RESOLUTION EXTENDING EMERGENCY PAID SICK LEAVE AND EMERGENCY FAMILY AND MEDICAL LEAVE FOR STEGE SANITARY DISTRICT EMPLOYEES

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

- A. The federal government enacted the Families First Coronavirus Response Act (“FFCRA”) on March 18, 2020.
- B. The FFCRA required employers to provide emergency paid sick leave (“EPSL”) and emergency family and medical leave (“EFMLA”) for qualifying employees through December 31, 2020.
- C. The Consolidated Appropriations Act was signed into law on December 27, 2020 and authorized employers to extend EPSL and EFMLA through March 31, 2021.
- D. Given the extraordinary health threat posed by COVID-19 and the need to limit its spread, the Board of Directors desires to continue providing EPSL and EFMLA through at least March 31, 2021.
- E. The Board of Directors desires to authorize the District Manager to extend the availability of EPSL and EFMLA if necessary based on the status of the COVID-19 virus and its continued community presence.

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

- 1. The above recitals are true and correct and hereby made a part of this resolution.
- 2. EPSL and EFMLA are extended for Stege Sanitary District employees through March 31, 2021.
- 3. The District Manager is authorized to extend the availability of EPSL and EFMLA as the District Manager deems necessary based on the status of the COVID-19 virus and its continued community presence.

\*\*\*\*\*

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 11<sup>th</sup> day of February 2020 by a X-X vote as follows:

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

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BEATRICE O'KEEFE, President  
Stege Sanitary District  
Contra Costa County, California

ATTEST:

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REX DELIZO, Secretary  
Stege Sanitary District

**STEGE SANITARY DISTRICT**  
**Investment, Cash & Receivables Report**

**1:05 PM**  
**02/08/2021**

As of January 31, 2021

	<u>January 31, 2021</u>	<u>December 31, 2020</u>	<u>\$ Change</u>	<u>Deposits</u>	<u>Checks</u>	<u>Transfers</u>
<b>ASSETS</b>						
<b>Current Assets</b>						
<b>Checking/Savings</b>						
<b>LAIF Investment Accts</b>						
11012 · Sewer Operations- 3418	9,023,551	9,298,551	-275,000	0	0	-275,000
11014 · System Rehab- 3423	1,005,889	1,005,889	0	0	0	0
<b>Total LAIF Investment Accts</b>	<u>10,029,440</u>	<u>10,304,440</u>	<u>-275,000</u>	<u>0</u>	<u>0</u>	<u>-275,000</u>
<b>Checking Accts</b>						
100 · Mechanics Bank	53,336	123,371	-70,035	59,272	-404,308	275,000
100 · County Cash Acct #3418	-127,783	-129,408	1,625 *	0 *	0	0
<b>Total Checking Accts</b>	<u>-74,447</u>	<u>-6,036</u>	<u>-68,411</u>	<u>59,272</u>	<u>-404,308</u>	<u>275,000</u>
11021 · Petty Cash	250	250	0	0	0	0
<b>Total Checking/Savings</b>	<u>9,955,243</u>	<u>10,298,654</u>	<u>-343,411</u>	<u>59,272</u>	<u>-404,308</u>	<u>0</u>
301 · Ca Employer's Retiree Benefit Trust	232,647	232,647	0	0	0	0
<b>Total CA Employer's Retiree Benefit Trust</b>	<u>232,647</u>	<u>232,647</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Accounts Receivable</b>						
11072 · Accounts Receivable	4,602	32,142	-27,540			
<b>Total Accounts Receivable</b>	<u>4,602</u>	<u>32,142</u>	<u>-27,540</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

STEGE SANITARY DISTRICT

Operating Statement

02/08/2021

January 2021

61.64% of Fiscal year Completed

July-January 2021 Annual Budget % of Annual Budget

Income

31 - OPERATING REVENUE

31010 - Sewer Service Charges	1,540,336	2,789,000	55%
31020 - Permit & Insp. Fees	4,610	15,000	31%
31030 - Connection Fees	17,234	150,000	11%
31040 - San Pablo Impact Fee	2,902	250,000	1%
31080 - Contracted Services	-	30,000	0%
31010a - Capital Service Charges	1,584,077	2,901,000	55%

Total 31 - OPERATING REVENUE 3,149,160 6,135,000 51%

32 - NON-OPERATING REVENUE

32050 - Interest - 3418	15,137	70,000	22%
32052 - Interest - 3423	2,244	15,000	15%
32080 - Property Taxes	312,191	400,000	78%
32085 - Insurance Dividend	-	-	0%
32090 - Miscellaneous	25	21,000	0%

Total 32 - NON-OPERATING REVENUE 329,597 506,000 65%

Transfer (to)/from Reserves - 1,861,911 0%

Total Income 3,478,757 8,502,911 41%

Expense

OPERATING EXPENSES

Administration/General

45-010 - Salaries & Wages	114,811	201,000	57%
45-020 - Employee Benefits	95,349	165,644	58%
45-029 - Retiree Health	5,906	10,300	57%
45-030 - Directors Expenses	8,894	39,731	22%
45-070 - Insurance	179,723	167,000	108%
Administration - Other	106,825	287,000	37%

Total Administration 511,508 870,675 59%

Maintenance/Engineering

41-010 - Salaries & Wages	608,931	1,046,160	58%
41-020 - Employee Benefits	221,013	604,566	37%
41-029 - Retiree Health	5,915	10,300	57%
41-100 - Operating Supplies	14,738	40,000	37%
41-110 - Contractual Services	75,468	98,100	77%
41-207 - Contracted Repairs	27,600	66,000	42%
Maintenance- Other	86,897	311,450	28%

Total Maintenance/Engineering 1,040,562 2,176,576 48%

Pump Stations 8,997 16,460 55%

Total OPERATING EXPENSES 1,561,067 3,063,711 51%

CAPITAL

41-650 - Debt Repayment (SRF Loans)	148,220	148,200	100%
Construction Projects	56,000	4,977,000	1%
Outlay(Maintenance/Engineering)	87,212	314,000	28%

Total CAPITAL 291,432 5,439,200 5%

Total Expense 1,852,499 8,502,911 22%

Net 1,626,258 0

10:45 AM	STEGE SANITARY DISTRICT			
02/08/2021	Check Report			
Accrual Basis	February 11, 2021			
	Name	Memo	Amount	Num
<b>Feb 11, 21</b>				
	Aramark Uniform Services	Uniform Services	-810.30	26958
	Bay Alarm Company	Burglar Alarm	-255.00	26959
	Cerrito Printing, Inc.	Envelopes	-221.70	26960
	City of El Cerrito	Manhole Raising Central & Carlson	-13,550.00	26961
	CSRMA	Worker's Comp Adj 7/1/19-7/1/20	-1,705.00	26962
	Exxonmobil	Gas	-99.07	26963
	Nakano Landscape	Landscaping Jan 2021	-290.00	26964
	PG&E- #0103467151-9	Burlingame Pump Station	-100.67	26965
	PG&E- #6675831511-4	Office/Shop	-1,801.94	26966
	POSM Soft LLC	POSM Annual Support	-2,000.00	26967
	S.P. Automotive	Maintenance Supplies	-109.70	26968
	TelePacific Communications	Office Phones	-1,062.37	26969
	Total Compensation Systems, Inc.	GASB 75 Full Valuation	-1,440.00	26970
	Universal Building Services	Janitorial January	-393.00	26971
	Xerox Financial Services	Copier Lease Payment 1/03-2/02	-391.12	26972
<b>Feb 11, 21</b>			<b>-24,229.87</b>	

# STEGE SANITARY DISTRICT BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JANUARY 2021	FEBRUARY 2021	MARCH 2021	APRIL 2021	MAY 2021	JUNE 2021
1/1 & 1/18 HOLIDAY  CASA Winter Conf. Jan 27-28, Virtual Event	2/15 HOLIDAY  <del>CASA Policy Forum Feb ???, Wash, DC</del>	AB 1234 Training (even years)		5/31 HOLIDAY  AB 1661 Training (odd years)	6/9 Safety and Recognition Awards Luncheon
1/7/2021 – 7:00 P.M.	2/11/2021 – 7:00 P.M.	3/6/2021 – <b>9:00 A.M.</b>	4/1/2021 – 7:00 P.M.	5/6/2021 – 7:00 P.M.	6/3/2021 – 7:00 P.M.
<ul style="list-style-type: none"> <li>• Board Governance Manual Review</li> <li>• Long Range Planning Workshop Agenda</li> <li>• Service Rate Discussion</li> <li>• District of Distinction (even years)</li> <li>• Board Training Summ.</li> <li>• Director’s Contact Info</li> <li>• CASA Conference</li> </ul>	<ul style="list-style-type: none"> <li>• Actuarial Analysis of Retiree Health Benefits Report (even years)</li> <li>• Long Range Planning Workshop Agenda</li> <li>• Service Rate Discussion</li> <li>• Performance Report</li> <li>• Board Training Summ.</li> <li>• CASA Conf. + Attendee Reports</li> <li>• Form 700</li> </ul>	<u>9AM Meeting Time</u> <ul style="list-style-type: none"> <li>• Long Range Planning Workshop <ul style="list-style-type: none"> <li>– Past 5 yrs. Expenditures Review</li> <li>– Self-Assessment of Governance</li> <li>– Strategic Plan Review</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Service Rate Discussion/ Approval (&amp; 30-day Notice)</li> <li>• Board Training Summ.</li> <li>• Diversity, Equity, and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Budget</li> <li>• Board Training Summ.</li> <li>• July 4<sup>th</sup> Fair Discussion</li> <li>• Review of Comparable Agencies</li> <li>• Diversity, Equity, and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Budget</li> <li>• Review Directors’ Meeting Compensation</li> <li>• District Working Capital and Reserve Policy</li> <li>• Approve Project Plans and Specs (+CEQA)</li> <li>• July 4<sup>th</sup> Fair Discussion</li> <li>• CASA Conference</li> <li>• Diversity, Equity, and Inclusion</li> </ul>
1/21/2021 – 7:00 P.M.		3/18/2021 – 7:00 P.M.	4/15/2021 – 7:00 P.M.	5/20/2021 – 7:00 P.M.	6/17/2021 – 7:00 P.M.
<ul style="list-style-type: none"> <li>• CLOSED SESSION <ul style="list-style-type: none"> <li>– Quarterly Claims Rpt</li> <li>– Manager Perf. Eval.</li> </ul> </li> <li>• Board Governance Manual Approval</li> <li>• Resolution for Disposal of Surplus Property</li> <li>• Quarterly Financial Statements</li> <li>• Long Range Planning Workshop Agenda</li> <li>• Service Rate Discussion</li> <li>• CASA Conference</li> <li>• SPASPA Status Report</li> </ul>		<ul style="list-style-type: none"> <li>• Auditor – RFP</li> <li>• California Employer’s Retiree Benefit Trust (CERBT)</li> <li>• Consent Decree Quarterly Report</li> <li>• Service Rate Discussion</li> <li>• Board Training Summ.</li> <li>• Form 700</li> </ul>	<ul style="list-style-type: none"> <li>• CLOSED SESSION <ul style="list-style-type: none"> <li>– Quarterly Claims Rpt</li> </ul> </li> <li>• Employee Benefit Package</li> <li>• Quarterly Financial Statements</li> <li>• Draft Budget</li> <li>• Service Rate Discussion/Approval (+ 30-day Notice)</li> <li>• July 4<sup>th</sup> Fair Discussion</li> <li>• SPASPA Status Report</li> </ul>	<ul style="list-style-type: none"> <li>• CLOSED SESSION <ul style="list-style-type: none"> <li>– Manager Perf. Eval.</li> <li>– Conf. Labor Negot.</li> </ul> </li> <li>• Resolution Ordering Board Election (even years)</li> <li>• Connection Charge</li> <li>• Draft Budget</li> <li>• July 4<sup>th</sup> Fair Discussion</li> <li>• Service Rate Discussion/Approval (+ 30-day Notice)</li> </ul>	<ul style="list-style-type: none"> <li>• CLOSED SESSION <ul style="list-style-type: none"> <li>– Counsel Perf. Eval.</li> </ul> </li> <li>• Resolution Approve/Adopt Budget</li> <li>• Resolution Salary of District Manager</li> <li>• Resolution Employee Salary Ranges</li> <li>• Review and Approve Incentive Award</li> <li>• Adopt Incentive Award Goals &amp; Objectives</li> <li>• July 4<sup>th</sup> Fair Discussion</li> <li>• CD Quarterly Report</li> <li>• CASA Conference</li> </ul>

# STEGE SANITARY DISTRICT BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021
7/5 HOLIDAY 4 <sup>th</sup> of July Fair Booth	CASA Annual Conf. Aug 11-13, San Diego  CSDA Annual Conf. Aug 30-Sep 1, Monterey	9/6 HOLIDAY		11/25-26 HOLIDAY	12/9 HOLIDAY LUNCHEON  12/24 & 12/31 HOLIDAY
7/8/2021 – 7:00 P.M.	8/19/2021 – 7:00 P.M.	9/9/2021 – 7:00 P.M.	10/7/2021 – 7:00 P.M.	11/11/2021 – 7:00 P.M.	12/9/2021 – <b>2:00 P.M.</b>
<ul style="list-style-type: none"> <li>• July 4<sup>th</sup> Fair Debrief</li> <li>• CASA Conference</li> <li>• CSDA Conference</li> <li>• Form 470</li> <li>• Diversity, Equity, and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Select Actuary for Analysis of Retiree Health Benefits (odd years)</li> <li>• Quarterly (FY End) Financial Statements</li> <li>• Conn. Charge Report per Gov. Code 66013</li> <li>• CASA Conference – Attendee Reports</li> <li>• CSDA Conference</li> </ul>	<ul style="list-style-type: none"> <li>• CSDA Conference – Attendee Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Regional PSL Program Update</li> <li>• Regional FOG Program Update</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed Meeting Calendar</li> <li>• Board Officer Succession Plan</li> <li>• CASA Conference</li> </ul>	<u>2PM Meeting Time</u> <ul style="list-style-type: none"> <li>• Fiscal Year Financial Audit</li> <li>• Resolution Certifying Election Results (even years)</li> <li>• Emergency Contact Update</li> <li>• Meeting Calendar</li> <li>• Consent Decree Quarterly Report</li> <li>• CASA Conference</li> <li>• Pension + OPEB UAL Reports</li> <li>• Nomination &amp; Election of Officers</li> </ul>
7/29/2021 – 7:00 P.M.		9/23/2021 – 7:00 P.M.	10/21/2021 – 7:00 P.M.		
<ul style="list-style-type: none"> <li>• CLOSED SESSION – Quarterly Claims Rpt</li> <li>• Hearing +Res./Ord. – Establish and Collect Sewer Service Charges – Director Meeting Compensation</li> <li>• Resolution Filing Notice of Completion</li> <li>• District Investment Policy</li> <li>• Reimb. Report per Gov. Code 53065.5</li> <li>• Quarterly Financial Statements</li> <li>• Candidate filing period (even years)</li> <li>• SPASPA Status Report</li> <li>• CASA Conference</li> <li>• CSDA Conference</li> <li>• Form 470</li> </ul>		<ul style="list-style-type: none"> <li>• Health Care Premiums Review</li> <li>• Consent Decree Quarterly Report</li> </ul>	<ul style="list-style-type: none"> <li>• CLOSED SESSION – Quarterly Claims Rpt</li> <li>• SPASPA Status Report</li> <li>• Quarterly Financial Statements</li> </ul>		