

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
LONG RANGE PLANNING WORKSHOP
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA
SATURDAY, MARCH 2 2024 @ 9:00AM
www.stegesan.org • staff@stegesan.org

***** AGENDA *****

Items on the agenda may be taken out of order.

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

In accordance with California Government Code Section 54957.5, any writing that is a public record and relates to an open session agenda item which is distributed less than 72 hours prior to the meeting shall be available for public inspection at the District Office, 7500 Schmidt Lane, El Cerrito, during regular business hours. Copies of the agenda are posted on the District website at www.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.

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

*Public comment can be sent remotely by delivering a physical copy to **7500 Schmidt Lane, El Cerrito, CA 94530** or via email to comments@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 at least 15 minutes before the starting time of the meeting will be provided to the Board of Directors and will be added to the official record.*

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

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
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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 posted 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)

Info/Motion

IV. Long Range Planning Workshop

(The Board will discuss the following items as listed below at the approximate times.)

REVIEW AGENDA AND LAST ACTION PLAN	9:00 AM
• Past 5 Years Expenditures Review	9:15
• Sewer Rate and Connection Charge Review	9:45
• USEPA Consent Decree Progress and Planning	10:15
BREAK	10:45
• Prefunding Pension Liabilities	11:00
• Future Board Meetings	11:30
• Self Assessment of Governance - Questionnaire	12:00 PM
LUNCH	12:15
• Self Assessment of Governance - Review & Discussion	12:45
• Private Sewer Lateral (PSL) I/I Outreach	1:15
BREAK	1:45
• Environmentally Preferable Procurement Policy	2:00
• Strategic Plan and Board Governance Manual	2:30
WRAP-UP, REVIEW, ACTION ITEMS	3:15

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V. Adjournment

(The next regular meeting of the Stege Sanitary District Board of Directors will be held on Thursday, March 21, 2024 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California)

9:00 – 9:15 A.M.

**REVIEW AGENDA AND
LAST ACTION PLAN**

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Stege Sanitary District
Long Range Planning Workshop Agenda
Saturday, March 2, 2024 @9:00am

TIME	TOPIC
9:00 AM	<i>Review of Agenda & Last Action Plan</i>
9:15 AM	Past 5 Years Expenditures Review [0.50 hr.]
9:30 AM	The Board will review and discuss trends from the past 5 years.
9:45 AM	Sewer Rate and Connection Charge Review [0.50 hr.]
10:00 AM	The Board will review and discuss the District's Sewer Rate and Connection Charge.
10:15 AM	USEPA Consent Decree Progress and Planning [0.50 hr.]
10:30 AM	The Board will review and discuss the progress of the USEPA Consent Decree.
10:45 AM	<i>Break</i>
11:00 AM	Prefunding Pension Liabilities [0.50 hr.]
11:15 AM	The Board will consider prefunding pension liabilities.
11:30 AM	Future Board Meetings [0.50 hr.]
11:45 AM	The Board will consider having less meetings and/or Counsel attend more meetings.
12:00 PM	Self Assessment of Governance - Questionnaire [0.25 hr.]
12:15 PM	<i>Lunch</i>
12:30 PM	<i>Lunch</i>
12:45 PM	Self Assessment of Governance - Review & Discussion [0.50 hr.]
1:00 PM	Self Assessment of Governance - Review & Discussion [0.50 hr.]
1:15 PM	Private Sewer Lateral (PSL) I/I Outreach [0.50 hr.]
1:30 PM	The Board will review and discuss PSL I/I outreach.
1:45 PM	<i>Break</i>
2:00 PM	Environmentally Preferable Procurement Policy [0.50 hr.]
2:15 PM	The Board will review and discuss changes to the District's current policy.
2:30 PM	Strategic Plan and Board Governance Manual [0.75 hr.]
2:45 PM	The Board will review and discuss the plan and manual.
3:00 PM	Strategic Plan and Board Governance Manual [0.75 hr.]
3:15 PM	<i>Wrap Up, Review, Action Items</i>

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STEGE SANITARY DISTRICT

ACTION PLAN FOR 2023

The following is the status of the action items discussed at the March 4, 2023 Long-Range Planning (LRP) Workshop:

1. San Pablo Avenue Specific Plan Progress Report

City of El Cerrito Community Development Director, Melanie Mintz, gave a presentation to the Board and answered questions on current and expected development along the San Pablo Avenue corridor. Staff will continue to work collaboratively with the City of El Cerrito to prudently plan future sewer capacity upgrades along the San Pablo Avenue corridor. Staff will continue to provide updates to the Board on a quarterly basis.

Action Items:

- Continue to work collaboratively with the City of El Cerrito to prudently plan future sewer capacity upgrades along the San Pablo Avenue corridor.
- Provide updates to the Board on a quarterly basis.

STATUS: CONTINUING

Continuing to participate in collaborative dialogues with City of El Cerrito Community Development Director, Melanie Mintz, to work through future sewer capacity plans along the corridor outlined in the City of El Cerrito's San Pablo Avenue Specific Plan. Continuing to have discussions to anticipate development in the area and prudently plan for capacity upgrades. Continuing to provide updates to the Board on a quarterly basis. An update to the SPASPA Impact Fee that incorporated actual construction costs is part of the Sewer Rate and Connection Charge Study prepared by Alison Lechowicz of Lechowicz & Tseng Municipal Consultants.

2. Past 5 Years Expenditures Review

The Manager reported on the trends from the District's finances over the past 5 years and a trend line report for salary, benefits, construction, and other expenses. The Board asked staff to provide the report with just the year-to-year comparison and to separate out the retainer and special costs from the legal services total. The Board also asked staff to prepare a legal services rate comparison to other comparable agencies for the next District Counsel Performance Evaluation. The Board would like to consider establishing a policy on when it's appropriate for individual Board members to contact District Counsel directly outside of Board meetings.

Action Items:

- Provide future reports with just the year-to-year comparison.

- Separate out the retainer and special costs from the legal services total.
- Prepare a legal services rate comparison to other comparable agencies for the next District Counsel Performance Evaluation.
- Add an item to a future Board meeting for the Board to consider establishing a policy on when it's appropriate for individual Board members to contact District Counsel directly outside of Board meetings.

STATUS: COMPLETE

The report for the 2024 Long-Range Planning Workshop includes just the year-to-year comparison and separated out the retainer and special costs from the legal services total.

During the District Counsel Performance Evaluation at the June 15, 2023 Board Meeting, the Manager presented the Board with a legal services rate comparison to other comparable agencies for consideration.

At the July 20, 2023 Board Meeting, the Board considered establishing a policy on when it's appropriate for individual Board members to contact District Counsel directly outside of Board meetings. At the August 17, 2023 Board Meeting, the Board approved a Board/District Counsel Communications Policy to be added to the Board Governance Manual.

3. USEPA Consent Decree Progress and Planning

The Manager reported on the District's most recent Consent Decree Annual Report submittal and EBMUD's updated Flow Model Calibration, Wet Weather Facilities (WWF) Output Ratios, and Output Test Results. The Board asked staff to provide more detail on the sources of inflow and rapid infiltration not in the District's collection system and not owned by the District that were identified by EBMUD's Regional Technical Support Program (RTSP). The Board asked staff to provide the list of locations the District is monitoring for capacity assurance per the Consent Decree.

Action Items:

- Provide more detail on the sources of inflow and rapid infiltration not in the District's collection system and not owned by the District that were identified by EBMUD's Regional Technical Support Program (RTSP).
- Provide the list of locations the District is monitoring for capacity assurance per the Consent Decree.

STATUS: COMPLETE

At the March 16, 2023 Board Meeting, the Manager reported on the sources of inflow and rapid infiltration not in the District's collection system and not owned by the District that were identified by the RTSP, and the list of locations the District is monitoring for capacity assurance per the Consent Decree.

4. Wet Weather Planning

The Manager reported on the Shallow Groundwater and Sea-Level Rise report prepared by the San Francisco Estuary Institute (SFEI) and a Discharge Alternatives Analysis prepared by the District back in 2012. The Board asked staff to provide the flow data for the Burlingame Pump Station during the recent wet weather season and to consider including an article in the District newsletter on the high inflow and rapid infiltration sub-areas of the District.

Action Items:

- Provide the flow data for the Burlingame Pump Station during the recent wet weather season.
- Include an article in an upcoming District newsletter on the high inflow and rapid infiltration sub-areas of the District.

STATUS: COMPLETE

At the March 16, 2023 Board Meeting, the Manager reported on the flow data for the Burlingame Pump Station during the recent wet weather season. An article on the high inflow and rapid infiltration sub-areas of the District was included the Summer 2023 newsletter.

5. Structure of Future Board Meetings

The Board reviewed and discussed the possible use of standing committees, consent agendas, and brainstormed other ideas to speed up meetings. Instead of establishing standing committees, the Board will make use of ad-hoc committees for special issues and assignments, such as PSL loan public outreach, DEI, and to perform preliminary financial check report reviews.

Action Item:

- Make use of ad-hoc committees for special issues and assignments, such as PSL loan public outreach, DEI, and to perform preliminary financial check report reviews.

STATUS: COMPLETE

At the April 20, 2023 Board Meeting, the Board discussed the use of a ad-hoc committees for PSL loan public outreach, DEI, and to perform preliminary financial check report reviews.

6. Strategic Plan

The Board reviewed and discussed the strategic plan. The Board asked staff to remove the item regarding retirement liabilities and to add a section on improving environmental stewardship including considering administration building retrofits with solar panels, localized energy microgrids, LED lights, and HVAC heat pump technology, procuring electric vehicles, and using local businesses.

Action Items:

- Remove the item regarding retirement liabilities.
- Add a section on improving environmental stewardship including considering administration building retrofits with solar panels, localized energy microgrids, LED lights, and HVAC heat pump technology, procuring electric vehicles, and using local businesses.

STATUS: COMPLETE

At the March 16, 2023 Board Meeting, the Manager reported on the updated Strategic Plan that included the changes as suggested.

7. Diversity, Equity, and Inclusion (DEI)

The Board reviewed and discussed the District's current DEI Policy. The Board asked staff to provide opportunities for Board level DEI training and education for future consideration.

Action Item:

- Provide opportunities for Board level DEI training and education for future consideration.

STATUS: COMPLETE

At the March 16, 2023 Board Meeting, the Manager reported opportunities for Board level DEI training and education for consideration. At the April 6, 2023 Board Meeting, the Manager presented to the Board the first half of the CSDA on-demand webinar, *Diversity and Inclusion: Why It Matters for Leaders (Implicit Bias)*.

9:15 – 9:45 A.M.

**PAST 5 YEARS
EXPENDITURES REVIEW**

The Board will review and discuss trends from the past 5 years.

COMPOSITE 5 YEAR EXPENDITURES REVIEW (YEAR TO YEAR COMPARISON)

STEGE SANITARY DISTRICT

ITEM	FINAL EXPENSE 2018-2019	FINAL EXPENSE 2019-2020	FINAL EXPENSE 2020-2021	FINAL EXPENSE 2021-2022	FINAL EXPENSE 2022-2023	5yr Avg EXPENSE	% Inc/(Dec) 17/18 to 18/19 EXPENSE	% Inc/(Dec) 18/19 to 19/20 EXPENSE	% Inc/(Dec) 19/20 to 20/21 EXPENSE	% Inc/(Dec) 20/21 to 21/22 EXPENSE	% Inc/(Dec) 21/22 to 22/23 EXPENSE	5yr Avg % Inc/(Dec) EXPENSE
OPERATING EXPENSES:												
010 Salaries & Wages	\$ 1,170,238	\$ 1,282,352	\$ 1,386,819	\$ 1,468,549	\$ 1,556,747	\$ 1,372,941	4%	10%	8%	6%	6%	7%
020 Employee Benefits	\$ 584,265	\$ 595,270	\$ 595,488	\$ 589,999	\$ 599,550	\$ 592,914	6%	2%	0%	-1%	2%	2%
030 Directors' Expenses	\$ 35,158	\$ 24,521	\$ 21,817	\$ 23,979	\$ 26,502	\$ 26,395	49%	-30%	-11%	10%	11%	6%
040 Election Expense	\$ 22,965	\$ -	\$ 300	\$ -	\$ 300	\$ 4,713	0%	0%	0%	0%	0%	0%
060 Gasoline, Oil, Fuel	\$ 25,065	\$ 21,534	\$ 25,842	\$ 35,040	\$ 39,386	\$ 29,374	79%	-14%	20%	36%	12%	27%
070 Insurance	\$ 109,822	\$ 131,545	\$ 121,704	\$ 203,639	\$ 182,968	\$ 149,936	1%	20%	-7%	67%	-10%	14%
080 Memberships	\$ 15,489	\$ 14,046	\$ 15,416	\$ 18,388	\$ 17,302	\$ 16,128	8%	-9%	10%	19%	-6%	4%
090 Office Expense	\$ 16,378	\$ 6,166	\$ 4,647	\$ 8,813	\$ 4,858	\$ 8,172	197%	-62%	-25%	90%	-45%	31%
100 Operating Supplies	\$ 23,500	\$ 24,680	\$ 25,451	\$ 14,035	\$ 21,696	\$ 21,872	98%	5%	3%	-45%	55%	23%
110 Contractual Services	\$ 88,469	\$ 81,375	\$ 77,235	\$ 75,417	\$ 84,250	\$ 81,349	24%	-8%	-5%	-2%	12%	4%
120 Professional Services	\$ 124,976	\$ 121,002	\$ 112,311	\$ 129,224	\$ 69,614	\$ 111,426	42%	-3%	-7%	15%	-46%	0%
130 Printing & Publications	\$ 18,483	\$ 15,240	\$ 17,113	\$ 19,658	\$ 17,540	\$ 17,607	6%	-18%	12%	15%	-11%	1%
140 Rents & Leases	\$ 253	\$ 1,091	\$ 629	\$ 573	\$ 631	\$ 635	-59%	332%	-42%	-9%	10%	46%
150 Repairs & Maintenance	\$ 102,201	\$ 92,986	\$ 98,043	\$ 120,978	\$ 109,710	\$ 104,783	24%	-9%	5%	23%	-9%	7%
160 Revenue Collection Expenses	\$ 10,875	\$ 10,868	\$ 10,880	\$ 10,892	\$ 10,925	\$ 10,888	-2%	0%	0%	0%	0%	0%
170 Travel & Meetings	\$ 8,944	\$ 5,783	\$ 2,257	\$ 4,879	\$ 9,786	\$ 6,330	-23%	-35%	-61%	116%	101%	20%
190 Utilities	\$ 38,105	\$ 37,645	\$ 45,700	\$ 47,818	\$ 54,062	\$ 44,666	12%	-1%	21%	5%	13%	10%
200 Other Expenses	\$ 29,958	\$ 29,655	\$ 17,859	\$ 25,062	\$ 25,571	\$ 25,621	-34%	-1%	-40%	40%	2%	-6%
204 Safety Equipment and Gloves	\$ 1,163	\$ 4,054	\$ 2,721	\$ 2,121	\$ 2,451	\$ 2,502	-29%	248%	-33%	-22%	16%	36%
205 Uniforms and Boots	\$ 13,986	\$ 14,450	\$ 15,726	\$ 15,469	\$ 17,129	\$ 15,352	-25%	3%	9%	-2%	11%	-1%
206 Safety Incentive Program	\$ 513	\$ 357	\$ 506	\$ 442	\$ 366	\$ 437	-46%	-30%	42%	-13%	-17%	-13%
410 Pump Stations	\$ 62,788	\$ 30,949	\$ 12,731	\$ 65,505	\$ 43,720	\$ 43,138	261%	-51%	-59%	415%	-33%	106%
207 Contracted Repairs	\$ 92,204	\$ 75,211	\$ 72,394	\$ 123,516	\$ 65,325	\$ 85,730	64%	-18%	-4%	71%	-47%	13%
TOTAL OPERATING EXPENSES	\$ 2,595,797	\$ 2,620,779	\$ 2,683,589	\$ 3,004,494	\$ 2,960,389	\$ 2,773,010	12%	1%	2%	12%	-1%	5%
CAPITAL EXPENSES:												
650 DEBT REPAYMENT	\$ 148,220	\$ 148,220	\$ 148,220	\$ 148,220	\$ 43,939	\$ 127,363	0%	0%	0%	0%	-70%	-14%
300 CAPITAL EQUIPMENT	\$ 33,332	\$ 443,358	\$ 140,737	\$ 47,778	\$ 355,719	\$ 204,185	360%	1230%	-68%	-66%	645%	420%
400 CONSTRUCTION	\$ 2,682,813	\$ 2,802,179	\$ 2,964,509	\$ 3,317,843	\$ 2,398,882	\$ 2,833,245	42%	4%	6%	12%	-28%	7%
TOTAL CAPITAL EXPENSES	\$ 2,864,366	\$ 3,393,757	\$ 3,253,465	\$ 3,513,840	\$ 2,798,540	\$ 3,164,793	40%	18%	-4%	8%	-20%	8%
TOTAL EXPENSE	\$ 5,460,163	\$ 6,014,536	\$ 5,937,054	\$ 6,518,334	\$ 5,758,929	\$ 5,657,693	25%	10%	-1%	10%	-12%	6%
Legal Services - Retainer	\$ 19,539	\$ 19,975	\$ 18,821	\$ 21,506	\$ 21,320	\$ 20,232	1%	2%	-6%	14%		7%
Legal Services - Special	\$ 13,258	\$ 40,991	\$ 25,005	\$ 30,275	\$ 12,736	\$ 24,453	-48%	209%	-39%	21%		34%
Legal Services - TOTAL	\$ 32,797	\$ 60,966	\$ 43,826	\$ 51,782	\$ 34,056	\$ 44,685						

9:45 – 10:15 A.M.

**SEWER RATE AND
CONNECTION CHARGE
REVIEW**

The Board will review and discuss the District's Sewer Rate and Connection Charge.

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(NOTE: The draft Sewer Rate and Connection Charge Study will not be available in time for the workshop.)

FOR REFERENCE ONLY:

2/15/2024 Board Meeting Handout - Sewer Rate and Connection Charge presentation by Alison Lechowicz of Lechowicz & Tseng Municipal Consultants

STEGE SANITARY DISTRICT

Sewer Rate and Capacity Fee Study



Board Meeting
February 15, 2024



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

Alison Lechowicz
Project Manager



Agenda

- Example EBMUD water usage/flow data
- Capacity fee methodology and options
 - Current methodology (Option 1)
 - Only pipeline assets (Option 2)
 - SPASPA fee update



Example Data from EBMUD

EBMD_ACCNT	ADDRESS	CITY	METER	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	Total	CODE	Type
32071300 001	6637 Cutting Bl	EL	3379	2022	7	7	8	8	9	10	11	9	9	9	9	8	104	8800	Single Family
16359300 001	11135 San Pablo	EL	14582	2022	2	2	2	1	2	2	2	2	3	3	2	2	25	6800	Office
82230517 930	1854 Key Bl	EL	132779	2022	4	3	4	4	4	4	4	4	4	3	3	1	42	8800	Single Family
05695713 139	1852 Key Bl	EL	132782	2022	4	3	4	1	1	3	3	4	4	2	2	3	34	8800	Single Family
30818200 001	105 Kensington Rd	KEN	3E+06	2022	9	8	8	7	7	6	6	7	7	10	10	7	92	8800	Single Family
38010064 711	505 Norvell St	EL	133302	2022	4	4	4	4	4	4	4	4	4	4	4	4	48	8800	Single Family
12427700 001	6919 Manila Ave	EL	208916	2022	3	3	5	5	5	5	9	10	6	6	5	5	67	8800	Single Family
98511340 863	10841 San Pablo	EL	359777	2022	9	9	10	10	12	12	13	13	20	24	15	14	161	5812	Restaurant
12506300 001	10650 San Pablo	EL	447857	2022	2	2	2	2	2	1	1	2	2	1	1	3	21	5300	Retail
16399200 001	10869 San Pablo	EL	448183	2022	173	160	186	184	235	251	201	169	165	66	72	85	1947	7000	Hotel
36644698 701	1326 Santa Clara St	RIC	766959	2022	6	5	6	5	6	6	6	7	6	6	5	6	70	8800	Single Family
28796825 790	1321 Scott St	EL	484605	2022	3	3	3	3	4	4	5	5	3	3	2	2	40	8800	Single Family
12329400 001	831 Richmond St	EL	772090	2022	7	6	7	7	6	6	7	7	7	7	7	7	81	8800	Single Family
62687226 378	2025 Tapscott Ave	EL	485489	2022	4	4	4	5	5	6	6	5	5	5	5	5	59	8800	Single Family
16353500 001	6214 Cypress Ave	EL	499189	2022	4	4	4	4	4	3	3	3	3	2	2	2	39	8800	Single Family
10625900 001	1240 Contra Costa	EL	502004	2022	5	4	4	4	4	4	4	4	4	6	6	3	52	8800	Single Family

Monthly metered water usage data in units of hundred cubic feet (one hundred cubic feet = 748 gallons)

Sort by month, year, and customer type to determine average winter water use



Districtwide Capacity Fee

- Applies to ALL development in Stege SD including development in SPASPA
- Nets out pipelines that will be covered in the San Pablo Ave Fee
- Value of existing facilities based on replacement cost new less depreciation (RCNLD) for general district facilities that benefit the entire service area
- The RCNLD cost is divided by estimated total customers at buildout
- Fees are charged based on dwelling units for residential connections and plumbing fixtures for non-residential connections
- OPTION 1: All non-SPASPA District assets included
- OPTION 2: Only pipeline and manhole assets included



Current Capacity Fees

Land Use	Equivalent Fixture Units per Dwelling Unit	Average Gallons per Day per Equivalent Fixture Unit	Cost per Equivalent Fixture Unit	Sewer Capacity Charge	Unit
Single Family Residential	26	5	\$129.01	\$3,354	per dwelling unit
Multi-Family Residential	17	5	\$129.01	\$2,193	per dwelling unit
Non-Residential	NA	5	\$129.01	\$129.01	per fixture unit
San Pablo Avenue Specific Plan Area					
All Development			\$271.19	\$271.19	per fixture unit
Accessory Dwelling Units					
Attached Accessory Dwelling Unit			\$0.00	\$0.00	
Detached Accessory Dwelling Unit			\$129.01	\$129.01	per fixture unit

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Existing Districtwide Facilities (Opt1)

Pipelines less SPASPA pipe	\$48,189,155
Manholes	\$362,099
Pump Stations	\$46,202
Admin Building & Office Equip	\$2,612,357
Vehicles	<u>\$624,501</u>
Total Existing Facilities	\$51,834,314
Build-out Fixture Units	504,751
Cost per Fixture Unit	\$102.69

- Value is the original cost net of depreciation and escalated to current dollars
- Build-out fixture units are the District's current customer base plus remaining development in SPASPA (16 fixtures per MF)

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OPT 1: Proposed Districtwide Capacity Fee

Land Use	Equivalent Fixture Units per Dwelling Unit	Cost per Equivalent Fixture Unit	Sewer Capacity Charge	Unit
Single Family	26	\$102.69	\$2,670	per dwelling unit
Multi-Family	16	\$102.69	\$1,643	per dwelling unit
Non-Residential	NA	\$102.69	\$102.69	per fixture unit
Accessory Dwelling Units				
Attached Accessory Dwelling Unit		\$0.00	\$0.00	
Detached Accessory Dwelling Unit		\$102.69	\$102.69	per fixture unit

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Districtwide Capacity Fee OPT1

Land Use	Current	Proposed	Unit
Single Family Residential	\$3,354	\$2,670	per dwelling unit
Multi-Family Residential*	\$2,193	\$1,643	per dwelling unit
Non-Residential	\$129.01	\$102.69	per fixture unit

*Proposed number of fixture units reduced from 17 to 16

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Existing Districtwide Facilities (Opt2)

Pipelines less SPASPA pipe	\$48,189,155
Manholes	\$362,099
Pump Stations	\$46,202
Admin Building & Office Equip	\$2,612,357
Vehicles	\$624,501
Total Existing Facilities	\$51,834,314
	\$48,597,456
Build-out Fixture Units	504,751
Cost per Fixture Unit	\$96.28

- Value is the original cost net of depreciation and escalated to current dollars

- Build-out fixture units are the District's current customer base plus remaining development in SPASPA (16 fixtures per MF)

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Districtwide Capacity Fee OPT2

Land Use	Current	Proposed	Unit
Single Family Residential	\$3,354	\$2,503	per dwelling unit
Multi-Family Residential*	\$2,193	\$1,540	per dwelling unit
Non-Residential	\$129.01	\$96.28	per fixture unit

*Proposed number of fixture units reduced from 17 to 16

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Districtwide Capacity Fee Options

Land Use	Current	OPT1	OPT2	Unit
Single Family	\$3,354	\$2,670	\$2,503	per DU
Multi-Family*	\$2,193	\$1,643	\$1,540	per DU
Non-Residential	\$129.01	\$102.69	\$96.28	per FU

*Proposed number of fixture units reduced from 17 to 16

DU – dwelling unit

FU – plumbing fixture unit

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SPASPA Capacity Fee

- Applies only to development in the San Pablo Avenue Specific Plan Area
- Project costs net of fees already paid divided by remaining development
- Total project cost of \$14.9M estimated in 2017 by Urban Economics based on 22,592 LF of pipe
- Confirmed this project cost is accurate based on cost of materials plus planning, design, construction management, and contingency
- Updated SPASPA buildout fixture unit count for each MF dwelling = 16 fixture units

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SPASPA Capacity Fee

San Pablo Ave SPA Improvement Cost	\$14,900,000
11795 San Pablo Ave, Wall Ave	\$339,264
Net of SPASPA fees already paid	<u>(\$1,088,534)</u>
Total Cost	\$14,150,730
SPASPA Fixture Units	59,783
Less SPASPA Fixture Units Already Paid	<u>(4,595)</u>
Total Fixture Units	55,188
Cost per Fixture Unit	\$256.41

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Proposed SPASPA Capacity Fee

Land Use	Equivalent Fixture Units per Dwelling Unit	Cost per Equivalent Fixture Unit	Sewer Capacity Charge	Unit
Single Family	26	\$256.41	\$6,667	Example fee
Multi-Family	16	\$256.41	\$4,103	Example fee
Per fixture unit	NA	\$256.41	\$256.41	per fixture unit

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SPASPA Current and Proposed Capacity Fee

Land Use	Current	Proposed	Unit
Single Family	\$7,051	\$6,667	Example fee
Multi-Family*	\$4,339	\$4,103	Example fee
Non-Residential	\$271.19	\$256.41	per fixture unit

*Example number of fixture units is 16

DU – dwelling unit

FU – plumbing fixture unit

15



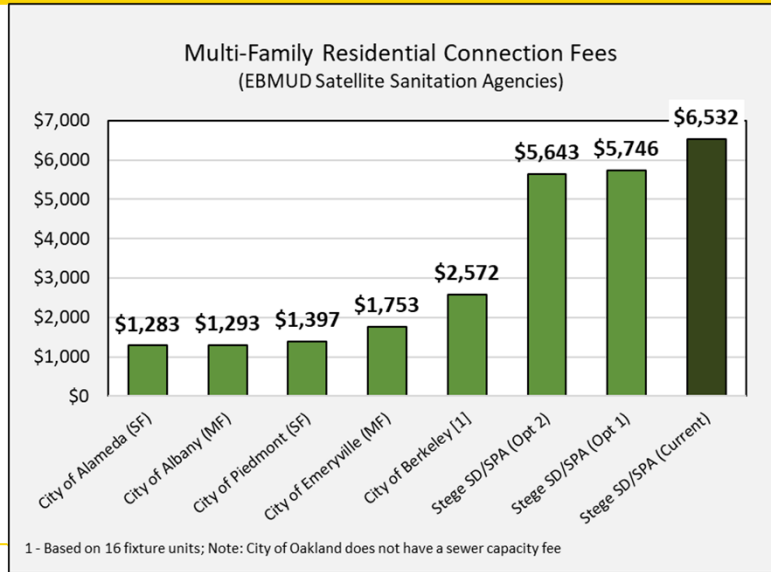
Total Proposed Capacity Fee

	Current	Proposed – OPT1	Proposed – OPT2
Cost per fixture unit			
Districtwide Fee	\$129.01	\$102.69	\$96.28
SPASPA Fee	<u>\$271.19</u>	<u>\$256.41</u>	<u>\$256.41</u>
Total	\$400.20	\$359.10	\$352.69
Multi-Family Dwelling Unit			
Districtwide Fee	\$2,193 17 FU	\$1,643 16 FU	\$1,540 16 FU
SPASPA Fee	<u>\$4,339</u> 16 FU	<u>\$4,103</u> 16 FU	<u>\$4,103</u> 16 FU
Total	\$6,532	\$5,746	\$5,643

16



Total Proposed Capacity Fee



17



Discussion



18

10:15 – 10:45 A.M.

**USEPA CONSENT DECREE
PROGRESS AND PLANNING**

The Board will review and discuss the progress and planning of the USEPA
Consent Decree.



STEGE SANITARY DISTRICT

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

District Counsel:
Kristopher Kokotaylo

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

Wednesday, September 27, 2023

Chief, Clean Water Act, Water Section I, (ENF 3-1)
Enforcement Division
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, CA 94105

Executive Officer
San Francisco Bay Regional Water Quality Control
Board
1515 Clay Street, Suite 1400
Oakland, CA 94612

Legal Counsel
San Francisco Bay Regional Water Quality Control
Board
1515 Clay Street, Suite 1400
Oakland, CA 94612

Marc N. Melnick
Deputy Attorney General
California Attorney General's Office
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
Box 7611 Ben Franklin Station
Washington, D.C. 20044-7611
Re: DOJ No. 90-5-1-1-09361/2

Executive Director
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

RE: Stege Sanitary District FY 2022-23 Sanitary Sewer Annual Report

Consent Decree - Consolidated Case Nos. C 09-00186-RS and C 09-05684-RS

As required by the Annual Reporting Requirements section of the United States Environmental Protection Agency (EPA) Consent Decree - Consolidated Case Nos. C 09-00186-RS and C 09-05684-RS, the Stege Sanitary District hereby submits by the deadline date of September 30, 2023, its FY 2022-23 Sanitary Sewer Annual Report for the period of July 1, 2022 to June 30, 2023.

I certify under penalty of law that this document and its attachments were prepared either by me personally or under my direction or supervision in a manner designed to ensure that qualified and knowledgeable personnel properly gathered and presented the information contained therein. I further certify, based on my personal knowledge or on my inquiry of those individuals immediately responsible for obtaining the information, that to the best of my knowledge and belief the information is true, accurate and complete. I am aware that there are

significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing and willful submission of a materially false statement.

If you have any questions or concerns, please feel free to contact me.

Very truly yours,

STEGE SANITARY DISTRICT



Rex Delizo

District Manager

Attachments

Transmitted via email:

Patricia Hurst, USDOJ (patricia.hurst@usdoj.gov)

Marc N. Melnick, California Attorney General's Office (marc.melnick@doj.ca.gov)

Elizabeth Aubuchon, EPA (aubuchon.elizabeth@epa.gov)

Mike Weiss, EPA (weiss.michael@epa.gov)

Fatima Ty, EPA (ty.fatima@epa.gov)

Eileen Sobeck, State Water Board (eileen.sobeck@waterboards.ca.gov)

Eileen White, State Water Board (eileen.white@waterboards.ca.gov)

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Mark Hurley, City of Albany (mhurley@albanyca.org)

Liam Garland, City of Berkeley (lgarland@cityofberkeley.info)

Mohamed Alaoui, City of Emeryville (mohamed.alaoui@emeryville.org)

G. Harold Duffey, City of Oakland (hduffey@oaklandca.gov)

Daniel Gonzales, City of Piedmont (dgonzales@piedmont.ca.gov)

Amit Mutsuddy, EBMUD (amit.mutsuddy@ebmud.com)

STEGE SANITARY DISTRICT FY 2022-23 Sanitary Sewer Annual Report

The following FY 2022-23 Sanitary Sewer Annual Report corresponds directly to the respective paragraphs of the Annual Reporting Requirements in the United States Environmental Protection Agency (EPA) Consent Decree - Consolidated Case Nos. C 09-00186-RS and C 09-05684-RS.

C. FOR EACH DEFENDANT:

141. A list of all Deliverables submitted to Plaintiffs and a description of the Work performed pursuant to all Deliverables submitted to Plaintiffs and approved or commented on by EPA, as well as a list of Deliverables submitted to Plaintiffs but not yet approved or commented on by EPA.

- *STEGE SANITARY DISTRICT FY 2021-22 SANITARY SEWER ANNUAL REPORT: On September 30, 2022, as required by the Annual Reporting Requirements section of the Consent Decree, the Stege Sanitary District submitted to the Plaintiffs its FY 2021-22 Sanitary Sewer Annual Report for the period of July 1, 2021 to June 30, 2022 by the deadline date of September 30, 2022.*

142. A description of any known noncompliance by that Defendant with this Consent Decree during the reporting period.

See Exhibit A (attached) for a list of all sanitary sewer overflows for Fiscal Year 2022-23. Otherwise, the Stege Sanitary District does not know of any non-compliance with the Consent Decree during the reporting Fiscal Year.

143. Any recommended changes to the Work required of that Defendant by this Consent Decree, including any proposed material modifications to any Deliverable.

The minimum requirement of 2,682 feet of Sewer Main to be treated for root control, consistent with paragraph 117 of the Consent Decree, should be reduced to 0 feet. In addition to the previous reduction of 37,318 feet to the minimum requirement of Sewer Main, an additional 2,682 feet of Sewer Main is proposed to be removed from the root control program due to the sewer mains being rehabilitated during the reporting Fiscal Year and no longer having excessive roots requiring treatment.

144. A Sanitary Sewer Overflow Report that includes the location of SSOs; the start and end date and time of each SSO; the SSO volume including gross volume, amount recovered, and amount not

recovered; the destination of each SSO; the probable cause(s) of the SSOs; the location(s) of repeat SSOs; a list of any SSOs at locations where the Sewer Main had been Rehabilitated in the previous ten (10) Fiscal Years; and a description of measures taken to help prevent these SSOs in the future.

See Exhibit A (attached) for the Stege Sanitary District Sanitary Sewer Overflow Report for Fiscal Year 2022-23.

145. If a Satellite makes a request to begin or cease participating in EBMUD's Regional Sewer Lateral Program, it shall provide an update on its request and describe any progress in adopting necessary Local Ordinance revisions. When the Satellite makes the necessary Local Ordinance revisions to cease participation in EBMUD's Regional Sewer Lateral Program, the Satellite shall thereafter report on its implementation of its Sewer Lateral Program, including the information required of Berkeley by subparagraph 157(b)(i)(A).

The Stege Sanitary District did not make a request to cease participating in EBMUD's Regional Sewer Lateral Program during the reporting Fiscal Year.

I. FOR THE STEGE SANITARY DISTRICT ONLY:

169. AMIP Implementation. The District shall summarize implementation of each element of its AMIP not addressed below. The summary shall include any proposed revisions to the AMIP, along with any accompanying changes to its financial plan.

The implementation of each element of the AMIP is addressed below. There are no proposed revisions requiring changes to the financial plan.

170. I&I Reduction Work. The District shall summarize its Work to reduce I&I in its service area in the reporting Fiscal Year. The summary shall include, but not be limited to, the following:

a. Sewer Main and Maintenance Hole Rehabilitation

i. Rehabilitation: all Sewer Main and Maintenance Hole Repair and Rehabilitation activities completed, including:

A. the number of feet of Sewer Main Rehabilitated, and the cumulative total feet of Sewer Main Rehabilitated since the Effective Date;

- *11,971 feet of Sewer Main have been Rehabilitated during the reporting Fiscal Year.*

- *121,070 cumulative total feet of Sewer Main have been Rehabilitated since the Sewer Main Rehabilitation Effective Date of July 1, 2013 as specified in Appendix E of the Consent Decree.*
- B. the number of Maintenance Holes Rehabilitated associated with Rehabilitated Sewer Mains and the number of Maintenance Holes Rehabilitated;
- *69 Maintenance Holes associated with Rehabilitated Sewer Mains have been Rehabilitated during the reporting Fiscal Year.*
 - *69 Maintenance Holes have been Rehabilitated during the reporting Fiscal Year.*
- C. the number of abandoned Sewer Laterals found to be connected to the Sewer Main and the number of abandoned Sewer Laterals disconnected from the Sewer Main;
- *0 abandoned Sewer Laterals have been found to be connected to the Sewer Main during the reporting Fiscal Year.*
 - *0 abandoned Sewer Laterals have been disconnected from the Sewer Main during the reporting Fiscal Year.*
- D. if the District did not achieve its Rehabilitation requirement in Paragraph 107(a), an explanation of why it did not achieve the Rehabilitation requirement and a description of what changes to the Work will be made in order to correct the deficiency and achieve the Rehabilitation requirement in subsequent Fiscal Years;
- *The Stege Sanitary District achieved its Sewer Main Rehabilitation requirement of 103,067 feet of Sewer Main for the reporting Fiscal Year.*
 - *121,070 cumulative total feet of Sewer Main have been Rehabilitated since the Sewer Main Rehabilitation Effective Date of July 1, 2013 as specified in Appendix E of the Consent Decree*
- E. the Rehabilitation budget and dollars spent on Sewer Main Rehabilitation;
- *The Sewer Main Rehabilitation budget for the reporting Fiscal Year is \$3,259,000.*
 - *Actual dollars spent on Sewer Main Rehabilitation for the reporting Fiscal Year is \$2,107,986 (65% of budgeted amount).*

- F. the Collection System Rehabilitation projects targeted to be completed in the next Fiscal Year; and

As stated in the Stege Sanitary District Asset Management Implementation Plan (AMIP) approved on May 14, 2013, the Collection System Rehabilitation project will target line segments with the highest Damage Severity Index (DSI) ratings that are located in District sub-basins that have high I/I contribution rates ("R" values), in order to maximize and accelerate I/I reduction. Engineering staff has updated the pipe reaches presently planned as priorities for rehabilitation, with the understanding that these identified priorities are likely to be further developed and revised through the inspection and assessment process and as a result of changing conditions.

- G. an explanation of any revisions that were made to the Capital Improvement Plan or the financial plan associated with future Repair and Rehabilitation projects, including what revisions, if any, that were made based on information from the EBMUD RTSP.

No revisions were made to the Capital Improvement Plan or the financial plan associated with future Repair and Rehabilitation projects during the reporting Fiscal Year. No revisions were made based on information from the EBMUD RTSP during the reporting Fiscal Year.

- ii. Inspections: inspection and condition assessment activities completed, including:

- A. the rate of Sewer Main inspection and condition assessment;

- *The Sewer Main inspection and condition assessment rate equates to 26% of the collection system for the reporting Fiscal Year.*

- B. the total feet of Sewer Main inspected with completed condition assessment and the cumulative total feet of Sewer Main inspected with completed condition assessment since the Effective Date;

- *203,044 feet of Sewer Main have been inspected with completed condition assessment during the reporting Fiscal Year.*
- *1,854,723 cumulative total feet of Sewer Main have been inspected with completed condition assessment since the Consent Decree Effective Date of September 22, 2014.*

- C. if the District conducts inspection of Sewer Mains using a method other than CCTV, the District shall identify the method, explain how that method is as equally effective as CCTV and identify the total feet of Sewer Main that was inspected using that method;
- *No other method, other than CCTV, was conducted by the Stege Sanitary District to inspect Sewer Mains during the reporting Fiscal Year.*
- D. the number of Maintenance Holes associated with Sewer Mains that were inspected and the number of Maintenance Holes inspected;
- *1,036 Maintenance Holes associated with Sewer Mains have been inspected during the reporting Fiscal Year*
 - *1,036 Maintenance Holes have been inspected during the reporting Fiscal Year*
- E. if the District did not achieve its inspection and condition assessment requirement in Paragraph 107(b), an explanation of why it did not achieve the inspection and condition assessment requirement and a description of what changes to the Work will be made in order to correct the deficiency and achieve the inspection and condition assessment requirement in subsequent Fiscal Years; and
- *The Stege Sanitary District achieved its inspection and condition assessment cumulative requirement of 737,352 feet by June 30, 2023 for the reporting Fiscal Year.*
 - *1,854,723 cumulative total feet of Sewer Main have been inspected with completed condition assessment since the Consent Decree Effective Date of September 22, 2014.*
- F. The Collection System inspection and condition assessment Work to be completed in the next Fiscal Year.
- *The Stege Sanitary District will complete no less than the minimum requirement of 77,616 feet of inspection and condition assessment Work in the next Fiscal Year.*
- iii. Regional Standards: a description of the activities to develop – and, beginning in 2017, the extent of compliance with – Regional Standards.

As of July 1, 2016, Stege Sanitary District capital improvement projects are in compliance with the Regional Standards. On June 30, 2021, as required by paragraphs 33, 43.c, 54.c, 64.c, 73.c, 83.d, 95.c, and 107.c of the Consent Decree, the Defendants submitted to the Plaintiffs a reviewed and revised 2021 Regional Standards for sewer installation, rehabilitation, and repair. All future capital improvement projects will be in compliance with the latest 2021 Regional Standards.

The Stege Sanitary District continues to discuss the Regional Standards, their effectiveness, and potential revisions and improvements with the other Defendants at coordination meetings held regularly throughout the year.

b. Sewer Lateral Inspection and Repair or Rehabilitation

In December 2021, in order to facilitate replacement of old, leaky private sewer laterals, the District established a Private Sewer Lateral (PSL) Replacement Loan Program. The program is designed to encourage property owners to protect and preserve the environment by offering a no-interest deferred payment loan of up to \$10,000 to replace PSLs.

i. Sewer Laterals: a description of activities and materials to notify property owners of defective Sewer Laterals, including:

A. the number of Sewer Laterals identified as defective outside of the triggering actions to test Sewer Laterals pursuant to the Amended Regional Ordinance;

- *20 Sewer Laterals have been identified as defective outside of the triggering actions to test Sewer Laterals pursuant to the Amended Regional Ordinance during the reporting Fiscal Year*

B. the number of property owners notified that their Sewer Laterals are defective;

- *All 20 property owners have been notified that their Sewer Laterals were found defective during the reporting Fiscal Year*

C. a copy of a representative notice that was sent to property owners notifying them that their Sewer Lateral is defective;

See Exhibit B (attached) for a copy of a representative notice that was sent to property owners notifying them that their Sewer Lateral was defective during the reporting Fiscal Year.

- D. a description and the number of any administrative, civil or criminal enforcement actions taken against property owners for defective Sewer Laterals;

There were 0 other administrative, civil or criminal enforcement actions taken against property owners for defective Sewer Laterals during the reporting Fiscal Year.

- E. the number of District-owned and Non-Defendant Permitting Agency-owned Sewer Laterals, the number of District-owned and Non-Defendant Permitting Agency-owned Sewer Laterals inspected and Repaired or Rehabilitated and the cumulative number of District-owned and Non-Defendant Permitting Agency-owned Sewer Laterals inspected and Repaired or Rehabilitated from the Effective Date;

- There is 1 Stege Sanitary District-owned Sewer Lateral and 23 Non-Defendant Permitting Agency-owned Sewer Laterals*
- 0 Stege Sanitary District-owned and Non-Defendant Permitting Agency-owned Sewer Laterals have been inspected and Repaired or Rehabilitated during the reporting Fiscal Year*
- 0 cumulative number of Stege Sanitary District-owned and Non-Defendant Permitting Agency-owned Sewer Laterals have been inspected and Repaired or Rehabilitated from the Consent Decree Effective Date of September 22, 2014*

- F. the address and name of the owner of any property owned by a Public Entity, or the State or federal government, that has an identified defective Sewer Lateral, including a description of the defect; and

There were 0 properties owned by a Public Entity, or the State or federal government that had an identified defective Sewer Lateral during the reporting Fiscal Year.

- G. a summary of the District's assistance to EBMUD in the development of a Sewer Lateral education and outreach program.

The Stege Sanitary District assisted EBMUD in the development of the Sewer Lateral education and outreach program by participating in a meeting with EBMUD in January 2015, when the development of the program and educational materials was reviewed and discussed. Additional review and

comments occurred in February 2015, prior to EBMUD's submittal of the plan to EPA for review and comment in March 2015. The District continues to assist EBMUD in the development of the Sewer Lateral education and outreach program designed to encourage Sewer Lateral owners to inspect and, if necessary, Repair or Rehabilitate Sewer Laterals before owners are required to under the Regional or Local Ordinances by attending meetings and providing feedback on EBMUD's implementation of the program.

c. Inflow and Rapid Infiltration Identification and Elimination:

- i. a description of the District's cooperation with EBMUD's implementation of the RTSP;

By letter dated January 20, 2015, EBMUD provided a draft of its Regional Technical Support program (RTSP) plan to the East Bay Collection System Advisory Committee (EBCSAC) for review and comment. EBCSAC's comments on the EBMUD draft RTSP were provided to EBMUD by letter dated February 19, 2015. EBMUD submitted the RTSP Plan to EPA, RWQCB, SWRCB, and DOJ on March 23, 2015. Based on comments from EPA received on May 19, 2015, EBMUD resubmitted a revised RTSP Plan on July 20, 2015. The revised RTSP Plan was conditionally approved by EPA on April 14, 2016. EBCSAC agencies have also discussed RTSP issues with EBMUD at regular meetings from January 2015 to the present time.

The Stege Sanitary District continues to cooperate with EBMUD's implementation of the RTSP including providing all requested system information in a timely manner and participating in meetings to discuss continued and proposed work within our service area.

- ii. Linear High Priority Sources

- A. a cumulative list of all Linear High Priority Sources, including the date that the District eliminated or plans to eliminate the source, and EBMUD's unique identifier;

- *0 Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year.*

- B. the number of feet of Linear High Priority Sources eliminated in the Fiscal Year, and the cumulative total feet of Linear High Priority Sources eliminated since EPA's approval of the RTSP;
- *0 Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year and, subsequently, 0 have been eliminated in the reporting Fiscal Year.*
 - *0 cumulative total feet of Linear High Priority Sources have been identified by EBMUD's RTSP and, subsequently, 0 have been eliminated since EPA's approval of the EBMUD's RTSP.*
- C. the number of feet of Linear High Priority Sources that the District counted towards its Sewer Main Rehabilitation requirement in subparagraph 107(a);
- *0 Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year and, subsequently, 0 have been counted towards the Sewer Main Rehabilitation requirement during the reporting Fiscal Year.*
- D. for those Linear High Priority Sources that were not eliminated within twenty-four (24) months, an explanation of why the Linear High Priority Sources were not eliminated and a description of the actions that will be taken in order to eliminate the Linear High Priority Sources.
- *0 Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year.*
- iii. Non-Linear High Priority Sources
- A. a cumulative list of all Non-Linear High Priority Sources, including the date that the District eliminated or plans to eliminate the source, and EBMUD's unique identifier;
- *0 Non-Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year.*
- B. the number of Non-Linear High Priority Sources eliminated in the Fiscal Year, and the cumulative number of Non-Linear High Priority Sources eliminated since EPA's approval of the RTSP;

- *0 Non-Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year and, subsequently, 0 have been eliminated in the reporting Fiscal Year*
- *0 cumulative total feet of Non-Linear High Priority Sources have been identified by EBMUD's RTSP and, subsequently, 0 have been eliminated since EPA's approval of the EBMUD's RTSP.*

C. for those Non-Linear High Priority Sources that were not eliminated within twenty-four (24) months, an explanation of why the Non-Linear High Priority Sources were not eliminated and a description of the actions that will be taken in order to eliminate the Non-Linear High Priority Sources.

- *0 Non-Linear High Priority Sources have been identified by EBMUD's RTSP during the reporting Fiscal Year.*

iv. For sources of Inflow and Rapid Infiltration in the Collection System that are not identified as High Priority, the date that the District incorporated each source into its Capital Improvement Plan, and EBMUD's unique identifier;

- *1 source of Inflow and Rapid Infiltration in the Collection System was identified by EBMUD's RTSP during the reporting Fiscal Year.*

EBMUD's Unique Identifier	Date Incorporated into CIP	Source Type
SRC-2122-SSD-001	Repaired 8/15/2023	Sewer Main

v. Sources of Inflow and Rapid Infiltration not in the Collection System

A. a cumulative list of all Private High Priority Sources, including the date that the District notified or plans to notify each owner of a source,

- *0 Private High Priority Sources were identified by EBMUD's RTSP during the reporting Fiscal Year.*

B. the date of any administrative, civil, or criminal enforcement actions initiated by District to eliminate the source, the status of the enforcement actions to eliminate the source, and EBMUD's unique identifier;

- *0 Private High Priority Sources were identified by EBMUD's RTSP during the reporting Fiscal Year. 0 subsequent administrative, civil, or criminal*

enforcement actions were initiated by the Stege Sanitary District during the reporting Fiscal Year.

- C. for all other sources of Inflow and Rapid Infiltration (including illicit connections) not in the Collection System and not owned by the District, the date that the District notified each owner of the source, the date of any administrative enforcement actions initiated by the District, the status of the administrative enforcement to eliminate the source, and EBMUD's unique identifier.

- *0 other sources of Inflow and Rapid Infiltration (including illicit connections) not in the Collection System and not owned by the Stege Sanitary District were identified by EBMUD's RTSP during the reporting Fiscal Year.*

171. SSO Reduction Work. The District shall summarize its Work to reduce SSOs in its service area, describe the success of the Work at preventing blockages and SSOs, and describe any changes to be made to further reduce blockages and SSOs. The summary shall include, but not be limited to, the following:

- a. Capacity Assurance: a description of activities performed in order to monitor the locations in Paragraph 113 during rain events, including:
- i. the highest water level in relation to the Maintenance Hole that was observed in the reporting Fiscal Year;

The District utilized the water level monitoring method specified in paragraph 113 of coating the wall of the Maintenance Hole with chalk to indicate if the maximum water level reached within (1) foot of the Maintenance Hole rim during a rain event.

After each rain event of the reporting Fiscal Year, District staff inspected the chalk coating on the wall of the Maintenance Holes at the locations listed in Paragraph 113 of the Consent Decree. At all locations, the chalk showed no instance of the water level reaching within one (1) foot of the Maintenance Hole rim.

- ii. identify if there was an SSO or the water level reaches within one (1) foot of the Maintenance Holes rim and whether the event(s) occurred during a rain event that was greater than the December 5, 1952 Storm;

There was no SSO or instance of the water level reaching within one (1) foot of the Maintenance Holes rim at the locations listed in Paragraph 113 of the Consent Decree during the reporting Fiscal Year.

- iii. a description of all activity the District performed to prevent an SSO from occurring at a location that the District had reason to believe an SSO was likely to occur;

There were no locations that the Stege Sanitary District had reason to believe an SSO was likely to occur during the reporting Fiscal Year.

- iv. a list of sewer segments improved pursuant to Paragraph 113, including the date the capacity was improved, and certification that any improved Sewer Main has sufficient capacity; and

The Sewer Main for item “i. Kearny Street and Conlon Avenue” on the list of locations in Paragraph 113 of the Consent Decree was replaced and upsized from 8”Ø and 10”Ø to 12”Ø in June 2016. As approved in an email from Samuel Plummer of the Regional Water Board on November 21, 2019, this location no longer requires monitoring since the District assessed the location for two Wet Weather Seasons following the replacement with no evidence of a potential capacity deficiency.

The Sewer Main for item “iv. Coventry Road and Lenox Road” on the list of locations in Paragraph 113 of the Consent Decree was replaced and upsized from 8”Ø to 10”Ø and 12”Ø in March 2022. This location may no longer require monitoring under this section after the District assesses the location for two Wet Weather Seasons following the replacement with no evidence of a potential capacity deficiency.

The Sewer Main for item “viii. Pomona Avenue and Ward Avenue” on the list of locations in Paragraph 113 of the Consent Decree was mitigated by the installation of an 8”Ø sewer main relief line in December 2016. As approved in an email from Samuel Plummer of the Regional Water Board on November 21, 2019, this location no longer requires monitoring since the District assessed the location for two Wet Weather Seasons following the replacement with no evidence of a potential capacity deficiency.

- v. the identification of any capacity-related SSOs and the SSO date and location.

There were 0 capacity-related SSOs during the reporting Fiscal Year.

- b. Inspections: a certification that the District completed CCTV inspections downstream of each SSO location under Paragraph 114;

See Exhibit A (attached) for Stege Sanitary District Sanitary Sewer Overflow Report for Fiscal Year 2022-23 which includes the CCTV certification dates of each SSO location.

- c. Acute Defects: a description of the activities to Repair Acute Defects under Paragraph 115, including:

- i. the number of Acute Defects found;

- *0 Acute Defects have been found during the reporting Fiscal Year.*

- ii. the number of Acute Defects Repaired; and

- *0 Acute Defects have been repaired.*

- iii. for Acute Defects that were not Repaired within twelve (12) months, provide an explanation why they were not Repaired on time and describe the actions that will be taken and/or the schedules that will be established in order to Repair the Defects as soon as possible;

- *0 Acute Defects have been repaired within twelve (12) months of discovery.*

- d. Sewer Main Cleaning: a description of activities conducted under its sewer cleaning program pursuant to Paragraph 116, including the feet of Sewer Main cleaned and percent of feet of Sewer Main in the District's Collection System cleaned that are: (i) less than eighteen (18) inches in diameter and (ii) eighteen inches or greater in diameter as part of the routine and hot spot cleaning programs, reporting both unique footage and total footage (i.e., including repeat cleanings);

Sewer Main cleaned during the reporting Fiscal Year in the Stege Sanitary District's Collection System that are:

(i) less than eighteen (18) inches in diameter

- *679,445 unique feet which equates to 87% of the collection system*
- *962,798 total feet, including repeat cleanings, which equates to 124% percent of the collection system*

(ii) greater than eighteen (18) inches in diameter

- *39,005 unique feet which equates to 5% of the collection system*

- *40,220 total feet, including repeat cleanings, which equates to 5% percent of the collection system*
- e. Root Cleaning: a description of the activities conducted under its root control program pursuant to Paragraph 117, including the feet of Sewer Main treated for root control (i.e., unique feet) reported as an annual total feet and the cumulative total of feet treated for root control since the Effective Date;
- *39,055 annual total (unique) feet of Sewer Main were treated for root control during the reporting Fiscal Year*
 - *411,313 cumulative total of feet were treated for root control since the beginning of the Fiscal Year of the Consent Decree Effective Date of September 22, 2014*
 - *As stated earlier in response to paragraph 143, the minimum requirement of 2,682 feet of Sewer Main to be treated for root control, consistent with paragraph 117 of the Consent Decree, should be reduced to 0 feet. In addition to the previous reduction of 37,318 feet to the minimum requirement of Sewer Main, an additional 2,682 feet of Sewer Main is proposed to be removed from the root control program due to the sewer mains being rehabilitated during the reporting Fiscal Year and no longer having excessive roots requiring treatment.*
- f. Hot Spot Cleaning: description of activities conducted under its hot spot program pursuant to Paragraph 118, including feet of Sewer Mains in the hot spot cleaning program, the range of cleaning frequencies for pipe in the hot spot cleaning program, feet of hot spot pipe cleaned once or more during the reporting Fiscal Year (i.e., unique feet), the total feet of hot spot cleaning during the reporting Fiscal Year, including repeat cleanings;
- *As of 6/30/2023, 57,459 feet of Sewer Mains are in the hot spot cleaning program*
 - *The range of cleaning frequencies for pipe in the hot spot cleaning program is up to 6 months*
 - *57,706 unique feet of hot spot pipe were cleaned once or more during the reporting Fiscal Year*
 - *276,320 total feet of hot spot pipe, including repeat cleanings, were cleaned during the reporting Fiscal Year, which equates to 36% percent of the collection system*
- g. FOG: a description of activities to control FOG in the Collection System pursuant to Paragraph 119 and a list of any SSOs that were thought to be associated with FOG or excessive buildup of grease and that were investigated; and any actions that were taken against food service establishments related to inadequate FOG controls;

The Stege Sanitary District works closely with EBMUD to implement the Regional FOG Control Program. The program was established to reduce FOG related blockages and consists of FOG hotspot investigations, food service establishment (FSE) reviews, gravity grease interceptor (GI) inspections, enforcement support, hotspot reporting, FOG information database management, and outreach. A key element of the program includes hotspot response which is a targeted response to grease-related blockages and consequent SSOs. Response activities include facility inspections at FSEs upstream of the problem area, camera investigations, recommendations for corrective actions and enforcement procedures, as needed. Similar response activities are also undertaken by EBMUD for residential hotspots.

There were no SSOs thought to be associated with FOG during the reporting Fiscal Year.

- h. SSO Prevention and Outreach: a report on the measures it has taken pursuant to Paragraph 120.

The Stege Sanitary District continues to participate in the Underground Service Alert (USA) North damage prevention service that is designed to protect underground facilities in Northern California and continues to provide outreach to inform plumbers, contractors and utility companies of the need for care and protection when working on or around the sanitary sewer system.

The Stege Sanitary District also continues public education efforts to inform its residents how their actions can help prevent SSOs through targeted outreach after each SSO, newsletters twice a year, information on the Stege Sanitary District website, additional awareness via social media, and educational pamphlets distributed at our office counter and at public events such as the City of El Cerrito's 4th of July Fair.

In December 2021, in order to facilitate replacement of old, leaky private sewer laterals, the District established a Private Sewer Lateral (PSL) Replacement Loan Program. The program is designed to encourage property owners to protect and preserve the environment by offering a no-interest deferred payment loan of up to \$10,000 to replace PSLs.

J. MISCELLANEOUS

172. If the Annual Report documents that any of the obligations subject to stipulated penalties may not have been complied with, and a Defendant takes the position that potentially applicable stipulated penalties should not be assessed, that Defendant may include in the Annual Report an explanation as to why Plaintiffs should forego collecting such penalties; provided, however, that not including such information does not prejudice the Defendant from providing such or

additional information to Plaintiffs or the Court in the “Dispute Resolution” Section of this Consent Decree.

- *The Stege Sanitary District should NOT be assessed stipulated penalties for any of the “Category 2” and “Category 3” SSOs, as shown in Exhibit A - Stege Sanitary District Sanitary Sewer Overflow Report for Fiscal Year 2022-23, since they did not reach waters of the United States.*

ATTACHMENTS

- Exhibit A – Stege Sanitary District Sanitary Sewer Overflow Report for Fiscal Year 2022-23
- Exhibit B – Representative Notice of a Sewer Lateral Overflow (Defective Sewer Lateral)



STEGE SANITARY DISTRICT

Sanitary Sewer Overflow Report

8/23/2023

SPILL TYPE	LOCATION	START	END	GROSS VOLUME (gals)	AMOUNT RECOVERED (gals)	NOT RECOVERED (gals)	DESTINATION	PROBABLE CAUSE	REPEAT?	REHAB'D w/in last 10 YRS?	CCTV Cert. Date
Category 3	27 Sunset Drive, Kensington, CA 94707	2022.08.08 15.00.00	2022.08.09 00.50.00	15	10	5	Building or Structure;Paved Surface	Debris from Lateral	YES (2012)	NO (2005)	8/9/2022

MEASURES TAKEN: Increased cleaning frequency to 6 months. Notices issued to inform upstream residents on best practices to prevent overflows that includes calling us to have main line checked after cleaning laterals.

Category 3	285 Lexington Rd., Kensington, CA 94707	2022.11.18 12.00.00	2022.11.19 14.35.00	3	3	0	Paved Surface	Debris-Wipes/Non-Dispersables	NO	NO	11/19/2022
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MEASURES TAKEN: Increased cleaning frequency to 6 months. Notices issued to educate all upstream residents on best practices to prevent overflows including the proper disposal of flushable wipes.

Category 3	938 Avis Drive, El Cerrito, CA 94530	2022.12.03 12.00.00	2022.12.05 09.55.00	112	0	112	Unpaved surface	Debris-Wipes/Non-Dispersables	YES (2012)	NO (2005)	12/6/2022
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MEASURES TAKEN: Installed manhole monitor system to receive early notification of surcharging. Notices issued to educate all upstream residents on best practices to prevent overflows including the proper disposal of flushable wipes.

Category 1	620 Coventry Road, Kensington CA 94707	2023.01.08 11.22.00	2023.01.12 10.30.00	10,660	0	10,660	Separate Storm Drain;Street/Curb and Gutter;Unpaved surface	Debris-Wipes/Non-Dispersables	NO	NO	1/12/2023
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MEASURES TAKEN: Increased cleaning frequency to 6 months. Notices issued to educate all upstream residents on best practices to prevent overflows including the proper disposal of flushable wipes.

Category 3	11755 SAN PABLO AVENUE, EL CERRITO, CA 94530	2023.02.07 11.45.00	2023.02.07 12.15.00	5	5	0	Separate Storm Drain	Damage by Others Not Related to CS Construction/Maintenance (Specify Below)	NO	NO	2/7/2023
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MEASURES TAKEN: PG&E damaged main sewer line when doing a repair. Repaired line on 2/8/2023.



STEGE SANITARY DISTRICT

Sanitary Sewer Overflow Report

8/23/2023

SPILL TYPE	LOCATION	START	END	GROSS VOLUME (gals)	AMOUNT RECOVERED (gals)	NOT RECOVERED (gals)	DESTINATION	PROBABLE CAUSE	REPEAT?	REHAB'D w/in last 10 YRS?	CCTV Cert. Date
Category 3	838 Seaview Drive, El Cerrito, CA 94530	2023.02.15 15.30.00	2023.02.15 21.00.00	34	34	0	Separate Storm Drain	Pipe Structural Problem/Failure	NO	NO (2004)	2/15/2023
MEASURES TAKEN: Repaired line on 3/2/2023.											
Category 3	2126 Junction Ave., El Cerrito, CA 94530	2023.05.01 14.20.00	2023.05.02 16.30.00	5	5	0	Unpaved surface	Pipe Structural Problem/Failure	NO	NO	5/1/2023
MEASURES TAKEN: Repaired line on 6/8/2023.											
Category 3	1438 CARLSON BLVD. RICHMOND, CA 94804	2023.05.05 08.00.00	2023.05.05 08.30.00	78	78	0	Paved Surface	Debris-General	NO	NO (2007)	5/5/2023
MEASURES TAKEN: Increased cleaning frequency to 6 months.											

8



STEGE SANITARY DISTRICT

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

District Counsel:
Kristopher Kokotaylo

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

August 23, 2023

OWNER/RESIDENT
7500 SCHMIDT LANE
EL CERRITO, CA 94530



RE: NOTICE OF A SEWER LATERAL OVERFLOW (DEFECTIVE SEWER LATERAL)

Dear Owner/Resident,

The Stege Sanitary District (District) provides sanitary sewer collection service for the communities of El Cerrito, Kensington and a portion of the Richmond Annex. The District is responsible for maintaining the sanitary sewer main lines in order to prevent sewage overflows, protect the environment, and safeguard public health.

A recent service call to our District indicated that a defect within your property's sanitary sewer lateral (the sewer pipe from a home or building) created an overflow of raw sewage. You may need to call a plumber to clear and/or repair your sanitary sewer lateral. A District list of registered plumbers is available on our website and attached for your convenience.

When a plumber clears a blockage from a sanitary sewer lateral, they may push roots and debris downstream causing a subsequent problem in the larger main sewer in the street.

PLEASE HELP US! If you hire a plumber to clean your home's sanitary sewer lateral, kindly let us know, so we may check the main sewer and prevent any subsequent blockages downstream. We will inspect and clean our sewer main lines at **no charge to you.**

In order to prevent future blockages and/or backups within your sanitary sewer lateral, do not flush solid waste such as wet wipes, hand towels, and/or rags into toilets – they should be placed in the trash. You may also want to consider repairing or replacing your sanitary sewer lateral if you experience frequent blockages or other maintenance issues due to structural problems or root intrusion. Information on how to apply for our Private Sewer Lateral Replacement No-Interest Loan Program for which you may be eligible is available on our website and attached for your convenience.

Thank you for your cooperation. Please visit our website at **www.stegesan.org**, email us at **staff@stegesan.org**, or call us at **(510) 524-4667** if you have any questions, comments, or concerns.

Very truly yours,
STEGE SANITARY DISTRICT
www.stegesan.org



Consent Decree (Case Nos. CV 09-00186 and CV 09-05684, N.D. Cal.)



East Bay Municipal Utility District

Consent Decree (Case Nos. CV 09-00186 and CV 09-05684, N.D. Cal.)

2022/2023 Flow Model Calibration, WWF Output Ratios and Output Test Results

December 2023



Consent Decree (Case Nos. CV 09-00186 and CV 09-05684, N.D. Cal.)

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Executive Summary

The East Bay Municipal Utility District (EBMUD) conveys and treats wastewater generated by seven Satellite Agencies (the Cities of Alameda, Albany, Berkeley, Emeryville, Oakland, and Piedmont, plus the Stege Sanitary District, which serves El Cerrito, Kensington, and Richmond Annex). Each Satellite Agency (or “Satellite”) owns and operates its own sanitary sewer system that collects wastewater generated in the Satellite’s community and conveys the flows to EBMUD’s Interceptor System. The Interceptor System then conveys the flows to the Main Wastewater Treatment Plant (MWWTP) where they are treated. Treated effluent from the MWWTP is discharged through an outfall located near the eastern span of the San Francisco-Oakland Bay Bridge.

During significant precipitation events, excessive amounts of rain and groundwater improperly enter the collection system through multiple avenues, such as deteriorated and defective pipes or illicit storm drain connections. This extraneous water entering the collection system, known as inflow and infiltration (I&I), causes an increase in the flows and volumes that must be conveyed by EBMUD’s Interceptor System. Currently, during certain significant wet weather events, the volume of I&I entering the Interceptor System exceeds its conveyance capacity. In these instances, the MWWTP is relieved by, and primary treatment is provided at, EBMUD’s three wet weather facilities (WWFs), located at Point Isabel (PI WWF), Oakport (OAK WWF), and San Antonio Creek (SAC WWF).

On September 22, 2014, EBMUD and the Satellites entered into a Consent Decree (CD) in *United States, et al. v. East Bay Municipal Utility District, et al.* (Case Nos. CV 09-00186 and CV 09-05684, N.D. Cal.) with the United States Environmental Protection Agency (EPA); California State Water Resources Control Board; California Regional Water Quality Control Board; San Francisco Bay Region, San Francisco Baykeeper; and Our Children’s Earth Foundation. The CD requires EBMUD and the Satellites to eliminate most discharges from EBMUD’s three WWFs by 2036 through the removal of I&I from the regional collection system. Compliance is determined by simulating system performance during a specified high-intensity storm using a hydrologic and hydraulic model of the Interceptor System (known as the “Flow Model”) maintained by EBMUD.

EBMUD is required to update and calibrate the Flow Model each year. EBMUD uses the calibrated Flow Model to determine the rate of progress toward the CD’s WWF discharge reduction goals in the manner described below.

On December 12, 2022, the EPA approved the *2021/2022 Flow Model Calibration, WWF Output Ratios and Output Test Results* report, which documented that the reductions in discharge volumes from the EBMUD WWFs had met the CD’s requirements for the first Mid-Course Check-In.

Annual Model Update and Calibration

Each update of the hydrologic model accounts for rehabilitation work performed since the last update, including both the work performed on public sewer mains and maintenance holes (MHs) by the Satellites and the work performed on sewer laterals by private property owners via compliance with the Private Sewer Lateral Programs. The hydraulic model update includes adjustments to the model’s operational



logic to account for any changes in how EBMUD operated the Interceptor System that year. Each update also incorporates physical infrastructure improvements made in the previous year, if any.

The fiscal year 2023 (FY23) model updates provide a first estimate of the I&I reduction resulting from reported sewer rehabilitation projects and a first estimate of the hydraulic performance within the EBMUD Interceptor System. Then, the Flow Model is calibrated to best match the observed conditions over at least a minimum period of the preceding Wet Season, while being volumetrically conservative as the CD requires, which ensures that the model does not underpredict WWF discharge volumes. As the Wet Season is defined in the CD as the period from December 1 of one calendar year through April 15 of the following calendar year, the annual work is performed on a fiscal year (FY) basis. Consistent with the provisions of the approved Flow Model Calibration Plan, as there was a storm event that resulted in flows to WWFs outside of the defined Wet Season, that storm event was included in the calibration of the FY23 Flow Model. Therefore, the Wet Season for FY23 was expanded to account for WWF activations that occurred during the November storm events.

Output Ratio Testing Methodology

The updated and calibrated model is used each year to simulate system performance in the prescribed high-intensity December 5, 1952 Storm, as specified in the CD. Each year, the discharge volumes predicted by the model from EBMUD's three WWFs from the prescribed storm are compared to the volume of discharges from a model run representing the Baseline conditions. The Baseline condition model was calibrated using flow data from the fiscal year 2010 (FY10) and fiscal year 2011 (FY11) rainy seasons, and its purpose was to establish a baseline for evaluating future discharge volume reductions over time. In the Baseline model run, the predicted volume of discharge for the storm event at each WWF is known as the Baseline WWF Output. This comparison of the annually calculated discharge volumes to the Baseline WWF Output is referred to as the Output Ratio. The annual Output Ratio is determined by dividing the predicted current year volume of discharge by the Baseline volume of discharge at each WWF.

The Output Ratios are used to measure compliance with the CD. By a specified date, the CD requires each WWF to show that it would not discharge from the prescribed high-intensity 1952 storm. A WWF may demonstrate compliance with that requirement by showing it has an Output Ratio of 0%. The deadline to demonstrate a 0% Output Ratio varies by WWF. The SAC WWF, PI WWF, and OAK WWF must meet that requirement by the end of calendar years 2028, 2034, and 2036, respectively.

Output Ratios are also used to assess the interim progress toward the CD's ultimate WWF discharge reduction goal at Mid-Course Check-Ins, occurring last year and in 2030. These benchmarks will inform a determination of whether an acceptable rate of progress has been achieved. For last year's first Mid-Course Check-In, the SAC WWF, PI WWF, and OAK WWF demonstrated compliance with the benchmark Output Ratios of 43%, 53%, and 65%, respectively, as each facility's Three-Year-Average Output Ratio was better than required. At the 2030 Mid-Course Check-In, the PI WWF and OAK WWF are to demonstrate benchmark Output Ratios of 18% and 31%, respectively; the SAC WWF must have already demonstrated a 0% Output Ratio at the end of 2028. The 2030 Mid-Course Check-In will be performed by using a WWF's fiscal year 2028 (FY28), fiscal year 2029 (FY29), and fiscal year 2030 (FY30) Output Ratios to calculate the WWF's Three-Year-Average Output Ratio, which will be compared in turn with the 2030 benchmark for that WWF defined in the CD.



Output Ratios can also be used to measure ongoing progress in the years before and after each Mid-Course Check-In. However, because the CD defines WWF Output Ratio benchmarks only for the Mid-Course Check-Ins, a target Output Ratio for other years was determined by interpolating a straight-line projection between the first and second benchmark Output Ratios for the PI WWF and the OAK WWF. For the SAC WWF, the target Output Ratio was determined by interpolating a straight-line projection from the first Mid-Course Check-In to 0% for its 2028 compliance date.

A target Output Ratio derived in this manner can assist with understanding the sufficiency of the rate of WWF discharge volume reduction progress. A comparison of the current year Three-Year-Average Output Ratio is made to the current year target Output Ratio value. The current year Three-Year-Average Output Ratio is calculated by averaging the Output Ratios determined for the previous three years. For example, the FY23 Three-Year-Average Output Ratio, calculated from the FY21, FY22, and FY23 Output Ratios. If the calculated Three-Year-Average Output Ratio at the WWF is larger than the target Output Ratio, then the WWF discharge reductions are identified as not meeting projections and the WWF would be at risk of not meeting compliance. Conversely, if the calculated Three-Year-Average Output Ratio is less than the target Output then the WWF discharge reductions are exceeding projections, and the WWF would be on pace to be in compliance.

FY23 Output Ratio Results

Following the described Output Ratio testing methodology, the FY23 Output Ratios were determined for each WWF. The calculated discharge volumes from each WWF for the Baseline and FY23 conditions are shown in Table ES - 1 below.

Table ES - 1: Baseline and FY23 Discharge Volumes

Facility	Baseline Discharge Volume ¹ (Million Gallons)	Calibrated FY23 Flow Model Effluent Volume (MG)	FY23 WWF Output Ratio ²
PI WWF	23.3	16.77	72%
OAK WWF	53.7	42.66	79%
SAC WWF	13.2	9.11	69%

¹ Baseline volume is the model-predicted discharge volume from the December 5, 1952 Storm resulting from Baseline Flow Model calibration to observed flow data from the FY10 and FY11 Wet Seasons.

² FY23 Output Ratio is calculated as the FY23 volume divided by the Baseline volume, expressed as a percentage.

The FY23 Three-Year-Average Output Ratio is calculated at each WWF. Table ES - 2 presents the calculated Output Ratios from FY21, FY22, and FY23 for each WWF, plus the three-year average of those values. For comparison Table ES - 2 also presents the second Mid-Course Check-In and final compliance Output Ratios defined in the CD for each WWF.

Table ES - 2: Computed WWF Output Ratios

Facility	Output Ratios					CD Benchmarks	
	FY21	FY22	FY23	Three-Year-Average	FY23 Target	2030	Final Compliance
PI WWF	43%	58%	72%	58%	49%	18%	0% by 2034
OAK WWF	54%	58%	79%	64%	61%	31%	0% by 2036
SAC WWF	35%	34%	69%	46%	36%	-- ¹	0% by 2028

¹ The compliance date for the SAC WWF precedes 2030.



The FY23 Three-Year-Average Output Ratio for the PI WWF of 58% is 9% above the FY23 targeted benchmark value of 49%. Comparison between the FY23 Three-Year-Average Output Ratio and the FY23 targeted Output Ratio would indicate that the PI WWF may be at risk of not being compliance with the second Mid-Course benchmark value in Section XVI (“WWF OUTPUT TESTS”) of the CD.

The FY23 Three-Year-Average Output Ratio for the OAK WWF of 64% is 3% above the FY23 targeted benchmark value of 61%. Comparison between the FY23 Three-Year-Average Output Ratio and the FY23 targeted Output Ratio would indicate that the OAK WWF may be at risk of not being in compliance with the second Mid-Course Check-In benchmark value in Section XVI (“WWF OUTPUT TESTS”) of the CD.

The FY23 Three-Year-Average Output Ratio of 46% is 10% above the targeted value of 36% for FY23 for the SAC WWF. Comparison between the FY23 Three-Year-Average Output Ratio and the FY23 targeted Output Ratio would indicate that at the current rate of reduction the SAC WWF may be at risk of not being in compliance with the FY28 benchmarks in Section XVI (“WWF OUTPUT TESTS”) of the CD.

Considerations Regarding Output Ratio Assessment

The Output Ratio has shown, and is anticipated to continue to show, a significant variation from year to year at each WWF due to multiple factors. These factors should be considered when assessing the overall effectiveness of sewer system rehabilitation in reducing the WWF discharges. Factors contributing to potential variations in the calculated Output Ratios include the following:

1. *Conservative Flow Model Calibration Bias:* The CD requires that the Flow Model be calibrated to overpredict the flows to and from the WWFs and the MWWTP. While this requirement avoids underprediction in discharged volumes, it may result in the Flow Model predicting discharges for events in which actual discharge may not occur, as well as predicting a greater volume being discharged than would be expected to occur. The conservative bias factor would contribute to elevating the Output Ratio.
2. *Climatological Conditions:* The variations in rainfall and climatological conditions observed in the nine years of Flow Model calibration and Output Ratio testing have affected the calculated Output Ratios, as the recorded seasonal precipitation totals in this period have seen some of the driest and wettest years on record. The fiscal year 2015 (FY15), fiscal year 2020 (FY20) and fiscal year 2021 (FY21) Output Ratios showed a reduction in discharges from WWFs that exceeded expectations, likely due to the presence of drought conditions. Conversely, the reduction in discharge from WWFs calculated for fiscal year 2017 (FY17) and fiscal year 2023 (FY23) was less than expected, likely due to the precipitation being 65% and 57% greater than the mean annual precipitation (23.45 inches).

At this time, five of the nine calibration efforts have utilized climatological conditions which border on extreme regarding cumulative seasonal precipitation totals. Additionally, while FY22 had seasonal precipitation which was near average, most of the precipitation occurred during three storm events. While impacts from extreme variations in climatological conditions would be expected to be minimized over an extended period of time, the effects have been observed to be significant in a shorter timeframe, such as over a period of one, two, or three Wet Seasons.

3. *Persistent Groundwater Conditions:* Variations in climatological conditions also affect groundwater infiltration (GWI) processes, which may persist for more than a single Wet Season. In the year after



an extreme wet year, elevated GWI processes may still be evident, adversely affecting the WWF discharge volumes. As with climatological conditions, impacts from persistent groundwater conditions would be expected to decrease over an extended period of time, but these conditions may affect the Output Ratio for more than one Wet Season. The groundwater factor would contribute to elevating the Output Ratio in and after wetter-than-average seasons and reducing the Output Ratio in drought-like seasons.

4. *Quantity, Methodology, and Location of Sewer Rehabilitation:* In FY23, as in all previous years, the amount of I&I reduction that has been realized relative to the amount of reported sewer rehabilitation has shown a high degree of variability. This is evident in the variation between the anticipated and calibrated I&I reductions determined from the Flow Model update and calibration efforts, respectively. There are several possible explanations for the differences between the anticipated and actual I&I reductions. The locations where sewer rehabilitation is performed will influence the I&I reduction, as rehabilitation in areas with higher rates of I&I production would be expected to have a larger impact on I&I reduction than rehabilitation in areas where less I&I is evident. The concentration of sewer rehabilitation can also be expected to affect the I&I reduction, as concentrated rehabilitation may remove a number of I&I sources in the area and therefore be more effective in addressing I&I migration. Sewer rehabilitation that targets contiguous sewer assets may be more effective, especially in earlier years, than sewer rehabilitation that is highly distributed. There is likely a minimum amount of rehabilitation that is required before I&I reduction is observable, and this minimum amount is also variable from one Interceptor Tributary Area to the next. For I&I reductions to approach the anticipated values, these considerations likely need to be addressed. The sewer rehabilitation factor would contribute to variability in the Output Ratio.



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11:00 – 11:30 A.M.

**PREFUNDING PENSION
LIABILITIES**

The Board will consider prefunding pension liabilities.

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Retirement Funding Strategies for Past and Future Costs

By Kristin Withrow posted 11-14-2022 09:45 AM

It's no secret that many pension plans are underfunded by government agencies throughout California. With fewer assets than liabilities, these underfunded pension plans are not projected to have enough money to pay out benefits that have been promised to plan members. The question becomes, what is the best way to address these underfunded pension plans? Many agencies are seeing pension liabilities grow on their balance sheet year after year and are recognizing sizable pension expenses as a result. The reality is that pension costs can't be stopped, and we can only hope to contain or offset them.

The good news is that fiscally responsible strategies can be implemented to address past and future retirement costs. Generally, pension liability factors are out of the scope of an agency's control, but with proper action, the time value of money can be turned into an advantage. There is no one-size-fits-all answer, but here are some general guidelines to assist in analyzing and addressing each unique situation.

Review your agency's Unfunded Accrued Liability (UAL) on an annual basis. If your agency contracts with the California Public Employee Retirement System (CalPERS) you are probably familiar with this term. The UAL is the difference between current plan assets that CalPERS holds on your behalf and the estimated future benefits previously earned by plan members. On average, most agencies are around 70% funded, which means that plan assets are underfunded by around 30%.

Understand interest costs associated with carrying the UAL over time. CalPERS requires minimum payments annually to pay down the UAL over a period of 24 years. Think of this like a minimum payment on a credit card each month. We all know that only paying the minimum payment on a credit card results in higher interest costs. Correspondingly, a higher UAL balance over a longer period of times results in higher interest costs to the agency. Currently, CalPERS charges 6.8% on shortfalls of plan assets.

Determine potential savings by funding the pension plan directly. Every year CalPERS releases an annual valuation for your agency, and it shows a 24-year amortization schedule with associated payments. It also projects interest savings over time using 10 and 15-year periods. Agencies can lock into a "hard fresh start" with CalPERS by moving to a 10-year or 15-year amortization period. Recent valuations have shown that an agency with a \$2.8 million UAL could save an estimated \$1.1 million in interest costs by moving to a 10-year period. Agencies can also mirror shorter amortization periods without locking into a schedule by making Additional Discretionary Payments (ADPs) for payment differences between the required period and the shorter period. This method is known as a "soft fresh start" with CalPERS because it is voluntary, and ADPs can be discontinued if necessary. Agencies should strategize to fund ADPs with onetime windfalls or with excess cash reserves. Contact your CalPERS actuary to understand available options and potential interest savings.

Establish a UAL funding target. The goal is not necessarily to become 100% funded with assets held in CalPERS. Remember that money sent into CalPERS is locked into the pension plan. Targeting anywhere from 90-95% funded status in the plan is a beneficial strategy. This range eliminates unreasonable interest costs while allowing room for investment performance or pension trust assets to make up the 5-10% difference. Becoming over 100% funded in CalPERS is essentially frozen capital as it is not able to be withdrawn or used for another purpose.

Establish a 115 Pension Trust Fund (115 Trust). Pension trusts are a funding vehicle used to prefund future retirement costs. Once funds are deposited into this irrevocable trust, they may not be withdrawn for any purpose other than funding retirement benefits. Investments in the trust build up over time and could also be used as a rainy-day fund for retirement costs during challenging economic times. Benefits of a Section 115 trust include but are not limited to:

- Voluntary contributions that can be adjusted in amount and frequency as needed by the agency.
- Investment flexibility and risk diversification. Trust assets can be invested in higher-yielding instruments when compared to conventional investment funds such as LAIF or County pools.
- Helps smooth annual budgeting by absorbing future pension cost volatility due to market performance fluctuations or changes in actuarial assumptions.
- Ability to select asset allocation strategy to match your agency's risk tolerance and investment time horizon.
- Flexibility to access trust assets if used to pay employer pension costs, including normal costs and UAL payments (rainy-day fund for retirement costs).

Of course, all investment vehicles carry the risk of losing principal in a down market – consult your CPA on whether a trust is right for your agency.

Source funding for pension plan payments. Where will the money come from to make ADPs into CalPERS and fund a 115 Pension Trust? There are a few options available.

- Cash reserves (if available) otherwise invested in LAIF or another investment vehicle with lower yield.
- One-time windfalls of cash due to the sale of assets, or unexpected revenue rebates.
- Unexpected excess revenues over expenses.
- Pension obligation bonds (POBs) during periods of low interest rates. If CalPERS is charging 6.8% on shortfalls of plan assets and POBs can be issued at 2-3% then interest savings are possible. However, there is always risk involved because proceeds are placed into pension plan investments. If CalPERS investments perform poorly, it will be difficult to recover. The agency's financial position could be worse than before issuing the bonds in some scenarios.

Develop an Unfunded Accrued Liability (UAL) Pension Management Policy. Agencies should identify goals, strategies, and various funding options for retirement costs. The policy should address a pension plan funding target, ensure that pension funding decisions protect current and future stakeholders, and create transparency as to how and why the pension plan is being funded.

Review the UAL Pension Management Policy annually. Ensure compliance with the adopted policy and be sure to update annually with changing conditions. A properly designed UAL policy tailored to your agencies unique circumstances will help defray increasing retirement costs and convey a sense of fiduciary duty to your stakeholders.

In short, it is key to review and understand the costs associated with retirement, establish funding goals, and develop policies to address retirement costs over the long-term. You can start developing a fiscally responsible strategy that works for your agency today.

###

UNFUNDED ACCRUED LIABILITY (UAL) SUMMARY

UAL AMOUNTS *(per valuation reports as of June 30, 2022):*

- CalPERS Pension – 2 tiers
 - Miscellaneous Plan UAL Balance (FY 2024-25) **\$2,406,054**
 - PEPRRA Miscellaneous Plan UAL Balance (FY 2024-25) **\$32,716**

- Other Post-Employment Benefits (OPEB) [*Retiree Health*]
 - *Total OPEB Liability - Section 115 Trust = Net OPEB Liability* **\$306,430**

PRE-FUNDING OPTIONS

- “Fresh Start” consolidation into a shorter UAL Amortization (*fixed, irrevocable*)
- Additional Discretionary Payments (ADPs) targeting specific amortization bases
- IRS Section 115 Pension Prefunding Investment Trust
 - California Employers' Pension Prefunding Trust (CEPPT)
 - Public Agency Retirement Services (PARS) Pension Rate Stabilization Program (PRSP)

FOR REFERENCE ONLY:

Pension and Other Post-Employment Benefits (OPEB) Unfunded Actuarial Liability (UAL) Reports

- 1) Actuarial Valuation as of June 30, 2022 for the Miscellaneous Plan of the Stege Sanitary District (CalPERS).**

- 2) Actuarial Valuation as of June 30, 2022 for the PEPRA Miscellaneous Plan of the Stege Sanitary District (CalPERS).**

- 3) Stege Sanitary District Actuarial Study of Retiree Health Liabilities Under GASB 74/75.**

11:30 – 12:00 A.M.

FUTURE BOARD MEETINGS

The Board will consider having less meetings and/or Counsel attend more meetings.

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2024 Stege Sanitary District Board Meeting Schedule

JANUARY						
S	M	T	W	T	F	S
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Meeting Date
 ## LRP Workshop
 ## Conference
 ## Holiday

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STEGE SANITARY DISTRICT 2024 BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
1/1 & 1/15 HOLIDAY CASA Winter Conf. Jan 24-26, Palm Springs	2/19 HOLIDAY CASA Policy Forum Feb 26-27, Wash, DC			5/27 HOLIDAY	6/19 HOLIDAY
1/18/2024 – 7:00 P.M.	2/1/2024 – 7:00 P.M.	3/2/2024 – 9:00 A.M.	4/18/2024 – 7:00 P.M.	5/2/2024 – 7:00 P.M.	6/6/2024 – 7:00 P.M.
<ul style="list-style-type: none"> • Board Governance Manual Review • Service Rate Discussion • Long Range Planning Workshop Agenda • Director’s Contact Info • Board Training Summ. • CASA/CSDA Conf. • Quarterly Financial Statements • SPASPA Status Report • CLOSED SESSION – Quarterly Claims Rpt. – Manager Perf. Eval. 	<ul style="list-style-type: none"> • Actuarial Analysis of Retiree Health Benefits Report (even years) • Performance Report (every 3 years) • District of Distinction (every 3 years) • Service Rate Discussion • Long Range Planning Workshop Agenda • Board Training Summ. • CASA/CSDA Conf. • CASA Conference Attendee Reports 	<p><u>9AM MEETING TIME</u></p> <ul style="list-style-type: none"> • Long Range Planning Workshop – Past 5 yrs. Expenditures Review – Self-Assessment of Governance – Strategic Plan Review 	<ul style="list-style-type: none"> • Draft Budget • Employee Benefit Package Review • Service Rate Discussion/Approval (+ 30-day Notice) • July 4th Fair Discussion • Board Training Summ. • Quarterly Financial Statements • SPASPA Status Report • CLOSED SESSION – Quarterly Claims Rpt. – Conf. Labor Negot 	<ul style="list-style-type: none"> • Draft Budget • Board Training Summ. • July 4th Fair Discussion • Review of Comparable Agencies • Appoint Labor Negot. • CLOSED SESSION – Conf. Labor Negot. 	<ul style="list-style-type: none"> • Draft Budget • Review Directors’ Meeting Compensation • District Working Capital and Reserve Policy • Approve Project Plans and Specs (+CEQA) • July 4th Fair Discussion • CASA/CSDA Conf.
	2/15/2024 – 7:00 P.M.	3/21/2024 – 7:00 P.M.		5/16/2024 – 7:00 P.M.	6/20/2024 – 7:00 P.M.
	<ul style="list-style-type: none"> • Board Governance Manual Approval • Long Range Planning Workshop Agenda • Service Rate Discussion • Form 700 	<ul style="list-style-type: none"> • Auditor – RFP • California Employer’s Retiree Benefit Trust (CERBT) • Service Rate Discussion • Action Plan • Board Training Summ. • Consent Decree Quarterly Report • CASA Conference Attendee Reports • Form 700 		<ul style="list-style-type: none"> • Resolution Ordering Board Election (even years) • Draft Budget • July 4th Fair Discussion • Service Rate Discussion/Approval (+ 30-day Notice) • CLOSED SESSION – Manager Perf. Eval. – Conf. Labor Negot. 	<ul style="list-style-type: none"> • Resolution Salary of District Manager • Resolution Employee Salary Ranges • Resolution Approve/Adopt Budget • Review and Approve Incentive Award • Adopt Incentive Award Goals & Objectives • July 4th Fair Discussion • CD Quarterly Report • CASA/CSDA Conf. • CLOSED SESSION – Counsel Perf. Eval.

STEGE SANITARY DISTRICT 2024 BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<p>7/4 HOLIDAY 4th of July Fair Booth</p> <p>CASA Annual Conf. Jul 31- Aug 2, Monterey</p>		<p>9/2 HOLIDAY</p> <p>CSDA Annual Conf. Sep 9-12, Indian Wells</p> <p>Board Training AB 1234 (even years) AB 1661 (odd years)</p>		<p>11/28-29 HOLIDAY</p>	<p>12/12 HOLIDAY LUNCHEON</p> <p>12/25 HOLIDAY</p>
7/18/2024 – 7:00 P.M.	8/8/2024 – 7:00 P.M.	9/5/2024 – 7:00 P.M.	10/3/2024 – 7:00 P.M.	11/7/2024 – 7:00 P.M.	12/12/2024 – 2:00 P.M.
<ul style="list-style-type: none"> • Hearing +Res./Ord. – Establish and Collect Sewer Service Charges – Director Meeting Compensation • Resolution Filing Notice of Completion • District Investment Policy • Reimb. Report per Gov. Code 53065.5 • Candidate filing period (even years) • CASA/CSDA Conf. • Form 470 • July 4th Fair Debrief • Quarterly Financial Statements • SPASPA Status Report • CLOSED SESSION – Quarterly Claims Rpt. 	<ul style="list-style-type: none"> • CASA Conf. Attendee Reports • CSDA Annual Conf. <p style="text-align: center;">8/22/2024 – 7:00 P.M.</p> <ul style="list-style-type: none"> • Select Actuary for Analysis of Retiree Health Benefits (odd years) • Quarterly (FY End) Financial Statements • Conn. Charge Report per Gov. Code 66013 • CSDA Annual Conf. 	<ul style="list-style-type: none"> • CSDA Annual Conf. <p style="text-align: center;">9/19/2024 – 7:00 P.M.</p> <ul style="list-style-type: none"> • Health Care Benefits Review • Consent Decree Quarterly Report • CSDA Conf. Attendee Reports 	<ul style="list-style-type: none"> • Regional PSL Program Update • Regional FOG Program Update <p style="text-align: center;">10/17/2024 – 7:00 P.M.</p> <ul style="list-style-type: none"> • Quarterly Financial Statements • SPASPA Status Report • CLOSED SESSION – Quarterly Claims Rpt. – Manager Perf. Eval. 	<ul style="list-style-type: none"> • Proposed Meeting Calendar • Board Officer Succession Plan • CASA/CSDA Conf. 	<p><u>2PM MEETING TIME</u></p> <ul style="list-style-type: none"> • Fiscal Year Financial Audit • Resolution Certifying Election Results (even years) • Connection Charge Review • Emergency Contact Update • Meeting Calendar • Consent Decree Quarterly Report • CASA/CSDA Conf. • Pension + OPEB UAL Reports • Nomination & Election of Officers

1:15 – 1:45 P.M.

**PRIVATE SEWER LATERAL
(PSL) I/I OUTREACH**

The Board will review and discuss PSL I/I outreach.

[NO ITEMS INCLUDED IN THE PACKET FOR REVIEW]

2:00 – 2:30 P.M.

**ENVIRONMENTALLY
PREFERABLE PROCUREMENT
POLICY**

The Board will review and discuss changes to the District's current policy.

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STEGE SANITARY DISTRICT
ENVIRONMENTALLY PREFERABLE PROCUREMENT POLICY
SEPTEMBER 2022

The Stege Sanitary District (District) is committed to minimize negative impacts on public health and the environment in a responsible manner and recognizes that the products and services the District procures have inherent environmental and economic impacts. The District shall make procurement decisions that embody, promote, and encourage the District's commitment to protecting the public's health and the environment and supports goals of sustainability.

The purpose of this policy is to encourage the purchase and use of materials, products, and services that best align with the District's fiscal, performance, and environmental goals. This includes reducing the spectrum of environmental impacts from District use of products, including reduction of greenhouse gas emissions, energy use, reduction of landfill waste, health and safety risks, and resource consumption. Decisions regarding adequacy, suitability, and/or feasibility shall be at the discretion of the District Manager.

DEFINITIONS

- **Biobased** – means products that are composed in whole or in significant part of biological products, renewable agricultural materials, or forestry materials.
- **Biodegradable** – means the ability of a substance to decompose in the natural environments into harmless raw materials.
- **Bisphenols** – mean chemicals such as Bisphenol A (BPA), Bisphenol S (BPS), and Bisphenol F (BPF) widely used in polycarbonate plastics, epoxy resins, food packaging, and thermal receipt paper. Some manufacturers have substituted BPA with Bisphenol S (BPS) and Bisphenol F (BPF). These chemicals are less well studied but appear to have similar health effects such as hormone-disruption.
- **Chlorofluorocarbons (CFCs)** – mean any of a group of compounds that contain carbon, chlorine, fluorine, and sometimes hydrogen and have been used as refrigerants, cleaning solvents, aerosol propellants, and in the manufacture of plastic foams.
- **Compostable** – means a product that can be placed into a composition of decaying biodegradable materials and eventually turn into a nutrient-rich material. It is synonymous with "biodegradable", except it is limited to solid materials (liquid products are not considered compostable).
- **Energy Efficient Product** – means a product that is in the upper 25 percent of energy efficiency for all similar products, or that is at least 10 percent more efficient than the minimum level meeting US federal government standards.

- **Environmentally Preferable Products** – mean goods and materials that have a less adverse impact on public health and the environment when compared with competing goods and materials. This comparison shall consider raw materials acquisition, production, manufacturing, packaging, distribution, re-use, operation, maintenance, and waste management of the good or material.
- **Environmentally Preferable Services** – mean services that have a more beneficial or less adverse impact on public health and the environment when compared with competing services.
- **Flame Retardants** – mean chemicals that are added to products to resist or inhibit the spread of fire. Flame retardant chemicals include, but are not limited to, halogenated, phosphorous-based, nitrogen-based, and nanoscale flame retardants.
- **Halogenated Flame Retardants** – mean chemicals that contain chlorine or bromine bonded to carbon or that are added to products to resist or inhibit the spread of fire. Also known as organohalogen flame retardants. Many of these chemicals have persistent, bioaccumulative, and toxic properties.
- **Per or Poly Fluoroalkyl Substances** – mean chemicals sometimes referred to as **PFCs or PFASs**; including long- and short-chain per- and poly-fluorinated alkyl compounds and fluorinated polymers. These chemicals are commonly used in products for oil-, stain-, and water-repellent properties. They persist in the environment, have been found as ground and drinking water contaminants. They have been found in 98% of the US population.
- **Persistent, Bioaccumulative, Toxic compounds (PBT's)** – mean toxic chemicals that persist in the environment and increase in concentration through food chains as larger animals consume PBT-laden smaller animals. They transfer rather easily among air, water, and land, and span boundaries of programs, geography, and generations. As a result, PBTs pose risks to human health and ecosystems. They include heavy metals and chemicals such as mercury, dioxins, and PCB's (polychlorinated biphenyls), as well as certain brominated and chlorinated flame retardants.
- **Phthalates** – mean a class of chemicals that are added to some polyvinyl chloride (PVC) plastic products to make them more flexible. They are also added to some glues, caulks, paints, personal care products, and air fresheners. Phthalates may be endocrine disruptors.
- **Volatile Organic Compounds (VOCs)** – mean chemicals that readily evaporate and contribute to the formation of air pollution when released into the atmosphere. Some VOCs are classified as toxic and carcinogenic.
- **Water Efficient** – means a product that is in the upper 25 percent of water efficiency for all similar products, or that is at least 10 percent more efficient than the minimum level meeting US federal government standards.

POLICY

The District shall acquire goods and services in a manner that integrates both fiscal responsibility and environmental stewardship. District employees shall comply with this policy and actively encourage decisions that reflect the policy objectives stated herein. Procurement shall actively promote and encourage product and service acquisitions compliant with the policies and guidelines adopted herein.

Environmental factors to be considered in product and service acquisitions include, but not limited to, the assessment of:

- Pollutant releases and toxicants, especially Persistent Bioaccumulative Toxics (PBTs), other chemicals of concern, air emissions, and water pollution;
- Waste generation and waste minimization;
- Greenhouse gas emissions;
- Recyclability and recycled content;
- Energy consumption, energy efficiency, use of renewable energy;
- Depletion of natural resources;
- Potential impact on human health and the environment;
- Impacts on biodiversity;
- Total life cycle costs.

When determining if a product is environmentally preferable, the following environmental attributes should be considered:

- Antimicrobial chemical free;
- Biobased;
- Biodegradable;
- Bisphenol free;
- Chlorofluorocarbon (CFC) free;
- Compostable;
- Durable;
- Energy efficient;
- Flame retardant free (especially halogenated flame retardants);
- Heavy metal free (e.g. no lead, mercury, cadmium);
- Low carcinogenic potential;
- Less hazardous;
- Low toxicity;
- Low Volatile Organic Compounds (VOC) content;
- Made from renewable materials;
- Per and Poly Fluoroalkyl free,

- Phthalate free;
- Reduced packaging;
- Reusable;
- Water efficient.

The intent of this policy is to complement the District Code and District Procurement Policy along with applicable State and Federal laws and regulations. When such code or law is updated, or the Board of Directors adopts or amends established policy, this policy shall be considered to likewise incorporate such additional provisions.

SAMPLE POLICY ITEMS TO CONSIDER:

- 1) EBMUD Policy 7.07 - Energy Efficient Practices**
- 2) EBMUD Policy 7.15 - Climate Change Impacts**



Policy 7.07

EFFECTIVE 26 SEP 23

SUPERSEDES 22 SEP 20

ENERGY

IT IS THE POLICY OF EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Promote energy efficient practices within the District's water and wastewater systems, service area, and watersheds, minimize reliance on fossil fuels, diversify energy sources, reduce energy costs, and achieve the District's goal to be carbon neutral for direct and indirect greenhouse gas (GHG) emissions from the water and wastewater systems by 2030.

Objectives

To support this policy, the District will:

- Implement the following GHG reduction goals:
 - Achieve carbon neutrality for indirect and direct GHG emissions by 2030 for the water and wastewater systems.
 - Carbon neutrality will be achieved by prioritizing actual emission reductions and applying emissions credits to residual emissions that cannot be eliminated or are outside of the District's control.
 - Emerging GHG issues, such as process emissions related to wastewater treatment and discharge, are estimated and reported based on the most recent methodology available but not included in District goals.
 - Carbon neutrality means that all anthropogenic GHG emissions are balanced by anthropogenic GHG removals. GHG emissions include carbon dioxide, methane, nitrous oxide, and refrigerant gases.
 - Promote and encourage energy management and energy efficient practices both in design and operations of the District.
 - Efficiently use all forms of energy including electricity, petroleum and non-petroleum based fuels, and natural gas to reduce costs and energy consumption, conserve natural resources, and minimize impacts on the environment.
 - Increase the use and generation of renewable energy to preserve natural resources, reduce environmental pollution and GHG emissions, and support the District's mission to protect and preserve the environment for future generations.
 - Secure reliable energy supplies at the most advantageous rates and implement economical projects to protect operations from interruptions and minimize costs.
 - Support the State of California's and other regulatory renewable energy goals.
 - Promote its energy policy by informing staff and the public of its efforts to use lower GHG emissions energy, efficiently raising awareness of the nexus between water and energy, and increasing generation of economical renewable energy.
-

Methods

To meet these objectives, the District will:

- Track GHG emissions associated with water and wastewater systems separately using The Climate Registry's (TCR) "Water-Energy Nexus" (WEN) Registry.
- Participate in studies, projects, and other efforts to advance science and accounting methodologies to accurately account for GHG emissions in relation to emerging issues, such as wastewater process emissions and raw water reservoir emissions. Review new and existing facilities and capital improvement projects for opportunities to include energy efficiency, renewable energy, reduction of on-site emissions and water conservation features.
- Evaluate consistency with existing master plans and impacts to the environment and natural resources.
- Review and evaluate opportunities to increase hydropower generation and revenue.

- Consider establishing public-private partnerships that would increase renewable energy generation capacity when economically feasible and beneficial to the District.
- Identify and implement cost competitive projects to offset GHG emissions through sequestration of carbon.
- Develop local renewable energy and carbon sequestering project.
- Semi-annually review and estimate future GHG emissions levels and take proactive actions to meet the District's annual GHG goals.
- Prioritize purchase of low and zero emissions energy before purchasing California Renewable Portfolio Standard Compliant Renewable Energy Credits (RECs) or carbon credits to meet the District's indirect emissions goals.
- Purchase carbon credits to meet the District's indirect GHG emissions goals only if cost competitive with RECs.
- Accelerate conversion to zero emission vehicles (ZEVs) and comply with the California Air Resource Board Advanced Clean Fleet Regulation.
- Purchase carbon credits to meet the District's direct GHG emissions goals.
- Consider reducing vehicle miles traveled, changing operational behaviors, and using alternative energy sources for operating vehicles and equipment.
- Invest in equipment, develop programs, and support industry efforts to increase overall District vehicle fuel economy and efficiency.
- Continue to manage the sourcing and digestion of organic material for producing energy from biogas while maintaining the lowest GHG emission possible and minimizing increases in nutrients introduced into wastewater effluent.
- Inform District staff and the public of the benefits realized from experiences in energy efficiency and purchasing and operating renewable energy generation equipment.

The District's energy management strategy reinforces the Energy Policy by providing guidance on reducing energy use, increasing renewable energy generation, diversifying energy supplies, improving energy efficiency, and pursuing economical projects that offset/reduce GHG emissions.

Energy use (including conservation, efficiency, optimization and purchase) and generation projects must be at least economically neutral to the District or support the District's wastewater and water systems' GHG reduction goals.

To support the state of California's renewable energy goal, the District will increase its use and generation of renewable energy from a range of sustainable renewable sources while continuing to generate renewable energy from its existing generation facilities, including hydropower, photovoltaic systems, in conduit hydro and anaerobic digestion/biogas facilities.

Direct emissions are emissions from sources controlled by the District, including the burning of fuels, wastewater process emissions and use of refrigerants. To meet the District's GHG goals, the District will prioritize developing programs to reduce vehicle miles traveled, investigate alternative fuel sources for operating vehicles, work with the industry to increase overall availability of ZEVs, and work to improve the science of GHG emission estimates for emerging issues such as wastewater process emissions. In addition, the District will offset direct GHG emissions by investigating projects through the sequestration of carbon or when needed, purchase carbon credits.

Indirect emissions are emissions from the District's purchase of electricity. To meet the District's GHG goals, the District will prioritize energy conservation, development of economical renewable energy projects, purchase of low and zero emissions energy and GHG offset projects. When needed purchase of RECs or carbon credits will be utilized. Renewable energy programs or projects will be evaluated against the cost of purchasing power.

To promote projects that are cost neutral over their life, the District will pursue low-cost public financing, grants, and favorable electric rate structures. Project cost evaluations will include consideration of public financing, grants, tax credits over the useful life of the project, with consideration given to the avoided cost of traditional power supply and distribution, as well as the operational reliability of on-site generation. The District will choose the least cost option to meet its annual and overall GHG reduction goals if the goals cannot be met through the above methodology

Authority

Resolution No. 33369-03, August 12, 2003
As amended by Resolution No. 33465-05, March 8, 2005
As amended by Resolution No. 33594-07, April 10, 2007
As amended by Resolution No. 33703-09, February 24, 2009
As amended by Resolution No. 33793-10, November 23, 2010
As amended by Resolution No. 33904-12, November 27, 2012
As amended by Resolution No. 33950-13, November 12, 2013
As amended by Resolution No. 34064-16, January 26, 2016
As amended by Resolution No. 35099-18, June 26, 2018
As amended by Resolution No. 35203-20, September 22, 2020
As amended by Resolution No. 35364-23, September 26, 2023

Reference

Policy 7.05 – Sustainability and Resilience



Policy 7.15

EFFECTIVE 26 SEP 23

SUPERSEDES 24 AUG 21

CLIMATE ACTION

IT IS THE POLICY OF THE EAST BAY MUNICIPAL UTILITY DISTRICT TO:

Consider the impacts of climate change and take appropriate action to understand, mitigate and adapt to those impacts through sustainable activities that manage long-term economic, environmental and human resource benefits.

Overview

The District recognizes that climate change will result in rising sea levels, reduced snowpack, increased climate variability, and impacts to ecosystems on District watersheds. Furthermore, the District recognizes that these changes will impact water and wastewater operations and infrastructure, and our communities.

In addition, the District recognizes that climate change will have significant impacts worldwide and may have disproportionate impacts to historically marginalized populations. The potential impacts of climate change are well-documented by the United Nations Intergovernmental Panel on Climate Change, in California's Climate Change Assessment, and the United States' National Climate Assessment reports.

The District maintains a Climate Change Monitoring and Response Plan to inform the District's planning efforts for future water supply, water quality and infrastructure and to support sound water and wastewater infrastructure investment decisions.

Objective

The District will consider climate change impacts in its policies, procedures, projects, and work practices. In doing so, the District will:

- Monitor climate science and identify the potential impacts to the District
- Plan for climate change by applying the best available science to understand climate risks and implement adaptation and mitigation strategies to improve resilience
- Integrate climate science into planning, design, construction, watershed land management, and operations and maintenance
- Consider solutions that address disproportionate impacts in historically marginalized neighborhoods or populations
- Complete an annual greenhouse gas (GHG) emissions inventory
- Reduce GHG emissions consistent with the District's Energy Policy
- Support global, federal, state, and regional action to respond to the impacts of climate change
- Support appropriate legislation and regulations to fund and mitigate climate change impacts and promote collaborative adaptation measures
- Recognize the Retirement Board's plenary authority to consider environmental, social and governance factors in the portfolio management of the District's retirement system to address sustainability and evaluate climate change exposure
- Collaborate with public agencies, researchers, regulators, utilities and communities to develop sustainable solutions
- Educate communities and employees on the impacts of climate change
- Take a leadership role in the industry and the community in addressing climate change

Authority

Resolution 35141-19, June 11, 2019
As amended by Resolution No. 35156-19, September 24, 2019
As amended by Resolution No. 35243-21, August 24, 2021
As amended by Resolution No. 35364-23, September 26, 2023

References

Policy 7.05 – Sustainability and Resilience
Policy 7.07 – Energy
Policy 9.04 – Watershed Management and Use
Policy 9.06 – Bay-Delta Protection

2:30 – 3:15 P.M.

**Strategic Plan and Board
Governance Manual**

The Board will review and discuss the plan and manual.

STEGE SANITARY DISTRICT

STRATEGIC PLAN



MARCH 2023

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STEGE SANITARY DISTRICT STRATEGIC PLAN

I. MISSION

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

II. VISION

The District will continue to:

- a. Protect public health and the environment
- b. Meet all legal and regulatory requirements
- c. Work in a safe and efficient manner
- d. Provide excellent customer service
- e. Employ our proactive asset management methods to provide a sustainably reliable collection system and reduce sewer system overflows (SSOs)
- f. Utilize a Pay-as-you-go (PayGo) with existing funds rather than borrowed financial policy for maintenance and construction including prudent, justifiable reserves
- g. Manage resources to accomplish our mission while maintaining an affordable and reasonable rate structure
- h. Provide a safe, enjoyable, and rewarding work environment that recognizes the worth and value of our employees
- i. Use governance and transparency practices that qualify for the Special District Leadership Foundation District of Distinction Accreditation and the District Transparency Certificate of Excellence
- j. Anticipate and plan for future changes
- k. Keep customers informed through newsletters, public appearances, website, and other appropriate outreach

III. VALUES

The District will adhere to the following set of core values in all aspects of operations:

- a. Safety
- b. Fiscal Responsibility
- c. Fairness

- d. Ethical and Transparent Governance
- e. Professional Excellence
- f. Education and Training
- g. Appropriate, Safe and Secure Up-To-Date Technology and Equipment
- h. Continued Improvement
- i. Sustainable Environmental Practices (Reduce, Reuse, Recycle)

IV. GOALS/OBJECTIVES & WORK PLAN

1. Comply with State and Federal Regulations
 - a. Meet United States Environmental Protection Agency Consent Decree requirements including submittal of an Annual Report by September 30th of each year
 - b. Meet State of California Wastewater Discharge Requirements (WDR) requirements including electronic reporting of Sanitary Sewer Overflows (SSOs)
 - c. Meet Regional Water Quality Control Board (Region 2) Sewer System Management Plan (SSMP) requirements including a documented self-audit every 3 years
 - d. Complete a comprehensive legal review and update of the District's Ordinance Code by June 2028 and at least every ten (10) years thereafter
 - e. Maintain a safety sensitive commercial driver program which includes a substance abuse policy for all employees who are required to possess a class B license
 - f. Work with professional associations such as CWEA, CASA, CSDA and BACWA that monitor and advocate on behalf of wastewater agencies before state and federal regulators on pending and proposed legislation or regulations
2. Maintain and Improve Infrastructure
 - a. Perform proactive maintenance and assessment of the sewer system through cleaning, CCTV inspection, and chemical root control to eliminate "preventable" SSOs
 - b. Update and implement sewer system master plan to prioritize sewer replacement, funding, and maintain a sewer system life cycle of 60+ years by June 2025 and at least every two (2) years thereafter
 - c. Update and maintain the District's Asset Management and Data Collections Program which includes the Geographic Information System (GIS) and Computerized Maintenance Management System (CMMS)
 - d. Work with the Regional Private Sewer Lateral (PSL) and Regional Technical Support Program (RTSP) to facilitate property owner replacement of leaky laterals and elimination of cross connections including promoting participation in the District's PSL Loan Program
 - e. Conduct risk assessments for cyber security and natural disasters by June 2025 and

- at least every five (5) years thereafter
- f. Conduct risk assessments for pump stations, force mains, and siphon by June 2025 and at least every five (5) years thereafter
 - g. Work with local agencies to develop growth strategies that ensure necessary sewer collection infrastructure is prudently funded and installed
 - h. Annually review the District's Emergency Management Plan
3. Ensure Financial Stability and Efficiency
- a. Annually review the Sewer Service Charge
 - b. Conduct a Financial Plan and Rate Study by June 2024 and at least every five (5) years thereafter
 - c. Annually develop and implement a financial budget by June of each year
 - d. Annually undertake an independent financial audit by December of each year
 - e. Change auditors by June 2023 and at least every five (5) years thereafter
 - f. Annually review the District's Connection Charge by January of each year
 - g. Annually review the District's Long Term Financial Plan by June of each year
 - h. Annually review the District's Working Capital and Reserve Policy by June of each year
 - i. Annually review the District's Investment Policy by July of each year
 - j. Conduct a retiree medical actuarial evaluation by March of every even year
 - k. Annually compare service rates with East Bay agencies by January of each year
 - l. Monthly Board review of financial statements
 - m. Annually review the District's San Pablo Avenue Specific Plan Impact Fee by June of each year
4. Provide a Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees
- a. Provide employees with the proper tools, resources, and technology necessary to perform their duties safely, effectively, and efficiently
 - b. Annually review employee salary and benefits by July of each year and conduct a survey vs. comparable agencies by June 2025 and at least every five (5) years thereafter
 - c. Encourage employee participation in professional organizations
 - d. Provide effective training, professional development, and quality educational opportunities at District expense to promote professional development and certification
 - e. Provide a flexible work schedule as a benefit for employees to support employee morale, retention, and recruitment
 - f. Provide an incentive award program and safety awards to recognize employee

achievements

- g. Maintain a succession plan that will identify and cross-train back-up staff to mitigate the extended absence, loss, or retirement of key employees and maintain institutional and technical knowledge
- h. Provide a safety and wellness program that promotes a safe work environment and good health

5. Maintain and Improve Community Outreach and Communication

- a. Keep the District website updated with current information that maintains a high level of transparency and accessibility for the public
- b. Publish the Endeavor Newsletter twice a year, mail to every District resident, and provide copies to service area libraries, community centers, senior centers, cafés, coffee shops, donut shops, & waiting rooms
- c. Maintain a 24-hour “live” person contact phone number
- d. Send a customer service satisfaction survey after each service call to track fulfillment of expectations
- e. Participate in community events such as the 4th of July Fair
- f. Provide educational pamphlets, door hangers, and notices, such as Proposition 218 notices, to inform the public of rate changes, proper disposal of “flushable” wipes & other non-flushables, Fats, Oils & Grease (FOG) disposal, Underground Service Alert (USA) damage prevention services, backflow prevention device (BPD) installation and maintenance, actions that can help prevent SSOs, construction notices, new owner information packets, and the Private Sewer Lateral (PSL) Replacement Loan Program.
- g. Work cooperatively with other agencies within and around our service area
- h. Maintain a presence on social media and online communities such as Facebook, Twitter, Nextdoor, and Yelp
- 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

6. Improve Environmental Stewardship

- a. Consider environmental factors in product and service acquisitions, such as electric vehicles, as prescribed in the District’s Environmentally Preferable Procurement Policy
- b. Consider energy efficient products when planning administrative building retrofits such as solar panels, localized energy microgrids, LED lights, and HVAC heat pump technology

STEGE SANITARY DISTRICT

BOARD GOVERNANCE POLICY MANUAL



AUGUST 2023

(First Issued April 2005)

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SECTION 1

MISSION STATEMENT

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

(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.

In the event of the absence of the President or Vice-President or their inability to act, the Directors present shall elect from their membership a President Pro Tem to serve during such temporary absence. In the event the President or Vice-President shall arrive late, the President Pro Tem shall relinquish the position upon conclusion of the business then pending before the Board of Directors.

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 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 around the room.
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 and/or President. 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.
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.
21. Public Hearings. The general procedure for public hearings will be as follows:
 - a. Introduction by the Board President
 - b. Presentation (by manager and/or consultant)

- c. Opportunity for Board questions
- d. Board President opens Public Hearing
- e. Invite public to make statements, ask questions, or give comments (The Board President may choose to limit the time allowed for any member of the public to address the Board per #9 above.)
- f. Board President closes Public Hearing
- g. (If Proposition 218 public hearing, announce written submissions)
- h. Invite Board to make any final comments
- i. Open consideration of Ordinance/Resolution

BOARD/ MANAGER RELATIONS

- 22. 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.
- 23. 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.
- 24. Manager Performance Evaluation and Review. The Board will review the performance of the Manager periodically, at least three times per year. Interim reviews by the Board will occur at Board meetings in October and January. An annual review will be performed at a Board meeting in May and will be used as a factor in the determination of any compensation adjustments for the Manager for the next fiscal year. The Board President is typically appointed by vote as labor negotiator for the purpose of negotiating compensation adjustments with the Manager. For the annual review, the Manager will provide a self-evaluation performance review letter indicating the accomplishments from the fiscal year. The annual review and Board evaluation should be limited to the fiscal year under review.
- 25. 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.
- 26. 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/ DISTRICT COUNSEL RELATIONS

27. Board/ District Counsel Communications. Except for situations that require quick action, individual Board Members should generally communicate with District Counsel within the Board meeting process. Outside of Board Meetings, communications by individual Board Members should be directed through the Board President, or the Vice President if the concern regards the President.
28. District Counsel Performance Evaluation and Review. The Board will review the performance of the District Counsel periodically and will use the review as a factor in the determination of compensation adjustments for legal services. The Board President is typically appointed by vote as labor negotiator for the purpose of negotiating with District Counsel.

BOARD/STAFF RELATIONS

29. 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.
30. 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.
31. 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.
32. 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

33. Handling Complaints from the Community. Complaints from the community directed to Directors should be passed on to the Manager for response/action.
34. 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.

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

BOARD/BOARD RELATIONS

36. 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.

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

38. 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.

39. 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.

40. 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. Board members must understand the concept of, and avoid, "serial" meetings. 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.

41. 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.

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

43. 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 Steger 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 ^{1,2}	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.

¹ 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.

² 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). 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) and Contra Costa County website (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).

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). 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) and Contra Costa County website (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 \$253.49 per meeting day of service.

(Ordinance No. 2229-0723)

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) 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

The Board of Directors has determined that qualifying for the Special Districts Leadership Foundation's (SDLF) District awards, known as *District of Distinction* and *District Transparency Certificate of Excellence*, the individual award for Directors, known as the *Certificate in Special District Governance*, and for Managers, known as the *Certified Special District Manager*, are a significant benefit to the District. That is because the work done to qualify for these awards demonstrates our belief in and commitment to professional, transparent, and proven governing principles when conducting the business of the District.

To facilitate the continuing achievement of these awards, the District will reimburse reasonable expenses incurred by individuals attending the training and other requirements required by the SDLF. Individuals planning to attend this training should get advance approval of the Board.

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

<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 checks shall be signed by the District Manager and then reviewed and approved by the Board. After approval by the Board, the Board President (or his/her designee) will review each check for correlation with the name and amount on the Check Report before signing the check. 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)