

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

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

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.

**I. Call To Order:**

**II. Roll Call:**

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

**CLOSED SESSION**

**Conference with Legal Counsel--Anticipated Litigation**

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

**III. Public Comment:**

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

Motion:

**IV. Approval of Minutes**

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

(The Board will be asked to review and approve the minutes of March 24, 2016 Special Board Meeting)

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

(The Board will be asked to review and approve the minutes of March 24, 2016 Regular Board Meeting)

Info:

**V. Communications**

A. Oral Communications

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
  - a. City & Community Meetings
  - b. California Association of Sanitation Agencies (CASA) – Public Policy Forum, Sacramento, CA
- B. Written Communications:
  1. MCE – Re-Source Newsletter (Forwarded by Email)

- Info:           **VI.    Reports of Staff and Officers**
- A. Attorney’s Report:
  - B. Manager’s Report:
    1. Board Training Summary
    2. Long Range Planning (LRP) Discussion of Topics
    3. Employee Life Insurance - Reliance Standard Life Insurance Company

- Info/Motion: **VII.   Business**
- A. Service Rate Discussion  
(The Board will consider whether to continue to hold service rates constant for FY 2016-17)

- Motion:       **VIII.   Approval of Checks**
- A. Checks for April 14, 2016 - Fund No. 3418 & 3423  
(The Board will be asked to approve the April 14, 2016 checks)

- Info:           **IX.    Future Agenda Items**
- April 28, 2016**
- Quarterly Financial Statements  
Long Range Planning Discussion of Topics  
Draft Budget  
Elections Resolution  
Employee Benefits Request  
July 4<sup>th</sup> Fair Discussion

**May 14, 2016**

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF APRIL 14, 2016

TIME OF MEETING: 7:00 P.M.

Long Range Planning Workshop

**X. Adjournment**

(The next meeting of the Stege Sanitary District Board of Directors is scheduled to be held on April 28, 2016 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California.)

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 5:00 P.M.

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

**I. Call To Order:** President Alan Miller called the meeting to order at 5:02 P.M.

**II. Roll Call:** Present: Gilbert-Snyder, Merrill, O'Keefe, Miller  
Absent: James  
Others Present: Rex Delizo, District Manager  
Ben Reyes, District Counsel  
Kristopher Kokotaylo, Assistant District Counsel

**Agenda Items:** Directors and Officers of the Board did not announce any conflicts of interest posed by items on the meeting agenda.

**III. Public Comment:** There was no public comment.

**IV. Business**

A. Meyers Nave AB 1234 Ethics Training for Directors

Reyes and Kokotaylo provided two hours of training to the Board in ethics principles and laws as required by AB 1234.

**V. Adjournment**

The meeting was adjourned at 7:03 P.M. The next meeting of the District Board of Directors will be held on Thursday, March 24, 2016 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

---

Rex Delizo  
STEGE SANITARY DISTRICT  
Secretary

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 7:00 P.M.

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

**I. Call To Order:** President Alan Miller called the meeting to order at 7:04 P.M.

**II. Roll Call:** Present: Gilbert-Snyder, James, Merrill, O’Keefe, Miller  
Absent: None  
Others Present: Rex Delizo, District Manager  
Ben Reyes, District Counsel

**Agenda Items:** Directors and Officers of the Board did not announce any conflicts of interest posed by items on the meeting agenda.

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

**VII. Business**

**C. Consideration of Class III Easement Encroachment – 719 Midcrest Way, El Cerrito**

The Board considered the encroachment request that now has replaced all footings with cantilevered decks and includes one of the two easements shown on the plans as described in the Title report. The second easement for the north facing deck was not in the Title report and is being researched further by staff but will have to be considered a prescriptive easement if no formal documentation is located.

**MOTION:** By James, seconded by Merrill, to approve the “aerial” class III easement encroachment with cantilevered decks in exchange for recording a formal easement for the prescriptive easement that was not included in the Title report

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 7:00 P.M.

**III. Public Comment:** There was no public comment.

**CLOSED SESSION**

**Liability Claims**

Gov. Code § 54956.95

Claimant: Paoli

Agency Claimed Against: Stege Sanitary District

**Liability Claims**

Gov. Code § 54956.95

Claimant: Dorje

Agency Claimed Against: Stege Sanitary District

The Board entered into the closed session at 7:17 P.M. and returned to open session at 7:36 P.M. President Miller announced the Board had taken no reportable actions.

**IV. Approval of Minutes**

A. Approval of Minutes of March 10, 2016 Board Meeting

MOTION: By Gilbert-Snyder, seconded by O'Keefe, to approve the minutes of the March 10, 2016 Board Meeting, as amended

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

NOES: None

ABSTAIN: None

ABSENT: None

**V. Communications**

A. Oral Communications

1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings

a. City & Community Meetings

Miller gave a brief report on his attendance at the El Cerrito City Council Meeting held on March 15, 2016.

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 7:00 P.M.

B. Written Communications

1. 3-16-2016 California Water Environment Association (CWEA) Letter re: State Collection System of the Year

The Board was informed that the District was not selected for the statewide award.

**VI. Reports of Staff and Officers**

A. Attorney's Report:

Reyes advised the Board that holding service rates constant for FY 2016-17 requires procedural actions that should be considered before moving forward. The Board asked to have this added to the next Board agenda for further consideration.

B. Manager's Report:

1. Monthly Maintenance Summary Report – February 2016

The Manager reported on last month's maintenance activities to the Board with no significant issues.

2. Monthly Report of Sewer Replacements and Repairs

The Manager reported that there were no replacement or repair invoices paid in February.

3. Consent Decree Minimum Requirements Status Report

The Manager reported that the District is ahead of all the minimum requirements of the Consent Decree with more than 3 months still remaining in the fiscal year.

4. Rain Gauge Report

The Manager reported on the rainfall data measured at the District office for the last few months.

5. Long Range Planning (LRP) Discussion of Topics

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

6. California Association of Sanitation Agencies (CASA)

The Board approved Director Merrill to attend the upcoming CASA Public Policy Forum in Sacramento, CA.

**VII. Business**

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 7:00 P.M.

A. California Employer's Retiree Benefit Trust (CERBT) Fund Disbursement

The Board considered whether to receive a disbursement from the CERBT fund of \$1,908 to pay the difference between the Annual Required Contribution (ARC) for Fiscal Year 2015-16 of \$18,252 and the total amount of retiree medical payments for FY 2015-16 projected to be \$20,160 (\$280/mo. x 12 mos. x 6 retirees).

MOTION: By James, seconded by Gilbert-Snyder, to pay retiree medical payments directly in full without receiving a disbursement from the CERBT fund

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

B. Employee Life Insurance Provider

The Board considered several quotes for employee life insurance to replace the current carrier, AIG. AIG will no longer be offering coverage to small organizations such as the District as of March 31<sup>st</sup>, 2016. The Board asked staff to check that the rating level of the chosen carrier is AA rated or better.

MOTION: By James, seconded by Gilbert-Snyder, to approve staff to contract with Reliance Standard Life Insurance for life insurance coverage of up to \$50,000 per employee and include the allowance of additional coverage paid by employees

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

Item VII. C was taken out of order earlier in the meeting.



STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 7:00 P.M.

**VIII. Financial Statements – February 2016**

A. Monthly Investment, Cash, Receivables Report, February 2016

B. Monthly Operating Statement, February 2016

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

**IX. Approval of Checks**

A. Checks for March 24, 2016 - Fund No. 3418 & 3423

MOTION: By Merrill, seconded by James, to pay the bills, Check Nos. 24244 through 24265 in the amount of \$47,597.11

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

NOES: None

ABSTAIN: None

ABSENT: None

**X. Future Agenda Items**

**April 14, 2016**

CASA Conference – Director’s Report

Long Range Planning Discussion of Topics

Board Training Summary

*CLOSED SESSION – Quarterly Claims Report*

*Service Rate Discussion*

**April 28, 2016**

~~CLOSED SESSION – Quarterly Claims Report~~ (moved to April 14<sup>th</sup> meeting)

Quarterly Financial Statements

Long Range Planning Workshop Discussion of Topics

Draft Budget

Elections Resolution

Employee Benefits Request

July 4<sup>th</sup> Fair Discussion

STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF MARCH 24, 2016

TIME OF MEETING: 7:00 P.M.

The Board asked to have the service rate discussion added to the April 14<sup>th</sup> agenda. District Council agreed to attend the April 14<sup>th</sup> Board Meeting to advise on this item.

**XI. Adjournment**

The meeting was adjourned at 8:27 P.M. The next meeting of the District Board of Directors will be held on Thursday, April 14, 2016 at 7:00 P.M. at the District office, 7500 Schmidt Lane, El Cerrito, California

---

Rex Delizo  
STEGE SANITARY DISTRICT  
Secretary

**SUMMARY OF BOARD OF DIRECTORS  
TRAINING DUE DATES**

<b><i>Dates Next Due</i></b>	<b>Governance Training (w/in 5 yrs.)</b>	<b>Ethics Training (w/in 2 Yrs.)</b>	<b>Harassment Prevention Training (w/in 2 Yrs.)</b>
<b>Paul Gilbert-Snyder</b>	1/2017	3/2018	8/2016
<b>Jay James</b>	3/2020	5/2017	7/2017
<b>Dwight Merrill</b>	3/2019	3/2018	1/2018
<b>Al Miller</b>	1/2019	3/2018	3/2018
<b>Bea O'Keefe</b>	1/2019	3/2018	9/2016

Stege Sanitary District  
**DRAFT** Long Range Planning Workshop Agenda  
 Saturday, May 14, 2016  
 9:00am - 4:00pm

TIME	TOPIC
9:00 AM	<i>Review of Agenda &amp; Last Action Plan</i>
9:15 AM	<b>Past 5 Years Budget and Expenditures Review [0.75 hrs.]</b> The Board will review and discuss trends from the District's budget and actual expenditures for the past 5 years
9:30 AM	
9:45 AM	
10:00 AM	<b>Total Compensation Comparison [0.75 hr.]</b> The Board will review and discuss the District's salary and benefits vs. comparable agencies
10:15 AM	
10:30 AM	
10:45 AM	<i>Break</i>
11:00 AM	<b>Strategic Planning [1.0 hr.]</b> The Board will review and discuss a SWOT analyses vs. goals matrix
11:15 AM	
11:30 AM	
11:45 AM	
12:00 PM	<b>Self Assessment Of Governance - Questionnaire [0.25 hr.]</b>
12:15 PM	<i>Lunch</i>
12:30 PM	
12:45 PM	<b>Self Assessment Of Governance - Review &amp; Discussion [0.50 hr.]</b>
1:00 PM	
1:15 PM	<b>Strategic Planning [0.50 hr.]</b> The Board will discuss next steps for the process.
1:30 PM	
1:45 PM	
2:00 PM	<b>Northern San Pablo Avenue Sewer Capacity [1.5 hr.]</b> The Board will review information regarding future capacity along this corridor.
2:15 PM	
2:30 PM	
2:45 PM	
3:00 PM	
3:15 PM	
3:30 PM	<i>Wrap Up, Review, Action Items</i>
3:45 PM	

# Strength and stability you can depend on.

Few things are as important as preparing and protecting our loved ones from life's challenges, both planned and unplanned. That's why it's important to choose a strong, stable insurance carrier to stand behind your benefits programs. Fortunately, Reliance Standard Life Insurance Company offers strength you can depend on. For more than 100 years, we have helped millions protect their assets—and their futures—with quality insurance products and responsive service. And we continue to earn our clients' trust every day by maintaining a strong balance sheet, diversified investment portfolio and sound ratings from independent agencies.

## Company at a Glance

### History

- ▶ Founded in 1907 as Central Standard Life Insurance Company in Chicago, IL
- ▶ Renamed Reliance Standard Life Insurance Company in 1965
- ▶ Became part of Delphi Financial Group, a leading integrated employee benefit services company, in 1987
- ▶ Acquired by Tokio Marine Holdings, a premier global insurance group with operations in 39 countries, in 2012

### Diversified Business Lines

- ▶ Group employee benefits insurance policies, including disability, life, dental, critical illness, accident and limited benefit medical insurance
- ▶ Group medical stop loss insurance for employers with self-funded medical plans
- ▶ Group benefits management services, including claims administration, FMLA/ leave management, return to work and integrated health and productivity management services
- ▶ Fixed annuities for individuals

## Sound Ratings

Financial Strength Ratings are independent opinions regarding the creditworthiness and predictive ability of an insurer to pay claims and other obligations. These are based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. Each research and analysis methodology is unique to the ratings agency. These ratings are not a recommendation to purchase or an evaluation of a specific insurance product.

Ratings are current as noted below:

### AM Best:

- ▶ "A+" (Superior) since 08/20/13
- ▶ 2nd highest of 15 rating levels
- ▶ Rating affirmed August 2014

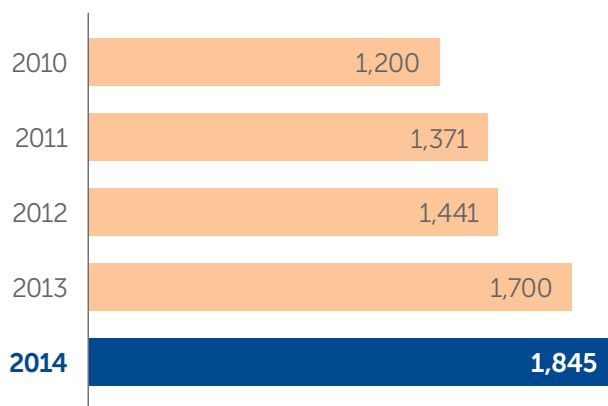
### Standard & Poor's:

- ▶ "A+" (Strong) since 7/24/13
- ▶ 5th highest of 21 rating levels
- ▶ Rating affirmed September 2014

*Ratings shown reflect the opinions of each nationally recognized independent rating agency and are not implied warranties of the company's ability to meet its financial obligations. All ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that these ratings will be maintained.*

## Reliance Standard\*

### Premium Income



### Consolidated Balance Sheets (Dollars in Millions) (Statutory Basis)

Year End December 31

	2014	2013
<b>Assets</b>		
Invested Assets	\$7,413	\$5,833
Other Assets	361	320
<b>Total Assets</b>	<b>\$7,774</b>	\$6,153
<b>Liabilities</b>		
Policy Liabilities and Accruals	\$6,414	\$4,874
Liabilities Related to Investing Activities	55	55
Other Liabilities	527	495
<b>Total Liabilities</b>	<b>\$6,996</b>	\$5,424
<b>Capital and Surplus</b>	<b>\$778</b>	\$729
<b>Total Liabilities and Capital and Surplus</b>	<b>\$7,774</b>	\$6,153

\*For purposes of financial reporting, Reliance Standard includes Reliance Standard Life Insurance Company, First Reliance Standard Life Insurance Company and Reliance Standard Life Insurance Company of Texas.

For more information, please contact:

Reliance Standard Sales and Marketing (267) 256-3500, (800) 351-7500 or [salesandmarketingHQ@rsl.com](mailto:salesandmarketingHQ@rsl.com)

**RELiance STANDARD**  
A MEMBER OF THE TOKIO MARINE GROUP

[www.reliancestandard.com](http://www.reliancestandard.com)

Notice to the Broker: This overview has been developed to illustrate and highlight products offered by Reliance Standard Life Insurance Company (RSL) and is not a contract. All of the information contained in this brochure is subject to the group insurance policy provisions and may be subject to change. For cost and further detail of any of the coverages, including exclusions, any reductions or limitations, and the terms under which the policy may be continued in force or discontinued, contact your sales office. This brochure is intended for use by agents and brokers only and is not intended for distribution to the general public.

Reliance Standard Life Insurance Company is licensed in all states (except New York), the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. In New York, insurance products and services are provided through First Reliance Standard Life Insurance Company, Home Office: New York, NY. Product availability and features may vary by state.

Ratings shown reflect the opinions of each nationally recognized independent rating agency and are not implied warranties of the company's ability to meet its financial obligations. All ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that these ratings will be maintained.

RS-2169 (4/15)

## **SERVICE RATE DISCUSSION**

### **ISSUE:**

District Counsel advised the Board that holding service rates constant for FY 2016-17 would require procedural actions that should be considered before moving forward.

### **FISCAL IMPACT:**

Revenues from a service rate increase of 9% for FY 2015-16 would be approximately \$425,000.

### **BACKGROUND:**

Bartle Wells, a professional consulting firm that specializes in public finance issues like rate increases and project financing, was hired by the District in 2014 to prepare a financial plan and recommend service rates to support District operations and capital improvements. The financial plan recommends a rate increase from the current FY 2015-16 of \$242 per single family dwelling up to \$264 for FY 2016-17 (9%).

Bartle Wells' understanding is as follows:

*“Prop 218 is the process to adopt maximum rates. As long as your rates remain below the maximum shown in the Prop 218 notice each year, you do not need to do another Prop 218 hearing or rate study. Lower is ok; higher would trigger the Prop 218 process.”*

*For example, the current FY2016 rate is \$242 per home. The District can leave the rate as is (\$242) for FY2017 without a Prop 218 hearing or rate study. If the District wants to raise rates in FY2018, the District could raise the rate as high as \$284 (the FY2018 rate provided in the 2014 Prop 218 notice) without conducting another hearing.”*

At the end of FY 2014-15, the District's actual reserve amount fund balance was \$4.24 million which is 123% of the reserve target goal of \$3.45 million. This surplus is due to several factors including overall operating expenses being 10% less than previous years which is compounded by the subsequent Target Operating Reserve also being 10% lower. Furthermore, costs to complete required rehabilitation work have decreased from \$221 to \$163 per foot of pipe.

Based on this information, the Board decided to hold service rates constant for FY 2016-17. At the subsequent Board meeting, District Counsel advised the Board that this decision would require procedural actions that should be considered before moving forward. The Board asked to have this item added to the following Board agenda for further consideration.

Per District Counsel's further analysis:

*“Proposition 218 requires the District to undertake the appropriate procedural notification process when imposing a new assessment (rate) or increasing an existing assessment. However, it is unclear as to whether or not the Proposition 218 procedural steps are required when the*

*district reduces its rates, or keeps them in place. Our research allows us to conclude that it is unlikely that the District faces significant Constitutional liability if the District keep the rates in place without undertaking the Prop 218 notification requirements.*

*However, the District's Ordinance has already been adopted and the rate structure has been established for the next fiscal year. The District is unable to just simply keep the existing rates in place. In order to keep them in place for the next fiscal year, the District will have to amend the rate ordinance fixing the rates for fiscal year 16 and 17, and subsequent years, following its normal procedures."*

Therefore, the Board can continue to hold rates constant for FY 2016-17 but would need an amendment to the ordinance that established the 5 year rate increase and a subsequent public hearing. This may also have other unintended impacts that District Council can clarify at the meeting.

If the Board chooses to proceed with the previously planned 9% service rate increase for FY 2016-17, the Board should approve a motion to do so and instruct staff to send a 30 day rate notice as required. The surplus revenues from the 9% service rate increase is recommended to be used for additional rehabilitation work which would take full advantage of the current favorable marketplace. This action would hedge against any sharp construction cost increases in the future.

**RECOMMENDATION:**

Continue with the 9% service rate increase for FY 2016-17, issue the 30 day rate notice and use the surplus revenue for rehabilitation work to take advantage of the current favorable marketplace.

**ATTACHMENTS:**

- Ordinance 2027-0614 Sewer Service Charge Rates
- Draft 30 Day Rate Notice



## ORDINANCE NO. 2027-0614

ORDINANCE ADOPTING SEWER SERVICE CHARGE RATES  
FOR FISCAL YEARS 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019  
STEGE SANITARY DISTRICT

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

A. This Ordinance is enacted pursuant to and in implementation of Ordinance No. 1966-0610, "An Ordinance Amending Ordinance No. 1892-0606 Establishing and Providing for the Collection of Sewer Service Charges," which Ordinance was adopted on June 29, 2006. Accordingly, annual sewer service charges and annual sewer service charge rates for Fiscal Years 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019 and each fiscal year thereafter unless and until amended shall be as provided in this Ordinance and District Ordinance Code Section 7.2.

B. This Ordinance was adopted in accordance with the requirements of the law including the provisions of Section 6 of California Constitution Article XIII D which specifies that, among other things, mailed notice shall be given to all affected property owners.

C. The mailed notice delivered to District property owners indicated the proposed sewer service charges and sewer service charge rates to be imposed on District customers.

D. In the case of non-residential customers, the proposed rates were stated in terms of total annual water usage rather than annualized winter water consumption as specified in Section 6.2 of Ordinance No. 1966-0610 and District Ordinance Code Section 7.2. The non-residential rates established in this Ordinance conform to Section 6.2 of Ordinance No. 1966-0610 and District Ordinance Code Section 7.2 and are stated in terms of annualized winter water consumption.

In consideration of the foregoing findings and determinations,

IT IS ORDAINED by the District Board as follows:

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

- a. For Fiscal Year 2014-2015, the sum of \$220.00
- b. For Fiscal Year 2015-2016, the sum of \$242.00
- c. For Fiscal Year 2016-2017, the sum of \$264.00
- d. For Fiscal Year 2017-2018, the sum of \$284.00
- e. For Fiscal Year 2018-2019 and each fiscal year thereafter unless and until amended, the sum of \$294.00

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

- a. For Fiscal Year 2014-2015, the rate of \$4.52 per 1000 gallons.
- b. For Fiscal Year 2015-2016, the rate of \$4.97 per 1000 gallons.
- c. For Fiscal Year 2016-2017, the rate of \$5.43 per 1000 gallons.
- d. For Fiscal Year 2017-2018, the rate of \$5.84 per 1000 gallons.
- e. For Fiscal Year 2018-2019 and each fiscal year thereafter unless and until amended, the rate of \$6.04 per 1000 gallons.

3. Automatic Increases; Exceptions. The increases in sewer service charges and sewer service charge rates for Fiscal Years 2015-2016, 2016-2017, 2017-2018, and 2018-2019 shall occur automatically on July 1<sup>st</sup> of each respective fiscal year without further approval or other actions by the District's Board of Directors. Notwithstanding the automatic nature of those increases, the Board may review scheduled increases at the beginning of each fiscal year and may, in its discretion, reduce the scheduled charges and rates for that fiscal year. Any such reduction for each fiscal year shall not affect the charges and rates for subsequent fiscal years as established by this ordinance unless the Board independently acts to reduce charges for that subsequent fiscal year in accordance with this Section. Furthermore, any action by the Board to reduce charges and rates pursuant to this Section 3 shall not affect the Board's ability to increase charges and rates

in excess of the charges and rates specified in this ordinance so long as the Board complies with all notice, hearing and other requirements of law.

4. Adoption. Upon adoption of the ordinance it shall be entered in the minutes of the Board of Directors and it shall be published one time in a newspaper of general circulation in the District.

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


6. District Ordinance Code. Section 7.2 of the current District Ordinance Code, last amended in May 2013, shall be revised in accordance with this ordinance. The first sentence of Section 7.2.10 "Direct Billing" shall also be amended to correctly reference Section 7.2.9 instead of 7.2.10.

\*\*\*\*\*

STATE OF CALIFORNIA)  
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Ordinance was duly and regularly adopted by the Board of Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 12th day of June 2014, by a 5-0 vote as follows:

AYES:	BOARD MEMBERS:	Brand, Gilbert-Snyder, Miller, O'Keefe, Merrill
NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	None
ABSTAIN:	BOARD MEMBERS:	None



DWIGHT MERRILL, President  
Stege Sanitary District  
Contra Costa County, California

ATTEST:



---

REX DELIZO, Secretary  
Stege Sanitary District

# STEGE SANITARY DISTRICT

## COURTESY NOTICE OF PREVIOUSLY APPROVED SEWER RATE INCREASE

**EFFECTIVE 7/1/2016**

**Gov. Code Section 53756(d)**

*On June 12, 2014, the Stege Sanitary District Board of Directors held a Public Hearing for a proposed five-year service rate increase. After conducting the Public Hearing and not receiving a majority protest, the Board of Directors adopted Ordinance No. 2027-0614 approving sewer service charge rate increases for the next 5 years (2014 thru 2018). The Board of Directors approved these increases to meet necessary operating and capital improvement expenses while maintaining sufficient emergency reserve funds.*

**The current and new monthly rates, effective July 1, 2016, for each parcel type are shown below.**

	<b>Current Monthly Rate</b>	<b>New Monthly Rate</b>
<b>Residential</b>	<b>\$20.17</b>	<b>\$22.00</b>
<b>Non-Residential</b>	<b>\$4.97 per 1000 gals.</b>	<b>\$5.43 per 1000 gals.</b>

The sewer service charge is collected through the annual property tax bill issued by Contra Costa County.

If you have additional questions, please feel free to contact us at

**staff@stegesan.org**

**(510) 524-4668**

<b>10:19 AM</b>	<b>STEGE SANITARY DISTRICT</b>			
<b>04/11/2016</b>	<b>Check Report</b>			
<b>Accrual Basis</b>	<b>April 14, 2016</b>			
	<b>Name</b>	<b>Memo</b>	<b>Amount</b>	<b>Num</b>
<b>Apr 14, 16</b>				
	Aramark Uniform Services	Uniform Services	-381.72	24266
	AT&T (510 526-9389)	Burlingame Pump Station	-131.34	24267
	AT&T (510 526-9489)	Canon Pump Station	-101.89	24268
	B&G Telephone Answering Serv.	Answering Service - May 2016	-118.00	24269
	Capital One Commercial	Office Supplies	-105.57	24270
	CCP Industries	Gloves & Ear Plugs	-159.11	24271
	Clement Communications Inc.	News Letter	-202.97	24272
	Don's Tire Service, Inc.	Replace Tires	-424.28	24273
	East Bay Circulation	News Paper Subscription	-196.80	24274
	EBMUD 52485300001	Water Meter Hydrant	-324.84	24275
	EBMUD 92526846174	Water Meter Hydrant	-716.87	24276
	Home Depot Credit Services	Maintenance Supplies	-70.41	24277
	Meyers Nave	Legal Services	-268.32	24278
	Mission Communication, LLC	Manhole Monitor Service Package	-56.85	24279
	Municipal Maintenance Equipment	Fire Hose Adapter	-68.06	24280
	Nakano Landscape	Landscaping Mar 2016	-280.00	24281
	Olivero Plumbing	Replace Water Heater	-646.03	24282
	Pastime Hardware	Maintenance Supplies	-73.62	24283
	PG&E- #0103467151-9	Burlingame Pump Station	-137.38	24284
	PG&E- #0607499583-5	Canon Pump Station	-175.56	24285
	PG&E- #6675831511-4	Office/Shop	-905.51	24286
	R & R Auto Services	Gas 01/01/16-03/31/16	-3,317.87	24287
	S.P. Automotive	Maintenance Supplies	-85.42	24288
	Single Cylinder Repair, Inc	Pump	-2,314.19	24289

	<b>Name</b>	<b>Memo</b>	<b>Amount</b>	<b>Num</b>
	Speed-Ox, Inc.	Co2 Rental	-32.85	24290
	Staples Credit Plan	Office Supplies	-39.34	24291
	TelePacific Communications	Office Phones	-657.21	24292
	U.S. Bank	Office Supplies, Conference & Travel	-535.66	24293
	Vanguard Cleaning Systems	Janitorial Service Apr 2016	-295.00	24294
	Xerox Financial Services	Copier Lease Payment 3/08-04/07	-185.93	24295
<b>Apr 14, 16</b>			<b>-13,008.60</b>	

# STEGE SANITARY DISTRICT

## APRIL 2016

APRIL 2016	MAY 2016	JUNE 2016	JULY 2016	AUGUST 2016	SEPTEMBER 2016
CASA Public Policy Forum April 6, 2016 Sacramento, CA	5/30 HOLIDAY	6/8 Safety and Recognition Awards Luncheon	7/4 HOLIDAY 4 <sup>th</sup> of July Fair Booth	CASA Conference August 10-12, 2016 Monterey, CA	9/5 HOLIDAY
04/14/2016 – 7:00 P.M.	05/14/2016 – <b>9:00 A.M.</b>	06/9/2016 – 7:00 P.M.	07/14/2016 – 7:00 P.M.	08/18/2016 – 7:00 P.M.	09/8/2016 – 7:00 P.M.
<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>
<ul style="list-style-type: none"> <li>○ CASA Conf. – Director’s Reports</li> <li>○ Service Rate Discussion/Approval (&amp; 30-day Notice)</li> <li>○ Long Range Planning Discussion of Topics</li> <li>○ Board Training Summary</li> </ul>	<p style="text-align: center;"><u>9AM Meeting Time</u></p> <ul style="list-style-type: none"> <li>○ Long Range Planning Workshop</li> </ul>	<ul style="list-style-type: none"> <li>○ Draft Budget</li> <li>◆ Review Directors Meeting Compensation</li> <li>○ July 4<sup>th</sup> Fair Discussion</li> <li>◆ Approve Project Plans and Specs (+CEQA)</li> <li>◆ Approve Salary Ranges for District Positions</li> <li>◆ Long Range Planning Draft Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>○ July 4<sup>th</sup> Fair Debrief</li> <li>○ District Investment Policy</li> <li>○ CASA Conference</li> <li>◆ Resolution Est. Salary of District Manager</li> <li>◆ Form 470</li> </ul>	<ul style="list-style-type: none"> <li>○ CASA Conference – Attendee Reports</li> <li>○ CSDA Conference</li> <li>○ Select Actuarial for Analysis of Retiree Health Benefits (odd years)</li> <li>○ Quarterly (FY End) Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>○ CSDA Conference</li> </ul>
04/28/2016 – 7:00 P.M.	05/26/2016 – 7:00 P.M.	06/23/2016 – 7:00 P.M.	07/28/2016 – 7:00 P.M.		09/22/2016 – 7:00 P.M.
<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>		<b>Board of Directors Meeting</b>
<ul style="list-style-type: none"> <li>○ CLOSED SESSION – Quarterly Claims Rpt</li> <li>○ Quarterly Financial Statements</li> <li>○ Long Range Planning Discussion of Topics</li> <li>◆ Draft Budget</li> <li>◆ Elections Resolution (even years)</li> <li>◆ Employee Benefits Req.</li> <li>○ Service Rate Discussion/Approval (&amp; 30-day Notice)</li> <li>○ July 4<sup>th</sup> Fair Discussion</li> </ul>	<ul style="list-style-type: none"> <li>○ CLOSED SESSION – District Counsel Performance Evaluation</li> <li>○ Draft Budget</li> <li>○ July 4<sup>th</sup> Fair Discussion</li> <li>○ Service Rate Discussion/Approval (&amp; 30-day Notice)</li> <li>○ Board Training Summary</li> </ul>	<ul style="list-style-type: none"> <li>○ CLOSED SESSION – Manager Perf. Eval.</li> <li>◆ Approve and Adopt Final Budget</li> <li>◆ Ordinance – Directors’ Meeting Compensation</li> <li>◆ Review and Approve Incentive Award</li> <li>◆ Adopt Employee Incentive Award Goals &amp; Objectives</li> <li>○ District Reserve Policy</li> <li>○ July 4<sup>th</sup> Fair Discussion</li> <li>○ <i>CD Quarterly Report</i></li> </ul>	<ul style="list-style-type: none"> <li>○ CLOSED SESSION – Quarterly Claims Rpt</li> <li>○ CASA Conference</li> <li>○ Reimb. Report per Gov. Code 53065.5</li> <li>○ Quarterly Financial Statements</li> <li>◆ Establish and Collect Sewer Service Charges</li> <li>◆ Notice of Completion/ Award of Contract</li> </ul>		<ul style="list-style-type: none"> <li>◆ Flexible Benefits Plan Contribution Rate Review</li> <li>◆ Deferred Compensation Matching Contribution Rate Review</li> <li>○ CSDA Conference</li> <li>○ <i>CD Quarterly Report</i></li> </ul>

○ INFORMATIONAL ITEMS

◆ ACTION ITEMS

*CHANGES IN ITALICS*



# STEGE SANITARY DISTRICT

## APRIL 2016

OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017
CSDA Annual Conf. October 10-13, 2016 San Diego, CA	11/24-25 HOLIDAY	12/8 Christmas Luncheon 12/25 HOLIDAY	1/2 & 1/16 HOLIDAY  CASA Conference <i>January 18-20, 2017 Palm Springs, CA</i>	2/20 HOLIDAY  CASA Conference Washington, DC	
10/13/2016 – 7:00 P.M.	11/10/2016 – 7:00 P.M.	12/8/2016 – <b>2:00 P.M.</b>	01/12/2017 – 7:00 P.M.	02/9/2017 - 7:00 P.M.	03/9/2017 – 7:00 P.M.
<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>
<ul style="list-style-type: none"> <li>○ CSDA Conference – Attendee Reports</li> </ul>	<ul style="list-style-type: none"> <li>○ Proposed Meeting Calendar</li> <li>○ Board Officer Succession Plan</li> <li>○ CASA Conference</li> </ul>	<p><u>2PM Meeting Time</u></p> <ul style="list-style-type: none"> <li>◆ Nomination &amp; Election of Officers</li> <li>◆ Fiscal Year Financial Audit</li> <li>◆ Connection Charge Calculation Report</li> <li>○ CASA Conference</li> <li>○ Meeting Calendar</li> <li>○ <i>CD Quarterly Report</i></li> </ul>	<ul style="list-style-type: none"> <li>◆ Board Governance Review</li> <li>◆ Connection Charge Ord.</li> <li>○ Service Rate Discussion</li> <li>○ District of Distinction (even years)</li> <li>○ CASA Conference</li> <li>○ Director’s Contact Info</li> <li>○ Board Training Summary</li> </ul>	<ul style="list-style-type: none"> <li>◆ Board Governance Approval</li> <li>○ Actuarial Analysis of Retiree Health Benefits Report (even years)</li> <li>○ Service Rate Discussion</li> <li>○ CASA Conference</li> <li>○ Board Training Summary</li> </ul>	<ul style="list-style-type: none"> <li>○ Long Range Planning Discussion of Topics</li> <li>○ CASA Conf. – Director’s Reports</li> <li>○ Service Rate Discussion</li> <li>○ Board Training Summary</li> <li>○ Form 700</li> <li>○ Auditor – RFP (2018)</li> </ul>
10/27/2016 – 7:00 P.M.			01/26/2017 – 7:00 P.M.	02/23/2017 - 7:00 P.M.	03/23/2017 – 5:00 P.M.
<b>Board of Directors Meeting</b>			<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>	<b>Board of Directors Meeting</b>
<ul style="list-style-type: none"> <li>○ CLOSED SESSION – Quarterly Claims Rpt</li> <li>○ Quarterly Financial Statements</li> </ul>			<ul style="list-style-type: none"> <li>◆ Resolution for Disposal of Surplus Property</li> <li>○ CLOSED SESSION – Quarterly Claims Rpt</li> <li>– Manager Perf. Eval.</li> <li>○ Quarterly Financial Statements</li> <li>○ CASA Conf. – Director’s Reports</li> <li>○ Service Rate Discussion</li> </ul>		<ul style="list-style-type: none"> <li>◆ Auditor – RFP (2018)</li> <li>○ Long Range Planning Discussion of Topics</li> <li>○ California Employer’s Retiree Benefit Trust (CERBT) Contributions</li> <li>○ Form 700</li> <li>○ <i>CD Quarterly Report</i></li> </ul>

○ INFORMATIONAL ITEMS

◆ ACTION ITEMS

*CHANGES IN ITALICS*