

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF JUNE 22, 2017
TIME OF MEETING: 7:00 P.M.
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

***** **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.

III. Public Comment:

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

CLOSED SESSION

Public Employment Performance Evaluation

Gov. Code § 54957

Title: District Manager

Motion:

IV. Approval of Minutes

A. Approval of June 8, 2017 Board Meeting Minutes

(The Board will be asked to review and approve the minutes of June 8, 2017 Board Meeting)

Info:

V. Communications

A. Oral Communications

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

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- a. City & Community Meetings
- B. Written Communications

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

- A. Attorney's Report
- B. Manager's Report
 - 1. Monthly Maintenance Summary Report – May 2017
 - 2. Monthly Report of Sewer Replacements and Repairs
 - 3. Consent Decree Quarterly Report
 - 4. July 4th Fair
 - 5. August 22-24, 2017 California Association of Sanitation Agencies (CASA) Conference
 - 6. August 10, 2017 California Special Districts Association (CSDA) Workshop - Financial Management for Special Districts

VII. Business

- Resolution/Motion: A. Resolution No. 2083-0617 Approving and Adopting Annual Budget for Fiscal Year 2017-2018
(The Board will consider approval of the resolution)
- Resolution/Motion: B. Resolution No. 2084-0617 Award of Contract to D'Arcy and Harty Construction for Project #17201, Sewer Rehabilitation Project
(The Board will consider approval of the resolution)
- Info/Motion: C. Incentive Award Contribution (IAC) Achievements for FY 2016-2017
(The Board will consider the achievements for FY 2016-2017)
- Info/Motion: D. Incentive Award Contribution (IAC) Goals and Objectives for FY 2017-2018
(The Board will consider goals and objectives for FY 2017-2018)
- Info/Motion: E. Reserve Fund Policy
(The Board will review the Reserve Fund Policy)

Info: **VIII. Financial Statements – May 2017**

- A. Monthly Investment, Cash, Receivables Report, May 2017
- B. Monthly Operating Statement, May 2017
(The Board will review the May 2017 reports and statements)

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IX. Approval of Checks

Info/Motion:

A. Checks for June 22, 2017 - Fund No. 3418 & 3423

(The Board will be asked to approve the June 2017 checks)

Info:

X. Future Agenda Items

July 13, 2017

July 4th Fair Debrief

District Investment Policy

CASA Conference

Resolution – District Manager Salary

Form 470

PUBLIC HEARING – Director’s Meeting Compensation

ORDINANCE – Director’s Meeting Compensation

July 27, 2017

CLOSED SESSION – Quarterly Claims

CASA Conference

Reimbursement Report per Gov. Code 53065.5

Quarterly Financial Statements

Establish and Collect Sewer Service Charges

Notice of Completion/Award of Contract

XI. Adjournment

(The next meeting of the Stege Sanitary District Board of Directors is scheduled to be held on July 13, 2017 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California.)

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF JUNE 8, 2017
TIME OF MEETING: 7:00 P.M.
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

*****MINUTES*****

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

II. Roll Call: Present: Gilbert-Snyder, James, Merrill, Miller, O'Keefe
Absent: None
Others Present: Rex Delizo, District Manager
Ben Reyes, District Counsel (Left after Item VII.C)
Kris Kokotaylo, Assistant District Counsel (Left after Item VII.C)

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: Gilbert-Snyder reported East Bay Municipal Utility District (EBMUD) recently experienced 30 water service line breaks within the Blakemont Slide area.

CLOSED SESSION

Public Employment

Gov. Code § 54957

Title: District Counsel

The Board entered into the closed session at 7:04 P.M. and returned to open session at 7:40 P.M. President O'Keefe announced the Board had taken no reportable actions.

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

VII. Business

C. Resolution No. 2082-0617 Appointing District Counsel

The Board reviewed, amended, and approved the resolution appointing Kris Kokotaylo of Meyers Nave as District Counsel to replace Ben Reyes. Reyes

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was recently appointed by Governor Brown as a new Superior Court Judge in Contra Costa County.

MOTION: By James, seconded by Miller, to approve Resolution No. 2082-0617 Confirming Appointment of Kris Kokotaylo of Meyers Nave as District Counsel, as amended

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

IV. Approval of Minutes

A. Approval of May 25, 2017 Special Board Meeting Minutes

MOTION: By James, seconded by Gilbert-Snyder, to approve the minutes of the May 25, 2017 Special Board Meeting

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

B. Approval of May 25, 2017 Regular Board Meeting Minutes

MOTION: By Miller, seconded by Merrill, to approve the minutes of the May 25, 2017 Regular Board Meeting, as amended

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

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V. Communications

A. Oral Communications

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

a. City & Community Meetings

Miller gave a report on his attendance at the El Cerrito City Council Meeting and an Institute for Local Government webinar on Engaging Your Community through Surveys & Polls both held on June 6, 2017.

B. Written Communications

The Board reviewed information on a California Special Districts Association (CSDA) workshop on Financial Management for Special Districts. Staff will include the workshop on the agenda of a future Board Meeting for consideration.

VI. Reports of Staff and Officers

A. Attorney's Report

There was no attorney's report.

B. Manager's Report

1. 4th of July Fair

The Manager reported on the plans for the upcoming fair.

2. Draft Endeavor Newsletter

The Manager reported on the draft newsletter and received comments and suggestions to incorporate into the final edition.

VII. Business

A. Resolution No. 2080-0617 Establishing Salary Range of Maintenance, Technical and Administrative Employees Employed by Stege Sanitary District Beginning July 1, 2017

The Board reviewed and approved the resolution establishing salary ranges based on the recent salary survey and adjusted by the latest April CPI-W figure (3.7%). The Board requested the past salary ranges be part of next year's review. The Board also asked to have a review of the comparable agencies be added to a future Board meeting agenda.

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MOTION: By James, seconded by Gilbert-Snyder, to approve Resolution No. 2080-0617 Establishing Salary Range of Maintenance, Technical and Administrative Employees Employed by Stege Sanitary District Beginning July 1, 2017

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

B. Resolution No. 2081-0617 Amending the Personnel Policies of the Stege Sanitary District Regarding Article II, Section 5 - Stand-By and Call Back Time, 2.5.3

The Board reviewed and approved the resolution modifying the stand-by compensation from \$55 per day to two (2) hours of regular pay to stay fair and competitive. Other personnel, such as City of El Cerrito employees, hired to work stand-by shall receive sixty dollars (\$60) per day.

MOTION: By James, seconded by Gilbert-Snyder, to approve Resolution No. 2081-0617 Amending the Personnel Policies of the Stege Sanitary District Regarding Article II, Section 5 - Stand-By and Call Back Time, 2.5.3, as amended

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

C. Resolution No. 2082-0617 Appointing District Counsel

This item was taken earlier in the meeting.

D. Review of Director's Meeting Compensation

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The Board discussed whether to change the compensation that Directors receive for their attendance at District related meetings. The last change was an increase of \$5.00 per meeting day in 2015.

MOTION: By Merrill, seconded by James, to prepare an ordinance changing the Directors' compensation rate from \$205 to \$215 per meeting day

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

E. Draft Budget FY 2017-2018

The Board reviewed and discussed the latest draft budget. The Manager will prepare the final budget for the Board to approve and adopt by resolution at the next Board meeting.

F. Kids for the Bay – Watershed Action Program (WAP) Proposal for 2017-18 School Year

The Board reviewed, discussed and approved the latest proposal. Miller suggested the Board consider recognizing the upcoming 10 year anniversary of the partnership. Staff will inquire with Kids for the Bay on their interest to commemorate this achievement.

MOTION: By Miller, seconded by Gilbert-Snyder, to approve \$12,000 to fund the KIDS for the BAY Watershed Action Program (WAP) for the 2017-18 School Year

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

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VIII. Approval of Checks

A. Checks for June 8, 2017 - Fund No. 3418 & 3423

MOTION: By Gilbert-Snyder, seconded by James, to pay the bills, Check Nos. 24982 through 24994 in the amount of \$24,160.55

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

IX. Future Agenda Items

June 22, 2017

CLOSED SESSION – Manager Performance Evaluation

Approve and Adopt Final Budget

Ordinance – Directors Meeting Compensation

Review and Approve Incentive Award

Adopt Employee Incentive Award Goals & Objectives

District Reserve Policy

July 4th Fair Discussion

Consent Decree Quarterly Report

Award of Standard Sewer Rehabilitation Project No. 17201

CSDA Workshop - Financial Management for Special Districts

July 13, 2017

July 4th Fair Debrief

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Form 470

PUBLIC HEARING – Director's Meeting Compensation

ORDINANCE – Director's Meeting Compensation

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X. Adjournment

The meeting was adjourned at 9:02 P.M. The next meeting of the District Board of Directors will be held on Thursday, June 22, 2017 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary

**STEGE SANITARY DISTRICT
MONTHLY MAINTENANCE SUMMARY REPORT
May-17**

1. ROUTINE PREVENTIVE MAINTENANCE ACTIVITES

	Days	Feet
There were 22 normal working days		
Unit #5 (hydro) operated:	0	
Unit #10 (rodder) operated:	3	5,285
Unit #11 (rodder) operated:	2	3,166
Unit #15 (video) operated:	9	12,613
Unit #16 (combo) operated:	18	88,297

	Month (feet)		Quarter (feet)		
	Planned	Unplanned	Planned	Unplanned	Remaining
Total Cleaned	82,439	14,308	136,310	27,294	47,885
Total Video	8,125	4,488	22,476	11,602	6,845

2. MONTHLY SERVICE CALLS

After-hour service calls: 2 calls 2 out

STEGE SANITARY DISTRICT - SERVICE CALLS, OVERFLOWS AND BACKUPS

YEAR	MO	SERVICE CALLS		LATERAL PROBLEMS		STRUCTURAL MAINLINE FAILURES		MAINLINE OVERFLOWS INTO HOMES	
		CURRENT MONTH	12 MONTH AVERAGE	CURRENT MONTH	12 MONTH AVERAGE	CURRENT MONTH	TOTAL LAST 12-MOS	CURRENT MONTH	TOTAL LAST 12-MOS
2017	May	12	13.8	5	8.2	0	4	0	0
		CATEGORY 1 SSOs		OVERFLOWS CAUSED BY MAINLINE		OVERFLOWS RELATED TO WET WEATHER			
		CURRENT MONTH	TOTAL LAST 12-MONTHS	CURRENT MONTH	TOTAL LAST 12-MONTHS	CURRENT MONTH	TOTAL LAST 12-MONTHS		
		0	4	0	8	0	0		

3. SAFETY AND TRAINING

Safety and training meetings were conducted twice a month.

MONTHLY SERVICE CALLS

May-2017

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS
5/1/2017 Monday 10:48 AM	231523 231508	232 YALE AVE. KENSINGTON, CA 94707	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	O				THE ODOR IS NOT SEWER RELATED.
5/2/2017 Tuesday 3:28 PM	161213 161210	1607 ELM ST. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM. WE ADVISED THEM TO CALL A PLUMBER.
5/8/2017 Monday 4:02 PM	261105 261104	600 ALBEMARLE ST. EL CERRITO, CA 94530 <i>Last Call: 1/21/2015</i>	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	A				WE FOUND THIS TO BE A WATER PROBLEM.
5/12/2017 Friday 10:15 AM	101311 101310	5800 TEHAMA AVE. RICHMOND, CA 94804 <i>Last Call: 6/23/2008</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM. WE ADVISED THEM TO CALL A PLUMBER.
5/15/2017 Monday 8:03 AM	274218 274213	223 TRINITY AVE. KENSINGTON, CA 94707 <i>Last Call: 4/12/1999</i>	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	O				ODOR NOT SEWER RELATED.
5/15/2017 Monday 1:30 PM	187311 187310	2448 TULARE AVE. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	E				WE FOUND THIS SINK HOLE TO BE EBMUD'S PROBLEM.
5/16/2017 Tuesday 8:54 AM	102305 102304	1547 MARIPOSA ST. RICHMOND, CA 94804 <i>Last Call: 5/19/2009</i>	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	O				ODOR WAS NOT SEWER RELATED.
5/16/2017 Tuesday 3:30 PM	211220 211217	10005 SAN PABLO AVE. EL CERRITO, CA 94530	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	A				CITY IRRIGATION ISSUE.
5/17/2017 Wednesday 8:30 AM	251210 251209	7501 EUREKA AVE. EL CERRITO, CA 94530 <i>Last Call: 12/17/2014</i>	Main <input type="checkbox"/> Lateral <input type="checkbox"/> Other <input checked="" type="checkbox"/>	U, T				WE FOUND THIS TO BE THE CITY OF EL CERRITO'S PROBLEM. WE HAVE NO SEWER LINE IN THIS AREA.
5/26/2017 Friday 2:35 PM	251324 251323	524 VILLAGE DR. EL CERRITO, CA 94530 <i>Last Call: 11/12/2014</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM. WE ADVISED THEM TO CALL A PLUMBER.
5/27/2017 Saturday 1:46 PM	283505 283504	1085 CONTRA COSTA DR. EL CERRITO, CA 94530 <i>Last Call: 2/18/2002</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM. WE ADVISED THEM TO CALL A PLUMBER.
5/29/2017 Monday 10:25 AM	283505 283504	1085 CONTRA COSTA DR. EL CERRITO, CA 94530 <i>Last Call: 5/27/2017</i>	Main <input type="checkbox"/> Lateral <input checked="" type="checkbox"/> Other <input type="checkbox"/>	OF				THE CUSTOMER CALLED AGAIN AND WE FOUND THIS TO BE THEIR PROBLEM. WE ADVISED THEM TO CALL A PLUMBER.

PROBLEM TYPE:

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

SPILL

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

SPILL

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

SPILL END

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

MAINLINE: 0

LATERAL: 5

OTHER: 7

TOTAL SERVICE CALLS: 12

MAINLINE OVERFLOW: 0

MAINLINE SURCHARGE: 0

STEGE SANITARY DISTRICT
MONTHLY REPLACEMENT AND REPAIR SUMMARY
May 2017

I SEWER REPLACEMENT - FY 2016-17			
A.	BUDGET ALLOCATION		\$2,220,000
B.	PRIOR BUDGET EXPENDED (WITH RETENTION)		\$1,489,381
C.	SEWER REPLACEMENTS PAID THIS MONTH		
1.	Glen Mawr Ave., El Cerrito		\$191,900
SUBTOTAL FOR THIS MONTH			\$191,900
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	72.38%	\$1,606,812
E.	TOTAL RETENTION HELD	5.00%	\$84,569
F.	BUDGET REMAINING	23.81%	\$528,619
G.	PERCENTAGE OF FISCAL YEAR REMAINING	8.33%	
H.	TOTAL REPLACEMENT FOOTAGE PAID TO DATE	8,542 (\$ 198.01 /LF)	
II SEWER REPAIRS - FY 2016-17			
A.	BUDGET ALLOCATION		\$59,000
B.	PRIOR BUDGET EXPENDED		\$58,071
C.	SEWER REPAIRS PAID THIS MONTH		
1.			
SUBTOTAL FOR THIS MONTH			\$0
D.	TOTAL BUDGET EXPENDED	98.43%	\$58,071
E.	BUDGET REMAINING	1.57%	\$929
F.	PERCENTAGE OF FISCAL YEAR REMAINING	8.33%	
G.	TOTAL NUMBER OF REPAIRS PAID TO DATE	13 (\$ 4,467.00 /REPAIR)	



STEGER SANITARY DISTRICT

Report Date: 6/12/2017

% FY Remain: 8.33%

BOARD OF DIRECTORS CONSENT DECREE PROGRESS REPORT

FY Start Date 7/1/2016 FY End Date 6/30/2017

CD Start Date 9/22/2014 FY "Effective" Date 7/1/2013

CIP PROJECT	16201	COMPLETED	GOAL	PERCENTAGE
REPLACED since FY start	9,968 /	10,360	LF Yearly Objective Rate	96%
REPLACED since FY "Effective" Date	39,474 /	34,040	LF Cumulative Requirement	116%
CLEANED since FY start	940,796 /	211,200	LF Minimum Requirement	445%
HOTSPOTS since FY start	210,667 /	100,000	LF Minimum Requirement	211%
CCTV since FY start	242,192 /	77,616	LF Yearly Objective Rate	312%
CCTV since CD start	638,145 /	271,656	LF Cumulative Requirement	235%
ROOT FOAMING this FY	53,765.27 /	40,000	LF Minimum Requirement	134%

IMPORTANT CONSENT DECREE DATES:

July 15, annually	Provide any available Flow and Rainfall data to EBMUD
Nov 15, annually	Comments on RTSP update proposed by EBMUD
Sept 30, annually	Annual Report for prior Fiscal Year
May 1, 2020	Comments to EBMUD on Draft PEP
June 30, 2021	Review of Regional Standards Report
May 1, 2022	Provide data to EBMUD for Flow Monitoring Calibration Plan
June 30, 2026	Review of Regional Standards Report
May 1, 2030	Provide data to EBMUD for Flow Monitoring Calibration Plan
June 30, 2031	Review of Regional Standards Report
June 30, 2036	Review of Regional Standards Report

July 4th Event List

- (2) Canopies
- (5) Tables
- (2) Chairs
- ~~Wire Display Stand (heavy)~~
- Bunting (Red, White & Blue)
- Hammer
- Crowbar
- Sandbags
- Bungee Cords
- Zip Ties
- Scissors
- Channel Lock Pliers
- Tissue
- Tape
- Garbage Can
- [bottled water for directors]

- Large SSD Banner
- CSRMA No Lost Time Accident Banner
- Canopy “window” banner
- Large District Map w/ map page blocks
- District Sewer Map book
- Root Foam Map book
- BPD Poster
- *New CCTV Van Poster*
- *Park truck onsite - confirmation*
- Fish Tank w/ Oil Display (+extra batteries)
- Grease Blockage Display
- (2) Root Blockage Displays
- Tools Display
- Toilet Paper vs. Wipes Interactive Display
- “Flushable” Wipes Banner/Poster
- Kids for the Bay Display
- Board Member Contact List (in each box)
- *Day before setup - confirmation*

Informational Handouts & Giveaways

- Latest Newsletters
- Latest Registered Contractors List
- Plumbers Outreach Tri-fold
- Wipes Outreach Tri-fold/Poster
- BPD Outreach Tri-fold
- General Guidelines
- 100th Anniversary Book
- BPD Drawing
- Easement Ordinance
- SSD Pens/Magnets
- Misc. kid planes/duckies
- EBMUD Lateral Program
- EBMUD FOG Program
- EBMUD “Think Before You Flush”

Schedule

Setup	Miller
10am-11:40	O’Keefe
11:40-1:20	James
1:20-3pm	Merrill
3pm-4:30	Gilbert-Snyder
4:30-6pm	Miller
Tear down	Miller & Merrill

Core Messages

*Do NOT flush wipes.
Call us first & after.
Install a BPD.*



62nd ANNUAL CONFERENCE

August 22-24, 2017

Marriott Marquis • San Diego, CA

www.casaweb.org

**Turning Uncertainty
into Opportunity**

Tuesday, August 22, 2017

- 7:00 a.m. - 12:00 p.m. CSRMA Training Seminar & Breakfast
- 9:00 a.m. - 5:00 p.m. Registration
- 10:00 a.m. - 12:00 p.m. CASA Board of Directors Meeting
- 12:00 p.m. - 1:00 p.m. Communications Workgroup Meeting
- 1:00 p.m. - 4:00 p.m. Breakout Session: Track 1 Utility Rates, ADUs and Prop. 218
- 1:00 p.m. - 4:00 p.m. Breakout Session: Track 2 Operational Best Practices
- 1:00 p.m. - 4:00 p.m. Breakout Session: Track 3 Regulatory Hot Topics
- 4:15 p.m. - 5:30 p.m. Federal Legislative Committee Meeting
- 4:15 p.m. - 5:30 p.m. Associates Committee Meeting
- 5:00 p.m. - 6:30 p.m. CSRMA Executive Board Meeting

Wednesday, August 23, 2017

- 7:30 a.m. - 5:00 p.m. Registration
- 7:45 a.m. - 9:00 a.m. Breakfast
- 7:30 a.m. - 9:00 a.m. CSRMA Board of Directors Meeting
- 7:30 a.m. - 9:00 a.m. Utility Leadership Committee Meeting
- 9:00 a.m. - 12:00 p.m. Morning Session
- 9:00 a.m. - 9:30 a.m. Opening Address: Kevin Faulconer, Mayor, San Diego (invited)
- 9:30 a.m. - 10:00 a.m. Representative Duncan Hunter (invited)
- 10:00 a.m. - 11:15 a.m. Public Private Partnerships Panel
 - Hala Titus, CDM Smith, Overview/Moderator
 - Ben Munoz, Selma Kingsburg Fowler Sanitation District & Ashu Jain, Opterra
Energy, Energy Storage Project
 - Traci Minamide, City of LA Sanitation, *Digester Gas Utilization Project*
- 11:15 a.m. - 11:45 a.m. Presentation of the CASA Awards of Excellence
- 12:00 p.m. - 1:45 p.m. Conference Luncheon & Business Session

- 2:00 p.m. - 4:30 p.m. Afternoon Session
- 2:00 p.m. - 2:30 p.m. Research Update from the Water Environment and Reuse Foundation
Melissa Meeker, Executive Director
- 2:30 p.m. - 4:00 p.m. Watershed Solutions Panel
Pamela Creedon, Executive Officer, Central Valley Regional Water Board,
CV SALTS
Dave Williams, Bay Area Clean Water Agencies, *Bay Area Nutrients*
Ashli Desai, Larry Walker Associates, *Santa Margarita River*
- 4:30 p.m. - 5:30 p.m. Bay Area Biosolids Coalition Meeting
- 5:30 p.m. - 6:30 p.m. Reception

Thursday, August 24, 2017

- 7:30 a.m. - 11:00 a.m. Registration
- 7:30 a.m. - 9:30 a.m. Breakfast
- 8:00 a.m. - 9:00 a.m. State Legislative Committee Meeting
- 9:15 a.m. - 11:00 p.m. Closing Session
- 9:15 a.m. - 10:00 a.m. State Controller Betty Yee
- 10:00 a.m. - 10:45 a.m. Joaquin Esquivel, Member, State Water Board
- 10:45 a.m. - 11:00 a.m. Passing of the Gavel, announcement of election results
- 11:00 a.m. - 3:00 p.m. Attorneys Committee Meeting



**California Special
Districts Association**
Districts Stronger Together

Workshop

Financial Management for Special Districts

- **MARCH 8, 2017** – RANCHO CUCAMONGA or **AUGUST 10, 2017** – VALLEJO

Earn SDRMA Credit Incentive Points
Workshop Co-Sponsored by: Special District Risk Management Authority

Money, money, money - it's on everyone's mind and on your job description. Make sure you understand the full scope of financial information affecting special districts today. From budgeting and internal controls to long-term planning and capital improvement plans. Attendees will get the information they need to begin assessing the overall financial health of their district and steps needed to make positive changes.

COSTS:

SDRMA member \$150
CSDA member \$225
Non-member \$340

AGENDA:

8:30 – 9:00 a.m. Registration and continental breakfast
9:00 a.m. – 4:15 p.m. Workshop with lunch provided

Mail – CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814 or **Fax** – 916.520.2465 • **Questions?** Call – 877.924.2732

Financial Management for Special Districts

March 8, 2017 – RANCHO CUCAMONGA – Cucamonga Valley Water District, 10440 Ashford Street, Rancho Cucamonga, CA 91730

August 10, 2017 – VALLEJO – Greater Vallejo Recreation District, 395 Amador Street, Vallejo, CA 94590

NAME/TITLE:		
DISTRICT:		
ADDRESS:		
CITY:	STATE:	ZIP:
PHONE:	FAX:	
EMAIL:		
PAYMENT		
<input type="checkbox"/> CHECK <input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS		
ACCT. NAME:	ACCT. NUMBER:	
EXPIRATION DATE:	AUTHORIZED SIGNATURE:	
<p>Cancellations must be made IN WRITING and received via fax or mail no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee.</p>		

RESOLUTION NO. 2083-0617 APPROVING AND ADOPTING ANNUAL BUDGET
FOR FISCAL YEAR 2017-18

ISSUE:

The District budget for fiscal year 2017-2018 is ready for consideration and approval by the Board.

FISCAL IMPACT:

Approval of the budget will provide the authority to spend \$2,489,790 for operating needs and \$2,650,200 for capital needs.

BACKGROUND:

The draft budget has been presented to the Board for review and public input at several Board meeting over the last two months. The final annual budget for FY 2017-18 is now ready for consideration and approval.

RECOMMENDATION:

Approve the resolution.

ATTACHMENTS:

- Resolution No. 2083-0617
- June 22, 2017 Memo from District Manager to Board re: 2017-18 Budget
- Stege Sanitary District Fiscal Year 2017-18 Budget

RESOLUTION NO. 2083-0617

RESOLUTION APPROVING AND ADOPTING
ANNUAL BUDGET FOR FISCAL YEAR 2017-2018

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

- A. The Directors of the Stege Sanitary District desire to establish the annual budget for fiscal year 2017-2018.
- B. Public sessions have been held to review and consider various District financial requirements for fiscal year 2017-2018.
- C. A proposed budget has been prepared by the Manager and presented to the Directors for their review and consideration.

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

The District's fiscal year 2017-2018 budget in the form attached to this resolution is approved and adopted.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution No. 2083-0617 was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 22th day of June 2017, by a X-X vote as follows:

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

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

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District



STEGE SANITARY DISTRICT

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

District Counsel:
Ben Reyes

Board of Directors:
Paul Gilbert-Snyder
Jay James
Dwight Merrill
Alan C. Miller
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 22, 2017

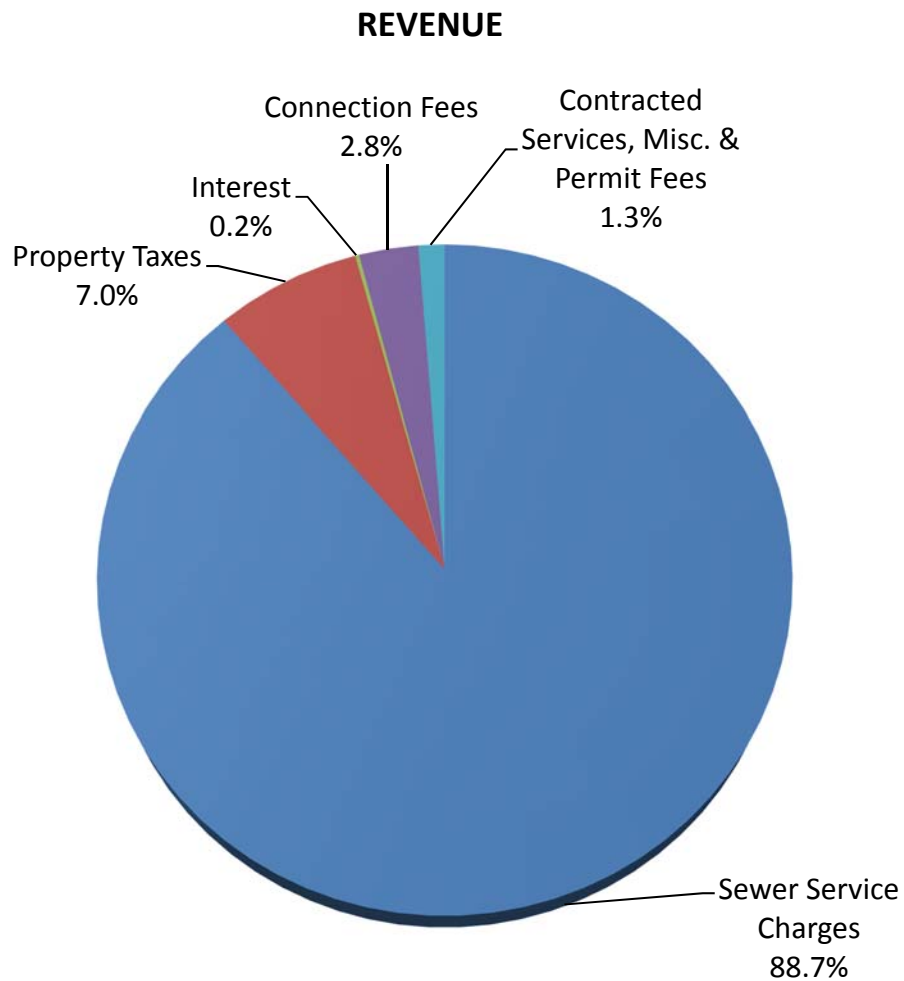
Re: Budget for Fiscal Year 2017-18

The Fiscal Year (FY) 2017-18 budget is presented for review and consideration by the Board of Directors. The budget includes all revenue and expenses for FY 2017-18 including supplemental data regarding reserve fund levels.

BUDGET OVERVIEW

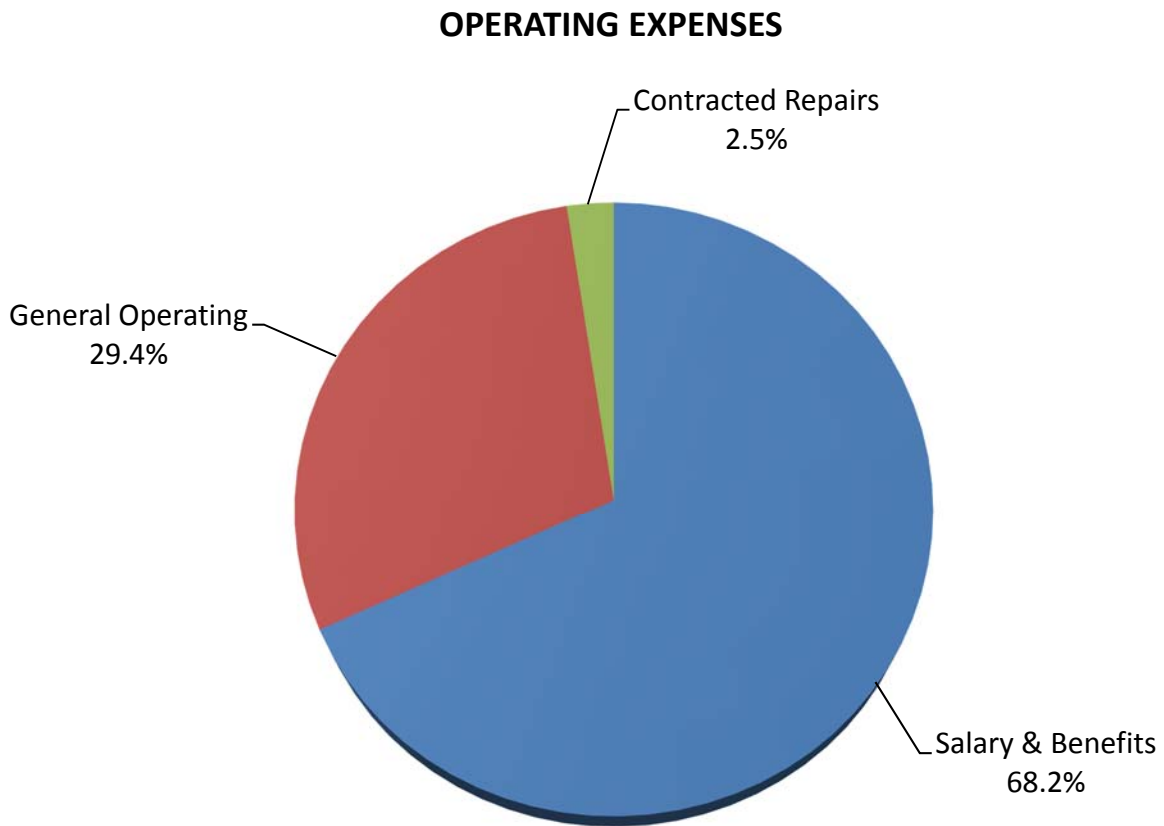
Revenue

The budget includes \$5,272,000 in revenue, exclusive of the transfer of reserve funds. The budget estimates service charge revenue at \$4,677,000 (88.7% of total revenue), property tax at \$369,000 (7.0%), interest income at \$10,000 (0.2%), connection fees at \$150,000 (2.8%), and contracted services, miscellaneous income and permit fees at \$66,000 (1.3%).

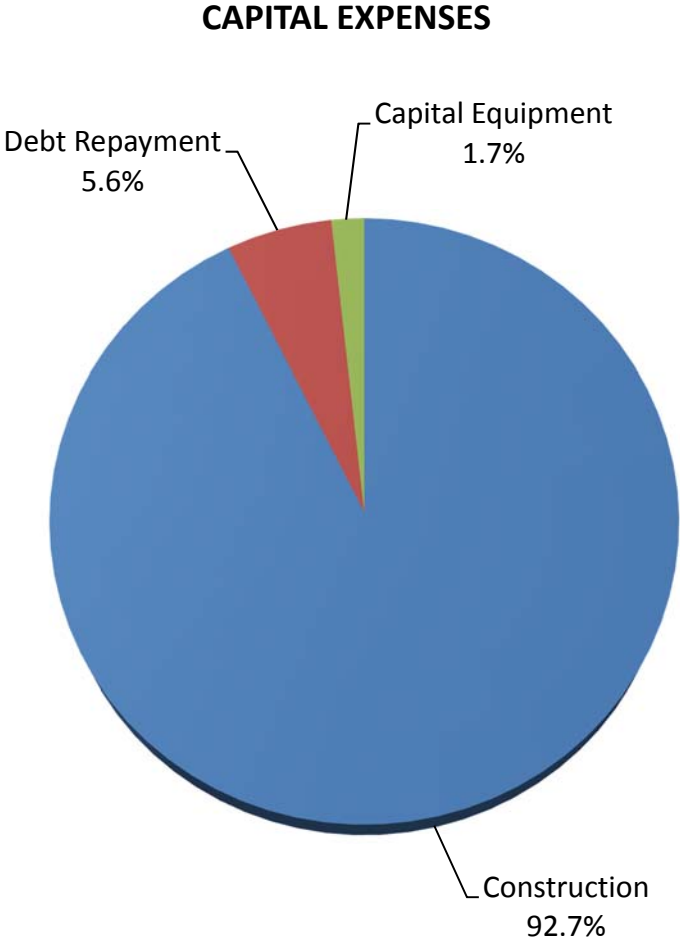


Expenses

The Operating Expenses for FY 2017-18 total \$2,489,790. The budget includes all operations, maintenance, and administrative expenses. The budget also includes the funding of the annual required contribution for “other post-employment benefits” or retiree health care funding. No additional staff is requested in this budget. Salary and benefit expenses are budgeted at \$1,696,930 (68.2%) of the operating budget. The operating and general expenses are budgeted at \$731,860 (29.4%) and contracted repairs at \$61,000 (2.5%).

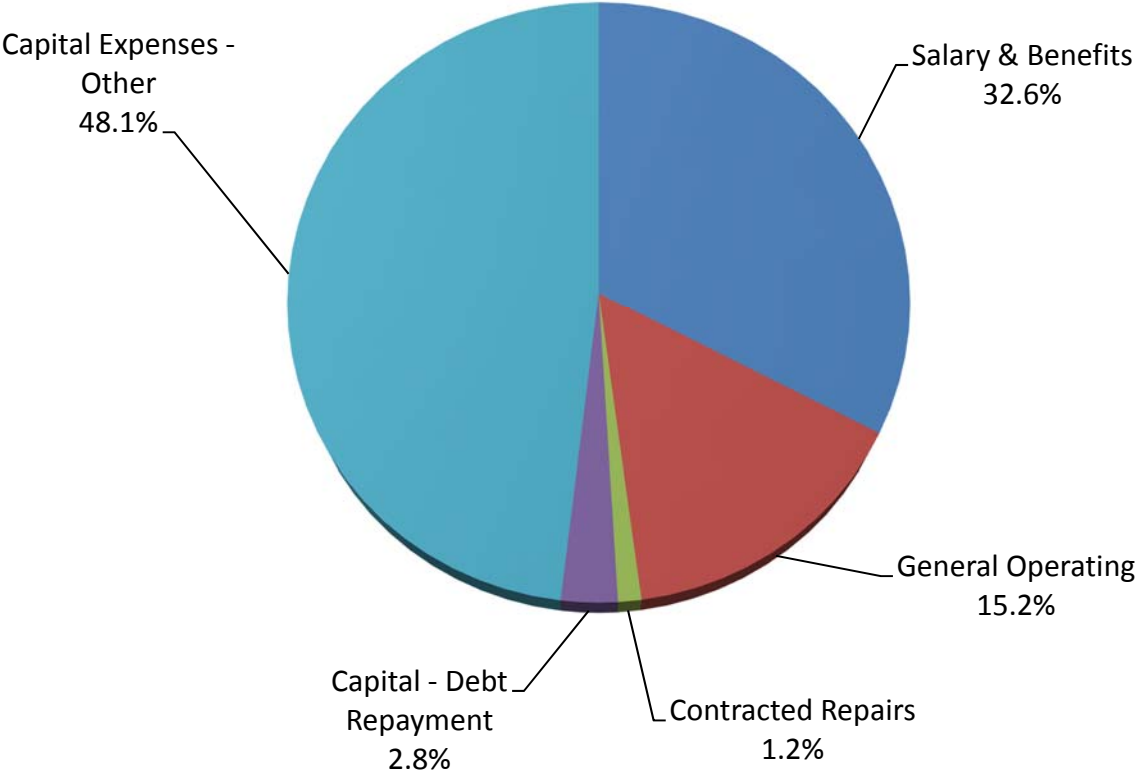


The Capital Expenses for FY 2017-18 amount to \$2,650,200. Construction costs total \$2,456,000 (92.7%) which includes an annual rehabilitation project at \$2,365,000, interceptor cleaning at \$50,000, pump station rehabilitation at \$16,000 and manhole adjustments at \$25,000. Two (2) annual debt service payments for outstanding State Revolving Fund (SRF) loans total \$148,200 (5.6%) and capital equipment expenses total \$46,000 (1.7%).



The Total Operating and Capital Expenses for FY 2017-18 budget amount to \$5,139,990. Salary and benefit expenses are budgeted at \$1,696,930 (32.6% of total budget), operating and general expenses at \$792,860 (15.2%), debt repayment at \$148,200 (2.8%), repairs at \$61,000 (1.2%), and capital expenses (excluding debt) at \$ 2,502,000 (48.1%).

TOTAL EXPENSES



The budget estimates a surplus of \$132,010 which will transfer to reserves.

BUDGET CONTENTS

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

1. Revenue and Expenses Summary (Exhibits A & B). This information shows current sources of revenue, expenses, and compares them with the forecasts for proposed revenue and expenses for the upcoming fiscal year.
2. Budget Composite (Exhibit C). This item shows the allocation of expenses by the two District departments (Operations and Administration).
3. Reconciliation of Fund Balances (Exhibit D). This table shows the allocation of revenue to and expenses from the various funds of the District as well as internal fund transfers necessary to meet the targeted fund balances established by the Board.
4. 10 Year Financial Model through Year 2025. The spreadsheet and graph indicate the estimated operating and capital expenses up to 2025, and how the financial state of the District is affected. Planned sewer service charge rates to support District expenses and reserve requirements are also projected for the period shown.

PROPOSED BUDGET

(Ref: Exhibits A-D & Detail Sheets)

Revenue

The District's principal revenue source is the annual sewer service charge which is allocated into both the Operation Fund (\$2,435,000) and the Capital Fund (\$2,242,000). The sewer service charge rate was initially based on the April 2014 Financial Plan and Rate Review Study (Financial Plan) prepared by public finance consulting firm, Bartle Wells Associates, and approved by the Board in June 2014. In May 2016 and again in March 2017, the Board of Directors held the sewer service charge rate constant (no increase) due to the District continuing to be in a strong financial position and having reserve amounts more than the targeted goals.

Interest revenue is likely to again be small due to current "low" interest rates, resulting in an estimated total amount of \$10,000 split equally between both the Operation Fund and the Capital Fund. Expected revenue from miscellaneous income remains at \$21,000 and permit and inspection fees is estimated to be \$15,000 both of which are the rounded average amount over the last several years. Revenue from contracted services has been reduced to \$30,000 due to the shutdown of East Bay Municipal Utility District's (EBMUD) San Pablo Treatment Plant which subsequently concludes the associated Discharge Permit fee. Property tax revenue was increased to \$369,000 based on the increased amount received this last fiscal year which is expected to continue. Connection fee revenue is projected to be \$150,000 in anticipation of proposed development at several locations per the El Cerrito San Pablo Avenue Specific Plan - Proposed Major Projects Report as follows:

1. Housing Project @11965 San Pablo Ave. (former Taco Bell site) – 146 units
2. Mayfair Block Project @11600-11690 San Pablo Ave. (near Del Norte BART station) – 225 units plus commercial
3. Cutting Hotel Project @11645 San Pablo Ave. – 117 rooms
4. Village at Town Center @10810 San Pablo Ave. – 40 units
5. Housing Project @10300 San Pablo Ave. (former Guitar Center site) – 31 units
6. Housing Project @10290 San Pablo Ave. – 14 units
7. Housing Project @10192 San Pablo Ave. – 21 units
8. El Dorado Townhomes at the Audiss RV Park @5828 El Dorado St. – 29 units
9. McNevin Project #1 @10135 San Pablo Ave. – 73 units plus commercial
10. McNevin Project #2 @10167 San Pablo Ave. – 81 units
11. Housing Project at the former lumberyard @Central Ave. – 172 units

Operating Expenses

The proposed operating budget for FY 2017-18 of \$2,489,790 represents a 3% increase versus last year's budget of \$2,425,190. The most notable adjustment is due to the APRIL CPI-W cost of living increase of 3.7% and subsequent increases to employee salaries based on merit. Therefore, salary (\$1,118,130) and benefits (\$578,800) combined is 68% of the operating budget which is similar to recent years.

Salary and Benefits as Percentage of Operating Budget

Fiscal Year	Operating Budget (\$)	Salary (\$)	%	Benefits (\$)	%	Salary & Benefits (\$)	%
2017-18	2,489,790	1,118,130	45%	578,800	23%	1,696,930	68%
2016-17	2,425,190	1,065,310	44%	561,920	23%	1,627,230	67%
2015-16	2,286,512	1,002,990	44%	524,880	23%	1,527,870	67%
2014-15	2,543,260	1,000,320	39%	504,900	20%	1,505,220	59%
2013-14	2,395,531	981,249	41%	484,499	20%	1,465,748	61%
2012-13	2,285,059	949,687	42%	428,082	19%	1,377,770	60%
2011-12	2,079,625	880,980	42%	416,085	20%	1,297,065	62%
2010-11	2,205,461	892,010	40%	399,651	18%	1,291,661	59%
2009-10	2,256,900	915,560	41%	410,827	18%	1,326,387	59%
2008-09	2,098,893	860,500	41%	388,370	19%	1,248,870	60%

The retiree health "contribution" to fully fund the annual required contribution (ARC) as determined by the latest Actuarial Analysis of Retiree Health Benefits as of July 1, 2015 is \$17,999. Actual payments to retirees are anticipated to be about \$20,500, including administrative fees. When payments are higher than the ARC, the Board has typically decided to make the payments without receiving any disbursement of the difference from the California Employers' Retiree Benefit Trust (CERBT) Fund. Therefore, the retiree medical amount budgeted to transfer to/from the CERBT fund is \$0.

Contracted main line repair expenses are included as part of the operating expenses and increased slightly to \$61,000 which is consistent with the projections from the Financial Plan.

Other operating budget items notably different from the previous budget include increasing administration building maintenance up to \$9000 to slurry seal the parking lot and maintenance yard and complete HVAC repairs, moving \$7,000 from rods & augers over to hose & nozzles as crews shift from rodding to the more effective high pressure hydro-flushing of sewer mains, and increasing the

budget amount for hydro-flushing water by 22% due to the suspension of the local recycled water program by EBMUD.

Capital Expenses

The capital equipment expense of \$46,000 is to replace 4 flow meters, 2 manhole level monitors and a downhole winch for confined space entry which all have passed their useful lives. The capital budget includes \$25,000 for manhole adjustments based on anticipated paving projects in El Cerrito, Richmond and Kensington, \$50,000 for large interceptor cleaning by outside contractors, and \$16,000 for rehabilitation work at Canon Pump Station.

The Standard Sewer Rehabilitation (Pipe-bursting) Project, at a budget amount of \$2,365,000, continues to be the primary means of flexible and efficient main line replacement. This amount has been increased by 7% (\$145,000) over last year's budget, based on the projection of the Financial Plan, to adequately fund the aggressive schedule of collection system rehabilitation required by the USEPA Consent Decree.

Fund Balances (Ref: Exhibit D)

Exhibit D presents the reconciliation of fund balances for FY 2017-18, based on the projected ending balances estimated for June 30, 2017. The table shows the allocation of revenue and expenses to and from the respective reserve funds, produces the year-end balance of each reserve fund, and compares each fund balance to its target reserve balance.

The Target Operating Reserve is equal to 60% of budgeted operating and maintenance costs. This is the District's rough costs from May to December to reflect the lag in the collection of tax revenue and also provides a built-in mechanism to adjust for inflationary increases. The Target Operating Reserve for FY 2017-18 is calculated to be \$1,494,000.

The Target Capital Reserve is equal to the 3-year average of the annual capital cost (i.e. average of the previous, current, and future year capital cost) plus the annual debt service cost. This is to ensure that the District will have adequate funds available on an annual basis to conduct sewer pipeline replacements or in case of an emergency such as an earthquake and also provides a built-in mechanism to adjust for inflationary increases. The Target Capital Reserve for FY 2017-18 is calculated to be \$2,837,000.

Based on the budgeted figures as shown, total reserve fund balances are projected to be about \$1,100,000 more than the reserve targets at the end of FY 2017-18. Note that this surplus amount is

based on anticipated expenditures for FY 2016-17. Actual expenditures will not be finalized until after July. But as shown, the information gives a clear indication that the District continues to be in a strong financial position going forward even after holding the sewer service charge rate constant from FY 2015-16 to FY 2016-17 and then again to FY 2017-18.

FY 2016-17 BUDGET PERFORMANCE

The final expenses for FY 2016-17 have not been settled, but staff is confident that the total operating expenses should be less than the budgeted amount. The most significant unencumbered balance is the Consent Decree stipulated penalties (\$35,000) which is not expected to be assessed until after the end of the current fiscal year, if at all. No other operating expenses are expected to be of material variance to the budgeted amounts.

Similarly, total capital expenses are expected to be less than the budgeted amount since some capital expenses will not be expended for FY 2016-17. The budget amount for vehicle replacement (\$330,000) was only 73% expended due to staff taking advantage of volume purchasing and discounts of a cooperative purchasing program to procure the new video inspection van. The budget amount for manhole adjustments (\$30,000) was not fully expended due to the lack of paving projects by the City of El Cerrito, City of Richmond and Kensington requiring this level of work. Also, manhole level monitors (\$10,000) were in good working order and did not need replacement. No other capital expenses are expected to be of material variance to the budgeted amounts.

FUTURE COSTS

The operating expenses included in this budget are similar to what can be expected in the near future. The capital expense to fund collection system rehabilitation will continue to gradually rise over the next ten years to fund the gradual ramp up of work as required by the USEPA Consent Decree and as projected in the Financial Plan. Both sewer rodder trucks are nearing the end of their useful lives and a replacement vehicle is scheduled to be procured next year (FY 2018-19).

EXHIBIT A

STEGE SANITARY DISTRICT REVENUE SUMMARY

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
REVENUE			
I. SEWER OPERATION FUND (3418)			
Non Operating Income:			
Interest	\$ 5,000	\$ 5,000	0%
Miscellaneous	\$ 21,000	\$ 21,000	0%
Operating Income:			
Permit & Inspection Fees	\$ 15,000	\$ 15,000	0%
Sewer Service Charges	\$ 2,435,000	\$ 2,435,000	0%
Contracted Services	\$ 140,000	\$ 30,000	-79%
Subtotal	\$ 2,616,000	\$ 2,506,000	-4%
II. CAPITAL FUND (3423)			
Non-Operating Income:			
Interest	\$ 5,000	\$ 5,000	0%
Operating Income:			
Property Tax	\$ 339,000	\$ 369,000	9%
Capital Service Charges	\$ 2,242,000	\$ 2,242,000	0%
Connection Fees	\$ 150,000	\$ 150,000	0%
Subtotal	\$ 2,736,000	\$ 2,766,000	1%
TOTAL REVENUE	\$ 5,352,000	\$ 5,272,000	-1%

EXHIBIT B

STEGE SANITARY DISTRICT EXPENSE SUMMARY

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
EXPENSES			
I. OPERATING EXPENSES:			
Dept 41 - Maintenance/Engineering	\$ 1,665,410	\$ 1,719,980	3%
Dept 41 - Pump Stations	\$ 18,660	\$ 18,660	0%
Dept 41 - Contracted Repairs	\$ 59,000	\$ 61,000	3%
Dept 45 - General & Administration	\$ 682,120	\$ 690,150	1%
SUBTOTAL OPERATING EXPENSES	\$ 2,425,190	\$ 2,489,790	3%
II. CAPITAL EXPENSES:			
Dept 41 - Capital Equipment	\$ 365,000	\$ 46,000	-87%
Dept 41 - Debt Repayment (SRF)	\$ 148,200	\$ 148,200	0%
Dept 41 - Sewer Rehabilitation	\$ 2,311,000	\$ 2,456,000	6%
SUBTOTAL CAPITAL EXPENSES	\$ 2,824,200	\$ 2,650,200	-6%
TOTAL	\$ 5,249,390	\$ 5,139,990	-2%
OTHER EXPENSES:			
Transfer from Capital Fund	\$ -	\$ -	0%
Retiree Medical Fund	\$ -	\$ -	0%
SUBTOTAL OTHER EXPENSES	\$ -	\$ -	0%
TOTAL EXPENSES	\$ 5,249,390	\$ 5,139,990	-2%

STEGE SANITARY DISTRICT TRANSFER TO/(FROM) RESERVES

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
REVENUE	\$ 5,352,000	\$ 5,272,000	-1%
EXPENSES	\$ (5,249,390)	\$ (5,139,990)	-2%
SUBTOTAL	\$ 102,610	\$ 132,010	
TRANSFER TO/(FROM) RESERVES	\$ 102,610	\$ 132,010	

EXHIBIT C

STEGE SANITARY DISTRICT BUDGET - COMPOSITE

FISCAL YEAR 2017-2018

ITEM	FISCAL YEAR 2017-2018 BUDGET	OPERATIONS	GENERAL & ADMIN.
OPERATING EXPENSES:			
010 Salaries & Wages	\$ 1,118,130	\$ 916,910	\$ 201,220
020 Employee Benefits	\$ 578,800	\$ 465,320	\$ 113,480
030 Directors' Expenses	\$ 38,000	\$ -	\$ 38,000
040 Election Expense	\$ -	\$ -	\$ -
060 Gasoline, Oil, Fuel	\$ 22,000	\$ 22,000	\$ -
070 Insurance	\$ 108,000	\$ 15,000	\$ 93,000
080 Memberships	\$ 18,100	\$ 3,000	\$ 15,100
090 Office Expense	\$ 10,100	\$ -	\$ 10,100
100 Operating Supplies	\$ 40,000	\$ 40,000	\$ -
110 Contractual Services	\$ 96,300	\$ 96,300	\$ -
120 Professional Services	\$ 108,300	\$ 37,000	\$ 71,300
130 Printing & Publications	\$ 29,000	\$ -	\$ 29,000
140 Rents & Leases	\$ 1,800	\$ 1,000	\$ 800
150 Repairs & Maintenance	\$ 99,300	\$ 86,700	\$ 12,600
160 Revenue Collection Expenses	\$ 14,600	\$ -	\$ 14,600
170 Travel & Meetings	\$ 16,150	\$ 13,000	\$ 3,150
190 Utilities	\$ 32,700	\$ 5,500	\$ 27,200
200 Other Expenses	\$ 60,600	\$ -	\$ 60,600
203 First Aid Supplies	\$ 500	\$ 500	\$ -
204 Safety Equipment and Gloves	\$ 4,500	\$ 4,500	\$ -
205 Uniforms and Boots	\$ 12,000	\$ 12,000	\$ -
206 Safety Incentive Program	\$ 1,250	\$ 1,250	\$ -
207 Contracted Repairs	\$ 61,000	\$ 61,000	\$ -
410 Pump Stations	\$ 18,660	\$ 18,660	\$ -
TOTAL OPERATING EXPENSES	\$ 2,489,790	\$ 1,799,640	\$ 690,150
CAPITAL EXPENSES:			
650 DEBT REPAYMENT	\$ 148,200	\$ 148,200	\$ -
300 CAPITAL EQUIPMENT	\$ 46,000	\$ 46,000	\$ -
400 CONSTRUCTION	\$ 2,456,000	\$ 2,456,000	\$ -
TOTAL CAPITAL EXPENSES	\$ 2,650,200	\$ 2,650,200	\$ -
TRANSFER TO CAPITAL FUND	\$ -	\$ -	\$ -
TOTAL BUDGET	\$ 5,139,990	\$ 4,449,840	\$ 690,150

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
010 SALARIES AND WAGES			
011 Engineering Salaries	\$ 411,500	\$ 432,100	5%
011.6 Cell Phone (3)	2,160	2,160	0%
012 Collection System Salaries	391,400	411,000	5%
012.6 Cell Phone (5)	3,600	3,600	0%
013 Overtime - Service Calls	15,400	15,400	0%
014 Overtime - Engineering/Inspection	500	500	0%
015 Standby	40,150	40,150	0%
017 Performance Incentive	12,000	12,000	0%
TOTAL SALARIES AND WAGES	\$ 876,710	\$ 916,910	5%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 202,330	\$ 212,460	5%
021a Deferred Comp Match (\$240 Max Per Mo.) Cafeteria Plan	23,040	24,480	6%
'022 Health Care Admin Fees	480	480	0%
'027 Cash, Dependent Care & Medical	156,000	156,000	0%
023 Life Insurance/Dental/LTD	18,800	18,800	0%
024 Workers' Compensation Insurance	15,000	15,800	5%
025 Unemployment Insurance	4,500	4,700	4%
026 Medicare	17,400	17,900	3%
Retiree Medical & ARC			
'028 Retiree Medical (AnnReq'dContrib ARC)	-	-	0%
'029 Retiree Health Care Premium	13,700	13,700	0%
030 Social Security (On Call Maintenance)	1,000	1,000	0%
TOTAL EMPLOYEE BENEFITS	\$ 452,250	\$ 465,320	3%
MAINTENANCE			
060 GAS, OIL AND FUEL	\$ 22,000	\$ 22,000	0%
070 CLAIMS	15,000	15,000	0%
080 MEMBERSHIPS	3,000	3,000	0%
100 OPERATING SUPPLIES			
101 Rods and Augers	25,000	18,000	-28%
102 Chemicals	1,000	1,000	0%
104 Hose and Nozzles	5,000	12,000	140%
105 Emergency Readiness	500	500	0%
107 Engineering and Inspection Supplies	2,000	2,000	0%
108 Computer/Supplies	6,500	6,500	0%
Forward totals to next page	80,000	80,000	0%

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
Totals from previous page	\$ 80,000	\$ 80,000	0%
110 CONTRACTUAL SERVICES			
111 Phone Service (Answering Service)	\$ 1,500	\$ 1,500	0%
112 Manhole Level Monitors	2,500	2,500	0%
115 Sewer Root Foaming	75,000	75,000	0%
116 Radio and Test Equipment Maintenance	500	500	0%
117 Utility Marking Service	600	900	50%
118 DOT Regulatory Compliance	900	900	0%
119 Collection System JPA	15,000	15,000	0%
120 PROFESSIONAL SERVICES			
121 Technical/Legal Support	\$ 15,000	\$ 15,000	0%
122 Safety Consultant	1,000	1,000	0%
123 Flow Monitoring Modeling	15,000	15,000	0%
124 Enforcement	6,000	6,000	0%
140 RENTS AND LEASES	1,000	1,000	0%
150 REPAIRS AND MAINTENANCE			
151 Vehicle Maintenance	\$ 30,000	\$ 30,000	0%
152 Equipment and Shop Maintenance	9,000	9,000	0%
153 Sewer Materials			
a. Pipe and Fittings	4,000	4,000	0%
b. Manholes	4,500	4,500	0%
c. Castings	1,000	1,000	0%
154 Emergency Sewer Replacement	12,500	12,500	0%
155 Engineering Equipment	-	-	
156 Building Maintenance	1,800	1,800	0%
157 Janitorial Services	4,500	4,500	0%
158 Yard Maintenance	2,400	2,400	0%
159 Refuse Service	4,000	4,000	0%
159a Refuse Service-Vactor	3,000	3,000	0%
160 Video Inspection Equipment Repair	10,000	10,000	0%
170 TRAVEL AND MEETINGS			
171 Training and Testing	\$ 3,000	\$ 3,000	0%
173 Travel Reimbursement	6,000	6,000	0%
174 Meetings and Conference	4,000	4,000	0%
Forward totals to next page	\$ 313,700	\$ 314,000	0%

DETAIL SHEET

STEGE SANITARY DISTRICT ACCOUNT NO. 41 - OPERATIONS

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
Totals from previous page	\$ 313,700	\$ 314,000	0%
193 WATER - HYDRO FLUSHER	\$ 4,500	\$ 5,500	22%
203 FIRST AID SUPPLIES	500	500	0%
204 SAFETY EQUIPMENT AND GLOVES	4,500	4,500	0%
205 UNIFORMS AND BOOTS	12,000	12,000	0%
206 SAFETY INCENTIVE PROGRAM	1,250	1,250	0%
TOTAL MAINTENANCE/ENGINEERING	\$ 336,450	\$ 337,750	0%
41.2 BURLINGAME PUMP STATION			
150 Repairs (Contracted)	\$ 3,800	\$ 3,800	0%
150a Annual Inspection	3,500	3,500	0%
151 Electricity	900	900	0%
152 Telephone/Telemetry	900	900	0%
153 Maintenance and Landscaping	960	960	0%
41.4 CANON PUMP STATION			
150 Repairs (Contracted)	4,300	4,300	0%
150a Annual Inspection	2,500	2,500	0%
151 Electricity	900	900	0%
152 Telephone/Telemetry	900	900	0%
TOTAL PUMP STATIONS	\$ 18,660	\$ 18,660	0%
207 CONTRACTED REPAIRS	59,000	61,000	3%
TOTAL - MAINT/ENG EMPLOYEE SALARIES	\$ 876,710	\$ 916,910	5%
TOTAL - MAINT/ENG EMPLOYEE BENEFITS	452,250	465,320	3%
TOTAL OTHER MAINTENANCE/ENGINEERING	336,450	337,750	0%
TOTAL - PUMP STATIONS	18,660	18,660	0%
TOTAL CONTRACTED REPAIRS	59,000	61,000	3%
TOTAL OPERATIONS	\$ 1,743,070	\$ 1,799,640	3%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
010 SALARIES AND WAGES			
011 Administration Salaries	\$ 170,700	\$ 182,600	7%
011.7 Scanning Support Salaries	14,400	15,120	5%
017 Performance Incentive	3,500	3,500	0%
TOTAL - SALARIES & WAGES	\$ 188,600	\$ 201,220	7%
020 EMPLOYEE BENEFITS			
021 Retirement	\$ 43,020	\$ 46,020	7%
021a Deferred Comp Match (\$240 Max Per Mo.)	5,760	5,760	0%
Cafeteria Plan			
'022 Health Care Admin Fees	360	360	0%
'027 Cash, Dependent Care & Medical	39,000	39,000	0%
023 Life Insurance/Dental/LTD	4,350	4,350	0%
024 Workers' Compensation Insurance	3,200	3,400	6%
025 Unemployment Insurance	450	500	11%
026 Medicare	4,330	4,890	13%
Retiree Medical			
'028 Retiree Medical (AnnReq'dContrib(ARC))	-	-	0%
'029 Retiree Health Care Premiums	6,800	6,800	0%
029a Social Security	2,400	2,400	0%
TOTAL - EMPLOYEE BENEFITS	\$ 109,670	\$ 113,480	3%
GENERAL EXPENSES			
030 DIRECTORS' EXPENSES			
031 Board Meeting Compensation	\$ 20,500	\$ 20,500	0%
032 Travel Reimbursement	10,000	10,000	0%
033 Meetings & Conference	5,000	6,500	30%
034 Training	1,000	1,000	0%
TOTAL - DIRECTORS' EXPENSES	\$ 36,500	\$ 38,000	4%
040 ELECTION EXPENSES	\$ 30,000	\$ -	-100%
070 INSURANCE			
071 Liability and Property Insurance	\$ 110,000	\$ 115,500	5%
072 Dividends (CREDIT)	(22,500)	(22,500)	0%
080 MEMBERSHIPS			
081 Memberships	\$ 15,000	\$ 15,000	0%
082 Memberships - Board	100	100	0%
Forward totals to next page	169,100	146,100	-14%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
Totals from previous page	\$ 169,100	\$ 146,100	-14%
090 OFFICE EXPENSES			
091 Stationery, Postage, Supplies	\$ 4,000	\$ 4,000	0%
092 Subscriptions	3,000	5,000	67%
094 Public Notice Postage	400	400	0%
096 Bank Charges	700	700	0%
120 PROFESSIONAL SERVICES			
121 Legal Services	\$ 33,000	\$ 33,000	0%
123 Audit and Special Reports	15,000	18,200	21%
124 Resources Consultant	5,000	5,000	0%
125 Administrative Support	4,000	4,000	0%
126 Labor Relations/HR Training	100	100	0%
127 Litigation Expenses	5,000	5,000	0%
129 ADP Payroll Expenses	6,000	6,000	0%
130 PRINTING AND PUBLICATIONS			
131 Meetings and Hearings Notices	\$ 7,500	\$ 7,500	0%
132 Newsletters	20,000	20,000	0%
133 Publications (Ordinances & Notices)	1,000	1,000	0%
134 Job Advertising	500	500	0%
140 RENTS AND LEASES			
	\$ 800	\$ 800	0%
150 BUILDING REPAIRS AND MAINTENANCE			
151 Administration Offices	\$ 1,000	\$ 9,000	800%
155 Office Equipment	3,600	3,600	0%
Forward totals to next page	279,700	269,900	-4%

DETAIL SHEET

STEGE SANITARY DISTRICT

ACCOUNT NO. 45 - ADMINISTRATIVE AND GENERAL

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
Totals from previous page	\$ 279,700	\$ 269,900	-4%
160 REVENUE COLLECTION EXPENSES			
161 EBMUD	\$ -	\$ 600	0%
162 CCC Assessment Collection Fees	14,000	14,000	0%
170 TRAVEL AND MEETINGS			
173 Travel Reimbursement	\$ 700	\$ 1,500	114%
174 Meetings and Conferences	1,650	1,650	0%
190 UTILITIES			0%
191 Gas and Electricity	\$ 10,000	\$ 10,000	0%
192 Telephone & Computer Internet	11,000	11,000	0%
193 Water	4,200	4,200	0%
194 Security System	2,000	2,000	0%
200 OTHER EXPENSES			
201 Miscellaneous	\$ 5,000	\$ 5,000	0%
202 Property Taxes	100	100	0%
203 LAFCO Net Cost Apportionment	2,500	2,500	0%
204 Public Outreach	18,000	18,000	0%
205 Penalties & Fines	35,000	35,000	0%
TOTAL - GENERAL EXPENSES	\$ 383,850	\$ 375,450	-2%
TOTAL - ADMIN. EMPLOYEE SALARIES	\$ 188,600	\$ 201,220	7%
TOTAL - ADMIN. EMPLOYEE BENEFITS	\$ 109,670	\$ 113,480	3%
TOTAL - ADMINISTRATION & GENERAL	\$ 682,120	\$ 690,150	1%
TOTAL OPERATIONS & ADMIN. (3418)	\$ 2,425,190	\$ 2,489,790	3%

DETAIL SHEET

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

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
CAPITAL EQUIPMENT EXPENSES			
300 CAPITAL OPERATIONS (3421)			
315 Flow Meters	\$ 25,000	\$ 25,000	0.0%
319 Manhole Level Monitors	10,000	10,000	0.0%
324 Vehicle Replacement	330,000	-	-100.0%
327 Downhole Winch	-	11,000	100%
Sub-Total Capital Operations	\$ 365,000	\$ 46,000	-87%
TOTAL - CAPITAL EQUIPMENT EXPENSES (3421)	\$ 365,000	\$ 46,000	-87%

DETAIL SHEET

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

FISCAL YEAR 2017-2018

ITEM	Fiscal Year 2016-2017 Budget	Fiscal Year 2017-2018 Budget	% Change
411 MANHOLES			
Manhole Adjustments	\$ 25,000	\$ 25,000	0%
428 RENEWAL & REPLACEMENT			
a. Interceptor Cleaning	\$ 50,000	\$ 50,000	0%
b. Pump Station Rehab	16,000	16,000	0%
SUB TOTAL (428)	\$ 66,000	\$ 66,000	0%
434 STANDARD SEWER REHABILITATION (3423)			
a. Construction Costs	\$ 2,220,000	\$ 2,365,000	7%
SUB-TOTAL (434)	\$ 2,220,000	\$ 2,365,000	7%
TOTAL CONSTRUCTION COSTS (400s)	\$ 2,311,000	\$ 2,456,000	6%
650 DEBT REPAYMENT (SRF LOANS)			
a. Repayment Project 99201	104,300	104,300	0%
b. Repayment Project 02203	43,900	43,900	0%
TOTAL DEBT REPAYMENT (650)	\$ 148,200	\$ 148,200	0%
TOTAL CAPITAL EXPENSES (400-650)	\$ 2,824,200	\$ 2,650,200	-6%

EXHIBIT D

STEGE SANITARY DISTRICT FISCAL YEAR 2017-2018 RECONCILIATION OF FUND BALANCES

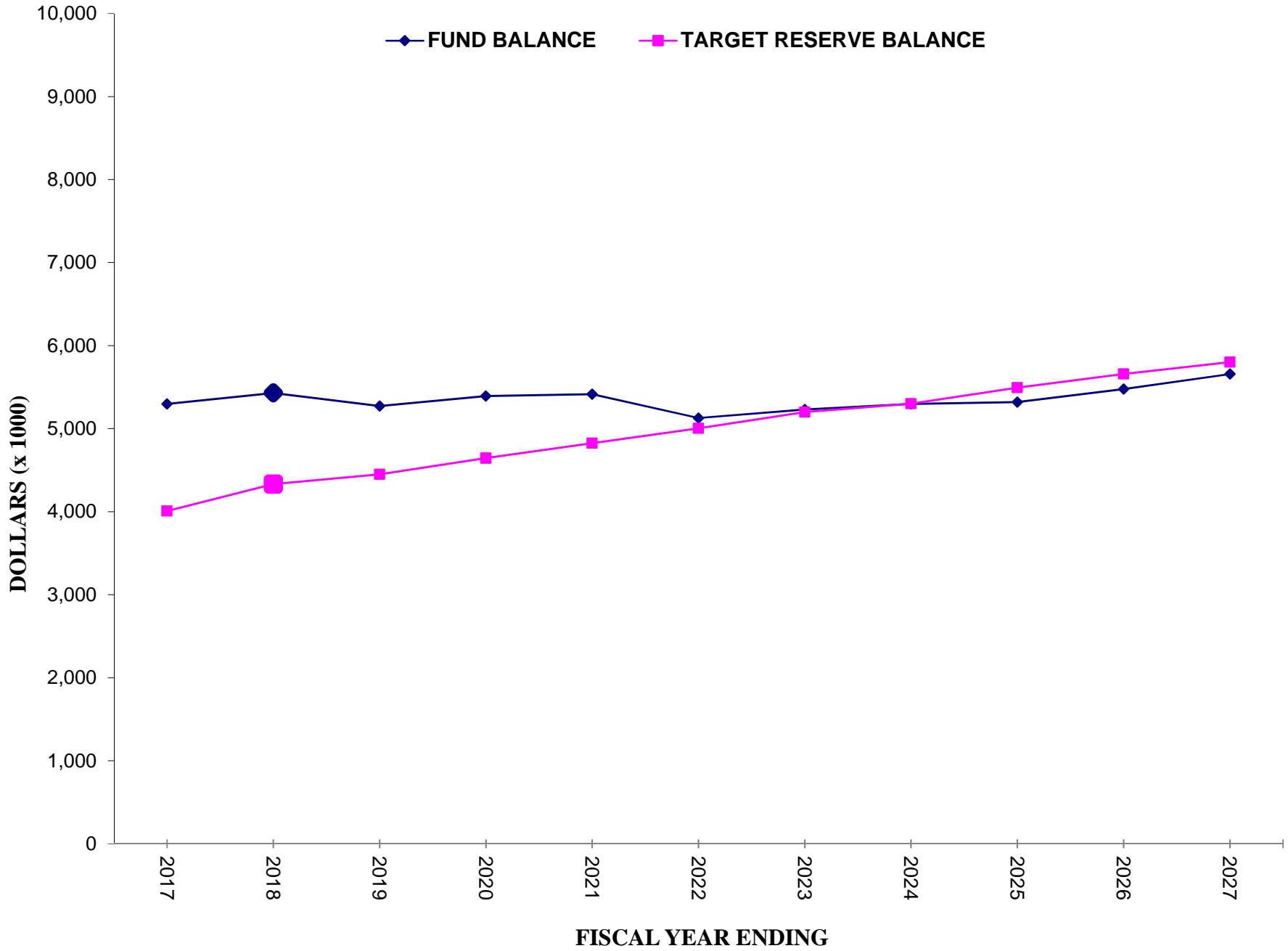
	FISCAL YEAR 2017-2018 BUDGET	3418 OPERATIONS FUND	3423 CAPITAL FUND
Total Fund Balances As of 6/30/2017 (Est.)	\$ 5,297,832	\$ 3,297,832	\$ 2,000,000
OPERATING FUND			
REVENUE			
Contracted Services	\$ 30,000	\$ 30,000	
Interest Income	\$ 5,000	\$ 5,000	
Permit, Inspection Fees	\$ 15,000	\$ 15,000	
Sewer Service Charges	\$ 2,435,000	\$ 2,435,000	
Miscellaneous	\$ 21,000	\$ 21,000	
Subtotal	\$ 2,506,000	\$ 2,506,000	
EXPENSES			
General & Administration	\$ (690,150)	\$ (690,150)	
Operating/Pump Stations	\$ (1,799,640)	\$ (1,799,640)	
Subtotal	\$ (2,489,790)	\$ (2,489,790)	
Net Gain (Loss)*	\$ 16,210	\$ 16,210	
CAPITAL FUND			
REVENUE			
Property Tax Collection	\$ 369,000		\$ 369,000
Capital Service Charges	\$ 2,242,000		\$ 2,242,000
SRF Loan	\$ -		\$ -
Interest Income	\$ 5,000		\$ 5,000
Connection Fees	\$ 150,000		\$ 150,000
Subtotal	\$ 2,766,000		\$ 2,766,000
EXPENSES			
Capital Equipment	\$ (46,000)		\$ (46,000)
Construction	\$ (2,456,000)		\$ (2,456,000)
Debt Repayment (SRF Loan)	\$ (148,200)		\$ (148,200)
Subtotal	\$ (2,650,200)		\$ (2,650,200)
Net Gain (Loss)*	\$ 115,800		\$ 115,800
Fund Balances			
Before transfers	\$ 5,429,842	\$ 3,314,042	\$ 2,115,800
Transfers between Reserves		\$ (1,820,042)	\$ 1,820,042
*Used from Reserves			
Fund Balances As of 6/30/2018 (est.)	\$ 5,429,842	\$ 1,494,000	\$ 3,935,842
TARGET RESERVE	\$ 4,331,000	\$ 1,494,000	\$ 2,837,000

(60% of annual O&M) (3Yr Avg. of Capital Costs)

**STEGE SANITARY DISTRICT - 10 YEAR FINANCIAL MODEL
THROUGH YEAR 2027
(\$ THOUSAND)**

FISCAL YEAR ENDING	(1) ANNUAL DEBT SERVICE	(2) DISTRICT O&M COSTS	(3) SYSTEM REHAB.	(4) CAPITAL EQUIP COSTS	(5) OTHER CAP COSTS	(6) TOTAL COSTS (1) thru (5)	(7) MONTH USER CHARGE	(8) TOTAL REVENUE	(9) CASH FLOW (8)-(6)	(10) FUND INTEREST	(11) FUND BALANCE	(12) TARGET RESERVE BALANCE	(13) FUND RATIO (11)/(6)
2017	148	2467	2220	267	29	5131	20.17	5309	178	15	5298	4007	1.00
2018	148	2490	2365	46	91	5140	20.17	5272	132	10	5430	4331	1.03
2019	148	2508	2523	285	240	5704	22.00	5547	-157	10	5273	4450	0.95
2020	148	2557	2689	50	100	5544	22.50	5663	119	10	5392	4645	0.95
2021	148	2607	2867	60	75	5757	23.00	5781	24	10	5415	4823	0.94
2022	148	2661	3057	360	75	6301	24.00	6013	-288	10	5127	5003	0.86
2023	44	2713	3259	50	75	6141	25.00	6245	104	10	5231	5200	0.83
2024	44	2766	3473	20	110	6413	26.00	6478	65	10	5296	5301	0.82
2025	44	2842	3594	80	130	6689	27.00	6714	25	10	5321	5494	0.79
2026	44	2920	3719	10	100	6793	28.00	6949	156	10	5477	5657	0.78
2027	0	3009	3850	70	75	7004	29.00	7184	180	10	5657	5800	0.78

Fund Balance vs. Target Reserve Balance for FY 2017-18



RESOLUTION NO. 2084-0617 AUTHORIZING THE DISTRICT MANAGER TO AWARD A
CONTRACT TO D'ARCY AND HARTY CONSTRUCTION FOR
PROJECT NO. 17201, STANDARD SEWER REHABILITATION PROJECT

ISSUE:

Staff opened bids on June 6th and has a recommendation for award of the contract.

FISCAL IMPACT:

There is little expense involved with this review at a regular Board meeting.

BACKGROUND:

Results of the project bid opening on June 6th are as shown in the table attached. Staff recommends award of bid to the lowest responsible, responsive bidder.

RECOMMENDATION:

Award contract to the lowest responsible, responsive bidder, D'arcy and Harty Construction.

ATTACHMENTS:

- Bid Results
- Resolution No. 2084-0617

STEGE SANITARY DISTRICT

PHONE (510) 524-4668 FAX (510) 524-4697

STANDARD SEWER REHABILITATION PROJECT NO. 17201

TABULATION OF BIDS

Tuesday, June 6, 2017, 2:00 PM

TIME IN	NAME OF FIRM	PRE-BID MTG	ADDEN- DUM	SAFETY PRE-QUAL	BID BOND	AMOUNT OF BID
1:55pm	D'arcy & Harty Const. Inc.	X	n/a	X	X	\$2,736,800
1:58pm	Pacific Trenchless Inc.	X	n/a	X	X	\$2,866,300
	Bay Pacific Pipelines	X				No Bid
	California Trenchless	X				No Bid
	W R Forde Associates	X				No Bid
	Ranger Pipelines	X				No Bid
	Trench Plate	X				No Bid
	<i>ENGINEER'S ESTIMATE</i>					\$2,388,454

RESOLUTION NO. 2084-0617

RESOLUTION AUTHORIZING THE DISTRICT MANAGER TO AWARD A
CONTRACT TO D'ARCY AND HARTY CONSTRUCTION FOR
PROJECT NO. 17201, STANDARD SEWER REHABILITATION PROJECT

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

- A. In order to maintain the District Sanitary Sewer System, the District must continuously replace failing sanitary sewer mains.
- B. Pipe bursting is found to be the most efficient technology to replace pipes.
- C. District staff advertised the project plans and specifications for bid pursuant to Board approval at the April 27, 2017 Board meeting.
- D. A mandatory pre-bid meeting was held on May 30, 2017 and bid opening occurred on June 6, 2017.
- E. District staff received two (2) valid bids in response.
- F. Upon review of the bids, D'Arcy and Harty Construction submitted the lowest responsive bid and was found to be a responsible bidder.

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

1. The District Manager is authorized to award a contract for Standard Sewer Rehabilitation Project No. 17201 to D'Arcy and Harty Construction, conditioned on D'Arcy and Harty Construction's timely execution of the contract and submission of all required documents in accordance with the contract.
2. The District Manager is hereby authorized to execute the documents on behalf of the Directors of the Stege Sanitary District upon timely submission of D'Arcy Harty Construction's signed contract and all other documents, subject to approval by District Counsel.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution No. 2084-0617 was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 22th day of June 2017 by a X-X vote as follows:

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

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

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District



STEGE SANITARY DISTRICT

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

District Counsel:
Ben Reyes

Board of Directors:
Paul Gilbert-Snyder
Jay James
Dwight Merrill
Alan C. Miller
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 22, 2017

Re: Incentive Award Contribution (IAC) Achievements for FY 2016-2017

BACKGROUND

For FY 2016-2017, the Board adopted 6 cost saving incentives as goals for employees as follows:

1. Maintain a safe working environment thereby reducing the Workers Compensation Insurance premiums paid by the District.
2. Reduce the amount of overtime compensation in the performance of maintenance activities of the District.
3. Reduce the number of service calls related to main line problems.
4. Reduce liability insurance expenses and claims costs by experiencing lower than average claims expenses through excellent collection system maintenance. Reduce the cost of liability insurance as measured by actual costs compared to what costs would be if the District were an "average" member of its liability pool.
5. Reduce the cost of equipment, vehicle and building repairs by performing repairs in-house, whenever safe to do so. The savings will be measured by comparing quotes to complete the repair work vs. the costs of staff time and materials.
6. The Board of Directors may consider additional cost savings goals eligible for an IAC as other cost saving measures are identified, including innovations in the way work is accomplished. Such innovations will be evaluated and recommended to the Board by the District Manager.

DISCUSSION

Following is a tabulation of how the employees fared in achieving the goals established for FY 2016-2017 and the respective savings to be added to the Incentive Award Contribution (IAC).

1. Reduction of the Workers' Compensation Insurance Premiums Paid by the District

The District continues to have a historically safe workplace and has gone over 20 years without a worker's compensation loss time claim. As a result, the District's experience modification (ex mod) rate of 0.81 resulted in an annual cost savings or discount of \$6,013 from the standard premium (retro adjustment). There were no performance return dividends distributed to members of the California Sanitation Risk Management Authority (CSRMA). Sixty percent of the total savings is added to the IAC (\$3,608).

2. Reduction in the Overtime Salary Expense

The average overtime labor charges between 2006 and 2011 was \$8,967, or 2.63% of total maintenance salary. For FY 2016-2017, overtime labor charges are \$17,592, or 5.09% of total maintenance salary. Since the current fiscal year amount is more than the rolling 5 year average, there was no savings in Overtime Expenses added to the IAC.

3. Reduction of Service Calls

The average number of service calls related to main line problems for the baseline time period between 2006 and 2011 is 1.3 per month at a cost of \$3,744 per year. The actual average number of service calls related to main line problems this FY 2016-2017 is 0.8 per month at a cost of \$2,304 per year. The calculated cost savings to the District is \$1,440 per year. Sixty percent of the savings is added to the IAC (\$864).

4. Reduction of Liability Insurance Expense to the District

There were no savings to the District since retrospective returns were less than what the typical CSRMA agency received for program years that had retrospective returns in 2016.

5. Reduction of Repair Costs

Performing repairs in-house by staff not only saves the District money, but also reduces equipment and vehicle down time, helps maintain production, and encourages better knowledge of the equipment, vehicles and building. Repair work on the CCTV cameras and the garage roof was conducted in FY 2016-2017 for a total cost savings of \$20,318. Sixty percent of the savings is added to the IAC (\$12,191).

6. Reduction of Other Costs

Additional cost saving measures recommended by the Manager to be added to this year’s IAC include maintenance staff working with a “sister” agency to obtain confined space training instead of using DKF Solutions and staff installing a concrete pad for a vehicle charging station. The total cost savings is \$4,950. Sixty percent of the savings is added to the IAC (\$2,970).

**SUMMARY OF INCENTIVE AWARD GOALS AND AWARD ASSESSMENT
FISCAL YEAR 2016-2017**

Incentive Award Goal	Total Savings (\$)	To District (\$)	To IAC (\$)
1. Reduce Workers Compensation Insurance Premium	\$ 6,013	\$ 2,405	\$ 3,608
2. Reduce Overtime Charges	0	0	0
3. Reduce Service Calls	1,440	576	864
4. Reduce Liability Expenses	0	0	0
5. Reduce Repair Costs	20,318	8,127	12,191
6. Reduce Other Costs	4,950	1,980	2,970
TOTALS	\$ 32,721	\$ 13,088	\$ 19,632

RECOMMENDATION

Approve an IAC of \$19,632 to be shared among the eligible employees of the District and to be distributed on or about June 30, 2017.



STEGE SANITARY DISTRICT

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

District Counsel:
Ben Reyes

Board of Directors:
Paul Gilbert-Snyder
Jay James
Dwight Merrill
Alan C. Miller
Beatrice R. O'Keefe

Memorandum

To: Board of Directors

From: Rex Delizo, District Manager

Date: June 22, 2017

Re: Incentive Award Contribution (IAC) Goals and Objectives for FY 2017-2018

DISCUSSION

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

1. Maintain a safe working environment and reduce Workers Compensation Insurance premiums paid by the District.
2. Reduce overtime compensation incurred by the District in the performance of maintenance activities of the District.
3. Reduce the number of service calls related to main line problems in the collection system.
- ~~4. Reduce liability insurance expenses and claims costs through excellent maintenance.~~
5. Reduce the cost of equipment, vehicle and building repairs by performing repairs in-house, whenever safe to do so.
6. The Board of Directors may consider additional cost savings goals eligible for an Incentive Compensation Award as other cost saving measures are identified, including innovations in the way work is accomplished. Such innovations will be evaluated and recommended to the Board by the District Manager.

Item number 2, overtime reduction, historically used a baseline of \$15,077/year based on the average of overtime incurred for 1990-95. For the FY 2005-06, the period of 1995-00 was used as a baseline because the Board determined that the original intent at the initiation of the program was that the baseline should be a moving average. The comparison period has rolled forward one year ever since. It is recommended that the period of 2007-12 be used as the baseline for the FY 2017-18 savings.

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

Item number 3, cost savings from a low number of service calls related to main line problems, has been in accordance with the baseline of five (5) per month, established in September 2001. The baseline prior to September 2001 was eight (8) per month. As of FY 2014-15, the baseline is compared to the same moving average time period of 2007-12 as Item number 2, overtime reduction. By this standard, the new baseline for the FY 2017-18 savings would be 3.6 per month.

Item number 5, the practice of performing equipment, vehicle and building repairs in-house as a cost savings measure has been eligible since FY 2011-12. Performing repairs in-house by staff not only saves the District money, but also reduces equipment and vehicle down time, helps maintain production, and encourages better knowledge of the equipment, vehicles and building. Staff will obtain quotes for any repair work proposed to be included in the ICP and will compare the costs of staff time and materials to complete the repair in-house. Up to 60% of the savings may be contributed to the IAC.

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

<u>Fiscal Year</u>	<u>Total Savings</u>	<u>IAC</u>
2017-18	\$32,721	\$19,632
2015-16	\$16,804	\$10,082
2014-15	\$26,777	\$16,066
2013-14	\$25,581	\$15,510
2012-13	\$21,461	\$12,877
2011-12	\$21,716	\$13,030
2010-11	\$26,756	\$8,248

RECOMMENDATION

Adopt the following IAC goals and objectives for FY 2017-2018:

1. Maintain a safe working environment and reduce the Workers' Compensation Insurance costs paid by the District. This shall be measured through savings or discounts achieved from a low experience modification rate (ex mod) assigned by the State Compensation Insurance Fund and performance returns (dividends). Up to 60% of the insurance cost savings may be contributed to the IAC.
2. Up to 60% of the overtime labor cost savings, determined as the difference in overtime cost from the average annual overtime incurred from 2007-2012, may be contributed to the IAC. Overtime cost will be determined as a percentage of overtime to total salary.
3. Reduce the number of service calls related to main line problems in the collection system. The savings shall be in accordance with the baseline of the average service calls related to main line problems that occurred from 2007-12. Up to 60% of the District cost savings during the year may be contributed to the IAC.
- ~~4. Reduce the cost of liability insurance as measured by actual costs compared to what costs would be if the District were an "average" member of its liability pool. Up to 60% of the savings may be contributed to the IAC.~~
5. Reduce the cost of equipment, vehicle and building repairs by performing repairs in-house, whenever safe to do so. The savings will be measured by comparing quotes to complete the repair work vs. the costs of staff time and materials. Up to 60% of the savings may be contributed to the IAC.
6. The Board of Directors may consider additional cost savings goals eligible for an Incentive Compensation Award as other cost saving measures are identified, including innovations in the way work is accomplished. Such innovations will be evaluated and recommended to the Board by the District Manager. Up to 60% of the savings may be contributed to the IAC.

STEGE SANITARY DISTRICT

Reserve Fund Policy

July 2015

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

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

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

STEGE SANITARY DISTRICT
Investment, Cash & Receivables Report
 As of May 31, 2017

1:05 PM
 06/19/2017

	<u>May 31, 2017</u>	<u>April 30, 2017</u>	<u>\$ Change</u>	<u>Deposits</u>	<u>Checks</u>	<u>Transfers</u>
ASSETS						
Current Assets						
Checking/Savings						
LAIF Investment Accts						
11012 · Sewer Operations- 3418	4,578,803	4,898,803	-320,000	0	0	-320,000
11014 · System Rehab- 3423	1,683,167	1,683,167	0	0	0	0
Total LAIF Investment Accts	<u>6,261,970</u>	<u>6,581,970</u>	<u>-320,000</u>	<u>0</u>	<u>0</u>	<u>-320,000</u>
Checking Accts						
100 · Mechanics Bank	42,143	79,357	-37,214	0	-357,214	320,000
100 · County Cash Acct #3418	-135,312	-135,312	0 *	0 *	0	0
Total Checking Accts	<u>-93,169</u>	<u>-55,955</u>	<u>-37,214</u>	<u>0</u>	<u>-357,214</u>	<u>320,000</u>
11021 · Petty Cash	250	250	0	0	0	0
Total Checking/Savings	<u>6,169,051</u>	<u>6,526,265</u>	<u>-357,214</u>	<u>0</u>	<u>-357,214</u>	<u>0</u>
301 · Ca Employer's Retiree Benefit Trust	190,332	190,332	0	0	0	0
Total CA Employer's Retiree Benefit Trust	<u>190,332</u>	<u>190,332</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Accounts Receivable						
11072 · Accounts Receivable	92,208	60,479	31,728			
Total Accounts Receivable	<u>92,208</u>	<u>60,479</u>	<u>31,728</u>			

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

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

 Rex Delizo, District Manager

 Date

STEGE SANITARY DISTRICT

Operating Statement

06/19/2017

April 2017

91.51% of Fiscal year Completed

	July 2016 - May 2017	Annual Budget	% of Annual Budget
Income			
31 - OPERATING REVENUE			
31010 - Sewer Service Charges	2,334,681	2,435,000	96%
31020 - Permit & Insp. Fees	6,880	15,000	46%
31030 - Connection Fees	179,588	150,000	120%
31080 - Contracted Services	226,763	140,000	162%
31010a - Capital Service Charges	2,146,472	2,242,000	96%
Total 31 - OPERATING REVENUE	4,894,384	4,982,000	98%
32 - NON-OPERATING REVENUE			
32050 - Interest - 3418	18,068	5,000	361%
32052 - Interest - 3423	7,478	5,000	150%
32080 - Property Taxes	411,303	339,000	121%
32085 - Insurance Dividend	-	-	0%
32090 - Miscellaneous	20,005	21,000	95%
Total 32 - NON-OPERATING REVENUE	456,854	370,000	123%
Transfer (to)/from Reserves	-	(102,610)	0%
Total Income	5,351,238	5,249,390	102%
Expense			
OPERATING EXPENSES			
Administration/General			
45-010 - Salaries & Wages	170,005	188,600	90%
45-020 - Employee Benefits	89,078	102,870	87%
45-029 - Retiree Health	6,222	6,800	91%
45-030 - Directors Expenses	27,033	36,500	74%
45-070 - Insurance	111,842	87,500	128%
Administration - Other	174,448	259,850	67%
Total Administration	578,628	682,120	85%
Maintenance/Engineering			
41-010 - Salaries & Wages	782,800	876,710	89%
41-020 - Employee Benefits	367,571	438,550	84%
41-029 - Retiree Health	12,444	13,700	91%
41-100 - Operating Supplies	10,410	40,000	26%
41-110 - Contractual Services	97,687	96,000	102%
41-207 - Contracted Repairs	58,071	59,000	98%
Maintenance- Other	115,799	200,450	58%
Total Maintenance/Engineering	1,444,781	1,724,410	84%
Pump Stations	10,547	18,660	57%
Total OPERATING EXPENSES	2,033,956	2,425,190	84%
CAPITAL			
41-650 - Debt Repayment (SRF Loans)	148,220	148,200	100%
Construction Projects	1,930,921	2,311,000	84%
Outlay(Maintenance/Engineering)	270,400	365,000	74%
Total CAPITAL	2,349,541	2,824,200	83%
Total Expense	4,383,497	5,249,390	84%
Net	967,741	0	

10:33 AM	STEGE SANITARY DISTRICT			
06/19/2017	Check Report			
Accrual Basis	June 22, 2017			
	Name	Memo	Amount	Num
Jun 22, 17				
	Aramark Uniform Services	Uniform Service	-259.85	24995
	Ashanti Khaleel	Refund Permit #26451	-2,865.04	24996
	Cypress Video Surveillance Systems, Inc	Camera Install & Replacement	-5,337.00	24997
	D'Arcy & Harty Construcion	Project 16201	-200,481.20	24998
	EBMUD 12374900001	Office/Shop	-117.10	24999
	EBMUD 57132800001	Office/Shop	-453.32	25000
	Mira Vista Golf & Country Club	Holiday Party Deposit	-350.00	25001
	Mosto Construction	Glen Mawr & Manhole Rehab	-26,755.80	25002
	MuniQuip LLC	Reinstall Smart Cover Antenna	-580.48	25003
	Pastime Hardware	Maintenance Supplies	-21.37	25004
	Total Flow Inc.	Flow Meter Maintenance	-1,884.00	25005
Jun 22, 17			-239,105.16	

STEGE SANITARY DISTRICT

JUNE 2017

JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017
6/14 Safety and Recognition Awards Luncheon	7/4 HOLIDAY 4 th of July Fair Booth	CASA Conference August 22-24, 2017 San Diego, CA	9/4 HOLIDAY CSDA Annual Conf. September 25-28, 2017 Monterey, CA		11/23-24 HOLIDAY
6/8/2017 – 7:00 P.M.	7/13/2017 – 7:00 P.M.	8/17/2017 – 7:00 P.M.	9/14/2017 – 7:00 P.M.	10/12/2017 – 7:00 P.M.	11/9/2017 – 7:00 P.M.
Board of Directors Meeting	Board of Directors Meeting	Board of Directors Meeting	Board of Directors Meeting	Board of Directors Meeting	Board of Directors Meeting
<ul style="list-style-type: none"> ○ Draft Budget ◆ Review Director Meeting Compensation ○ July 4th Fair Discussion ◆ Approve Project Plans and Specs (+CEQA) ◆ Approve Salary Ranges for District Positions ◆ Long Range Planning Action Plan 	<ul style="list-style-type: none"> ○ July 4th Fair Debrief ○ District Investment Policy ○ CASA Conference ◆ Resolution Est. Salary of District Manager ◆ Form 470 	<ul style="list-style-type: none"> ○ CASA Conference ○ CSDA Conference ○ Select Actuary for Analysis of Retiree Health Benefits (odd years) ○ Quarterly (FY End) Financial Statements ○ Conn. Charge Report per Gov. Code 66013 ○ San Pablo Ave. Future Capacity Update 	<ul style="list-style-type: none"> ○ CSDA Conference ○ CASA Conf. – Attendee Reports ○ Strategic Plan ○ El Cerrito Showcase Parade on 9/16 	<ul style="list-style-type: none"> ○ Proposed Meeting Calendar ○ Board Officer Succession Plan ○ CASA Conference ○ San Pablo Ave. Future Capacity Update 	
6/22/2017 – 7:00 P.M.	7/27/2017 – 7:00 P.M.		9/28/2017 – 7:00 P.M.	10/26/2017 – 7:00 P.M.	
Board of Directors Meeting	Board of Directors Meeting		Board of Directors Meeting	Board of Directors Meeting	
<ul style="list-style-type: none"> ○ CLOSED SESSION – Manager Perf. Eval. ◆ Approve and Adopt Final Budget ◆ Ordinance – Director Meeting Compensation ◆ Review and Approve Incentive Award ◆ Adopt Incentive Award Goals & Objectives ○ District Reserve Policy ○ July 4th Fair Discussion ○ Consent Decree Quarterly Report 	<ul style="list-style-type: none"> ○ CLOSED SESSION – Quarterly Claims Rpt ○ CASA Conference ○ Reimb. Report per Gov. Code 53065.5 ○ Quarterly Financial Statements ○ Candidate filing period (even years) ◆ Establish and Collect Sewer Service Charges ◆ Notice of Completion/ Award of Contract 		<ul style="list-style-type: none"> ◆ Flexible Benefits Plan Contribution Review ◆ Deferred Compensation Matching Contribution Review ○ CSDA Conference – Attendee Reports ○ Consent Decree Quarterly Report 	<ul style="list-style-type: none"> ○ CLOSED SESSION – Quarterly Claims Rpt ○ Quarterly Financial Statements ○ Financial Training/Education ○ Regional Private Sewer Lateral Program Update 	

○ INFORMATIONAL ITEMS

◆ ACTION ITEMS

CHANGES IN ITALICS

STEGE SANITARY DISTRICT

JUNE 2017

DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	MARCH 2018	APRIL 2018	MAY 2018
12/14 Christmas Luncheon 12/25 HOLIDAY	1/1 & 1/15 HOLIDAY CASA Conference <i>TBD</i>	2/19 HOLIDAY CASA Conference Washington, DC <i>TBD</i>	<i>AB 1234 Training</i> <i>(even years)</i>	CASA Public Policy Forum April XX, 2018 Sacramento, CA	5/28 HOLIDAY <i>AB 1661 Training</i> <i>(odd years)</i>
12/14/2017 – 2:00 P.M.	1/11/2018 – 7:00 P.M.	2/15/2018 – 7:00 P.M.	3/8/2018 – 7:00 P.M.	4/12/2018 – 7:00 P.M.	5/12/2018 – 9:00 A.M.
Board of Directors Meeting <u>2PM Meeting Time</u> ◆ Nomination & Election of Officers ◆ Fiscal Year Financial Audit ◆ Connection Charge Calculation Report ○ CASA Conference ○ Meeting Calendar ○ Consent Decree Quarterly Report	Board of Directors Meeting ◆ Board Governance Review ◆ Connection Charge Ord. ○ Service Rate Discussion ○ District of Distinction (even years) ○ CASA Conference ○ Director’s Contact Info ○ Board Training Summary	Board of Directors Meeting ◆ Board Governance Approval ○ Actuarial Analysis of Retiree Health Benefits Report (even years) ○ Service Rate Discussion ○ CASA Conference ○ Board Training Summary ○ San Pablo Ave. Future Capacity Update	Board of Directors Meeting ○ Long Range Planning Discussion of Topics ○ CASA Conf. – Attendee Reports ○ CASA Conference ○ Service Rate Discussion ○ Board Training Summary ○ Form 700 ○ Auditor – RFP	Board of Directors Meeting ○ Service Rate Discussion/Approval (& 30-day Notice) ○ Long Range Planning Discussion of Topics ○ Board Training Summary ○ CASA Conference	Board of Directors Meeting <u>9AM Meeting Time</u> ○ Long Range Planning Workshop ○ San Pablo Ave. Future Capacity Update
	1/25/2018 – 7:00 P.M.	2/15/2018 – 7:00 P.M.	3/22/2018 – 7:00 P.M.	4/26/2018 – 7:00 P.M.	5/24/2018 – 7:00 P.M.
	Board of Directors Meeting ○ CLOSED SESSION – Quarterly Claims Rpt – Manager Perf. Eval. ◆ Resolution for Disposal of Surplus Property ○ Quarterly Financial Statements ○ CASA Conf. – Attendee Reports ○ Service Rate Discussion	Board of Directors Meeting ◆ Auditor – RFP ◆ California Employer’s Retiree Benefit Trust (CERBT) ○ Long Range Planning Discussion of Topics ○ Form 700 ○ Consent Decree Quarterly Report ○ CASA Conference	Board of Directors Meeting ◆ Auditor – RFP ◆ California Employer’s Retiree Benefit Trust (CERBT) ○ Long Range Planning Discussion of Topics ○ Form 700 ○ Consent Decree Quarterly Report ○ CASA Conference	Board of Directors Meeting ○ CLOSED SESSION – Quarterly Claims Rpt ○ Quarterly Financial Statements ○ Long Range Planning Discussion of Topics ○ Draft Budget ◆ Employee Benefits ○ Service Rate Discussion/Approval (& 30-day Notice) ○ July 4 th Fair Discussion ○ CASA Conf. – Attendee Reports	Board of Directors Meeting ○ CLOSED SESSION – District Counsel Performance Evaluation ○ Draft Budget ○ July 4 th Fair Discussion ○ Service Rate Discussion/Approval (& 30-day Notice) ○ Board Training Summary

○ INFORMATIONAL ITEMS

◆ ACTION ITEMS

CHANGES IN ITALICS