

# **STEGE SANITARY DISTRICT**

## **Calendar Year 2018 Performance Report**



**JANUARY 2019**



# STEGE SANITARY DISTRICT

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The Stege Sanitary District Performance Report gives a good sense of how well the District is performing its mission to “*plan and operate a safe, efficient and economical wastewater collection and transfer system for the present and future customers of the District.*” This report is prepared by management for use by the District’s Board of Directors to help evaluate the value and effectiveness of the service being delivered to the customers of the District.

### **Awards & Recognition**

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

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

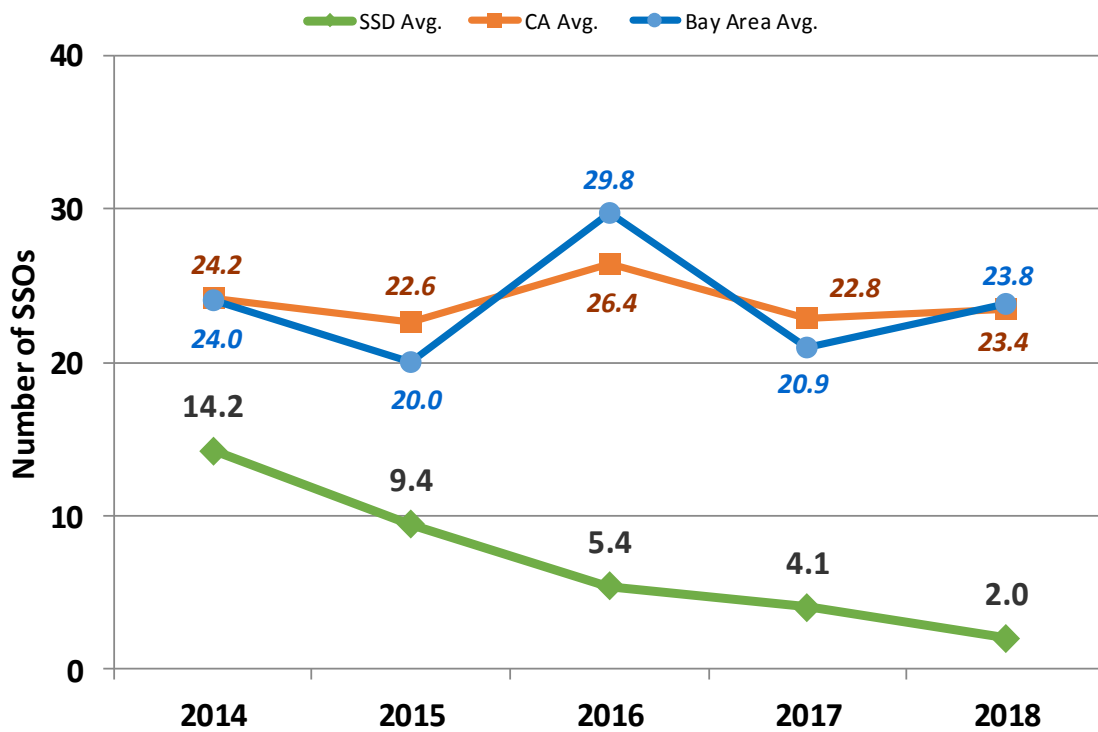
Recognition in Special District Governance: Director Alan C. Miller and District Manager, Rex Delizo, are both recipients of the SDLF Recognition in Special District Governance. This recognition demonstrates to constituents and colleagues the extent of their commitment and dedication to providing the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

### Sanitary Sewer Overflows (SSOs)

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

TABLE 1

#### Total SSOs per 100 miles\*

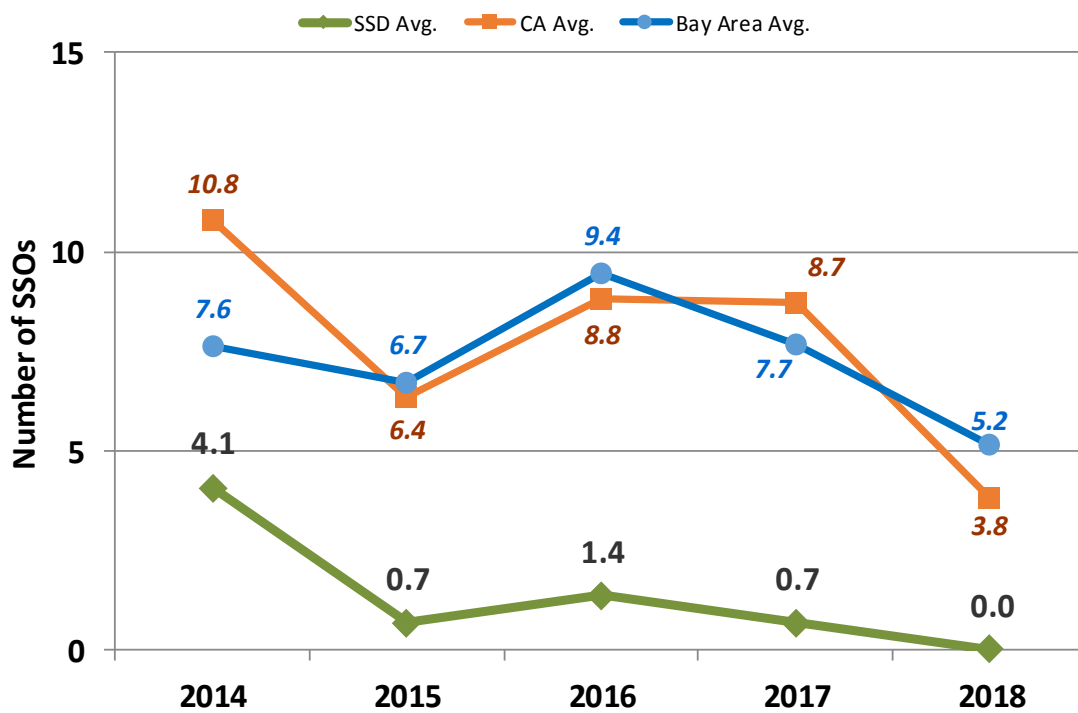


\*Per California Integrated Water Quality System (CIWQS) website on 1/2/2019

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

**TABLE 2**

**Category 1 SSOs per 100 miles\***

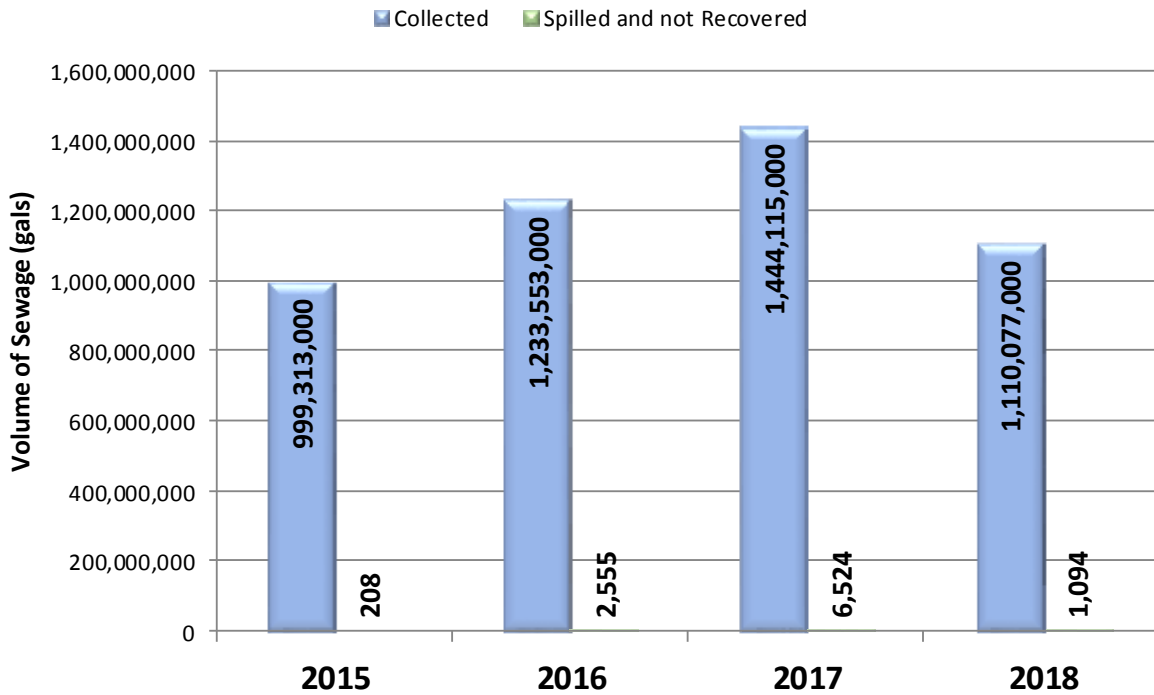


\*Per California Integrated Water Quality System (CIWQS) website on 1/2/2019

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

**TABLE 3**

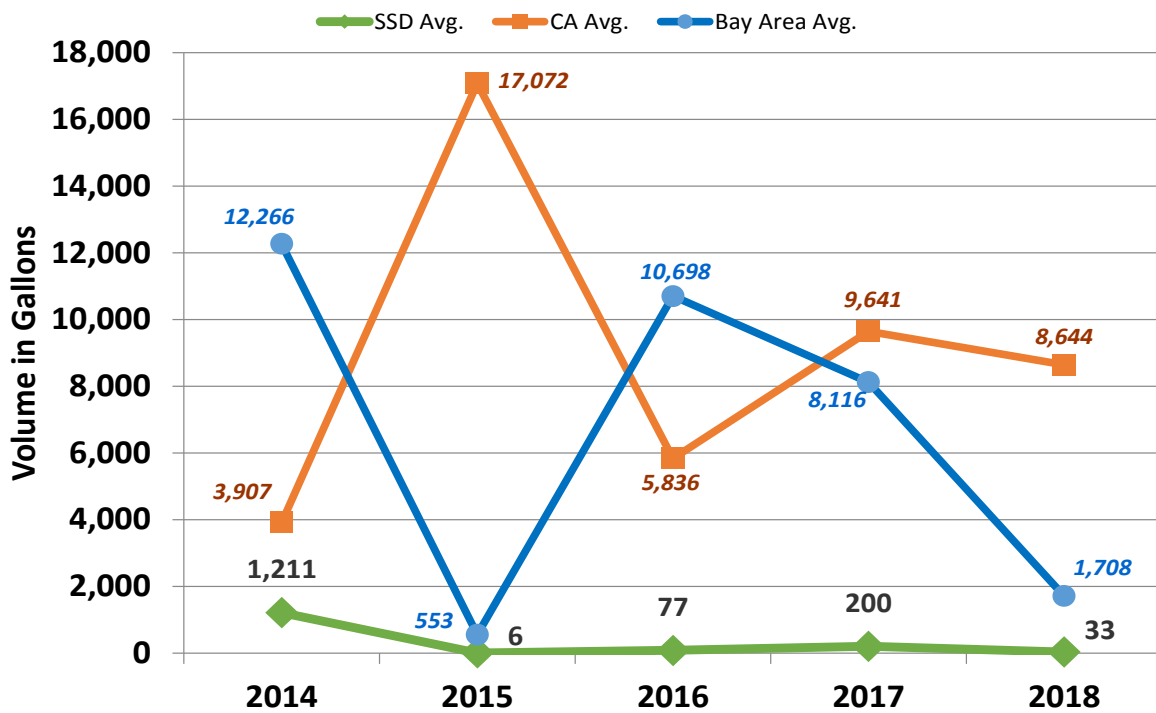
**Volume of Sewage  
 Collected vs. Spilled and not Recovered**



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

**TABLE 4**

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

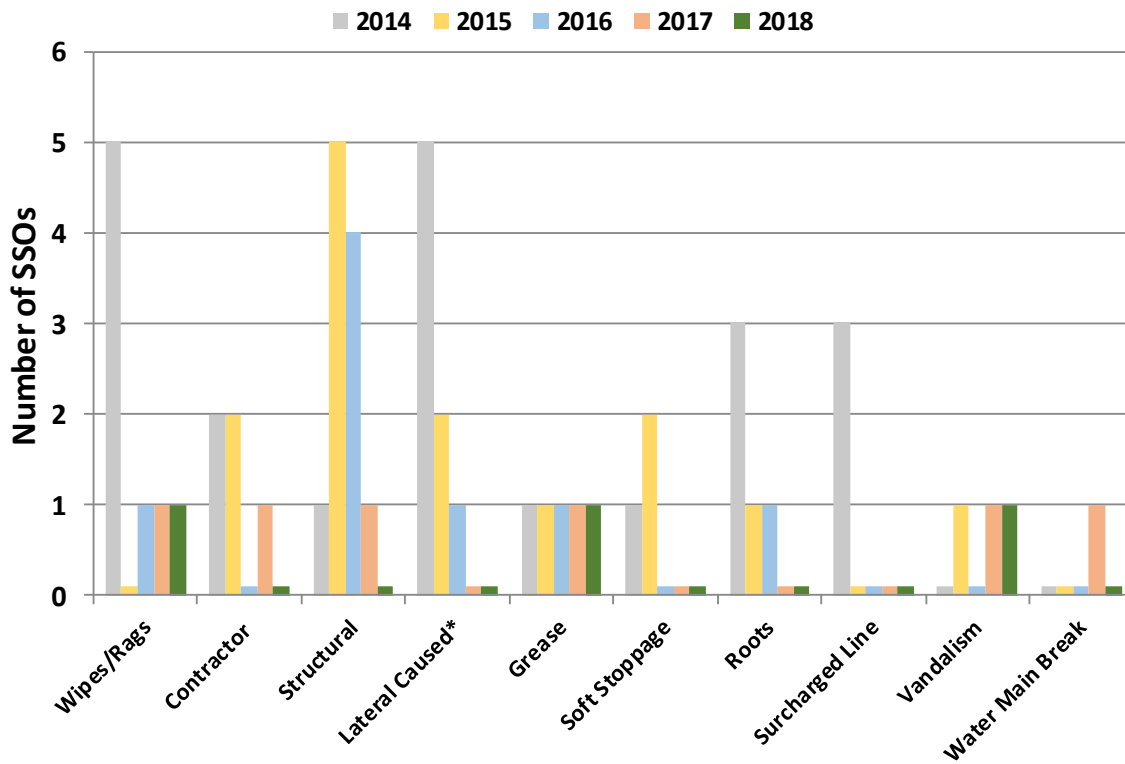


\*Per California Integrated Water Quality System (CIWQS) website on 1/2/2018

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

**TABLE 5**

**Causes of Sanitary Sewer Overflows**



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



**ASSESSMENT:** As shown in Tables 1 and 2, the number of SSOs continue to trend lower each year and is particularly low when compared to the industry average for the State and San Francisco Bay Region. As shown in Tables 3 and 4, the volume of SSOs continue to be especially low compared to the volume of sewage successfully collected and transported and also in relation to the industry average for the State and San Francisco Bay Region.

Table 5 shows blockages due to disposable wipes and property owners pushing roots, wipes and/or other debris into the main sewer (lateral caused) remain low after having been the main cause of numerous SSOs in past years. Our increased maintenance, newsletters, public outreach and targeted notices to inform and educate residents is having the desired effect in preventing these types of blockages. There were also no SSOs due to main line structural problems in 2018 indicating we are effectively finding and repairing these issues before they cause a disruption to service.

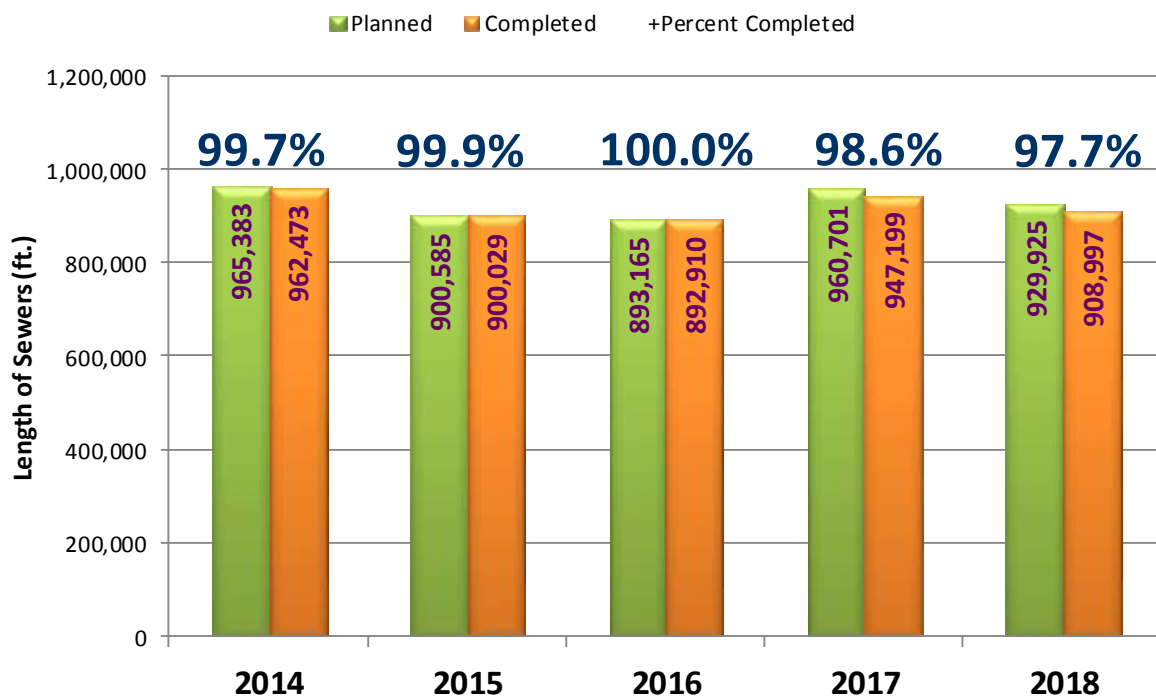
Table 5 goes on to show that there was a total of 3 SSOs in 2018 due to disposable wipes, grease, and vandalism. The 2 SSOs due to wipes and grease received increased maintenance frequencies and targeted notices to inform and educate residents upstream of the incident to prevent a reoccurrence. The 3rd SSO was caused by a large rock lodged in the sewer. Maintenance crews CCTV'd all upstream lines and inspected all upstream manholes but found no evidence of breaks or where the rock originated and, therefore, attributed the SSO to vandalism.

## Sanitary Sewer Maintenance

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

TABLE 6

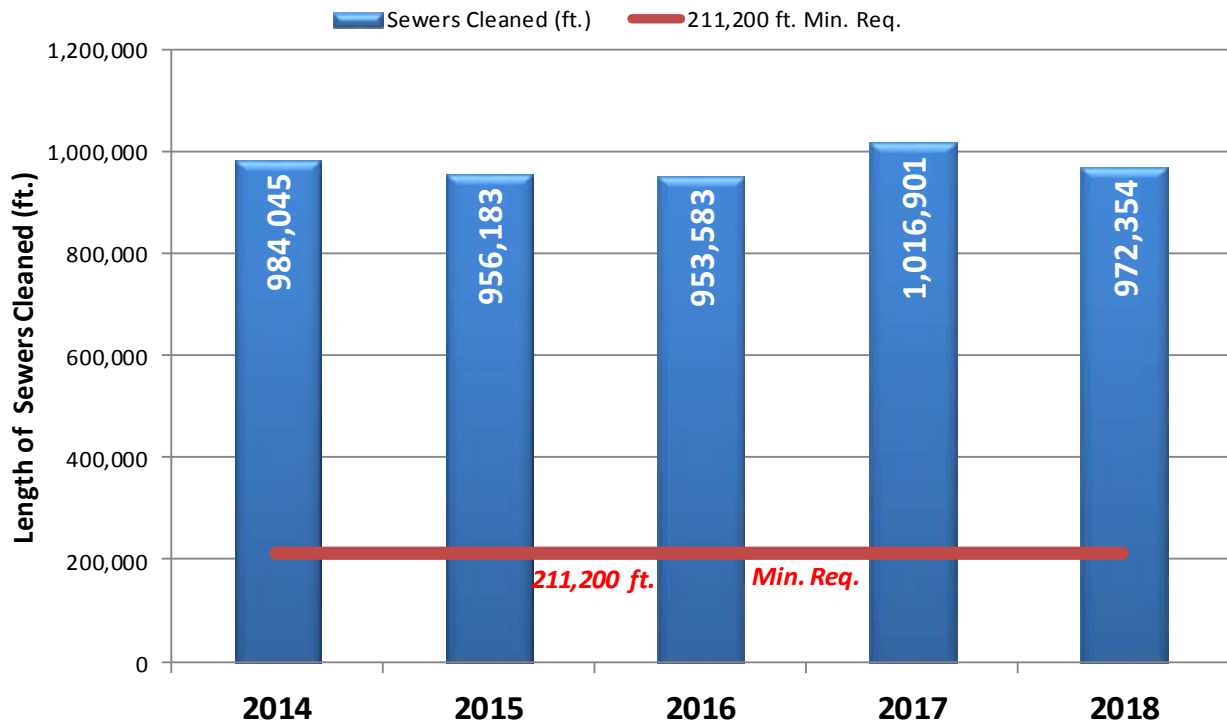
### Sanitary Sewer Maintenance Planned vs. Completed



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

**TABLE 7**

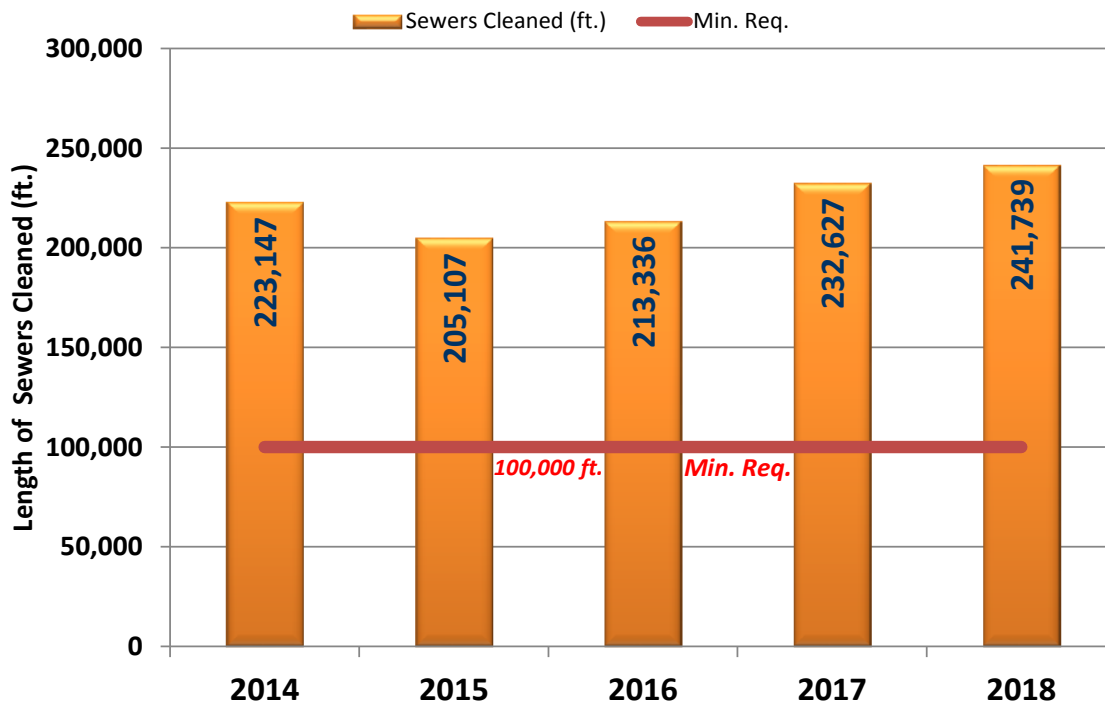
### Sanitary Sewer Cleaning



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

**TABLE 8**

**Sanitary Sewer Hot Spot Cleaning**



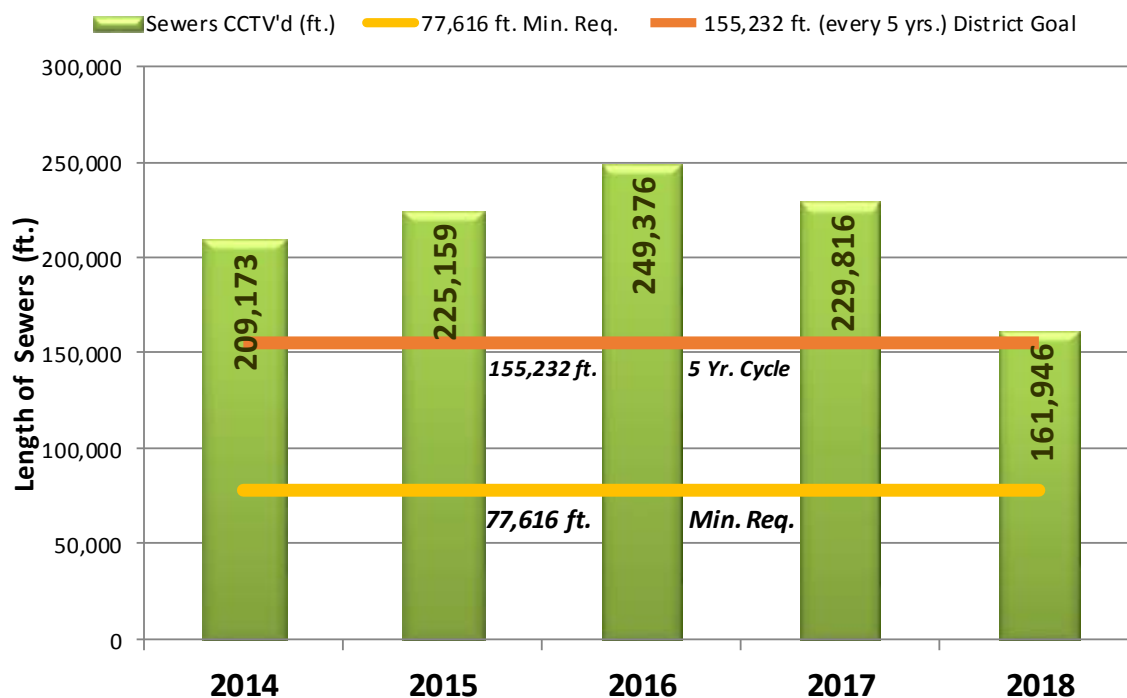
**ASSESSMENT:** As shown in Table 6, Maintenance staff continues to routinely complete close to 100% of the scheduled maintenance work and, as shown in Table 7 and 8, continue to perform far above the USEPA required cleaning rate of at least 211,200 feet per year and hot spot cleaning of 100,000 feet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

## Sanitary Sewer Condition Assessment

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

TABLE 9

### Sanitary Sewer Condition Assessment

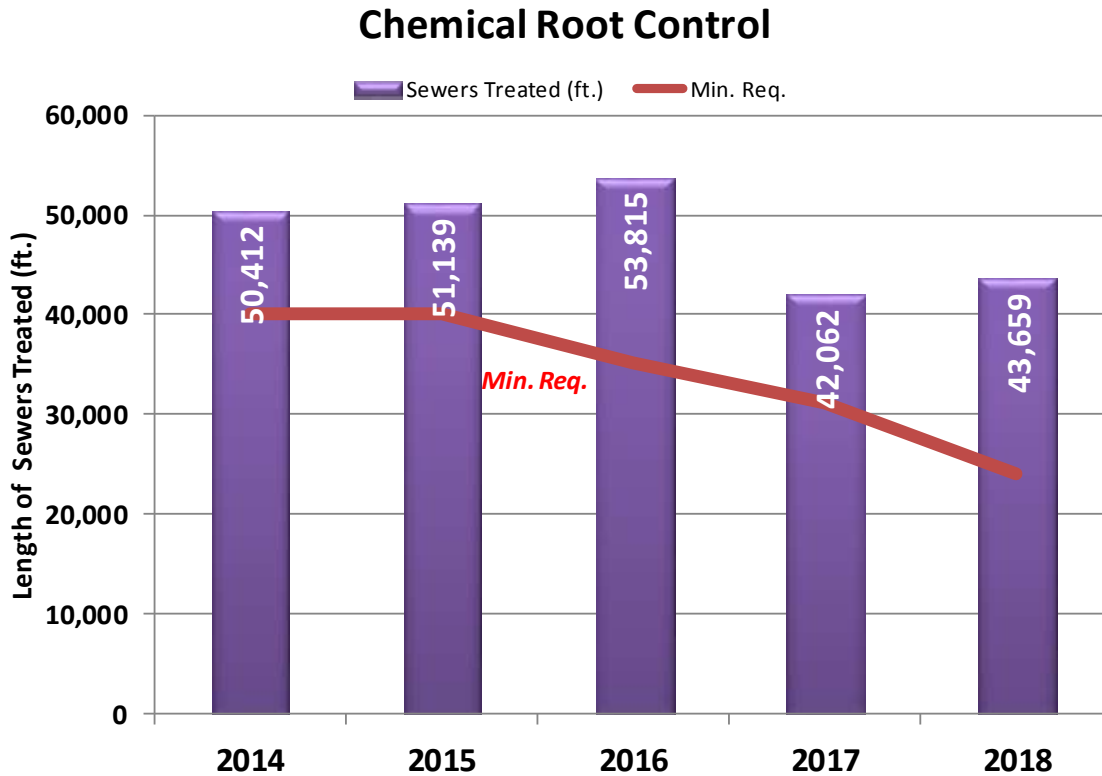


**ASSESSMENT:** Maintenance staff continues to complete CCTV inspection work at or above the 5 year revolving schedule rate and at least twice the USEPA required CCTV inspection rate of 77,616 feet per year. Again, our intent is not to CCTV inspect lines merely to fulfill the USEPA requirements, but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

## Chemical Root Control

The current minimum requirement, per the USEPA Consent Decree, is to chemically treat with foam to control excessive roots 24,003 feet of lines annually on a three year rolling average.

TABLE 10



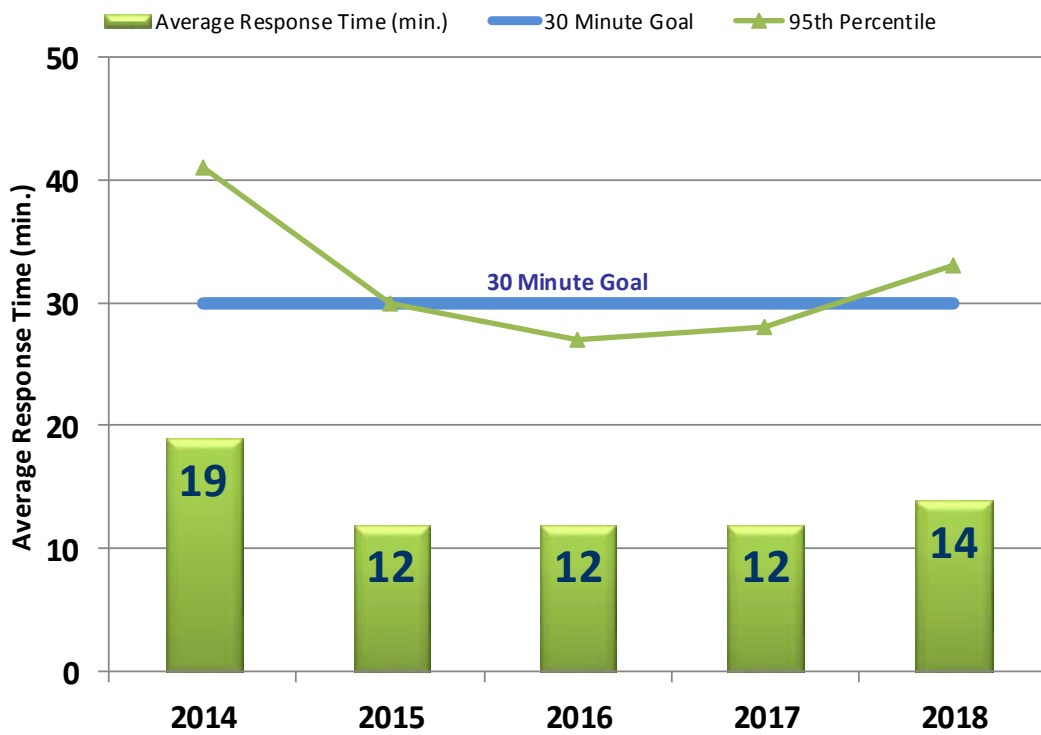
**ASSESSMENT:** The District continues to stay well above the USEPA required minimum feet per year. Going forward, the minimum requirement can continue to be reduced, with USEPA approval, as lines are rehabilitated or CCTV assessment indicates there are no longer excessive roots requiring treatment. A reduction is currently proposed to decrease the minimum requirement for 2019 by another 51 feet due to recently rehabilitated sewer mains no longer having excessive roots requiring treatment. Again, our intent is not to chemically treat with foam to control excessive roots merely to fulfill the USEPA requirements, but as necessary and appropriate to fulfill our mission and prevent SSOs.

### Service Call Response

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

**TABLE 11**

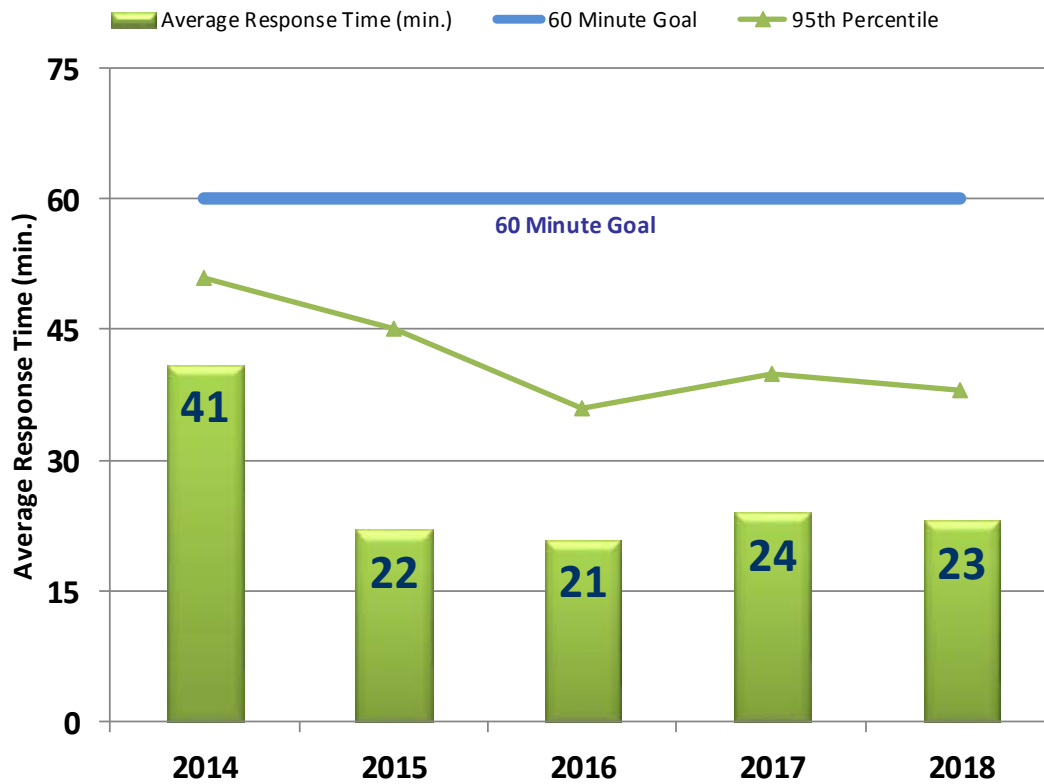
#### Service Call Response Time DURING Business Hours (min.)



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

TABLE 12

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





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

**TABLE 13**



Surveys Sent	129	183	184	149	112
Surveys Returned	32	62	63	26	44

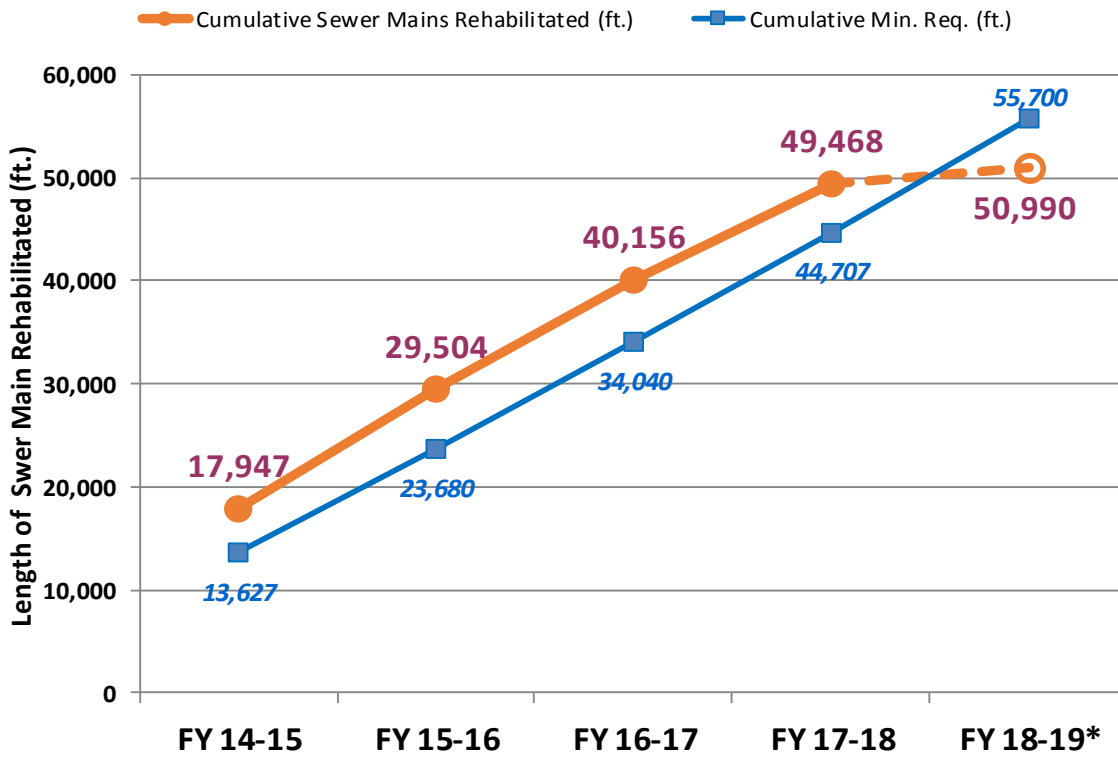
**ASSESSMENT:** As shown in Table 11 and 12, both average response times continue to be well below the 30 minute and 60 minute goals. The fast response time, in conjunction with staff making a concerted effort to always be courteous and helpful, contributes to the consistently high customer satisfaction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

### Sanitary Sewer Rehabilitation

The minimum requirement, per the USEPA Consent Decree, is to complete rehabilitation of 23,680 feet of sewer main by the end of FY 2015-16 and to continue at no less than the feet of sewer main stated in the Consent Decree Appendix based on a cumulative total (e.g., 34,040 feet by June 30, 2017; 44,707 feet by June 30, 2018; etc.) for the duration of the Consent Decree.

TABLE 14

### Sanitary Sewer Main Rehabilitation

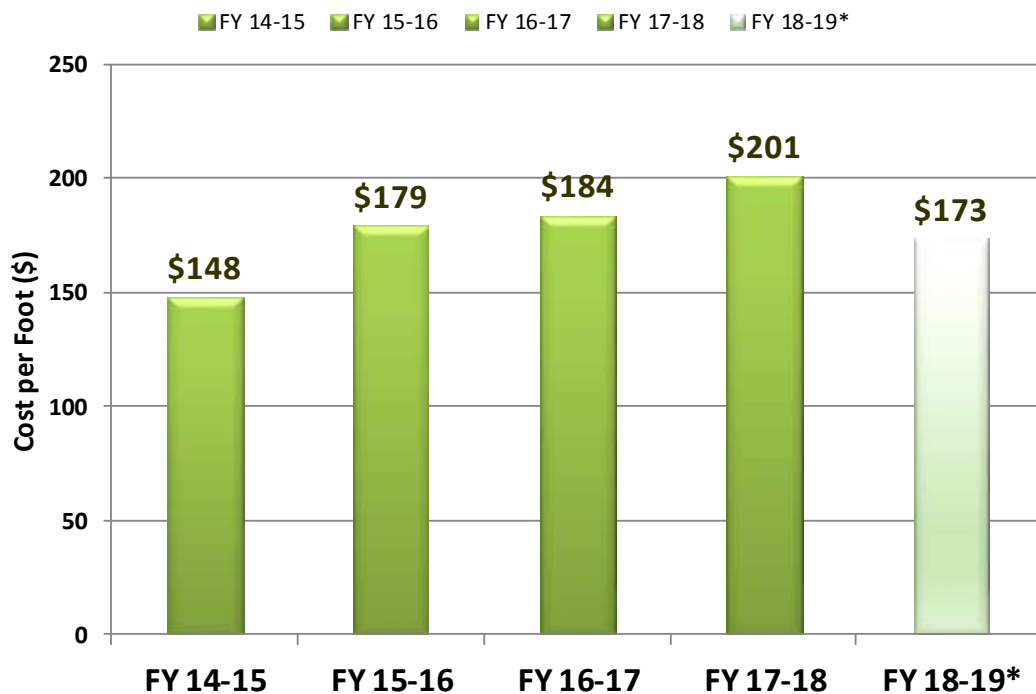


*\*In progress (as of 12/2018)*

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

TABLE 15

### Sanitary Sewer Rehabilitation Cost per Foot



*\*In progress (as of 12/2018)*

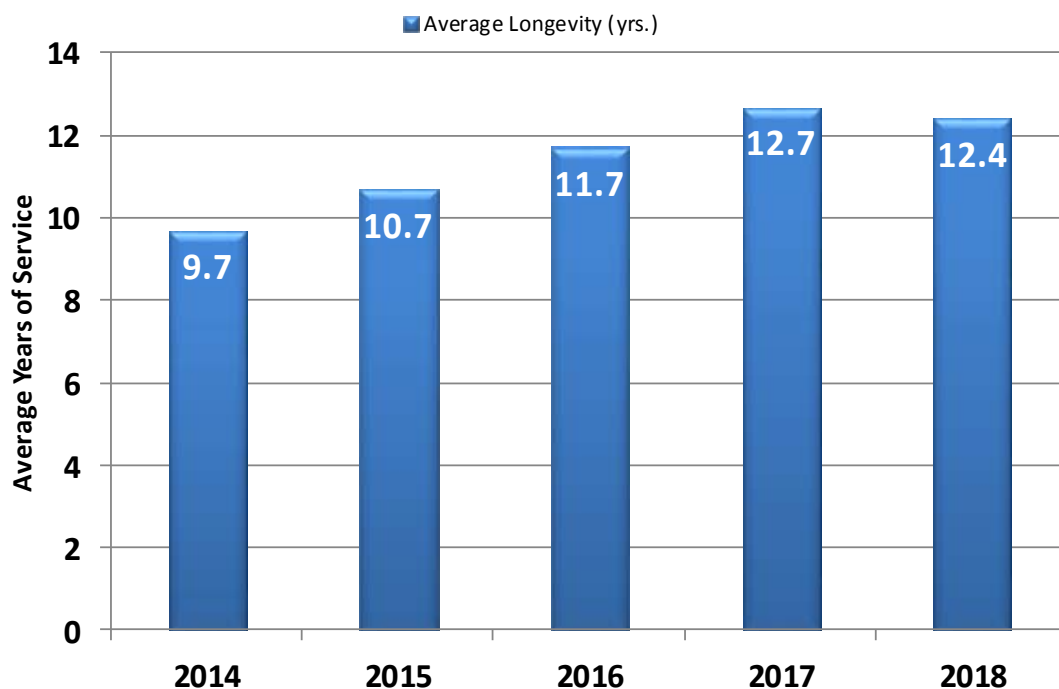
**ASSESSMENT:** As shown in Table 14, the District’s cumulative rehabilitation total was well above the required cumulative rehabilitation total of 44,707 feet at the end of FY 17-18. Engineering staff will continue to try to stay ahead of the required rehabilitation total to protect against sudden increases to construction costs that our neighboring agencies are currently experiencing. As shown in Table 15, the rehabilitation cost per foot was \$201 in FY 2017-18 which is about a 10% increase over the past 2 years. The rehabilitation cost per foot for the current fiscal year is \$173, but is incomplete as the capital improvement project is still ongoing. Nevertheless, Engineering staff remains confident the current fiscal year will again end with a rehabilitation rate well ahead of the Consent Decree requirement since there are still 6 months and 85% of the budget remaining before the end of this fiscal year.

## Employee Retention/Longevity

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

TABLE 16

### Employee Retention/Longevity

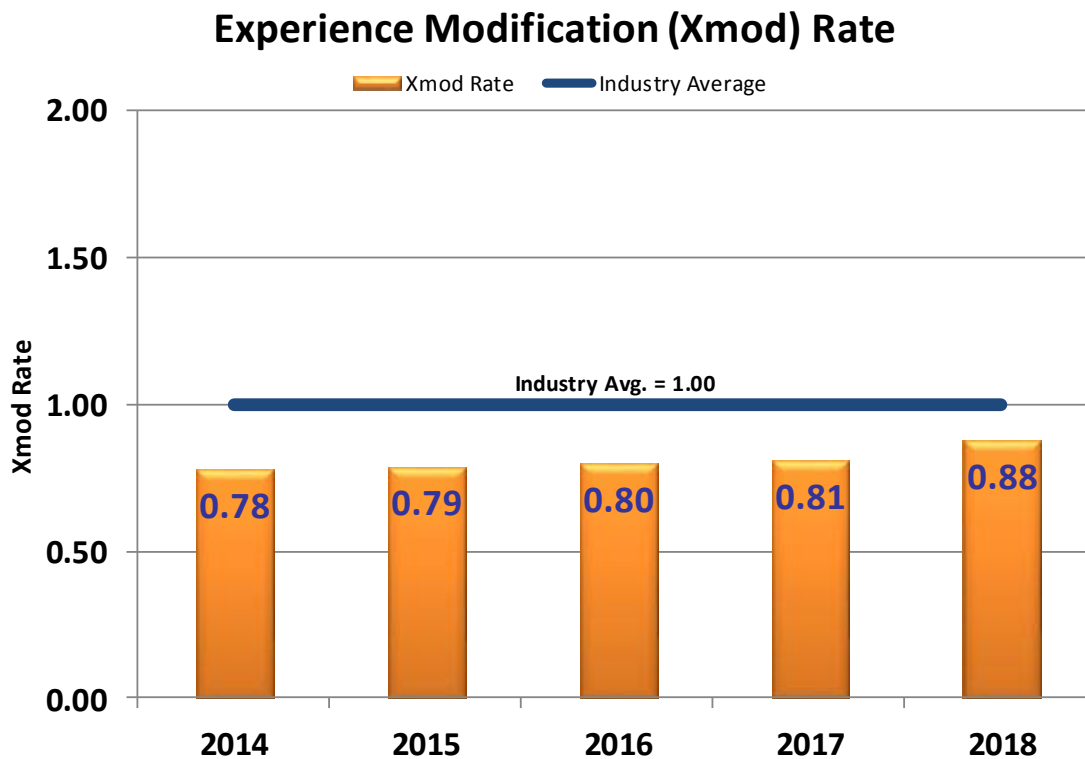


**ASSESSMENT:** Employee retention remains very high. For the last decade, the only turnover has been as a result of retirement. The District continues to value its employees and, in return, employees continue to be loyal to the District. This highly trained, highly skilled workforce longevity helps to keep the District's institutional knowledge and history intact. The average years of service remains over 12 years even after the recent retirement of a long time employee.

### Experience Modification (Xmod) Rate

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

TABLE 17



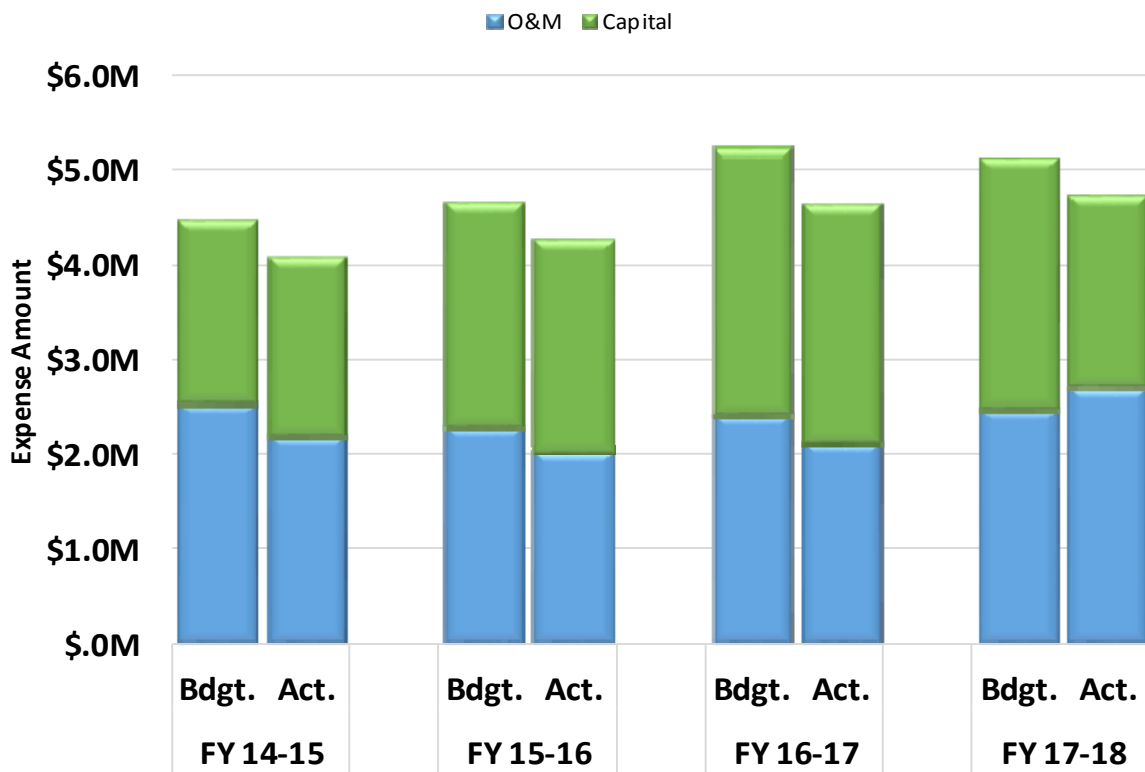
**ASSESSMENT:** The District continues to have a historically safe workplace and, until recently, had gone 20 years without a worker's compensation insurance incident. As the District's payroll base is very small, any loss will have a significant impact on the Ex-Mod. Even with the one minor incident, the District's Xmod rate continues to perform better than the industry average.

**Finances**

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

TABLE 18

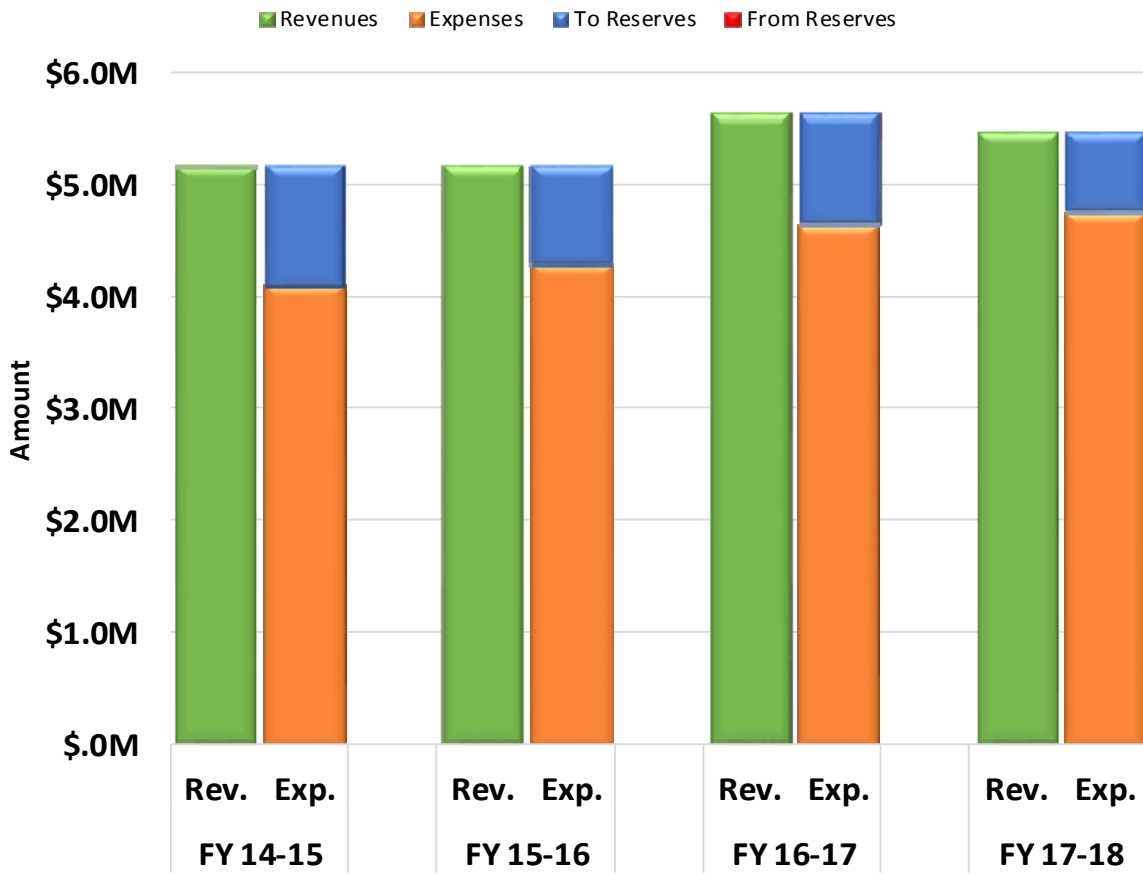
**Budget vs. Actual Expenses**



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

TABLE 19

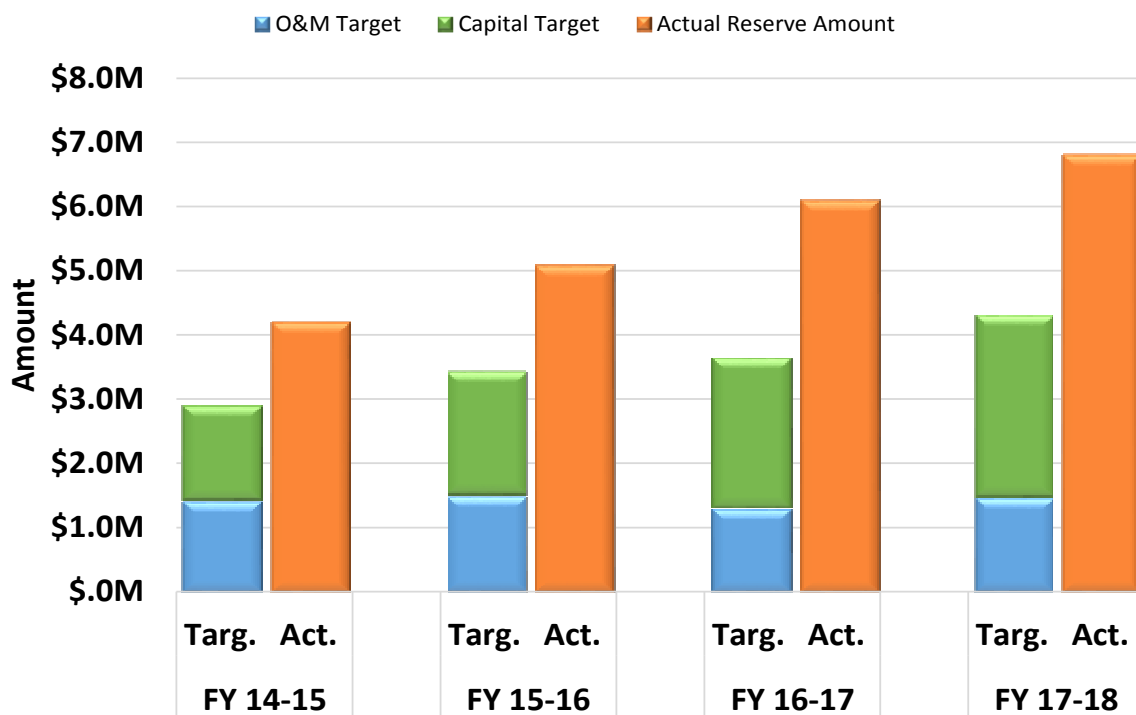
**Actual Revenues vs. Actual Expenses**



The target for the Operating Reserve is equal to 60% of operating and maintenance costs. This level of funding is intended to adjust annually to equal the District’s budgeted costs from May to December, reflecting the lag in the collection of sewer service charges from the County tax roll. The target for the Capital 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) to ensure that the District has adequate funds available on an annual basis to conduct sewer pipeline replacements and to fund any emergency needs.

**TABLE 20**

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

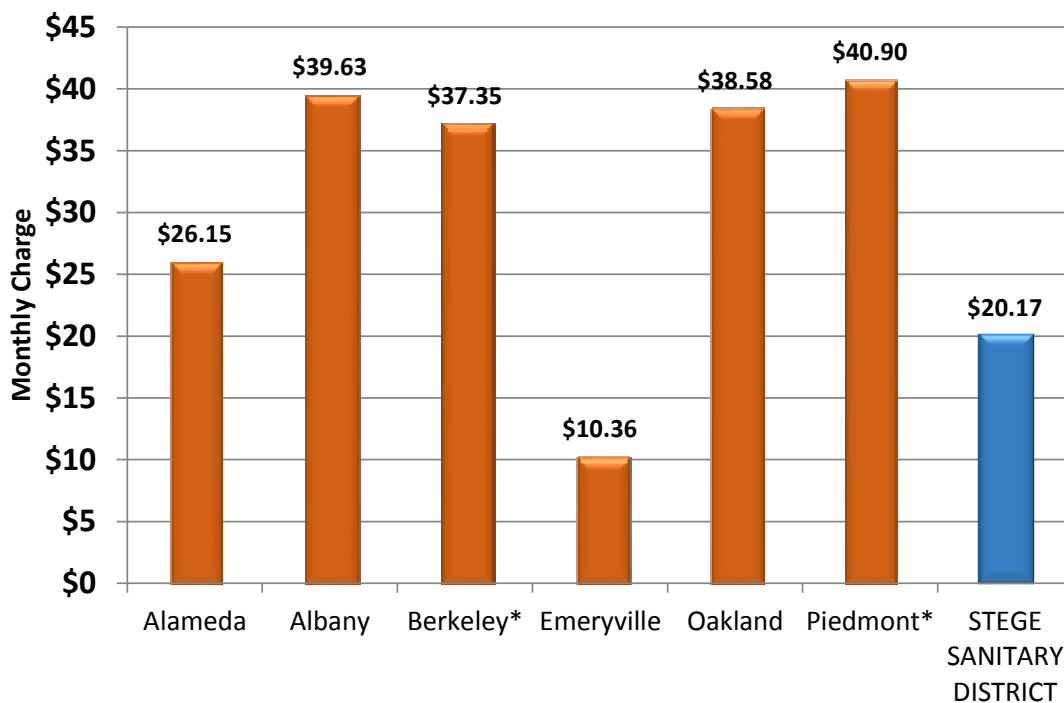




The District’s Sewer Service Charge covers the cost of the operation, maintenance, and capital improvements to the sanitary sewer system. The goal is to provide a high level of service that is both cost effective and efficient while maintaining a sewer service charge among the most affordable of the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

TABLE 21

### Monthly Sewer Service Charge Comparison



\* Based on 48,660 gals./yr.

**ASSESSMENT:** For FY 2017-18, actual expenses were 7.5% less than the forecasted budget amount as shown in Table 18 and 15% less than actual revenues as shown in Table 19. This net gain was added to the fiscal year end reserve amount increasing it to 158% of the reserve target goal of \$4.3 million, as shown in the Table 20.

The District continues to be in a strong financial position moving forward into FY 2018-19. The District is currently conducting a Sewer Rate and Connection Charge Study to ensure the long-term financial stability while continuing to keep the District’s sewer service charge, as shown on Table 21, among the most affordable of the East Bay agencies.