Stege Sanitary District Board of Directors

7:00 PM, District Board Room, 7500 Schmidt Lane, El Cerrito, CA 94530

Meeting Agenda – August 6, 2026

Items on the agenda may be taken out of order.
Public comment is limited to three minutes for each individual speaker.

In accordance with California Government Code Section 54957.5, any writing that is a public record and relates to an open session agenda item which is distributed less than 72 hours prior to the meeting shall be available for public inspection at the District Office, 7500 Schmidt Lane, El Cerrito, during regular business hours. Copies of the agenda are posted on the district website at www.stegesan.org Those disabled persons requiring auxiliary aids or services in attending or participating in this meeting should notify the district at least 48 hours prior to the meeting at (510) 524-4668.

Members of the public can observe the live stream of the meeting by accessing **https://zoom.us/j/84090509848** or by calling **(669) 900-9128** and entering the Meeting ID# **840 9050 9848** followed by the pound (#) key.

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

Public comment can be sent remotely by delivering a physical copy to **7500 Schmidt Lane, El Cerrito, CA 94530** or via email to **comments@stegesan.org** with "Public Comment" in the subject line. To provide written comments on an item on the agenda or to address the Board during Public Comment, please note the agenda item number that you want to address or whether you intend for the comment to be included in Public Comment. Comments received at least 15 minutes before the starting time of the meeting will be provided to the Board of Directors and will be added to the official record.

Verbal Public Comment during the meeting is limited to in-person participants. Members of the public will not have the ability to comment via Zoom unless the Board of Directors is required to provide that opportunity due to a director participating pursuant to AB 2449. In such circumstances, the Chair will make an announcement at the beginning of the meeting. Those interested in commenting (if required per AB 2449) should raise their virtual hands to notify the host during the relevant agenda item.

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

1. **Call to Order**

2. **Roll Call**

3. **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.

4. **Public Comment:**
   Members of the public are invited to address the Board concerning topics that are **not** on the agenda. Comments on agenda items will be heard when the item is up for consideration.

5. **Board Members Comments:**
   Board members may make brief announcements, report on activities, or request items for future agendas. No discussion or action will be taken on items not listed on the agenda.

Motion: 6. **Approval of Minutes:**
   - A. July 16, 2026 Meeting Minutes
   - B. July 21, 2026 Special Meeting Minutes

Info: 7. **Staff & Officer Reports:**
   - A. General Manager's Verbal Report
   - B. District Legal Counsel's Verbal Report

Info: 8. **Superintendent's Reports:**
   - A. Verbal Maintenance Report

Info: 9. **Engineer's Reports:**
   - A. Verbal Engineering Report

Motion: 10. **Treasurer's Report:**
   - A. Approval of Disbursements
   - B. EFTs

Info: 11. **Verbal Report on District Website Requirements**

Info: 12. **Verbal Report on Operational Projects Progress**

Info: 13. **Reimbursement Report per Gov. Code § 53065.5**

Motion: **14. Adopt Resolution No. 2291-0826 Amending the Board Governance Policy Manual**

Info: **15. Long Range Planning: Session I**

16. Future Agenda Items:

August 20, 2026

A. AB 1234 Training
B. Monthly Operations Reports
C. Treasurer's Reports
D. Historical Documents Discussion with Contra Costa County Historical Society
E. Long Range Planning: Session II

September 3, 2026

A. Operations and Maintenance: Consultant Recommendations
B. Long Range Planning: Session III

CLOSED SESSION

Public Employment Performance Evaluation
Gov. Code § 54957
Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS
Gov. Code § 54957.6

Agency Designated Representatives:
Bobby Magee, General Manager
Neha Shah, Legal Counsel

Employee Organizations:
The Collections System Unit and Supervisory Unit

17. Adjournment

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Bobby Magee
General Manager
STEGE SANITARY DISTRICT

Stege Sanitary District Board of Directors
Meeting of July 16, 2026 at 7:00 PM
District Board Room, 7500 Schmidt Lane, El Cerrito, CA 94530
DRAFT Meeting Minutes - July 16, 2026

1. **Call to Order:**
   President Beach called the meeting to order at 7:00 PM.

2. **Roll Call:**
   Present: Beach, Merrill, Gilbert-Snyder, O'Keefe, Christian-Smith
   Absent: None
   Others: Kristopher Kokotaylo, District Counsel
   Bobby Magee, General Manager
   Paul Soo, Jr., Civil Engineer
   Dennis Wright, Maintenance Superintendent
   Kim Wendt, Administrative Specialist

3. **Agenda Items:**
   Directors and Officers of the Board announced no conflicts of interest with items on the agenda.

4. **Public Comment:**
   There were no public comments.

5. **Board Members Comments:**
   Director Merrill commented on the positive 4th of July Event attendance and Director O'Keefe that the sponsor banner needs a more prominent SSD logo. Director Gilbert-Snyder reported a constituent's concern over the newsletter missing words.

6. **Approval of Minutes:**
   Approval of July 2, 2026 Meeting Minutes.
   MOTION: By Merrill, seconded by Gilbert-Snyder, to approve the minutes of the July 2, 2026 Meeting Minutes.
   VOTE: AYES: Merrill, O'Keefe, Gilbert-Snyder, Beach
   NOES: None
   ABSTAIN: Christian-Smith
   ABSENT: None

7. **Staff & Officer Reports:**
   A. **Oral Manager's Report**
   The Board received an operations update, including the Annual Safety Meeting scheduled for July 21.
   The Board received the updated 2026 Board Calendar.
   B. **Oral Attorney's Report**
   The Board received an update on Prop 43 from the District Counsel.

8. **Superintendent's Reports:**
The Board received the reports and asked staff technical questions related to the data.

9. **Engineer's Reports:**
The Board received the reports and asked staff technical questions related to the data.

10. **Treasurer's Report:**
MOTION: By Christian-Smith, seconded by Gilbert-Snyder, to approve ratification of end-of-period July 9, 2026 disbursements & approval of end-of-period July 14, 2026 disbursements.

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

11. **Approve Resolution No. 2288-0726 Accepting Report on Sewer Service Charges and Electing to Collect Sewer Service Charges on the Tax Roll.**
MOTION: By O'Keefe, seconded by Christian-Smith, to approve Resolution No. 2288-0726.

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

12. **Approve Ordinance No. 2261-0726 Amending Chapter 7 of the Stege Sanitary District Ordinance Code – Connection Charge.**
MOTION: By Gilbert-Snyder, seconded by O'Keefe, to approve Ordinance No. 2261-0726 as amended.

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

13. **Approve Ordinance No. 2262-0726 Approving Increase in Director's Fees.**
MOTION: By Gilbert-Snyder, seconded by O'Keefe, to approve Ordinance No. 2262-0726.

VOTE:	AYES:	O'Keefe, Gilbert-Snyder, Christian-Smith
	NOES:	Merrill
	ABSTAIN:	Beach

ABSENT: None

14. Approve Resolution No. 2286-0726 Authorizing the Purchase of One Staff Vehicle.
MOTION: By Christian-Smith, seconded by Gilbert-Snyder, to approve Resolution No. 2286-0726 as amended.
VOTE: AYES: Merrill, O'Keefe, Gilbert-Snyder, Beach, Christian-Smith
NOES: None
ABSTAIN: None
ABSENT: None

15. Approval of Resolution No. 2289-0726 Amending the District Investment Policy, and Resolution No. 2290-0726 Directing Staff to Amenda the District Working Capital Policy.
MOTION: By O'Keefe, seconded by Merrill, to approve Resolution No. 2289-0726 as amended and Resolution No. 2290-0726 as amended.
VOTE: AYES: Merrill, O'Keefe, Gilbert-Snyder, Beach, Christian-Smith
NOES: None
ABSTAIN: None
ABSENT: None

16. Future Agenda Items:
The Board discussed items it would like to see on future agendas.

17. Adjournment:
The meeting adjourned at 9:50 PM.

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Bobby Magee
General Manager
STEGE SANITARY DISTRICT

Stege Sanitary District Board of Directors
Special Meeting of July 21, 2026 at 11:00 AM
District Board Room, 7500 Schmidt Lane, El Cerrito, CA 94530
DRAFT Special Meeting Minutes

1. **Call To Order:**
   Vice President Merrill called the meeting to order at 11:03 AM.

2. **Roll Call:**
   Present: Merrill, O'Keefe, Gilbert-Snyder
   Absent: Beach, Christian-Smith
   Others: Bobby Magee, General Manager
   Paul Soo, Civil Engineer
   Arvin Gonzales, Engineer Technician/Inspector
   Yoalmo E. Reyes, Collection System Worker
   Juan Perez, Collection System Worker
   Dante Deluca, Collection System Worker
   Jeremy Davis, Collection System Worker
   Kim Wendt, Administrative Specialist

3. **Public Comments:**
   There were no public comments.

4. **Recognition of Staff Safety Efforts for 2025/26:**
   The Board received the General Manager's report on staff safety for 2025/26.

5. **Adjournment:**
   The meeting was adjourned at 11:34 AM.

Bobby Magee
General Manager
STEGE SANITARY DISTRICT

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Dennis Wright, Maintenance Superintendent
SUBJECT:	Superintendent’s Reports

RECOMMENDATION
It is recommended that the Board of Directors Receive and File the Superintendent’s Reports.

BACKGROUND AND DISCUSSION
Staff provides several monthly reports related to the District’s operations. For the month of July 2026, the following reports have been included:

- Verbal Maintenance Report
- Mission Control Activities

FISCAL IMPACT
There is no fiscal impact to receiving and filing the reports.

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Paul Soo, Senior Engineer
SUBJECT:	Engineer’s Reports

RECOMMENDATION

It is recommended that the Board of Directors Receive and File the Engineer’s Reports.

BACKGROUND AND DISCUSSION

Staff provides several monthly reports related to the District’s operations. For the month of July 2026, the following reports have been included:

- Verbal Engineering Report
- Pipe Bursting Activities
- RFP’s for Flow Monitoring and for FY’s 2027/28 – 2031/32 Pipe Bursting

FISCAL IMPACT

There is no fiscal impact to receiving and filing the reports.

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Bobby Magee, General Manager / District Treasurer
SUBJECT:	Treasurer's Report

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Disbursements for the Period Ending 8/6/26; and,
2. Receive and File the Verbal Report on Electronic Fund Transfers (EFT) for the Period Ending 8/6/26.
3. Receive and File the Time Value Investments Report from June 2026.

BACKGROUND AND DISCUSSION

Historically the Board of Directors has been asked to approve the District's checks each month to pay vendors. The attached group of warrants represents the District's outgoing payments for the period of July 16 – August 6, 2026.

Current Estimated Bank Balances:

Account	Balance
Five Star Checking	$233,940.65
Five Star Savings	$2,417,658.71
LAIF	$6,685,443.79
Time Value Investments	$2,137,996.89
Total	**$11,475,040.04**

FISCAL IMPACT

The checks identified in the attached report constitute the current financial liabilities to the District in the form of warrants, which is currently within budgeted and appropriated amounts. There is no fiscal impact to receiving and filing the EFT and Budget reports.

Payee	Transaction Description	Transaction Amount	Document Number	Document Date
Alliant Insurance Services, Inc.	Mobile Vehicle Insurance Policy	10,842.00	2209	7/22/2026
CCP Direct	Nitrile Power Free Exam Gloves Black and Blue	650.27	2216	7/23/2026
Direct Line	Monthly Answering Service	120.00	2215	7/23/2026
Nerd Crossing	3 laptops, 2 desktops, 9 motors, 1 printer, 5 keyboards and mouse and 3 docking stations	17,410.81	2214	7/23/2026
Pastime Hardware	Padlock 3/4 Brass 120D	7.71	2217	7/23/2026
Pastime Hardware	Rain-X Carwash	9.91	2217	7/23/2026
R & R Auto Services	Gas Bill - June 2026	4,345.10	2218	7/23/2026
Redwood Public Law, LLP	Special Services (Labor)	8,278.00	2210	7/22/2026
Redwood Public Law, LLP	Travel Retainer (Expenses)	46.91	2210	7/22/2026
Redwood Public Law, LLP	Confidential Matter	12,813.00	2219	7/23/2026
Redwood Public Law, LLP	June 2026 Flat Retainer	4,392.00	2219	7/23/2026
Redwood Public Law, LLP	Labor Negotiations	2,820.00	2219	7/23/2026
Uline	Adj Ht Training	589.88	2208	7/22/2026
Underground Service Alert	2026 Membership Fee	6,587.62	2213	7/22/2026
Vestis	Uniform and Laundry Services	241.20	2211	7/22/2026
Vestis	Uniforms and Laundry	116.36	2211	7/22/2026
Xerox Financial Services	Contract Billing - 6-30-26 to 7-29-2026	361.44	2212	7/22/2026
Report Total		69,632.21		

Payee	Transaction Description	Transaction Amount	Document Number	Document Date
Regional Government Services	Professional Services -6/1/26 to 6/30/26	10,045.90	2234	7/30/2026
Reliance Standard Life	Life Insurance - August 2026	217.06	2235	7/30/2026
Olivero Plumbing Company, Inc	Furnish and install two Moen Sensor Faucets	2,320.36	2236	7/30/2026
TPx Communications	July 2026 Telephone Service	1,527.33	2237	7/30/2026
Undergroud Service Alert	CA State Fee for Regulatory Cost FY 26-27	2,465.60	2238	7/30/2026
DATCO Services Corp.	4 Quarters of Drug Testing	774.00	2239	7/30/2026
Everest Plumbing Inc.	PSL Loan - 620 Elm Street	14,000.00	2240	7/30/2026
Arvin Gonzales	CSRMA Staff Wellness FY 25-26	208.57	2241	7/30/2026
Dante Deluca	CSRMA Staff Wellness FY 25-26	201.93	2242	7/30/2026
Juan Perez	CSRMA Staff Wellness FY 25-26	208.57	2243	7/30/2026
Yoalmo Reyes	CSRMA Staff Wellness FY 25-26	208.57	2244	7/30/2026
Jeremy Davis	CSRMA Staff Wellness FY 25-26	155.38	2245	7/30/2026
Paul Soo	CSRMA Staff Wellness FY 25-26	208.44	2246	7/30/2026
Dennis Wright	CSRMA Staff Wellness FY 25-26	208.57	2247	7/30/2026
PG&E - #6675831511-4	Gas and Electric - District Office	1,217.12	2248	7/30/2026
PG&E - #0103487151-9	Electric - Burlingame	159.59	2249	7/30/2026
Report Total		34,126.99		
Report Total		69,632.21		

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Bobby Magee, General Manager
SUBJECT:	District Website Requirements

RECOMMENDATION

It is recommended that the Board of Directors:

Receive and file a verbal report on future District website requirements.

BACKGROUND AND DISCUSSION

In October 2023 California Assembly Bill (AB) 1637 was signed into law by Governor Newsom, requiring "local agencies" to migrate public websites and/or email addresses to a .gov or .ca.gov domain by January 1, 2029. Under the new law, "local agency" was defined as "a city, county, or city and county." Thus, the bill does not apply to Special Districts. The intent of the law was to enhance the credibility and accessibility of government information for constituents. Special Districts are required to maintain a website under Senate Bill (SB) 929. Unlike cities and counties, Special Districts are not mandated to use a .gov or .ca.gov domain. The purpose and intent of both AB 1637 and SB 929 is to ensure transparency, accessibility of government information, and credibility of the District's messaging to the public.

The District's current website is in need of a refresh, having been built out in 2021. There is evidence of stale information, incorrect information, missing and/or limited information and many important items, broken links, and a need for modern integration of useful technologies to disburse current District information.

During informal conversations with Nerd Crossing, the District's contracted IT providers, staff agreed that a full website refresh would likely be in order, and staff will be seeking direction on the Board's vision for the future of the District's website.

FISCAL IMPACT

There is no fiscal impact to receiving and filing the verbal report.

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Bobby Magee, General Manager / District Treasurer
SUBJECT:	Operational Progress Update

RECOMMENDATION

It is recommended that the Board of Directors:

Receive and file a verbal report on operational progress during calendar year 2026 to date.

BACKGROUND AND DISCUSSION

In January 2026 staff began to undertake a large number of activities to assess the District's current policies, procedures, and operational practices. Since that time, several contracts have been approved by the Board. Staff is now prepared to provide a verbal progress report on many of the items that have been evaluated and improved upon.

FISCAL IMPACT

There is no fiscal impact to receiving and filing the verbal report.

STEGE SANITARY DISTRICT
STAFF REPORT
Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Bobby Magee, General Manager
SUBJECT:	Employee Reimbursements for FY 2025/26

RECOMMENDATION
It is recommended that the Board of Directors:

Receive and file a report on Employee Reimbursements for FY 2025/26.

BACKGROUND AND DISCUSSION

California Government Code Section 53065.5 states that each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars ($100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.

The attached report contains all employee reimbursements that meet this requirement for FY 2025/26.

FISCAL IMPACT
There is no fiscal impact to receiving and filing the report.

STEGE SANITARY DISTRICT

REPORT ON EMPLOYEE REIMBURSEMENTS AS REQUIRED BY CA GOVT CODE 53065.5

Check Number	Check Date MM/DD/YY	Check Paid To	Activity Date MM/DD/YY	Reimbursement For	Trans-portation	Hotel	Meals	Registration Expenses	For Office Or Other	Report Amount
1836	11/19/2025	Tessa Beach	7/29/2025	CASA Conference	$ 374.56	$ 400.00	$ 200.00	$ 795.00		$ 1,769.56
1668	08/07/2025	Dwight Merrill	7/29/2025	CASA Conference	$ 327.96	$ 200.00	$ 150.00	$ 795.00		$ 1,472.96
1876	12/17/2025	Lani Good	12/1/2025	Laptops and Monitors					$ 2,384.53	$ 2,384.53
081225	08/12/2025	Lani Good	08/01/2025	Computers					$ 2,906.38	$ 2,906.38
090725a	09/07/2025	Lani Good	07/29/2025	CASA Conference					$ 1,337.47	$ 1,337.47
2144	06/30/26	Paul Soo	06-17-2026		$ 15.95					$ 15.95
1965	03/04/2026	Bobby Magee	03/05/2026	Board Meeting 3/5/2026			$ -		$ 144.14	$ 144.14
1959	02/19/2026	Bobby Magee	02/01/2026	Two notary at $15 each for PSL					$ 30.00	$ 30.00
2004	03/18/2026	Bobby Magee	03/19/2026	Board Meeting 3/19/2026					$ 187.97	$ 187.97
2013	03/18/2026	Bobby Magee	03/20/2026	Board Meeting 3/20/26					$ 122.30	$ 122.30
1917	01/15/2026	Sarah Wanlass	01/01/2026	Office supplies			$ 283.45			$ 283.45
1942	02/05/2026	Sarah Wanlass	02/01/2026	Office supplies			$ 119.96			$ 119.96
2029	04/07/2026	Sarah Wanlass	04/01/2026	Printing of 1000 non-window envelopes (PrimeCopy)			$ 323.76			$ 323.76
					$ 718.47	$ 600.00	$ 1,077.17	$ 1,590.00	$ 7,112.79	$ 11,098.43

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Bobby Magee, General Manager
SUBJECT:	Board Governance Policy Manual

RECOMMENDATION
It is recommended that the Board of Directors:

Review the Board Governance Policy Manual and Adopt Resolution 2291-0826 Revising the Policy as Presented.

BACKGROUND AND DISCUSSION
The Board Governance Policy Manual has historically been reviewed annually. It was last reviewed in April 2025, and during the 2025 Long Range Planning Meeting the Board directed staff to change the frequency at which the Manual is review to biannual. The Board further directed staff to agendize the Board attendance policy and enforcement options the next time the Manual was to be reviewed. Staff had intended to bring the Manual back in 2027, however with many operational items currently under review it was determined that it would be appropriate to consider multiple matters now.

The redline version contains several minor language cleanups that do not change the intent of the direction. One of these items is ending the practice of putting numbers in parentheses after spelling the number out. (For example, “three (3)” now reads “three”.) In modern standard writing there is no style rule that requires the number in parenthesis. The practice of adding the number in parentheses was for fraud prevention efforts in a time prior to manual typewriters. Most modern style guides explicitly advise against this practice as it is considered redundant, repetitive, and unnecessary.

A primary reason for recommending the updates at this time is due to the recent ERP systems conversion from Quickbooks to MIP. The MIP system was designed for governmental GAAP per the GASB accounting activities, where Quickbooks was designed for private industry. Recent actions by the Board has now put proper internal controls and separation of financial duties into place. As the MIP system is currently being set up for future success, the Accounts Payable (A/P) module and current practices were considered by both internal staff and external consultants. The current practice of A/P is to have the Board approve all checks, and the Board President signs each check along with the General Manager. This methodology has ensured that at least two people reviewed each check in the past, however with the addition of a part-time finance individual the proper internal controls are now in place administratively. Staff reviewed the current practices of all 16 of the District’s comparable agencies, and found that all 16 of them delegate the full A/P process to staff, including the final signing of the physical checks. In most agencies the checks are actually ‘signed’ by ERP system when the physical checks are printed; the MIP system does have the capability to implement this practice where Quickbooks did not. Pursuant to State law, all checks will still be presented to the Board; however, the ministerial duty of signing the checks has been recommended to be shifted to staff with the implementation of the new ERP system. The recommended action will allow staff to pay vendors on a more timely basis, while still providing the Board the opportunity for oversight of all District expenditures.

Section 12, the Policy Prohibiting Acceptance of Gratuities, has been updated to clarify the intent of the policy, while still permitting the District to engage in acceptable practices that have been historically enjoyed by both staff and the Board.

Section 16, the section guiding the development of the District newsletter, has been updated to include a quarterly newsletter, as opposed to the current practice of only May and November. The District has more than enough positive news and content to support this recommendation. A review of comparable agencies demonstrated that there are several who issue quarterly newsletters; a few even issue six per year.

At the 2025 Long Range Planning Workshop, staff was directed to add to the next review agenda an item for Attendance Policy and Enforcement Options. The recommended action at this time is to avoid including changes to the updated Manual; however, staff will be prepared to answer any questions related to this recommendation the Board may have.

FISCAL IMPACT
There is no fiscal impact to adopting the resolution with the recommended changes to the Manual.

RESOLUTION NO. 2291-0826

RESOLUTION OF THE STEGE SANITARY DISTRICT BOARD OF DIRECTORS AMENDING THE DISTRICT WORKING CAPITAL AND RESERVE FUND POLICY

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

A. The District established and maintains a Board Governance Manual, which is reviewed biannually.

B. The Policy was last updated in April 2025 and the Board wishes to amend the Policy.

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

1. The Stege Sanitary District Board Governance Manual is hereby approved with several amendments throughout.
2. This Resolution shall be effective immediately upon adoption by the Board of Directors.

* * * * * * * * *

I HEREBY CERTIFY that the foregoing Resolution was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 6th day of August 2026, by a X-X vote as follows:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

TESSA BEACH, President

Stege Sanitary District

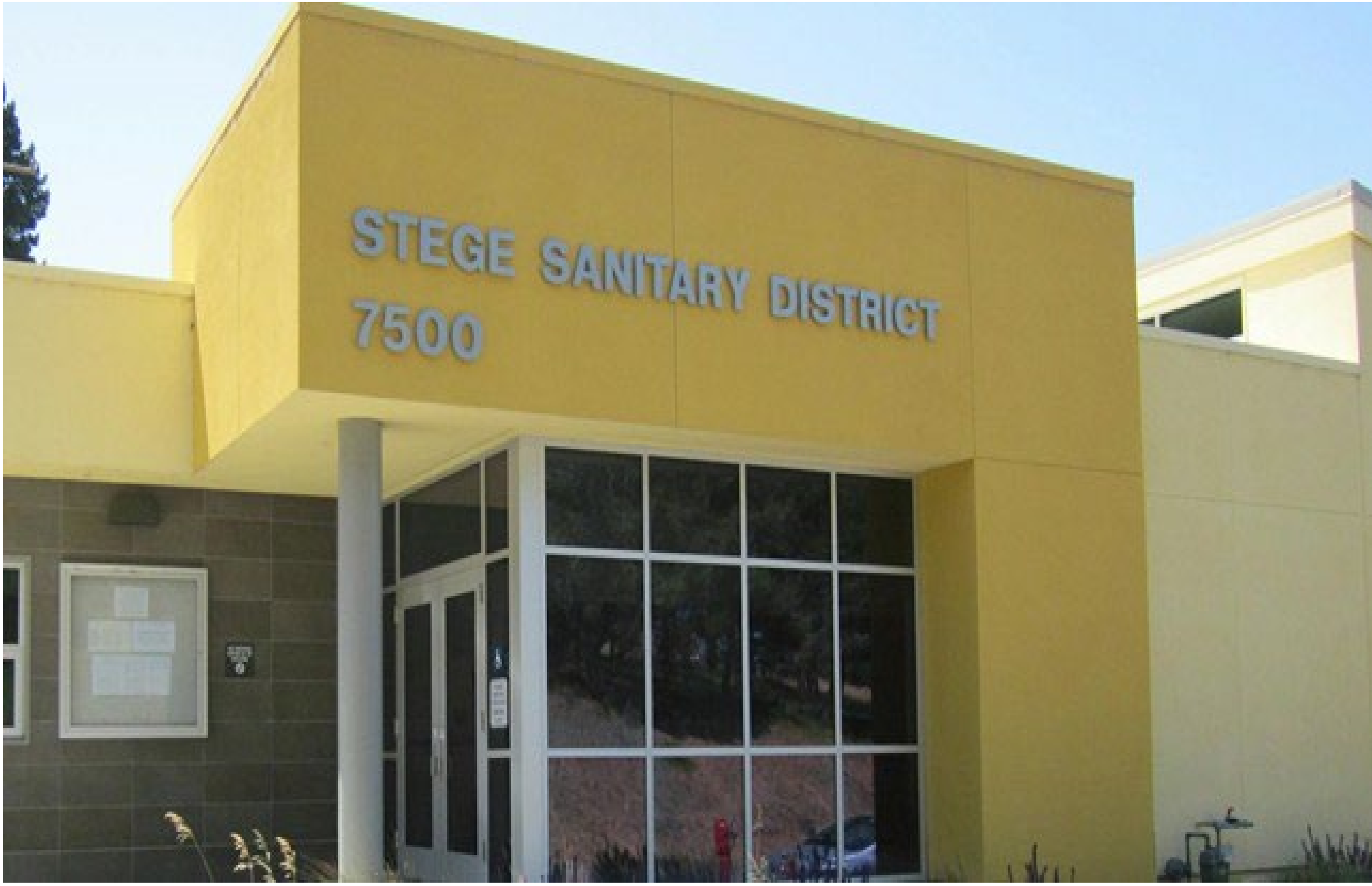
Contra Costa County, California

ATTEST:

____

BOBBY MAGEE, Secretary

Stege Sanitary District



Stege Sanitary District

BOARD GOVERNANCE POLICY MANUAL

DRAFT August 2026

First Issued April 2005

TABLE OF CONTENTS

SECTION 1. MISSION STATEMENT 1
SECTION 2. DISTRICT SUMMARY 1
SECTION 3. ROLES OF DISTRICT OFFICERS 1
SECTION 4. CORE BELIEFS OF THE DISTRICT BOARD OF DIRECTORS 3
4.1. FINANCIAL RATES 3
4.2. ASSET MANAGEMENT 3
4.3. PERSONNEL 4
4.4. ETHICS/INTEGRITY 4
SECTION 5. CULTURAL NORMS OF THE DISTRICT BOARD OF DIRECTORS 4
SECTION 6. PROTOCOLS 5
6.1. BOARD MEETINGS 5
6.2. BOARD/ MANAGER RELATIONS 8
6.3. BOARD/ DISTRICT COUNSEL RELATIONS 9
6.4. BOARD/STAFF RELATIONS 9
6.5. BOARD/COMMUNITY RELATIONS 10
6.6. BOARD/BOARD RELATIONS 10
SECTION 7. CODE OF ETHICS AND BEHAVIOR 11
SECTION 8. CONFLICT OF INTEREST CODE 12
SECTION 9. STATEMENT OF ECONOMIC INTERESTS (FORM 700) 15
SECTION 10. CAMPAIGN FINANCES (FORM 460/470) 15
SECTION 11. BOARD MEMBER COMPENSATION POLICY 16
SECTION 12. POLICY PROHIBITING ACCEPTANCE OF GRATUITIES 16
SECTION 13. ATTENDANCE AT MEETINGS, SEMINARS AND CONFERENCES POLICY 17
SECTION 14. EXPENSE REIMBURSEMENT POLICY 17
SECTION 15. REQUIRED BOARD TRAINING COURSES 17
SECTION 16. PUBLIC RELATIONS POLICY 18
SECTION 17. EQUAL EMPLOYMENT OPPORTUNITY (EEO) 18
SECTION 18. DISCRIMINATION AND HARASSMENT PREVENTION POLICY 19

SECTION 19. DISTRICT ELECTIONS POLICY 24
SECTION 20. CHECK APPROVAL POLICY 25
SECTION 21. POLICY PROHIBITING DISCUSSION WITH BIDDERS 25
SECTION 22. LEGISLATIVE ADVOCACY POLICY 25
SECTION 23. BOARD HANDBOOK 26
SECTION 24. DISTRICT ORDINANCE CODE 26

SECTION 1. MISSION STATEMENT

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

(Resolution No. 2154-0221)

SECTION 2. DISTRICT SUMMARY

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

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

SECTION 3. ROLES OF DISTRICT OFFICERS

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

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

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

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

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

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

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

As a direct report of the Board of Directors, the **District Counsel** is responsible for representing the Stege Sanitary District in all legal matters. As Chief Legal Officer, the District Counsel represents the District as a whole, including the District Board of Directors, District management and staff. The District Counsel shall comply with all applicable professional rules of conduct that govern the representation of organizations, including State Bar Rules of Professional Conduct, Rule No. 3-60, which states:

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

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

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

SECTION 4. CORE BELIEFS OF THE DISTRICT BOARD OF DIRECTORS

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

4.1. FINANCIAL RATES

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

4.2. ASSET MANAGEMENT

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

4.3. PERSONNEL

15. We believe a diverse and inclusive work environment is important in fulfilling our core values.

16. We believe that the District must strive to create a safe, productive, and positive working environment for all staff, ensuring effective collaboration and communication at all levels.

17. To encourage safe and productive work methods, we support professional training and development for staff and Directors.

18. We believe that our staff should be compensated at levels that are consistent with recruiting, hiring, and retaining high quality employees.

19. Our personnel management philosophy is based on the belief that our employees value doing a good job.

4.4. ETHICS/INTEGRITY

20. We are committed to ethical personnel practices.

21. We are committed to prudent, ethical, and legal financial practices.

22. We are committed to open, transparent governance.

23. We believe that District staff, Manager, and Board should work together as a team in order to accomplish District goals.

24. We believe in equal opportunity for all, and special privilege for none.

25. As individuals, we are responsible for our actions; as a group, we support our colleagues in their efforts to fulfill their responsibilities.

26. We are mindful that, as elected officials, our actions, both inside and outside the Boardroom, may reflect on the District.

SECTION 5. CULTURAL NORMS OF THE DISTRICT BOARD OF DIRECTORS

1. The Board will be efficient in the number of meetings it holds to limit costs and payments to Directors. No more than one Board meeting and one committee meeting per month or two Board meetings per month should be the normal schedule.

2. Directors will be compensated with meeting fees consistent with current law and will not receive any health or pension benefit.

3. Board members will be reimbursed expenses only for pre-approved meetings which offer significant benefits to the District. CASA and CSDA meetings will generally be reimbursed for actual and reasonable travel expenses though each Director should try to hold down costs.

4. If a member is attending a non-Board meeting for which expenses will be reimbursed, the member should attend the sessions, pay attention, and, in accordance with AB 1234, provide a brief report at the next regular Board meeting.
5. Directors are expected to attend all Board meetings. It is understood that there sometimes will be personal and business reasons that result in absences. In the event when Directors need to be excused from attendance at a meeting, they should give notice at an earlier meeting or contact staff. In the event a Director would like a change to the agenda because of an expected absence, the Director should contact the Board President prior to the meeting, rather than the Manager or staff.
6. The Board President will contact and speak to Directors that have attendance, tardiness, lack of attentiveness, or meeting participation issues or problems.
7. Directors should be engaged, participate, and pay attention at all Board meetings.
8. Newly elected or appointed Directors should receive a copy of the Board Governance Policy Manual and Board Handbook prior to attendance at their first Board meeting. The new Directors will be asked to review the material and be ready to discuss it with the full Board at a meeting within six months after their term begins. The purpose is to reach a consensus regarding Board operations, which may include modifications of certain items.
9. Newly elected or appointed Directors should take a tour of District facilities within the first six months of their term. The Manager and Maintenance Superintendent should be contacted to arrange this tour, which is an important part of a new Director's orientation.
10. In order to distribute the Directors' duties evenly, the offices of President and Vice President will be rotated among Directors so that each Director will hold those offices about once every five years. The Director who is Vice President will ordinarily be the President the following year. This rotational scheme will be followed unless there are unusual circumstances or a significant change in the composition of the Board.
11. Neither District staff nor District vehicles shall be expected to be used to transport Board members to or from regular Board meetings.

SECTION 6. PROTOCOLS

6.1. BOARD MEETINGS

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

1. <u>Rules of Order</u>. Ordinarily, meetings of the Board will be conducted informally in the manner determined by the President. However, at the request of any Director, the meeting shall be conducted in accordance with the rules of order and parliamentary procedure as specified in the current edition of The Standard Code of Parliamentary Procedure by Alice F. Sturgis, copyright 1950. A copy of that reference work shall be available at every Board meeting.

2. Board Room Layout/Seating. Board meetings shall be conducted around a rectangular meeting table so Directors, Manager, and Counsel face each other. Seats for the public will be available around the room.

3. Agenda Preparation. The Board Secretary shall prepare the agenda in consultation with the Board President, with assistance from District staff. The agenda shall be completed and posted at the District office and website no later than 72 hours prior to the start of the meeting, and agenda packets will be delivered to Directors at least 72 hours prior to the start of the meeting. Some supporting information may be supplied closer to the meeting or at the meeting.

4. Agenda Structure. The basic structure of each regular meeting agenda includes items for Roll Call, Conflict of Interest review, Public Hearings, Public Comment for issues not included on the agenda, Closed Sessions, Approval of Minutes, Communications (both oral and written), reports of Staff and Officers, Business, Monthly Financial Statements, Future Agenda Items (generally for the next two meetings), and Adjournment. The first of two meetings of the month is considered a study session and will generally not include any monthly or quarterly reports.

5. Agenda Item Identification. The Manager, or Secretary, will provide specific items for Board meeting agendas. Other agenda items may be identified as part of the Future Agenda Item section of the regular meeting. Items identified after the adjournment of the most recent Board meeting may be added by request of any Director to the Manager and/or President. The President shall be contacted if the Manager discourages inclusion of requested items.

6. Meeting Minutes. The Board Secretary shall record action meeting minutes, including a summary of Public Comment, if any. The meeting minutes will provide an overview of the decisions reached and the actions to be taken and not a verbatim recording of the discussions. The Board will consider approval of the draft minutes at the following meeting.

7. Getting Questions Answered About Agenda Items Before a Meeting. Directors are encouraged to contact the Manager prior to the meeting if they have any questions. Some questions on agenda items may be answered prior to the meeting and this will help to minimize the length of meetings. The Manager will let the Board know if these questions become excessive.

8. Public Participation. All Board meetings are open and public, and all persons are permitted to attend any meeting, except closed sessions of the Board held in accordance with law. Public participation is addressed in Ordinance Code 2.5.2.8. Directors and staff members shall treat members of the public who attend Board meetings with respect. The President will accommodate public members wishing to speak on specific agenda items by moving these items up on the agenda, if the Board determines it is practical. The President may invite members of the public to sit at the table if seating is available.

9. Public Addressing Board. Members of the public will be asked to complete a request slip if they wish to address the Board. Public comment is limited to three minutes for each individual speaker. In the event there is a large group completing slips, the Board President

may ask the public members to refrain from repeating what others have said, and to further limit time allowed to speak.

10. Informal Board Reports at Meetings. Directors may briefly comment on any subject not on the agenda during the Public Comment section of the agenda. There will also be an agenda item titled Oral Communication at each Board meeting that provides an opportunity for brief informal, verbal reports. Other informal reports should be brief and limited to specific subjects on the agenda.

11. Allow Majority to Set Direction – How We Act When We're Not in Majority. Directors shall accept decisions of the Board after action is taken. Discussion of an item shall not continue at that meeting after a vote on it has been taken.

12. Bringing Agenda Items Back for Further Discussion – Revisiting Issues. There are times that additional discussion on items may be desirable and necessary. Additional information or analysis may help to clarify questions and it may be appropriate to defer items for future agendas if and when a majority of Directors want this. Tabling should not be used as a mechanism to simply defer decisions.

13. Explanation of Votes. Explanation of a vote after the vote has been taken is discouraged. Director's viewpoints should be expressed as part of the discussion of an issue prior to the vote.

14. Sharing Expertise. The expertise of individual Directors can be an important and useful tool in deliberating issues and setting policies. Directors should share their expertise in a judicious manner, staying on topic and being mindful not to engage in lengthy accounts of personal experiences.

15. Deliberation at Meetings. Deliberation of issues at meetings should be focused, open, honest, and undertaken with a goal of reaching a solution. When the Board is stymied or obviously there are differing opinions regarding an item under discussion or review, the Board should first focus on issues where there is agreement among directors. Disagreements should then be discussed and deliberated, in hopes of reaching a consensus.

16. Preparation for Board Meetings. Directors should come to meetings well-prepared. Agenda materials should be read and reviewed in advance of the meeting, and questions that can be answered in advance of the meeting that are not relevant to policy decisions and/or agenda items should be asked of the Manager outside of the meeting.

17. Discussion of Policy vs. Non-Policy Issues. The major focus at Board meetings shall be on policy issues, Manager's performance, and Board fiduciary responsibilities. The Board should avoid directing the Manager on day-to-day operations.

18. Disclosure. Directors should disclose to the Board if they have had discussions with parties that have a personal, financial interest in an agenda item that is to be considered by the Board.

19. Number of Meetings. The Board will generally meet once or twice monthly in all months except November and December, when there are typically only one meeting. An annual

special meeting for long-range planning will usually be held in the Spring. Other special meetings should be scheduled to be on the same days as regular meetings, when possible, to avoid extra meeting expense compensation.

20. Remote Conferencing. If any Board Member elects to attend remotely, all votes conducted during the remote conferencing session will be conducted by roll call vote.

21. Public Hearings. The general procedure for public hearings will be as follows:

    a. Introduction by the Board President

    b. Presentation (by the Manager and/or consultant(s))

    c. Opportunity for Board questions

    d. Public Hearing opened by Board President

    e. Public Comment invitation to make statements, ask questions, or give comments (The Board President may choose to limit the time allowed for any member of the public to address the Board per Item 9 above.)

    f. Public Hearing closed by Board President

    g. (Written submissions announced, if a Proposition 218 public hearing)

    h. Board final comment invitation

    i. Ordinance/Resolution Consideration

6.2. BOARD/ MANAGER RELATIONS

22. Board/Manager Communications. Informal communication between the Manager and individual Directors by phone, electronic communication, or personal meeting is expected to occur occasionally. Formal communications regarding any concerns of Manager conduct should be directed to the Manager through the Board President. There will be communications with the Manager at Board meetings as part of the normal meeting process, and at times as specific agenda items.

23. Manager/Board Communications. The Manager's concern about Board members' conduct should be directed through the Board President or the Vice President if the concern regards the President.

24. Manager Performance Evaluation and Review. The Board will hold an initial discussion with the Manager to set performance objectives by the end of August each year. An annual performance review will be performed by the Board by the end of May and will be used as a factor in the determination of any compensation adjustments for the Manager for the following fiscal year. The Board President is typically appointed by vote as labor negotiator for the purpose of negotiating compensation adjustments with the Manager. For the annual review, the Manager will provide a self-evaluation performance review letter indicating the accomplishments from the fiscal year. The annual review and Board evaluation should be limited to the fiscal year under review.

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

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

6.3. BOARD/ DISTRICT COUNSEL RELATIONS

27. Board/District Counsel Communications. Except for situations that require quick action, individual Board Members should generally communicate with District Counsel within the Board meeting process. Outside of Board Meetings, communications by individual Board Members should be directed through the Board President or the Vice President if the concern regards the President.

28. District Counsel Performance Evaluation and Review. The Board will review the performance of the District Counsel periodically and will use the review as a factor in the determination of compensation adjustments for legal services. The Board President is typically appointed by vote as labor negotiator for the purpose of negotiating with District Counsel.

6.4. BOARD/STAFF RELATIONS

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

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

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

32. Board/Staff Communications. Directors may informally communicate with staff at various District functions like the holiday lunch, safety and recognition awards lunch, and day-to-day encounters at the District office. Communications on issues like employee salaries and

benefits, disciplinary issues, and other Board business should be directed through the Manager.

6.5. BOARD/COMMUNITY RELATIONS

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

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

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

6.6. BOARD/BOARD RELATIONS

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

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

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

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

40. Board/Board Communications. Conversations between and among Board members are governed by the Brown Act. All Board members shall familiarize themselves with the Brown Act and comply with its requirements. Whenever three or more Board members are together outside of a Board meeting, they shall avoid discussing District matters. Board members must understand the concept of, and avoid, "serial" meetings. Communications include electronic communications. General matters relating to sewage collection and local government are not restricted by the Brown Act and are appropriate topics of conversation under any circumstances.

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

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

43. Team Effectiveness. Directors are expected to support each other and function as a team. Newly appointed or elected Directors are expected to review the Board Governance Policy Manual and Board Handbook. Existing Directors are expected to assist new Directors in their transition onto the Board. Both new and existing Directors should work together constructively to develop a new consensus as to how the Board will govern and conduct its business.

SECTION 7. CODE OF ETHICS AND BEHAVIOR

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

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

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

1. In seeking clarification on ministerial items, Directors may approach staff members directly to obtain information.

2. In seeking clarification on non-ministerial items, especially those involving personnel, legal action, land acquisition and development, finance, and programming, Directors should refer directly to the Manager.
3. In handling complaints from residents and property owners of the District, said complaints should be referred directly to the Manager.
4. In handling items related to safety, concerns for safety or hazards should be reported to the Manager or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
5. When approached by District staff concerning specific District policy, Directors should direct inquiries to the Manager. The chain of command should be followed.

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

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

SECTION 8. CONFLICT OF INTEREST CODE

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

Per Cal. Gov. Code Sec. 87200, public officials and designated employees shall file their statements of economic interest (Form 700) with Contra Costa County resulting in an electronic copy to Stege Sanitary District. Stege Sanitary District will retain statements for all designated employees and will make the statements available for public inspection and reproduction (Cal. Gov. Code Sec. 81008). Currently, the e-file link is https://netfile.com/filer

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

Designated Positions	Disclosure Category
Secretary of the Board	All
Legal Counsel	All
Consultants[1, 2]	All

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

Position	Disclosure Category
Members of the Board of Directors	All
General Manager	All
Treasurer	All

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

Disclosure Categories

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

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

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

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

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

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

(Ordinance No. 2074-0117)

SECTION 9. STATEMENT OF ECONOMIC INTERESTS (FORM 700)

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

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

Essentially, there are four times to file Form 700:

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

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

SECTION 10. CAMPAIGN FINANCES (FORM 460/470)

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

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

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

SECTION 11. BOARD MEMBER COMPENSATION POLICY

It is the policy of the Stege Sanitary District Board of Directors that Board members will be compensated for attendance at all Board meetings, in accordance with Section 2.9 of the District Code of Regulations. Board members will not be compensated for attendance at CASA, City Council, City Council Committee, Neighborhood Council, other Special District Meetings, or Special District Association Meetings. Compensation will consist of meeting fees consistent with current law and will not include any health, pension or other benefit.

SECTION 12. POLICY PROHIBITING ACCEPTANCE OF GRATUITIES

Board members shall not accept gratuities offered or presented except for trivial items of negligible commercial value, such as a hat, cap, note pad, pen, blotter, or calendar.. Board members may accept items that serve a legitimate business purpose, such as clothing branded with the District logo or items that may be needed in the event of District emergency, provided that the items are in full compliance with the California Political Reform Act of 1974 as administered by the Fair Political Practices Commission.

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

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

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

SECTION 13. ATTENDANCE AT MEETINGS, SEMINARS AND CONFERENCES POLICY

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

(Ordinance No. 1456-0189)

SECTION 14. EXPENSE REIMBURSEMENT POLICY

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

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

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

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

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

(Ordinance No. 1762-0501)

SECTION 15. REQUIRED BOARD TRAINING COURSES

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

- AB 1234 Ethics Training every 2 Years, as required by law
- AB 1825 Harassment Prevention Training every 2 Years, as required by law
- Governance Training every 5 Years, as required to maintain Special District Leadership Foundation's District of Distinction Accreditation

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

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

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

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

SECTION 16. PUBLIC RELATIONS POLICY

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

District newsletters are a means of conveying this information, and newsletters should be sent to all known customers. There should be four newsletters each year, and the target transmittal dates are May, August, November, and February. A well-structured quarterly newsletter serves to provide information with clear operational, financial, and regulatory functions. It can assist with informing constituents on proper use of the system at their homes, preventing costly emergency repairs. It should also provide constituents with a regular reminder of the District's activites, who we are, and how we help the community. The May date allows for informing customers about budget information for the next fiscal year, including service charge changes.

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

SECTION 17. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

It is the policy of the District that employment practices and conditions shall be free of unlawful discrimination on the basis of race, religion, color, national origin, ancestry, pregnancy, childbirth, medical condition, physical or mental disability, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military or veteran status, political affiliation, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act of the California Family Rights Act), domestic violence victim status, or any other basis as defined and protected by federal or state law (collectively, “protected categories”). This policy covers District employees, applicants, volunteers, and elected or appointed officials.

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

SECTION 18. DISCRIMINATION AND HARASSMENT PREVENTION POLICY

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

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

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

All employees, applicants, and elected or appointed officials are expected to assume responsibility for maintaining a work environment that is free from discrimination, harassment, and retaliation. Employees, applicants, and elected or appointed officials are encouraged to promptly report conduct that they believe violates this policy so that the District has an opportunity to address and resolve any concerns. Managers and supervisors are required to promptly report conduct that they believe violates this policy. We are committed to responding to alleged violations of this policy in a timely and fair manner and to taking appropriate action aimed at ending the prohibited conduct.

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

1. Hostile or demeaning behavior towards applicants or employees because of their protected category;

2. Allowing the applicant's or employee's protected category to be a factor in hiring, promotion, compensation or other employment-related decisions unless otherwise permitted by applicable law; and

3. Providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or employees because of their protected category.

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

1. Verbal conduct such as epithets, derogatory comments, threats, gestures, teasing, slurs or unwanted jokes or comments.

2. Visual conduct such as the posting or distribution of offensive posters, symbols, cartoons, drawings, photographs, or emails.

3. Physical conduct such as physically threatening another person, assault, offensive touching, impeding or blocking movement, restraint, or physical interference with normal work or movement.

C. Sexual Harassment: As used in this policy, sexual harassment is defined as harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, and gender expression, or conduct of a sexual nature. It may include any of the actions described as harassment above, as well as other unwelcome sex-based conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities, or other verbal or physical conduct of a sexual nature. Sexually harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal.

Sexual harassment is generally categorized into two types:

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

   a) Submission to sexual conduct is made either explicitly or implicitly as a term or a condition of an individual's employment.

   b) Submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual.

2. Hostile Work Environment Sexual Harassment

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

Examples of such conduct include:

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

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

1. As used in this policy, “retaliation” is defined as any adverse employment action taken against an employee because the employee engaged in any protected activity, as defined above.
2. “Adverse employment action” is conduct or an action that materially affects the terms and conditions of the employee’s employment status or is reasonably likely to deter the employee from engaging in protected activity. Even actions that do not result in a direct loss of compensation may be regarded as an adverse employment action when considered in the totality of the circumstances.
3. Examples of retaliation under this policy include but are not limited to: demotion; suspension; reduction in pay; denial of a merit salary increase; failure to hire or consider for hire; refusing to promote or consider for promotion because of reporting a violation of this policy; harassing another employee for filing a complaint; denying employment opportunities because of making a complaint or for cooperating in an investigation; changing someone’s work assignments for identifying harassment or other forms of discrimination in the workplace; treating people differently such as denying an accommodation; or not talking to an employee when otherwise required by job duties, or otherwise excluding the employee from job-related activities because of engagement in activities protected under this policy.

E. <u>Harassment and Abusive Conduct Prevention Training:</u> All District employees are required to participate in sexual harassment and abusive conduct prevention training. The training will also cover other types of prohibited harassment, such as harassment based on gender identity, gender expression, and sexual orientation. Supervisory employees are required to take two hours of training under this Section every two years. Non-supervisory employees are required to take one hour of training every two years. The District will make this training available to employees during regular working hours at no cost to the employee. Records of these training activities will be maintained in District files.

F. Employee Response: Any employee who believes he or she has been unlawfully harassed or discriminated against should promptly report it orally or in writing to the employee's supervisor or the Manager. An employee is not required to complain first to a supervisor if that person is the individual who is harassing and/or engaging in discriminatory action against the employee. Instead, the employee may report harassment/discrimination to the Manager. If the Manager is the harassing and/or discriminating actor, the employee may report the harassment/discrimination to the President of the Board of Directors. When notified of a potential violation of the DHP Policy, the President of the Board of Directors will consult with District Counsel.

E. Duty to Report: All managers, supervisors, and Directors are required to promptly report conduct that they believe violates the District's DHP Policy so that the District has an opportunity to address and resolve any concerns. The District is committed to responding to alleged violations of this policy in a timely and fair manner and to take appropriate action aimed at ending the prohibited conduct.

F. Complaint & Investigation Procedure: The District will take an affirmative role to protect its employees from discrimination, harassment, and retaliation. Any employee or applicant who experiences or witnesses behavior that they believe violates this policy is encouraged to:

1. Identify the offensive behavior to the offending employee or other person and request that the behavior cease.

2. Report the offensive behavior either orally or in writing to the employee's supervisor or the Manager. Any supervisor who receives a complaint of harassment or discrimination must immediately report the complaint to the Manager. If the Manager is the subject of the complaint of harassment or discrimination, the supervisor must report the complaint to the President of the Board of Directors.

3. The Manager or his/her designee will promptly look into the facts and circumstances of any alleged violation, as appropriate. As provided above, the President of the Board of Directors will perform this duty if the Manager is the subject of the complaint.

4. The District shall initiate an investigation where it has reason to believe that conduct in violation of this DHP policy has occurred. All investigations will be timely, thorough, fair, and completed by qualified personnel.

    i. To the extent possible, the District will endeavor to keep the reporting of the applicant or employee's concerns confidential; however, complete confidentiality cannot be guaranteed when it interferes with the District's ability to fulfill its obligations under this policy.

ii. All employees are required to cooperate fully with any investigation.

5. Upon completion of the investigation, if the misconduct is substantiated, the District will take appropriate remedial action, as provided below, to prevent and correct misconduct and unlawful behavior, up to and including formal discipline where warranted.

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

California Department of Fair Employment and Housing
2218 Kausen Drive, Suite 100 Elk Grove, CA 95758
800-884-1684 (voice), 800-700-2320 (TTY) or California's Relay Service at 711
contact.center@dfeh.ca.gov
https://www.dfeh.ca.gov

U.S. Equal Employment Opportunity Commission
450 Golden Gate Avenue 5 West,
P.O. Box 36025
San Francisco, CA 94102-3661
1-800-669-4000 or 510-735-8909 (Deaf/hard-of-hearing callers only)
http://www.eeoc.gov/employees

H. Remedial Actions:

1. If harassment or discrimination is found to have occurred in violation of District policy, the District shall take action to ensure or confirm that the harassment or discrimination is stopped. The District shall take whatever measures are reasonably necessary to ensure its workplace remains free from unlawful discrimination or harassment.

2. The District shall maintain a complaint procedure to provide an avenue for complaints, investigations, and appropriate remediation. Employees are encouraged to utilize the complaint process described in subsection (H) above if they experience unlawful discrimination or harassment. The complaint process shall be available and disseminated to all District employees.

3. Employees found to have engaged in discrimination or harassment covered by this DHP Policy may be subject to disciplinary action, up to and including termination of employment.

4. Employees found to have been dishonest or uncooperative during an investigation into allegations of discrimination or harassment may be subject to disciplinary action, up to and including termination of employment.

5. This DHP Policy shall not be construed to create a private or independent right of action against the District, or any of its employees or officials. The District reserves the right to interpret and apply this policy to provide greater protection than what is afforded under existing federal and state law.

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

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

SECTION 19. DISTRICT ELECTIONS POLICY

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

California Elections Code Section 10505 requires a general district election be held in each special district to choose a successor for each elective officer whose term will expire on the first Friday in December following the election to be held on the first Tuesday after the first Monday in November in each even-numbered year.

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

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

As set forth in California Elections Code Section 13307, before a nominating period opens, the District Board must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; determine the number of words, may estimate the cost; and determine whether the estimate must be paid in advance.

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

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

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

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

SECTION 20. CHECK APPROVAL POLICY

All Stege checks shall be signed by the Manager and then reviewed by the Board, as prescribed in Government Code Section 41004.

SECTION 21. POLICY PROHIBITING DISCUSSION WITH BIDDERS

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

SECTION 22. LEGISLATIVE ADVOCACY POLICY

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

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

Legislative issues affecting the District shall be added to a Board meeting agenda for formal direction from the Board of Directors. Legislative position letters shall typically state whether the District is in the position of “support”, “support if amended”, “oppose”, or “oppose unless amended”, and shall include justification for the recommended action. If possible, the letter shall include examples of how the bill would specifically affect the District, e.g. “the funding the

District will lose due to this bill could pay for X capital improvements.” The District may also choose to provide a letter of concern or interest regarding a legislative issue without taking a formal position.

SECTION 23. BOARD HANDBOOK

(Under Separate Cover)

SECTION 24. DISTRICT ORDINANCE CODE

(Under Separate Cover)

STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 8/6/2026

TO:	Honorable Board of Directors
FROM:	Bobby Magee, General Manager
SUBJECT:	Long Range Planning Workshop: Session I

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review the Agenda for the 2026 Long Range Planning Workshop; and,
2. Review the Draft 2025 Action Plan Developed at the March 8, 2025 Long Range Planning Workshop; and,
3. Review the Table Containing the Data of the Past Five Years' District Expenditures.

BACKGROUND AND DISCUSSION

The 2026 Long Range Planning Workshop was originally scheduled for Saturday, March 7th. The meeting at that time was postponed until a permanent General Manager had been appointed. At the 2025 Long Range Planning Workshop the Board had made a request of staff to eliminate the full-day weekend meeting, and break the items into smaller pieces that could be considered over multiple regularly-scheduled meetings. This item is intended to be the first of four to five planning sessions. The table below represents the recommended Agenda for the full workshop.

Agenda Item	Date
Review of Agenda and 2025 Action Plan	August 6
Review of the Past Five Years' Expenditures	August 6
Board Attendance Policy	August 6
Review of Pension Liabilities / GASB 75 OPEB Draft Actuarial Report	*August 20*
Communication and Outreach Opportunities	*August 20*
Board Self-Assessment of Governance	*August 20*
USEPA Consent Decree Progress	September 3
USEPA Consent Decree Planning	September 3
Strategic Planning Priorities Discussion	September 3
Final Discussions and Review of Action Items	*September 17*

FISCAL IMPACT

There is no fiscal impact to reviewing the items on the Long-Range Planning Workshop calendar.

STEGE SANITARY DISTRICT
DRAFT 2025 ACTION PLAN

The following are action items discussed at the March 8, 2025 Long-Range Planning (LRP) Workshop:

A. Review of Agenda and 2024 Action Plan

The Board reviewed the Agenda and the Action Plan for 2024. Vice President Beach impressed that for next year, she still would like to find a way to eliminate the need for the all-day weekend Long Range Planning Workshop by breaking up the topics into smaller pieces and discussing them during the first Board Meeting of the month.

Action Item:

- When agendizing the 2026 Board meeting calendar for Board discussion, offer calendar options that potentially eliminate the need for a full day weekend workshop for long range planning.

B. Past 5 Years Expenditures Review

The Board reviewed and discussed trends from the past 5 years. Director Gilbert-Smith requested that District staff add trendlines to the 5-year expenditure charts in the future. Vice President Beach requested a summary of what's included in the reserve projections. President O'Keefe requested that the Board review Reserve funding, contingencies, the 10-year budget, etc. at a regular Board Meeting in the future. Vice President Beach requested clarity on the increased FY 2023-24 employee benefit expenses over the previous year. Director Gilbert-Smith requested clarity on the steep increase of insurance costs over the past three years, and what's covered under our insurance policies. Director Christian-Smith requested clarity on what is included in "Other Expenses".

Action Item:

- Review Reserve funding, contingencies, and the 10-year forecast at a regular Board Meeting
- Clarify the increased FY 2023-24 employee benefit expenses over the previous year.
- Clarify the steep increase of insurance costs over the past three years, and what's covered under our insurance policies.
- Clarify what is included in "Other Expenses".

C. Review Pension Liabilities

The Board reviewed and discussed pension liabilities for the CalPERS Pension Miscellaneous Plan UAL Balance, the CalPERS Pension PEPRA Miscellaneous Plan UAL Balance, and the Other Post-Employment Benefits (OPEB) Retire Health liability. Director Gilbert-Snyder commented that our financial Reserve reports do not also show our unfunded liabilities that offset them. The Board would like Staff to provide an analysis of various UAL funding strategies at a future regular Board meeting. The Board would like to defer the option of consulting a CPA until after review of the Staff Analysis.

Action Item:

- Provide an analysis of various UAL funding strategies. These strategies should include continuing to make the minimum amortized regular payments required, and the impact on Reserve funds of making various extra payments to fund the CalPERS Pensions to incremental funding levels up to 90%.

D. USEPA Consent Decree Progress

The Board reviewed a timeline on the history of the District and the evolution of the USEPA Consent Decree. The Board reviewed and discussed the various reports related to the progress of the USEPA Consent Decree. The Manager expressed concern with Point Isabell Wet Weather Facility meeting the 2030 Second Mid-course Check-in Output Test – particularly if any of the three years leading up to it are wetter than average years. The Manager discussed the potential need to conduct wet weather flow monitoring within the District, as well as to develop a hydraulic model of the Collection System to be able to conduct hydraulic analyses and prepare for the 2030 Mid-Course Check-in, Performance Evaluation Plan, and potential Modified Work Plan. The Board requested that the Manager provide a formal recommendation for whether a hydraulic model is needed; and outline the costs, benefits, and whether the hydraulic model software license needs to be purchased by the District.

Action Item:

- Recommend any necessary flow monitoring and hydraulic modeling required in the coming years. Outline the costs, benefits, timing, and whether the hydraulic model software license needs to be purchased by the District.

E. USEPA Consent Decree Planning

The Board discussed additional strategies to address both public and private sources of inflow/infiltration. To manage the risk of future financial penalties and additional Work required if any of the Wet Weather Facilities fail the Second Mid-course Check-in Output Tests, the Board requested that the Manager scope near-term comprehensive basin-wide sewer replacement projects that can be bid with and without private sewer laterals. The Board also requested that the Manager develop a Staff Report on enforcement options for PSL ordinance violations.

Action Items:

- Determine the impact of potential comprehensive basin-wide sewer replacement projects on funding sources and District reserves.
- Scope near-term comprehensive basin-wide sewer replacement projects that can be bid with and without private sewer laterals.
- Develop a Staff Report on enforcement options for PSL ordinance violations.

F. Self-Assessment of Governance

The Board completed a questionnaire and will discuss the results at a subsequent Board Meeting.

Action Item:

- Tabulate Board questionnaire results and distribute for discussion at a future Board Meeting.

G. Strategic Planning

This agenda item was deferred and will be discussed at a regular Board Meeting in the future.

Action Item:

- Agendize the Strategic Plan for discussion at a future Board Meeting.

H. Communication and Outreach Opportunities

The Manager presented communication and outreach program purpose, goals, strategies, and tools. The Board brainstormed other communication and public education opportunities including high school art challenges, community groups, 6th grade school outreach with a CCTV camera demonstration, developing decorative maintenance hole covers potentially with a sister city campaign, providing internships, etc. with messaging such as why the District is investing in laterals.

The Board requested that the Manager develop a Communication Plan in the next year, copywrite the District logo, and wrap one District vehicle with key messaging to enhance our visual presence.

Action Items:

- Develop a Communication Plan for the District.
- Copywrite the District logo.
- Wrap one District vehicle with key messaging to enhance our visual presence in the community.

I. <u>Board Attendance Policy</u>

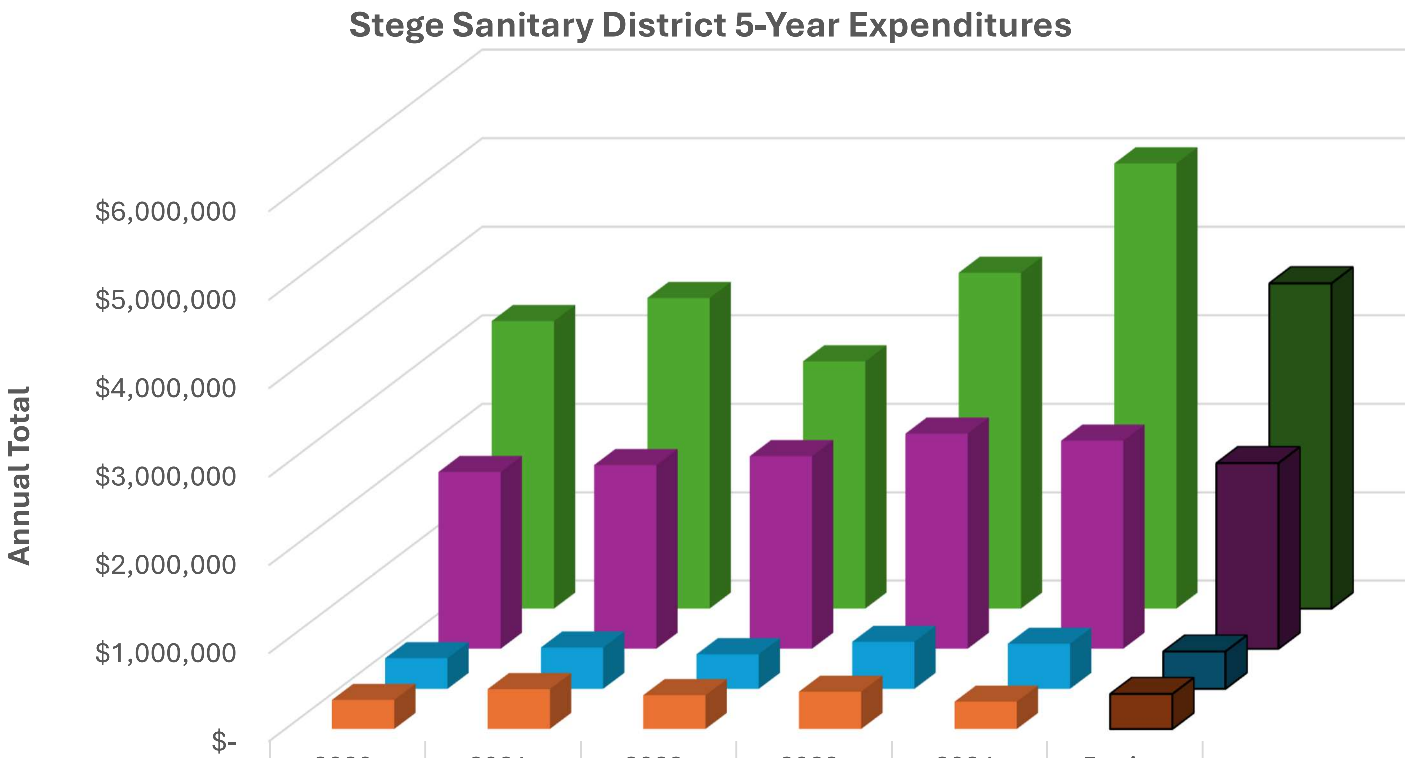
The Board discussed attendance policy and enforcement options and requested that the Manager add this to the agenda the next time the Board Governance Manual is reviewed. The Board also requested that the Manager change the frequency at which the Board Governance Manual is reviewed to biannual (rather than annual).

Action Items:

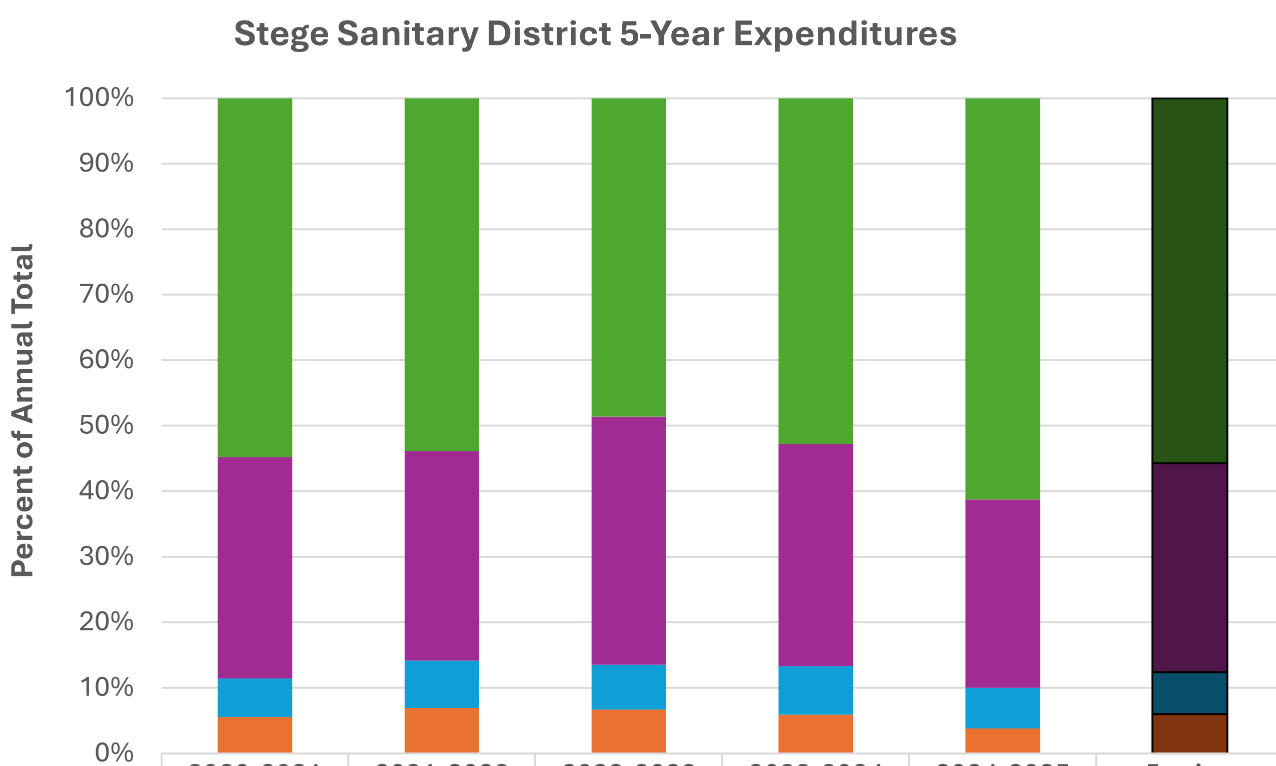
- Change the frequency at which the Board Governance Manual is reviewed to biannual.
- Agendize attendance policy and enforcement options the next time the Board Governance Manual is reviewed (in 2027).

COMPOSITE 5 YEAR EXPENDITURES REVIEW (YEAR TO YEAR COMPARISON) **STEGE SANITARY DISTRICT**

ITEM	TYPE	FINAL EXPENSE 2020-2021	FINAL EXPENSE 2021-2022	FINAL EXPENSE 2022-2023	FINAL EXPENSE 2023-2024	FINAL EXPENSE 2024-2025	*5yr Avg EXPENSE*	% Inc/(Dec) 18/19 to 19/20 EXPENSE	% Inc/(Dec) 19/20 to 20/21 EXPENSE	% Inc/(Dec) 20/21 to 21/22 EXPENSE	% Inc/(Dec) 21/22 to 22/23 EXPENSE	% Inc/(Dec) 22/23 to 23/24 EXPENSE	*5yr Avg % Inc/(Dec) EXPENSE*
OPERATING EXPENSES:													
010 Salaries & Wages	STAFF	$1,386,819	$1,468,549	$1,556,747	$1,591,090	$ 1,614,266	*$ 1,523,494*	19%	6%	6%	2%	1%	*7%*
020 Employee Benefits	STAFF	$595,488	$589,999	$599,550	$823,806	$ 711,542	*$ 664,077*	2%	-1%	2%	37%	-14%	*5%*
030 Directors' Expenses	STAFF	$21,817	$23,979	$26,502	$22,562	$ 31,418	*$ 25,256*	-38%	10%	11%	-15%	39%	*1%*
040 Election Expense	STAFF	$300	$-	$300	$-	$ 300	*$ 300*	0%	0%	0%	0%	100%	*20%*
060 Gasoline, Oil, Fuel	MAINT	$25,842	$35,040	$39,386	$42,456	$ 40,091	*$ 36,563*	3%	36%	12%	8%	-6%	*11%*
070 Insurance	OPS	$121,704	$203,639	$182,968	$256,160	$ 144,806	*$ 181,855*	11%	67%	-10%	40%	-43%	*13%*
080 Memberships	OPS	$15,416	$18,388	$17,302	$16,732	$ 20,712	*$ 17,710*	0%	19%	-6%	-3%	24%	*7%*
090 Office Expense	OPS	$4,647	$8,813	$4,858	$9,378	$ 13,682	*$ 8,276*	-72%	90%	-45%	93%	46%	*22%*
100 Operating Supplies	MAINT	$25,451	$14,035	$21,696	$12,280	$ 13,850	*$ 17,462*	8%	-45%	55%	-43%	13%	*-3%*
110 Contractual Services	MAINT	$77,235	$75,417	$84,250	$76,574	$ 94,327	*$ 81,561*	-13%	-2%	12%	-9%	23%	*2%*
120 Professional Services	OPS	$112,311	$129,224	$69,614	$102,352	$ 199,140	*$ 122,528*	-10%	15%	-46%	47%	95%	*20%*
130 Printing & Publications	OPS	$17,113	$19,658	$17,540	$18,937	$ 15,418	*$ 17,733*	-7%	15%	-11%	8%	-19%	*-3%*
140 Rents & Leases	OPS	$629	$573	$631	$668	$ 705	*$ 641*	149%	-9%	10%	6%	6%	*32%*
150 Repairs & Maintenance	MAINT	$98,043	$120,978	$109,710	$149,017	$ 104,222	*$ 116,394*	-4%	23%	-9%	36%	-30%	*3%*
160 Revenue Collection Expenses	OPS	$10,880	$10,892	$10,925	$11,113	$ 11,108	*$ 10,984*	0%	0%	0%	2%	0%	*0%*
170 Travel & Meetings	OPS	$2,257	$4,879	$9,786	$7,784	$ 14,963	*$ 7,934*	-75%	116%	101%	-20%	92%	*43%*
190 Utilities	OPS	$45,700	$47,818	$54,062	$56,898	$ 65,831	*$ 54,062*	20%	5%	13%	5%	16%	*12%*
200 Other Expenses	OPS	$17,859	$25,062	$25,571	$54,082	$ 26,179	*$ 29,751*	-40%	40%	2%	111%	-52%	*12%*
203 First Aid Supplies			$500				*$ 500*	0%	#DIV/0!	-100%	#DIV/0!	#DIV/0!	*#DIV/0!*
204 Safety Equipment and Gloves	MAINT	$2,721	$2,121	$2,451	$1,597	$ 2,368	*$ 2,252*	134%	-22%	16%	-35%	48%	*28%*
205 Uniforms and Boots	MAINT	$15,726	$15,469	$17,129	$7,945	$ 7,295	*$ 12,713*	12%	-2%	11%	-54%	-8%	*-8%*
206 Safety Incentive Program	MAINT	$506	$442	$366	$706	$ -	*$ 404*	-1%	-13%	-17%	93%	-100%	*-8%*
410 Pump Stations	MAINT	$12,731	$65,505	$43,720	$62,119	$ 16,199	*$ 40,055*	-80%	415%	-33%	42%	-74%	*54%*
207 Contracted Repairs	MAINT	$72,394	$123,516	$65,325	$70,623	$ 32,000	*$ 72,772*	-21%	71%	-47%	8%	-55%	*-9%*
TOTAL OPERATING EXPENSES		**$ 2,683,589**	**$ 3,004,496**	**$ 2,960,389**	**$ 3,394,879**	**$ 3,180,422**	***$ 3,044,755***	**3%**	**12%**	**-1%**	**15%**	**-6%**	***4%***
CAPITAL EXPENSES:													
650 DEBT REPAYMENT	CAP	$ 148,220	$ 148,220	$ 43,939	$ 43,939	$ 43,939	*$ 85,651*	0%	0%	-70%	0%	0%	*-14%*
300 CAPITAL EQUIPMENT	CAP	$ 140,737	$ 47,778	$ 355,719	$ 53,271	$ 559,281	*$ 231,357*	322%	-66%	645%	-85%	950%	*353%*
400 CONSTRUCTION	CAP	$ 2,964,509	$ 3,317,843	$ 2,398,882	$ 3,701,702	$ 4,430,352	*$ 3,362,658*	11%	12%	-28%	54%	20%	*14%*
TOTAL CAPITAL EXPENSES		**$ 3,253,466**	**$ 3,513,841**	**$ 2,798,540**	**$ 3,798,912**	**$ 5,033,572**	***$ 3,679,666***	14%	8%	-20%	**36%**	**33%**	***14%***
TOTAL EXPENSE		**$ 5,937,055**	**$ 6,518,337**	**$ 5,758,929**	**$ 7,193,791**	**$ 8,213,994**	***$ 6,724,421***	**9%**	**10%**	**-12%**	**25%**	**14%**	***9%***
Legal Services - Retainer		$ 19,975	$ 18,821	$ 21,506	$ 21,320	$ 18,691	*$ 20,063*	2%	-6%	14%	-1%	-12%	*0%*
Legal Services - Special		$ 40,991	$ 25,005	$ 30,275	$ 12,736	$ 19,862	*$ 25,774*	209%	-39%	21%	-58%	56%	*38%*
Legal Services - TOTAL		$ 60,965	$ 43,826	$ 51,782	$ 34,056	$ 38,554	*$ 45,836*						



	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5yr Avg
Maintainance	$330,649	$452,523	$384,033	$423,317	$310,352	$397,631
Operations	$348,516	$469,446	$393,257	$534,104	$512,544	$423,871
Salary & Benefits	$2,004,424	$2,082,527	$2,183,099	$2,437,458	$2,357,526	$2,104,027
Capital	$3,253,466	$3,513,841	$2,798,540	$3,798,912	$5,033,572	$3,679,666



	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5yr Avg
Capital	$3,253,466	$3,513,841	$2,798,540	$3,798,912	$5,033,572	$3,679,666
Salary & Benefits	$2,004,424	$2,082,527	$2,183,099	$2,437,458	$2,357,526	$2,104,027
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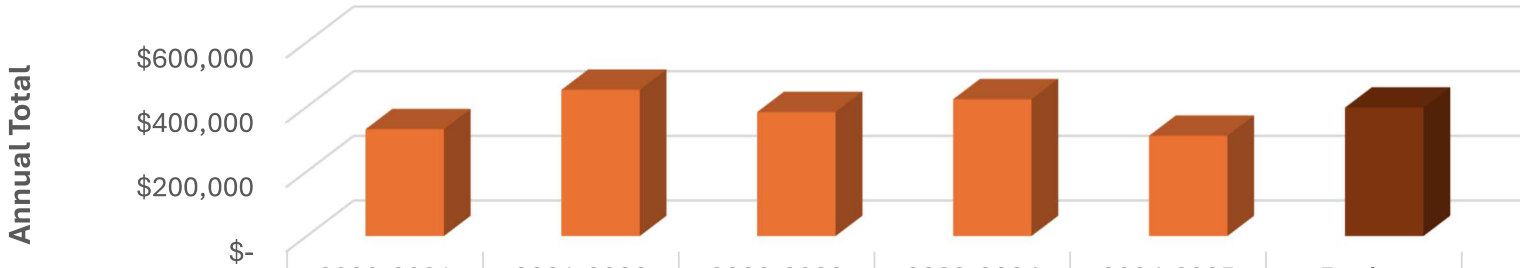
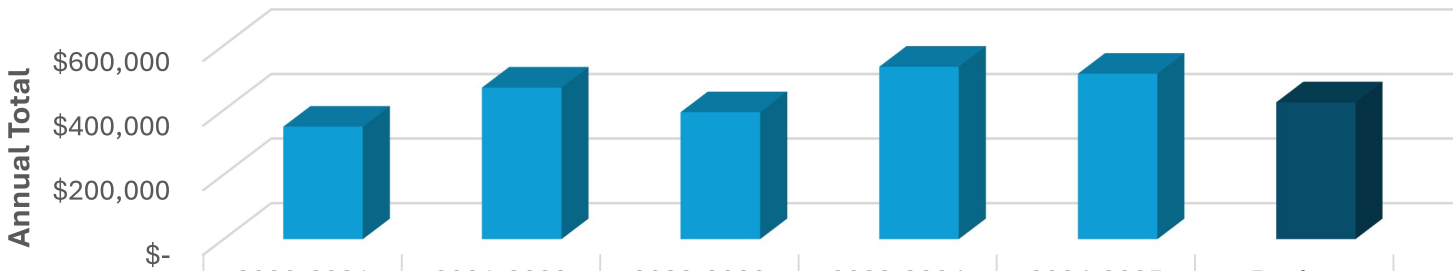
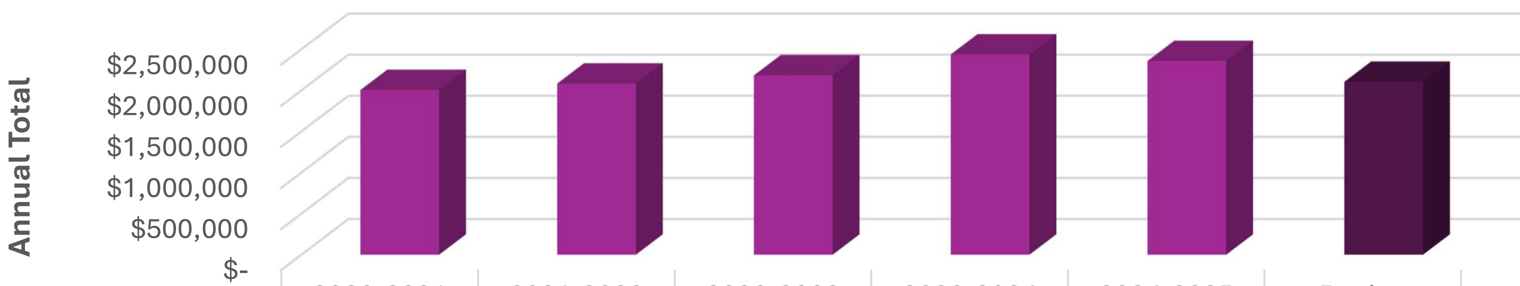
Stege Sanitary District 5-Year Expenditures



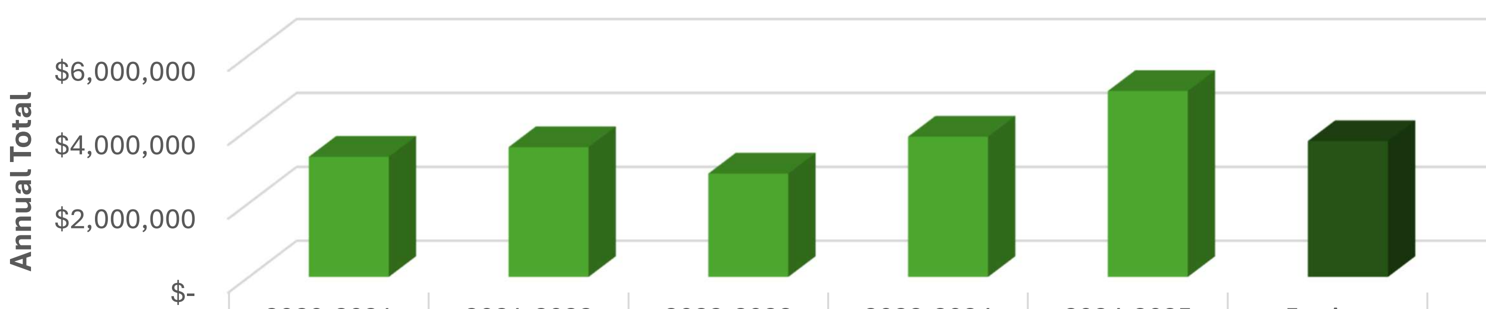
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5yr Avg
Maintainance	$330,649	$452,523	$384,033	$423,317	$310,352	$397,631



	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5yr Avg
Operations	$348,516	$469,446	$393,257	$534,104	$512,544	$423,871



	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5yr Avg
Salary & Benefits	$2,004,424	$2,082,527	$2,183,099	$2,437,458	$2,357,526	$2,104,027



	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5yr Avg
Capital	$3,253,466	$3,513,841	$2,798,540	$3,798,912	$5,033,572	$3,679,666