



Stege Sanitary District Board of Directors

7:00 P.M., District Board Room, 7500 Schmidt Lane, El Cerrito, CA 94530

Regular Meeting Agenda – March 19, 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 makes that platform unavailable, the Board of Directors will proceed with business in person unless otherwise prohibited by law.

Public comment can be sent remotely by delivering a physical copy to **7500 Schmidt Lane, El Cerrito, CA 94530** or via email to comments@stegesan.org with “Public Comment” in the subject line. To provide written comment on an item on the agenda or to address the Board during Public Comment, please note the agenda item number that you want to address or whether you intend for the comment to be included in Public Comment. Comments 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

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.

3. 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.)

Agenda Items:

Info: **4. Approval of Minutes: March 5, 2026**

Info: **5. Communications**

- **Oral/Written Communication**

- Brief reports from Directors on matters related to the District including attendance at City or community meetings.

Info: **6. Staff and Officer Reports**

- **Oral Manager's Report**
- **Oral Attorney's Report**

Info: **7. Verbal Presentation Regarding Negotiations Process**

Motion: **8. Resolution – Ratification of Fiscal Year 2025/26 Capital Projects Budget**

Motion: **9. Treasurer's Report**

- Approval of Disbursements for the Period Ending March 19, 2026
- EFTs

Motion: **10. Resolution - Contract Amendment with VPI Strategies**

Info: **Future Agenda Items:**

March 20, 2026 Special Meeting

- Closed Session – GM Employment/Appointment

April 2, 2026

-

April 19, 2026

- Monthly Operations Reports
- Treasurer's Reports
- Approval of Disbursements

CLOSED SESSION

PUBLIC EMPLOYMENT

Gov. Code § 54957
Title: General Manager

Public Employment Performance Evaluation

Gov. Code § 54957
Title: Interim General Manager

11. Adjournment

Bobby Magee
Interim General Manager
STEGE SANITARY DISTRICT



Stege Sanitary District Board of Directors

Meeting of March 5, 2026 at 5:30 P.M.

District Board Room, 7500 Schmidt Lane, El Cerrito, CA 94530

DRAFT Meeting Minutes

1. **Call To Order:** President Beach called the special meeting to order at 5:30 P.M.
2. **Roll Call:** Present: Beach, O’Keefe, Gilbert-Snyder, Christian-Smith, Merrill
 Absent: None
 Others Present: Kristopher Kokotaylo, District Counsel Via Remote Video Call
 Pam Derby, CPS HR Via Remote Video Call
 Bobby Magee, Interim General Manager
 Shela Duperval, Temporary Administrative Assistant

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

3. **Public Comment:** There were no public comments. The Interim General Manager confirmed no public comments online.

4. Approval of Minutes

Approval of Draft February 19, 2026 Board Meeting Minutes

MOTION: By O’Keefe Seconded by Gilbert-Snyder, to approve the minutes of the February 19, 2026 Board Meeting.

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

5. Verbal Reports

- The Interim General Manager provided summary of painting & LED lighting projects.
- The Interim General Manager provided an update on the District’s activities related to the Brown Act.

6. Treasurer's Report

- The Interim General Manager provided a verbal synopsis regarding Ratification of Disbursements for period ending February 19, 2026
- Approval of Disbursements for the period ending March 5, 2026
- Mid-Year Budget Report
- EFTs

MOTION: By Christian-Smith Seconded by Merrill approval of staff recommendations.

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

Future Agenda Items:

March 19, 2026

- Monthly Operations Reports
- Treasurer's Reports
- Contract Amendment with VPI Strategies

April 2, 2026

- Monthly Operations Reports
- Treasurer's Reports
- Approval of Disbursements

CLOSED SESSION

PUBLIC EMPLOYMENT

Gov. Code § 54957
Title: General Manager

No reportable action was taken.

7. Adjournment -

The meeting was adjourned at 7:01 P.M. The next regular meeting of the Stege Sanitary District Board of Directors will be held on March 19, 2026 at 7:00 P.M. in the District Board Room at 7500 Schmidt Lane, El Cerrito, California.

Bobby Magee
Interim General Manager
STEGE SANITARY DISTRICT



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 3/19/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, Interim General Manager / District Treasurer
SUBJECT: Resolution Ratifying Fiscal Year 2025/26 Capital Projects Budget

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt a Resolution Ratifying the Fiscal Year 2025/26 Capital Projects Budget.

BACKGROUND AND DISCUSSION

On June 26, 2025 the Board adopted a resolution approving the fiscal year 2025/26 annual operating budget. The State Controller's Office provides guidance on the proper budgeting, accounting, and reporting standards through its Special District Uniform Accounting and Reporting Procedures publication. The guidance references the GASB Code, which sets the standard for two distinct types of budgets within special districts. An "Annual Budget" sets the expenditure plan for the District's operations in one fiscal year. A "Long-Term Budget" at the Stege Sanitary District is the Capital Budget, which is accounted for separately but typically included as part of the overall District budget.

The District's annual budget is the mechanism used to convey the appropriations needs to the Board. The appropriations are the Board's delegated authority to staff to issue payment required to provide the District's services.

In another item on tonight's Agenda is a request to approve a warrant, which was created in response to an invoice received from APB, the District's vendor who provides the work needed to complete capital projects. As part of a due diligence effort staff wished to confirm the capital project appropriation amount, and related delegated authority to release the check from the Board to staff. Prior to presenting the requested approval for the warrant, staff noticed a potential error. The title of Resolution 2258-0625 is to approve and adopt the "Annual Operating Budget" for FY 2025/26. The Resolution makes no mention of the Capital Budget, nor the related appropriations authority. However, the Resolution does specifically state that the District budget attached to the Resolution is approved and adopted. In reviewing all of the related documents staff discovered that the budget was not published as part of the Board's Agenda for June 26, 2025; nor was the budget document attached to signed resolution, and the resolution itself only made mention of the Operating Budget. In order to eliminate any ambiguity regarding the Board's intent and approval, after working with District Counsel, staff recommends that the Board adopt another Resolution at this time, confirming and ratifying the Board's intent of the original budget Resolution that was adopted on June 26, 2025.

FISCAL IMPACT

Adopting the resolution does not change the District's FY 2025/26 budget; it simply confirms the Board's action with the adoption of Resolution 2258-0625 that the Capital Budget was included with the District's overall budget, which included both operating and capital. In addition, this action clarifies the

delegated appropriation authority to staff for both the operating and capital budgets. The total Districtwide budget is \$11,886,000 with the operating budget and related appropriations for 2025/26 set at \$4,448,100; the total capital budget is \$7,437,900.

FY 25-26 Budget

Salaries & Benefits

Total 010 · Salaries & Wages \$ 1,863,300.00

Total 020 · Employee Benefits \$ 853,100.00

Total Salaries & Benefits \$ 2,716,400.00

Services & Supplies

Total 030 · Directors Fees \$ 36,700.00

Total 060 · Gas, Oil & Fuel \$ 40,000.00

Total 070 · Insurance \$ 487,000.00

Total 080 · Membership \$ 19,150.00

Total 090 · Office Expenses \$ 20,250.00

Total 100 · Operating Supplies \$ 43,500.00

Total 110 · Contractual Services \$ 114,200.00

Total 120 · Professional Services \$ 509,600.00

Total 130 · Printing & Publications \$ 23,500.00

Total 140 · Rents and Leases \$ 1,800.00

Total 150 · Building Repairs & Maintenance \$ 151,600.00

Total 160 · Revenue Collections Expenses \$ 14,600.00

Total 170 · Travel & Meetings \$ 22,000.00

Total 190 · Utilities \$ 39,800.00

Total 193 · Water-Hydro Flusher \$ 10,000.00

Total 200 · Other Expenses \$ 65,100.00

Total 203 · First Aid Supplies \$ 500.00

Total 204 · Safety Equip. & Gloves \$ 4,500.00

Total 205 · Uniforms/Boots \$ 12,500.00

Total 206 · Safety Incentive Program \$ 1,300.00

Total 207 · Contracted Repairs \$ 74,000.00

Total 410 · Pump Stations \$ 40,100.00

TOTAL SERVICES & SUPPLIES \$ 1,731,700.00

TOTAL OPERATING BUDGET \$ 4,448,100.00

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

FISCAL YEAR 2025-2026

ITEM	as of 06/30/25 EXPENDITURES 2024-2025	REMAINING BUDGET 2024-2025	Fiscal Year 2024-2025 Budget	Fiscal Year 2025-2026 Budget	% Change
411 MANHOLES					
Manhole Adjustments	\$0	100%	\$50,000	\$50,000	0%
428 RENEWAL & REPLACEMENT					
a. Interceptor Cleaning	\$50,000	0%	\$50,000	\$100,000	100%
b. Pump Station Rehab	\$779,527	35%	\$1,200,000	\$500,000	-58%
c. Admin Building	\$0	100%	\$10,000	\$50,000	400%
SUB TOTAL (428)	\$829,527	34%	\$1,260,000	\$650,000	-48%
434 STANDARD SEWER REHABILITATION (3423)					
a. Construction Costs	\$3,600,825	0%	\$3,593,600	\$6,500,000	81%
f. Private Sewer Lateral Replacement Loan Program*	\$0	100%	\$326,400	\$100,000	-69%
SUB-TOTAL (434)	\$3,600,825	8%	\$3,920,000	\$6,600,000	68%
TOTAL CONSTRUCTION COSTS (400s)	\$4,430,352	15%	\$5,230,000	\$7,300,000	40%
650 DEBT REPAYMENT (SRF LOANS)					
b. Repayment Project 02203	\$43,939	0%	\$43,900	\$43,900	0%
TOTAL DEBT REPAYMENT (650)	\$43,939	0%	\$43,900	\$43,900	0%
TOTAL CAPITAL EXPENSES (400-650)	\$4,474,291	26%	\$6,058,900	\$7,437,900	23%

* Funding limited to property tax revenue.

RESOLUTION NO. 2258-0625

RESOLUTION APPROVING AND ADOPTING ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2025-2026

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

- A. The Directors of the Stege Sanitary District desire to establish the annual budget for fiscal year 2025-2026.
- B. Public sessions have been held to review and consider various District financial requirements for fiscal year 2025-2026.
- C. A proposed budget has been prepared by the Manager and presented to the Directors for their review and consideration.
- D. Upon their review, the Directors determine the proposed budget appropriate and necessary.

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

The District's fiscal year 2025-2026 budget in the form attached to this resolution is approved and adopted.

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 26th day of June 2025, by a 5-0 vote as follows:

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



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

ATTEST:



LANI GOOD, Secretary
Stege Sanitary District

RESOLUTION NO. ____

RESOLUTION RATIFYING THE APPROVED ANNUAL BUDGET FOR FISCAL
YEAR 2025-2026

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

A. The Directors of the Stege Sanitary District adopted Resolution No. 2258-0625 with the intent of approving the annual budget, including the operating budget and capital improvement budget, on June 26, 2025.

B. Resolution No. 2258-0625 lacked provisions that would typically be included for adoption of an operating and capital improvement budget, despite the clear intent of the Board.

C. The Board now seeks to eliminate any ambiguity regarding its intent and desires to provide staff with clear budget authority.

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

The District’s fiscal year 2025-2026 budget, attached hereto and incorporated herein as originally intended pursuant to Resolution No. 2258-0625, is ratified and funds are appropriated in the amount of \$11,886,000.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution ____ was duly and regularly adopted by the Board of Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 19th day of March 2026, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

TESSA BEACH, President

Stege Sanitary District
Contra Costa County, California

ATTEST:

BOBBY MAGEE, Interim Secretary
Stege Sanitary District



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 3/19/2026

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

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Checks for the Period Ending 3/19/26; and,
2. Receive and File the Verbal Report on Electronic Fund Transfers (EFT) for the Period Ending 3/19/26.

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 March 5, 2026 – March 19, 2026.

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.

STEGE SANITARY DISTRICT					3:15 PM
Check Report					03/13/2026
March 6 - 13, 2026					Accrual Basis
	Date	Name	Memo	Amount	Num
Mar 6 - 13, 26					
	03/13/2026	CALIF. STATE DISBURSEMENT UNIT - Magee	Mar 26 IWO Case #200000001914071 Magee	-508.00	1990
	03/13/2026	CALIF. STATE DISBURSEMENT UNIT - Perez	Mar 26 IWO Case #0139021010-01 Perez	-799.00	1991
	03/13/2026	City of El Cerrito	Annual Fire Inspection - both buildings	-361.00	1992
	03/13/2026	CSRMA	Pooled Liab Insurance claim settlement #3066967 Wolter	-2,248.10	1993
	03/13/2026	CWEA	Renewal Grade 1 Davis, Jeremy #481280	-114.00	1994
	03/13/2026	EBMUD 39830388387	Hydrant Meter #39830388387 12/31/25-03/03/26	-811.00	1995
	03/13/2026	EBMUD 92526846174	ACCT#92526846174 41102 Hydrant 12/31/25-03/03/26	-1,390.36	1996
	03/13/2026	PG&E- #0607499583-5	0607499583-5	-290.59	1997
	03/13/2026	Redwood Public Law, LLP		-9,074.40	1998
	03/13/2026	Robert Half		-5,001.95	1999
	03/13/2026	Vestis		-200.90	2000
	03/13/2026	WECO Industries, Inc.	2 - Sewer Hoses, 700' x 3/4", 3000 psi	-5,878.10	2001
Mar 6 - 13, 26			Total Checks	-26,677.40	
	03/09/2026	Nationwide Retirement Solutions	Feb 2026 457b contributions	-11,279.48	50022
	03/12/2026	ADP	March 2026 mid-month payroll	-30,926.50	50023
	03/13/2026	ADP PAYROLL FEE	Feb 2026 payrolls	-493.60	50024
			Total EFT's	-42,699.58	
Mar 6 - 13, 26			Grand Total	-69,376.98	



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 3/19/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, Interim General Manager / District Treasurer
SUBJECT: Local Agency Investment Fund Authorization Cards

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt a Resolution Authorizing the Deposit and Withdrawal of the Stege Sanitary District Monies in the Local Agency Investment Fund (LAIF); and,
2. Authorize the Board President to Sign the Authorization for Transfer of Funds Form Certifying that She is Authorized to Execute the Form Under the Agency's Resolution; and,
3. Direct the Interim General Manager to Submit to LAIF its Authorization for Transfer of Funds Form Identifying the District's Authorized Representatives.

BACKGROUND AND DISCUSSION

The Stege Sanitary District has historically held a portion of its reserve funds in LAIF, which is administered by the State Treasurer's Office (STO). The District must have at least two separate authorized signers on file with the STO, which is required to be adopted by Resolution of the Board. A minimum of two authorized signatures are required in order to access the funds and make deposits or withdrawals.

The District has adopted this Resolution multiple times dating back to 1982. In these historical Resolutions, typically only two members of staff, along with their current titles, were identified. In the most recent Resolution on file with the State, the District identified "Douglas Humphrey, District Manager" and "Connie Sylte, Administrative Supervisor" as the authorized signatories, with the caveat that "their successors shall be authorized..." As current staff has interacted with LAIF representatives, it was discovered that funds could not be accessed since the current Administrative Supervisor position is vacant. In addition, the District no longer employs a "District Manager" as that title was changed to "General Manager". With only two District Representatives identified on the Resolution, anytime a position is vacant in the future the District would be unable to move funds until the position were filled.

The LAIF Authorization for Transfer of Funds form allows for up to seven individuals to become authorized signatories, with provisions made for future employees who fill the position title identified on the Resolution. With a study currently underway on the duties of the Administrative Supervisor job description, it is plausible that the job title may be recommended for change in the future. If the job title changes in the future, it will be necessary for the District to adopt a new Resolution to capture that new title. In order to ensure the District always has access to the funds in the future, it is recommended that the Board President and Board Vice President be additionally identified as authorized signatories on the LAIF form.

The individuals recommended to become authorized signatories include:

Name	Title
Tessa Beach	Board President
Dwight Merrill	Board Vice President
Bobby Magee	General Manager
Vacant	Administrative Supervisor

Staff will continue to actively manage the LAIF account in accordance with the District’s Investment Policy. With the addition of authorizing the Board President and Board Vice President efficiencies are achieved by granting access to the funds, if needed urgently, in the event the two staff members were unable to jointly sign the LAIF transfer documents.

FISCAL IMPACT

There is no fiscal impact to adopting the Resolution authorizing the recommended individuals to become signatories on the LAIF form.



California State Treasurer's Office
Local Agency Investment Fund (LAIF)

Authorization for Transfer of Funds

Effective Date
3/19/26

Agency Name
Stege Sanitary District

LAIF Account #
70-07-002

Agency's LAIF Resolution # _____ or Resolution Date 3/19/26

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
Tessa Beach	Board President
Dwight Merrill	Board Vice President
Bobby Magee	General Manager
Kary Richardson	Administrative Supervisor

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature _____

Signature _____

Print Name
Bobby Magee

Print Name
Tessa Beach

Title
General Manager

Title
Board President

Phone Number _____

Phone Number _____

Please provide email address to receive LAIF notifications.

Name	Email

Please email the completed form for review to laif@treasurer.ca.gov and allow 2 days for a response. **DO NOT** mail the original form until you receive approval.
Mail the approved form to: CA State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001

RESOLUTION NO. ____

RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL
AGENCY INVESTMENT FUND

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

1. WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and,
2. WHEREAS, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Stege Sanitary District.

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

1. The Board of Directors hereby authorizes the deposit and withdrawal of Stege Sanitary District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.
2. The following Stege Sanitary District officers holding the title(s) specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Tessa Beach
Board President

Dwight Merrill
Board Vice President

(Signature)

(Signature)

Bobby Magee
General Manager

Kary Richardson
Administrative Supervisor

(Signature)

(Signature)

3. This Resolution shall take effect immediately upon adoption, shall supersede all resolutions on the same subject matter, and shall remain in full force and effect until rescinded by the Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

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 19th day of March 2026, by a X-X vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tessa Beach, President
Stege Sanitary District
Contra Costa County, California

ATTEST:

Bobby Magee, Interim Secretary
Stege Sanitary District



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 3/19/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, Interim General Manager / District Treasurer
SUBJECT: Contract Amendment with VPI Strategies

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt a Resolution for Amendment #1 to the Contract with VPI Strategies.

BACKGROUND AND DISCUSSION

On September 18, 2025 the Board approved a contract with VPI Strategies for Human Resources Consulting Services. During the Board meeting on December 18, 2025 VPI Strategies presented their insights and recommendations after completing a Human Resources Functional Review. The recommendations included a number of categories including Compliance, Standardization of Documents, Updating Processes, Strengthening Existing Programs, Ensuring Parity Between Policies, More Checks and Balances, and Organizational Structure.

As staff began to consider the roadmap to implementing the VPI Strategies recommendations, it became clear that existing staffing resources would be significantly strained as the administrative services functions are reviewed and improvements implemented across HR, IT, and Finance. VPI Strategies indicated that their firm has the capacity to assist the District with ongoing services for Shoring up HR, HR On Demand, and HR Coaching. The recommended contract amendment for these services will provide the District with ongoing expert HR advice and assistance, in a mission-critical function that is only a part of the duties of existing staff.

FISCAL IMPACT

Adopting the resolution will increase the not-to-exceed amount with VPI Strategies to \$250,000 for on-call Human Resources services and support over a five-year period ending June 30, 2031.

Human Resources Consulting Services Proposal

For

Stege Sanitary District
February 25, 2026



VPI STRATEGIES

11662 Calle Paracho

San Diego, CA 92128

858-583-3097

Background

Stege Sanitary District is seeking to extend the HR Consulting Services provided by VPI Strategies in 2025 to advise the General Manager, support employees and mitigate risk as HR experts. VPI's HR Consulting Services follows a four-function Strategic Business Partner model where HR is adept in administrative expertise and employee relations as well as being a trusted advisor and supportive change agent.

Scope

VPI's President, Sherri Petro, is the Project Manager. Penny Royal is the Senior Consultant. Penny handles administrative expertise, employee relations and as trusted advisor. Sherri's expertise is as trusted advisor and supportive change agent. Both have been HR executives and bring HR breadth and depth. Resumes on following pages.

Services include:

Shoring up HR – Sherri Petro and Penny Royal

VPI implements the recommendations provided in the December 2025 HR audit to update policies and procedures. This includes the current employee manual and known practices using the prioritized suggestions provided in January 2026 as well as new policy development in the future, keeping Stege up to date on compliance requirements.

HR On Demand – Penny Royal and Sherri Petro

The organization has requested on demand services. Penny provides transactional HR including compliance, current rules, unionization, compensation and benefits. Sherri is transformational HR – performance management, systems integration, coaching, training and development.

HR Coaching – Penny Royal

VPI can support the development of internal expertise for the function that will handle day-to-day on-the-ground HR in the future. Coaching occurs at intervals decided upon with coachee.

Investment

All VPI work will be done hourly, as requested. Hourly rate for 2026 is \$175. Each consecutive year the rate increases 3% on July 1 starting in 2027. With advance planning and when requested, VPI can be onsite up to two times a month for two consecutive days. Travel expenses are billed separately with no mark-up. No travel occurs without GM approval.

Terms

Net 30-day terms. VPI can support this effort for up to five years.

Sherri Petro
President and Chief Strategy Officer
VPI Strategies

Leader in Leveraging Human Capital to Create Competitive Advantage

More than 30 years achieving sustainable results by designing and managing people-oriented innovative solutions for complex organizational issues. Nationally known leader in leveraging knowledge of multiple generations to resolve communication and productivity issues.

Organizational Development (OD) /Organizational Effectiveness (OE)

- Recruited to lead or consult on numerous interventions; coaching for enhanced performance, resolving conflicts, leveraging the generations for better productivity and innovation, improving individual and group communications, increasing employee engagement, developing and implementing change engagement plans, building high performance teams and finding and leveraging real change leaders.
- Coached executives and senior leaders of for-profits, nonprofits and government agencies.
- Have developed and continue to deliver leadership and team skills workshops leveraging CliftonStrengths™ since 2008.
- Designed, launched and interpreted 60+ surveys with strength-based questions as part of discovery conversations and evaluations.
- Planned, decided upon appropriate technology, launched, analyzed and organized action on organizational readiness, cultural assessments, 360s and periodic pulse assessments.
- Created and facilitated leadership/learning academies with up to 54 capacity-building modules delivered via live instruction and virtually.
- Consulted and co-authored a white paper on the next evolution of performance management based on generational signals and best practices from experience in technology companies.

Change Engagement/Communications

- Recruited as change leader for domestic and global organizations for cultural transitions.
- Developed communication plans during intense cultural change efforts identifying all stakeholders, motivations and concerns, best relationships to leverage, best approach to educate, most appropriate message points, frequency and preferred communication vehicles.
- Recruited to lead numerous strategic cross-functional teams, using collaborative problem-solving techniques and systems thinking to achieve results.
- Trained real change leaders on coaching techniques to reduce fear for process changes.
- Taught change engagement and communications to domestic and international students at University of California San Diego and California Miramar University.

Acknowledged Expert

- Facilitates management teams and boards through strategy development, key issue resolution and tactical implementation.
- Presented internationally to 650 CEOs and Key executives on how to *leverage* generational differences to solve organizational problems. Received 4.45/5 ratings for value and style.
- Asked to teach Strategy Capstone, Leaders and the Leadership Process, Business Ethics to MBA students in the US, Kenya, Indonesia and Vietnam 2010-2013.
- Authored 79 articles and designed 40 training tools distributed globally for Intuit's Pro Connection newsletter with subscription level of 44,000.

LEADERSHIP POSITIONS

Consulting Work – Strategic Architect, Quality Control, Systems Thinker

President, VPI Strategies, San Diego CA, (2000-present), Management Consulting
Director of HR and Organizational Development, BSK Associates (2014 to 22) Sacramento CA
Partner, Conduit Careers, San Diego CA (2009-11), Talent Management Consulting
Founder, Workplace Evolution, Richmond WA (2007-10), Organizational Development
Strategic Planning Manager, San Diego Gas & Electric, San Diego CA (2000-01)
Commercial/Industrial Marketing Manager, San Diego Gas & Electric, San Diego CA (1998-2001)
Commercial Marketing Manager/Foodservice Manager/Account Executive, SoCalGas, LA, (1994-98)
Service Center Director, Bio Clinic, Ontario CA (1992-94) Medical Device Sales
Vice President of Operations, Anatomic Concepts, (1990-92) Medical Device Manufacturer
Director of Operations Pre-Foam, Corona CA (1987-1990) Medical Device Manufacturer

EDUCATION

- MBA with emphasis on Strategic Planning from Pepperdine University, Malibu CA 1993
- B.A. in Psychology Magna Cum Laude - Youngstown State University, Youngstown OH 1984
- Coaching certificate: Learning Strategies, ICF-certified Master Coach Dr. Wilson Bullard, 2003
- Facilitation certificate: The Training Clinic, 1998

Penny Royal

GPHR, SCP, PHR

Global Human Resources professional, acknowledged throughout career for providing pivotal leadership to achieve corporate objectives. Superb analytical, interpersonal, communication and change management skills; able to excel in challenging and deadline-driven environments.

EXPERIENCE:

Interim Human Resources Professional (Hybrid)

The Broad, Los Angeles, CA

June 2023 – September, 2024

Interim Human Resources. Contracted to source new HR team members, hire and train them while maintaining department efficiency. Responsible for all aspects of Human Resources including Compensation & Benefits, Employee Relations, Onboarding, Talent Acquisition, implementation of new Performance Management and Recruiting modules from Paylocity, and special projects for the COO.

Senior Human Resources Consultant (Hybrid)

Royal Consulting Services LLC

November 2022 - Present

Provide Human Resources consulting services to f-profit, nonprofit and government agencies. Includes Thought Leadership, creation of HR infrastructure - Employee Handbook, new hire documents, Applicant Tracking software, Merger and Acquisition Due Diligence, Employee Integration, Employee Relations, Reductions in Force, Global HR, Open Enrollment, Talent Acquisition, HRIS implementation, review of Benefits and Salary Structure, Global relocation and Immigration Guidance.

Vice President, Human Resources (Remote)

Guthy Renker, El Segundo, CA

April 2019 – November 2021

Responsible for all Human Resource functions of this privately held, \$627 million Beauty Marketing corporation and its subsidiaries: J-Lo Beauty, OceanX; Guthy Renker Ventures; Aspirational Beauty Marketing. Provided multi-state talent acquisition, employee relations, executive coaching, compensation, benefits, training and development, performance management, organizational design, succession planning, and labor law compliance for 800 employees.

- Automated applicant tracking and background screening process using iCIMS.
- Provided Diversity Training and updated all employee documents with inclusive language
- Developed Paid Parental Leave and Paid Volunteering Leave policies.
- Wrote COVID-19 Employee Handbook and Return to Work policies.
- Member of 401(k) fiduciary committee.
- Managed six rounds of employee layoffs and restructures between 2019 – 2021.

Sr. Director, Human Resources (Onsite)

Guthy Renker, El Segundo, CA

September 2018 – March 2019

- Reduced annual hiring costs by \$200,000 by building an internal Talent Acquisition team.
- Reduced self-funded health plan costs by \$275,000 by adding two new plans with Aetna.
- Developed training programs on Leadership and Situation – Behavior – Impact (SBI).
- Implemented continuous feedback program using Zugata.
- Created a new Employee Recognition Program.

Director, Human Resources (On-site)

Universal Electronics Inc., Santa Ana, CA

March 2007 – March 2017

Responsible for Global Human Resource functions of this publicly traded, \$560 million Consumer Electronics Corporation. Managed a global team of Human Resource professionals, who provided Human Resources to employees in California, Ohio, Hong Kong, India, Japan, and Korea as well as the locations under collective bargaining in Brazil, China, Mexico, and the United Kingdom. The company expanded from 200 employees in 2005 to 2,800 employees in 2017 through targeted sales expansion and acquisitions.

- Saved \$70,000 per year by taking the payroll and government mandated benefit functions of our Hong Kong and China employees in-house.
- Saved \$270,000 per year in US medical and dental insurance costs through change to partially self-funded health insurance plan with CIGNA.
- Developed succession plan for high potential employees with expatriate learning assignments in China, Hong Kong, Brazil, Mexico, and the Netherlands.
- Established an HR function to provide legal compliance, payroll, benefits, and training to the staff.
- Developed UEI University, an online learning platform for Training and Development

Manager, Human Resources (On-site)

Universal Electronics Inc., Santa Ana, CA

January 2005 - February 2007

- Created online Performance Management System, Pay for Performance.
- Created Labor Law Manuals outlining requirements for expansion plans.
- Conducted Salary Analysis to determine market data for all positions.
- Implemented online timekeeping system and employee portal using NovaTime and ADP software.

EDUCATION and PROFESSIONAL DESIGNATIONS:

Bachelor, Business Management - University of Phoenix

Global Professional of Human Resources (GPHR), HRCI

Senior Certified Professional of Human Resources (SCP), SHRM

Professional of Human Resources (PHR), HRCI

**FIRST AMENDMENT TO
CONSULTING SERVICES AGREEMENT BETWEEN
THE STEGE SANITARY DISTRICT AND VPI STRATEGIES**

THIS First Amendment to the Agreement for consultant services (“First Amendment”) is made by and the Stege Sanitary District (“Stege”) and VPI Strategies (“Consultant”) (together sometimes referred to as the “Parties”) as of March 19, 2026 (the “Effective Date”).

WHEREAS, the Parties entered into an agreement for consulting services on September 18, 2025 (the “Agreement”); and

WHEREAS, Section 8.3 of the Agreement provides that the Agreement may be amended only by a writing signed by all Parties; and

WHEREAS, the Parties now desire to amend the Agreement to reflect changes in the term, total compensation, and scope of services.

Now, therefore, the Parties hereto mutually agree as follows:

Section 1. TERM. The first sentence of Section 1.1, “Term of Services”, shall be deleted and replaced with the following:

The term of this Agreement shall begin on the Effective Date and shall end on June 30, 2031 unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8.

Section 2. COMPENSATION. The first sentence of Section 2 “Compensation” shall be deleted and replaced with the following:

Stege hereby agrees to pay Consultant a sum not to exceed \$250,000 as set forth herein, notwithstanding any contrary indications that may be contained in Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement.

Section 3. SCOPE OF WORK. The Proposal attached hereto and incorporated herein by this reference shall be added to Exhibit A of the Agreement.

Section 4. REMAINING SECTIONS UNCHANGED. Except as modified and amended by this First Amendment, all other sections of the Agreement shall remain unchanged and in full force and effect.

The Parties have executed this First Amendment as of the Effective Date.

STEGE

CONSULTANT

Bobby Magee, Interim General Manager

VPI Strategies

Kristopher J. Kokotaylo, District Legal Counsel

RESOLUTION NO.

RESOLUTION APPROVING AN AMENDMENT TO THE CONSULTING SERVICES AGREEMENT WITH VPI STRATEGIES AND AUTHORIZING THE INTERIM GENERAL MANAGER TO EXECUTE THE AMENDMENT

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

- A. The Stege Sanitary District (District) is a public agency and sanitary district organized and existing under and pursuant to the Sanitary District Act of 1923 (California Health and Safety Code § 6400 et seq).
- B. The District is in need of shoring up HR, HR On Demand, and HR Coaching and assistance with various human resources related issues.
- C. The District desires to amend the agreement with VPI Strategies to provide additional services.
- D. The District has sufficiently budgeted funds for the proposed amendment to the existing agreement.

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

- 1. The foregoing recitals are true and correct and are hereby incorporated by reference.
- 2. The Board of Directors declare that the Interim General Manager is authorized to execute an amendment to the consulting services agreement to increase the not to exceed amount to \$250,000, between the Stege Sanitary District and VPI Strategies, in a form approved by the District Counsel.
- 3. The Interim General Manager is hereby authorized and directed, on behalf of the District, to make all approvals and take all actions necessary and appropriate to carry out and implement the terms of this Resolution.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Resolution No. [INSERT] was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 19th day of March 2026, by a __ vote as follows:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS: None
ABSENT:	BOARD MEMBERS: None
ABSTAIN:	BOARD MEMBERS: None

TESSA BEACH, President
Stege Sanitary District
Contra Costa County, California

ATTEST:

BOBBY MAGEE, Interim Secretary
Stege Sanitary District