



Stege Sanitary District Board of Directors

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

Meeting Agenda – July 2, 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.

Info:

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:

- June 4, 2026 Meeting Minutes
- June 8, 2026 Special Meeting Minutes

Info:

7. Staff and Officer Reports:

A. Oral Manager's Report

1. Operations Update
2. Upcoming Professional Development Opportunities
 - 2026 California Association of Sanitation Agencies Annual Conference August 4th - 7th
 - California Special District Association Annual Conference August 24th - 27th
 - California Association of Sanitation Agencies
 - **Annual Conference - Aug 4 - 7 (Director Merrill and GM to Attend)**
 - 2027 Winter Conference - Jan 27 - 29
 - 2027 Washington DC Policy Forum - Feb 22 - 23
 - California Special Districts Association
 - **General Manager Leadership Summit - June 28**
 - Special District Leadership Academy - July 19 - 22
 - Annual Conference - Aug 24 - 27
 - CALPELRA (Labor and HR) Annual Training Conference - Nov 17 - 20
 - Bay Area Clean Water Agencies - Bi-Monthly Committee Meetings

- California Water Environment Association Annual Conference - April 5 - 8 2027
- Northern California Pipe Users Group - Annual Technologies Seminar - Feb 2027 (Actual Dates TBD)

B. Oral Attorney's Report

8. Superintendent's Reports:

Info:

- A. Verbal Maintenance Report
- B. Monthly Maintenance Summary Report
- C. Monthly Service Call Report
- D. Sanitary Sewer Overflow Report – Last 12 Months

Info:

9. Engineer's Report

- A. Verbal Engineering Report
- B. Consent Decree Progress Report
- C. Monthly Replacement and Repair Summary

Motion:

10. Treasurer's Report

- A. Ratification of Checks through June 18, 2026
- B. Approval of Checks through July 2, 2026
- C. EFTs

Motion:

11. Approve Resolution No. 2279-0726 Approving an Employment Agreement Between the District and Bobby Magee to Serve as General Manager and Secretary of the Board

Motion:

12. Approve Resolution 2280-0726 Establishing the Salary Ranges of the Assistant General Manager / Finance Director / Treasurer and Management Analyst (Part Time)

Motion:

13. Approve Resolution No. 2281-0726 Completion of Work and Filing Notice of Completion for the Standard Sewer Rehabilitation Project No. 25201, Ratify Year Four Amendment and Approve Year Five Amendment to Agreement with APB Engineering

Motion:

14. Approve Resolution No. 2282-0726 to Delegate Staff Authority to Vote on CSTAC-Related Items

Motion:

15. Approve of Resolution No. 2283-0726 Authorizing Staff to Enter into an Agreement with Either Arthur J. Gallagher & Company or Bryce Consulting for a Compensation Study

Motion: **16. Approve Resolution No. 2284-0726 for a Contract with Steven's Printing for On-Call, As Needed Printing Services**

Motion: **17. Approve Resolution No. 2285-0626 Authorizing Staff to Dispose of Three Vehicles, Deemed as Surplus Property**

Motion: **18. Approve Resolution No. 2286-0726 Authorizing the Purchase of One Pickup Truck**

Motion: **19. Approve Resolution No. 2287-0726 Authorizing an Amendment to the Legal Services Agreement with Redwood Public Law, LLP**

20. Future Agenda Items

July 16, 2026

- A. Public Hearing- Sewer Service Chares
- B. Public Hearing- Sewer Connection Charges
- C. Public Hearing – Directors’ Fees
- D. Monthly Operations Reports
- E. Treasurer’s Report
- F. Investment Policy and Working Capital Policy
- G. 4th of July Event Debrief

August 6, 2026

- A. Treasurer’s Report
- B. Discussion of District Webpage Requirements
- C. Report on Employee Reimbursements for FY 2025/26
- D. Kids for the Bay Watershed Program Update

21. Adjournment

Bobby Magee
Interim General Manager
STEGE SANITARY DISTRICT



Stege Sanitary District Board of Directors

Meeting of June 4, 2026 at 7:00 PM

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

DRAFT Meeting Minutes - June 4, 2026

1. Call To Order:

President Beach called the meeting to order at 7:00 PM.

2. Roll Call:

Present: Beach, Merrill, Christian-Smith, Gilbert-Snyder

Absent: O'Keefe

Others Present:

Kristopher Kokotaylo, District Counsel

Rashid Jones, Finance Consultant

Bobby Magee, General Manager

Paul Soo Jr., Civil Engineer

Dennis Wright, Maintenance Superintendent

Joelle Noetzi, Temporary Administrative Assistant

Jeremy Davis, Collection Systems Worker

Enrique Reyews, Collection Systems Worker

Juan Perez, Collection Systems Worker

Attendance changes: Director O'Keefe joined at 8:39 PM. O'Keefe announced that she was attending remotely pursuant to just cause, a physical medical emergency preventing in-person attendance, under Government Code Section 54953.8.3.

3. Proclamation - Employee Recognition

President Beach presented an employee recognition Proclamation to employee Jeremy Davis.

4. Agenda Items:

Directors and Officers of the Board posed no conflicts of interest with items on the agenda.

5. Public Comment:

There were no public comments.

6. Board Members Comments:

There were no comments by Board members.

7. Approval of Minutes

Approval of May 7, 2026 Meeting Minutes, and May 14, 2026 Special Meeting Minutes.

MOTION: By Merrill, seconded by Christian-Smith, to approve the minutes of the May 7, 2026 Regular Meeting, and the May 14, 2026 Special Meeting.

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

8. Staff and Officer Reports

- A. The Board received an oral report from the Interim General Manager regarding the July 4th event schedule.
- B. The Board received a verbal summary from District Counsel on the effects of artificial intelligence in the workforce.

9. Operations 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 Merrill, to approve ratification of end-of-period May 21, 2026 disbursements & approval of end-of-period June 4, 2026 disbursements.

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

11. Public Hearing: Report on Job Vacancies, Recruitment, and Retention Efforts, in Compliance with Government Code § 3502.3 (Assembly Bill 2561)

The Board opened the Public Hearing; no public comments were received; the Board received the report, and the Public Hearing was then closed.

12. Resolution No. 2276-0626 - Even-Year Board of Directors Election; Consolidation of Elections; and Specifications of the Election Order

MOTION: By Merrill, seconded by Gilbert-Snyder, to approve Resolution No. 2276-0626

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

13. Adopt Resolution No. 2277-0626 for Amendment No.2 with Regional Government Services

MOTION: By Merrill, seconded by Gilbert-Snyder, to approve Resolution No. 2277-0626 for Amendment No.2 with Regional Government Services, amended to include a not to exceed amount of \$200,000.

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

14. Approve and Adopt Resolution No. 2278-0626 for the Annual Budget for FY 2026-27

The Board received a presentation from Rashid Jones on the Annual Budget for FY 2026-27.

MOTION: By Christian-Smith, seconded by Gilbert-Snyder, to approve and adopt Resolution No. 2278-0626 for the Annual Budget for FY 2026-27.

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

15. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Gov. Code § 54957.6

Agency Designated Representative:

Board President Beach

Unrepresented Employees:

General Manager

District Counsel

No reportable action.

PUBLIC EMPLOYMENT PERFORMANCE EVALUATION

Gov. Code § 54957

Title: General Manager

No reportable action.

○ **Future Agenda Items**

1. The Board discussed items it would like to see on future Agendas, and directed staff to cancel the June 18, 2026 regular meeting.

16. Adjournment

The meeting was adjourned at 9:51 P.M.

Bobby Magee
Interim General Manager
STEGE SANITARY DISTRICT



Stege Sanitary District Board of Directors

Special Meeting of June 8, 2026 at 7:00 PM

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

DRAFT Special Meeting Minutes

1. Call To Order:

President Beach called the meeting to order at 7:01 PM.

2. Roll Call:

Present: Beach, Merrill, Christian-Smith, Gilbert-Snyder. O'Keefe announced at the start of the meeting that she was attending remotely pursuant to just cause, a physical medical emergency prevent in person attendance, under Government Code Section 54953.8.3.

Absent:

Others Present: Bobby Magee, Interim General Manager, Dennis Wright, District Superintendent, Kristopher Kokotaylo, District Council via Zoom, Pam Derby, CPSHR Consultant via Zoom.

3. Agenda Items:

Directors and Officers of the Board posed no conflicts of interest with items on the agenda.

4. Public Comments:

There were no public comments.

CLOSED SESSION

5. Public Employment/Public Employee Appointment

Conference with Labor Negotiators

Gov. Code § 54957.6

Agency Designated Representative:

Board President Beach

Unrepresented Employee:

General Manager

No reportable action was taken.

6. Adjournment

The meeting was adjourned at 8:01 P.M.

Bobby Magee
Interim General Manager
STEGE SANITARY DISTRICT



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

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. Ratify the Disbursements for the Period Ending 6/18/26; and,
2. Approve the Disbursements for the Period Ending 7/2/26; and,
3. Receive and File the Verbal Report on Electronic Fund Transfers (EFT) for the Period Ending 7/2/26.

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 June 5, 2026 – July 2, 2026.

Current Estimated Bank Balances:

Account	Balance
Five Star Checking	\$227,342.89
Five Star Savings	\$5,021,550.43
LAIF	\$6,620,813.06
Time Value Investments	\$2,132,405.61
Total	\$14,002,111.99

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						06/18/2026
Check Report						
June 5, 2026 Through June 18, 2026						
Prepared By: Jessie Catacutan (6/18/26)						Five Star
	Date	Name	Memo	Invoice Amount	Check Amount	Bank Check #
CHECKS	06/18/26					
	06/18/26	Alliant Insurance Services, Inc	Crime Insurance 07/01/26-07/01/27	\$2,800.00	2,800.00	2119
	06/18/26	Bay Alarm Company	Service Call SI#4662778-Replace zone 1 manpull sent signals and restoral	\$349.89	349.89	2120
	06/18/26	CALIF STATE DISBURSEMENT UNIT - Magee	July 26 IWO Case #20000001914071 Magee	508.00	508.00	2121
	06/18/26	CALIF STATE DISBURSEMENT UNIT - Perez	July 26 IWO Case #0139021010 01 Perez	799.00	799.00	2122
	06/18/26	CLD Consulting	Implementation Services for "Zoom Products" - Phone	2,050.00	2,050.00	2123
	06/18/26	Direct Line	Answering Service May 2026 from 5/1/26 to 5/31/26	120.00	120.00	2124
	06/18/26	Foster & Foster, Inc	Preparation of Interim GASB 75 Disclosure Report for fiscal year ending 6/30/26	\$1,530.00	1,530.00	2125
	06/18/26	Fred Bondoc	June 2026 Retiree Medical	\$324.48	324.48	2126
	06/18/26	Joelle Noetzli	Temp Admin Specialist Services - 6/1/26 to 6/12/26	3,200.00	3,200.00	2127
	06/18/26	Municipal Resource Group, LLC	Finance and Accounting Assistance - 5/1/26 to 5/31/26	\$25,964.22	25,964.22	2128
	06/18/26	Nakano Landscape	Landscape - Burlingame Pump Station and El Cerrito	\$290.00	290.00	2129
	06/18/26	Nerd Crossing	UNAS Pro (2) 8TB RAID1 + Cloud Backup (Ticket #132719)	2,370.36	2,370.36	2130
	06/18/26	Pastime Hardware	Wheeie Color 38QT	\$99.20	99.20	2131
	06/18/26	R & R Auto Services	Gas & Diesel 05/01/26 - 05/31/26	2,909.24	2,909.24	2132
	06/18/26	Rashid Jones	Consulting work 06/2/26 to 6/17/26 and travel expenses	\$5,109.86	5,109.86	2133
	06/18/26	Redwood Public Law, LLP	Travel to Stege from Oakland to attend board meeting	61.40		
	06/18/26	Redwood Public Law, LLP	Legal services and correspondences from 5/1/26 to 5/29/26	6,822.00		
	06/18/26	Redwood Public Law, LLP	Legal Services - May 2026 Flat Fee Retainer	2,196.00	9,079.40	2134
	06/18/26	Robert Half	Admin Temp. Duperval, Shela - Week of 5/1/26	1,999.49		
	06/18/26	Robert Half	Admin Temp. Wanlass, Sarah - Week of 5/1/26	2,791.17	4,790.66	2135
	06/18/26	Shawn Noetzli	PSL Loan Info Card and Postcard	800.00		
	06/18/26	Shawn Noetzli	Print and Production - End-to-end development of four 8X11 brochures	9,000.00	9,800.00	2136
	06/18/26	United Laboratories	Disinfectant Cleaner and I.Iqui-Zyme Newberry	\$3,212.18	3,212.18	2137
	06/18/26	Universal Building Services	Janitorial Service Schmidt Lane - May 2026	484.00	484.00	2138
			TOTALS	\$75,790.49	75,790.49	

STEGE SANITARY DISTRICT						06/25/2026
Check Report						
June 19, 2026 Through June 25, 2026						
Prepared By: Jessie Catacutan (6/25/26)				Invoice	Check	Five Star
	Date	Name	Memo	Amount	Amount	Bank Check #
CHECKS:	06/25/2026	Dormatech Mechanical Systems, INC	HVAC Services - HP-3-Belt Replacement	779.61	779.61	
		EBMUD 57132800001	Acct 57132800001 Office/Shop 04/15/26-06/12/26 6" - Sanitary Collection and Disposal	828.21	828.21	
		EBMUD 12374900001	Acct 12374900001 Office Shop 04/15/26-06/12/26 1" - Sanitary Collection and Disposal	181.92	181.92	
		Nerd Crossing	5 Quantity - Logitech HD Pro PC Webcam and Headset	685.59	685.59	
		Paul Soo, Jr.	CSTAC 6-17-26 Meeting - Mileage Reimbursement	15.95	15.95	
		RGS / Regional Government Srvcs	May 2026 Consulting contract, Financial & IT, inv rec'd 06.23.26	3,210.10		
		RGS / Regional Government Srvcs	April 2026 Consulting contract, Financial & IT, inv rec'd 06.23.26	8,990.40		
		RGS / Regional Government Srvcs	March 2026 Consulting contract, Financial & IT, inv rec'd 06.23.26	8,613.90	20,814.40	



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Kristopher Kokotaylo, District Counsel
SUBJECT: Resolution Approving an Employment Agreement between the District and Bobby Magee as General Manager and Secretary of the Board

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2279-0726 Appointing Bobby Magee as General Manager and Secretary of the Board.

BACKGROUND AND DISCUSSION

In December 2025 the Stege Sanitary District's previous General Manager separated from the organization. On December 15th, 2025 Bobby Magee assumed the duties of the Interim General Manager. On January 15, 2026, the Board adopted Resolution 2266-1225 formally appointing Mr. Magee as the Interim General Manager and Interim Secretary and Treasurer of the Board. In February 2026 CPS HR Consulting began an extensive recruitment designed to appoint a permanent General Manager. Following completion of the recruitment process and evaluation, on May 14th 2026, the Board appointed Bobby Magee as General Manager, conditioned upon final negotiations of a formal employment agreement and approval of background checks.

President Beach was designated by the Board to serve as the lead negotiator for a recommended contract with Mr. Magee. Negotiations were successful, and the attached contract includes all negotiated items and conditions of employment. The proposed contract sets the annual base salary for the Mr. Magee at \$300,000.00. California Public Employees' Retirement System (CalPERS) regulations require that all employers list their compensation levels on one document, a publicly available pay schedule, approved and adopted by the governing body in accordance with California Code of Regulations section 570.5. The proposed resolution will not revise the current General Manager salary amounts approved by the District. Mr. Magee's base salary may be adjusted subject to a satisfactory performance evaluation, with the first evaluation to occur within 6 months from the effective date of the employment contract.

One of the items that was contractually agreed upon was to remove the duties of the Treasurer and reassign them to the future Assistant General Manager (AGM). Primary duties of the Treasurer include depositing, investing, and safekeeping all District funds, in addition to issuing warrants on behalf of the District. While it is legally permissible for the General Manager to serve as Treasurer, it is not considered a best practice in governmental agencies. The General Manager is primarily responsible for executive leadership and policy implementation, where a finance executive's primary duty is to manage public funds. Combining these roles can blur the lines of authority and accountability, where separating them creates proper fiscal internal controls and separation of duties. The AGM position is currently under recruitment. Mr. Magee will continue in the capacity as the Interim District Treasurer until the

AGM position is filled, and staff will return to the Board at a future meeting to reassign the Treasurer duties.

FISCAL IMPACT

Adopting the Resolution will approve the final negotiated employment contract and appoint Bobby Magee as the District's General Manager. Total costs to the District are still to be determined, based on Mr. Magee's final election of options available to him in the contract, along with related trickle-down benefit costs. These costs have all been appropriately captured in the FY 2026/27 budget.

RESOLUTION NO. 2279-0726

RESOLUTION
APPROVING AN EMPLOYMENT AGREEMENT BETWEEN THE DISTRICT AND
BOBBY MAGEE TO SERVE AS GENERAL MANAGER AND SECRETARY OF THE
BOARD

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. Following the departure of the previous District Manager, the District retained CPS HR Consulting to conduct a thorough recruitment for a successor District Manager.
- C. On January 15, 2026, the Board adopted Resolution 2266-1225 appointing Bobby Magee as the Interim General Manager and Interim Secretary and Treasurer of the Board.
- D. On May 14, 2026, the District appointed Bobby Magee as General Manager, Secretary of the Board, and Treasurer of the District, conditioned upon successful employment contract negotiations.
- E. The Board intends to reassign the duties of the Board Treasurer to the future Assistant General Manager (AGM). The AGM position is currently under recruitment.
- F. The District and Bobby Magee have successfully negotiated and agreed to terms of employment and desire to memorialize terms in an Employment Agreement which is attached hereto as Exhibit A.
- G. The parties agree that Bobby Magee will continue in the capacity of Board Treasurer temporarily until the AGM position is filled.

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

1. The Directors authorize the Board President to execute the Employment Agreement with Bobby Magee to serve as General Manager and District Secretary, attached hereto as Exhibit A effective July 1, 2026, in a form approved by District Counsel.
2. This Resolution shall take effect immediately upon adoption.

* * * * *

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 2nd day of July 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, Interim Secretary
Stege Sanitary District

EMPLOYMENT AGREEMENT FOR DISTRICT MANAGER AND SECRETARY OF THE BOARD

This Employment Agreement (“Agreement”) is entered and effective as of July 1, 2026, by and between the Stege Sanitary District (“Employer” or “District”) and Bobby Magee (“Employee”) subject to the following terms and conditions. Employer and Employee are sometimes individually referred to herein as “party” and collectively referred to as the “parties”.

RECITALS

This Agreement is made and entered into with respect to the following facts:

- A. Employer 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. Employee and Employer desire to memorialize Employee’s terms of employment in an employment agreement.
- C. Employee desires to continue such employment subject to the following terms and conditions.

AGREEMENT

Now, therefore, in consideration of the above recitals and of the mutual promises and conditions in this Agreement, Employer and Employee agree as follows:

1. **Employment and Effective Date.** Employer employs Employee as its District Manager (“District Manager”) and Secretary of the Board (“Secretary”). The effective date of this Agreement is July 1, 2026, and Employee accepts such employment subject to the terms and conditions of this Agreement.
2. **Term of Employment.** The term of this Agreement shall be from the date approved by the District until terminated by either party as hereinafter provided. Employee shall serve at the pleasure of the District Board of Directors. The parties recognize and affirm that: 1) Employee is an “at will” employee whose employment may be terminated by the District with or without cause; 2) there is no express or implied promise made to Employee for any form of continued employment; and 3) this Agreement is the sole and exclusive basis for an employment relationship between the parties.
3. **Duties.** Employee shall serve as Employer’s full time District Manager, and shall perform the duties described in the job description attached as Exhibit A to this Agreement, as

periodically amended or modified, in accordance with State Law; the District Code; and policies, restrictions, and directions provided by Employer's Board of Directors from time-to-time and subject to the consent of said Board of Directors. Employee agrees to devote his full time, ability, attention, energy, knowledge, and skills to the performance of his duties under this Agreement. As District Manager, Employee shall have full power and authority to manage and conduct District business.

Additionally, Employee shall serve as Secretary and shall perform the duties of that positions in accordance with State Law; the District Code; and policies, restrictions, and directions provided by Employer's Board of Directors from time-to-time and subject to the consent of said Board of Directors.

Employee acknowledges that the position of District Manager is a position of high visibility before the public. Employee shall conduct himself before the public, both during and outside of regular working hours, in a manner that reflects favorably upon Employer. The District shall, at District expense, supply Employee with sufficient personnel and equipment to allow Employee to perform Employee's duties and obligations under this Agreement, including without limitation a cellular phone allowance pursuant to Section 1.1.9. Cellular Phone, of the District's Personnel Policies (hereinafter the "Policy").

4. **Compensation and Benefits.** As consideration for Employee's performance of his duties under this Agreement, Employee shall receive the following salary and benefits unless and until this Agreement is terminated as hereinafter provided:
 - a. **Salary.**
 - i. **Base Salary.** Employee's base annual salary as of the effective date of this Agreement shall be \$300,000 per year, which sum shall be payable in installments at the same time as other employees of the District are paid and subject to customary withholdings. Employee is a salaried employee and is exempt from the FLSA.
 - ii. **Performance Pay.** On or around each fiscal year that this Agreement remains in effect, the District shall, in conjunction with the completion of Employee's performance evaluation, consider, in its sole discretion, adjustments to Employee's compensation. As part of its consideration, the District will consider comparative salary studies for the position and Employee's performance, among other factors. Employee will receive his first performance review within six (6) months of the effective date of this Agreement.
 - iii. **Evaluation Procedure.** Employee will complete a written self-evaluation

assessing his performance, achievements, and challenges against agreed-upon goals. This document must be submitted to the Board at least two weeks prior to the review meeting. The Board will then meet with the Employee to discuss the self-review, provide organizational feedback, align on future expectations, and discuss any potential adjustments to the terms of employment. Following the discussion, the Board will provide a finalized review to Employee in writing.

iv. One-time Payment. Employee shall receive an off-salary-schedule lump sum payment in the amount of \$10,000 no later than August 1, 2026. The off-salary-schedule lump sum payment of \$10,000 is not reportable to CalPERS.

b. Employee Benefits.

i. Benefits Identified in Personnel Policy. Employee, as District Manager, shall receive the benefits identified in Article IV. Benefit Provisions, of the Policy except as otherwise provided for pursuant to this Agreement. Employee qualifies as a “new member” as that term is defined in Article IV. Section 4.1.2. Retirement Plan, of the Policy and shall receive the benefits of a “new member” pursuant to the Policy. Employee expresses his intent to waive and opt-out of the District’s medical and health benefit coverage for the first twelve (12) months of this Agreement. This opt-out is subject to the terms of the current District Opt-Out program, including the submission of proof of alternative coverage as required by the Policy and Employee will receive the in lieu benefits pursuant to the Policy should he choose to opt-out of the medical and health benefit coverage.

ii. Vehicle. Employer shall provide Employee with a vehicle selected by Employee, subject to Employer’s approval, to be used solely for the purposes of conducting Employer business, provided that usage shall be accounted for income tax purposes in accordance with applicable federal and state income tax regulations. Said vehicle shall be used in compliance with Section 1.1.10 of the Policy. Employee shall be entitled to take said vehicle to and from Employee’s residence located within the San Francisco Bay Area to District facilities and other locations as necessary for the conduct of Employer business, and for immediate access in the event of and to respond to emergencies as required. As used in this Agreement, the phrase “business of Employer” shall include, but not be limited to, driving for District business purposes, Employee’s attendance at any scholastic or vocational courses of education or training approved by Employer,

Employee's attendance at any meetings or conferences of trade organizations authorized by Employer and for incidental personal purposes in the course of work and commuting. Employer shall pay for all costs associated with the insurance, maintenance, repair, and business use of said vehicle.

- iii. Remote Work. Employee is required to perform at least fifty percent (50%) of his standard working hours at Employer's primary office location and is authorized to perform his duties remotely for up to fifty percent (50%) of his standard working hours (half-time). The specific remote work schedule shall be mutually agreed upon by the Employee and the Board. Employer reserves the right to modify or revoke this remote work arrangement if the Employee's performance falls below expectations or if operational needs require an increased in-person presence.
- iv. Vacation. Employee shall be afforded annual vacation leave of one hundred and sixty (160) hours during each calendar year. Employee shall accrue vacation hours on a per-paycheck prorated basis such that he will accrue a total of one hundred and sixty (160) hours annually. Vacation leave can be used immediately upon accrual without a waiting period and shall be scheduled by Employee so as not to unduly interfere with District business that requires Employee's personal attention. Employee may annually cash out up to twelve (12) days of accrued vacation leave and receive compensation at the compensation rate in effect at the time of the cash out request. Employee shall make the cash out request in December of each calendar year and must maintain an accrued vacation leave balance of not less than eighty (80) hours after such cash out.
- v. Administrative Leave. Employee shall be afforded annual administrative leave of twelve (12) days during each calendar year, which shall be deemed earned on July 1 of each year beginning on July 1, 2026. Administrative leave may be used for any purposes which the Employee deems appropriate subject to the same restrictions on scheduling as for vacation leave. Administrative leave does not accrue from year to year, and if it has not been exhausted during a calendar year, the District will reimburse the Employee for unused leave based on 1/365th day of his annual compensation.
- vi. Deferred Compensation. The District will match voluntary deferred compensation contributions by \$800 per month in lieu of the amount specified in Section 4.1.6. Deferred Compensation, of the Policy, with the

total amount not to exceed the maximum contribution allowed by law.

- vii. Life Insurance. District shall provide Employee with term life insurance coverage with an appropriate insurance carrier, as determined by the District, which provides a death benefit equal to \$250,000.
- viii. Professional Development. Employee shall be eligible to engage in professional development activities as provided in the District budget.
- ix. Catch-all. Employee shall be eligible for or may participate in all other benefits and provisions provided to full time employees pursuant to the Policy.

5. **Termination**. Employee is an at-will employee serving at the pleasure of the Board of Directors. The position of District Manager/Secretary is an FLSA-exempt position. Employee's employment may be terminated by one of the following means:

- a. Voluntary Resignation. Employee may voluntarily resign by delivering a letter of resignation to the Board of Directors with no less than 30 days' notice.
- b. Termination or Forced Resignation by Board of Directors – Without Cause. The Board of Directors may terminate the employment of Employee by giving written notice prior to the effective date of termination or by causing Employee's resignation by a majority of the Board of Directors requesting Employee to resign and Employee then volunteering to resign after such action by the Board of Directors.
- c. Severance: In the event Employee is terminated from employment by the Board of Directors without cause, or is caused to resign by the Board of Directors pursuant to subsection (b) above without cause, and contingent upon Employee's execution of a comprehensive general release and waiver of all claims of any nature, known or unknown, by Employee against the District, Employee shall be entitled to five (5) month's severance pay of his annual total compensation, including salary and the value of his benefits. In no event will Employee be entitled to a severance agreement absent execution of a comprehensive general release and waiver of all claims in a form acceptable to the District. Such severance shall be paid in full upon the effective date of his termination. Employee may elect to receive continued medical/health insurance benefits, in lieu of cash payment for equivalent value thereof.
- d. Release for Cause: This provision does not confer any property rights on Employee, as he remains an at-will employee. The phrase "termination for

cause” only pertains to Employee’s eligibility for severance as described in subsection (c) above. A “termination for cause” may include, but shall not be limited to, the following:

- i. Purposefully violating administrative policies and procedures;
 - ii. Failure to properly perform assigned duties;
 - iii. Theft of District property;
 - iv. Insubordination;
 - v. Conviction of a felony or misdemeanor with a nexus to the workplace;
 - vi. Unauthorized absence from employment;
 - vii. Improper use of District funds;
 - viii. Unauthorized use of District property;
 - ix. Willful misconduct or malfeasance; and
 - x. Any act of moral turpitude or dishonesty.
- e. Abuse of Office: Pursuant to Government Code section 53243.2, any cash settlement related to the termination of this Agreement received by Employee from the District shall be fully reimbursed to the District if Employee is convicted of a crime involving an abuse of his office or position as defined in California Government Code section 53243.4.

6. **Employer Property**. All correspondence, memoranda, records, files, plans, papers, notes, notebooks, reports, manuals, ideas, intellectual property, trademarks, copyrights, patents, computer software or hardware and other materials (regardless of their form) that Employee receives, creates or produces in connection with this Agreement or with Employee’s employment by Employer shall be and remain the exclusive property of Employer. Employee shall immediately deliver all originals of any such materials or matters that are either in Employee's possession or under Employee's control to Employer upon termination of this Agreement or upon request of the Board President. In addition to the foregoing, immediately upon termination of Employee's employment, Employee shall cease using and shall surrender to Employer all keys issued to Employee to Employer's building, all methods of gaining access to Employer's premises, property or information, and all other property of Employer. The foregoing notwithstanding, Employee shall be permitted to retain copies of records prepared by Employee that would be available to any member of the public pursuant to a bona fide request under the Public Records Act, Government Code Section 7920.000 et seq.
7. **Hold Harmless and Indemnification**. Employer shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission of Employee made in the course of his performance of duties as District Manager/Secretary. Employer shall pay the amount of any settlement or judgment rendered therefrom, to the

extent specified in the California Government Code.

8. Miscellaneous.

- a. Binding Agreement. This Agreement shall be binding on the heirs, successors and assigns of the parties.
- b. The Rights of Parties. Unless expressly set forth in this Agreement, nothing in this Agreement shall abrogate any rights, responsibilities, benefits, or privileges to which either party would otherwise be entitled.
- c. Amendment. This Agreement may be amended only in writing by mutual agreement of the parties.
- d. State Law. The rights and obligations of the parties shall be governed by the laws of the State of California.
- e. Abuse of Office. Government Code sections 53243, 53243.1, 53243.2, and 53243.3 are incorporated by this reference as if fully set forth herein.
- f. Recitals. Recitals are incorporated by reference into this Agreement.
- g. Failure to Act. Failure to exercise any right or remedy shall not act as a waiver to exercise that right.
- h. Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes any prior agreement.
- i. Severability. Should any paragraph, subparagraph, sentence clause or word included in this Agreement be found invalid by a court of competent jurisdiction, the balance of this Agreement shall remain in full force and effect.
- j. Attorneys' Fees. The prevailing party of any dispute over the terms and conditions of this Agreement is entitled to attorney fees.
- k. Assignment. This Agreement is not assignable by either party.

The Parties have executed this Agreement as of the Effective Date.

EMPLOYER

EMPLOYEE

Tessa Beach, President
Stege Sanitary District

Bobby Magee
District Manager

Approved as to Form:

Kristopher J. Kokotaylo
District Counsel



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, General Manager
SUBJECT: Resolution Approving Amendments to the Salary Schedule to Establish Salary Ranges for the Newly Established Positions of Assistant General Manager / Finance Director and Senior Management Analyst

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2280-0726 Approving Amendments to the Salary Schedule to Establish Salary Ranges for the Newly-Created Assistant General Manager / Finance Director and Senior Management Analyst.

BACKGROUND AND DISCUSSION

On June 4th, 2026 the Board adopted FY 2026/27 Budget, which included the creation of two new positions. With the creation of bargaining units in FY 2025/26, negotiations are expected to begin in early 2026/27. In another item on tonight's Agenda the Board will consider authorizing staff to enter into a contract for a Compensation Study, which will include all 11 positions District-wide. During this initial time of transition staff reached out to the District's HR team, VPI Strategies (VPI), for assistance with developing the job descriptions and recommended salary ranges for each of these positions. After researching several of the District's comparable agencies, VPI recommended the following ranges, which were presented to the Board along with the Budget document.

Position	Recommended Salary Range
Assistant General Manager / Finance Director	\$17,500 - \$21,667 Monthly
Senior Management Analyst (Part-Time)	\$60 - \$75 Per Hour

Staff recommend that the Assistant General Manager/Finance Director be an unrepresented classification and the Senior Management Analyst (Part-Time) be a classification represented in the Supervisory Unit.

FISCAL IMPACT

Adopting the resolution will set the salary range for the Assistant General Manager / Finance Director and the Senior Management Analyst (Part-Time). Funding for these positions, in accordance with the recommended salary range, was included in the FY 2026/27 Budget.

RESOLUTION NO. 2280-0726

RESOLUTION APPROVING AN AMENDMENT TO THE STEGE SANITARY DISTRICT SALARY SCHEDULE TO ESTABLISH SALARY RANGES FOR THE NEWLY ESTABLISHED POSITIONS OF ASSISTANT GENERAL MANAGER/FINANCE DIRECTOR AND SENIOR MANAGEMENT ANALYST IN CONFORMANCE WITH CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5

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

- A. Stege Sanitary District job classifications are assigned to a salary range with a specified minimum and maximum level.
- B. The California Public Employees' Retirement System (CalPERS), has requested all CalPERS employers list their compensation levels on one document, approved and adopted by the governing body, in accordance with California Code of Regulations section 570.5.
- C. The District desires to comply with CalPERS reporting requirement by amending the previously approved salary ranges to reflect compensation provided to Employees, and adding the two new positions to the document.
- D. The District has met and conferred with the exclusive bargaining representatives as required by law.

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

1. The foregoing recitals are true and correct and are hereby incorporated by reference.
2. The Directors hereby approve the establishment of the Assistant General Manager/Finance Director as an unrepresented classification and the establishment of the Senior Management Analyst (Part-Time) as a represented classification of the Supervisory Unit.
3. The Directors hereby approve the monthly salary range for the Assistant General Manager / Finance Director at \$17,500 to \$21,667, effective as of July 1, 2026.

4. The Directors hereby approve the hourly salary range for the Senior Management Analyst (Part-Time) at \$60 - \$75 per hour, effective as of July 1, 2026.

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 2nd day of July 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 STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Paul Soo, Senior Engineer
SUBJECT: Resolution for Completion of Work for Sewer Rehabilitation Project No. 25201, Ratify Year Four Amendment and Motion to Approve Staff to Execute Amendment for Year 5 of the Agreement with APB General Engineering for Project No. 26201

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2281-0726 Accepting Completion of Work and Filing a Notice of Completion for the Standard Sewer Rehabilitation Project No. 25201; and,
2. Ratify the Amendment Signed by the General Manager on June 16, 2026 for Year 4 of the Agreement with APB General Engineering for Project No. 25201; and,
3. Authorize the General Manager to Execute the Amendment for Year 5 of the Agreement with APB General Engineering for Project No. 26201.

BACKGROUND AND DISCUSSION

On June 16th, 2022 the Board approved a contract with APB General Engineering (APB) for Standard Sewer Rehabilitation services. In each subsequent year, staff has executed an amendment to the original contract and utilized APB for additional rehabilitation work.

Staff has been unable to locate a fully executed version of Amendment for year 4. Nevertheless, APB engaged in the project activities during FY 2025/26. Once this was discovered the General Manager proceeded with execution of the amendment. APB has continued to operate under the standards required pursuant to the agreement. At this time staff is recommending the Board ratify Amendment for year 4 for Project 25201, in FY 2025/26.

Project 25201 is now complete, and a Notice of Completion is recommended to be filed with the County Recorder's office. Once the Notice of Completion is filed, the 5% retention for Project No. 25201 is contractually required to be released no earlier than 60 days after. The retention was withheld as security for satisfactory fulfillment of work, and the District Engineer has agreed that the work meets the District's standards.

It is also recommended that Amendment No. 5 be executed with APB for the FY 2026/27 capital project work, identified as Project No. 26201. This Amendment is intended to be the final task order issued to APB, with a competitive solicitation for future work scheduled to be released during the upcoming fiscal year.

FISCAL IMPACT

The cost of filing a notice of completion is approximately \$20 (if imposed by the County) and staff time for preparation.

RESOLUTION NO. 2281-0726

RESOLUTION ACCEPTING COMPLETION OF WORK AND
FILING NOTICE OF COMPLETION FOR THE
STANDARD SEWER REHABILITATION PROJECT NO. 25201

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

- A. The District engaged APB General Engineering on the 1st day of July 2025 to perform the Standard Sewer Rehabilitation Project No. 25201.
- B. Work under Project No. 25201 is fully completed as provided in the contract and the contract's plans and specifications.

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

The Board of Directors accept the work of the Standard Sewer Rehabilitation Project No. 25201 as complete and order the filing of the Notice of Completion with the Contra Costa County Recorder'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 2nd day of July 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

General Manager/District Engineer:
Lani Good, P.E.

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian Smith
Paul Gilbert Snyder
Dwight Merrill
Beatrice R. O'Keefe



AGREEMENT

THIS AGREEMENT, made this 1st day of July 2025, by and between the Stege Sanitary District, 7500 Schmidt Lane, El Cerrito, California 94530, hereinafter called the "Owner" and APB General Engineering, hereinafter called the "Contractor".

WITNESSETH:

WHEREAS the Owner has caused specifications, drawings and other contract documents to be prepared for certain work as described therein entitled:

**STEGE SANITARY DISTRICT
STANDARD SEWER REHABILITATION PROJECT
PROJECT NO. 25201 – JULY 2025**

WHEREAS the Contractor has offered to perform the proposed work in accordance with the terms of the contract documents.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to complete the work described in the proposal at the price and on the terms and conditions herein contained, and the Owner agrees to pay the Contractor the contract price provided herein at the unit prices shown in the bid proposal for the fulfillment of the work described and the performance of the covenants set forth herein.

The further terms, conditions and covenants of the contract are set forth in the following exhibit parts each of which is attached hereto or referenced and made a part hereof:

- Notice Inviting Sealed Proposals
- Instruction to Bidders
- Proposal
- General Conditions
- Special Conditions
- Technical Conditions
- Drawings
- Issued Addenda to the Contract Documents

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the Entity for all work performed by the Contractor, its employees, agents and subcontractors.

REVISIONS AND CLARIFICATIONS:

No revisions and no clarifications.

IN WITNESS WHEREOF, this agreement has been executed in quadruplicate this 1st day of July 2025.

Steger Sanitary District:



Attest: 

Contractor: 



STEGER SANITARY DISTRICT

General Manager:
Bobby Magee

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Beatrice R. O'Keefe

Alfred Lee
APB General Engineering
2721 Kevin Rd.,
San Pablo, CA 94806



**Re: Notice of Contract Extension (4th extension/4 years)
Standard Pipe Bursting Project
Stege Sanitary District Project No. 26201 – July 2026**

Dear Mr. Lee:

The contract duration for the *Standard Pipe Bursting Project No. 25201 – July 2025* is for a period of three hundred and sixty five (365) calendar days from the Notice of Proceed date of **July 1, 2025**. The project was subsequently extended by mutual agreement for a period of three hundred and sixty five (365) calendar days from the Notice of Proceed date of **July 1, 2026**.

The contract completion date of **June 30, 2026** is hereby extended, by mutual agreement, in accordance with the Project Specifications and Drawings, between the District and Contractor for an additional three hundred and sixty five (365) calendar days.

The extended project shall henceforth be referred to as **Project 26201**.

The new extended contract completion date is now established at **June 30, 2027**.

If you have any questions or concerns please feel free to call our office at (510) 524-4668.

Sincerely,
STEGER SANITARY DISTRICT

Paul Soo, Jr.
Senior Civil Engineer



STEGE SANITARY DISTRICT

General Manager:
Bobby Magee

District Counsel:
Kristopher Kokotaylo

Board of Directors:
Tessa Beach
Juliet Christian-Smith
Paul Gilbert-Snyder
Dwight Merrill
Beatrice R. O'Keefe



AGREEMENT

THIS AGREEMENT, made this 1st day of July 2026, by and between the Stege Sanitary District, 7500 Schmidt Lane, El Cerrito, California 94530, hereinafter called the "Owner" and APB General Engineering, hereinafter called the "Contractor".

WITNESSETH:

WHEREAS the Owner has caused specifications, drawings and other contract documents to be prepared for certain work as described therein entitled:

**STEGE SANITARY DISTRICT
STANDARD SEWER REHABILITATION PROJECT
PROJECT NO. 26201 – JULY 2026**

WHEREAS the Contractor has offered to perform the proposed work in accordance with the terms of the contract documents.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to complete the work described in the proposal at the price and on the terms and conditions herein contained, and the Owner agrees to pay the Contractor the contract price provided herein at the unit prices shown in the bid proposal for the fulfillment of the work described and the performance of the covenants set forth herein.

The further terms, conditions and covenants of the contract are set forth in the following exhibit parts each of which is attached hereto or referenced and made a part hereof:

- Notice Inviting Sealed Proposals
- Instruction to Bidders
- Proposal
- General Conditions
- Special Conditions
- Technical Conditions
- Drawings
- Issued Addenda to the Contract Documents

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the Entity for all work performed by the Contractor, its employees, agents and subcontractors.

REVISIONS AND CLARIFICATIONS:

No revisions and no clarifications.

IN WITNESS WHEREOF, this agreement has been executed in quadruplicate this 1st day of July 2026.

Steger Sanitary District:

Attest: _____

Contractor: _____

A handwritten signature in blue ink, consisting of several vertical strokes on the left and a large, sweeping loop on the right, positioned over the Contractor line.

RECORDING REQUESTED BY

Stege Sanitary District

AND WHEN RECORDED MAIL TO:

Stege Sanitary District
7500 Schmidt Lane
El Cerrito, CA 94530

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN that the Stege Sanitary District, 7500 Schmidt Lane, El Cerrito, California, did on the 1st of July 2025, enter into a contract with APB General Engineering, 2721 Kevin Rd., San Pablo, CA 94806:

**STANDARD SEWER REHABILITATION PROJECT
STEGE SANITARY DISTRICT PROJECT NO. 25201 – JULY 2025**

The nature of the stated owner, or more than one owner, then of the stated owner and co-owners is: in fee. Work located in El Cerrito, Kensington, California.

Location	City	State/Zip
Irma St.	El Cerrito	CA 94530
Tulare Ave.	El Cerrito	CA 94530
Behrens Ave.	El Cerrito	CA 94530
Manila Ave.	El Cerrito	CA 94530
Albermarle St.	El Cerrito	CA 94530
Gladys Ave.	El Cerrito	CA 94530
Stratford Rd.	Kensington	CA 94707
Contra Costa Dr.	El Cerrito	CA 94530
Franciscan Way	Kensington	CA 94707
Kenyon Ave.	Kensington	CA 94707
Everett St.	El Cerrito	CA 94530

Attached with this Notice of Completion is the signed Board resolution.

NOTICE IS FURTHER GIVEN that the said contract or work of improvement was completed by June 30, 2026, and the Stege Sanitary District Board of Directors did accept the contract as complete and ordered the filing of the Notice of Completion.

BOBBY MAGEE, GENERAL MANAGER
Stege Sanitary District
Contra Costa County, California

The undersigned declares under penalty of perjury that he has read all of the above and to the best of his knowledge knows all the facts to be true. Executed at El Cerrito, California, July 2, 2026.

BOBBY MAGEE
Stege Sanitary District
Secretary of the Board
June 30, 2026



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Paul Soo, Senior Engineer
SUBJECT: Resolution Authorizing Staff to Vote on CSTAC Items

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2282-0726 Authorizing Staff to Cast Votes on the Collection Systems Technical Advisory Committee Items

BACKGROUND AND DISCUSSION

The Collection Systems Technical Advisory Committee (CSTAC) consists of the six municipal agencies (not including Oakland) who contribute the Wet Weather Facilities (WWFs) and are party to the Consent Decree (CD).

CSTAC's purpose is to foster communication, cooperation and joint compliance with the CD. As part of this effort, the administrative budget for CSTAC is managed by the East Bay Municipal Utilities District (EBMUD). Every year the budget must be approved unanimously by all member agencies. Items in the CSTAC budget typically include administrative work done by EBMUD to manage the professional services contract (line cleaning, CCTV, root foaming, etc.) and management of the Fats, Oils and Grease (FOG) program. Historically the District has voted to approve the CSTAC budget, and staff is in agreement with the recommended CSTAC budget for FY 2026/27. Adoption of Resolution No. 2282-0626 will delegate staff the authority needed to cast the District's vote for the CSTAC budget for both FY 2026/27 and in future years, and also vote on routine CSTAC operational items that are administrative in nature.

FISCAL IMPACT

Adopting the resolution has no direct fiscal impact to the District, but will authorize staff to cast votes for routine future CSTAC items.

RESOLUTION NO. 2282-0726

RESOLUTION AUTHORIZING STAFF TO CAST VOTES ON THE COLLECTIONS
SYSTEM TECHNICAL ADVISORY COMMITTEE (CSTAC) BUDGET AND
ADMINISTRATIVE ITEMS

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

- A. The Stege Sanitary District is a member of CSTAC, a Committee that includes six municipal agencies who contribute to the Wet Weather Facilities and who are each a party to the Consent Decree.
- B. The objective of the Committee is to foster communication, cooperation, and compliance with the Consent Decree.
- C. The CSTAC annual budget is required to be approved unanimously by all member agencies.

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

- 1. The Directors of the Stege Sanitary District does hereby authorize and approve the General Manager or their designee to vote on the CSTAC annual budget for 2026/27 and in all future years.
- 2. The General Manager or their designee is hereby authorized and directed to vote on future CSTAC operational items that are administrative in nature.

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 2nd day of July 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

Just realized that we're hitting May on Friday....we should get thoughts on the annual budget. I've proposed a quick draft proposal for FY27, excluding any field services costs.

James – please add FY27 Budget to May's agenda.

Community Good Items

For administrative costs, EBMUD's COLA is 2.2% for the year. I propose that we continue with previous year's efforts and bump that component by the COLA amount, as we've done for previous updates.

For FOG, I propose the same COLA increase as administrative costs. Also, my belief is that we're not going to have the FOG program reassessed prior to the beginning of the next fiscal year, so I recommend that we continue as is and have a goal of finalizing the review/update process in the first quarter of FY2027.

At this time, we aren't using a facilitator/moderator. My impression is that the collective sharing of the effort is working well, though we should wait until all agencies have "had a turn" prior to claiming it as a complete success. As such, I propose a minor amount held for potential facilitator/moderator costs. Previous years, we had \$3,000/agency. As such, I propose \$1,500/agency for FY27. If we collectively decide that "in house" works best, then I would propose to either refund the amount or to reallocate the funds to the 'professional field services' component.

Professional Field Services

As with all previous years, I will need values provided by each agency.

I need to submit invoices internally prior to the end of May to hopefully have invoices available prior to July, which in turn would allow each agency to approve and receive authorization to pay in July, which hopefully would not impede any agency from performing any desired work under the field services contract.

-Chris

Christopher Dinsmore, PE
Senior Civil Engineer
EBMUD Inflow and Infiltration Control Program
PO Box 24055, MS702
Oakland, CA 94623-1055
510-287-0522
cdinsmor@ebmud.com



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, General Manager
SUBJECT: Resolution Authorizing Staff to Enter into a Contract with a Qualified Firm for a Total Compensation Study.

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2283-0726 Authorizing Staff to Enter Into a Contract with a Qualified Firm for a Total Compensation Study.

BACKGROUND AND DISCUSSION

In 2023, the Board established a total of 13 agencies that it considered a comparable agency for the purposes of compensation benchmarking. Historically the District has conducted compensation studies about once every five years. These studies are a recommended best practice for multiple reasons. First, the District would want to remain competitive in the job marketplace for the purposes of attracting and retaining talent. Second, if the District were significantly overpaying its employees, it would want to have that knowledge in order to remain responsible with the District's finances. Third, paying a competitive fair wage and total compensation package builds trust and morale among employees. Over the District's long history, it has always strived to maintain a fair wage and total compensation approach.

With bargaining unit negotiations scheduled to commence in the near future, it is a logical time for the District to conduct a study with current data. Staff has reached out to a number of firms and requested proposals for the Board to consider.

Comparable Agencies (2023)			
Agency	Collection and/or Treatment	Miles of Sewer	# of Positions
Castro Valley SD	Collection	160	21
Central Marin SA	Treatment	n/a	41
Ironhouse SD	Both	152	30
Las Gallinas Valley SD	Both	105	21
Mt. View SD	Both	73	14
Napa SD	Both	270	51

Novato SD	Both	220	17
Ross Valley SD	Collection	200	38
West Bay SD	Collection	210	26
West County SD	Both	255	57
West Valley SD	Collection	426	27
Oro Loma SD	Both	280	43
Rodeo SD	Both	25	9
Stege SD	Collection	148	10.5

FISCAL IMPACT

The value of the contract awarded will drive the ultimate fiscal impact; it is expected to be finalized somewhere between \$10,000 and \$35,000 dependent upon the firm selected and any options the Board may wish to direct.

RESOLUTION NO. 2283-0726

RESOLUTION APPROVING A CONSULTING SERVICES AGREEMENT WITH _____
FOR A TOTAL COMPENSATION STUDY

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

- A. The Stege Sanitary District seeks to secure a consultant capable of a professional Total Compensation Study for all bargaining units.
- B. The objective of the Compensation Study is to validate and update the compensation system as needed, as well as to assess internal equity and external market comparisons.
- C. The Directors of the Stege Sanitary District have evaluated the proposals of multiple qualified firms.

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

- 1. The Directors of the Stege Sanitary District does hereby authorize and approve an agreement with _____ to conduct a Total Compensation Study for all bargaining units.
- 2. The General Manager is hereby authorized and directed to take all necessary actions to effectuate this agreement on behalf of the Stege Sanitary District, including the execution of an agreement substantially in the form attached hereto as Exhibit "A", subject to minor modifications by the General Manager or District Counsel.

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 2nd day of July 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

Compensation Study

June 12, 2026

Mr. Georg S. Krammer

Managing Director | Public Sector, Community & Education

2121 N. California Boulevard, Suite 350

Walnut Creek, CA 94596

510.274.2760 | georg_krammer@ajg.com

Gallagher Benefit Services, Inc. | ajg.com



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Cover Letter

June 12, 2026

Mr. Bobby Magee
Interim General Manager
Stege Sanitary District
7500 Schmidt Lane
El Cerrito, CA 94530

Dear Mr. Magee:

We appreciate the opportunity to present this proposal regarding the services Gallagher's Human Resources & Compensation Consulting practice can offer Stege Sanitary District (District). Gallagher is highly capable and qualified to work with the District based on our extensive experience with public sector organizations across the country, including many sanitary and water special districts in the Greater San Francisco Bay Area, and across California, as well as the District itself many years ago. We would consider it a privilege to serve the District in this capacity.

It is our understanding that the District is seeking a total compensation study for 11 employees in eight job classifications utilizing 13 Board approved comparable agencies.

We believe we will provide the District with the most diversely experienced project team of any consulting practice in the country, which enhances the solutions and recommendations we will provide on this engagement. The questions and perspective provided by our team ensure we anticipate any issues the District may face throughout this project, as well as the ongoing management of the updated classification and compensation system.

We have prepared the following proposal in response to your request. We appreciate having the opportunity to submit this proposal and look forward to assisting the District in this engagement.

Sincerely,



Georg S. Krammer
Managing Director, Practice Operations & Hub Leader
510.274.2760 | Georg_Krammer@ajg.com



Erik Smetana
Managing Director & National Practice Leader
314.494.4849 | Erik_HenrySmetana@ajg.com

Organizational Overview

Value Proposition:

The ability to deliver comprehensively structured human capital solutions to clients is Gallagher's signature in the marketplace. At Gallagher, we want to know what makes your organization unique. We listen intently to learn about your culture and priorities and delve deeply into all the details that matter when balancing human capital needs with your bottom line. This single-minded focus on excellence — characterized by innovation and creativity — is the driving force behind every Gallagher engagement.

Company History:

Arthur J. Gallagher & Co. opened its doors for business in 1927 and is still “growing strong” because of a practiced ability to help clients think ahead. Founded by its namesake who was previously the leading producer for Chicago’s largest insurance brokerage, Gallagher is now one of the world’s largest human capital, insurance brokerage and risk management services firms. We have operations in 33 countries and extend our client-service capabilities to more than 90 countries through a global network of correspondent brokers and consultants. Since 1961, we have been helping clients overcome business barriers and create new opportunities to cost-effectively attract, retain, and productively engage the best performers in their field. Gallagher started trading on the NYSE under the symbol AJG in 1984.



Company Culture & Philosophy:

The ideals, principles and values embodied by the founder whose name still appears on our door are part of our corporate DNA. Gallagher's approach to business, cultivated through three generations of family leadership, has always centered on creating relationship value as true partners to our clients. Gallagher's interactions with you will be straightforward and candid. By earning the trust of our clients, we have sustained a reputation for ethics and a commitment to transparency that continues to contribute to our growth.

The high standards of conduct we have set for our external professional relationships are the same rules we follow internally. The Gallagher Way, a one-page document that outlines our 25 shared values, was written in 1984 but is just as culturally relevant today. It speaks to the value of relationships and several tenets set guidelines for ethical behavior. Gallagher combines innovative solutions, thoughtful advice and honest business practices to minimize risk and help fuel your success.

Talent Practice:

Gallagher's Talent practice empowers clients to **attract talent, manage staff, develop leaders, and reward success**—leveraging the power of Gallagher and wisdom of experience to produce an engaged and productive workforce. Tapping into expertise that spans the spectrum of human resources at every level, we can assemble flexible compensation and consulting solutions that improve efficiency and build bottom lines.

Our practice is a combination of some of the most respected names in human resources and compensation consulting. As we have grown in our services and reach, we have grown in our ability to serve our clients – this includes the acquisition and integration of talented firms, consultants, and advisors from Koff & Associates (2021) and Buck (2023). Bringing together experts from compensation, performance, compliance, data and analytics, survey, and leadership fields, Gallagher empowers clients with tools for the entire lifecycle of employment management.

With an experienced team of consultants located in offices across the United States and Canada, our services include:



HR & Organizational Effectiveness

Think of us as your strategic partner and an extension of your HR and organizational change team.

Compensation & Rewards

We strengthen the employer-employee relationship by designing equitable, competitive, and sustainable compensation and rewards programs.

Multinational Benefits & Mobility

As Global Connectors, we provide solutions for you to manage your multinational workforce in a compliant, coordinated, strategic, administratively efficient, and cost-effective way.

Communications

A global leader in employee communication, we set the industry standard for excellence and innovation

People Development & Insights

We help you understand your customers and your workforce to unlock value and performance.

Public Sector, Community & Education Consulting Practice:

Gallagher's Public Sector, Community & Education consulting practice **has completed nearly a thousand classification and compensation studies for public entities, higher education, and similarly situated clients in the last ten (10) years.** We have extensive experience in developing and communicating a compensation philosophy, designing and implementing market-aligned pay structures and career frameworks and developing job evaluation methods to maintain internal equity. We conduct benchmark analyses, including conducting custom tailored salary surveys (if needed), and recommend appropriate administrative and procedural guidelines to maintain the compensation system. We ensure that our clients comply with applicable laws and regulations, such as the Fair Labor Standards Act (FLSA), the Americans with Disabilities Act (ADA), and Equal Employment Opportunity (EEO) standards and have pay systems that are appropriate for their organization and market strategy.

We have served our clients for more than 40 years across an array of strategic and value-adding HR services with **classification, compensation, and pay equity as our core specialties.**

Alliances

We have a strategic alliance with the Public Sector Human Resources Association (PSHRA), the National Public Employers Labor Relations Association (NPELRA), and the Colleges and Universities Professional Association for Human Resources (CUPA - HR) and have conducted a series of training seminars/workshops on compensation, classification, job evaluation, strategic HR, and employee benefits management throughout the nation in conjunction with these organizations. Gallagher Benefit Services also focuses on the higher education market.

Market Leading Thought Leadership and Strategic Direction


Our consultants have demonstrated leadership in the compensation and strategic HR fields by completing training and certifications from WorldatWork, ERI, HRCI, Human Capital Institute, SHRM, and others in addition to serving as instructors and presenters for ICMA, CUPA-HR, NAPO, WorldatWork, NACO, NPELRA, PSHRA and other regional and national associations.

Our thought leadership has been published and/or highlighted in *University Business, PSHRA News, American City and County, TalentCulture, Public Management, TLNT, Corporate Report Ventures, ERE, Corporate Board Member, Benefits Planner, WorldatWork, Society of Industrial & Organizational Psychology*, and others.

As your Trusted Advisor we have additional information for your consideration based on your current focus

You can expect a trusted advisor in Gallagher, not just a vendor focusing on only one aspect of your HR offerings. While there are numerous vendors that can provide HR consulting, our subject matter expertise is brought to life in the way we partner with our clients and is what truly sets Gallagher apart.

Our consulting style is proactive and collaborative. We strive to provide you with relevant information and partner with you to support informed decisions and anticipate the future. As experts in providing a broad spectrum of human resource and talent management capabilities, our experience has shown us that companies contemplating a compensation and classification study are also well served to be thinking about:

Executive Search and Recruiting	HR & Organizational Effectiveness	Leadership Development, Organizational Strategy and Talent Assessments
<p>Our high-quality, high-touch search and leadership consulting services provide you with transformational leaders.</p> <p>We act as an extension of your recruiting and talent teams, helping them find and attract the right executives to lead their organizations into the future.</p>	<p>Think of our team as an extension of your HR & Organizational Change team – we can help you with strategic advisory, one-off projects, and "HR in a box" solutions.</p>	<p>We offer leadership development and organizational strategy solutions that shift the way your leaders think and work.</p> <p>We can also help you predict the capability of current or potential talent to deliver on your agency strategy through custom and off-the-shelf, multi-rater assessments and psychometric assessments to help you with talent selection and development decisions for individuals and teams.</p>
<p>Our capabilities include:</p> <ul style="list-style-type: none"> • Executive Search & Staff Recruitments • Helping governing bodies, agency leaders, and HR identify, assess and select the best qualified candidates for all executive, senior, and staff level roles • Depth in HR, Finance, and IT search experience (including CHRO / CFO / CTO, HR / Finance / IT Director, Chief Diversity Officer / Director of Labor Relations, and other administration-related roles) 	<p>Here are some of the specific ways we may be able to help:</p> <ul style="list-style-type: none"> • Strategic assessment and planning for current and future workforce needs • Optimizing the organizational structure for efficiency and effectiveness • Ensuring the right people are in the right roles at the right time • Optimizing the organizational structure • Organizational Change Management • Compliance Guidance • DEI Matters • HR Technology Selection and Implementation • HR Support: <ul style="list-style-type: none"> - People Operations (Policies, Handbooks, Job Descriptions, Leave Management) 	<p>Through these processes, Gallagher can help you with:</p> <ul style="list-style-type: none"> • Organizational design • Data-driven leadership performance and effectiveness assessments • Succession planning • Leadership development through coaching and training programs • Develop all levels of your workforce to support a compelling career pathway • Make data-driven and bias-free talent decisions • Better predict career success • Accelerate career development using data to inform personal development plans • Identify the right leaders of the future

We welcome the opportunity to further explore how we can partner with you in these critical areas.

Project Staffing

Our team of specialists and experts brings a proven track record of designing and executing comprehensive compensation strategies, performing complex classification analyses, evaluating pay equity to ensure fair, competitive structures, and delivering high-value strategic HR advisory services. Many of our professionals have served as practitioners within the very sectors we support, granting us unique insight into real-world operational challenges. We combine rigorous data analytics, industry best practices, and innovative thinking to craft customized, forward-looking solutions aligned with each organization's strategic HR goals. By drawing from hands-on experience and leveraging an in-depth understanding of market trends, we help our clients both meet current standards and proactively prepare for an ever-evolving talent landscape.

Gallagher fosters a commitment of excellence, professionalism, integrity, collaboration, and urgency to each of our clients. With each unique client, Gallagher combines these principles to deliver client services customized, specifically to meet your needs. Your Gallagher consulting team has years of experience consulting to public sector clients, including those with unionized and represented employees with a significantly diverse employee workforce with organizations nationwide, including a long history of serving California cities, counties, and public bodies - we have worked with more than 1,000 public sector and higher education clients over the past decade. The vast majority of the members of Gallagher's public sector compensation consulting practice has achieved one or more of the following certifications and/or degrees:

- Certified Compensation Professional from WorldatWork
- Compensation Analyst Credential from Economic Research Institute
- IPMA-SCP from the Public Sector Human Resources Association
- PHR and/or SPHR from the Human Resources Certification Institute
- SHRM-CP and/or SCP from the Society for Human Resource Management
- SWP and HCS from the Human Capital Institute
- Master's degree or above, in Human Resources, Business Administration, and/or Organizational Psychology

PROJECT LEADERSHIP & LEADERSHIP SUPPORT

Executive Project Sponsor

ERIK SMETANA, Managing Director & National Practice Leader - 25+ years of experience

Erik manages operations and leads Gallagher's Public Sector, Community & Education Human Resources & Compensation Consulting practice. Erik's 25-plus-year work history has led him to serve in various diverse roles across human resource management, particularly in compensation and benefits, talent management and organizational development, people analytics, and employee relations and policy development. Erik has extensive experience in private and public sectors, working with an eclectic mix of dynamic organizations, including Fortune 500 companies across multiple industries, international not-for-profit organizations, membership associations, media outlets (e.g., NPR and NBC affiliates), institutions of higher education and research, and others. Before joining Gallagher, he served as the enterprise-wide Deputy CHRO and business unit CHRO with the University of Missouri System and with Vanderbilt University as the Executive Director of People & Engagement, leading, designing, and implementing compensation, employee learning, talent acquisition, and people-focused programs and initiatives. He has earned a variety of credentials over his career, including an MBA and MFA in Communication from Lindenwood University, SHRM-SCP and SPHR, SWP and HCS from Human Capital Institute, and a specialized certification in AI strategy from MIT.

As a consultant, Erik has been **engaged in more than 250 client projects with organizations ranging from cities and counties to state agencies to tribal nations and more including school districts, colleges and universities, special districts and authorities**, and other sector aligned entities in the provision of *compensation, classification, pay equity, organizational assessment, leadership coaching, performance management, and other strategic HR advisory services*.

Project Directors/Advisors

GEORG KRAMMER, MBA, SPHR, Managing Director, Practice Operations & Hub Leader – 25+ years of experience

Georg Krammer brings more than 25 years of management-level human resources experience with an emphasis in classification and compensation design, market salary studies, executive recruitment, organizational development, performance management, and employee relations; in the public sector and in large corporations as well as small, minority-owned businesses. After obtaining a Master of Arts in English and Russian and teaching credentials at the University of Vienna, Austria, Georg came to the United States to further his education and experience and attained his Master of Business Administration (MBA) from the University of San Francisco. Georg started his HR career at Wells Fargo's college recruiting department, moving on to HR management positions in the banking and technology consulting industries. After serving in the roles of HR Manager, Administrative Officer, and HR Director, he crossed over to the public sector. Georg's wide-ranging and deep human resources experience has prepared him to serve public sector clients varied needs. He has spearheaded several hundred classification, compensation, organizational and strategic planning studies for hundreds of cities, towns, counties, and special districts throughout California. Over the last decade, Georg has shared his vast knowledge at public sector industry conferences for organizations such as CALPELRA, CSDA, IPMA, and NPELRA. He has lectured and conducted workshops on subjects such as How to Conduct Classification and Compensation Studies, Performance Management, Succession Planning, and Recruitment. He holds the SPHR certification (Senior Professional in Human Resources).

TRACY MORRIS - MBA, SHRM-CP, Senior Consultant, Practice Operations & Hub Leader - 15+ years of experience

Tracy brings more than 15 years of experience in strategic human resources advisory services, beginning her career as a private sector practitioner before transitioning into K-12, public sector, and higher education consulting. She has deep specialization in compensation, classification, and total rewards, and partners with cities, counties, school districts, colleges and universities, and special districts to deliver defensible, data-driven solutions related to compensation structures, market benchmarking, pay equity, FLSA compliance, job architecture, and compensation policy development. Tracy is frequently engaged to support complex, high-impact initiatives requiring a balance of technical rigor, stakeholder engagement, and practical implementation guidance.

In her role at Gallagher, Tracy serves as a senior project leader and trusted advisor to executive leadership teams, HR directors, and governing bodies. She is known for translating complex data and regulatory considerations into clear, actionable recommendations that support informed decision-making and long-term sustainability. In addition to her client-facing work, Tracy serves as a Practice Operations & Hub Leader, where she leads process improvement, delivery standards, and systems optimization efforts across the consulting practice to improve efficiency, consistency, and client experience. She holds a bachelor's degree in Applied Economics and a Master of Business Administration from Texas Tech University and is a SHRM Certified Professional (SHRM-CP).

ZAK SHTULBERG, Senior Consultant, Practice Operations & Hub Leader - 15+ years of experience

Since starting as an HR consulting intern at Buck (now Gallagher) in 2012, Zak has been mission-driven and passionate about collaboration with clients and partners on transformative people, compensation, and other HR initiatives that improve the lives of employees and their communities. Projects have spanned a broad spectrum, including compensation strategy design, change management and communications, workforce planning, project management, analytics and technology enablement, and organization design, among many others. With both internal and external partners, he is recognized for blending strategic and technical advice with innovative analytics and technology and has grown as a trusted partner and subject matter expert in HR and compensation. Prior to starting his career, he earned a Bachelor of Science in Industrial and Labor Relations from Cornell University.

CHELSEA FREEMAN - Senior Consultant & Search Leader- 20+ years of experience

Chelsea leads the search function within Gallagher's Public Sector, Community & Education Human Resources & Compensation Consulting practice. Chelsea's 20-plus-year professional background spans both the private and public sectors, with deep expertise in executive recruitment, classification and compensation, HR operations, talent strategy, and organizational effectiveness. Her experience includes working with complex organizations across higher education, municipal government, and other public-sector entities operating within highly regulated and shared-governance environments.

Chelsea began her Human Resources career in private-sector manufacturing before transitioning into public sector, where she developed a strong foundation in workforce strategy, compliance, and organizational consulting. Prior to joining Gallagher, she served as the Classification, Compensation, and HR Operations Manager at California State University, Monterey Bay, where she led the development and implementation of a comprehensive compensation philosophy for staff and faculty. In this role, Chelsea was responsible for classification and reclassification programs, advising on collective bargaining agreements, implementing HR process

improvement initiatives, and providing ongoing consultation to executive leadership on organizational design, recruiting strategy, equitable hiring practices, and Diversity, Equity, and Inclusion efforts.

Since joining Gallagher, Chelsea has integrated her classification and compensation expertise with recruitment and marketing experience to deliver a full-service executive search approach. She currently manages full-cycle executive recruitments for public-sector clients, including cities, counties, special districts, and higher education. Chelsea is known for her consultative, equity-driven leadership style, emphasizing transparency, compliance, inclusive outreach, and strong alignment with organizational mission, culture, and governance structures. Chelsea earned her B.A. degree in Communications from Sonoma State University.

Project Managers

JAIME PARKER - Senior Consultant & Project Manager - 15+ years of experience

Jaime is a Senior Consultant and Project Manager with more than 15 years of experience, including over 12 years specializing in compensation, classification, and organizational effectiveness across higher education and public-sector organizations. She brings a strong blend of practitioner and consulting experience, having spent fifteen years in higher education roles within Human Capital Services and the Office of Institutional Effectiveness at Kansas State University before joining Gallagher nearly four years ago. She serves as a trusted advisor and project manager, leading complex compensation and classification studies, market benchmarking, job architecture and leveling initiatives, organizational assessments, FLSA exemption analyses, and executive, and board-level reporting. Jaime helps organizations advance equitable, competitive, and sustainable workforce strategies. She holds a bachelor's degree in accounting from Kansas State University and earlier in her career held leadership roles in the banking industry.

MAGGIE WILLIAMS-DALGART, Senior Consultant & Project Manager – 20+ years of experience

Since joining Gallagher in 2021 Maggie has been providing a wide range of consulting services, including classification analysis and development, custom salary and benefits surveys, and pay plan design for various public sector agencies, including cities, counties, special districts, community colleges, and transit agencies. Maggie provides strategic advising and understands the importance of engaging key stakeholders throughout the study. Prior to joining Gallagher, Maggie spent 20 years in human resources for local government. In addition to classification and compensation expertise, Maggie's experience includes collective bargaining, labor contract administration and labor costing, policy development, and recruitment and selection. Maggie served as President of CalPACS from 2018 - 2021, a regional internet-based salary and benefits survey website for local agencies in Southern California. Maggie holds a bachelor's degree in history of public policy from the University of California, Santa Barbara and a master's degree in public administration from the University of Colorado, Colorado Springs.

MIKE HARARY, Senior Consultant & Project Manager – 40+ years of experience

Mike Harary possesses over 40 years of municipal HR management experience, including serving as a Human Resources Director for two municipalities in Southern California. He has been involved in all aspects of Human Resources for the cities of La Mirada, Orange, Westminster, and Downey, including serving as Chief Labor Negotiator, managing recruitment and selection processes for all types of municipal government positions, handling employee benefits functions, responding to labor and employee relations issues, complying with labor laws, conducting personnel investigations, and managing a variety of general human resources functions. He has also served as a consultant with Koff and Associates/Gallagher since 2019, managing numerous classification and compensation studies for multiple cities, counties, and special districts throughout California. Mike has a bachelor's degree in business administration emphasizing in Human Resources Management from California State University, Long Beach, and a Master of Business Administration, also from Cal State Long Beach. Mike will provide managerial project support throughout this effort, including classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.

PRACTICE OPERATIONS

CHRISTINE NICHOLS - Operations Support Specialist - 30+ years of experience

Christine joined Gallagher in 2023, bringing more than 30 years' experience in Operations Support to the practice. Prior to joining Gallagher, she worked in the private sector for a Global staffing company. In her role as Operations Support for the practice, Christine ensures that all administrative processes across the team run efficiently and effectively, providing seamless client experience from proposal to project closure. She plays an integral part in the contract review process, follows up on client invoices & vendor payments, pulls data from a variety of internal & external systems and coordinates communications with other Gallagher departments. Christine is

responsible for managing all RFPs, web inquiries & client referrals to the practice. She also handles all the scheduling of internal & external meetings for the practice, as well as review & audit of practice expenses.

PROJECT STAFF SUPPORT

ALYSSA THOMPSON	Senior Consultant & Client Liaison	<i>25+ years of experience</i>
KARI MERCER	Senior Consultant & Client Liaison	<i>15+ years of experience</i>
RENATE TINER	Senior Consultant & Client Liaison	<i>15+ years of experience</i>
CHARMAIN KOHLER	Consultant II & Client Liaison	<i>10+ years of experience</i>
SHILOH VENABLE	Consultant II & Client Liaison	<i>15+ years of experience</i>
CINDY HARAY	Consultant	<i>35 years of experience</i>
JANNA DINKELSPIEL	Consultant	<i>15+ years of experience</i>
KELLY BARNES	Consultant	<i>20+ years of experience</i>
MONICA GARRISON-REUSCH	Consultant	<i>20+ years of experience</i>
SUZY PARKER	Consultant	<i>5+ years of experience</i>
AMBER SHANG	Senior Associate Consultant	<i>5+ years of experience</i>
MARY GAUTHE	Senior Associate Consultant	<i>5+ years of experience</i>
CARISSA MARTO	Associate Consultant	<i>5+ years of experience</i>
KATHY ELLER	Associate Consultant	<i>10+ years of experience</i>
KELSI ARNEY	Associate Consultant	<i>8+ years of experience</i>
LAUREN GRANT	Associate Consultant	<i>10+ years of experience</i>
LYNDA GUERRA	Associate Consultant	<i>5+ years of experience</i>
ERIC SWIDLER	Senior Analyst	<i>5+ years of experience</i>

Approach to the Project

Our practice takes a thoughtful and collaborative approach to all our client engagements, where we work to ensure our efforts are ones which demonstrate how the Public Sector, Community and Education practice **C.A.R.E.S.** - collaborate/consult, advise/assess, recommend/resource, engage/endorse, and strategize/serve - about our clients and their needs. To that end, our project approach starts with our process and client communications.



Our extensive experience has resulted in a comprehensive understanding of the scope of work described by the District. Additionally, we understand the importance of this study as one of many strategies to address current human resources issues and appreciate the delicate nature of public sector spending. Below are some key considerations we have in this type of project, followed by our approach to the areas identified by the District, our detailed work plan, and the estimated project timeline.

Key Considerations:

Leadership Support: Effective compensation reform requires consistent, visible leadership commitment at multiple organizational levels. We establish a leadership accountability structure that includes executive sponsors, department champions, and implementation teams with clearly defined roles. Leaders must actively communicate the program's importance, address concerns directly, and visibly support the process through each phase. We provide leaders with focused messaging tools and data points to effectively advocate for changes. Without this multi-level support structure, even technically sound compensation systems often encounter significant resistance during implementation.

Benefit to you: *This ensures leadership alignment and visible support, which are critical for successful implementation and stakeholder buy-in.*

Internal Fairness and Equity: Our approach balances external market competitiveness with internal equity through comprehensive job analysis techniques. We conduct detailed comparisons across job families, reporting relationships, and responsibility levels to ensure logical compensation relationships. This includes specialized analysis of career progression paths and appropriate differentials between supervisory and non-supervisory roles. We implement specific methodologies to address compression issues, particularly between long-service employees and new hires with market-driven starting salaries. Our process identifies and remedies historical inequities while establishing defensible rationales for pay differences based on skills, responsibilities, and performance factors.

Benefit to you: *This will allow us to identify and remedy historical inequities for the District, while establishing defensible rationales for pay differences based on skills, responsibilities, and performance factors.*

Appropriate Timelines: We develop realistic project schedules based on organizational complexity and resources. This includes adequate time for comprehensive job documentation, employee input, leadership review cycles, and implementation planning. A typical comprehensive compensation project of the District's size and scope requires 3-4 months for proper execution, including 1-2 months for thorough job analysis, 1-2

months for market research, and 1-2 months for implementation planning, noting that this work may happen concurrently across the life of the engagement. Accelerated timelines often compromise data quality and stakeholder buy-in, leading to implementation challenges and future rework. We establish appropriate checkpoints and quality controls to ensure thoroughness while maintaining momentum.

Benefit to you: A well-paced process reduces risks, enhances data quality, and ensures engagement throughout the project.

Data-Driven with Human Oversight: Our methodology combines rigorous data collection with expert interpretation. We utilize multiple validated market sources appropriate for your sector, geographic region, and organizational characteristics. All job matches undergo multi-level validation checks to ensure accurate comparisons. This empirical foundation is then contextualized through structured consultant review panels that consider institutional history, strategic priorities, and unique operational factors as shared and iterated by our clients. We document both the data-driven recommendations and any exceptions to provide a clear, defensible audit trail. This balanced approach ensures decisions are not rigidly algorithmic while maintaining system integrity.

Benefit to you: This ensures data-backed decisions are tailored to your unique organizational needs, with a clear and defensible audit trail. Combining data with expert insights allows for strategic decisions that align with the District's organizational goals.

Clear and Consistent Communication: We develop compensation structures and classification frameworks with inherent clarity, using straightforward job leveling frameworks, transparent progression criteria, and consistent application of compensable factors. Communication materials are tailored to different stakeholder needs—executive summaries for leadership, detailed implementation guides for HR professionals, and practical explanation tools for managers and employees. We create accessible resources explaining compensation philosophy, range structure, placement methodology, and future growth opportunities. Systems are designed with straightforward administration requirements that do not require specialized expertise for day-to-day management.

Benefit to you: Clear communication builds trust, ensures understanding across all District levels, and simplifies system administration.

Compression Planning and Analysis: Our implementation approach includes detailed financial modeling that identifies potential compression scenarios before placement decisions are finalized. We analyze the distribution of current salaries against proposed ranges to identify employee clusters and gaps requiring special attention. Implementation options are developed with multi-year cost projections, including various phasing alternatives to balance budget constraints with equity requirements. Special focus is given to departments with significant longevity differences and areas with recent hiring at market rates. This proactive approach prevents creating new inequities while addressing existing compression issues within available resources.

Benefit to you: Proactively addressing compression issues helps maintain equity, improve retention, and align pay with organizational priorities.

Our Approach:

The District is seeking a total compensation study for the following positions:

- General Manager
- Assistant General Manager / Finance Director
- Maintenance Superintendent

- Senior Engineer
- Engineering Technician / Inspector
- Administrative Specialist
- Collection System Worker (4)
- Management Analyst (Part-Time)

The goal of the study will be to review the District's compensation structure for the studied classifications and to conduct a compensation market survey (salaries plus benefits) using a set of appropriate comparator agencies. The identification of comparator agencies, benchmark classifications, and benefits to be collected is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling.

The compensation study will contain specific recommendations regarding the integration of all study classifications into the District's compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the District's compensation preferences into consideration as well as the appropriate placement of each classification on the District's salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, union representation, and the District's Board of Directors, as desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach resulting in greater buy-in for study recommendations. This interactive approach has resulted in almost 100% implementation success of Gallagher's studies.

The majority of our clients are unionized and our larger city, county, and special district clients typically have multiple unions. Due to the multitude of stakeholder groups who are affected by any compensation study Gallagher conducts, our team understands the importance of accurate and validated data that withstands any scrutiny, effective and ongoing communication throughout each effort, and collaboration with the various stakeholder groups to ensure organizational buy-in to our findings and recommendations. We have developed a unique methodology of stakeholder "touchpoints" and collaboration that has made us highly successful and effective and has earned our team respect, agreement, and understanding from all stakeholders. In addition, we adjust and customize our methodology based on each individual client's unique needs and circumstances.

We also recognize that both the District and union representatives have obligations to employees and members to ensure that any study is conducted in a fair and equitable manner. Our project work plans are designed for transparency and we strongly encourage dialog with all stakeholders on study deliverables so they in turn can express their concerns; we all have a shared goal of ensuring the process followed is fair and equitable.

This intense and comprehensive stakeholder engagement and our transparent study processes are also a mechanism of quality control. The fact that our information, data, and recommendations have to be able to withstand utmost scrutiny by diverse stakeholders requires an in-depth multi-step quality control process for deliverables. This involves Gallagher team member validation of compensation data, Gallagher Project Manager review of all compensation analyses, recommendations and deliverables, and finally Gallagher Principal (Project Director) review of deliverables before submittal to the client.

STUDY OBJECTIVES

Compensation Objectives:

- To make recommendations regarding a list of appropriate, logical and defensible comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;

- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, employees, union representation, and the Board;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes, according to generally accepted compensation practices;
- To review the District's compensation structure and practices and develop compensation recommendations, including appropriate internal salary relationships, that will assist the District in recruiting, motivating, and retaining competent staff;
- To develop solutions that address pay equity issues and create a market adjustment implementation strategy supporting the District's goals, objectives, and budget considerations;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure; and;
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate salary ranges, methods for logical progression within the salary scale for each classification, and other practices, so that our recommendations can be implemented and maintained in a competent and fair manner.

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, budgets, procedures, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct project start-up meetings with study stakeholders to discuss any specific concerns with respect to the development of compensation recommendations; finalize study plans and timetables; conduct orientation sessions with management, union leadership, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the District and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

METHODOLOGY / WORKPLAN / DELIVERABLES

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness.

TOTAL COMPENSATION STUDY:

Milestone A: Project Kickoff Meetings, Initial Documentation Review, and Determination of Survey Elements

This phase includes identifying the District's Study Project Team (Human Resources, management, employee representation, etc.), contract administrator, and reporting relationships. Our team of Project Managers and Consultants will conduct a briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, management, union representation, and the Board; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, current class descriptions, organizational charts, salary schedules, budgets, employment contracts, personnel policies, previous compensation studies, and any other relevant documentation to gain a general understanding of District operations.

District terminology and methods of current compensation procedures will be reviewed and agreed to. We will discuss methodology, agree to formats for compensation results, confirm appropriate comparator agencies,

benchmark classifications, and benefits to be surveyed. We will respond to any questions that may arise from the various stakeholders.

Communications and Engagement Plan

We will develop a communications and engagement plan to foster organizational buy-in and acceptance of study outcomes and consultant recommendations throughout the project by District stakeholders including employees. The goal of the communications and engagement plan is to build positive and effective relationships with the study stakeholders, to achieve consensus whenever possible, to strive to understand and take into consideration stakeholders' ideas, opinions, desires, and issues, and to fully address their concerns. The variety of communication and engagement channels will help inform, consult, involve, collaborate with, and empower District stakeholders, and ensure that our methodology and "stakeholder touch-points" are followed and executed at each study milestone.

We are committed to working closely with District study advisors (Human Resources, District leadership, employee representatives, if any, and other stakeholders) to understand the needs of the mutual constituencies (employees) and to ensure that the Study Project Team, Gallagher team, management, and any employee representatives meet the highest standards of stakeholder interaction, including communicating clearly, politely, honestly, and promptly, and treating everyone fairly, equally, and with respect.

List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected

During the initial meeting with the Study Project Team, we will discuss and agree to the compensation study factors. We will identify/confirm appropriate, logical and defensible comparator agencies that will be included in the external market survey, which will be the foundation for ensuring that the District's compensation plan is competitively aligned with the external labor market. We will also identify those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed. Finally, we will determine the list of benefits that the District wants to include in the total compensation data gathering process.

1. Determination of Comparator Agencies

We understand the District has a predetermined Board approved list of comparators that include:

- Castro Valley Sanitary District
- Central Marin Sanitary District
- Ironhouse Sanitary District
- Las Gallinas Valley Sanitary District
- Mountain View Sanitary
- Napa Sanitation District
- Novato Sanitation District
- Oro Loma Sanitation District
- Rodeo Sanitary District
- Ross Valley Sanitation District
- West Bay Sanitary District
- West County Wastewater
- West Valley Sanitary District

We typically recommend using 10-12 comparator agencies for all survey benchmarks in order to achieve statistical significance but are flexible and can easily use a different approach based on the District's preferences.

2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the District's stakeholders to select those classifications that will be surveyed. "Benchmark classes" are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid

data sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

Considering the District's size and the small number of positions, we recommend surveying (i.e., benchmarking) all of them.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following (which are generally available to all staff in a specific job classification):

- **Monthly Salary** – The top of the published salary range. All figures are presented on a monthly or annual basis. We normalize the salary data to reflect number of hours in the work week and/or roll-up of retirement or other benefits in base salaries.
- **Employee Retirement** – This includes two figures: the amount of the employee's State or other public or private retirement contribution that is contributed by the agency and the amount of the agency's Social Security contribution. We understand that the District has both Classic and PEPRA PERS members and we are happy to include both scenarios in the market survey.
- **Insurance** – This typically includes Health, Dental, Vision, and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the agency is obligated.
 - **Vacation:** The number of vacation days based on years of employment.
 - **Holidays:** The number of holidays (including floating).
 - **Administrative/Personal Leave:** Administrative leave is normally the number of days available to management staff in lieu of overtime. Personal leave may be available to other groups of employees to augment vacation or other paid time off.
- **Deferred Compensation** – We report any employer contribution made on the employee's behalf, whether an employee-matching contribution is required or not.
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

Milestone B. Market Survey Delivery

Gallagher does not collect market compensation data by merely sending out a written questionnaire. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. We collect classification descriptions, organization charts, salary schedules, personnel policies, budgets, MOUs, and other information via website, by telephone, or email directly from each comparator agency. We then compare job description to job description and not just job titles, therefore ensuring true "matches" of at least 70%, which is the threshold we use to determine whether to include a comparator classification or not.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position job analysis methodology include:

1. Decision making/judgment
2. Difficulty and complexity of work
3. Supervisory responsibilities
4. Non-supervisory responsibilities
5. Minimum qualifications
6. Working conditions/risk factors
7. Contacts

We also schedule appointments with knowledgeable individuals at each comparator to answer specific questions. We find that information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.

Data will be entered into spreadsheet format designed for ease of interpretation and use. Information will be calculated based upon average and median figures allowing the District to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the District's salary range above/below the market values.

In addition, we will include any type of statistical representation and analysis that the District desires such as 60th, 70th, or any other percentiles per the District's compensation philosophy.

Benefits data will be displayed in an easy-to-read format. In addition, we are often asked to collect "additional" benefits, which we typically report on a separate spreadsheet.

Milestone C. Draft Compensation Findings/Stakeholder Review and Feedback

As part of our transparent approach and communication strategy to ensure organizational buy-in to the study, we share the market survey with the organization. We first distribute our draft findings to the Study Project Team. After their preliminary review, we will meet with the Study Project Team and other stakeholders (including Human Resources, management, employees) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for our team to engage with study stakeholders in a collaborative manner. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections, as appropriate.

Milestone D. Development of Recommendations, Final Reports, and Presentations

Analysis of Internal Relationships and Alignment

To determine internal equity for all studied positions, considerable attention is given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, for example, as well as across departments. This analysis will be integrated with the results of the compensation survey and the District's existing compensation plan.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically as well as horizontally.

Compensation Structure Development

We will review and make recommendations regarding the District's salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the District's preferred compensation model. We will also work with the District on their compensation philosophy as it relates to market position and the formulation of their compensation plan. This analysis will result in external pay equity, solutions to address any pay equity issues, and an implementation strategy supporting District goals, objectives, and budget considerations.

Draft recommendations will be discussed with the Study Project Team and management for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.

Final Report

A Draft Interim Report of the Compensation Study will be completed and submitted to the Study Project Team for review and comment. The report will include:

- An executive summary of the compensation study results;

- A set of all market data spreadsheets;
- A proposed compensation structure;
- A proposed salary range placement document;
- A procedure to address employees whose current base pay either falls below the minimum of or exceeds the maximum of their newly assigned pay range;
- Implementation options surrounding our recommendations; and
- A guide for implementing, managing and maintaining the compensation system.

Once all of the District's questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted in the District's preferred format. The Final Report will incorporate any appropriate revisions identified and submitted during the review process.

Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the Board of Directors, we recommend at least one initial meeting to confirm the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the Board, based on the District's preferences.

EXPECTATIONS OF DISTRICT SUPPORT:

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, salary schedules, past studies, etc.;
- Assistance in the notification and scheduling of initial kickoff and other meetings;
- Meeting agreed-upon timelines.

In terms of time commitment for District staff, we understand that the District hires an outside consultant to conduct and coordinate the entire effort. Therefore, it is our goal to reduce the time commitment of District staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling meetings, disseminating information, and in general, being a channel of communication between our firm and employees.

COMMUNICATION WITH THE DISTRICT:

Our typical communication model includes at least weekly or biweekly written status updates, or virtual meetings, to keep the District informed on where we are during each phase of the project.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, employee representation, and the Board, as desired. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of Gallagher's studies.

POST-STUDY CONSULTATION AND SUPPORT:

We are committed to providing the District with the highest-quality product and service. Providing ongoing consultation and support after study completion is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

We often find that clients will call or email with follow-up questions and to discuss certain aspects of the study, ask why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the District request any additional meetings and/or training after completion of the study and/or other specific, identifiable work efforts, such as single-position compensation reviews or conducting annual surveys,

we would honor our composite hourly rate for actual hours worked. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our project fee for this project.

STAKEHOLDER ENGAGEMENT:

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in to the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, and other stakeholders, as appropriate:

- Initial study kick-off meetings with stakeholders;
- Stakeholder input regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected;
- District stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.

Project Timeline

The following is an estimate to complete each milestone by week. We will discuss the details of each phase during project kickoff and identify specific deadlines for the project at that time. We will conduct frequent conference calls with the District to ensure the schedule is monitored throughout the project. In today's world, speed is particularly important. However, given the significance of this project, it is just as important for District officials, department heads, and employees to have sufficient time to review and approve the recommendations of Gallagher and to ensure proper communications occur. We have prepared a timeline to ensure the District has the work products in an expeditious manner. Our phases run concurrently; in that we do not wait until the full completion of a phase to begin another phase. We are prepared to commence the work within two weeks of receiving your authorization to proceed.

Compensation Study

Milestone	Timeframe
A. Project Kickoff Meetings, Orientations, and Determination of Survey Elements	Weeks 1-2
B. Market Survey Delivery	Weeks 2-7
C. Draft Compensation Findings/Stakeholder Review and Feedback	Weeks 7-9
D. Development of Recommendations, Final Report, and Presentations	Weeks 9-12

Cost Proposal

We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with employees, employee representation, management, and the governing body. The time we commit to working with employees (orientations and briefings, meetings with employees via personal interviews, sharing of compensation survey data, etc.) results in significantly greater buy-in throughout the process.

It has been our experience that the time, money, and resources invested in stakeholder communication throughout the study are time, money, and resources saved during implementation. Our goal is to conduct each study the right way the first time.

To create efficiency and cost savings for our clients, as well as operating as green an organization as possible, we often conduct our studies virtually. Our cost proposal assumes that all meetings and presentations will be conducted virtually/remotely and no onsite travel to District offices will occur. Should the District desire onsite meetings, our per diem cost for onsite meetings based on travel time and market rate travel cost are outlined below. Our fees to conduct the study outlined above (including out-of-pocket expenses) will be \$32,250.

The cost proposal is a fixed fee and will be billed in three equal installments of \$10,750 on a monthly basis. The first installment invoice for \$10,750 will be sent after contract execution.

The table below outlines the price per phase.

Compensation Study	Fees
Ongoing Project Status Meetings throughout the Study	\$1,000
Milestone A: Project Kickoff Meetings, Orientations, Determination of Survey Elements <i>Includes virtual meetings and ongoing project management meetings throughout.</i> <i>On-site meetings are available at an additional cost*</i>	\$2,715
Milestone B: Market Survey Delivery	\$20,040
Milestone C: Draft Compensation Findings/ Stakeholder Review and Feedback	\$5,000
Milestone D: Development of Recommendations, Final Reports, and Presentations <i>Includes virtual meeting; On-site meetings are available at an additional cost *</i>	\$3,495
TOTAL PROJECT COST (Including all tasks) will not exceed: \$32,250	

Our cost proposal does not include time to support the District during any labor negotiations that may follow this study. If we are needed for this work, our composite hourly rate will apply and we will charge on a time-and-materials basis.

Our study costs are directly derived from estimating the number of hours needed to perform the work and the level of the consultant charged with performing the work. Gallagher typically bills monthly up to the maximum of each deliverable. Please note, as phases sometimes run concurrently, a phase may not be completed at the time it is billed. All expenses are included in this quote.

Should the District wish to have any on-site presentation days or meetings, the estimated cost would be \$2,000-\$4,000 per day depending on the level of consultant required and the required time. Any change to the scope of the assignment (beyond what is described above) as well as other work requested beyond this assignment will be billed based on our hourly rates unless we mutually agree on a fixed fee for the additional work.

Optional Ongoing Services:

Service	Fees
Pay Equity Review and Dashboard <i>Multi-regression analysis of employee demographics related to pay, additional analysis using Gallagher's Compensation Alignment Index, and the provision of a post-study dashboard to support reporting and internal communication needs.</i>	\$7,500
Ongoing Ad-Hoc Review <i>Includes job evaluation, single role market pricing, and job description development, classification review, PDQ/JAQ review</i>	\$13,500* per annum** for up to 25 requests
Annual Trend Memo <i>Includes market and sector movement memorandum to inform annual budget planning, structure adjustments, and understanding of market trends</i>	\$3,500 per annum**
Market Benchmarking Tool (Gallagher CompSight) <i>Includes client access to cloud-based market benchmarking tool and the development/facilitation of an annual custom survey to provide real-time market data to the client organization in between large-scale studies</i>	\$45,000 per annum (includes tool and survey)***

*price may be modified (up or down) based on anticipated client volume

**annual cost discounted by \$1,000 and held flat (i.e., no rate increases) for multi-year (2 or more) service agreements

***annual cost discounted to \$34,500 per annum for multi-year (2 or more) service agreements

Contractual Considerations

Gallagher is pleased to submit this proposal to the District. While this proposal is not meant to constitute a formal offer, acceptance, or contract, notwithstanding anything to the contrary contained in the proposal, Gallagher is submitting this proposal with the understanding the parties would negotiate and sign a contract containing terms and conditions that are mutually acceptable to both parties.

It is our practice to provide the coverage below in lieu of the District contract insurance language. We therefore propose to replace the insurance language in the RFP's sample agreement with coverage language provided by Gallagher as follows:

Gallagher shall at all times during the term of this Agreement and for a period of two (2) years thereafter, obtain and maintain in force the following minimum insurance coverages and limits at its own expense:

- Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence;
- Workers Compensation insurance with statutory limits, as required by the state in which the work takes place, and Employer's Liability insurance with limits no less than \$1,000,000 per accident for bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;
- Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;
- Umbrella Liability insurance providing excess coverage over all limits and coverages with a limits no less than \$10,000,000 per occurrence or in the aggregate;
- Errors & Omissions Liability insurance, including extended reporting conditions of two (2) years with limits of no less than \$5,000,000 per claim, or \$10,000,000 in the aggregate;
- Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost; and
- Crime insurance covering third-party crime and employee dishonesty with limits of no less than \$1,000,000 per claim and in the aggregate.
- All commercial insurance policies shall be written with insurers that have a minimum AM Best rating of no less than A-VI, and licensed to do business in the state of operation. Any cancelled or non-renewed policy will be replaced with no coverage gap, and a Certificate of Insurance evidencing the coverages set forth in this section shall be provided to Client upon request.

Signature Page

Gallagher Benefit Services, Inc. intends to adhere to all of the provisions described.

This proposal is valid for 90 days.

Respectfully submitted,

By: **GALLAGHER BENEFIT SERVICES, INC.**
State of California



Georg S. Krammer
Managing Director, Compensation and Rewards Consulting

June 12, 2026



Gallagher

ajg.com

The Gallagher Way. Since 1927.

Gallagher is pleased to submit this proposal to you. While this proposal is not meant to constitute a formal offer, acceptance, or contract, notwithstanding anything to the contrary contained in the proposal, Gallagher is submitting this proposal with the understanding the parties would negotiate and sign a contract containing terms and conditions that are mutually acceptable to both parties.

This material was created to provide accurate and reliable information on the subjects covered by should not be regarded as a complete analysis of these subjects. It is not to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation.

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc., a non-investment firm and subsidiary of Arthur J. Gallagher & Co., is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services."

Agency	Classification	Minimum Base Salary	Maximum Base Salary	Employer's Portion of Retirement Employer (%)	Employer's Portion of Compensation Class	Defined Compensation	Longevity Pay	Cost-of-Living Adjustment	Total Cash Pay	Health (Cost of Insurance Plan)	Dental	Vision	Life Insurance	RISA	Spousal Health/Care	Total Comp	Employer's Portion of Retirement Employer (%)	Employer's Portion of Compensation Class	Total Compensation
City of	Construction Inspector	\$9,470	\$9,490	0%	0%	\$0	\$0	\$0	\$9,490	\$0	\$0	\$0	\$0	\$0	\$0	\$9,490	0%	0%	\$9,490
County Agency 1	Construction Inspector	\$8,550	\$10,000	1%	10%	\$0	\$100	\$0	\$10,100	\$0	\$0	\$0	\$0	\$0	\$0	\$10,100	0%	10%	\$10,100
County Agency 2	Construction Inspector	\$8,550	\$10,750	0%	5%	\$0	\$0	\$0	\$10,750	\$0	\$0	\$0	\$0	\$0	\$0	\$10,750	0%	5%	\$10,750
County Agency 3	Construction Inspector 1	\$10,000	\$11,250	0%	5%	\$0	\$0	\$0	\$11,250	\$0	\$0	\$0	\$0	\$0	\$0	\$11,250	0%	5%	\$11,250
County Agency 4	Construction Inspector	\$10,120	\$11,075	0%	5%	\$0	\$0	\$0	\$11,075	\$0	\$0	\$0	\$0	\$0	\$0	\$11,075	0%	5%	\$11,075
County Agency 5	Construction Inspector 1	\$8,200	\$11,700	0%	10%	\$0	\$0	\$0	\$11,700	\$0	\$0	\$0	\$0	\$0	\$0	\$11,700	0%	10%	\$11,700
County Agency 6	Construction Inspector 1	\$8,200	\$11,000	2.2%	5%	\$0	\$0	\$0	\$11,000	\$0	\$0	\$0	\$0	\$0	\$0	\$11,000	0%	5%	\$11,000
County Agency 7	Public Works Inspector	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
County Agency 8	Public Works Inspector	\$7,511	\$8,490	0%	5%	\$0	\$0	\$0	\$8,490	\$0	\$0	\$0	\$0	\$0	\$0	\$8,490	0%	5%	\$8,490
County Agency 9	Construction Inspector	\$8,001	\$8,200	0%	5%	\$0	\$0	\$0	\$8,200	\$0	\$0	\$0	\$0	\$0	\$0	\$8,200	0%	5%	\$8,200
County Agency 10	Public Works Inspector	\$8,017	\$8,524	0%	5%	\$0	\$0	\$0	\$8,524	\$0	\$0	\$0	\$0	\$0	\$0	\$8,524	0%	5%	\$8,524
County Agency 11	Ins. Construction Clerk	\$8,774	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172
County Agency 12	Construction Inspector 1	\$7,940	\$9,024	0%	5%	\$0	\$0	\$0	\$9,024	\$0	\$0	\$0	\$0	\$0	\$0	\$9,024	0%	5%	\$9,024
County Agency 13	Engineering Inspector																		

Total	\$16,287	\$16,287	0%	0%	\$0	\$0	\$0	\$0	\$16,287	\$0	\$0	\$0	\$0	\$0	\$0	\$16,287	0%	0%	\$16,287
Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172

Min	\$7,000	\$8,500	0%	5%	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	0%	5%	\$8,500
Max	\$12,172	\$12,172	0%	5%	\$0	\$0	\$0	\$12,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,172	0%	5%	\$12,172



June 12, 2026

Mr. Bobby Magee
Interim General Manager
Stege Sanitary District

Subject: Compensation Study

Thank you for the opportunity to submit a proposal to conduct a compensation study for the Stege Sanitary District. The following pages provide a breakdown of tasks, costs and timeline.

Please free to reach out should you have questions. Again, thank you for the opportunity to be considered for this project.

Sincerely,

Stacy James
Principal, Bryce Consulting

Task 1 - Project Initiation with the District

This task involves all the steps required to initiate the project including a review of District's organizational chart, job descriptions, rules and regulations, MOU language and related information as well as a review and finalization of the study scope, objectives, and process.

Task 2 – Confirm Compensation Survey Parameters with the District

This task will result in the review and confirmation of all compensation survey parameters. These parameters will be consistent with the District's overall compensation plan and will include the following:

Labor Market – It is typically recommended that 10-12 agencies be included in the study. The District has already identified 13 agencies to be included in the study. The agencies identified by the District include:

- West Valley Sanitation District
- Las Gallinas Valley Sanitary District
- West County Wastewater District
- Central Marin Sanitation Agency
- Oro Loma Sanitary District
- Novato Sanitary District
- Ross Valley Sanitary District
- Napa Sanitation District
- Ironhouse Sanitary District
- Mountain View Sanitary District
- Castro Valley Sanitary District
- West Bay Sanitary District
- Rodeo Sanitary District

Survey Classes - The consultant will confirm job classes to be used as survey classifications. These survey classes would be representative of all levels of classifications and job series. It is anticipated that the following 8 classifications will be included in the study:

- General Manager
- Assistant General Manager / Finance Director
- Maintenance Superintendent
- Senior Engineer
- Engineering Technician / Inspector
- Administrative Specialist
- Collection System Worker (Journey level in the series)
- Management Analyst (Part-Time)

Survey Methodology - The third key survey parameter is the clear definition of what data will be collected, how it will be analyzed, and in what form it will be presented. Typical data elements include:

- Minimum and maximum base salary
- Portion of employees' share of retirement paid by the employer (Classic Employee)
- Deferred compensation contribution and matches paid by the employer (Classic and PEPRA Employee's)
- Longevity pay-Year 10
- Certification/education pay
- Health, dental, vision, life insurance, and long-term disability contributions paid by the employer
- Social Security paid by the employer
- Portion of employers' share of retirement paid by the employee (Classic and PEPRA Employee's)
- Retiree Health Savings Account contributions
- Future cost of living increase data
- Retirement practices (retirement benefit, plan formula, and employer's cost) (Classic and PEPRA employee's)
- Retiree medical contribution
- Leave benefits (vacation, sick leave, holiday, and administrative leave)

Task 3 - Prepare Information Packet

Once the above task is completed, the consultant will contact each survey employer. The purpose of the call will be to elicit cooperation, explain the scope of the survey and who will collect the data. Following the completion of the calls, the consultant will prepare and distribute a comprehensive survey packet to each employer that includes the criteria for establishing comparability, descriptions of the survey classes, and a list of the required survey information.

Task 4 - Collect and Analyze Salary Survey Data

Determining a comparable classification will include, at a minimum, comparison of the experience and education qualifications required, level within the organization, degree of authority, and scope and complexity of the work performed. Once the data is collected it will be thoroughly analyzed utilizing an electronic spreadsheet. It is anticipated that this analysis would include a detailed presentation of base salary and benefit information for each survey

class including the name of the comparable class, the top salary and total compensation, and a comparison between the labor market mean, median or other percentile, and the District for each survey classification.

Task 5 - Review Preliminary Survey Results with the District

Following the preliminary analysis of the survey data, the consultant will conduct an in-depth review of the survey results with the management. The purpose of this review is to identify any additional information needs or areas that require further analysis.

Bryce will collect the data for both Classic and PEPRA employees and provide datasheets for each. A sample datasheet has been provided for a Classic employee.

Task 6 – Follow Up Data Collection

Following the review phase of the study, the consultant will collect any additional information needed or requested.

Task 7 - Prepare Draft Report

This report will fully document all survey activities:

- Discussion of methodology and labor market survey parameters.
- Presentation and analysis of the survey results.

Task 8 – Present Final Report to the Board of Directors (Optional)

After the initial review of the findings with the District, the consultant will be prepared to make a presentation to the Board of Directors, if needed.

STEGE SANITARY DISTRICT

PROJECT HOURS AND COST

TASK	HOURS	COST	WEEK
1. Project Initiation with the District	1	\$200	1
2. Confirm Survey Parameters with the District	1	\$200	1
3. Prepare Information Packet	2	\$400	1
4. Collect and Analyze Salary Survey Data	32	\$6,400	2 - 5
5. Review Preliminary Survey Results with the District	2	\$400	5
6. Follow up Data Collection	3	\$600	5 - 6
7. Prepare Draft Report	4	\$800	6
8. Prepare and Present Final Report to Board of Directors (if needed)	0 - 1	\$0 - \$200	TBD
Compensation Study Hours and Cost	45 - 46	\$9,000 - \$9,200	

It assumed that all tasks will be conducted virtually; therefore, reimbursable expenses related to travel have not been included.

CORPORATE QUALIFICATIONS

Bryce Consulting, Inc. was formed in July 1995 to provide the full range of human resource consulting services to governmental clients. We offer comprehensive and integrated advisory services in the areas of human resources management, recruitment and selection, organization development, and training. Our scope and approach to consulting is based on a solid foundation of professional experience in providing consulting services to local governments.

SERVICES

Bryce Consulting offers a comprehensive range of human resource consulting services including:

Classification and Compensation - This area of the practice includes the development, installation, and modification of all or part of an agency's classification plan and compensation program. Typical study results include compensation policy development; the preparation of class specifications and career ladders that are in compliance with the ADA; internal salary relationship analysis; external compensation surveys; and the development of a revised compensation plan.

Organizational and Management Review and Analysis - This practice area includes the review, analysis and development of organizational structure, staffing, levels, reporting relationships, workflow, and management control systems. Specific tasks include detailed operational and organizational data collection, analysis of current systems and processes, and development of new or modified organizational and operational structures to create operational efficiencies, workload balance and appropriate staffing levels. Implementation includes facilitated processes with management, individual staff, and entire work groups to ensure the broadest understanding and success of the study recommendations.

Training - This service provides both off-the-shelf and custom designed training programs on a wide variety of salient topics to organizations. Depending on the needs of the organization, we provide employee, mid-management, executive management or agency-wide training on topics such as customer service, supervisory skills, mediation and conflict resolution skills, performance development and evaluation, communicating with your boss and interpersonal skills.

Human Resources Systems - Typical assignments in this area result in the development or modification of the basic policy and administrative framework for the agency's human resource management system. Study results include the preparation of personnel rules, policies, and procedures, and employee handbooks.

Performance Appraisal - This service area involves the development and installation of comprehensive performance appraisal systems for both management and non-management staff. These systems are complete and include the necessary forms, procedure manuals, and the training of management and supervisory staff.

STAFF RESUMES

Shellie Anderson will serve as project manager. Ms. Anderson will be joined by Stacy James, who brings a solid background of human resources consulting experience and will be responsible for assisting with project data collection and analysis. Both consultants bring to the assignment extensive experience conducting classification and compensation studies and an in-depth knowledge and understanding of public agency salary and benefit practices, limitations, and trends within the State of California.

SHELLIE ANDERSON

Shellie Anderson is a principal with the firm who brings 25 years of human resource consulting experience within the State of California, specifically within the public sector. Her background includes managing and participating in compensation and classification studies of varying sizes, organizational analyses, recruitment and selection, development of performance evaluation systems, and succession planning. Ms. Anderson has personally completed hundreds of compensation studies and has worked with a variety of public agencies including the State of California, cities, counties, and electric, water, wastewater, and irrigation districts. Ms. Anderson has successfully worked with labor-management groups on multiple studies, to ensure successful accomplishment of study objectives. Ms. Anderson received a Bachelor's degree in Psychology and a Master's degree in Industrial and Organizational Psychology from the California State University, Sacramento. In addition, Ms. Anderson is a Certified Senior Professional in Human Resources. Ms. Anderson served on the Board for the IPMA – HR Sacramento Mother Lode Chapter for nearly a decade.

STACY JAMES

Stacy James is a principal with 18 years of professional human resources experience within the State of California including classification and compensation, recruitment and selection, development of work policies and procedures, and performance appraisal design. Ms. James previously oversaw the personnel practices in nine California Counties for social services and child support services departments which included serving as a business partner, conducting recruitments, determining and developing a variety of assessment processes, conducting job analyses, conducting classification studies, and providing training on rules and regulations governing the departments' merit system. Ms. James has extensive experience with compensation data collection and analysis. In

addition, Ms. James has served as consultant to a variety of State agencies, counties, cities, non-profits, and special districts in the State of California. Ms. James earned her Bachelor's degree in Psychology from California State University, Sacramento.



STEGE SANITARY DISTRICT

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, General Manager
SUBJECT: Approval of Resolution No. 2284-0726 for a Contract with Steven's Printing for On-Call, As-Needed Printing Services

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2284-0726 Authorizing Staff to Enter into a Contract with Steven's Printing for On-Call, As-Needed Printing Services

BACKGROUND AND DISCUSSION

The District has historically used external vendors for printing services whenever branded items were needed to get information out to the constituency. This has been a routine operational activity and normal cost of doing business for the District for many years. The amounts for each printing run are within the General Manager's delegated contracting authority, so purchases have been handled administratively. Over time, normal price increases pressure the limits of the delegated authority amounts. With the District currently undergoing a change in the design of materials it distributes, such as the District Newsletter and Private Sewer Lateral Loan documents, it is possible that that cumulative spend for FY 2026/27 will exceed the General Manager's delegated authority of \$25,000.

After reaching out to multiple vendors, staff determined that Steven's Printing was the lowest bidder on each individual job. The District has used Steven's Printing several times in previous years, with positive results each time.

The proposed resolution authorized the an agreement for up to four years with a not-to-exceed amount per year of \$35,000 for the first year, adjusted by 5% or the CPI-U for the Bay Area for each subsequent year, whichever is lower.

FISCAL IMPACT

Award of the contract will result in a contract with a not-to-exceed amount for the first year of \$35,000, with an annual escalator clause restricting future cost increases to an amount of 5% or lower in each subsequent year, tied to the CPI-U for the Bay Area.

RESOLUTION NO. 2284-0726

RESOLUTION AWARDING A CONTRACT TO STEVEN'S PRINTING FOR ON-CALL,
AS-NEEDED PRINTING SERVICES FOR AN INITIAL FOUR-YEAR TERM, IN AN
AMOUNT NOT TO EXCEED \$35,000 IN YEAR ONE, WITH A PROVISION FOR AN
ANNUAL JULY 1 PRICING ADJUSTMENT OF 5% OR THE CPI-U FOR THE BAY AREA,
WHICHEVER IS LOWER

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

1. The District needs periodic printing services for branded materials related to getting information out to its constituents.
2. The District reached out to multiple vendors soliciting quotes for multiple small jobs in 2025/26, and Steven's Printing was deemed the best value to the District each time.
3. Staff has historically completed several small-value printing jobs with Steven's Printing with successful results each time.
4. The recommended contract establishes a not-to-exceed amount of \$35,000 in year one of a four-year contract, with an annual escalator not-to-exceed 5% or the CPI-U for the Bay Area, whichever is lower.

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

The Directors of the Stege Sanitary District hereby awards a contract to Steven's Printing for on-call, as-needed printing services for a four-year term, in an amount not-to-exceed \$35,000 in year one with an annual escalator on July 1st of each year beginning in 2027 not-to-exceed 5% or the CPI-U for the Bay Area, whichever is lower.

* * * * *

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 2nd day of July 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

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, General Manager
SUBJECT: Resolution Authorizing Staff to Dispose of Surplus Property

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2285-0726 Authorizing Staff to Dispose of Three Vehicles, Deemed as Surplus Property.

BACKGROUND AND DISCUSSION

The District has three vehicles that have reached the end of their useful life, two of which are currently scheduled for immediate replacement. On April 16th, 2026 the Board approved the purchase of a dump truck to replace the current unit. The new dump truck has been ordered, and the District expects to receive the new asset imminently. In FY 2024/25 the General Manager's vehicle was scheduled for disposal and appropriately budgeted for replacement. That vehicle was not purchased, and was re-budgeted for 2025/26. In another item on tonight's agenda is a recommendation to authorize staff to purchase a new General Manager vehicle. The prior intention was to move the current General Manager vehicle into the staff vehicle role, with the disposal of the current staff vehicle, a 2011 Toyota Prius. However it was just discovered that the current General Manager vehicle, a 2017 Ford C-Max with high mileage, has multiple mechanical issues and the vehicle's battery pack is no longer functioning as designed. All three vehicles are now recommended for disposal, with the C-Max being held by the District until shortly after the new General Manager vehicle has arrived.

FISCAL IMPACT

The vehicles on the list are fully depreciated; sale of the assets at auction are expected to bring only scrap value.

RESOLUTION NO. 2285-0726

RESOLUTION AUTHORIZING DISPOSAL OF SURPLUS PROPERTY OF THE STEGE
SANITARY DISTRICT

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

The following items of property have no indicated value, and are no longer useful for the operations of the District:

Description	Date Acquired	Original Value	Accumulated Depreciation	Estimated Value
<u>1990 Dump Truck</u>	<u>9/5/1990</u>	<u>\$20,846</u>	<u>\$20,846</u>	<u>\$0</u>
<u>2011 Toyota Prius</u>	<u>11/2/2011</u>	<u>\$24,293</u>	<u>\$24,293</u>	<u>\$0</u>
<u>2017 Ford C-Max</u>	<u>6/30/2017</u>	<u>\$35,620</u>	<u>\$35,620</u>	<u>\$0</u>

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

1. The above items of property are declared surplus, since they are no longer useful to the District's operations.
2. The General Manager is authorized to sign and execute all documents necessary to sell the surplus property or otherwise dispose of it in accordance with District policies and procedures and applicable law.

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 2nd day of July 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

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, General Manager
SUBJECT: Resolution Authorizing Staff to Purchase One Pickup Truck Utilizing the State of California Fleet Contract

RECOMMENDATION

It is recommended that the Board of Directors:

Adopt Resolution No. 2286-0726 Authorizing Staff to Purchase One Pickup Truck Utilizing the State of California Fleet Contract

BACKGROUND AND DISCUSSION

The District has historically purchased multiple staff vehicles for a number of operational purposes. Two of those vehicles include the General Manager's (GM) vehicle, and the staff vehicle. The GM's vehicle is intended to be a take-home vehicle, with the expectation that it is put to use immediately in the event of after-hours urgencies or emergencies. The staff vehicle typically stays in the Yard outside of normal business hours, and has been used for routine administrative tasks within the District boundaries.

In June 2025 the Board authorized the replacement of the GM's vehicle through the budget process. Staff had intended to move the current GM vehicle, a 2017 Ford C-Max, into the staff vehicle role at that time. Due to turnover within the organization, the GM vehicle was never purchased, and it was re-budgeted for the 2026/27 FY. As current staff began to research potential vehicle replacements, it was noted that the battery in the C-Max is no longer functioning correctly. The vehicle is now running on gasoline power alone. As this vehicle is now 10 years old with high mileage and has outlived its useful life, immediate disposition of this asset is recommended. In FY 2026/27, staff intends to evaluate whether or not the staff vehicle is used often enough to warrant the purchase of a second vehicle.

Since the GM vehicle is intended to be in use during times of urgent or emergency situations, a pickup truck is recommended. Having a truck allows for sandbags and/or other heavy equipment to be transported immediately. In the past, the Board has indicated its preference for environmentally friendly vehicles (when possible), and the District's Purchasing Policy supports this position. Currently there are only two electric pickup trucks on the State of California Department of General Services (DGS) Fleet Contract. The DGS contracts contain competitively procured items, ensuring the lowest prices available to the District. Current vehicles listed on the contract are the Chevrolet Silverado EV, and the Rivian R1T. The vehicles with longer electric ranges are recommended, as those with shorter ranges (typically around 200 miles per charge) would prove to be ineffective during long emergency situations. As an alternative, a conventional gasoline engine Chevrolet Silverado was also researched. With a lead time potentially exceeding one year, the conventional engine pickup is not recommended. After researching, staff found the following estimates related to each vehicle:

Brand	Model	Fuel	Range	Lead Time	Est Cost
Chevrolet	Silverado EV	Electric	492 Miles	3-4 Months	\$78,000
Chevrolet	Silverado EV	Electric	424 Miles	3-4 Months	\$70,000
Rivian	R1T Dual Max	Electric	400 Miles	2-3 Days	\$88,000
Chevrolet	Silverado	Gasoline	350 Miles	1 Year	\$60,000

During discussion with the fleet representatives for both companies, a number of relevant items were discussed. The Chevrolet Silverado EV Trucks have two different models for range purposes, with a difference in cost of about \$8,000. The lower priced Silverado EV has a range similar to the Rivian, however the lead time was estimated by the fleet manager to be 3-4 months, assuming he is able to secure the trucks built by the factory at that time. The Rivian has a slightly lower driving range, but the initial cost is approximately \$18,000 higher. The Rivian is readily available and could be delivered within 2-3 days if ordered. While Chevrolet has been manufacturing vehicles for a much longer time, Rivian stated that they have been working with the State for several years now, diligently documenting the total cost of ownership for the State’s Rivian vehicles vs other manufacturers. Rivian has stated that their product is comparable with other manufacturers when taking total cost of ownership into account. Finally, the gasoline powered Silverado was considered as an alternative, but is not recommended due to the estimated lead time. The Silverado models that are on the DGS contract are not currently available, and with an anticipated model re-design for 2027 it is expected that the lead time for procuring this truck would be in excess of one year, if ordered today. While the estimated capital upfront cost is much lower, the cost of gasoline would need to be factored in as well as the overall cost to the environment.

Pursuant to the General Manager’s historical contracts, the GM vehicle is to be selected by the employee, subject to employer’s approval. In another item for the Board’s consideration on tonight’s Agenda is the GM contract which contains this historical clause. If approved, the recommended action is to direct staff to purchase a fully-electric pickup truck, utilizing a collaborative discussion approach between the GM and the Board.

FISCAL IMPACT

Adopting the resolution will authorize staff to purchase one pickup truck off of the DGS contract, with the exact final price to be determined after ordering the product. Staff will notify the Board of the final price upon executing the contract and ordering the vehicle.

RESOLUTION NO. 2286-0726

RESOLUTION AUTHORIZING STAFF TO PURCHASE ONE PICKUP TRUCK OFF OF
THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES STATEWIDE
CONTRACT FLEET VEHICLES

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

- A. The State of California issues a master contract for statewide vehicle purchases and, as the largest purchaser of vehicles, commands the best price from manufacturers through a competitively procured process.
- B. The State of California master contract provides fleet vehicle trucks at the contracted pricing to local governmental agencies.
- C. The Directors of the Stege Sanitary District desire to approve and authorize the General Manager to execute an agreement with a dealership listed on the statewide fleet vehicles contract.

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

- 1. The General Manager is authorized to execute a contract, in a form approved by District Counsel, with a dealership listed on the statewide fleet vehicles contract in an amount not to exceed \$100,000.
- 2. The amount of the purchase shall be reported back to the Board of Directors prior to final execution of the contract.

* * * * *

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 2nd day of July 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

STAFF REPORT

Board of Directors Meeting Date: 7/2/2026

TO: Honorable Board of Directors
FROM: Bobby Magee, General Manager
SUBJECT: Resolution Approving Amendment No. 2 to the Legal Services Agreement with Redwood Public Law, LLP

RECOMMENDATION

It is recommended that the Board of Directors Adopt Resolution 2287-0706 Approving Amendment No. 2 to the Legal Services Agreement with Redwood Public Law, LLP (Redwood)

BACKGROUND AND DISCUSSION

Since 2017, Kristopher Kokotaylo (Kokotaylo), served as District Counsel. On March 24, 2024, the District entered into an agreement with Redwood for Kokotaylo to continue serving as District Counsel when he transitioned to a new law firm.

The General Manager has recommended, and the Board has expressed an interest in, having the District Counsel present at each Board meeting. The District Counsel currently attend one meeting in person per month. The proposal was, in the event that the Board has a second meeting, to have the District Counsel present virtually for that additional meeting. The additional cost for the virtual meeting, should it be necessary would be a flat amount of \$1098/month.

Additionally, the proposed amendment includes a breakdown of the rate ranges by attorney type for special and cost recovery services.

The Board appointed President Beach to serve as labor negotiator and the proposed resolution before the Board is the result of negotiations between President Beach and District Counsel.

FISCAL IMPACT

The costs related to the proposed amendment are provided in the District adopted budget.

RESOLUTION NO. 2287-0706

RESOLUTION APPROVING AMENDMENT NO. 2 TO THE LEGAL SERVICES
AGREEMENT WITH REDWOOD PUBLIC LAW, LLP

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. Kristopher J. Kokotaylo (District Counsel), through the law firm Redwood Public Law, LLP (Firm), serves as District Counsel for the District – a role that he has held since 2017.
- C. The District and Firm have an existing legal services agreement that was executed on March 24, 2024.
- D. The District previously amended the legal services agreement with the Firm, effective August 1, 2025.
- E. The District Board of Directors now desires to amend the legal services agreement with the Firm to provide for possible additional meeting coverage and clarification regarding the rate schedule

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

- 1. The foregoing recitals are true and correct and are hereby incorporated by reference.
- 2. The Board of Directors declare that the Board President, acting as the Labor Negotiator on behalf of the District, is authorized to execute the second amendment to the legal services agreement attached hereto as Exhibit A, between the Stege Sanitary District and the Firm effective July 1, 2026.

3. The District 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 was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting held on the 2nd day of July 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

**Second Amendment to Agreement
For Legal Services**

This is the First Amendment to the Agreement between Stege Sanitary District (“Stege”) and Redwood Public Law, LLP (“REDWOOD”), dated March 21, 2024.

Section 4. Compensation, shall be amended as follows:

STEGE shall compensate REDWOOD in accordance with the terms and conditions of the Agreement in the following amounts:

- a. Meeting Retainer. A retainer of Two Thousand One Hundred and Ninety Six Dollars (\$2,196) per month for performance of services directly related to attending in person one regular Board meeting each month, specifically including: preparation for the meeting, review of agenda materials for the meeting; drafting of resolutions; consulting with the District Manager regarding agenda materials; attendance at the meeting; and any follow-up consultations or minor work resulting directly from the meeting. An additional retainer of One Thousand Ninety Eight Dollars (\$1,098) per month for performance of services directly related to attending an additional remote Board meeting each month, specifically including: preparation for the meeting, review of agenda materials for the meeting; drafting of resolutions; consulting with the District Manager regarding agenda materials; attendance at the meeting; and any follow-up consultations or minor work resulting directly from the meeting.
- b. Special Counsel Service and Cost Recovery Rates. For non-routine special counsel services and for all legal work chargeable to third party applicants of STEGE, the work shall be billed at the non-retainer specialty rates maintained by REDWOOD, as outlined below:

	NON-ROUTINE RATES	COST RECOVERY RATES
Partners	\$420 - \$550	\$450- \$587
Of Counsel	\$420 - \$490	\$450 - \$510
Associates	\$290 - \$400	\$345 -\$420
Paralegal	\$191 - \$197	\$218 - \$225

This Amendment shall be effective on July 1, 2026

Redwood Public Law, LLP

Date: _____

By: _____

Kristopher Kokotaylo, Attorney

Stege Sanitary District

Date: _____

By: _____

Tessa Beach, President