STEGE SANITARY DISTRICT BOARD OF DIRECTORS

MEETING OF DECEMBER 9, 2021

TIME OF MEETING: **2:00 P.M.**

DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

******* **AGENDA** *******

Items on the agenda may be taken out of order.

Public comment is limited to three (3) 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.*

*Public comment can be sent remotely by delivering to **7500 Schmidt Lane, El Cerrito, CA 94530** or via email to **comments@stegesan.org** with "Public Comment" in the subject line. To provide written comment on an item on the agenda or to address the Board during Public Comment, please note the agenda item number that you want to address or whether you intend for the comment to be included in Public Comment. Comments timely received 15 minutes before the starting time of the meeting will either be provided as written comment or be read into the record, with a maximum allowance of 3 minutes per individual comment read into the record, subject to the Board President's discretion. Copies of all timely received written comments will be provided to the Board and will be added to the official record.*

Pursuant to AB 361, 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 remote conferencing session will be conducted by roll call vote.

I. Call To Order

II. Roll Call

Agenda Items: Directors and Officers of the Board will consider and announce if they have any conflicts of interest posed by items on the meeting agenda.

III. Public Comment

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF DECEMBER 9, 2021
TIME OF MEETING: **2:00 P.M.**
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

IV. Approval of Minutes

Motion: A. Approval of November 11, 2021 Board Meeting Minutes
(The Board will be asked to review and approve the minutes)

Info: **V. Communications**

A. Oral Communications
1. Brief reports from Directors on matters related to the District, including attendance at city or community meetings
   a. City & Community Meetings

B. Written Communications

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

A. Attorney's Report

B. Manager's Report:
1. Monthly Maintenance Summary Report
2. Monthly Report of Sewer Replacements and Repairs
3. Consent Decree Quarterly Report
4. Emergency Contact Updates
5. 2022 California Association of Sanitation Agencies (CASA) Conferences
   - January 19-21, 2022 – Winter Conference, Palm Springs, CA
   - February 29 - March 1, 2022 –Washington DC Forum
6. 2022 California Special Districts Association (CSDA) Conference
   a. August 22-25, 2022 – Annual Conference, Palm Springs, CA

VII. Business

Info/Motion: A. Fiscal Year 2020-21 Financial Audit Report
(The Board will consider accepting the report as presented by the auditor, Chavan and Associates)

Info/Motion: B. Connection Charge Calculation Report
(The Board will consider changing the connection charge)

Info/Motion: C. 2022 Board Meeting Calendar
(The Board will consider approving the calendar)

Resolution/Motion: D. Resolution No. 2174-1221 Finding that there is a Proclaimed State of Emergency; Finding that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the State of Emergency; and Authorizing Remote Teleconferenced Meetings of the Stege Sanitary District for the 30 Day Period Beginning December 9 Pursuant to AB 361
(The Board will review and consider the resolution to continue to meet remotely pursuant to Assembly Bill 361)

Ordinance/Motion: E. Ordinance No. 2175-1221 Adding Section 4.8, Lateral Replacement Loan Program to the Stege Sanitary District Ordinance Code
(The Board will review and consider the ordinance)

Info/Motion: F. Approval of Plans and Specifications – Standard Sewer Rehabilitation Project No. 22201
(The Board will be asked to approve the plans and specifications and direct staff to call for bids)

Resolution/Motion: G. Resolution No. 2176-1221 Making Findings and Directing Filing of Notice of Exemption, Pursuant to California Environmental Quality Act (CEQA), Standard Sewer Rehabilitation Project – July 2017, Project No. 17201
(The Board will be asked to approve the Resolution)

Resolution/Motion: H. Resolution No. 2177-1221 Accepting Completion of Work and Filing Notice of Completion for the Standard Sewer Rehabilitation Project No. 21202
(The Board will consider approving the Resolution)

Info: **VIII. Monthly Financial Statements - November 2021**

A. Monthly Investment, Cash, Receivables Report
B. Monthly Operating Statement
C. Pension and Other Post-Employment Benefits (OPEB) Unfunded Actuarial Liability (UAL) Report
(The Board will review the financial reports and statements)

Info/Motion: **IX. Approval of Checks**

A. Checks for December 9, 2021 - Fund No. 3418 & 3423
(The Board will be asked to approve the checks)

Info:

X. Future Agenda Items

January 6, 2022

Board Governance Manual Review
Long Range Planning Workshop Agenda
Service Rate Discussion
District of Distinction Board Training Summary
Director's Contact Info
CASA Conference
+AB 361 – 30 Day Virtual Meeting Extension

January 27, 2022

CLOSED SESSION – Quarterly Claims Reports
CLOSED SESSION – Manager Performance Evaluation
Board Governance Manual Approval
Long Range Planning Workshop Agenda
~~Service Rate Discussion~~
Quarterly Financial Statements
SPASPA Status Report
CASA Conference – Attendee Reports
+AB 361 – 30 Day Virtual Meeting Extension

NOMINATION AND ELECTION OF OFFICERS

Motion: Nomination and Election of Officers – 2022
(The Board will nominate and elect officers for calendar year 2022)

XI. Adjournment

(The next meeting of the Stege Sanitary District Board of Directors is scheduled to be held on January 6, 2022 at 7:00 P.M. at the District Board Room, 7500 Schmidt Lane, El Cerrito, CA.)

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF NOVEMBER 11, 2021
TIME OF MEETING: 7:00 P.M.
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

*******MINUTES *******

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

II. Roll Call: Present: Christian-Smith* (attended @7:30 P.M.), Gilbert-Snyder*, Merrill, Miller*, O'Keefe*
Absent: None
Others Present: Rex Delizo, District Manager
Kristopher Kokotaylo, District Counsel

**via video-conference*

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

III. Public Comment: There was no public comment.

IV. Approval of Minutes

A. Approval of October 21, 2021 Board Meeting Minutes

MOTION: By Gilbert-Snyder, seconded by Merrill, to approve the minutes of the October 21, 2021 Board Meeting, as corrected

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

V. Communications

A. Oral Communications

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

a. City & Community Meetings

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF NOVEMBER 11, 2021
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DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

Director Miller gave a written and verbal report on his attendance at a recent El Cerrito City Council Meeting.

B. Written Communications
The Board reviewed an email for all Contra Costa Special District Association Chapter Members regarding proposed bylaws revisions and agreed the changes were acceptable.

VI. Reports of Staff and Officers

A. Attorney's Report:
Kokotaylo reported on the recent Federal vaccine mandate that is being challenged and currently on hold.

B. Manager's Report:

1. Monthly Maintenance Summary Report
The Manager reported no significant issues with last month's maintenance activities.
2. Monthly Report of Sewer Replacements and Repairs
The Manager reported on the invoices paid in October.
3. Proposed Meeting Calendar
The Manager reported on the proposed meeting calendar for 2022.
4. Board Officer Succession Plan
The Manager reported on the projected succession plan for the Board president and vice president positions.
5. Draft Endeavor Newsletter
The Manager reported on the draft newsletter and received feedback from the Board.
6. 2022 California Association of Sanitation Agencies (CASA) Conferences
The Manager reported on the upcoming CASA conferences dates for 2022.

MOTION: By Miller, seconded by Merrill, to authorize attendance at the upcoming CASA Winter Conference and/or Washington DC Forum for those Directors that choose to attend

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
MEETING OF NOVEMBER 11, 2021
TIME OF MEETING: 7:00 P.M.
DISTRICT BOARD ROOM, 7500 SCHMIDT LANE, EL CERRITO, CA

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

7. 2022 California Special Districts Association (CSDA) Conference
   The Manager reported on the upcoming CSDA annual conference date for 2022.

VII. Business

A. Resolution No. 2173-1121 Finding that there is a Proclaimed State of Emergency; Finding that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the State of Emergency; and Authorizing Remote Teleconferenced Meetings of the Stege Sanitary District for the 30 Day Period Beginning November 11 Pursuant to AB 361
   The Board approved the resolution to make necessary findings to continue to meet remotely pursuant to Assembly Bill 361.

MOTION: By Christian-Smith, seconded by Miller, to approve Resolution No. 2173-1121 Finding that there is a Proclaimed State of Emergency; Finding that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the State of Emergency; and Authorizing Remote Teleconferenced Meetings of the Stege Sanitary District for the 30 Day Period Beginning November 11 Pursuant to AB 361

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

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B. Diversity, Equity, and Inclusion (DEI) Board of Director's Outreach Opportunities

The Board continued their discussions to consider Diversity, Equity, and Inclusion (DEI) programs by reviewing information from an EBMUD DEI Awareness Calendar for possible use by staff. The Board then reviewed the outreach opportunities for different civic organizations and will consider creating a flyer or poster and a presentation slide deck to promote diversity for the upcoming election in 2022.

C. Draft Private Sewer Lateral Loan Program

The Board reviewed and discussed the Draft Private Sewer Lateral Loan Program and gave amendments for staff to incorporate into the final version. Staff will bring the ordinance back with the amendments for approval at the next board meeting.

VIII. Monthly Financial Statements – October 2021

A. Monthly Investment, Cash, Receivables Report

B. Monthly Operating Statement

The financial items were reviewed by the Board with no significant issues.

IX. Approval of Checks

A. Checks for November 11, 2021 - Fund No. 3418 & 3423

MOTION: By Miller, seconded by Merrill, to pay the bills, Check Nos. 27339 through 27368 in the amount of $273,679.90

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

STEGE SANITARY DISTRICT BOARD OF DIRECTORS
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X. Future Agenda Items

<u>December 9, 2021 – 2:00PM</u>

Fiscal Year Financial Audit
Emergency Contact Update
Meeting Calendar
Consent Decree Quarterly Report
CASA Conference
Pension + OPEB UAL Reports
Nomination & Election of Officers
+AB 361 – 30 Day Virtual Meeting Extension
+PSL Loan Program Ordinance

<u>January 6, 2022</u>

Board Governance Manual Review
Long Range Planning Workshop Agenda
Service Rate Discussion
District of Distinction Board Training Summary
Director's Contact Info
CASA Conference
+AB 361 – 30 Day Virtual Meeting Extension
+ Diversity, Equity, and Inclusion (DEI)

CLOSED SESSION

Conference with Legal Counsel—Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9
Number of Potential Cases: 1
Shimoni – Government Tort Claim filed: 10/25/2021

The Board entered into closed session at 8:56 P.M. and returned to open session at 9:02 P.M. President O'Keefe announced the Board had taken no reportable actions.

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

XI. Adjournment

The meeting was adjourned at 9:03 P.M. The next meeting of the District Board of Directors will be held on Thursday, December 9, 2021 at **2:00 P.M.** at the District Board Room, 7500 Schmidt Lane, El Cerrito, California

Rex Delizo
STEGE SANITARY DISTRICT
Secretary

STEGE SANITARY DISTRICT
MONTHLY MAINTENANCE SUMMARY REPORT
Nov-21

1. ROUTINE PREVENTIVE MAINTENANCE ACTIVITES

There were 21 normal working days	Days	Feet
Unit #10 (combo) operated:	13	65,176
Unit #11 (rodder) operated:	1	1,015
Unit #15 (video) operated:	9	18,839
Unit #16 (combo) operated:	0	0

	Month (feet)		**Quarter (feet)**		
	Planned	Unplanned	Planned	Unplanned	Remaining
Total Cleaned	51,992	14,199	100,023	16,124	81,745
Total Video	10,235	8,604	24,917	13,516	35,056

2. MONTHLY SERVICE CALLS

After-hour service calls: 2 calls 2 out

STEGE SANITARY DISTRICT - SERVICE CALLS, OVERFLOWS AND BACKUPS

YEAR	MO	SERVICE CALLS		LATERAL PROBLEMS		STRUCTURAL MAINLINE FAILURES		MAINLINE OVERFLOWS INTO HOMES	
		CURRENT MONTH	12 MONTH AVERAGE	CURRENT MONTH	12 MONTH AVERAGE	CURRENT MONTH	TOTAL LAST 12-MOS	CURRENT MONTH	TOTAL LAST 12-MOS
2021	NOV	17	16.3	6	9.8	0	1	0	2

CATEGORY 1 SSOs		OVERFLOWS CAUSED BY MAINLINE		OVERFLOWS RELATED TO WET WEATHER	
CURRENT MONTH	TOTAL LAST 12-MONTHS	CURRENT MONTH	TOTAL LAST 12-MONTHS	CURRENT MONTH	TOTAL LAST 12-MONTHS
0	1	0	. 8	0	2

3. SAFETY AND TRAINING

Safety and training meetings were conducted twice a month.

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MONTHLY SERVICE CALLS November-2021

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS
11/2/2021 Tuesday 4:07 PM	283501 283034	1007 KING DR. EL CERRITO, CA 94530 *Last Call: 10/22/2020*	Main ☐ Lateral ☐ Other ☑	O				THE ODOR WASN'T SEWER RELATED.
11/2/2021 Tuesday 5:39 PM	185135 185131	6612 GATTO AVE. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	T				SINK HOLE IN BACK YARD WASN'T SEWER RELATED.
11/3/2021 Wednesday 12:26 PM	251201 251005	504 COLUSA AVE. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	T				THE FALLEN WALL WAS NOT SEWER RELATED.
11/5/2021 Friday 12:50 PM	188401 188007	5801 BARRETT AVE. EL CERRITO, CA 94530	Main ☐ Lateral ☑ Other ☐	C, OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
11/8/2021 Monday 11:35 AM	187412 187409	2350 CARQUINEZ AVE. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	T				SINK HOLE NOT SEWER RELATED.
11/10/2021 Wednesday 1:47 AM	231808 231807	610 CANON DR. KENSINGTON, CA 94707 *Last Call: 7/9/2020*	Main ☐ Lateral ☐ Other ☑	T				LOSS OF POWER AT PUMP STATION.
11/10/2021 Wednesday 1:58 PM	282313 282312	831 RICHMOND ST. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	A, E				WE FOUND THIS TO BE THE EBMUD PROBLEM.
11/11/2021 Thursday 10:37 AM	181102 181101	2069 KEY BLVD. EL CERRITO, CA 94530	Main ☐ Lateral ☑ Other ☐	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
11/12/2021 Friday 10:01 AM	172328 172024	2019 TAMALPAIS AVE. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	A				THE WATER IN GARAGE WASN'T SEWER RELATED.
11/15/2021 Monday 3:34 PM	283606 283604	8608 DON CAROL DR. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	A				WE FOUND THE WATER WASN'T SEWER RELATED.
11/17/2021 Wednesday 10:58 AM	251631 251630	12 HIGHGATE RD. KENSINGTON, CA 94707 *Last Call: 9/6/1995*	Main ☑ Lateral ☐ Other ☐	B				PG&E HIT OUR SEWER LINE.
11/18/2021 Thursday 9:16 AM	231619 231618	4 YALE AVE. KENSINGTON, CA 94707 *Last Call: 9/27/2021*	Main ☐ Lateral ☐ Other ☑	T				SINK HOLE WASN'T SEWER RELATED.
11/18/2021 Thursday 11:13 AM	141007 141006	1316 LIBERTY ST. EL CERRITO, CA 94530	Main ☐ Lateral ☑ Other ☐	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
11/18/2021 Thursday 4:04 PM	201008 201007	5220 COLUMBIA AVE. RICHMOND, CA 94804	Main ☐ Lateral ☑ Other ☐	C				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
11/22/2021 Monday 12:15 PM	226112 226113	7275 A ST. EL CERRITO, CA 94530 *Last Call: 10/25/2016*	Main ☐ Lateral ☑ Other ☐	C, OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
11/26/2021 Friday 3:57 PM	233002 233001	309 BERKELEY PARK BLVD. KENSINGTON, CA 94707	Main ☐ Lateral ☑ Other ☐	C, OF				WE FOUND THIS TO BE THE CUSTOMER'S PROBLEM.
11/30/2021 Tuesday 8:21 AM	220011_1 282001	708 LEXINGTON AVE. EL CERRITO, CA 94530	Main ☐ Lateral ☐ Other ☑	O				CUSTOMER COMPLAINED OF ODOR, WE DIDN'T SMELL ANY.

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS

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

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

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

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

MAINLINE:	**1**
LATERAL:	**6**
OTHER:	**10**
TOTAL SERVICE CALLS:	**17**
MAINLINE OVERFLOW:	0
MAINLINE SURCHARGE:	0

SANITARY SEWER OVERFLOWS (SSOs) LAST 12 MONTHS December-2021

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS	CAT*	VOL	RCVR'D	NET
12/13/2020 Sunday 4:37 PM	262118 262104	703 EVERETT ST. EL CERRITO, CA 94530	Main ☑ Lateral ☐ Other ☐	OF, T	BLDG	B	BLDG	WE FOUND A PLASTIC SOFTBALL IN SEWER LINE.	CAT 3	36 gallons	36 gallons	0 gallons
12/22/2020 Tuesday 8:36 PM	212115 212154	5735 COLUMBIA AVE. RICHMOND, CA 94804	Main ☑ Lateral ☐ Other ☐	D, W	MH	B	ST	FOUND DEBRIS AND BABY WIPES IN MAINLINE.	CAT 3	6 gallons	6 gallons	0 gallons
9/1/2021 Wednesday 10:40 AM	231902 231901	321 RUGBY AVE. KENSINGTON, CA 94707	Main ☑ Lateral ☐ Other ☐	D, W, OF	CO	B	ST	STEGE DISCOVERED SSO FROM CLEANOUT.	CAT 3	52 gallons	52 gallons	0 gallons
9/8/2021 Wednesday 7:50 AM	231602 231601	273 AMHERST AVE. KENSINGTON, CA 94707	Main ☑ Lateral ☐ Other ☐	R, W	MH	B	ST, Y	WE FOUND WIPES AND ROOTS IN THE MAIN LINE.	CAT 3	10 gallons	0 gallons	10 gallons
9/15/2021 Wednesday 2:45 PM	234303 234301	754 COVENTRY RD. KENSINGTON, CA 94707	Main ☑ Lateral ☐ Other ☐	B	MH	ML	Y	DOWN STREAM NEIGHBOR'S CONTRACTOR UNHOOKED THEIR LATERAL CONNECTION.	CAT 3	25 gallons	0 gallons	25 gallons
10/20/2021 Wednesday 2:23 PM	189102 189101	2638 MIRA VISTA DR. EL CERRITO, CA 94530	Main ☑ Lateral ☐ Other ☐	F,OF,R	CO	B, O	Y	WE FOUND ROOTS IN THE MAINLINE.	CAT 3	5 gallons	1 gallons	4 gallons
10/24/2021 Sunday 7:40 AM	231019 231018	464 COVENTRY RD. KENSINGTON, CA 94707	Main ☑ Lateral ☐ Other ☐	A, F, OF	MH	B,S,O	BLDG, ST,SD,Y	SOFT STOPPAGE AND HEAVY RAIN CAUSED THE M/H TO SURCHARGE.	CAT 1	14,000 gallons	0 gallons	14,000 gallons
10/24/2021 Sunday 3:02 PM	282204 282202	643 LEXINGTON AVE. EL CERRITO, CA 94530	Main ☑ Lateral ☐ Other ☐	D, OF	CO	B	ST	DEBRIS IN THE MAIN FROM EBMUD.	CAT 3	5 gallons	0 gallons	5 gallons

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

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

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

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

TOTAL MAINLINE SSOs:	8
MAINLINE BREAK SSOs:	1
MAINLINE SURCHARGE SSOs:	1
CATEGORY 1 SSOs:	1
SSOs INTO BUILDINGS:	2
TOTAL SSO VOLUME (GALS):	14,139
TOTAL VOLUME RECOVERED (GALS):	95
TOTAL VOLUME UNRECOVERED (GALS):	14,044

DATE	MH UP/DN	ADDRESS	PRBLM IN	TYPE	LOC	CAUSE	END	COMMENTS	CAT*	VOL	RCVR'D	NET

*CATEGORY 1 SSO: Discharges of untreated or partially treated wastewater of any volume resulting from an enrollees sanitary sewer system failure or flow condition that: Reach surface water and/or reach a drainage channel tributary to a surface water; or Reach a municipal separate storm sewer system and are not fully captured and returned to the sanitary sewer system or not otherwise captured and disposed of properly. Any volume of wastewater not recovered from the municipal separate storm sewer system is considered to have reached surface water unless the storm drain system discharges to a dedicated storm water or ground water infiltration basin (e.g., infiltration pit, percolation pond).

CATEGORY 2 SSO: Discharges of untreated or partially treated wastewater of 1,000 gallons or greater resulting from an enrollee's sanitary sewer system failure or flow condition that do not reach surface water, a drainage channel, or a municipal separate storm sewer system unless the entire SSO discharged to the storm drain system is fully recovered and disposed of properly.

CATEGORY 3 SSO: All other discharges of untreated or partially treated wastewater resulting from an enrollees sanitary sewer system failure or flow condition.

STEGE SANITARY DISTRICT
MONTHLY REPLACEMENT AND REPAIR SUMMARY
November 2021

I	**SEWER REPLACEMENT - FY 2021-2022**			
A.	BUDGET ALLOCATION			$3,057,000
B.	PRIOR BUDGET EXPENDED (WITH RETENTION)			$0
C.	SEWER REPLACEMENTS PAID THIS MONTH (NO RETENTION)			
	SUBTOTAL FOR THIS MONTH			$0
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	0.00%		$0
E.	TOTAL 5% RETENTION HELD			$0
F.	BUDGET REMAINING	100.00%		$3,057,000
G.	PERCENTAGE OF FISCAL YEAR REMAINING	58.33%		
H.	TOTAL REPLACEMENT FOOTAGE PAID TO DATE	0	($ -	/LF)
II	**SEWER REPAIRS - FY 2021-2022**			
A.	BUDGET ALLOCATION			$68,000
B.	PRIOR BUDGET EXPENDED			$0
C.	SEWER REPAIRS PAID THIS MONTH			
	1 None			
	SUBTOTAL FOR THIS MONTH			$0
	SUBTOTAL FOR LAST MONTH			$0
D.	TOTAL BUDGET EXPENDED	0.00%		$0
E.	TOTAL RETENTION HELD	0.00%		$0
F.	BUDGET REMAINING	100.00%		$68,000
G.	PERCENTAGE OF FISCAL YEAR REMAINING	58.33%		
H.	TOTAL NUMBER OF REPAIRS PAID TO DATE	0	$0	/REPAIR)

STEGE SANITARY DISTRICT
MONTHLY REPLACEMENT AND REPAIR SUMMARY
November 2021

III SAN PABLO AVE SPECIFIC PLAN AREA (SPASPA) UPGRADI FY 2021-2022

A.	BUDGET ALLOCATION			$1,000,000
B.	PRIOR BUDGET EXPENDED (WITH RETENTION)			$0
C.	SPASPA UPGRADES PAID THIS MONTH (NO RETENTION)			
	1 None			
	SUBTOTAL FOR THIS MONTH			$0
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	0.00%		$0
E.	TOTAL 5% RETENTION HELD	0.00%		$0
F.	BUDGET REMAINING	100.00%		$1,000,000
G.	PERCENTAGE OF FISCAL YEAR REMAINING	58.33%		
H.	TOTAL SPASPA UPGRADE FOOTAGE PAID TO DATE	0	($ - /LF)	

IV REDUNDANT FORCE MAIN PROJECT - FY 2021-2022

A.	BUDGET ALLOCATION			$1,000,000
B.	PRIOR BUDGET EXPENDED			$552,643
C.	FORCE MAIN CONSTRUCTION PAID THIS MONTH			
	California Trenchless Inc.		$164,706	
	SUBTOTAL FOR THIS MONTH			$164,706
D.	TOTAL BUDGET EXPENDED (NO RETENTION)	68.97%		$689,717
E.	TOTAL 5% RETENTION HELD	5.00%		$36,301
F.	BUDGET REMAINING	27.40%		$273,982
G.	PERCENTAGE OF FISCAL YEAR REMAINING	58.33%		
H.	TOTAL FORCE MAIN UPGRADE FOOTAGE PAID TO DAT	3,060	($ 237.26 /LF)	

STEGE SANITARY DISTRICT

Report Date: 12/1/2021
% FY Remain: 58.33%

BOARD OF DIRECTORS CONSENT DECREE PROGRESS REPORT

FY Start Date	7/1/2021	FY End Date	6/30/2022
CD Start Date	9/22/2014	FY "Effective" Date	7/1/2013

CIP PROJECT 21201	COMPLETED		GOAL			PERCENTAGE
REPLACED since FY start	3,040	/	12,013	LF	Yearly Objective Rate	25%
REPLACED since FY "Effective" Date update project #s @ __AR_FY_CIP_cumul query	94,164	/	90,693	LF	Cumulative Requirement	104%
CLEANED since FY start	372,014	/	211,200	LF	Minimum Requirement	176%
HOTSPOTS since FY start	100,215	/	100,000	LF	Minimum Requirement	100%
CCTV since FY start	87,022	/	77,616	LF	Yearly Objective Rate	112%
CCTV since CD start	1,523,158	/	659,736	LF	Cumulative Requirement	231%
ROOT FOAMING this FY	40,586	/	6,059	LF	Minimum Requirement	670%

IMPORTANT CONSENT DECREE DATES:

July 15, annually	Provide any available Flow and Rainfall data to EBMUD
Nov 15, annually	Comments on Regional Technical Support Plan (RTSP) update by EBMUD
Sept 30, annually	Annual Report for prior Fiscal Year
May 1, 2022	Provide data to EBMUD for Flow Monitoring Calibration Plan
September 30, 2022	First Mid-course Check-in Output Test
June 30, 2026	Review of Regional Standards Report
December 15, 2028	Compliance WWF Output Test for San Antonio Creek
May 1, 2030	Provide data to EBMUD for Flow Monitoring Calibration Plan
September 30, 2030	Second Mid-course Check-in Output Test
June 30, 2031	Review of Regional Standards Report
December 15, 2034	Compliance WWF Output Test for Pt. Isabel
June 30, 2036	Review of Regional Standards Report
December 15, 2036	Compliance WWF Output Test for Oakport

STEGE SANITARY DISTRICT

EMPLOYEE EMERGENCY CONTACT FORM

Name ____

Department ____

Personal Contact Info:

Home Address____

City, State, ZIP ____

Home Telephone # _________________________ Cell # ______________________________

Emergency Contact Info:

(1) Name___________________________________ Relationship________________________

Address ____

City, State, ZIP ____

Home Telephone # _________________________ Cell # ______________________________

Work Telephone # ____________________________ Employer __________________________

(2) Name___________________________________ Relationship________________________

Address ____

City, State, ZIP ____

Home Telephone # _________________________ Cell # ______________________________

Work Telephone # ____________________________ Employer __________________________

Medical Contact Info:

Doctor Name. __________________________________ Phone # _______________________

Dentist Name __________________________________ Phone # _______________________

I have voluntarily provided the above contact information and authorize Stege Sanitary District and its representatives to contact any of the above on my behalf in the event of an emergency.

Employee Signature _______________________ Date ______________________________

Agenda Item No. VII.A
Board of Directors Meeting
Meeting Date: 12/9/2021
Stege Sanitary District

FISCAL YEAR 2020-21 FINANCIAL AUDIT REPORT

ISSUE:
The Board will consider accepting the Fiscal Year 2020-21 Financial Audit Report as presented by the auditor, Chavan and Associates.

FISCAL IMPACT:
The fiscal impact to consider accepting the Financial Audit Report is minimal.

STRATEGIC PLAN:
GOAL 3: Ensure Financial Stability and Efficiency
WORK PLAN ITEM ”d”: Annually undertake an independent financial audit by December of each year.

BACKGROUND:
At the Board Meeting held on April 26, 2018, the Board approved the selection of Chavan and Associates as the firm to provide Professional Auditing Services for the District. Chavan and Associates has completed the Fiscal Year 2020-21 Financial Audit Report and are ready to present the results to the Board.

RECOMMENDATION:
Accept the Fiscal Year 2020-21 Financial Audit Report as presented by the auditor, Chavan and Associates.

ALTERNATIVES:
1. Take no action and provide staff further direction.

ATTACHMENTS:
- Fiscal Year 2020-21 Financial Audit Report

NOTE:

The **Fiscal Year 2020-21 Financial Audit Report** is not yet available but will be provided to the Board by email when ready for review.

Agenda Item No. VII.B
Board of Directors Meeting
Meeting Date: 12/9/21
Stege Sanitary District

CONNECTION CHARGE CALCULATION REPORT

ISSUE:
The connection charge amount is reviewed annually and revised by Ordinance when deemed necessary.

FISCAL IMPACT:
The change in the Engineering News Record's Construction Cost Index (ENR-CCI) since November 2020 (NOV 2020 - NOV 2021) is **+9.5%.**

STRATEGIC PLAN:
GOAL 3: Ensure Financial Stability and Efficiency
WORK PLAN ITEM "f": Annually review the District's Connection Charge by January of each year
WORK PLAN ITEM "n": Annually review the District's San Pablo Avenue Specific Plan Impact Fee by June of each year

BACKGROUND:
In May 2019, the District retained Lechowicz & Tseng Municipal Consultants to conduct a Connection Charge and San Pablo Avenue Specific Plan Area (SPASPA) Impact Fee Study (Fee Study) to examine the District's capital costs of facilities needed to serve new development. In June 2019, the Board approved the recommended Fee Study rates and charges to accurately recover the capital costs of facilities needed to serve new development. The Fee Study recommends an annual review and potential update based on the change in the Engineering News Record's Construction Cost Index (ENR-CCI) over the prior year.

In December 2020, the Board revisited the item and approved a connection charge update based on a 6.8% increase of the ENR-CCI up to November 2020 (MAY 2019 – NOV 2020).

The ENR-CCI for San Francisco is 13,171.76 for November 2020 and 14,421.03 for November 2021 which is an increase of **+9.5%**. An increase of +9.5% to the Connection Charge and SPASPA Impact Fee would be as follows:

Sewer Connection/Capacity Charge – District-Wide

LAND USE	EXISTING (NOV 2020)	ENR-CCI NOV 2021 UPDATED AMOUNT (+9.5%)	CHANGE
Single Family Residential	$3,048 per dwelling unit	*$3,337 per dwelling unit*	*+$289*
Multi-Family Residential	$1,993 per dwelling unit	*$2,182 per dwelling unit*	*+$189*
Non-Residential	$117.24 per eq. fixture unit	*$128.36 per eq. fixture unit*	*+$11.12*

Sewer Connection/Capacity Charge – Accessory Dwelling Units

LAND USE	EXISTING (NOV 2020)	ENR-CCI NOV 2021 UPDATED AMOUNT (+9.5%)	CHANGE
"Attached" Accessory Dwelling Unit/"Junior" Accessory Dwelling Unit	$0.00 per eq. fixture unit	$0.00 per eq. fixture unit	+$0.00
"Detached" Accessory Dwelling Unit	$117.24 per eq. fixture unit	*$128.36 per eq. fixture unit*	*+$11.12*

"Accessory Dwelling Unit" provides complete independent living facilities including permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling.

"Attached Accessory Dwelling Unit" is constructed and contained within the existing space of the single-family residence or accessory structure and has an independent exterior access from the existing residence.

"Detached Accessory Dwelling Unit" is constructed either to expand the envelope of the existing single-family residence or accessory structure, or to be a new accessory structure on the parcel.

"Junior Accessory Dwelling Unit" does not exceed 500 square feet in size and is contained within an existing single-family structure.

Sewer Connection/Capacity Charge – San Pablo Avenue Specific Plan Area

LAND USE	EXISTING (NOV 2020)	ENR-CCI NOV 2021 UPDATED AMOUNT (+9.5%)	CHANGE
Residential	$258.28 per eq. fixture unit	*$282.77 per eq. fixture unit*	*+$24.50*
Non-Residential	$258.28 per eq. fixture unit	*$282.77 per eq. fixture unit*	*+$24.50*

RECOMMENDATION:

Approve the preparation of an Ordinance updating the connection charge based on a 9.5% increase of the ENR-CCI since November 2020 (NOV 2020 – NOV 2021).

ALTERNATIVES:

1. Take no action and keep the same rates until the next review in December 2022.

ATTACHMENTS:

- None

Agenda Item No. VII.C
Board of Directors Meeting
Meeting Date: 12/9/2021
Stege Sanitary District

2022 BOARD MEETING CALENDAR

ISSUE:
The Board will consider approving the Board Meeting Calendar for 2022.

FISCAL IMPACT:
The fiscal impact to consider approving the Board Meeting Calendar is minimal.

STRATEGIC PLAN:
GOAL 5: Maintain and Improve Community Outreach and Communication
WORK PLAN ITEM ”a”: Keep the District website updated with current information that maintains a high level of transparency for the public

BACKGROUND:
At the Board Meeting held on November 11, 2021, the Board received a preliminary draft of the proposed Board Meeting Calendar for 2022 and the calendar is now ready for approval.

RECOMMENDATION:
Approve the Board Meeting Calendar for 2022.

ALTERNATIVES:
1. Take no action and provide staff further direction.

ATTACHMENTS:
- 2022 Board Meeting Calendar

STEGE SANITARY DISTRICT

2022 BOARD MEETING SCHEDULE

(Start time is 7PM unless stated otherwise)

January 6
January 27

February 17

March 5 @9am (LRP*)
March 17

April 7
April 21

May 5
May 19

June 2
June 16

July 7
July 21

August 18

September 1
September 15

October 6
October 20

November 10

December 8 @2pm

** Long Range Planning – All Day Workshop*

2022 Stege Sanitary District Board Meeting Schedule

JANUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

MARCH

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27	28	29	30	31		

APRIL

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MAY

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22	23	24	25	26	27	28
29	30	31				

JUNE

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19	20	21	22	23	24	25
26	27	28	29	30		

JULY

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER

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				1	2	3
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18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER

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23	24	25	26	27	28	29
30	31					

NOVEMBER

S	M	T	W	T	F	S
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

DECEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Meeting Date ## Mtg w/ Counsel ## LRP Workshop ## Conference ## Holiday

Agenda Item No. VII.D
Board of Directors Meeting
Meeting Date: 12/9/2021
Stege Sanitary District

RESOLUTION NO. 2174-1221 FINDING THAT THERE IS A PROCLAIMED STATE OF EMERGENCY; FINDING THAT MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES AS A RESULT OF THE STATE OF EMERGENCY; AND AUTHORIZING REMOTE TELECONFERENCED MEETINGS OF THE STEGE SANITARY DISTRICT FOR THE 30 DAY PERIOD BEGINNING DECEMBER 9 PURSUANT TO AB 361

ISSUE:
The Board will consider a resolution making necessary findings to continue to meet remotely for another 30-day period pursuant to Assembly Bill 361 (AB 361).

FISCAL IMPACT:
The fiscal impact to continue to meet remotely is minimal.

STRATEGIC PLAN:
GOAL 4: Provide a Safe and Rewarding Work Environment that Recognizes the Worth and Value of Employees

BACKGROUND:
On September 16, 2021, Governor Gavin Newsom signed AB 361 which allows public agencies to continue to meet remotely when there is a declared State of Emergency and pursuant to certain procedural requirements. AB 361 essentially allows the District to continue to meet remotely under similar circumstances as under the Governor's Executive Order N-29-20, allowing local agencies to meet remotely. The teleconferencing provisions of Executive Order N-29-20 expired on September 30.

AB 361 allows the following:

- While maintaining transparency and public access, local agencies would be able to meet remotely during a declared state of emergency
- While agencies would still be required to post agendas and meeting information, agencies would not be required to post meeting notices and/or agendas at all teleconference locations when remotely meeting during an emergency
- While the public must continue to have access to the remote meeting and provided the ability to make public comment, agencies would not be required to make all remote meeting sites accessible to the public, nor include the remote location details in the meeting notice or agenda during a declared state of emergency
- Additionally, agency board members would not be required to be at remote sites within the territorial bounds of the agency during a declared state of emergency

On September 23rd, October 21st , and November 11th pursuant to AB 361, the Board approved resolutions authorizing remote teleconferenced meetings for a 30-day period.

Pursuant to AB 361, a draft resolution to extend remote teleconferenced meetings for another 30-day period is attached for the Board's consideration.

RECOMMENDATION:
Approve the resolution.

ALTERNATIVES:
1. Amend the resolution and approve, as amended.
2. Take no action.

ATTACHMENTS:
- Resolution No. 2174-1221

RESOLUTION NO. 2174-1221

RESOLUTION FINDING THAT THERE IS A PROCLAIMED STATE OF EMERGENCY; FINDING THAT MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES AS A RESULT OF THE STATE OF EMERGENCY; AND AUTHORIZING REMOTE TELECONFERENCED MEETINGS OF THE STEGE SANITARY DISTRICT FOR THE 30 DAY PERIOD BEGINNING DECEMBER 9 PURSUANT TO AB 361

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

A. All meetings of the District are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District conduct its business; and.

B. On March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of the novel coronavirus disease 2019 (COVID-19).

C. On March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means.

D. As a result of Executive Order N-29-20, staff set up virtual meetings for all Board meetings.

E. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which, effective September 30, 2021, ends the provisions of Executive Order N-29-20 that allows local legislative bodies to conduct meetings telephonically or by other means.

F. On September 16, 2021, the Governor signed AB 361 (2021) which allows for local legislative bodies and advisory bodies to continue to conduct meetings via teleconferencing under specified conditions and includes a requirement that the Board make specified findings. AB 361 (2021) took effect immediately.

G. AB 361 (2021) requires that the Governor declare a State of Emergency pursuant to Government Code section 8625.

H. AB 361 (2021) further requires that state or local officials have imposed or recommended measures to promote social distancing, or, requires that the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees.

I. Such conditions now exist in the District, specifically, Governor Newsom has declared a State of Emergency due to COVID-19.

J. Since issuing Executive Order N-08-21, the highly contagious Delta variant of COVID-19 has emerged, causing an increase in COVID-19 cases throughout the State and Contra Costa County.

K. On August 2, 2021, in response to the Delta variant of COVID-19, the Contra Costa County Health Officer issued an order for nearly all individuals to wear masks when inside public spaces and on September 14, 2021, issued an order requiring operators of specified dining establishments, entertainment venues and fitness facilities to restrict entry based on COVID-19 vaccination status or testing.

L. The Centers for Disease Control and Prevention ("CDC") continues to recommend physical distancing of at least 6 feet from others outside of the household.

M. Because of the rise in cases due to the Delta variant of COVID-19, the District is concerned about the health and safety of all individuals who intend to attend Board meetings.

N. On September 23, 2021, the Board found that the presence of COVID-19 and the increase of cases due to the Delta variant would present imminent risks to the health or safety of attendees, including the Board and staff, should the Board hold in person meetings; and

O. The Board hereby finds that the presence of COVID-19 and the increase of cases due to the Delta and Omicron variants would present imminent risks to the health or safety of attendees, including the Board and staff, should the Board hold in person meetings.

P. The District shall ensure that it's meetings comply with the provisions required by AB 361 (2021) for holding teleconferenced meetings.

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. In compliance with AB 361 (2021), and in order to continue to conduct teleconference meetings without complying with the usual teleconference meeting requirements of the Brown Act, the Board makes the following continued findings:

   a) The Board has considered the circumstances of the state of emergency; and

   b) The state of emergency, as declared by the Governor, continues to directly impact the ability of the Board, as well as staff and members of the public, from meeting safely in person; and

   c) The CDC continues to recommend physical distancing of at least six feet due to COVID-19 and as a result of the presence of COVID-19 and the increase of cases due to the Delta variant, meeting in person would present imminent risks to the health or safety of attendees, the Board and staff.

3. The Board may continue to meet remotely in compliance with AB 361, in order to better ensure the health and safety of the public.

4. The Board will revisit the need to conduct meetings remotely within 30 days of the adoption 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 thereof, held on the 9th day of December 2021 by a X-X vote as follows:

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

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

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

Agenda Item No. VII.E
Board of Directors Meeting
Meeting Date: 12/9/2021
Stege Sanitary District

ORDINANCE NO. 2175-1221 ADDING SECTION 4.8, LATERAL REPLACEMENT LOAN PROGRAM TO THE STEGE SANITARY DISTRICT ORDINANCE CODE

ISSUE:
The Board will consider approving a private sewer lateral loan program ordinance.

FISCAL IMPACT:
The fiscal impact could be up to $500,000, as approved by the Board.

STRATEGIC PLAN:
GOAL 2: Maintain and Improve Infrastructure
GOAL 3: Ensure Financial Stability and Efficiency

BACKGROUND:
The Stege Sanitary District is currently part of the East Bay Regional Private Sewer Lateral (PSL) Program (eastbaypsl.com) that requires a certificate demonstrating PSLs are without leaks and have proper connections in order to prevent the infiltration of rainwater, which can overwhelm wastewater pipes and treatment facilities, and can cause partially treated wastewater to be released into the Bay. This requirement applies when buying or selling a property, building or remodeling in excess of $100,000, or changing the size of the water meter. The Board would like to consider taking a more proactive approach to PSL I/I reduction and accelerate PSL replacements.

At the Board meeting held on November 11,2021, the Board reviewed and discussed a draft private sewer lateral loan program ordinance and gave amendments for staff to incorporate into a final version.

District Counsel has prepared an amended lateral replacement loan program ordinance for the Board's review and approval.

RECOMMENDATION:
Approve the Ordinance.

ALTERNATIVES:
1. Take no action.
2. Provide staff further direction.

ATTACHMENTS:
Ordinance No. 2175-1221

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ORDINANCE NO. 2175-1221

ORDINANCE ADDING SECTION 4.8, LATERAL REPLACEMENT LOAN PROGRAM TO THE STEGE SANITARY DISTRICT ORDINANCE CODE

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

A. The Stege Sanitary District ("District") is authorized by the Sanitary District Act of 1923 (Health & Safety Code §6400 et seq.) to provide public services and facilities related to the acquisition, construction, replacement, maintenance and operation of wastewater collection facilities within the District's service area.

B. The District finds and determines that Infiltration and Inflow ("I&I") adds substantial cost to system operation and maintenance during heavy rains as additional flows are introduced to the wastewater collection system and old, leaking laterals contribute significant I&I into the wastewater collection system.

C. District records show that I&I cause sewer overflows during heavy rain events, potentially impacting human health and the environment.

D. Industry studies have determined that up to half or more of the I&I is introduced into the wastewater collection system from private sewer laterals or unpermitted drainage structures leading from the private property to the wastewater collection system.

E. The District has determined that it is in the interest of public health and safety that the private sewer lateral I&I problem be addressed.

F. The District has adopted an Ordinance adding Section 4.6 to the District Ordinance Code relating to the regulation of the maintenance of private sewer laterals, requiring testing under certain circumstances, and, if necessary, repair or replacement of private sewer laterals.

G. The District is subject to the Consent Decree in the matter of *United State of America, et. al. v. East Bay Municipal Utility District, et. al.*, which outlines a series of activities and improvements required of the District to reduce wet weather sewage flows into the East Bay Municipal Utility District ("EBMUD") Wastewater Treatment Facilities, and to eventually eliminate the operation of, and associated discharges from, the EBMUD Wet Weather Treatment Facilities located at Point Isabel in Richmond, and San Antonio Creek and Oakport in Oakland ("Consent Decree").

H~~G~~. Homeowners may find it financially difficult to pay for a lateral replacement, opting instead to periodically clear their laterals, thus not reducing I/I.

~~H~~I. AB741 amended various sections of the Health and Safety Code thereby allowing public entities to enter into Contractual Assessment agreements with private property owners under which the costs of repairs to an owner's private sewer lateral can be financed and collected by use of the local county tax rolls.

J~~I~~. The District must maintain reserves as protection against natural disasters and a revolving loan program would be a good use for some of these reserves and, in the event that use of these reserves were necessary to access for catastrophic occurrences, it would be easy to borrow against the lateral loans which would be secured by contract on the property tax rolls.

K~~J~~. In order to facilitate replacement of old, leaky laterals and meet the requirements of the Consent Decree, the Board desires to establish a lateral replacement revolving loan program. Such a program would help both homeowners and the District by reducing I&I, protecting the environment and reducing the chance that the District would face enforcement related to sewer overflows.

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

1. Section 4.8 is added to the District Ordinance Code to read as follows:

SECTION 4.8
LATERAL REPLACEMENT LOAN PROGRAM

4.8.1 **Background and Purpose**. The District has developed and begun implementation of a program to plan, fund, and complete projects to upgrade the sewer collection system in a manner that reduces risk of Sanitary Sewer Overflows (SSO). The program includes proposed capacity improvements that are needed to address inflow and infiltration (I&I) that enters the system during heavy rainfall events.

Mainline replacements will help to eliminate cracks and holes that allow I&I to enter the pipes. However, industry studies have determined that in some Bay Area sewer systems, mainline pipes may be responsible for half or less of I&I. The rest of the I&I comes from failing private sewer laterals, due to poor condition of the laterals and the presence of illegally connected roof drains and other private property storm-water drainage connections. As a result, many agencies are pursuing private lateral replacements with the same urgency as mainline rehabilitation, in order to accelerate I&I reduction.

The District has over 12,000 lateral connections, which translates to approximately 90 miles of private lateral pipes within the service area. Private lateral pipes can be more problematic than mainline pipes because often they are not replaced along with the mainline. Therefore, the private laterals are older in general than the public system. Further, private laterals are often shallow and can be located in hillsides, making them more prone to movement and damage. Failing sewer laterals and connections not only cause localized private SSO's, but also allow debris such as roots, rocks, and soil that migrate to the public sewer system, causing blockages and public SSOs. In order to address these concerns, the District is implementing a Lateral Replacement Loan Program. Funding for the Lateral Replacement Loan Program will be determined by the Board of Directors each fiscal year as part of the annual budget process and funding sources for the Lateral Replacement Loan Program shall be limited to legally authorized sources of funding, such as property tax revenue, and shall exclude user and capacity fees. If the District allocates 100% of the funding available for a fiscal year, no additional loans will be approved without Board approval of additional funding for the current fiscal year. The Lateral Replacement Loan Program will include the recording of a lien against participating property owners in order to establish a security interest to ensure that the District is repaid for any loans made.

The District has determined that it is in the public interest to reduce the risk of SSOs and to ensure efficient and reliable provision of community wastewater service, and that I&I from private sewer laterals must be addressed. Therefore, facilitating the upgrade and replacement of private sewer laterals has become a priority for the District.

4.8.2 **Lateral Replacement Loan Program Guidelines.**

4.8.2.1 All applications will be taken on a first-come, first-served basis.

4.8.2.2 The Lateral Replacement Loan Program may not be used in conjunction with any other financial assistance program(s) offered by the District.

4.8.2.3 Property Owners must submit an application and a "Contractual Assessment Agreement" (a copy of which is attached hereto in Exhibit "A") for review and approval by the District. Any repair work performed prior to receiving a letter of obligation from the District is performed solely at the risk and cost of the Property Owner.

4.8.2.4 The Property Owner must obtain t~~T~~hree (3) estimates ~~quotes~~ from ~~qualified sewer~~ contractors on the pre-qualified contractors list registered with the District ~~will be required~~. The District will loan no more than the lowest quote, capped at $10,000.

4.8.2.4.1 Only laterals meeting at least one (1) the following requirements will qualify for a loan:

1. The ~~sewer later~~ lateral has at least one I&I related defect;

2. The lateral has failed to pass an air or water test under the requirements of Section 4.5 and the District's Standard Specifications; or

3. The pipe is partially or wholly constructed of material not listed in Table 1 - Approved Side Sewer/Lateral Pipe Materials of the Districts Lateral Specifications and Drawings; or

4. The lateral, based on the determination of the District Manager or designee, is likely to have an I&I related defect based on situational circumstances (i.e. age of the lateral).~~.~~

4.8.2.4.2 ~~The Property Owner must obtain three (3) estimates from contractors on the Pre- Qualified Contractors List, for work to replace the lateral.~~ The District has the discretion to provide Contractual Assessment Funds in the amount not to exceed either:

1. The lowest of the qualified bids submitted to the District by the Property Owner,

2. The actual cost of construction of the work performed, whichever is less.

4.8.2.4.3 The Property Owner is responsible for managing the work, including the activities of the contractor, District permitting and inspection, restoration work, repairs and claims for damages incurred. The Property Owner shall retain all receipts, permits, inspection reports and other documents.

4.8.2.4.4 The District may authorize payment once the Property Owner has submitted an itemized statement of costs, copies of all necessary permits and inspections, and a Notice of Completion, executed by the Property Owner, accepting the improvements and authorizing payment. A "Contractual Assessment Agreement" (a copy of which is attached hereto in Exhibit "A") shall be executed and submitted to the District and approved by the District prior to payment. The District will pay the contractor directly for the work performed.

4.8.2.4.5 For any additional work, the Property Owner may present a written request for additional Contractual Assessment Funds. However, the District shall have sole discretion to approve/disapprove any additional Contractual Assessment Funds for any extra work.

4.8.2.4.6 Contractual Assessment Funds will be obligated for a period not to exceed ninety (90) days from date of approval of the Contractual Assessment Agreement. The obligation period shall include all work, inspections, and submission of receipts for payments.

4.8.3 Permits and Lateral Specifications

4.8.3.1 A sewer repair permit must be obtained from the District. The lateral must pass final inspection by the District and obtain any other required regulatory approvals prior to payment being administered.

4.8.3.2 As a condition of the loan program the entire lateral must be replaced from the exit of the foundation of the house to the connection with the public sewer main.

Note: If a section of the lateral has previously been replaced and meets current District standards, said section may be excluded from the replacement project if it passes an air or water test under the requirements of Section 4.5 and the District's Standard Specifications.

4.8.3.3 All work must conform to the District's then current Lateral Specifications and Drawings.

4.8.4 Retroactive Requests for Loan Assistance for Emergency Situations

In the event that a sewer lateral fails, causes a private sewer overflow, and requires immediate replacement, the Property Owner may request loan assistance after the work has been completed, in compliance with the requirements of this subsection. A failed lateral is only considered an emergency situation if the cause of the failure cannot be corrected through reasonable efforts, such as mechanical rodding or hydro jetting.

Retroactive requests for loan assistance will only be considered if the work was done under an emergency situation. The granting of relief by the District to allow a Property Owner leave to file a "Retroactive Application" shall not be construed to guarantee, represent or warranty that a Property Owner will be allowed to participate in the Lateral Replacement Loan Program. It is solely within the District's discretion whether to allow a Property Owner to participate in the Loan Program. Any work performed that is sought to be included in the Lateral Rehabilitation Program pursuant to the submission of a "Retroactive Application" is at the owner's risk and cost.

In no case may a "Retroactive Application" be filed with the District greater than thirty (30) days from the substantial completion of the work or after a Notice of Completion has been recorded, whichever is earlier. 'Retroactive Applications" filed after thirty (30) days shall be rejected and are not subject to further request for relief or appeal.

Only "Retroactive Applications" meeting the requirements outlined in this Section will be considered for approval.

4.8.5 Contractual Assessment Principal and Interest Rate

4.8.5.1 The principal sum of cost of the replacement to each Property Owner's sewer lateral shall constitute a lien against the Owner(s) property, for purposes of collection of said principal sum and interest.

4.8.5.2 Said principal sum to accrue interest at a rate of 0~~2~~% per annum. This rate may be modified by the Board of Directors by resolution.

4.8.5.3 The maximum amount of the initial Contractual Assessment Principal allowed per property shall be $10,000.

4.8.5.4 The maximum term of each Contractual Assessment shall be ten (10) years.

4.8.5.5 There shall be no prepayment penalty.

4.8.5.6 The Contractual Assessment will remain with the property until completely paid regardless of transfer of ownership.

4.8.6 **Terms of Agreement**

4.8.6.1 Each property owner shall be responsible for any additional fees or charges to include, but not limited to, title search fees and recording fees, related to the participation, execution and/or recording of the Contractual Assessment Agreement. These fees may be added to the principal amount of the lien against the property which is to be added to the County Tax Rolls at the District's discretion.

4.8.6.2 Pursuant to Health & Safety Code§§ 5470 - 5474.10 and 6940-6941.9, the Property Owner(s) and the District shall enter into a "Contractual Assessment Agreement" whereby it is agreed that the above-referenced semi-annual principal and interest installment amounts shall be installment payments to the Contra Costa County Tax Rolls, to be collected at the same time and in the same manner as county taxes are collected.

4.8.6.3 Said lien/assessment shall be of the same force and effect as other liens for taxes, and their collection shall be enforced by the same means as provided for the enforcement for liens for county taxes.

4.8.6.4 The "Contractual Assessment Agreement" executed by each Property Owner and approved by the District shall be recorded with the Contra Costa County Recorder's office. A copy shall also be provided to the Contra Costa County Tax Collector if necessary.

4.8.6.5 Pursuant to Health & Safety Code§ 6487, the District's General Manager or designee is hereby authorized, on behalf of and in the name of the District, to execute each "Contractual Assessment Agreement" entered into with a Property Owner.

4.8.6.6 The work done on the lateral sewers shall not grant the District, its agents, or employees and/or contractors the power to exercise dominion or control over the subject property, and shall not be construed as creating a public project or substantial participation in the planning, approval, construction or operation of the lateral sewers for any purposes. The work does not constitute a grant of any permanent real property rights to the District. Nor is the District's participation in this program to be construed as an acceptance of any permanent real property rights or obligations without express approval of the District's Board of Directors and conveyance by a separate written instrument executed by the appropriate party(ies).

4.8.6.7 The Property Owner of the lateral sewers shall be solely responsible for all future maintenance and repairs to the sewer lateral or everything required to install and maintain said laterals, including cleanout or any wyes or tees attached or "cut-in" to the main sewer lines. Any warranty(ies) provided for materials supplied or work performed shall remain with the Property Owner and it shall be the Property Owner's responsibility to maintain and/or make any claims thereunder.

2. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held invalid, unconstitutional or unenforceable, such holding shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases is for any reason held invalid, unconstitutional or unenforceable.

3. The Board finds this Ordinance is statutorily exempt from the provisions of the California Environmental Quality Act of 1970 ("CEQA") per CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment.

4. This Ordinance is effective upon the expiration of one week from the date of publication of a summary of the Ordinance, as prescribed by California Health and Safety Code Section 6490.

* * * * * * * * * *

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA)

I HEREBY CERTIFY that the foregoing Ordinance No. 2175-1221 was duly and regularly adopted by the Directors of the Stege Sanitary District, at a regular meeting thereof, held on the 9th day of December 2021 by a X-X vote as follows:

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

____

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

ATTEST:

____

REX DELIZO, Secretary
Stege Sanitary District

EXHIBIT A

APPROVAL OF PLANS AND SPECIFICATIONS – STANDARD SEWER REHABILITATION PROJECT NO. 22201

ISSUE:
The Capital Improvement Program Standard Pipe Bursting Project Plans and Specifications require Board approval before the District can issue a public call for bids.

FISCAL IMPACT:
The fiscal impact is planned to be $3,259,000 for FY 2022-23 as stated in the 2019 Sewer Rate Study prepared by Lechowicz & Tseng Municipal Consultants.

STRATEGIC PLAN:
GOAL 2: Maintain and Improve Infrastructure
WORK PLAN ITEM "b": Update and implement sewer system master plan to prioritize sewer replacement, funding, and maintain a sewer system life cycle of 60+ years by June 2020 and at least every two (2) years thereafter.

BACKGROUND:
Staff previously utilized the standard point repair contract to quickly and efficiently repair defective sewers within the District service area on an ongoing basis. With no pre-determined list of sewer lines called out at time of bid, District staff can actively monitor and progressively rank sewers that need immediate attention. This process ensures that the highest ranked sewer lines in need of attention are dealt with in a timely manner.

As suggested by staff, a similar type of contract is now used for the pipe bursting replacement of sewer main lines as previously approved by the Board and by District Counsel. The standard pipe bursting projects resulted not only a reduction in costs, but from the reduction of design time and time to complete the work.

As in previous years, staff is recommending that this contract include a renewal clause that allows it to be renewed each year for four additional years at the District's discretion. Preparation of plans, specifications, and managing the formal bid process takes up a considerable amount of staff time and expense. The ability to use a responsible and effective contractor for an additional four years would enable the District to have replacements completed in a timely manner without any extra time or expense.

RECOMMENDATION:
Approve the project plans and specifications, and authorize staff to advertise and bid the project.

ALTERNATIVES:
1. Take no action and provide staff direction.

ATTACHMENTS:

- Project #22201 Plans and Specifications (available at the meeting for review).

Agenda Item No. VII.G
Board of Directors Meeting
Meeting Date: 12/9/21
Stege Sanitary District

RESOLUTION NO. 2176-1221, MAKING FINDINGS AND DIRECTING FILING OF NOTICE OF EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), STANDARD SEWER REHABILITATION PROJECT – JULY 2022, PROJECT NO. 22201

ISSUE:
The California Environmental Quality Act (CEQA) requires that certain actions regarding environmental impacts should be taken by the agency responsible for projects.

FISCAL IMPACT:
The cost of filing a notice of completion is about $50 (if imposed by the County) and about 2 hours of staff time for preparation and travel.

STRATEGIC PLAN:
GOAL 2: Maintain and Improve Infrastructure
WORK PLAN ITEM "b": Update and implement sewer system master plan to prioritize sewer replacement, funding, and maintain a sewer system life cycle of 60+ years by June 2020 and at least every two (2) years thereafter.

BACKGROUND:
CEQA requires that a preliminary environmental assessment to determine the environmental impacts is prepared for projects. Failure to do so makes a project vulnerable to legal challenges. Staff has completed the assessment and found this project is exempt from further assessment since it is the *replacement of existing utility structures where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced*. This is a standard exemption category included in State and Local CEQA guidelines. Staff will record the approved notice with the County Clerk.

RECOMMENDATION:
Approve the Resolution and direct the Manager to file the exemption notice with the County Clerk.

ALTERNATIVES:
1. Take no action and provide staff direction.

ATTACHMENTS:
- Resolution No. 2176-1221
- Notice of Exemption

RESOLUTION NO. 2176-1221

RESOLUTION MAKING FINDINGS AND DIRECTING FILING OF NOTICE OF EXEMPTION, PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), STANDARD SEWER REHABILITATION PROJECT – JULY 2022, PROJECT NO. 22201

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

A. The District has plans and specifications prepared for the replacement of failing sewer mains and the Board has called for bids for this replacement.

B. A Preliminary Environmental Assessment has been prepared and it finds that the proposed project has a Categorical Exemption under the State and Local Guidelines adopted pursuant to the California Environmental Quality Act.

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

1. Said project is categorically exempt pursuant to the provisions of State and Local Guidelines adopted pursuant to the California Environmental Quality Act in that it is replacement of existing facilities.

2. The Secretary is directed and authorized to file a copy of a Notice of Exemption, with a certified copy of this Resolution attached, in the District office and in the Office of the Clerk of the County of Contra Costa.

* * * * * * * * * * *

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 thereof, held on the 9th day of December 2021 by a X-X vote as follows:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:
ABSTAIN: BOARD MEMBERS:

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

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

NOTICE OF EXEMPTION

To: ___ Secretary of Resources
1416 Ninth Street, Room 1131
Sacramento, CA 95814

From: Stege Sanitary District
7500 Schmidt Lane,
El Cerrito, CA 94530

or _x_ County Clerk
County of Contra Costa
555 Escobar Street
Martinez, CA 94553

Project Title: **Standard Sewer Rehabilitation Project – July 2022, Project No. 22201**

Project Location - City: El Cerrito, Kensington and Richmond Annex, Contra Costa County

Description of Project: Project consists of the replacement of numerous sewer main lines through the District. Replacement will be done by trenchless method. Lines to be replaced were identified to be in need of repair through video inspection.

Name of Public Agency Approving Project: Stege Sanitary District

Name of Person or Agency Carrying Out Project: Stege Sanitary District

Exempt Status: (check one)

__Ministerial (Sec. 15268)
__Declared Emergency (Sec. 15269(a))
__Emergency Project (Sec. 15269(b)(c))
_X_Categorical Exemption. State type & section number: Section 1530, Class II.
__Statutory Exemptions. State code number:

Reasons why project is exempt:
Project is the replacement of an existing facilities located at essentially the same site as the facilities being replaced, having the same purpose and capacity.

Lead Agency Contact Person: Paul Soo, Jr. **Area Code/Telephone:** (510) 524-4668

Signature: ____________________
Title: Senior Civil Engineer

Date Received for Filing:
Date Posted:
Date Removed:

Agenda Item No. VII.H
Board of Directors Meeting
Meeting Date: 12/9/2021
Stege Sanitary District

RESOLUTION NO. 2177-1221, ACCEPTING COMPLETION OF WORK AND FILING NOTICE OF COMPLETION FOR THE REDUNDANT SANITARY SEWER FORCEMAIN PROJECT, BURLINGAME AND CANON PUMPSTATIONS
PROJECT NO. 21202

ISSUE:
Notices of completion for construction projects must be filed with the County Recorder to initiate the formal process for subcontractors and suppliers to file liens on general contractors.

FISCAL IMPACT:
The cost of filing a notice of completion is about $20 (if imposed by the County) and about 2 hours of staff time for preparation and travel.

STRATEGIC PLAN:
GOAL 2: Maintain and Improve Infrastructure
WORK PLAN ITEM "b": Update and implement sewer system master plan to prioritize sewer replacement, funding, and maintain a sewer system life cycle of 60+ years by June 2022 and at least every two (2) years thereafter.

BACKGROUND:
The District is required to file notices of completion on its public works projects before the 5% retention, which was withheld as security for satisfactory fulfillment of work, may be released. Project #21202 is now complete, and the notice should be filed with the County Recorder's office. Once the notice of completion is filed, the 5% retention for project #21202 shall be released no earlier than 60 days after.

RECOMMENDATION:
Approve the Resolution.

ALTERNATIVES:
1. Take no action and provide staff direction.

ATTACHMENTS:
Resolution No. 2177-1221

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RESOLUTION NO. 2177-1221

RESOLUTION ACCEPTING COMPLETION OF WORK AND
FILING NOTICE OF COMPLETION FOR THE REDUNDANT SANITARY SEWER
FORCEMAIN PROJECT, BURLINGAME AND CANON PUMP STATIONS
PROJECT NO. 21202

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

A. The District engaged California Trenchless Inc. on the 8th day of July 2021 to perform the Redundant Sanitary Sewer Forcemain Project, Burlingame and Canon Pump Stations Project No. 21202.

B. Work under Project No. 21202 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 by the Board as follows:

The Directors accept the work of the Redundant Sanitary Sewer Forcemain Project, Burlingame and Canon Pump Stations Project No. 21202 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 No. 2177-1221 was duly and regularly adopted by the Directors of the Stege Sanitary District, at its regular meeting thereof, held on the 9th of December 2021 by a X-X vote as follows:

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

ABSTAIN: BOARD MEMBERS:

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

ATTEST:

REX DELIZO, Secretary
Stege Sanitary District

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2021

Miscellaneous Plan of the Stege Sanitary District
(CalPERS ID: 2595946637)
Annual Valuation Report as of June 30, 2020

Dear Employer,

Attached to this letter, you will find the June 30, 2020 actuarial valuation report of your CalPERS pension plan. **Provided in this report is the determination of the minimum required employer contributions for fiscal year 2022-23**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2020.

Section 2 can be found on the CalPERS website (calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2020.

Your June 30, 2020 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 7.0% which was adopted by the board in December 2016. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017.

Required Contribution

The exhibit below displays the minimum employer contributions for fiscal year 2022-23 along with estimates of the required contributions for fiscal year 2023-24. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees**.

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2022-23	10.87%	$149,107
Projected Results		
2023-24	*10.9%*	*$162,000*

The actual investment return for fiscal year 2020-21 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.00%. ***To the extent the actual investment return for fiscal year 2020-21 differs from 7.00%, the actual contribution requirements for fiscal year 2023-24 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through fiscal year 2027-28.

Changes from Previous Year's Valuation

There are no significant changes in actuarial assumptions or policies in your 2020 actuarial valuation. Your annual valuation report is an important tool for monitoring the health of your CalPERS pension plan. Your report contains useful information about future required contributions and ways to control your plan's funding progress. In addition to your annual actuarial report my office has developed tools for employers to plan, project and protect the retirement benefits of your employees. Pension Outlook is a tool to help plan and budget pension costs into the future with easy to understand results and charts.

You will be able to view the projected funded status and required employer contributions for pension plans in different potential scenarios for up to 30 years into the future — which will make budgeting more predictable. While Pension Outlook can't predict the future, it can provide valuable planning information based on a variety of future scenarios that you select.

Pension Outlook can help you answer specific questions about your plans, including:

- When is my plan's funded status expected to increase?
- What happens to my required contributions in a down market?
- How does the discount rate assumption affect my contributions?
- What is the impact of making an additional discretionary payment to my plan?

To get started, visit our Pension Outlook page at www.calpers.ca.gov/page/employers/actuarial-resources/pension-outlook-overview and take the steps to register online.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. In addition, the Actuarial Office will be completing its Experience Study to review the demographic experience within the pension system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and your assigned CalPERS actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (**888-225-7377**).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary

Actuarial Valuation
as of June 30, 2020

for the
Miscellaneous Plan
of the
Stege Sanitary District

(CalPERS ID: 2595946637)

Required Contributions
for Fiscal Year
July 1, 2022 - June 30, 2023

Table of Contents

Section 1

Plan Specific Information for the Miscellaneous Plan of the Stege Sanitary District

(CalPERS ID: 2595946637)
(Rate Plan ID: 1546)

Table of Contents

Actuarial Certification

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2020 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2020 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the risk pool containing your Miscellaneous Plan has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2020 and employer contribution as of July 1, 2022 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

TONY CUNY, ASA, MAAA
Associate Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Employer Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan’s Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year’s Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2020 actuarial valuation of the Miscellaneous Plan of the Stege Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal year 2022-23.

Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Stege Sanitary District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2020;
- Determine the minimum required employer contribution for this plan for the fiscal year July 1, 2022 through June 30, 2023; and
- Provide actuarial information as of June 30, 2020 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post- retirement mortality assumptions adopted in 2017.
- Pension Plan maturity measures quantifying the risks the employer bears.

Required Employer Contributions

	Fiscal Year
Required Employer Contributions	**2022-23**
Employer Normal Cost Rate	**10.87%**
Plus	
Required Payment on Amortization Bases[1]	**$149,107**
Paid either as	
1) Monthly Payment	**$12,425.58**
Or	
2) Annual Prepayment Option*	**$144,147**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

** Only the UAL portion of the employer contribution can be prepaid* ***(which must be received in full no later than July 31)****.*

	Fiscal Year 2021-22	Fiscal Year 2022-23
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	17.25%	17.24%
Surcharge for Class 1 Benefits[2]		
a) FAC 1	0.54%	0.55%
Phase out of Normal Cost Difference[3]	0.00%	0.00%
Plan's Total Normal Cost	17.79%	17.79%
Formula's Expected Employee Contribution Rate	6.91%	6.92%
Employer Normal Cost Rate	10.88%	10.87%

1 The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2021.

2 Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

3 The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2022-23 fiscal year is $149,107. CalPERS allows employers to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Employers can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during fiscal year 2022-23 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

If you are considering making an ADP, please contact your actuary for additional information.

Minimum Required Employer Contribution for Fiscal Year 2022-23

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
$103,267	$149,107	$0	$149,107	$252,374

Alternative Fiscal Year 2022-23 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP[1]	Total UAL Contribution	Estimated Total Contribution
20 years	$103,267	$149,107	$27,108	$176,215	$279,482
15 years	$103,267	$149,107	$55,861	$204,968	$308,235
10 years	$103,267	$149,107	$116,687	$265,794	$369,061
5 years	$103,267	$149,107	$306,195	$455,302	$558,569

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2022 as determined in the June 30, 2020 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2019	June 30, 2020
1. Present Value of Projected Benefits (PVB)	$8,236,066	$8,711,725
2. Entry Age Accrued Liability (AL)	7,054,076	7,516,194
3. Plan's Market Value of Assets (MVA)	5,211,133	5,523,980
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	1,842,943	1,992,214
5. Funded Ratio [(3) / (2)]	73.9%	73.5%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
Fiscal Year	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**
	Rate Plan 1546 Results					
Normal Cost %	10.87%	10.9%	10.9%	10.9%	10.9%	10.9%
UAL Payment	$149,107	$162,000	$175,000	$183,000	$191,000	$195,000

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan modeling and projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook is a tool to help plan and budget pension costs into the future with results and charts that are easy to understand.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 1546. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.75% per year for three years.

	Fiscal Year 2021-22	Fiscal Year 2022-23
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	$1,090,031	$1,158,885
Estimated Employer Normal Cost	$112,096	$118,869
Required Payment on Amortization Bases	$176,035	$150,564
Estimated Total Employer Contributions	$288,131	$269,433
Estimated Total Employer Contribution Rate (illustrative only)	26.43%	23.25%

Cost

Actuarial Determination of Pension Plan Cost

Contributions to fund the pension plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with fiscal year 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 5.5% over the 20 years ending June 30, 2020, yet individual fiscal year returns have ranged from -23.6% to +20.7%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2017.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

The are no significant changes to the actuarial methods or assumptions for the 2020 actuarial valuation.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2020. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase future required contributions while investment returns above the assumed rate of return will decrease future required contributions.

CalPERS will be completing an Asset Liability Management (ALM) process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. As part of the ALM process the Actuarial Office will be completing an Experience Study to review the demographic experience of the retirement system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 7.0% going forward and that the realized rate of return on assets for fiscal year 2020-21 is 7.0%.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2021. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	$3,723,911
Transferred Members	639,938
Terminated Members	11,050
Members and Beneficiaries Receiving Payments	3,141,295
Total	$7,516,194

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$7,516,194
2.	Projected UAL balance at 6/30/2020	1,838,184
3.	Pool's Accrued Liability[1]	19,314,480,060
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/2020[1]	4,306,566,797
5.	Pool's 2019/20 Investment (Gain)/Loss[1]	344,968,792
6.	Pool's 2019/20 Non-Investment (Gain)/Loss[1]	60,428,629
7.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (2)] ÷ [(3) - (4)] × (5)	130,514
8.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (3) × (6)	23,516
9.	Plan's New (Gain)/Loss as of 6/30/2020: (7) + (8)	154,029

[1] Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

10.	Plan's UAL: (2) + (9)	$1,992,214
11.	Plan's Share of Pool's MVA: (1) - (10)	$5,523,980

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2020.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2022-23.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2022-23	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Minimum Required Payment 2022-23
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.75%	15	366,592	30,249	360,964	31,081	354,081	31,936
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	23	(6,094)	(413)	(6,093)	(425)	(6,080)	(436)
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	23	595,209	40,377	595,107	41,488	593,849	42,628
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	24	537	36	537	36	537	37
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	24	(479,348)	(31,698)	(480,114)	(32,569)	(480,032)	(33,465)
Side Fund	2013 or Prior	No Ramp		2.75%	0	87,745	46,302	45,992	47,574	0	0
Assumption Change	6/30/14	100%	Up/Down	2.75%	14	298,236	28,359	289,778	29,139	279,921	29,940
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	25	(25,698)	(1,344)	(26,107)	(1,726)	(26,149)	(1,774)
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	25	311,177	16,276	316,123	20,904	316,628	21,479
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.75%	26	(48,428)	(1,903)	(49,849)	(2,607)	(50,642)	(3,349)
Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.75%	26	389,472	15,306	400,902	20,969	407,275	26,932
Assumption Change	6/30/16	100%	Up/Down	2.75%	16	121,261	6,602	122,920	9,045	122,168	11,617
Non-Investment (Gain)/Loss	6/30/17	80%	Up/Down	2.75%	27	(10,375)	(276)	(10,816)	(425)	(11,133)	(582)
Investment (Gain)/Loss	6/30/17	80%	Up/Down	2.75%	27	(201,495)	(5,356)	(210,059)	(8,255)	(216,224)	(11,309)
Assumption Change	6/30/17	80%	Up/Down	2.75%	17	141,205	5,149	145,763	7,936	147,757	10,872
Non-Investment (Gain)/Loss	6/30/18	60%	Up/Down	2.75%	28	29,181	399	30,811	819	32,121	1,262
Investment (Gain)/Loss	6/30/18	60%	Up/Down	2.75%	28	(58,348)	(797)	(61,608)	(1,638)	(64,226)	(2,524)
Assumption Change	6/30/18	60%	Up/Down	2.75%	18	213,153	3,974	223,963	8,167	231,192	12,587
Method Change	6/30/18	60%	Up/Down	2.75%	18	57,677	1,075	60,602	2,210	62,558	3,406

Schedule of Plan's Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2022-23	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Minimum Required Payment 2022-23
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	19	29,128	0	31,167	2,844	30,407	2,844
Investment (Gain)/Loss	6/30/19	40%	Up Only	0.00%	19	27,397	0	29,315	641	30,704	1,282
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	20	23,516	0	25,162	0	26,923	2,457
Investment (Gain)/Loss	6/30/20	20%	Up Only	0.00%	20	130,514	0	139,650	0	149,426	3,267
Total						**1,992,214**	**152,317**	**1,974,110**	**175,208**	**1,931,061**	**149,107**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please consult with your plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

			Alternate Schedules			
	Current Amortization Schedule		15 Year Amortization		10 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2022	1,931,061	149,107	1,931,061	204,968	1,931,061	265,794
6/30/2023	1,911,997	161,626	1,854,215	204,968	1,791,296	265,794
6/30/2024	1,878,652	174,790	1,771,990	204,968	1,641,747	265,794
6/30/2025	1,829,356	183,018	1,684,009	204,968	1,481,730	265,794
6/30/2026	1,768,096	190,723	1,589,869	204,967	1,310,512	265,794
6/30/2027	1,694,578	195,285	1,489,140	204,968	1,127,308	265,794
6/30/2028	1,611,196	199,972	1,381,359	204,967	931,280	265,795
6/30/2029	1,517,126	204,786	1,266,035	204,968	721,529	265,794
6/30/2030	1,411,493	209,740	1,142,637	204,967	497,097	265,795
6/30/2031	1,293,341	214,822	1,010,602	204,968	256,953	265,794
6/30/2032	1,161,662	212,191	869,324	204,968		
6/30/2033	1,023,484	209,275	718,156	204,967		
6/30/2034	878,651	202,837	556,407	204,967		
6/30/2035	730,344	192,040	383,336	204,967		
6/30/2036	582,820	172,718	198,150	204,968		
6/30/2037	444,956	113,228				
6/30/2038	358,980	99,648				
6/30/2039	281,033	88,940				
6/30/2040	208,703	82,015				
6/30/2041	138,477	63,410				
6/30/2042	82,577	42,831				
6/30/2043	44,053	33,939				
6/30/2044	12,030	12,444				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
Total		**3,409,385**		**3,074,514**		**2,657,942**
Interest Paid		**1,478,324**		**1,143,453**		**726,881**
Estimated Savings				**334,871**		**751,443**

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2020 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)	Additional Discretionary Payments
2016 - 17	8.880%	$83,686	N/A
2017 - 18	8.921%	96,646	N/A
2018 - 19	9.409%	115,665	N/A
2019 - 20	10.221%	136,025	0
2020 - 21	11.031%	152,316	
2021 - 22	10.88%	175,208	
2022 - 23	10.87%	149,107	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2011	$3,976,021	$2,998,253	$977,768	75.4%	$670,302
06/30/2012	4,340,309	3,119,193	1,221,116	71.9%	804,713
06/30/2013	4,617,530	3,523,392	1,094,138	76.3%	838,980
06/30/2014	5,174,460	4,189,597	984,863	81.0%	860,430
06/30/2015	5,561,615	4,352,390	1,209,225	78.3%	791,469
06/30/2016	5,927,020	4,340,661	1,586,359	73.2%	823,860
06/30/2017	6,398,172	4,847,870	1,550,302	75.8%	877,524
06/30/2018	6,701,194	4,929,186	1,772,008	73.6%	867,780
06/30/2019	7,054,076	5,211,133	1,842,943	73.9%	822,720
06/30/2020	7,516,194	5,523,980	1,992,214	73.5%	875,764

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2020-21, 2021-22, 2022-23 and 2023-24). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2020-21, 2021-22, 2022-23, and 2023-24, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2024. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Assumed Annual Return From 2020-21 through 2023-24	**Projected Employer Contributions**			
	2023-24	**2024-25**	**2025-26**	**2026-27**
1.0%				
Normal Cost	10.9%	10.9%	10.9%	10.9%
UAL Contribution	$170,000	$200,000	$233,000	$274,000
4.0%				
Normal Cost	10.9%	10.9%	10.9%	10.9%
UAL Contribution	$166,000	$187,000	$209,000	$234,000
7.0%				
Normal Cost	10.9%	10.9%	10.9%	10.9%
UAL Contribution	$162,000	$175,000	$183,000	$191,000
9.0%				
Normal Cost	11.1%	11.3%	11.5%	11.8%
UAL Contribution	$159,000	$169,000	$171,000	$170,000
12.0%				
Normal Cost	11.1%	11.3%	11.5%	11.8%
UAL Contribution	$155,000	$156,000	$144,000	$123,000

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2020 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2020	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**6.0%**	**7.0%**	**8.0%**
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	22.18%	17.79%	14.42%
b) Accrued Liability	$8,641,554	$7,516,194	$6,590,444
c) Market Value of Assets	$5,523,980	$5,523,980	$5,523,980
d) Unfunded Liability/(Surplus) [(b) - (c)]	$3,117,574	$1,992,214	$1,066,464
e) Funded Status	63.9%	73.5%	83.8%

Sensitivity to the Price Inflation Assumption

As of June 30, 2020	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	**6.0%**	**7.0%**	**8.0%**
Inflation	**1.5%**	**2.5%**	**3.5%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	18.96%	17.79%	16.39%
b) Accrued Liability	$7,887,236	$7,516,194	$7,010,677
c) Market Value of Assets	$5,523,980	$5,523,980	$5,523,980
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,363,256	$1,992,214	$1,486,697
e) Funded Status	70.0%	73.5%	78.8%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2020 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2020	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	18.10%	17.79%	17.50%
b) Accrued Liability	$7,675,945	$7,516,194	$7,368,927
c) Market Value of Assets	$5,523,980	$5,523,980	$5,523,980
d) Unfunded Liability/(Surplus) [(b) - (c)]	$2,151,965	$1,992,214	$1,844,947
e) Funded Status	72.0%	73.5%	75.0%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	**June 30, 2019**	**June 30, 2020**
1. Retired Accrued Liability	3,166,080	3,141,295
2. Total Accrued Liability	7,054,076	7,516,194
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.45	0.42

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Support Ratio	**June 30, 2019**	**June 30, 2020**
1. Number of Actives	7	7
2. Number of Retirees	8	8
3. Support Ratio [(1) / (2)]	0.88	0.88

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

Contribution Volatility	June 30, 2019	June 30, 2020
1. Market Value of Assets	$5,211,133	$5,523,980
2. Payroll	822,720	875,764
3. Asset Volatility Ratio (AVR) [(1) / (2)]	6.3	6.3
4. Accrued Liability	$7,054,076	$7,516,194
5. Liability Volatility Ratio (LVR) [(4) / (2)]	8.6	8.6

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.49	1.13	5.5	7.3
06/30/2018	0.47	1.00	5.7	7.7
06/30/2019	0.45	0.88	6.3	8.6
06/30/2020	0.42	0.88	6.3	8.6

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2020. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to 7 months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] at 0.75%	Funded Status	Unfunded Termination Liability at 0.75%	Hypothetical Termination Liability[1,2] at 2.50%	Funded Status	Unfunded Termination Liability at 2.50%
$5,523,980	$17,476,941	31.6%	$11,952,961	$12,700,314	43.5%	$7,176,334

[1] The hypothetical liabilities calculated above include a 5% mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A of the Section 2 report.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.18% on June 30, 2020, and was 1.68% on January 31, 2021.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2019	June 30, 2020
Active Members		
Counts	7	7
Average Attained Age	N/A	47.0
Average Entry Age to Rate Plan	N/A	30.7
Average Years of Credited Service	N/A	17.7
Average Annual Covered Pay	$117,531	$125,109
Annual Covered Payroll	$822,720	$875,764
Projected Annual Payroll for Contribution Year	$892,478	$950,020
Present Value of Future Payroll	$7,590,728	$7,680,027
Transferred Members	3	3
Separated Members	1	1
Retired Members and Beneficiaries		
Counts*	8	8
Average Annual Benefits*	N/A	$32,783

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group		
Member Category	Misc	Misc	
Demographics			
Actives	Yes	No	
Transfers/Separated	Yes	No	
Receiving	Yes	Yes	
Benefit Provision			
Benefit Formula	2% @ 55		
Social Security Coverage	No		
Full/Modified	Full		
Employee Contribution Rate	7.00%		
Final Average Compensation Period	One Year		
Sick Leave Credit	Yes		
Non-Industrial Disability	Standard		
Industrial Disability	No		
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes		
1959 Survivor Benefit Level	Indexed		
Special	No		
Alternate (firefighters)	No		
Post-Retirement Death Benefits			
Lump Sum	$500	$500	
Survivor Allowance (PRSA)	No	No	
COLA	2%	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

Section 2 may be found on the CalPERS website (calpers.ca.gov) in the Forms and Publications section

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2021

PEPRA Miscellaneous Plan of the Stege Sanitary District
(CalPERS ID: 2595946637)
Annual Valuation Report as of June 30, 2020

Dear Employer,

Attached to this letter, you will find the June 30, 2020 actuarial valuation report of your CalPERS pension plan. **Provided in this report is the determination of the minimum required employer contributions for fiscal year 2022-23**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2020.

Section 2 can be found on the CalPERS website (calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2020.

Your June 30, 2020 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 7.0% which was adopted by the board in December 2016. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017.

Required Contribution

The exhibit below displays the minimum employer contributions and the Employee PEPRA Rate for fiscal year 2022-23 along with estimates of the required contributions for fiscal year 2023-24. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees**.

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Employee Rate
2022-23	7.47%	$1,457	6.75%
Projected Results			
2023-24	*7.5%*	*$1,500*	*TBD*

The actual investment return for fiscal year 2020-21 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.00%. ***To the extent the actual investment return for fiscal year 2020-21 differs from 7.00%, the actual contribution requirements for fiscal year 2023-24 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through fiscal year 2027-28.

Changes from Previous Year's Valuation

There are no significant changes in actuarial assumptions or policies in your 2020 actuarial valuation. Your annual valuation report is an important tool for monitoring the health of your CalPERS pension plan. Your report contains useful information about future required contributions and ways to control your plan's funding progress. In addition to your annual actuarial report my office has developed tools for employers to plan, project and protect the retirement benefits of your employees. Pension Outlook is a tool to help plan and budget pension costs into the future with easy to understand results and charts.

You will be able to view the projected funded status and required employer contributions for pension plans in different potential scenarios for up to 30 years into the future — which will make budgeting more predictable. While Pension Outlook can't predict the future, it can provide valuable planning information based on a variety of future scenarios that you select.

Pension Outlook can help you answer specific questions about your plans, including:

- When is my plan's funded status expected to increase?
- What happens to my required contributions in a down market?
- How does the discount rate assumption affect my contributions?
- What is the impact of making an additional discretionary payment to my plan?

To get started, visit our Pension Outlook page at www.calpers.ca.gov/page/employers/actuarial-resources/pension-outlook-overview and take the steps to register online.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. In addition, the Actuarial Office will be completing its Experience Study to review the demographic experience within the pension system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and your assigned CalPERS actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or (**888-225-7377**).

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary

Actuarial Valuation as of June 30, 2020

for the PEPRA Miscellaneous Plan of the Stege Sanitary District

(CalPERS ID: 2595946637)

Required Contributions for Fiscal Year July 1, 2022 - June 30, 2023

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Section 1

Plan Specific Information for the PEPRA Miscellaneous Plan of the Stege Sanitary District

(CalPERS ID: 2595946637)
(Rate Plan ID: 27096)

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Actuarial Certification

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2020 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2020 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the risk pool containing your PEPRA Miscellaneous Plan has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2020 and employer contribution as of July 1, 2022 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

TONY CUNY, ASA, MAAA
Associate Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Employer Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan’s Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year’s Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2020 actuarial valuation of the PEPRA Miscellaneous Plan of the Stege Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal year 2022-23.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Stege Sanitary District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2020;
- Determine the minimum required employer contribution for this plan for the fiscal year July 1, 2022 through June 30, 2023; and
- Provide actuarial information as of June 30, 2020 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post- retirement mortality assumptions adopted in 2017.
- Pension Plan maturity measures quantifying the risks the employer bears.

Required Employer Contributions

	Fiscal Year
Required Employer Contributions	**2022-23**
Employer Normal Cost Rate	**7.47%**
Plus	
Required Payment on Amortization Bases[1]	**$1,457**
Paid either as	
1) Monthly Payment	**$121.42**
Or	
2) Annual Prepayment Option*	**$1,409**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

** Only the UAL portion of the employer contribution can be prepaid* ***(which must be received in full no later than July 31)****.*

	Fiscal Year 2021-22	Fiscal Year 2022-23
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	14.34%	14.22%
Surcharge for Class 1 Benefits[2]		
None	0.00%	0.00%
Phase out of Normal Cost Difference[3]	0.00%	0.00%
Plan's Total Normal Cost	14.34%	14.22%
Plan's Employee Contribution Rate[4]	6.75%	6.75%
Employer Normal Cost Rate	7.59%	7.47%

[1] The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2021.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[3] The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

[4] For detail regarding the determination of the required PEPRA employee contribution rate see Section on PEPRA Member Contribution Rates.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2022-23 fiscal year is $1,457. CalPERS allows employers to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Employers can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during fiscal year 2022-23 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

If you are considering making an ADP, please contact your actuary for additional information.

Minimum Required Employer Contribution for Fiscal Year 2022-23

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
$15,602	$1,457	$0	$1,457	$17,059

Alternative Fiscal Year 2022-23 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP[1]	Total UAL Contribution	Estimated Total Contribution
5 years	N/A	N/A	N/A	N/A	N/A

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2022 as determined in the June 30, 2020 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2019	June 30, 2020
1. Present Value of Projected Benefits (PVB)	$325,324	$376,268
2. Entry Age Accrued Liability (AL)	73,185	113,342
3. Plan's Market Value of Assets (MVA)	69,748	106,477
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	3,437	6,865
5. Funded Ratio [(3) / (2)]	95.3%	93.9%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
Fiscal Year	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**
	Rate Plan 27096 Results					
Normal Cost %	7.47%	7.5%	7.5%	7.5%	7.5%	7.5%
UAL Payment	$1,457	$1,500	$1,500	$1,500	$1,500	$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan modeling and projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook is a tool to help plan and budget pension costs into the future with results and charts that are easy to understand.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 27096. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.75% per year for three years.

	Fiscal Year 2021-22	Fiscal Year 2022-23
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	$1,090,031	$1,158,885
Estimated Employer Normal Cost	$112,096	$118,869
Required Payment on Amortization Bases	$176,035	$150,564
Estimated Total Employer Contributions	$288,131	$269,433
Estimated Total Employer Contribution Rate (illustrative only)	26.43%	23.25%

Cost

Actuarial Determination of Pension Plan Cost

Contributions to fund the pension plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with fiscal year 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 5.5% over the 20 years ending June 30, 2020, yet individual fiscal year returns have ranged from -23.6% to +20.7%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2017.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

The are no significant changes to the actuarial methods or assumptions for the 2020 actuarial valuation.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2020. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase future required contributions while investment returns above the assumed rate of return will decrease future required contributions.

CalPERS will be completing an Asset Liability Management (ALM) process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. As part of the ALM process the Actuarial Office will be completing an Experience Study to review the demographic experience of the retirement system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 7.0% going forward and that the realized rate of return on assets for fiscal year 2020-21 is 7.0%.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2021. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	$113,342
Transferred Members	0
Terminated Members	0
Members and Beneficiaries Receiving Payments	0
Total	$113,342

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$113,342
2.	Projected UAL balance at 6/30/2020	3,997
3.	Pool's Accrued Liability[1]	19,314,480,060
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/2020[1]	4,306,566,797
5.	Pool's 2019/20 Investment (Gain)/Loss[1]	344,968,792
6.	Pool's 2019/20 Non-Investment (Gain)/Loss[1]	60,428,629
7.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (2)] ÷ [(3) - (4)] × (5)	2,513
8.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (3) × (6)	355
9.	Plan's New (Gain)/Loss as of 6/30/2020: (7) + (8)	2,868

[1] Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

10.	Plan's UAL: (2) + (9)	$6,865
11.	Plan's Share of Pool's MVA: (1) - (10)	$106,477

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2020.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2022-23.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2022-23	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Minimum Required Payment 2022-23
Fresh Start	6/30/20	No Ramp		0.00%	5	6,865	746	6,574	827	6,179	1,457
Total						**6,865**	**746**	**6,574**	**827**	**6,179**	**1,457**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please consult with your plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

			Alternate Schedules			
	Current Amortization Schedule		0 Year Amortization		0 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2022	6,179	1,457	N/A	N/A	N/A	N/A
6/30/2023	5,104	1,457				
6/30/2024	3,954	1,457				
6/30/2025	2,724	1,457				
6/30/2026	1,408	1,456				
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
6/30/2031						
6/30/2032						
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6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
Total		**7,284**		**N/A**		**N/A**
Interest Paid		**1,105**		**N/A**		**N/A**
Estimated Savings				**N/A**		**N/A**

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2020 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)	Additional Discretionary Payments
2017 - 18	6.533%	$24	N/A
2018 - 19	6.842%	1,263	N/A
2019 - 20	6.985%	593	0
2020 - 21	7.732%	746	
2021 - 22	7.59%	827	
2022 - 23	7.47%	1,457	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	$413	$393	$20	95.2%	$50,400
06/30/2016	8,265	7,631	634	92.3%	52,800
06/30/2017	18,722	18,136	586	96.9%	59,400
06/30/2018	45,171	42,610	2,561	94.3%	116,700
06/30/2019	73,185	69,748	3,437	95.3%	182,112
06/30/2020	113,342	106,477	6,865	93.9%	192,540

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2020-21, 2021-22, 2022-23 and 2023-24). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2020-21, 2021-22, 2022-23, and 2023-24, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2024. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Assumed Annual Return From 2020-21 through 2023-24	**Projected Employer Contributions**			
	2023-24	**2024-25**	**2025-26**	**2026-27**
1.0%				
Normal Cost	7.5%	7.5%	7.5%	7.5%
UAL Contribution	$1,600	$1,900	$2,400	$3,100
4.0%				
Normal Cost	7.5%	7.5%	7.5%	7.5%
UAL Contribution	$1,500	$1,700	$1,900	$2,300
7.0%				
Normal Cost	7.5%	7.5%	7.5%	7.5%
UAL Contribution	$1,500	$1,500	$1,500	$1,500
9.0%				
Normal Cost	7.6%	7.8%	8.0%	7.4%
UAL Contribution	$1,400	$1,400	$0	$0
12.0%				
Normal Cost	7.6%	7.8%	8.0%	7.4%
UAL Contribution	$1,300	$0	$0	$0

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2020 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2020	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**6.0%**	**7.0%**	**8.0%**
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	17.65%	14.22%	11.59%
b) Accrued Liability	$136,130	$113,342	$95,107
c) Market Value of Assets	$106,477	$106,477	$106,477
d) Unfunded Liability/(Surplus) [(b) - (c)]	$29,653	$6,865	($11,370)
e) Funded Status	78.2%	93.9%	112.0%

Sensitivity to the Price Inflation Assumption

As of June 30, 2020	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	**6.0%**	**7.0%**	**8.0%**
Inflation	**1.5%**	**2.5%**	**3.5%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	15.20%	14.22%	13.05%
b) Accrued Liability	$120,341	$113,342	$104,370
c) Market Value of Assets	$106,477	$106,477	$106,477
d) Unfunded Liability/(Surplus) [(b) - (c)]	$13,864	$6,865	($2,107)
e) Funded Status	88.5%	93.9%	102.0%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2020 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2020	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	14.49%	14.22%	13.97%
b) Accrued Liability	$115,953	$113,342	$110,941
c) Market Value of Assets	$106,477	$106,477	$106,477
d) Unfunded Liability/(Surplus) [(b) - (c)]	$9,476	$6,865	$4,464
e) Funded Status	91.8%	93.9%	96.0%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	**June 30, 2019**	**June 30, 2020**
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	73,185	113,342
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Support Ratio	**June 30, 2019**	**June 30, 2020**
1. Number of Actives	3	3
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

Contribution Volatility	June 30, 2019	June 30, 2020
1. Market Value of Assets	$69,748	$106,477
2. Payroll	182,112	192,540
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.4	0.6
4. Accrued Liability	$73,185	$113,342
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.4	0.6

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	0.3	0.3
06/30/2018	0.00	N/A	0.4	0.4
06/30/2019	0.00	N/A	0.4	0.4
06/30/2020	0.00	N/A	0.6	0.6

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2020. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to 7 months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] at 0.75%	Funded Status	Unfunded Termination Liability at 0.75%	Hypothetical Termination Liability[1,2] at 2.50%	Funded Status	Unfunded Termination Liability at 2.50%
$106,477	$290,571	36.6%	$184,094	$195,041	54.6%	$88,564

[1] The hypothetical liabilities calculated above include a 5% mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A of the Section 2 report.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.18% on June 30, 2020, and was 1.68% on January 31, 2021.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2019	June 30, 2020
Active Members		
Counts	3	3
Average Attained Age	N/A	44.4
Average Entry Age to Rate Plan	N/A	41.3
Average Years of Credited Service	N/A	3.2
Average Annual Covered Pay	$60,704	$64,180
Annual Covered Payroll	$182,112	$192,540
Projected Annual Payroll for Contribution Year	$197,553	$208,865
Present Value of Future Payroll	$1,785,006	$1,883,292
Transferred Members	0	0
Separated Members	0	0
Retired Members and Beneficiaries		
Counts*	0	0
Average Annual Benefits*	N/A	$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of the major <u>optional</u> benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	No	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	6.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Indexed	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

PEPRA Member Contribution Rates

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2022, based on 50% of the total normal cost rate as of the June 30, 2020 valuation.

		Basis for Current Rate		Rates Effective July 1, 2022			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
27096	Miscellaneous PEPRA Level	13.735%	6.75%	14.22%	0.485%	No	6.75%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

Section 2 may be found on the CalPERS website (calpers.ca.gov) in the Forms and Publications section

Stege Sanitary District

Actuarial Study of
Retiree Health Liabilities Under GASB 74/75

Valuation Date: June 30, 2020
Measurement Date: June 30, 2020
For Fiscal Year-End: June 30, 2021

Prepared by:
Total Compensation Systems, Inc.

Date: February 24, 2021

Table of Contents

Stege Sanitary District
Actuarial Study of Retiree Health Liabilities

PART I: EXECUTIVE SUMMARY

A. Introduction

This report was produced by Total Compensation Systems, Inc. for Stege Sanitary District to determine the liabilities associated with its current retiree health program as of a June 30, 2020 measurement date and to provide the necessary information to determine accounting entries for the fiscal year ending June 30, 2021. This report may not be suitable for other purposes such as determining employer contributions or assessing the potential impact of changes in plan design.

Different users of this report will likely be interested in different sections of information contained within. We anticipate that the following portions may be of most interest depending on the reader:

- A high level comparison of key results from the current year to the prior year is shown on this page.
- The values we anticipate will be disclosed in the June 30, 2021 year-end financials are shown on pages 2 and 3.
- Additional accounting information is shown on page 12 and Appendices C and D.
- Description and details of measured valuation liabilities can be found beginning on page 10.
- Guidance regarding the next actuarial valuation for the June 30, 2021 measurement date is provided on page 13.

B. Key Results

Stege Sanitary District uses an Actuarial Measurement Date that is 12 months prior to its Fiscal Year-End. This means that these actuarial results measured as of June 30, 2020 will be used on a look back basis for the June 30, 2021 Fiscal Year-End.

Key Results	**Current Year** *June 30, 2020 Measurement Date* *for June 30, 2021 Fiscal Year-End*	**Prior Year** *June 30, 2019 Measurement Date* *for June 30, 2020 Fiscal Year-End*
Total OPEB Liability (TOL)	$540,603	$291,966
Fiduciary Net Position (FNP)	$232,611	$224,781
Net OPEB Liability (NOL)	$307,992	$67,185
Service Cost *(for year following)*	$13,820	$4,521
Estimated Pay-as-you-go Cost *(for year following)*	$21,028	$18,227
GASB 75 OPEB Expense *(for year ending)*	$252,983	$9,743

Refer to results section beginning on page 10 or the glossary on page 27 for descriptions of the above items.

Key Assumptions	**Current Year** *June 30, 2020 Measurement Date* *for June 30, 2021 Fiscal Year-End*	**Prior Year** *June 30, 2019 Measurement Date* *for June 30, 2020 Fiscal Year-End*
Valuation Interest Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.00%	7.00%
Long-Term Medical Trend Rate	4.00%	4.00%
Projected Payroll Growth	2.75%	2.75%

C. Summary of GASB 75 Accounting Results

1. Changes in Net OPEB Liability

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. A more detailed version of this table can be found on page 12.

	TOL	***FNP***	***NOL***
Balance at June 30, 2019 Measurement Date	**$291,966**	**$224,781**	**$67,185**
Service Cost	$4,521	$0	$4,521
Interest on TOL / Return on FNP	$19,958	$7,940	$12,018
Employer Contributions	$0	$20,302	($20,302)
Benefit Payments	($20,302)	($20,302)	$0
Administrative Expenses	$0	($110)	$110
Experience (Gains)/Losses	$4,092	$0	$4,092
Changes in Assumptions	($1,319)	$0	($1,319)
Changes in Benefit Terms	$241,687	$0	$241,687
Net Change during 2019-20	$248,637	$7,830	$240,807
Actual Balance at June 30, 2020 Measurement Date	**$540,603**	**$232,611**	**$307,992**

2. Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 24.

Balances at June 30, 2021 Fiscal Year-End	*Deferred Outflows*	*Deferred Inflows*
Differences between expected and actual experience	$7,749	$0
Changes in assumptions	$0	($1,169)
Differences between projected and actual return on assets	$7,284	($760)
Total	$15,033	($1,929)

To be recognized fiscal year ending June 30:	*Deferred Outflows*	*Deferred Inflows*
2022	$2,970	($532)
2023	$2,970	($528)
2024	$2,966	($150)
2025	$2,614	($150)
2026	$1,059	($150)
Thereafter	$2,454	($419)
Total	$15,033	($1,929)

3. OPEB Expense

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, administrative expenses, and change in TOL due to plan changes, adjusted for deferred inflows and outflows. OPEB expense can also be derived as change in net position, adjusted for employer contributions, which can be found on page 12.

To be recognized fiscal year ending June 30, 2020	*Expense Component*
Service Cost	$4,521
Interest Cost	$19,958
Expected Return on Assets	($15,731)
Administrative Expenses	$110
Recognition of Experience (Gain)/Loss Deferrals	$1,059
Recognition of Assumption Change Deferrals	($150)
Recognition of Investment (Gain)/Loss Deferrals	$1,529
Employee Contributions	$0
Changes in Benefit Terms	$241,687
Net OPEB Expense for fiscal year ending June 30, 2020	$252,983

***** May include a slight rounding error.

4. Adjustments

The above OPEB expense includes all deferred inflows and outflows except any contributions after the measurement date. Contributions from July 1, 2020 to June 30, 2021 minus prior contributions after the measurement date of $20,302 should also be reflected in OPEB expense. June 30, 2021 deferred outflows should include contributions from July 1, 2020 to June 30, 2021.

5. Trend and Interest Rate Sensitivities

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

Net OPEB Liability at June 30, 2020 Measurement Date	*Discount Rate*	*Healthcare Trend Rate*
1% Decrease in Assumption	$385,605	$235,740
Current Assumption	$307,992	$307,992
1% Increase in Assumption	$244,245	$397,828

D. Description of Retiree Benefits

Following is a description of the current retiree benefit plan. For this 2020 valuation, the District cap was increased from a fixed $280 per month to $324.48 per month (assumed to increase in future years with medical trend):

	All Participants
Benefit types provided	Medical only
Duration of Benefits	Lifetime
Required Service	CalPERS Retirement
Minimum Age	CalPERS Retirement
Dependent Coverage	Spouse only
District Contribution %	100% of cap
District Cap	$324.48 in 2021

E. Summary of Valuation Data

This report is based on census data provided to us as of January, 2021. Distributions of participants by age and service can be found on page 18.

	Current Year *June 30, 2020 Valuation Date* *June 30, 2020 Measurement Date*	**Prior Year** *June 30, 2018 Valuation Date* *June 30, 2019 Measurement Date*
Active Employees eligible for future benefits		
Count	10	10
Average Age	45.8	44.2
Average Years of Service	12.3	10.5
Retirees currently receiving benefits		
Count	6	6
Average Age	70.3	68.3

We were not provided with information about any terminated, vested employees.

F. Certification

The actuarial information in this report is intended solely to assist Stege Sanitary District in complying with Governmental Accounting Standards Board Accounting Statement 74 and 75 and, unless otherwise stated, fully and fairly discloses actuarial information required for compliance. Nothing in this report should be construed as an accounting opinion, accounting advice or legal advice. TCS recommends that third parties retain their own actuary or other qualified professionals when reviewing this report. TCS's work is prepared solely for the use and benefit of Stege Sanitary District. Release of this report may be subject to provisions of the Agreement between Stege Sanitary District and TCS. No third party recipient of this report product should rely on the report for any purpose other than accounting compliance. Any other use of this report is unauthorized without first consulting with TCS.

This report is for fiscal year July 1, 2020 to June 30, 2021, using a measurement date of June 30, 2020. The calculations in this report have been made based on our understanding of plan provisions and actual practice at the time we were provided the required information. We relied on information provided by Stege Sanitary District. Much or all of this information was unaudited at the time of our evaluation. We reviewed the information provided for reasonableness, but this review should not be viewed as fulfilling any audit requirements. We relied on the following materials to complete this study:

- We used paper reports and digital files containing participant demographic data from the District personnel records.

- We used benefit descriptions provided by the District.

All costs, liabilities, and other estimates are based on actuarial assumptions and methods that comply with all applicable Actuarial Standards of Practice (ASOPs). Each assumption is deemed to be reasonable by itself, taking into account plan experience and reasonable future expectations and in combination represent our estimate of anticipated experience of the Plan.

This report contains estimates of the Plan's financial condition and future results only as of a single date. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. This valuation cannot predict the Plan's future condition nor guarantee its future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. Determining results using alternative assumptions (except for the alternate discount and trend rates shown in this report) is outside the scope of our engagement.

Future actuarial measurements may differ significantly from those presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the measurement methodology (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. We were not asked to perform analyses to estimate the potential range of such future measurements.

The signing actuary is independent of Stege Sanitary District and any plan sponsor. TCS does not intend to benefit from and assumes no duty or liability to other parties who receive this report. TCS is not aware of any relationship that would impair the objectivity of the opinion.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally accepted actuarial principles and practices and all applicable Actuarial Standards of Practice. My experience and continuing education are consistent with the requirements described for actuaries under the Qualification Standards of the American Academy of Actuaries.

Respectfully submitted,

Geoffrey Kischuk

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Total Compensation Systems, Inc.
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PART II: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefit payments (APVPBP) separately for each participant. We determined eligibility for retiree benefits based on information supplied by Stege Sanitary District. We then selected assumptions that, based on plan provisions and our training and experience, represent our best prediction of future plan experience. For each participant, we applied the appropriate assumption factors based on the participant's age, sex, length of service, and employee classification.

The actuarial assumptions used for this study are summarized beginning on page 14.

B. Liability for Retiree Benefits.

For each participant, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Stege Sanitary District uses contribution caps, the influence of the trend factor is further reduced. We multiplied each year's benefit payments by the probability that benefits will be paid; i.e. based on the probability that the participant is living, has not terminated employment, has retired and remains eligible. The probability that benefit will be paid is zero if the participant is not eligible. The participant is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's benefit payments and the probability the benefit will be paid equals the expected cost for that year. We multiplied the above expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan. Finally, we discounted the expected cost for each year to the measurement date June 30, 2020 at 7.00% interest.

For any ***current retirees***, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 100%).

The value generated from the process described above is called the actuarial present value of projected benefit payments (APVPBP). We added APVPBP for each participant to get the total APVPBP for all participants which is the estimated present value of all future retiree health benefits for all **current** participants. The APVPBP is the amount on June 30, 2020 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last participant dies or reaches the maximum eligibility age. However, for most actuarial and accounting purposes, the APVPBP is not used directly but is instead apportioned over the lifetime of each participant as described in the following sections.

C. Actuarial Accrual

Accounting principles provide that the cost of retiree benefits should be "accrued" over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an "implicit rate subsidy").

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an "actuarial cost method" and uses the APVPBP to develop expense and liability figures. Furthermore, the APVPBP should be accrued over the working lifetime of employees.

In order to accrue the APVPBP over the working lifetime of employees, actuarial cost methods apportion the APVPBP into two parts: the portions attributable to service rendered prior to the measurement date (the past service liability or Total OPEB Liability (TOL) under GASB 74 and 75) and to service after the measurement date but prior to retirement (the future service liability or present value of future service costs). Of the future service liability, the portion attributable to the single year immediately following the measurement date is known as the normal cost or Service Cost under GASB 74 and 75.

The service cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. The actuarial cost method mandated by GASB 75 is the "entry age actuarial cost method". Under the entry age actuarial cost method, the actuary determines the service cost as the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. Under GASB 75, the service cost is calculated to be a level percentage of each employee's projected pay.

D. Actuarial Assumptions

The APVPBP and service cost are determined using several key assumptions:

- The current ***cost of retiree health benefits*** (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the service cost.

- The ***"trend" rate*** at which retiree health benefits are expected to increase over time. A higher trend rate increases the service cost. A "cap" on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing service costs.

- ***Mortality rates*** varying by age and sex (and sometimes retirement or disability status). If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

- ***Employment termination rates*** have the same effect as mortality inasmuch as higher termination rates reduce service costs. Employment termination can vary considerably between public agencies.

- The ***service requirement*** reflects years of service required to earn full or partial retiree benefits. While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- ***Retirement rates*** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase service costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.

- ***Participation rates*** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.

- The ***discount rate*** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the **real** rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

E. Total OPEB Liability

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. If all actuarial assumptions are exactly met and an employer expensed the service cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the Total OPEB Liability (TOL). The excess of TOL over the value of plan assets is called the Net OPEB Liability (NOL). Under GASB 74 and 75, in order for assets to count toward offsetting the TOL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

Changes in the TOL can arise in several ways - e.g., as a result of plan changes or changes in actuarial assumptions. Change in the TOL can also arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience. GASB 75 allows certain changes in the TOL to be deferred (i.e. deferred inflows and outflows of resources).

Under GASB 74 and 75, a portion of actuarial gains and losses can be deferred as follows:

- Investment gains and losses are deferred five years.

- Experience gains and losses are deferred over the Expected Average Remaining Service Lives (EARSL) of plan participants. In calculating the EARSL, terminated employees (primarily retirees) are considered to have a working lifetime of zero. This often makes the EARSL quite short.

- Liability changes resulting from changes in economic and demographic assumptions are also deferred based on the EARSL.

- Liability changes resulting from plan changes, for example, cannot be deferred.

F. Valuation Results

This section details the measured values of the concepts described on the previous pages.

1. Actuarial Present Value of Projected Benefit Payments (APVPBP)

Actuarial Present Value of Projected Benefit Payments as of June 30, 2020 Valuation Date

	Total
Active: Pre-65 Benefit	$94,033
Post-65 Benefit	$271,425
Subtotal	$365,458
Retiree: Pre-65 Benefit	$22,257
Post-65 Benefit	$266,147
Subtotal	$288,404
Grand Total	$653,862
Subtotal Pre-65 Benefit	$116,290
Subtotal Post-65 Benefit	$537,572

2. Service Cost

The service cost represents the value of the benefit earned during a single year of employment. It is the APVPBP spread over the expected working lifetime of the employee and divided into annual segments. We applied an "entry age" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated service cost.

Service Cost Valuation Year Beginning July 1, 2020

	Total
# of Eligible Employees	10
First Year Service Cost	
Pre-65 Benefit	$2,710
Post-65 Benefit	$11,110
Total	$13,820

Accruing retiree health benefit costs using service costs levels out the cost of retiree health benefits over time and more fairly reflects the value of benefits "earned" each year by employees. While the service cost for each employee is targeted to remain level as a percentage of covered payroll, the service cost as a dollar amount would increase each year based on covered payroll. Additionally, the overall service cost may grow or shrink based on changes in the demographic makeup of the employees from year to year.

3. Total OPEB Liability and Net OPEB Liability

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the service cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the Total OPEB Liability. We calculated the Total OPEB Liability (TOL) as the APVPBP minus the present value of future service costs. To the extent that benefits are funded through a GASB 74 qualifying trust, the trust's Fiduciary Net Position (FNP) is subtracted to get the NOL. The FNP is the value of assets adjusted for any applicable payables and receivables as shown in the table on page 15.

Total OPEB Liability and Net OPEB Liability as of June 30, 2020 Valuation Date

	Total
Active: Pre-65 Benefit	$68,526
Active: Post-65 Benefit	$183,673
Subtotal	$252,199
Retiree: Pre-65 Benefit	$22,257
Retiree: Post-65 Benefit	$266,147
Subtotal	$288,404
Subtotal: Pre-65 Benefit	$90,783
Subtotal: Post-65 Benefit	$449,820
Total OPEB Liability (TOL)	$540,603
Fiduciary Net Position as of June 30, 2020	$232,611
Net OPEB Liability (NOL)	$307,992

4. "Pay As You Go" Projection of Retiree Benefit Payments

We used the actuarial assumptions shown in Appendix C to project the District's ten year retiree benefit outlay. Because these cost estimates reflect average assumptions applied to a relatively small number of participants, estimates for individual years are **certain** to be ***in***accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District's share of retiree health costs.

Year Beginning July 1	***Total***
2020	$21,028
2021	$22,072
2022	$23,619
2023	$25,256
2024	$26,976
2025	$28,830
2026	$31,116
2027	$33,275
2028	$35,680
2029	$38,274

G. Additional Reconciliation of GASB 75 Results

The following table shows the reconciliation of the June 30, 2019 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2020 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	TOL	*FNP*	*NOL*
Balance at June 30, 2019	**$291,966**	**$224,781**	**$67,185**
Service Cost	$4,521	$0	$4,521
Interest on Total OPEB Liability	$19,958	$0	$19,958
Expected Investment Income	$0	$15,731	($15,731)
Administrative Expenses	$0	($110)	$110
Employee Contributions	$0	$0	$0
Employer Contributions to Trust	$0	$0	$0
Employer Contributions as Benefit Payments	$0	$20,302	($20,302)
Actual Benefit Payments from Trust	$0	$0	$0
Actual Benefit Payments from Employer	($20,302)	($20,302)	$0
Expected Minus Actual Benefit Payments**	$2,075	$0	$2,075
Expected Balance at June 30, 2020	**$298,218**	**$240,402**	**$57,816**
Experience (Gains)/Losses	$2,017	$0	$2,017
Changes in Assumptions	($1,319)	$0	($1,319)
Changes in Benefit Terms	$241,687	$0	$241,687
Investment Gains/(Losses)	$0	($7,791)	$7,791
Other	$0	$0	$0
Net Change during 2020	$248,637	$7,830	$240,807
Actual Balance at June 30, 2020*	**$540,603**	**$232,611**	**$307,992**

***** May include a slight rounding error.

****** Deferrable as an Experience Gain or Loss.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Stege Sanitary District is shown beginning on page 24. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2021

	Beginning Balance	*Change Due to New Deferrals*	*Change Due to Recognition*	*Ending Balance*
Experience (Gains)/Losses	$4,716	$4,092	($1,059)	$7,749
Assumption Changes	$0	($1,319)	$150	($1,169)
Investment (Gains)/Losses	$262	$7,791	($1,529)	$6,524
Deferred Balances	$4,978	$10,564	($2,438)	$13,104

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

Preliminary OPEB Expense Fiscal Year Ending June 30, 2021

	Beginning Net Position	*Ending Net Position*	*Change*
Net OPEB Liability (NOL)	$67,185	$307,992	$240,807
Deferred Balances	$4,978	$13,104	$8,126
Net Position	$62,207	$294,888	$232,681
Adjust Out Employer Contributions			$20,302
OPEB Expense			$252,983

H. Procedures for Future Valuations

GASB 74/75 require annual measurements of liability with a full actuarial valuation required every two years. This means that for the measurement date one year following a full actuarial valuation, a streamlined "roll-forward" valuation may be performed in place of a full valuation. The following outlines the key differences between full and roll-forward valuations.

	Full Actuarial Valuation	Roll-Forward Valuation
Collect New Census Data	Yes	No
Reflect Updates to Plan Design	Yes	No
Update Actuarial Assumptions	Yes	Typically Not
Update Valuation Interest Rate	Yes	Yes
Actual Assets as of Measurement Date	Yes	Yes
Timing	4-6 weeks after information is received	1-2 weeks after information is received
Fees	Full	Reduced
Information Needed from Employer	Moderate	Minimal
Required Frequency	At least every two years	Each year, unless a full valuation is performed

The majority of employers use an alternating cycle of a full valuation one year followed by a roll-forward valuation the next year. However, a full valuation may be required or preferred under certain circumstances. Following are examples of actions that could cause the employer to consider a full valuation instead of a roll-forward valuation.

- The employer considers or puts in place an early retirement incentive program.
- The employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- The employer desires the measured liability to incorporate more recent census data or assumptions.
- The employer forms a qualifying trust or changes its investment policy.
- The employer adds or terminates a group of participants that constitutes a significant part of the covered group.

We anticipate that the next valuation we perform for Stege Sanitary District will be a roll-forward valuation with a measurement date of June 30, 2021 which will be used for the fiscal year ending June 30, 2022. Please let us know if Stege Sanitary District would like to discuss whether another full valuation would be preferable based on any of the examples listed above.

PART III: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Stege Sanitary District to understand that the appropriateness of all selected actuarial assumptions and methods are Stege Sanitary District's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 74 and 75, applicable actuarial standards of practice, Stege Sanitary District's actual historical experience, and TCS's judgment based on experience and training.

A. ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74 and 75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on a participant by participant basis and then aggregated.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Stege Sanitary District regarding practices with respect to employer and employee contributions and other relevant factors.

B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.75% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 7.00% per year net of expenses. This is based on assumed long-term return on employer assets.. We used the "Building Block Method". (See Appendix C, Paragraph 53 for more information). Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), using an aggregate payroll assumption for the purpose of calculating the service cost results in a negligible error.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by Stege Sanitary District.

Fiduciary Net Position as of June 30, 2020

	06/30/2019	*06/30/2020*
Cash and Equivalents	$0	$0
Contributions Receivable	$0	$0
Total Investments	$224,781	$232,611
Capital Assets	$0	$0
Total Assets	$224,781	$232,611
Benefits Payable	$0	$0
Fiduciary Net Position	$224,781	$232,611

C. NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35). See Appendix C, Paragraph 52 for more information.

MORTALITY

Participant Type	*Mortality Tables*
Miscellaneous	2017 CalPERS Mortality for Miscellaneous and Schools Employees

RETIREMENT RATES

Employee Type	*Retirement Rate Tables*
All Participants	Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees

COSTS FOR RETIREE COVERAGE

Actuarial Standard of Practice 6 (ASOP 6) provides that, as a general rule, retiree costs should be based on actual claim costs or age-adjusted premiums. This is true even for many medical plans that are commonly considered to be "community-rated." However, ASOP 6 contains a provision – specifically section 3.7.7(c) – that allows use of unadjusted premiums in certain circumstances.

It is my opinion that the section 3.7.7(c)(4) exception allows use of unadjusted premium for PEMHCA agencies if certain conditions are met. Following are the criteria we applied to Stege Sanitary District to determine that it is reasonable to assume that Stege Sanitary District's future participation in PEMHCA is likely and that the CalPERS medical program as well as its premium structure are sustainable. (We also have an extensive white paper on this subject that provides a basis for our rationale entirely within the context of ASOP 6. We will make this white paper available upon request.)

- **Plan qualifies as a "pooled health plan."** ASOP 6 defines a "pooled health plan" as one in which premiums are based at least in part on the claims experience of groups other than the one being valued." Since CalPERS rates are the same for all employers in each region, rates are clearly based on the experience of many groups.

- **Rates not based to any extent on the agency's claim experience.** As mentioned above, rates are the same for all participating employers regardless of claim experience or size.

- **Rates not based to any extent on the agency's demographics.** As mentioned above, rates are the same for all participating employers regardless of demographics.

- **No refunds or charges based on the agency's claim experience or demographics.** The terms of operation of the CalPERS program are set by statute and there is no provision for any refunds and charges that vary from employer to employer for any reason. The only charges are uniform administrative charges.

- **Plan in existence 20 or more years.** Enabling legislation to allow "contracting agencies" to participate in the CalPERS program was passed in 1967. The CalPERS medical plan has been successfully operating for almost 50 years. As far back as we can obtain records, the rating structure has been consistent, with the only difference having been a move to regional rating which is unrelated to age-adjusted rating.

- **No recent large increases or decreases in the number of participating plans or enrollment.** The CalPERS medical plan has shown remarkably stable enrollment. In the past 10 years, there has been small growth in the number of employers in most years – with the maximum being a little over 2% and a very small decrease in one year. Average year over year growth in the number of employers over the last 10 years has been about 0.75% per year. Groups have been consistently leaving the CalPERS medical plan while other groups have been joining with no disruption to its stability.

- **Agency is not expecting to leave plan in foreseeable future.** The District does not plan to leave CalPERS at present.

- **No indication the plan will be discontinued.** We are unaware of anything that would cause the CalPERS medical plan to cease or to significantly change its operation in a way that would affect this determination.

- **The agency does not represent a large part of the pool.** The District is in the CalPERS Bay Area region. Based on the information we have, the District constitutes no more than 0.02% of the Bay Area pool. In our opinion, this is not enough for the District to have a measurable effect on the rates or viability of the Bay Area pool.

Retiree liabilities are based on actual retiree costs. Liabilities for active participants are based on the first year costs shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

Participant Type	***Future Retirees Pre-65***	***Future Retirees Post-65***
All Participants	$3,894	$3,894

PARTICIPATION RATES

Employee Type	***<65 Non-Medicare Participation %***	***65+ Medicare Participation %***
Miscellaneous	90%	90%

TURNOVER

Employee Type	***Turnover Rate Tables***
Miscellaneous	2017 CalPERS Turnover for Miscellaneous Employees

SPOUSE PREVALENCE

To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES

To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

PART IV: APPENDICES

APPENDIX A: DEMOGRAPHIC DATA BY AGE

ELIGIBLE ACTIVE EMPLOYEES BY AGE AND SERVICE

	Total	*Under 5 Years of Service*	*5 – 9 Years of Service*	*10 – 14 Years of Service*	*15 –19 Years of Service*	*20 – 24 Years of Service*	*25 – 29 Years of Service*	*30 – 34 Years of Service*	*Over 34 Years of Service*
Under 25	1	1							
25 – 29	0								
30 – 34	0								
35 – 39	1			1					
40 – 44	2		2						
45 – 49	3		1			2			
50 – 54	1			1					
55 – 59	1						1		
60 – 64	1	1							
65 and older	0								
Total	10	2	3	2	0	2	1	0	0

ELIGIBLE RETIREES BY AGE AND EMPLOYEE CLASS

Age	*Total*
Under 50	0
50 – 54	0
55 – 59	1
60 – 64	0
65 – 69	2
70 – 74	1
75 – 79	1
80 – 84	1
85 – 89	0
90 and older	0
Total	6

APPENDIX B: ADMINISTRATIVE BEST PRACTICES

It is outside the scope of this report to make specific recommendations of actions Stege Sanitary District should take to manage the liability created by the current retiree health program. The following items are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Stege Sanitary District's practices, it is possible that Stege Sanitary District is already complying with some or all of these suggestions.

- We suggest that Stege Sanitary District maintain an inventory of all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Stege Sanitary District should determine whether the benefit is material and subject to GASB 74 and/or 75.

- Under GASB 75, it is important to isolate the cost of retiree health benefits. Stege Sanitary District should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – ***even on a retiree-pay-all basis*** – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Stege Sanitary District should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.

- Stege Sanitary District should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.

- Several assumptions were made in estimating costs and liabilities under Stege Sanitary District's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Part III of this report for a summary of assumptions.) For example, Stege Sanitary District should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Stege Sanitary District to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Stege Sanitary District. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	6
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	10
Total Number of participants	16

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

Shown in Appendix C.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Stege Sanitary District in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Mortality Table	2017 CalPERS Retiree Mortality for All Employees
Disclosure	The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for All Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2017 CalPERS 2.0%@62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Tables

Turnover Table	2017 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	$235,740	$307,992	$397,828

Paragraph 53: **Discount Rate**

The following information is intended to assist Stege Sanitary District to comply with

Paragraph 53 requirements.

53.a: A discount rate of 7.00% was used in the valuation. The interest rate used in the prior valuation was 7.00%.

53.b: We assumed that all contributions are from the employer.

53.c: We used historic 30 year real rates of return for each asset class along with our assumed long-term inflation assumption to set the discount rate. We offset the expected investment return by investment expenses of 25 basis points.

53.d: The interest assumption does not reflect a municipal bond rate.

53.e: Not applicable.

53.f: Following is the assumed asset allocation and assumed rate of return for each.
CERBT - Strategy 1

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59.0000	7.7950
All Fixed Income	25.0000	4.5000
Real Estate Investment Trusts	8.0000	7.5000
All Commodities	3.0000	7.7950
Treasury Inflation Protected Securities (TIPS)	5.0000	3.2500

We looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. We used geometric means.

53.g: The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation.

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB Liability	$385,605	$307,992	$244,245

Paragraph 55: **Changes in the Net OPEB Liability**

Please see reconciliation on pages 2 or 12.

Paragraph 56: **Additional Net OPEB Liability Information**

The following information is intended to assist Stege Sanitary District to comply with Paragraph 56 requirements.

56.a: The valuation date is June 30, 2020.
The measurement date is June 30, 2020.
56.b: We are not aware of a special funding arrangement.
56.c: Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension systems.
56.d: The District cap was increased from a fixed $280 per month to $324.48 per month which is assumed to increase in future years with medical trend.

56.e: Not applicable
56.f: To be determined by the employer
56.g: To be determined by the employer
56.h: Other than contributions after the measurement, all deferred inflow and outflow balances are shown on page 12 and in Appendix D
56.i: Future recognition of deferred inflows and outflows is shown in Appendix D

Paragraph 57: **Required Supplementary Information**

57.a: Please see reconciliation on pages 2 or 12. Please see the notes for Paragraph 244 below for more information.
57.b: These items are provided on pages 2 and 12 for the current valuation, except for covered payroll, which should be determined based on appropriate methods.
57.c: We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 30 years.
57.d: We are not aware that there are any statutorily or contractually established contribution requirements.

Paragraph 58: **Actuarially Determined Contributions**

We have not been asked to calculate an actuarially determined contribution amount. We assume the District contributes on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 30 years.

Paragraph 244: **Transition Option**

Prior periods were not restated due to the fact that prior valuations were not rerun in accordance with GASB 75. It was determined that the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified.

APPENDIX D: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

EXPERIENCE GAINS AND LOSSES

			Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Experience Gains and Losses (Measurement Periods)								
Measurement Period	Experience (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2017-18	$3,703	9.6	$772	$386	$2,545	$386	$386	$386	$386	$386	$615
2018-19	$1,993	9.6	$208	$208	$1,577	$208	$208	$208	$208	$208	$537
2019-20	$4,092	8.8	$0	$465	$3,627	$465	$465	$465	$465	$465	$1,302
Net Increase (Decrease) in OPEB Expense			**$980**	**$1,059**	**$7,749**	**$1,059**	**$1,059**	**$1,059**	**$1,059**	**$1,059**	**$2,454**

CHANGES OF ASSUMPTIONS

Measurement Period	Changes of Assumptions	Original Recognition Period (Years)	Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Changes of Assumptions (Measurement Periods)								
			Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2019-20	($1,319)	8.8	$0	($150)	($1,169)	($150)	($150)	($150)	($150)	($150)	($419)
Net Increase (Decrease) in OPEB Expense			**$0**	**($150)**	**($1,169)**	**($150)**	**($150)**	**($150)**	**($150)**	**($150)**	**($419)**

INVESTMENT GAINS AND LOSSES

Increase (Decrease) in OPEB Expense Arising from the Recognition of Effects of Investment Gains and Losses (Measurement Periods)

Measurement Period	Investment (Gain)/Loss	Original Recognition Period (Years)	Amounts Recognized in OPEB Expense through 2019	2020	Amounts to be Recognized in OPEB Expense after 2020	2021	2022	2023	2024	2025	Thereafter
2017-18	($1,906)	5	($764)	($382)	($760)	($382)	($378)				
2018-19	$1,756	5	$352	$352	$1,052	$352	$352	$348			
2019-20	$7,791	5	$0	$1,559	$6,232	$1,559	$1,559	$1,559	$1,555		
Net Increase (Decrease) in OPEB Expense			**($412)**	**$1,529**	**$6,524**	**$1,529**	**$1,533**	**$1,907**	**$1,555**	**$0**	**$0**

APPENDIX E: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non*-actuary understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

Actuarial Cost Method:	A mathematical model for allocating OPEB costs by year of service. The only actuarial cost method allowed under GASB 74/75 is the entry age actuarial cost method.
Actuarial Present Value of Projected Benefit Payments:	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation or measurement date.
Deferred Inflows/Outflows of Resources:	A portion of certain items that can be deferred to future periods or that weren't reflected in the valuation. The former includes investment gains/losses, actuarial gains/losses, and gains/losses due to changes in actuarial assumptions or methods. The latter includes contributions made to a trust subsequent to the measurement date but before the statement date.
Discount Rate:	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower service costs and total OPEB liability.
Fiduciary Net Position:	Net assets (liability) of a qualifying OPEB "plan" (i.e. qualifying irrevocable trust or equivalent arrangement).
Implicit Rate Subsidy:	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees and the employer is expected, in the long run, to pay the underlying cost of retiree benefits.
Measurement Date:	The date at which assets and liabilities are determined in order to estimate TOL and NOL.
Mortality Rate:	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
Net OPEB Liability (NOL):	The Total OPEB Liability minus the Fiduciary Net Position.
OPEB Benefits:	Other Post Employment Benefits. Generally, medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
OPEB Expense:	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Service Cost plus interest on the Total OPEB Liability (TOL) plus change in TOL due to plan changes minus projected investment income; all adjusted to reflect deferred inflows and outflows of resources.
Participation Rate:	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower service cost and a TOL. The participation rate often is related to retiree contributions.

Pay As You Go Cost:	The projected benefit payments to retirees in a given year as estimated by the actuarial valuation. Actual benefit payments are likely to differ from these estimated amounts. For OPEB plans that do not pre-fund through an irrevocable trust, the Pay As You Go Cost serves as an estimated amount to budget for annual OPEB payments.
Retirement Rate:	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with the service requirement to reflect both age and length of service). The more likely employees are to retire early, the higher service costs and actuarial accrued liability will be.
Service Cost:	The annual dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.
Service Requirement:	The proportion of retiree benefits payable under the OPEB plan, based on length of service and, sometimes, age. A shorter service requirement increases service costs and TOL.
Total OPEB Liability (TOL):	The amount of the actuarial present value of projected benefit payments attributable to participants' past service based on the actuarial cost method used.
Trend Rate:	The rate at which the employer's share of the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher service costs and TOL.
Turnover Rate:	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce service costs and TOL.
Valuation Date:	The date as of which the OPEB obligation is determined by means of an actuarial valuation. Under GASB 74 and 75, the valuation date does not have to coincide with the statement date, but can't be more than 30 months prior.

STEGE SANITARY DISTRICT 1:05 PM

Investment, Cash & Receivables Report

12/06/2021

As of November 30, 2021

	November 30, 2021	October 31, 2021	$ Change	Deposits	Checks	Transfers
ASSETS						
Current Assets						
Checking/Savings						
LAIF Investment Accts						
11012 · Sewer Operations- 3418	6,111,946	6,501,946	-390,000	0	0	-390,000
11014 · System Rehab- 3423	1,011,584	1,011,584	0	0	0	0
Total LAIF Investment Accts	7,123,529	7,513,529	-390,000	0	0	-390,000
Checking Accts						
100 · Mechanics Bank	28,795	23,555	5,240	20,615	-405,376	390,000
100 · County Cash Acct #3418	-6,572	-6,572	0 *	0 *	0	0
Total Checking Accts	22,223	16,983	5,240	20,615	-405,376	390,000
11021 · Petty Cash	250	250	0	0	0	0
Total Checking/Savings	7,146,002	7,530,763	-384,760	20,615	-405,376	0
301 · Ca Employer's Retiree Benefit Trust	232,647	232,647	0	0	0	0
Total CA Employer's Retiree Benefit Trust	232,647	232,647	0	0	0	0
Accounts Receivable						
11072 · Accounts Receivable	33,783	33,783	0			
Total Accounts Receivable	33,783	33,783	0			

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

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

Rex Delizo, District Manager **Date**

STEGE SANITARY DISTRICT

Operating Statement

12/06/2021

November 2021

41.92% of Fiscal year Completed

	July-November 2021	Annual Budget	% of Annual Budget
Income			
31 · OPERATING REVENUE			
31010 · Sewer Service Charges	-	**3,149,000**	**0%**
31020 · Permit & Insp. Fees	4,290	**12,000**	**36%**
31030 · Connection Fees	2,900	**150,000**	**2%**
31040 · San Pablo Impact Fee	775	**250,000**	**0%**
31080 · Contracted Services	-	**30,000**	**0%**
31010a · Capital Service Charges	-	**3,149,000**	**0%**
Total 31 · OPERATING REVENUE	7,964	**6,740,000**	**0%**
32 · NON-OPERATING REVENUE			
32050 · Interest - 3418	4,722	**50,000**	**9%**
32052 · Interest - 3423	698	**15,000**	**5%**
32080 · Property Taxes	-	**400,000**	**0%**
32085 · Insurance Dividend	-	**-**	**0%**
32090 · Miscellaneous	-	**21,000**	**0%**
Total 32 · NON-OPERATING REVENUE	5,420	**486,000**	**1%**
Transfer (to)/from Reserves	-	**2,227,836**	**0%**
Total Income	13,385	**9,453,836**	**0%**
Expense			
OPERATING EXPENSES			
Administration/General			
45-010 · Salaries & Wages	96,250	**240,000**	**40%**
45-020 · Employee Benefits	82,224	**137,440**	**60%**
45-029 · Retiree Health	4,610	**13,600**	**34%**
45-030 · Directors Expenses	8,834	**39,888**	**22%**
45-070 · Insurance	86,110	**204,900**	**42%**
Administration - Other	58,420	**259,000**	**23%**
Total Administration	336,449	**894,828**	**38%**
Maintenance/Engineering			
41-010 · Salaries & Wages	503,886	**1,189,460**	**42%**
41-020 · Employee Benefits	167,768	**505,621**	**33%**
41-029 · Retiree Health	4,584	**11,900**	**39%**
41-100 · Operating Supplies	3,086	**40,000**	**8%**
41-110 · Contractual Services	71,050	**98,100**	**72%**
41-207 · Contracted Repairs	-	**68,000**	**0%**
Maintenance- Other	71,467	**314,267**	**23%**
Total Maintenance/Engineering	821,842	**2,227,348**	**37%**
Pump Stations	27,152	**16,460**	**165%**
Total OPERATING EXPENSES	1,185,443	**3,138,636**	**38%**
CAPITAL			
41-650 · Debt Repayment (SRF Loans)	-	**148,200**	**0%**
Construction Projects	726,018	**5,667,000**	**13%**
Outlay(Maintenance/Engineering)	72,400	**500,000**	**14%**
Total CAPITAL	798,418	**6,315,200**	**13%**
Total Expense	1,983,861	**9,453,836**	**21%**
Net	**(1,970,477)**	**0**	

1:11 PM	STEGE SANITARY DISTRICT		
12/06/2021	Check Report		
Accrual Basis	December 9, 2021		
	Name	**Memo**	**Amount**	**Num**

	Name	Memo	Amount	Num
Dec 9, 21				
	APB Engineering	Manhole Repair Rydin Rd	-22,400.00	27369
	Aramark Uniform Services	Uniform Services	-1,081.34	27370
	Bay Alarm Company	Burglar & Fire Alarm	-620.52	27371
	CASA	Conference 1/19-21 Dwight Merrill	-595.00	27372
	Chavan & Associates, LLP	2020-2021 Audit	-6,250.00	27373
	Clark Pest Control	Pest Control	-145.00	27374
	CWEA	Renewal Reyes #41881	-91.00	27375
	Don's Tire Service, Inc.	Vactor Tires	-910.63	27376
	Exxonmobil	Gas	-170.23	27377
	Nakano Landscape	Landscaping Nov 2021	-290.00	27378
	Pastime Hardware	Maintenance Supplies	-97.53	27379
	PG&E- #0607499583-5	Canon Pump Station	-133.86	27380
	PG&E- #6675831511-4	Office/Shop	-1,032.90	27381
	Pitney Bowes Global Financial Srvcs, LLC	Postage 08/28/21-11/27/21	-157.75	27382
	S.P. Automotive	Vehicle Supplies	-34.92	27383
	Schaaf & Wheeler	Canon Pump Station Design	-2,240.00	27384
	State Water Resource Control Board	St. Revolving Fund Loan Proj. 02203	-43,938.51	27385
	Streamline	Website	-300.00	27386
	TelePacific Communications	Office Phones	-1,153.81	27387
	Total Flow Inc.	Flow Meter Monitoring	-47,777.50	27388
	Universal Building Services	Janitorial Service Nov	-393.00	27389
	Xerox Financial Services	Copier Lease Payment 1/03-02/02	-253.63	27390
Dec 9, 21			**-130,067.13**	

STEGE SANITARY DISTRICT
BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021
7/5 HOLIDAY 4th of July Fair Booth	CASA Annual Conf. Aug 11-13, San Diego CSDA Annual Conf. Aug 30-Sep 1, Monterey	9/6 HOLIDAY		11/25-26 HOLIDAY	12/9 HOLIDAY LUNCHEON 12/24 & 12/31 HOLIDAY
7/8/2021 – 7:00 P.M.	8/19/2021 – 7:00 P.M.	9/9/2021 – 7:00 P.M.	10/7/2021 – 7:00 P.M.	11/11/2021 – 7:00 P.M.	12/9/2021 – **2:00 P.M.**
• July 4th Fair Debrief • CASA Conference • CSDA Conference • Diversity, Equity, and Inclusion	• Select Actuary for Analysis of Retiree Health Benefits (odd years) • Quarterly (FY End) Financial Statements • Conn. Charge Report per Gov. Code 66013 • CASA Conference – Attendee Reports • CSDA Conference	• CSDA Conference – Attendee Reports • Diversity, Equity, and Inclusion	• Regional PSL Program Update • Regional FOG Program Update	• Proposed Meeting Calendar • Board Officer Succession Plan • CASA Conference	2PM Meeting Time • Fiscal Year Financial Audit • Resolution Certifying Election Results (even years) • Emergency Contact Update • Meeting Calendar • Consent Decree Quarterly Report • CASA Conference • Pension + OPEB UAL Reports • Nomination & Election of Officers
7/29/2021 – 7:00 P.M.		9/23/2021 – 7:00 P.M.	10/21/2021 – 7:00 P.M.		
• CLOSED SESSION – Quarterly Claims Rpt • Hearing +Res./Ord. – Establish and Collect Sewer Service Charges – Director Meeting Compensation • Resolution Filing Notice of Completion • District Investment Policy • Reimb. Report per Gov. Code 53065.5 • Quarterly Financial Statements • Candidate filing period (even years) • SPASPA Status Report • CASA Conference • CSDA Conference • Form 470		• Health Care Benefits Review • Consent Decree Quarterly Report	• CLOSED SESSION – Quarterly Claims Rpt – Manager Perf. Eval. • SPASPA Status Report • Quarterly Financial Statements		

STEGE SANITARY DISTRICT
BOARD OF DIRECTORS MEETING AGENDA CALENDAR

JANUARY 2022	FEBUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
1/3 & 1/17 HOLIDAY CASA Winter Conf. Jan 19-21, Palm Springs	2/21 HOLIDAY CASA Policy Forum Feb 28-Mar. 1 Wash, DC	AB 1234 Training (even years)		5/30 HOLIDAY AB 1661 Training (odd years)	6/8 Safety and Recognition Awards Luncheon
1/6/2022 – 7:00 P.M.	2/17/2022 – 7:00 P.M.	3/5/2022 – **9:00 A.M**.	4/7/2022 – 7:00 P.M.	5/5/2022 – 7:00 P.M.	6/2/2022 – 7:00 P.M.
• Board Governance Manual Review • Long Range Planning Workshop Agenda • Service Rate Discussion • District of Distinction (even years) • Director's Contact Info • Board Training Summ. • CASA Conference	• Actuarial Analysis of Retiree Health Benefits Report (even years) • Long Range Planning Workshop Agenda • Service Rate Discussion • Performance Report • Board Training Summ. • CASA Conference • Form 700	9AM Meeting Time • Long Range Planning Workshop – Past 5 yrs. Expenditures Review – Self-Assessment of Governance – Strategic Plan Review	• Service Rate Discussion/ Approval (& 30-day Notice) • Board Training Summ. • Diversity, Equity, and Inclusion	• Appoint Labor Negot. • CLOSED SESSION – Conf. Labor Negot. • Draft Budget • Board Training Summ. • July 4th Fair Discussion • Review of Comparable Agencies • Diversity, Equity, and Inclusion	• Draft Budget • Review Directors' Meeting Compensation • District Working Capital and Reserve Policy • Approve Project Plans and Specs (+CEQA) • July 4th Fair Discussion • CASA Conference • Diversity, Equity, and Inclusion
1/27/2022 – 7:00 P.M.		3/17/2022 – 7:00 P.M.	4/21/2022 – 7:00 P.M.	5/19/2022 – 7:00 P.M.	6/16/2022 – 7:00 P.M.
• CLOSED SESSION – Quarterly Claims Rpt – Manager Perf. Eval. • Board Governance Manual Approval • Long Range Planning Workshop Agenda • Service Rate Discussion • Quarterly Financial Statements • SPASPA Status Report • CSDA Conference Attendee Reports		• Auditor – RFP • California Employer's Retiree Benefit Trust (CERBT) • Service Rate Discussion • Action Plan • Consent Decree Quarterly Report • Board Training Summ. • CASA Conference Attendee Reports • Form 700	• CLOSED SESSION – Quarterly Claims Rpt • Draft Budget • Employee Benefit Package Review • Service Rate Discussion/Approval (+ 30-day Notice) • July 4th Fair Discussion • Quarterly Financial Statements • SPASPA Status Report	• CLOSED SESSION – Manager Perf. Eval. – Conf. Labor Negot. • Resolution Ordering Board Election (even years) • Connection Charge • Draft Budget • July 4th Fair Discussion • Service Rate Discussion/Approval (+ 30-day Notice)	• CLOSED SESSION – Counsel Perf. Eval. • Resolution Salary of District Manager • Resolution Employee Salary Ranges • Resolution Approve/Adopt Budget • Review and Approve Incentive Award • Adopt Incentive Award Goals & Objectives • July 4th Fair Discussion • CD Quarterly Report • CASA Conference

STEGE SANITARY DISTRICT
BOARD OF DIRECTORS
DIRECTORS AND POSITIONS

DIRECTOR	TERM EXPIRES
Beatrice O'Keefe	2024
Dwight Merrill	2022
Juliet Christian-Smith	2022
Paul Gilbert-Snyder	2024
Alan Miller	2022

YEAR	**POSITION**	**DIRECTOR**
2022 ***(proposed rotation)***	***PRESIDENT***	***Dwight Merrill***
	VICE PRESIDENT	***Juliet Christian-Smith***
2021	PRESIDENT	Beatrice O'Keefe
	VICE PRESIDENT	Dwight Merrill
2020	PRESIDENT	Alan Miller
	VICE PRESIDENT	Beatrice O'Keefe
2019	PRESIDENT	Paul Gilbert-Snyder
	VICE PRESIDENT	Alan Miller
2018	PRESIDENT	Dwight Merrill
	VICE PRESIDENT	Jay James
2017	PRESIDENT	Beatrice O'Keefe
	VICE PRESIDENT	Dwight Merrill
2016	PRESIDENT	Alan Miller
	VICE PRESIDENT	Beatrice O'Keefe
2015	PRESIDENT	Paul Gilbert-Snyder
	VICE PRESIDENT	Alan Miller