



THE ENDEAVOR

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VOLUME XIV NUMBER 1

SERVING EL CERRITO, KENSINGTON, AND RICHMOND ANNEX

SPRING 2006

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MISSION STATEMENT OF THE STEGE SANITARY DISTRICT

It shall be the mission of the Stege Sanitary District to plan and operate a safe, efficient, and economical wastewater collection and transfer system for the present and future customers of the District.

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Realtors, Customers, and Stege Combine for an Easy Transition

On September 6, 2005 Stege began implementation of a new ordinance that requires a Certificate of Compliance verifying the good condition of a home's sewer lateral before the home is sold. If the sewer lateral does not pass inspection, it must be repaired or replaced before the close of escrow.

The sewer lateral is the pipe that carries wastewater from a building to the sewer main. In the Stege Sanitary District, the homeowner is responsible for maintaining the entire lateral, including the connection to the District's main sewer. There are many reasons why it is important to make sure that a home's sewer lateral is not cracked and that it is clear of roots and other obstructions. Among these are to:

1. Guard against wastewater overflows that can damage the home;
2. Stop wastewater from seeping into the ground;
3. Avoid sewage overflows into the surrounding yard or street;
4. Keep wastewater out of storm drains, creeks, and the Bay;
5. Avoid costly emergency repairs;
6. Reduce the amount of rainwater that enters the wastewater collection system during heavy rain storms, thereby ensuring the wastewater treatment plant's ability to operate at full efficiency.

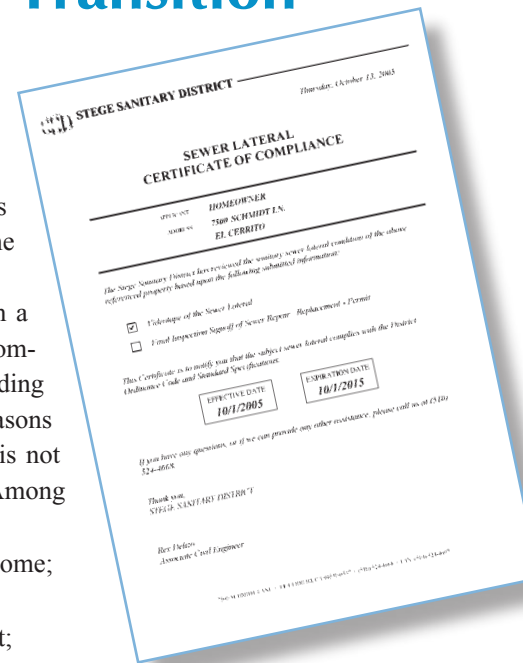
Knowing the condition of a sewer lateral also allows the buyer and the seller to make an informed decision as to how possible repairs are to be handled. In short, certifying the good condition of a home's lateral before a house is sold protects the owner, the buyer, the community, and the environment.

Stege is pleased local Realtors and customers realize the need for the new regulation and thanks them for their support in implementing the Certificate of Compliance ordinance.

Why Wait?

A Certificate of Compliance is issued by the District after review and approval of a video tape showing the lateral is in good condition or after the complete replacement of the sewer lateral. It is good for ten years and there is no fee for the review or for the certificate. Homeowners who have previously replaced an entire lateral and have a permit on file with the District may ask for a Certificate of Compliance effective for ten years from the date of permit approval.

Selling a home can often be stressful. Finding you need to make lateral repairs during that time can add to the stress. Why wait until you are in the midst of selling to find out the condition of your lateral? Because of the increased demand for recording the condition of sewer laterals, the cost of video taping has come down significantly and is often available for under \$100. A list of qualified contractors is available on the District's Web site at www.stegesd.dst.ca.us or can be obtained by calling (510) 524-4668 Monday through Friday, 8:00 A.M. to 4:30 P.M.



Proposed Rate Increase

On Thursday, June 29, 2006 at 7:00 P.M., the Stege Sanitary District will conduct a public hearing on a proposed increase in sewer service charges. The meeting will be held at the District's office at 7500 Schmidt Lane in El Cerrito.

The proposed increase is a little less than four percent per year for three years and covers three critical needs:

1. Maintaining existing sewer lines and pump stations;
2. Providing for capital improvements necessary to comply with increased regulatory requirements and to continue the current high quality of service;
3. To aid in the transition to "pay-as-you-go" funding.

Why a Rate Change Is Needed

Maintain Prudent Reserves

In recent years, the District has been spending reserves down to prudent levels to pay for projects. With the completion of current building and sewer rehabilitation projects, the reserves will fall below prudent levels if revenues are not increased.

Transition to "Pay-as-You-Go"

"Pay-as-you-go" financing for its projects instead of debt financing will save the District money on interest charges.

Impact of Inflation on Costs

Operational and capital costs are expected to continue to rise about three percent each year due to inflation.

Long-Range Rehabilitation Program

Stege has embarked on a long-range system rehabilitation program in order to ensure the District's ability to continue to provide environmentally effective and efficient service. This program includes the use of a video inspection system to assist with repair and replacement priorities and to make sure no sewer is replaced before it needs to be.

The rehabilitation program will be financed through the annual user fees collected by the District, so no bonded indebtedness is incurred, and thus interest costs are avoided.

Proposed Rate Increase Is Modest

The proposed rate increase for residential customers is less than four percent a year and the increase will be spread over three years. Non-residential rates would increase slightly more than four percent per year. The new rates will be in effect July 1, 2006, if approved by the Stege Board.

Residential Rates

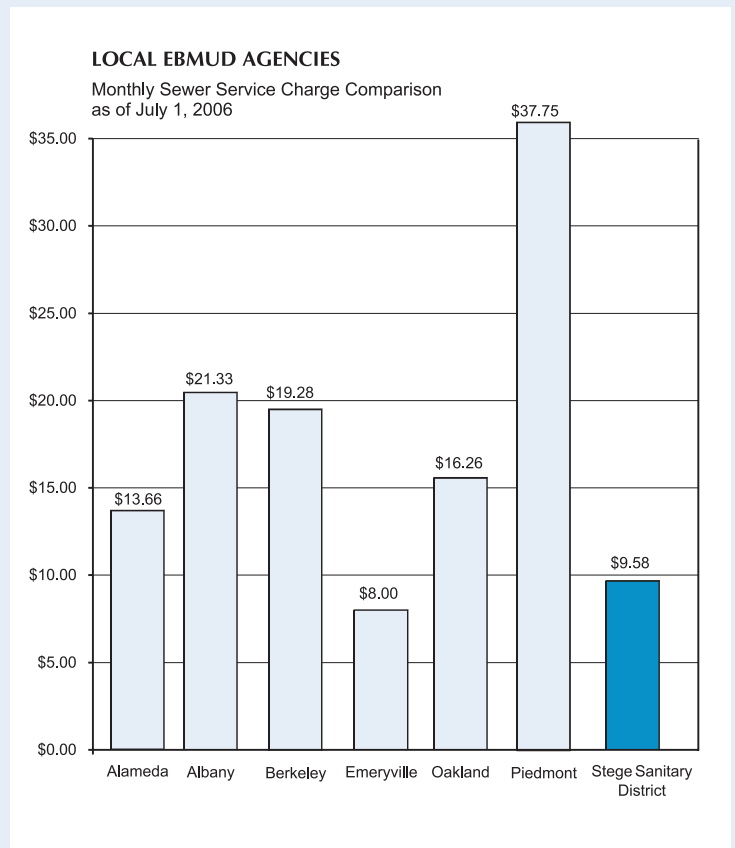
It costs the same amount to serve all types of residential customers. Therefore, all residential customers pay the same rate, including: detached houses, multi-unit homes, condominiums, and apartments. The rate will change from the current \$9.25 a month (\$111 per year) for a typical residential customer to \$9.58 (\$115 per year) the first year, \$9.92 (\$119 per year) the second year and \$10.25 (\$123 per year) the third year.

Non-Residential Rates

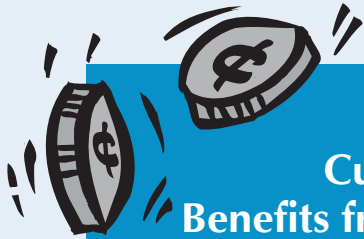
Commercial, Industrial, and Institutional rates are based on their water use in proportion to that of residences. The current charge is about \$2.03 per 1,000 gallons of water use. The proposed rate change is for three annual steps to \$2.18, \$2.25, and finally \$2.33 per 1,000 gallons of use. There is a minimum charge that is equivalent to the residential rate.

District's Record of Fiscal Responsibility

- Even with the increase, the District's rates will still be among the lowest in the local area. See the chart below for a comparison of sewer rates.



- Rate increases have not exceeded inflation for the past 19 years, despite the initiation of a capital program including replacement of many miles of sewer lines.
- The District keeps costs low while increasing efficiency through the use of modern technology and best management practices.



Customers Receive Benefits from Rate Change

The proposed rate change will provide long-term benefits to customers by:

- Upgrading essential facilities, improving reliability and better protecting public health and the environment
- Meeting strict new regulations
- Sharing costs fairly based on actual cost of service
- Lowering customer costs by avoiding borrowing and by improving economy of operation
- The increase each year would amount to about one cent per day.

Please Contact Us

If you have questions or comments about the proposed sewer rate increase or wish to protest you may:

In Person: Attend the Public Hearing. See details on other side of this notice.

Phone: 510/524-4668

E-mail: doug@stegesd.dst.ca.us

Write: 7500 Schmidt Lane, El Cerrito, CA 94530

Protests against the proposal must be submitted in writing, must identify the property address and the owner(s) of the property for which the protest is entered and be signed by the property owner. If written protests against the proposed sewer service charge rates are presented by a majority of owners of parcels affected, the District will not approve the charge.

SPOTLIGHT ON SERVICE

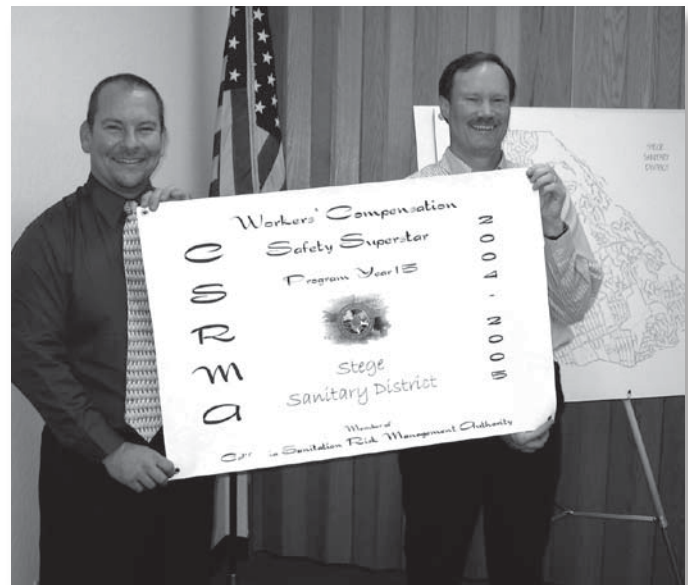
Stege Wins CSRMA Award

For the fourth year in a row, the Stege Sanitary District has won the prestigious California Sanitation Risk Management Authority's (CSRMA) Safety Superstar for its record of no time lost to accidents and no workers compensation claims. In fact, Stege has had over 2,000 consecutive work days without a lost-time accident.

The CSRMA is a pool of 58 sanitary districts throughout California who have joined together to provide insurance for its member agencies. The organization employs a full-time loss-control specialist who conducts on-site safety evaluations and regional safety training seminars.

By taking a proactive approach to ensuring the wellbeing of its employees and by joining economic resources, CSRMA-member agencies significantly reduce their insurance expenditures while providing a workplace that is safe and operating in accordance with all local, state, and federal regulations.

Stege owes its extraordinary safety record to its staff, who are dedicated to their job and to the community they serve.



Loss control specialist David Patzer presents safety award to Stege District Manager, Douglas Humphrey.



STEGE SANITARY DISTRICT
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 El Cerrito, CA 94530-0537 (510) 524-4668

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Wet Winter Weather

During dry weather, about three million gallons of wastewater flow daily through the 150 miles of the Stege Sanitary District sewer lines. At these times, the East Bay Municipal District (EBMUD) Point Isabel wet weather treatment plant acts as a pumping or transfer station, directing the flow to the EBMUD wastewater treatment facility in Oakland at the foot of the Bay Bridge. During heavy rainstorms, such as we experienced this past winter, the volume of wastewater can swell as much as 13 million gallons per day, with a peak flow rate of 40 million gallons per day. The Point Isabel station

holds this excess volume from Stege, plus wastewater from Albany and North Berkeley, in settling basins. When the flow is reduced, the surplus wastewater is pumped to the EBMUD Oakland facility.

During significant wet weather events, the facility acts as a primary treatment plant. Wastewater is settled, disinfected, and discharged into the Bay.

Repairing and replacing defective sewer laterals can help cut the amount of rainwater that enters the wastewater collection system by up to 75 percent. This would reduce the strain on the EBMUD wastewater treatment facility

in Oakland and ensure that only fully treated wastewater is released into San Francisco Bay.



Point Isabel wet weather wastewater treatment plant

Financial Help Is Available for Lateral Repair

Financial aid programs are available to homeowners in the District who need to repair or replace their sewer lateral.

- **The Neighborhood Preservation Program**, operated by the Contra Costa County Building Inspection Department, provides loans to low- and moderate-income persons to improve and enhance the livability of their homes by correcting health and safety problems. Contact them at (925) 335-1137 for information on obtaining a loan for sewer lateral work.
- **The City of Richmond** has loans available for home improvement, including repair or replacement of a sewer lateral. Contact Evelyn Craig at (510) 307-8140 for more information.

Neighboring Communities Enact Similar Lateral Ordinances

Recognizing the need to certify the good condition of a home's sewer lateral before the home is sold, the cities of Berkeley and Richmond are following Stege's lead in requiring a lateral testing and compliance before the close of escrow. Berkeley has already enacted their ordinance and the City of Richmond expects to enact theirs this summer.

Albany and Alameda have had similar requirements for a few years.

For more information on the lateral policy, visit www.stegesd.dst.ca.us/lateral.htm

