



**BOARD MEETING AGENDA**  
**Monday, October 27, 2014**  
**Regular Meeting - 7:00 P.M.**

**Directors**  
Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

**Officers**  
Paul R. Eldredge  
*General Manager/  
District Engineer*

David M. O'Hara  
*Attorney*

1. Call to Order.

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2. Pledge of Allegiance.

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3. Roll Call.

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- Motion 4. Approve Minutes of the Meeting of October 13, 2014.

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- Information 5. Monthly Operations Report for September 2014 *(to be reviewed by the Budget & Finance Committee)*.

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6. Written Communications.

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7. Oral Communications.  
*The public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District office at least one working day prior to the meeting). This portion of the agenda is where a member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction that is not on the agenda. If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. Oral comments are limited to three minutes per individuals, with a maximum of 30 minutes per subject. Speaker's cards will be available in the Boardroom and are to be completed prior to discussion.*

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- Motion 8. Authorizing the General Manager to Execute Change Order No. 3 with GSE Construction Company for the Thickener Control Building Improvements Project *(to be reviewed by the Construction Committee)*.

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- Motion 9. Approving the GIS JPA FY15 Budget Adjustment *(to be reviewed by the Budget & Finance Committee)*.

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- Motion 10. Accepting Financial Statements for Fiscal Year Ended June 30, 2014 *(reviewed by the Audit Committee)*.

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- Information 11. Information Items:
  - a. Check Register.
  - b. Report on the EBDA Commission Meeting of October 16, 2014.

- c. Cal-Card Quarterly Activity Report *(to be reviewed by the Budget & Finance Committee)*.
  - d. Status of Priority 1 CIP Projects *(to be reviewed by the Construction Committee)*.
  - e. First Quarterly Report on Capital Improvement Program for FY 15 *(to be reviewed by the Construction Committee)*.
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- Information 12. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*
- a. Construction Committee – scheduled for Wednesday, 10/22/14 at 4:30 p.m.
  - b. Budget & Finance Committee – scheduled for Thursday, 10/23/14 at 4:30 p.m.
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- Information 13. General Manager’s Report. *(Information on recent issues of interest to the Board)*.
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- Information 14. Other Business:
- a. Comments and questions. *Directors can share information relating to District business and are welcome to request information from staff.*
  - b. Scheduling matters for future consideration.
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15. Adjournment – The Board will adjourn to a Board Workshop – USD Video in the Boardroom on Monday, November 3, 2014 at 6:30 p.m.
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16. Adjournment - The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, November 10, 2014 at 7:00 p.m.
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The Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting).

If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. If the subject is within the Board's jurisdiction but not on the agenda, the speaker will be heard at the time "Oral Communications" is calendared. Oral comments are limited to three minutes per individual, with a maximum of 30 minutes per subject. Speaker's cards will be available in the Boardroom and are to be completed prior to discussion of the agenda item.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager's office at (510) 477-7503 at least 24 hours in advance of the meeting.

THE PUBLIC IS INVITED TO ATTEND

**NOTICE OF  
COMMITTEE MEETING**

All meetings will be held in  
the General Manager's Office



**BOARD MEETING OF OCTOBER 27, 2014**

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**Committee Membership:**

Budget and Finance	Directors Anjali Lathi and Tom Handley (Alt. – Pat Kite)
Construction Committee	Directors Pat Kite and Jennifer Toy (Alt. – Manny Fernandez)
Legal/Community Affairs	Directors Pat Kite and Tom Handley (Alt. –Anjali Lathi)
Legislative Committee	Directors Manny Fernandez and Jennifer Toy (Alt–Tom Handley)
Personnel Committee	Directors Manny Fernandez and Anjali Lathi (Alt. – Jennifer Toy)
Audit Committee	Directors Manny Fernandez and Tom Handley (Alt. Jennifer Toy)

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**Construction Committee, Wednesday, October 22, 2014 at 4:30 p.m.**

- 8. Authorizing the General Manager to Execute Change Order No. 3 with GSE Construction Company for the Thickener Control Building Improvements Project.
  - 10d. Status of Priority 1 CIP Projects.
  - 10e. First Quarterly Report on Capital Improvement Program for FY15.
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**Budget & Finance Committee, Thursday, October 23, 2014 at 4:30 p.m.**

- 5. Monthly Operations Report for September 2014.
  - 9. Approving the GIS JPA FY15 Budget Adjustment.
  - 10c. Cal-Card Quarterly Activity Report.
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Committee meetings may include teleconference participation by one or more Directors.  
(Gov. Code Section 11123)  
Committee Meetings are open to the public. Only written comments will be considered. No action will be taken.

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF  
UNION SANITARY DISTRICT  
October 13, 2014**

**CALL TO ORDER**

President Fernandez called the meeting to order at 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

PRESENT: Manny Fernandez, President  
Jennifer Toy, Vice President  
Tom Handley, Secretary  
Pat Kite, Director  
Anjali Lathi, Director

STAFF: Paul Eldredge, General Manager/District Engineer  
Rich Cortés, Business Services Manager  
Andy Morrison, Collection Services Manager  
Dave Livingston, Treatment & Disposal Services Manager  
Sami Ghossain, Technical Services Manager  
Robert Simonich, Fabrication, Maintenance, and Construction Manager  
Ric Pipkin, Treatment & Disposal Services Coach  
Paul Johnson, Store Keeper II  
Regina McEvoy, Assistant to the GM/Board Secretary  
Carol Rice, Former Assistant to the GM/Board Secretary

**APPROVAL OF THE MINUTES OF SEPTEMBER 22, 2014.**

It was moved by Director Kite, seconded by Director Lathi, to Approve the Minutes of the Board of Directors' Meeting held September 22, 2014. Motion carried unanimously.

**WRITTEN COMMUNICATIONS.**

There were no written communications.

**ORAL COMMUNICATIONS.**

There were no oral communications.

**RESOLUTION NO. 2740, RECOGNIZING GENERAL MANAGER RICHARD B. CURRIE FOR 23 YEARS OF OUTSTANDING SERVICE.**

It was moved by Director Kite, seconded by Director Lathi, to Adopt Resolution No. 2740, Recognizing General Manager Richard B. Currie for 23 Years of Outstanding Service. Motion carried unanimously.

**APPROVING THE PUBLICLY AVAILABLE PAY SCHEDULE, MEMORANDUM OF UNDERSTANDING BETWEEN THE DISTRICT AND SEIU LOCAL 1021, JUNE 6, 2013 - AUGUST 31, 2016, AND UNCLASSIFIED STAFF COMPENSATION DOCUMENTS.**

The Personnel Committee reviewed this item. The publicly available pay schedule, mandated by CalPERS, is designed to ensure consistency between CalPERS employers and enhance the disclosure and transparency of public employee compensation. Rich Cortés stated the publicly available pay schedule was revised to capture adjustments made to unclassified employee pay ranges per the July 2014, unclassified salary survey and a revision of the salary range for Maintenance Manager based on the most recent salary survey. The publicly available pay schedule will be effective August 24, 2014.

Rich Cortés stated the SEIU MOU was recently completed to include all tentative agreements reached between the District and SEIU Local 1021, as approved by the Board on June 6, 2013. There were no changes to the Unclassified Staff Compensation Plan. Rich Cortés stated the updated Unclassified Employees Rules and Regulations had been reviewed and approved by the Executive Team.

It was moved by Director Lathi, seconded by Director Handley, to Approve the Publicly Available Pay Schedule, Memorandum of Understanding Between the District and SEIU Local 1021 June 6, 2013 – August 31, 2016, and Unclassified Staff Compensation Documents. Motion carried unanimously.

**APPROVING AN ADDITION TO THE FY15 CIP BUDGET FOR THE WARM SPRINGS LATERALS PROJECT.**

The Budget & Finance Committee reviewed this item. Sami Ghossain stated the District was contacted in August by a plumbing contractor unable to determine the cause of recurring clogging of two sewer laterals located at the corner of Mission Boulevard and Warm Springs Boulevard. The District discovered the aforementioned laterals were connected to an old 8-inch diameter sewer main that had been abandoned when the new 18-inch diameter sewer main was installed by contractor K.J. Woods during the Upper Warren Avenue Sewer Project in 2000. District staff determined the Upper Warren Avenue Sewer Project, designed by GHD, contained a discrepancy regarding the number of laterals to be relocated to the new 18-inch sewer main.

McGuire and Hester (M&H) completed connection of the two sewer laterals to the 18-inch diameter sewer main on September 10, 2014, per an existing agreement with the District for emergency services. The M&H submitted cost of \$132,000 is undergoing staff review. Universal Maintenance submitted cost for sewer lateral clearing and investigation work for

approximately \$50,000. Staff estimates other project costs, including an encroachment permit and associated inspection fees with the City of Fremont, to be \$15,000. The total estimated cost for the project is \$200,000.

It was moved by Director Handley, seconded by Director Lathi, to Approve the Warm Springs Laterals Project without altering the budget. Motion carried unanimously.

## **INFORMATION ITEMS:**

**Check Register.** All questions were answered to the Board's satisfaction.

### **Unclassified Staff Benefits and Upcoming and Unscheduled Board Workshop Topics.**

Paul Eldredge stated Director Handley requested a future discussion item or workshop to discuss benefits for Unclassified Staff, specifically time off. The Board directed staff to prepare a workshop to discuss Unclassified Staff time off.

Paul Eldredge provided information regarding unscheduled workshop topics. Director Handley requested the Unclassified Staff time off workshop be scheduled in the near future. Paul Eldredge stated the Sewer Service Charge Rate workshop may be scheduled for December or January, and the Check in with the General Manager will likely be scheduled for December.

## **COMMITTEE MEETING REPORTS:**

The Budget & Finance and Personnel Committees met.

## **GENERAL MANAGER'S REPORT.**

- Safety-Kleen Systems has been identified as the source of recent hydrocarbon discharges. Staff recently met with Safety-Kleen representatives, and conducted a follow up conference call on October 13, 2014. Safety-Kleen staff are in the process of developing new safety and testing protocols. Safety-Kleen is effectively shut down at this time due to their decision not to explore alternative discharge options citing cost and logistical challenges. Pending the results of the test conducted October 13, 2014, Safety-Kleen may begin discharging within the next week. Paul Eldredge stated an industrial hygienist will be retained by the District to determine if any health challenges were created by this issue, and if additional protocols need to be in place.
- Paul Eldredge noted Treatment and Disposal Service Night Coach Ric Pipkin was in attendance representing the workgroup
- The Collection Systems crew recently discovered two category 3 sanitary sewer overflows caused by leaking joints. One was the result of an odor complaint from a resident, the second was found by the TV crew, and both were repaired using a trenchless repair system. Staff believe the leaks may be due to extremely dry soil caused by the current drought. Both incidents will be reported in the standard reporting period.

- Staff met with the residential builder in Newark for a status update. The developer stated they are presently engaged in discussions with Cargill regarding access. Staff are developing force main options.
- Wilson Wong from the FMC group is now a Certified Cathodic Protection Inspector, which should save the District approximately \$20,000/year.
- Recently hired Painter Troy Gaskins began work on October 6, 2014.
- 47 individuals will participate in the performance test for Collection Systems worker to be conducted October 17 - 18, 2014.
- Manager interviews are scheduled to begin next week.
- CalPERS audit began October 13, 2014, and a report should be received in six months.
- The 2014 Employee Recognition BBQ will be held October 14, 2014.
- The District will host the Maintenance Superintendents Association San Francisco Bay Area Chapter 2014 Vendor Equipment & Tradeshow on October 16, 2014.

### **OTHER BUSINESS:**

Anjali Lathi asked if a Board Workshop will be scheduled for Monday, December 15, 2014. Paul Eldredge stated a Board Workshop may be scheduled for said date.

### **ADJOURNMENT:**

The meeting was adjourned at 7:47 p.m. to a Private Lateral Study Board Workshop in the Boardroom on Monday, October 20, 2014 at 6:30 p.m.

The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, October 27, 2014 at 7:00 p.m.



**Directors**  
Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

**Officers**  
Paul R. Eldredge  
*General Manager/  
District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 20, 2014

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer

**SUBJECT:** Agenda Item No. 5 - Meeting of October 27, 2014  
Information Item: **Monthly Operations Report for September, 2014**

## **Background**

Attached is the September 2014 Operations Report. Staff is available to answer questions regarding information contained in the report.

## **Table of Contents**

General Manager/Administration	Paul Eldredge	GM
Business Services	Rich Cortes	BS
Collection Services	Andy Morrison	CS
Technical Support	Sami Ghossain	TS
Treatment and Disposal Services/FMC	Dave Livingston	T&D
Fabrication, Maintenance, and Construction	Robert Simonich	FMC

## **Recommendation**

File Report.

## GENERAL MANAGER'S SUMMARY

Below is a summary of major activities that occurred at the District during September 2014.

**ODOR COMPLAINTS:** The District received two odor complaints for the month of September. Both complaints were in the City of Fremont. Both odor complaints were investigated with no odors found. The homeowner at the second location indicated that a cleanout was missing a cap. It was suggested to the homeowner that the cap should be replaced. During the month there were periods of strong odors coming from the salt point, but no complaints received.

**SAFETY:** There were no injuries during September. The oily waste at the Boyce pump station increased creating concerns of exposure for our employees. The exposure investigation and documentation continues. We had two near miss reports and took corrective action to prevent future injuries. Early in the month, we had a fire alarm that evacuated the facility. We identified an error with the alarm operation and had it corrected. The alarm did give us a good surprise evacuation drill.

### FINANCIAL:

- Staff participated in demos of timekeeping systems.
- An Estate Planning seminar was presented to staff by ICMA.
- PERS notified the District that it would perform an audit on payroll and benefits in October.
- Financial Auditor completed their field audit.

### COLLECTION SYSTEM:

- One Category 3 SSO started in September and ended in October. It will be reported as an October SSO, however we cannot count September as a No Spill month. All of the water was recovered from the storm drain and returned to the sanitary sewer.
- We started our annual root control program with cutting in September and foaming starts in October. (section D & A this year)
- We presented Succession Planning to the California Alliance for Sewer System Excellence (CASSE) and Collection System of the Future (CSOTF) benchmarking groups.
- We started recruitment for CSW I and CS Manager.

### PLANT OPERATIONS:

- Completed the Anitamox pilot study (successful at removing approximately 80% of the ammonia from the solids dewatering centrate).
- Completed New Employee Orientation for our Senior Process Engineer, Connie Li.
- Provided a plant tour for engineering students from Chabot College.

### PROJECTS: Updates of selected projects:

- Cogeneration Project – Contractor began testing the new engine generator and digester gas conditioning systems. Isolation and abandonment of old gas conditioning system is next.
- Thickener Control Building Improvements Project – Process piping and electrical equipment submittals have been submitted. Contractor began excavation for process piping west of the building.
- Jarvis Ave. SS Replacement – Installation of mainline sewer, manholes, and laterals is nearing completion. Abandonment of old sewer and surface restoration is next.

- Upper Hetch Hetchy SS Rehabilitation – City of Fremont and Newark Pump Station sewer bypassing and CIPP lining is complete. Willow St. site (Newark) is next.

**STAFFING & PERSONNEL:**

Recruitments and Selection

- Regina McEvoy began work as the Assistant to the GM/Board Secretary.
- Dr. Connie Li came to the District from Michigan to fill the newly created Senior Process Engineer position.
- Mike Farsai started work as a Plant Operator III Trainee.

Training

- HRA worked with trainer and Technical Training Program Manager to develop Preventing Workplace Violence training; HR staff attended the training.
- HRA presented a training session on Human Resources policies to several new employees.
- HR staff worked with Finance staff to offer a one-hour session on Estate Planning, which was very well attended.

Other

- HR and Finance staff met to gather information for the CalPERS audit.
- HRA and HR Analyst attended the HR Forum to share best practices with other special district HR staff.

**G.M. ACTIVITIES:** For the month of September, the GM was involved in the following:

- I got married and was out of the office September 3 - 16<sup>th</sup>.
- The transition between Rich Currie and I took place on September 16<sup>th</sup>.
- A joint Board of Directors meeting between Alameda County Water District and Union Sanitary District took place at the Union Sanitary District offices on September 25.
- The Board of Directors held a retreat on September 29<sup>th</sup> and was attended by the new and outgoing General Managers. The Board provided the incoming General Manager with some direction and goals for the upcoming year.
- Attended the Union City State of the City Address on September 30<sup>th</sup>.
- Said farewell to Rich Currie at his retirement party on September 30<sup>th</sup>.



## ODOR REPORT September 2014

During the recording period from September 01, 2014 through September 30, 2014, there were two odor related service requests received by the District.

### **City: Fremont**

#### **1. Complaint Details:**

*Date:* 9/25/2014

*Location:* PERALTA BL

*Wind (from):* North West

*Temperature:* 67 Degrees F

*Time:* 1:10 pm

*Reported By:* Len Hall

*Wind Speed:* 8 mph

*Weather:* Clear

#### **Response and Follow-up:**

Inspected USD manholes and the storm drain inlets in the parking lot and street. We found no odor. We told the complainant to call us back if the odor returns.

#### **2. Complaint Details:**

*Date:* 9/26/2014

*Location:* MORRISON CANYON RD

*Wind (from):* West

*Temperature:* 64 Degrees F

*Time:* 10:00 am

*Reported By:* Mike

*Wind Speed:* 5 mph

*Weather:* Some Clouds

#### **Response and Follow-up:**

Inspected the sewer manholes and drain inlets adjacent to the residence and found no odor. The homeowner informed us of a clean out that was missing a cap. We told him to put a cap on the clean out and call us back if the odor returns.

Union City

2. No odor found

1. No odor found

Newark

Fremont

**Legend**

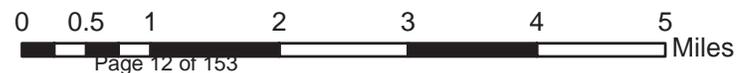
**Odor Complaints: September 2014**

- [ Odor found, USD resolved (0)
- ! Odor found, not related to USD (0)
- # No odor found (2)

**Odor Complaints: Oct. 2013 to Aug. 2014**

- [ Odor found, USD resolved (6)
- ! Odor found, not related to USD (4)
- # No odor found (8)

**Location of Odor Reports  
October 2013 to September 2014**



**HOURS WORKED AND LEAVE TIME BY WORK GROUP**  
June 28, 2014 to September 19, 2014

DIVISION	Reg. Hours	Lt Duty	O/T	Total Leaves*			Historical FY14			Average Number of Employees
				Sick	STD	WC	Sick	STD	WC	
General Manager Staff	921			359 28%	6 0.5%		85 1.7%			129
Business Services	9,422	4		1,619 15%	153 1.4%		604 1.6%	14 0.5%		
Technical Services	12,458	34		1,592 11%	161 1.1%		1,039 3.4%	238 0.8%		
Collection Services	11,527	1,318		2,952 20%	808 5.6%	109 0.7%	1,791 2.5%	718 0.4%	1 0.2%	
Treatment & Disposal	9,814	284		1,226 11%	23 0.2%		1,344 2.0%	408 0.3%		
FMC	8,531	495		1,669 16%	322 3.2%	11 0.1%	1,019 3.1%	74 0.2%		
<b>Totals</b>	<b>52,673</b>	<b>2,135</b>	<b>3.4%</b>	<b>9,418</b>	<b>1,473</b>	<b>109</b>	<b>5,882</b>	<b>1,452</b>	<b>108</b>	
%	84.8%			15.2%	2.4%	0.2%	2.4%	0.5%	1.3%	

(1) Current vacancies include: Business Services (0), Collections (1), FMC (1), T&D (2), TS (3)

(2) An employee using 3 weeks vacation, 11 holidays, 2 HEC days and 40 hours of sick leave will work an average of 34.9 hours per week over the course of a year. With four weeks vacation, 34.2 hours per week.

(3) Target goal for sick leave incentive program is 47 hours per employee per year.

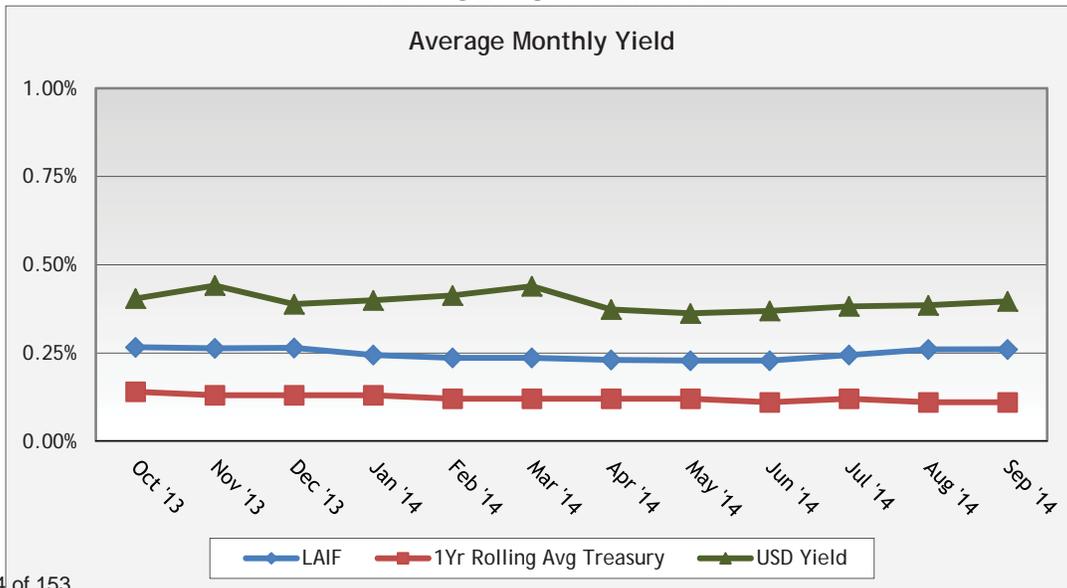
**Business Services Group  
Activities Report  
September 2014**

**Accomplishments**

- The recruitment for Assistant to the General Manager / Board Secretary was completed; Regina McEvoy was hired on 9/8/2014.
- The recruitment for Sr. Process Engineer was completed; Connie Li was hired on 9/15/2014.
- The recruitment for Plant Operator III Trainee was completed; Mike Farsai was hired on 9/22/2014.
- Human Resources Administrator worked with trainer and Technical Training Program Manager to develop Preventing Workplace Violence training; HR staff attended the training.
- Human Resources Administrator presented HR policy review to several new employees.
- Human Resources Administrator and HR Analyst attended the HR Forum to share best practices with other special district HR staff.
- HR staff worked with Finance staff to offer a one-hour session on Estate Planning, which was very well attended.
- HR and Finance staff met to gather information for the CalPERS audit.
- The Organizational Performance Program Manager (OPPM) scripted Team BSC Refresher and Organizational Orientation activities to ensure consistent message delivery in future sessions.
- The OPPM participated in Training Module Review meeting and established new BSC targets for FMC, TPO and CS; clarified definition of “complete” and standardized across the work groups.
- The OPPM assembled, chartered and now facilitate (as member) new Portal Governance Task Force.
- The OPPM attended Northern Regional Training Conference; shared information with team from the 21<sup>st</sup> Century Leadership Strategies seminar.
- The OPPM delivered Organizational Orientations to new Assistant to the GM, Senior Process Engineer, Plant Operator III Trainee.
- The OPPM continued participation in San Francisco Bay Section of CWEA Professional Development Committee (PDC) (replacing Larry Simmers as USD representative on that Committee).
- The OPPM delivered BSC Refresher to the EC team.
- The OPPM worked with new GM and Communications Coordinator to review and streamline Outreach Program measures and objectives.
- The OPPM met with Quality Star Points and Coaches from multiple teams to share tools and identify FY 15 process improvement projects.
- The OPPM participated in full day MS Access training to develop new skills for driving additional efficiencies.

**Performance Measures**

**AVERAGE MONTHLY YIELD**



**BUDGET AND FINANCE REPORT**

FY 2015

**Year-to-date as of 9/30/14**

25% of year elapsed

**Revenues**

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Rec'd</b>	<b>Unaudited Last Year Actuals 6/30/14</b>
Capacity Fees	\$2,700,000	\$1,573,215	58%	\$3,315,007
Sewer Service Charges	47,448,461	1,082	0%	45,139,420
Operating	848,500	104,759	12%	1,072,242
Interest	299,000	94,208	32%	385,844
Misc. (incl. LAVWMA pymnt, solar, Cogen rebates)	1,994,200	105,640	5%	297,776
<b>Subtotal Revenues</b>	<b>\$53,290,161</b>	<b>\$1,878,904</b>	<b>4%</b>	<b>\$50,210,289</b>
SRF Loan Proceeds (Thickener)	3,390,000	0	0%	2,424,739
<b>Total Revenues + SRF Proceeds</b>	<b>\$56,680,161</b>	<b>\$1,878,904</b>	<b>3%</b>	<b>\$52,635,028</b>

**Expenses**

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Used</b>	<b>Last Year Actuals</b>
Capital Improvement Prog.				
Capacity Projects	\$3,240,000	\$492,745	15%	\$5,592,023
Renewal & Repl. Projects	11,632,500	2,110,143	18%	14,195,068
Operating	32,659,214	6,859,065	21%	30,751,966
Special Projects	1,708,478	25,548	1%	775,361
Retiree Medical (Annual Required Contribution)	543,540	135,885	25%	462,852
Vehicle & Equipment	1,057,700	0	0%	784,695
Information Systems	1,216,000	76,387	6%	848,449
Plant & Pump Station R&R	250,000	144	0%	197,237
Pretreatment Fund	7,000	11,715	167%	5,124
County Fee for Sewer Service Charge Admin.	106,000	0	0%	105,559
Misc. (A/R write-off)	0	0	0%	1,343
Debt Servicing:				
SRF Loans (Irv.,Wilw.,LHH,Cdr,NPS, Sub1,Boyc,Prim CI)	3,127,389	1,319,228	42%	4,675,361
<b>Total Expenses</b>	<b>\$55,547,821</b>	<b>\$11,030,860</b>	<b>20%</b>	<b>\$58,395,038</b>
<b>Total Revenue &amp; Proceeds less Expenses</b>	<b>\$1,132,340</b>	<b>(\$9,151,956)</b>		<b>(\$5,760,010)</b>

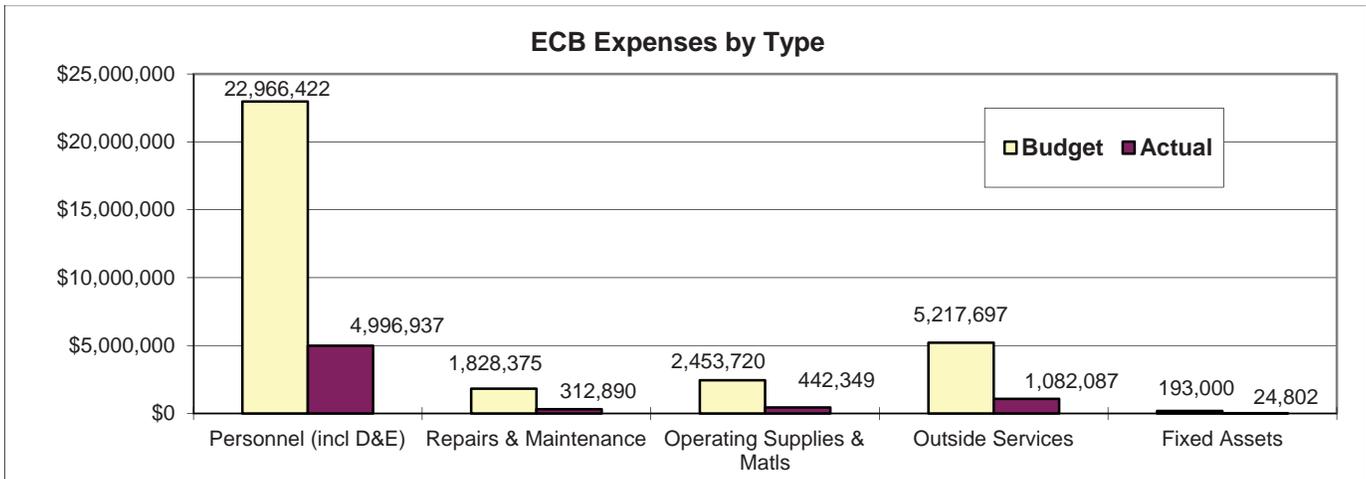
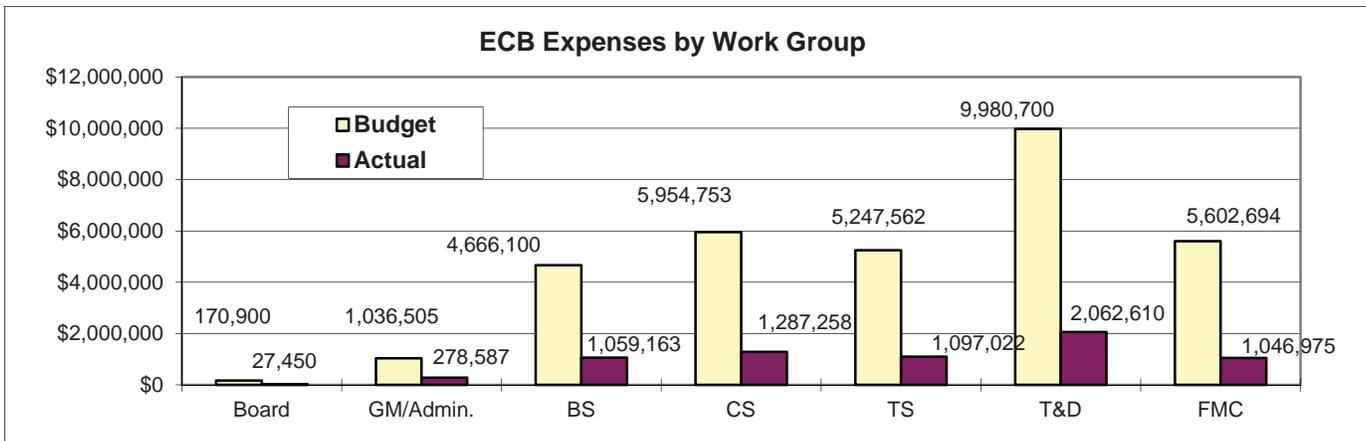
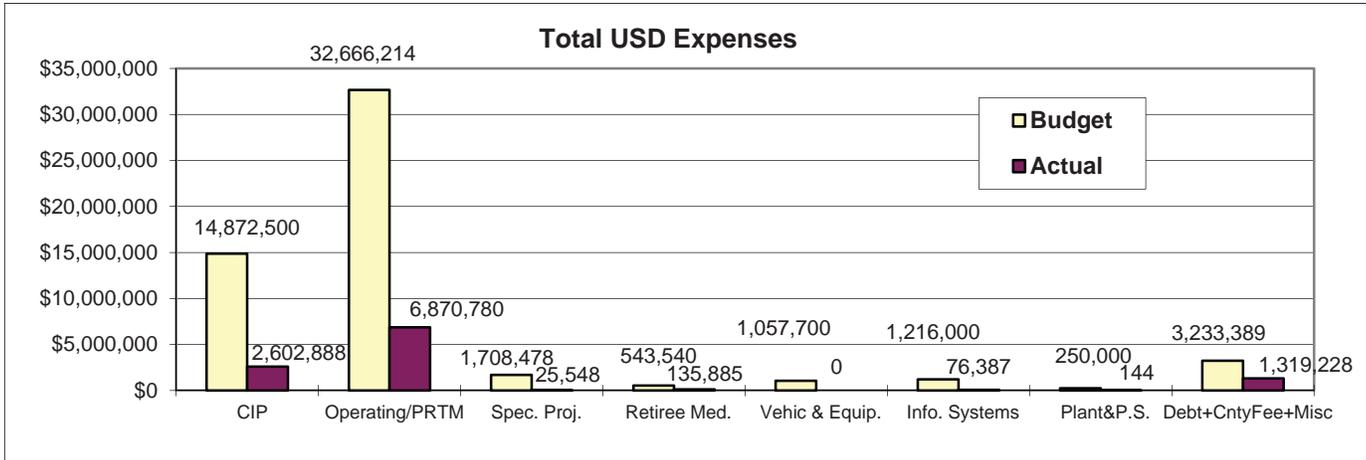
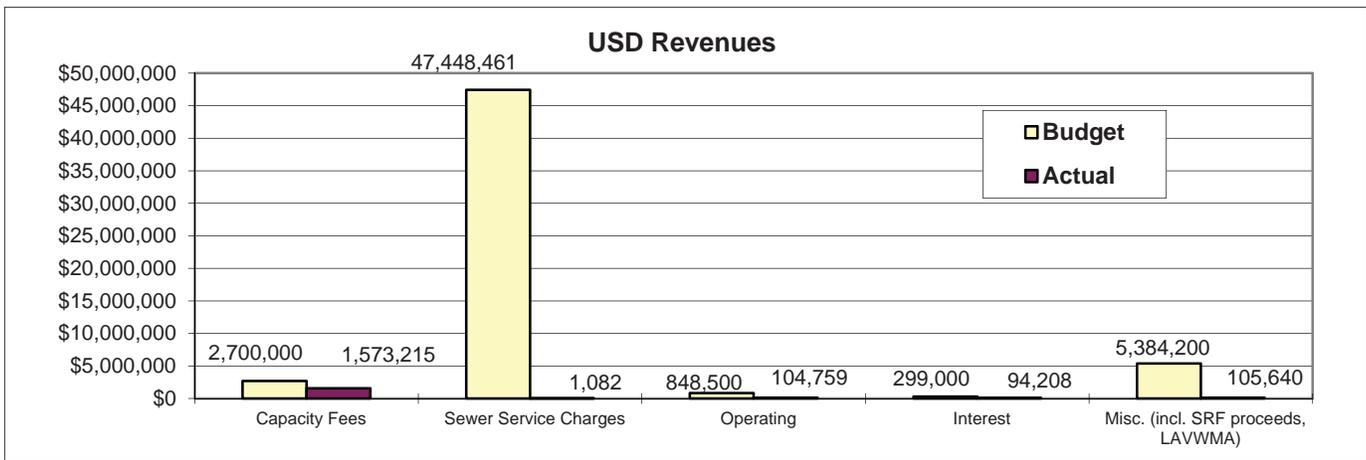
**Gross Operating Expenses by Work Group**

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Used</b>	<b>Last Year Actuals</b>
Board of Directors	\$170,900	\$27,450	16%	\$166,233
General Manager/Admin.	1,036,505	278,587	27%	1,153,217
Business Services	4,666,100	1,059,163	23%	4,416,832
Collection Services	5,954,753	1,287,258	22%	5,460,336
Technical Services	5,247,562	1,097,022	21%	4,850,139
Treatment & Disposal Services	9,980,700	2,062,610	21%	9,739,655
Fabrication, Maint. & Construction	5,602,694	1,046,975	19%	4,965,555
<b>Total</b>	<b>\$32,659,214</b>	<b>\$6,859,065</b>	<b>21%</b>	<b>\$30,751,966</b>

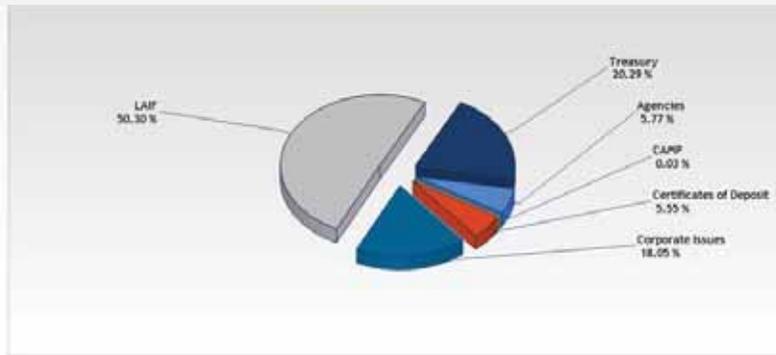
**Operating Expenses by Type**

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Used</b>	<b>Last Year Actuals</b>
Personnel (incl D&E)	\$22,966,422	\$4,996,937	22% (27%)*	\$21,125,985
Repairs & Maintenance	1,828,375	312,890	17%	1,615,427
Supplies & Matls (chemicals, small tools)	2,453,720	442,349	18%	2,442,617
Outside Services (utilities, biosolids, legal)	5,217,697	1,082,087	21%	5,493,010
Fixed Assets	193,000	24,802	13%	74,927
<b>Total</b>	<b>\$32,659,214</b>	<b>\$6,859,065</b>	<b>21%</b>	<b>\$30,751,966</b>

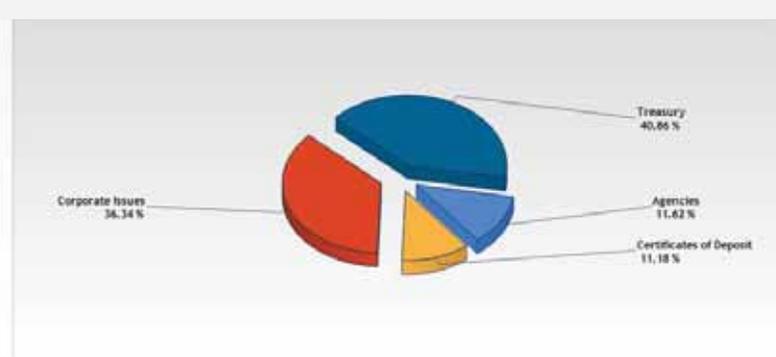
\* Personnel Budget Target



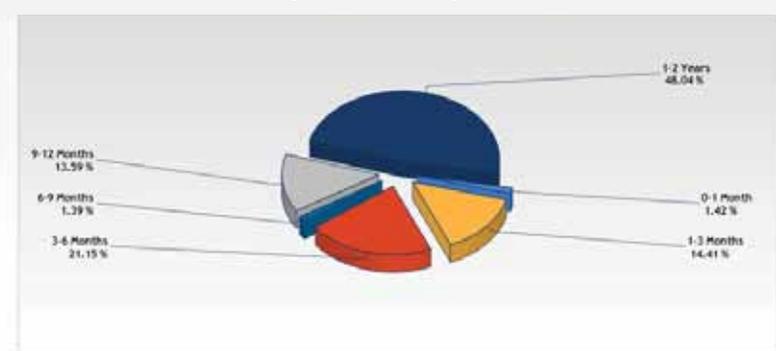
All Portfolio Holdings Distribution by Asset Class



Operating Fund Holdings Distribution by Asset Class



Operating Fund Maturity Distribution



Maturity Range	Face Amount/Shares	YTM @ Cost	Cost Value	Days To Maturity	% of Portfolio	Market Value	Book Value	Duration To Maturity
0-1 Month	245,000.00	0.400	245,000.00	17	1.42	245,024.21	245,000.00	0.05
1-3 Months	2,480,000.00	0.437	2,480,624.00	46	14.41	2,481,121.62	2,480,031.75	0.12
3-6 Months	3,480,000.00	0.773	3,641,300.00	137	21.15	3,523,570.97	3,517,107.67	0.38
6-9 Months	240,000.00	0.523	239,918.40	254	1.39	240,320.95	239,961.19	0.70
9-12 Months	2,305,000.00	0.570	2,339,693.20	279	13.59	2,324,595.53	2,320,355.51	0.76
1-2 Years	8,240,000.00	0.454	8,271,420.00	541	48.04	8,260,229.72	8,258,025.70	1.47
<b>Total / Average</b>	<b>16,990,000.00</b>	<b>0.535</b>	<b>17,217,955.60</b>	<b>337</b>	<b>100</b>	<b>17,074,863.00</b>	<b>17,060,481.82</b>	<b>0.92</b>

**Union Sanitary District  
Board Report - Holdings**  
Report Format: By Transaction  
Group By: Asset Class  
**Portfolio/Report Group: All Portfolios  
As of 9/30/2014**

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
<b>Agencies</b>											
FHLMC 0.5 6/20/2016-14	3134G4N38	Moody's-Aaa	12/20/2013	1,000,000.00	1,000,000.00	0.500	996,170.00	0.500	12/20/2014	6/20/2016	2.88
FNMA 0.5 3/30/2016	3135GOVA8	Moody's-Aaa	1/24/2014	1,000,000.00	1,000,750.00	0.500	1,000,760.00	0.465		3/30/2016	2.89
<b>Sub Total / Average</b>				<b>2,000,000.00</b>	<b>2,000,750.00</b>	<b>0.500</b>	<b>1,996,930.00</b>	<b>0.482</b>			<b>5.77</b>
<b>CAMP</b>											
CAMP LGIP	LGIP4000	None	5/31/2011	9,790.10	9,790.10	0.050	9,790.10	0.050	N/A	N/A	0.03
<b>Sub Total / Average</b>				<b>9,790.10</b>	<b>9,790.10</b>	<b>0.050</b>	<b>9,790.10</b>	<b>0.050</b>			<b>0.03</b>
<b>Certificates of Deposit</b>											
Bank of Baroda NY US 0.4 1/22/2015	06062AFE4	None	1/22/2014	240,000.00	240,000.00	0.400	240,151.49	0.400		1/22/2015	0.69
BMW Bank North America 0.5 3/14/2016	05568P6V4	None	3/31/2014	240,000.00	239,760.00	0.500	239,602.22	0.552		3/14/2016	0.69
Discover Bank 0.5 6/11/2015	254671D72	None	12/24/2013	240,000.00	239,918.40	0.500	240,320.95	0.523		6/11/2015	0.69
GE Capital Bank 0.4 10/17/2014	36163CFX3	None	10/18/2013	245,000.00	245,000.00	0.400	245,024.21	0.400		10/17/2014	0.71
GE Capital Retail Bank 0.95 3/16/2015	36157PAU3	None	1/2/2013	240,000.00	240,000.00	0.950	240,789.48	0.950		3/16/2015	0.69
Goldman Sachs Bank 0.75 11/14/2014	38143AU78	None	11/30/2012	240,000.00	240,000.00	0.750	240,170.81	0.750		11/14/2014	0.69
Merrick Bank 0.5 6/30/2015	5912Y5Y9	None	12/30/2013	240,000.00	240,000.00	0.500	240,290.78	0.500		6/30/2015	0.69
Sallie Mae Bank 0.75 11/14/2014	795450QK4	None	11/30/2012	240,000.00	240,000.00	0.750	240,170.81	0.750		11/14/2014	0.69
<b>Sub Total / Average</b>				<b>1,925,000.00</b>	<b>1,924,678.40</b>	<b>0.593</b>	<b>1,926,520.75</b>	<b>0.603</b>			<b>5.55</b>
<b>Corporate Issues</b>											
General Electric Capital Corp 1.625	36962G5Z3	Moody's-A1	3/31/2014	1,000,000.00	1,014,530.00	1.625	1,009,510.00	0.460		7/2/2015	2.93

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
General Electric Capital Corp 2.15 1/9/2015	36962G5M2	Moody's-A1	8/16/2013	1,000,000.00	1,021,670.00	2.150	1,005,040.00	0.590		1/9/2015	2.95
General Electric Capital Corp 2.375 6/30/2015	36962G5F7	Moody's-A1	11/30/2012	500,000.00	517,745.00	2.375	508,015.00	0.980		6/30/2015	1.49
General Electric Capital Corp 4.875 3/4/2015	36962GP65	Moody's-A1	9/18/2013	1,000,000.00	1,059,830.00	4.875	1,019,610.00	0.750		3/4/2015	3.06
International Business Machs 0.45 5/6/2016	459200HL8	Moody's-Aa3	11/26/2013	1,000,000.00	996,840.00	0.450	997,140.00	0.580		5/6/2016	2.88
JP Morgan Chase 4.75 3/1/2015	46625HCE8	Moody's-A3	1/2/2013	1,000,000.00	1,079,800.00	4.750	1,017,980.00	1.012		3/1/2015	3.12
Well Fargo Bank 0.75 7/20/2015	94985H5F7	Moody's-Aa3	3/31/2014	565,000.00	567,418.20	0.750	566,779.75	0.420		7/20/2015	1.64
<b>Sub Total / Average</b>				<b>6,065,000.00</b>	<b>6,257,833.20</b>	<b>2.596</b>	<b>6,124,074.75</b>	<b>0.684</b>			<b>18.05</b>
<b>LAIF</b>											
LAIF LGIP	LGIP1002	None	4/30/2011	17,435,461.96	17,435,461.96	0.260	17,435,461.96	0.260	N/A	N/A	50.30
<b>Sub Total / Average</b>				<b>17,435,461.96</b>	<b>17,435,461.96</b>	<b>0.260</b>	<b>17,435,461.96</b>	<b>0.260</b>			<b>50.30</b>
<b>Treasury</b>											
T-Bond 0.25 5/16/2016	912828VC1	Moody's-Aaa	1/24/2014	1,000,000.00	994,530.00	0.250	997,270.00	0.488		5/16/2016	2.87
T-Note 0.375 11/15/2014	912828RQ5	Moody's-Aaa	5/25/2012	2,000,000.00	2,000,624.00	0.375	2,000,780.00	0.362		11/15/2014	5.77
T-Note 0.375 2/15/2016	912828UM0	Moody's-Aaa	1/24/2014	1,000,000.00	999,530.00	0.375	1,001,250.00	0.398		2/15/2016	2.88
T-Note 0.5 6/15/2016	912828VG2	Moody's-Aaa	3/27/2014	1,000,000.00	999,530.00	0.500	1,000,937.50	0.521		6/15/2016	2.88
T-Note 1.375 11/30/2015	912828PJ3	Moody's-Aaa	12/20/2013	2,000,000.00	2,040,480.00	1.375	2,027,100.00	0.330		11/30/2015	5.89
<b>Sub Total / Average</b>				<b>7,000,000.00</b>	<b>7,034,694.00</b>	<b>0.665</b>	<b>7,027,337.50</b>	<b>0.398</b>			<b>20.29</b>
<b>Total / Average</b>				<b>34,435,252.06</b>	<b>34,663,207.66</b>	<b>0.796</b>	<b>34,520,115.06</b>	<b>0.396</b>			<b>100</b>

All investment actions executed since the last report have been made in full compliance with the District's Investment Policy. The District will meet its expenditure obligations for the next six months. Market value sources are the LAIF, CAMP, and BNY Mellon monthly statements.

Union Sanitary District  
Board Report - Activity  
Portfolio/Report Group: All Portfolios  
From 9/1/2014 To 9/30/2014

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
<b>DEPOSIT</b>								
CAMP LGIP	LGIP4000	0.41	0.41	0.00	0.00	0.000	9/30/2014	0.41
<b>Sub Total / Average</b>		<b>0.41</b>	<b>0.41</b>	<b>0.00</b>				<b>0.41</b>
<b>INTEREST</b>								
BMW Bank North America 0.5 3/14/2016	05568P6V4	0.00	0.00	604.93	0.500	0.000	9/14/2014	604.93
CAMP LGIP	LGIP4000	0.00	0.00	0.41		0.000	9/30/2014	0.41
FNMA 0.5 3/30/2016	3135GOVA8	0.00	0.00	2,500.00	0.500	0.000	9/30/2014	2,500.00
GE Capital Retail Bank 0.95 3/16/2015	36157PAU3	0.00	0.00	1,149.37	0.950	0.000	9/16/2014	1,149.37
General Electric Capital Corp 4.875 3/4/2015	36962GP65	0.00	0.00	24,375.00	4.875	0.000	9/4/2014	24,375.00
JP Morgan Chase 4.75 3/1/2015	46625HCE8	0.00	0.00	23,750.00	4.750	0.000	9/1/2014	23,750.00
Merrick Bank 0.5 6/30/2015	5912Y5Y9	0.00	0.00	101.92	0.500	0.000	9/30/2014	101.92
<b>Sub Total / Average</b>		<b>0.00</b>	<b>0.00</b>	<b>52,481.63</b>				<b>52,481.63</b>
<b>WITHDRAW</b>								
LAIF LGIP	LGIP1002	500,000.00	500,000.00	0.00		0.000	9/5/2014	500,000.00
LAIF LGIP	LGIP1002	600,000.00	600,000.00	0.00		0.000	9/10/2014	600,000.00
LAIF LGIP	LGIP1002	500,000.00	500,000.00	0.00		0.000	9/12/2014	500,000.00
LAIF LGIP	LGIP1002	400,000.00	400,000.00	0.00		0.000	9/23/2014	400,000.00
LAIF LGIP	LGIP1002	1,300,000.00	1,300,000.00	0.00		0.000	9/26/2014	1,300,000.00
<b>Sub Total / Average</b>		<b>3,300,000.00</b>	<b>3,300,000.00</b>	<b>0.00</b>				<b>3,300,000.00</b>

**Union Sanitary District's Internal Retiree Medical Fund  
Quarterly Report**

**For Period Ended 9/30/14**

<b>Fund Balance 6/30/14:</b>		<b>\$4,467.87</b>
<b>Revenues:</b>		
Annual allocation from Sewer Service Charges for ARC		543,540.00
Medicare part D subsidy payment		6,374.16
<b>Expenses:</b>		
Net Medical Reimbursements		(3,254.27)
<b>Transfers Out:</b>		
9/12/14 CalPERS OPEB Trust Annual Required Contrib. (ARC) (payment #1 of 4)		(135,885.00)
<b>Ending Fund Balance 9/30/14:</b>		<b>\$415,242.76</b>



**Market Value Summary:**

	OTD Current Period	Fiscal Year to Date
Beginning Balance	\$4,092,910.26	\$4,092,910.26
Contribution	135,885.00	135,885.00
Distribution	(73,421.96)	(73,421.96)
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	(96,817.53)	(96,817.53)
Admin Expense	(1,192.69)	(1,192.69)
Other	0.00	0.00
Ending Balance	\$4,057,363.08	\$4,057,363.08
YTD Accrual	73,421.96	73,421.96
Grand Total	\$4,130,785.04	\$4,130,785.04

**Unit Value Summary:**

	OTD Current Period	Fiscal Year to Date
Beginning Units	302,056.697	302,056.697
Unit Purchases from Contributions	9,948.117	9,948.117
Unit Sales for Withdrawals	(5,392,406)	(5,392,406)
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	306,612.408	306,612.408
Period Beginning Unit Value	13.793213	13.793213
Period Ending Unit Value	13.472335	13.472335

Please note that the Grand Total is your actual fund account balance at the end of the period, including all accrued Contributions and Disributions. Please review your statement promptly. All information contained in your statement will be considered true and accurate unless you contact us within 30 days of receipt of this statement. If you have questions about the validity of this information, please contact CERBT4U@calpers.ca.gov.



Statement of Transaction Detail for the Quarter Ending 09/30/2014

Union Sanitary District

Entity #: SKB7-6011550262

Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
07/01/2014	YE Accrual Distribution Reversal	\$73,421.96				
08/05/2014	Distribution	(\$73,421.96)	\$13.615807	(5,392.406)		
09/12/2014	Contribution	\$135,885.00	\$13.659369	9,948.117	wire 2014091200087 690	

Client Contact:  
CERBT4U@CalPERS.ca.gov

**COLLECTION SERVICES  
ACTIVITIES REPORT  
September 2014**

**Progress/Accomplishments**

- Completed 104,740 feet of cleaning and 58,464 feet of televising of sewer lines in September
- Responded to 22 service request calls in September
- Completed a total of 31 main repairs in September
- Marked and located all sewer lines (Underground Service Alerts)
- Provided support on the following projects: Lateral Condition Assessment, Upper Hetch Hetchy Trunk Line Lining, Jarvis Ave Sewer Relocation, Newark Backyard Lateral Relocation, Alvarado Site use Study, & Plant Shut Downs
- Participated in and presented at a CSOTF Benchmarking meeting
- Assisted TS Work Group in resolving the 2 Warm Springs lateral issues
- Participated in a BACWA meeting
- Continued training of 3 Collection System Worker I employees
- Continued on our progress on catching up on 72 Month Cleaning and Inspection PMP
- Participated in and presented at a Benchmarking meeting with CASSE
- Participated with State Committee to rewrite the SSMP Development Guide
- Started recruitment for CSWI and CS Manager

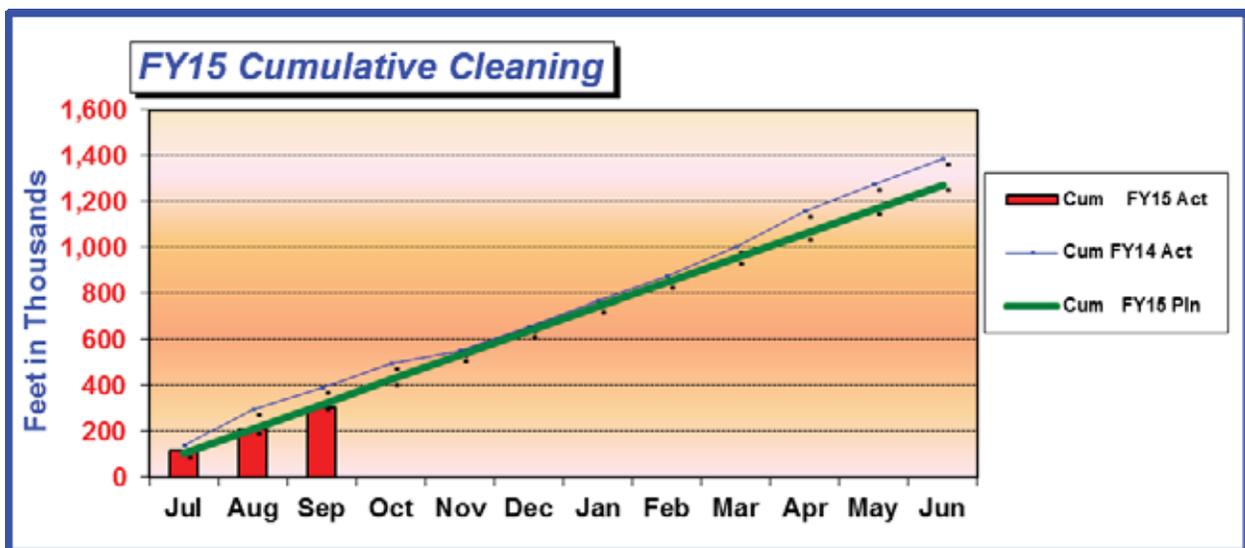
Training for Collections included;

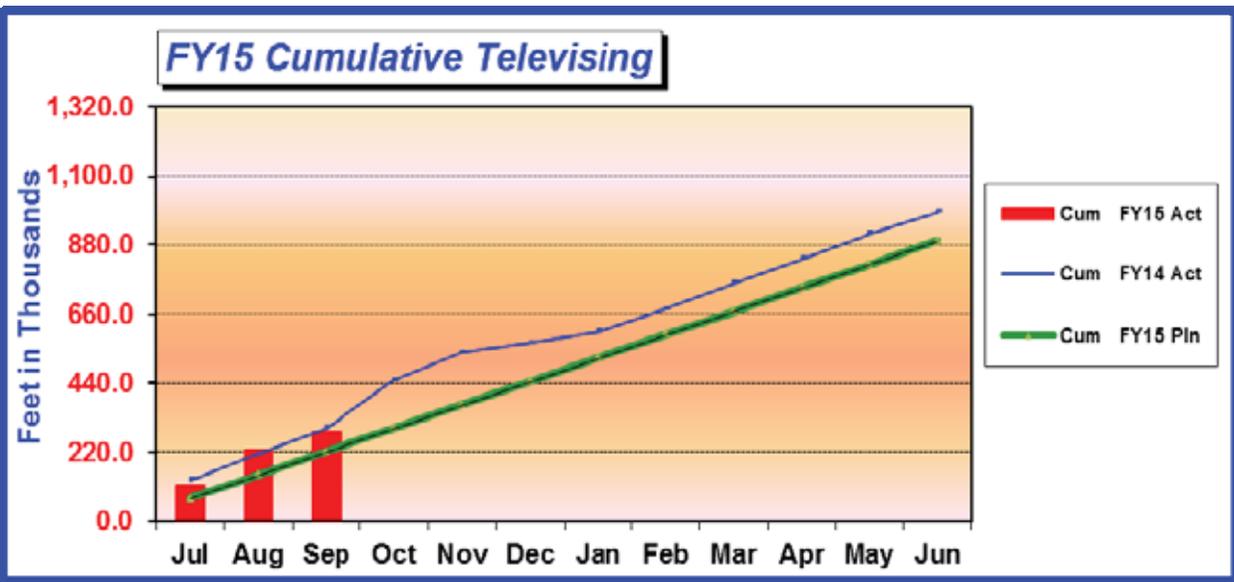
SOP CS110-11 SSL Over the Tire Tracks, SOP CS110-12 SSL – Auger, SOP CS110-17 SSL – Tree Shear, Fall Protect – Competent Person for newest CSWI, Commercial Driving Training for newest CSWI, and Safety Star Points shared and discussed topics from Safety meeting.

**Future Planning**

- Continue effort of to catch up on 72 Month Cleaning and Inspection PMP
- Train new CSW I employees
- Continue planning for transition for new CS Work Group Manager

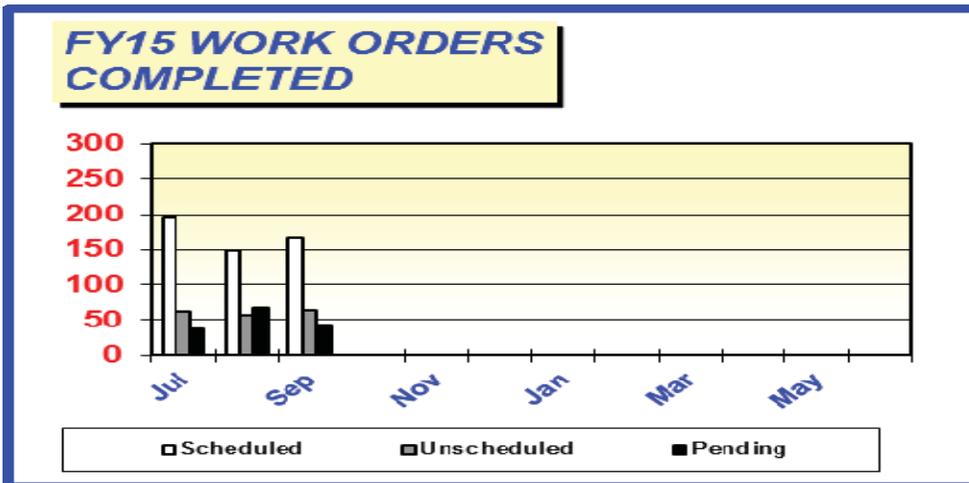
**Performance Measures**



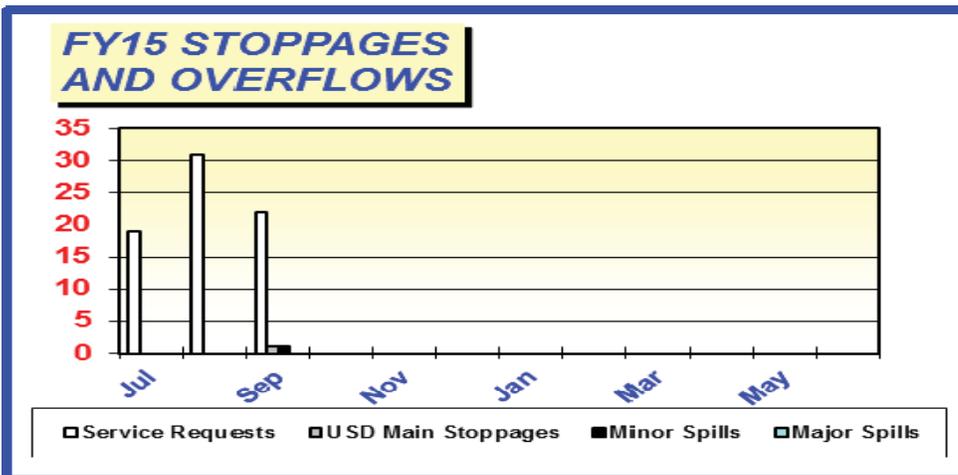


**Other Collection Services Status Data:**

**Support Team Work Order Status:**



**C/S Maintenance Status:**



**MONTHLY OPERATIONS REPORT FOR THE MONTH OF SEPTEMBER 2014  
TECHNICAL SUPPORT WORK GROUP SUMMARY**

**Capital Improvement Program**

**Boyce Road Lift Station Project – Phase 2** – Contractor installed power and communication cables for the load bank; installed 2 motorized actuators in the wetwell; replaced gas detection system; completed gas detection system functional and operational testing. ANC (consultant) completed PLC and SCADA programming for the gas detection system.

**Cogeneration Project** – Contractor began testing the new engine generator and digester gas conditioning systems. PG&E completed their inspection of the new cogeneration system's 480 volt switchgear and approved USD to generate power and connect to the plant's main switchgear.

**Jarvis Ave. SS Replacement** – Installation of mainline sewer and manholes is nearing completion. Extension and reconnection of laterals at 5 residences to follow.

**Primary Digester No. 5 Rehabilitation Project** – Contractor mobilized on 9/15 and has begun removing the joint sealant around the digester dome cover.

**Sodium Hypochlorite Tanks A and B Replacement** – The Ferrous Chloride tank at Irvington PS was put into service on 9/4. Hypo Tank A at the Maintenance Shop Building was put into service on 9/11. Both tanks have been operating without issues. Hypo Tank B remains to be replaced.

**Thickener Control Building Improvements Project** – Process piping and electrical equipment submittals are currently under review. Once approved, GSE Construction will proceed with the procurement of materials as well as the installation of underground conduits. Construction of new Thickener Electrical Building is expected to begin in late October.

**Upper Hetch Hetchy SS Rehabilitation** – City of Fremont sewer bypassing and CIPP lining is complete. Newark Pump Station sewer bypass mobilization is now underway. Willow St. in Newark to follow.

**Customer Service**

Trouble Calls dispatched from the Front Desk during business hours:

<b>Fremont</b>	<b>Newark</b>	<b>Union City</b>	<b>Total</b>
<b>7</b>	<b>4</b>	<b>1</b>	<b>12</b>

**Communication & Graphics**

- Designed PowerPoint presentation for Joint ACWD/USD Boards of Directors meeting
- Attended U.C. Chamber Events Saturday 9/27: E-Cycling, I Fly anniversary, Mexico Lindo Grand Re-opening
- Emceed State of the City Luncheon as USD rep to Chamber of Commerce 9/30
- Designed recruitment materials for Collections and TPO Manager positions

- Wrote and forwarded Safe Medicine Disposal text to ACWD for inclusion in their Fall newsletter (October-November 2014 bill insert and mailing)
- Prepared USD's crisis communication plan for Board review
- Updated website – new org charts

**Environmental Compliance**

**Pollution Prevention Program**

# of Dental Inspections	# of School Outreach Events including Sewer Science	# of Plant Tours
5	0	1-Alameda County Fire

**Misc. Pollution Prevention (Dental trainings, Plumbing Contractor training, etc.)**

Name of Event	Date
Pollution Prevention Brown Bag for USD Staff	9/23/14

**Reports (Annual Pollution Prevention, City of Fremont reports, etc.)**

Report Name	Date Report Completed and Submitted
None	

**Pollution and Prevention**

Inspections			Illicit Discharge Complaints	Enforcement Actions		
UR	FOG	Total		Type	UR	FOG
92	42	134	1	Verbal Warning	3	10
				Notice of Deficiency	0	0
				Warning Letter	0	0
				Notices of Violation	9	0
				Admin Fine	5	0
				Legal Action	0	0

**Industrial**

**Reports (Annual & Semi-Annual Pretreatment Report, Union City Report, etc.)**

Report Name	Date Report Completed and Submitted
None	

**Pending Permits**

New Industrial/Groundwater Permits	Groundwater/Temporary
Preston Pipelines (Groundwater)	

**Permits Issued**

Company Name	Date Permit Issued
None	

**Industrial Closures**

Company Name	Date of Closure
None	

**Enforcement Action**

Violation	IU Name & Nature of Business	City (F, N, UC)	Parameters Violated	Discharge concentration (mg/L)	USD/Fed Limit Violated (mg/L)	Comments
CD-14-001	Safety-Kleen (Centralized Waste Treatment)	N	Specific discharge and bypass		Ordinance 36	Ongoing compliance activities
N14-003	Global Plating	F	Cyanide	1,300 mg/L	Federal Daily Maximum limit of 1.2 mg/L and Federal Monthly Average Limit of .65 mg/L.	Violation due to exceedance of permit limits. SNC status will be documented in Pretreatment Annual Report and in locally circulated newspaper per 40 CFR 403.8(f)(2)(iv)
WL-14-003	Sogo Bakery	N	Oil and Grease pH	4.6	6, 12	Increased interceptor cleaning frequency to 1 per month.

- (1) Warning Letter (WL), Notice of Violation (NOV), Administrative Order (AO), Cease & Desist Order (C&D), Significant Non Compliance (SNC), (EM) Enforcement Meeting
- (2) Fremont (F) Newark (N) Union City (UC)
- (3) Daily Max (DM) Monthly Average (MA)

**Other - Team training, Special Meetings, Conferences, Special Recognition, IAC (topics)**

Activity	Date of Event	Attendees
IAC (Topic: Wastewater Treatment Plant Pass Through)	September 25	Alex Paredes, Audrey Villanueva, Edda Marasigan, Jason Yeates, Joe Mendoza, and five industrial user representatives

## Engineering/Construction

	Construction Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for September 2014 Activity
1.	Boyce Road LS Phase 2 – Thomas	\$330	12/14	70%	61%	Contractor installed power & communication cables for the load bank; installed 2 motorized actuators in the wetwell; replaced gas detection system, including testing. Completed PLC and SCADA programming for the gas detection system.
2.	Cogeneration Project – Raymond	\$10,566	9/14	94%	100%	Contractor began testing of new engine generator and digester gas conditioning systems.
3.	Jarvis Ave. SS Replacement – Chris E.	\$1,035	11/14	42%	52%	Mainline sewer and manholes nearly complete. 5 laterals to follow.
4.	Sodium Hypochlorite Tanks A and B Replacement – Rollie/Derek	\$220	10/14	80%	100%	Ferrous Chloride and Hypo Tank A are replaced. The final tank, Hypo Tank B, was taken out of service on 9/15 for replacement.
5.	Thickener Control Building Improvements Project – Curtis	\$9,990	9/16	5%	10%	Process piping and electrical equipment submittals under review.
6.	Upper Hetch Hetchy SS Rehabilitation – Chris E.	\$3,016	2/15	61%	45%	Work in city of Fremont is complete. Newark PS Site underway. Willow St., Newark Site to follow.
7.	Primary Digester No. 5 Rehabilitation Project - Chris P.	\$779	12/14	11%	28%	Mobilized on 9/15. Temporarily removed walkways and handrail. Begun removing the joint sealant around the digester dome cover.

## Design/Study

	Design/Study Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for September 2014 Activity
1.	Irvington Basin Master Plan Update – Capacity Assessment - Rollie	\$231	6/15	0%	0%	Kick-off Mtg held. Data being gathered.
2.	Local Limits and Wastewater Treatability Study – Michael D.	\$107	12/14	98%	100%	No comments were received from the Water Board.
3.	Seismic Study - Raymond	\$148	9/14	98%	100%	Staff requested the consultant to prepare an estimate for conducting a more detailed structural analysis of four buildings.
4.	Cast Iron Lining Phase VI – Andrew	In-House	11/14	95%	80%	Sent 75% Design Submittal for Management and City/Agency Review; waiting for comments
5.	Miscellaneous Spot Repairs Phase VI – Andrew	In-House	12/14	50%	TBD	Reviewing add'l sites.
6.	Alvarado-Niles Road SS Rehabilitation – Chris E.	\$248	4/15	15%	15%	50% design by West Yost underway.
7.	Pine St. Easement Improvements – Chris E.	TBD	TBD	0%	0%	Agreement & TO#1 for design by West Yost in progress.
8.	Plant Site Use Study – Curtis	\$200	6/15	10%	16%	Kickoff meeting took place on September 2 <sup>nd</sup> . Workshop No. 1 to take place in November.
9.	MCC and PLC Replacement Project, Phase 3 – Chris P.	\$78	6/15	0%	5%	Executed Contract Agreement, Task Order No. 1 and Issued NTP to Beecher Engineering
10.	Generator Controls Upgrade Project – Chris P.	TBD	TBD	0%	0%	Completed negotiations of Task Order No. 1.
11.	Plant Facilities Improvements Project – Thomas	TBD	TBD	0%	0%	Negotiating with West Yost on Agreement & TO#1 (pre-design)
12.	Plant Lighting Study – Thomas	TBD	6/15	0%	0%	Selected TRC as the consultant; Negotiating w/ TRC on Agreement & TO#1.

	<b>Design/Study Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for September 2014 Activity</b>
13.	Administrative and Field Operations Buildings Leak Investigation – Chris P.	\$51	10/14	95%	100%	J2 provided draft report of findings and estimate of probable costs for repair/ replacement.
14.	Pump Station Master Plan – Raymond	TBD	TBD	TBD	TBD	Waiting for Carollo to submit a draft task order of services and fee.
15.	Newark Backyard SS Relocation – Phase 2 - Rollie	\$200	3/15	25%	25%	All resident investigations completed.
16.	Aeration Blower Project – Chris P.	TBD	TBD	TBD	TBD	Conducted project scoping meeting with TPO and FMC.

**Treatment & Disposal  
Activities Report  
September 2014**

**Progress/Accomplishments**

- Maintained 100% compliance with NPDES permits.
- Completed 99% preventive maintenance activities for the month of September.
- The Anitnox pilot study work was completed on site.
- Prepared and delivered the Union City Annual Report.
- Provided an update on the Hayward Marsh Rehabilitation Options Study and met with the Regional Water Board on September 25, 2014.
- Provided orientation training for Senior Process Engineer, Connie Li.
- Conducted facility tour for Chabot College engineering students.
- Provided initial operating recommendations for the new cogeneration system startup.

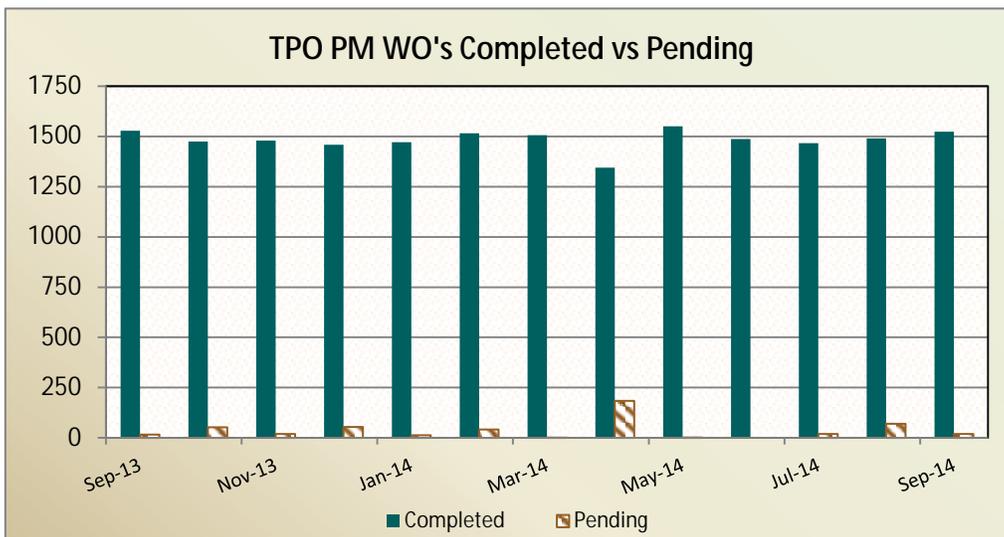
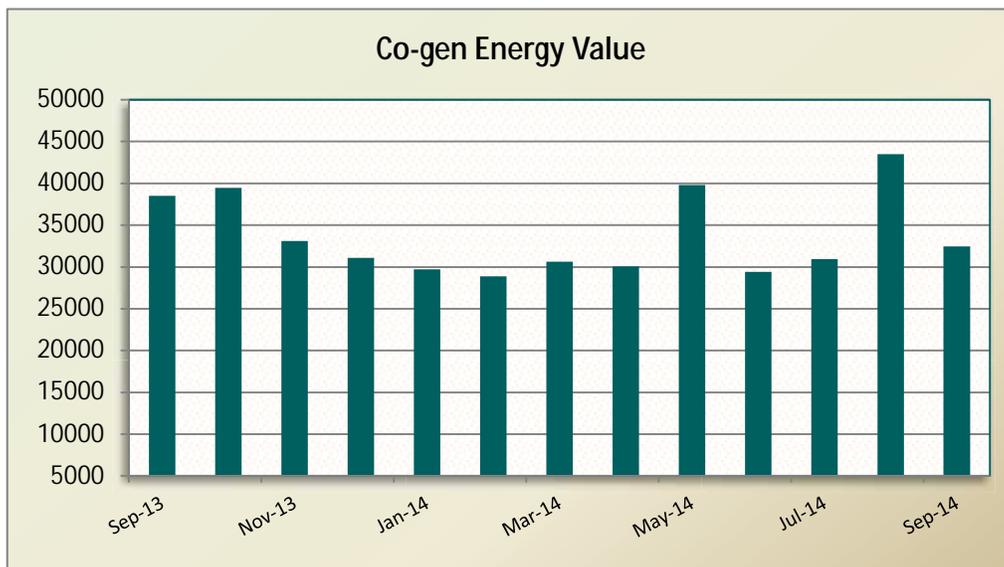
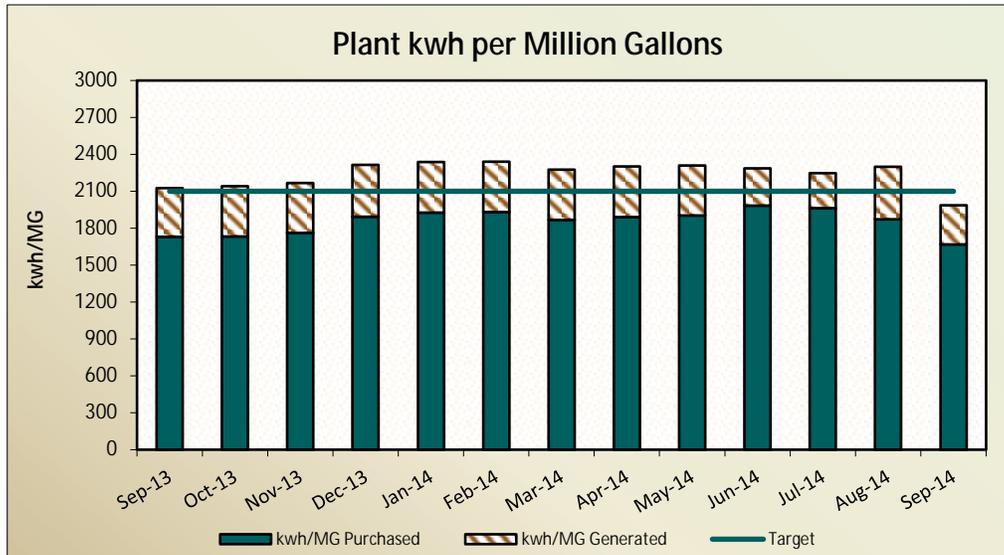
**Future Planning**

- Provide a tour of the Hayward Marsh to the Regional Water Board Staff.
- Prepare for the ELAP recertification of the treatment plant laboratory.
- Attend the BACWA Nutrient Symposium II.
- Attend the Regional Monitoring Program annual meeting.

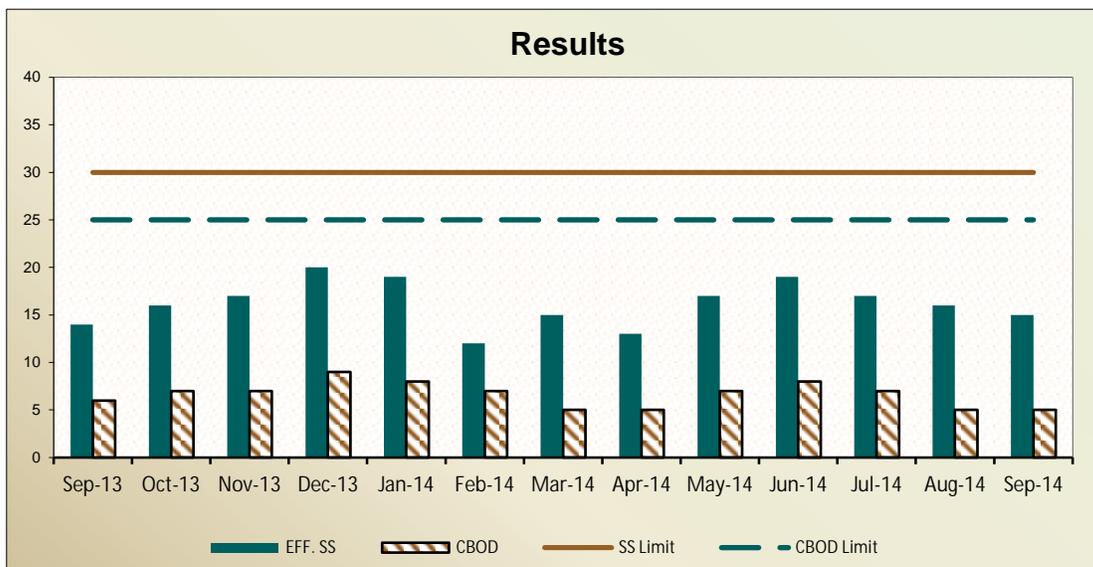
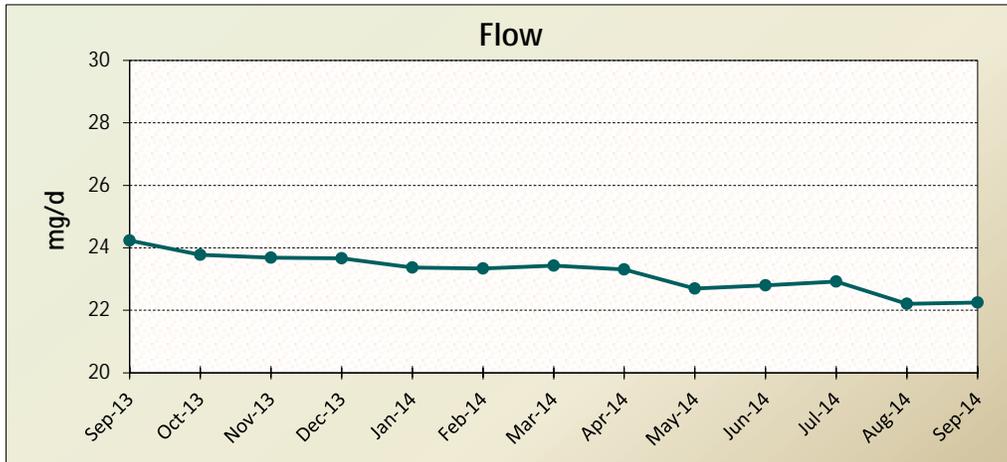
**Other**

- Cogen system produced 15.9% of power consumed for the month of September.

## Performance Measurements



## Operational/NPDES Performance



<u>Parameter</u>	<u>Monthly Average</u>	<u>NPDES Permit Limits</u>
SS	15	30 mg/l
BOD	5	25 mg/l
F. Coliform	11 - 24 21 - 48	500, 5-Day Log Mean 1100, 90th Percentile
Copper	3.0	78 µg/l
Nickel	3.7	79 µg/l
Mercury	0.01070	0.066 µg/l
Cyanide	< 3.0	42 µg/l

**FMC  
Activities Report  
September 2014**

**Progress/Accomplishments**

- Completed 96% preventive maintenance activities for the month of September.
- Completed 86 corrective maintenance work orders for the month of September.
- Replaced #1 TPS feed valve
- New Co-Generation Project Commissioning
- Replaced mechanical seal on Sludge Pump #6
- Repair Secondary Clarifier #6
- Refurbish Digester #5
- Installed new dissolved oxygen analyzers.
- Installed new level sensors on MSB hypo tanks

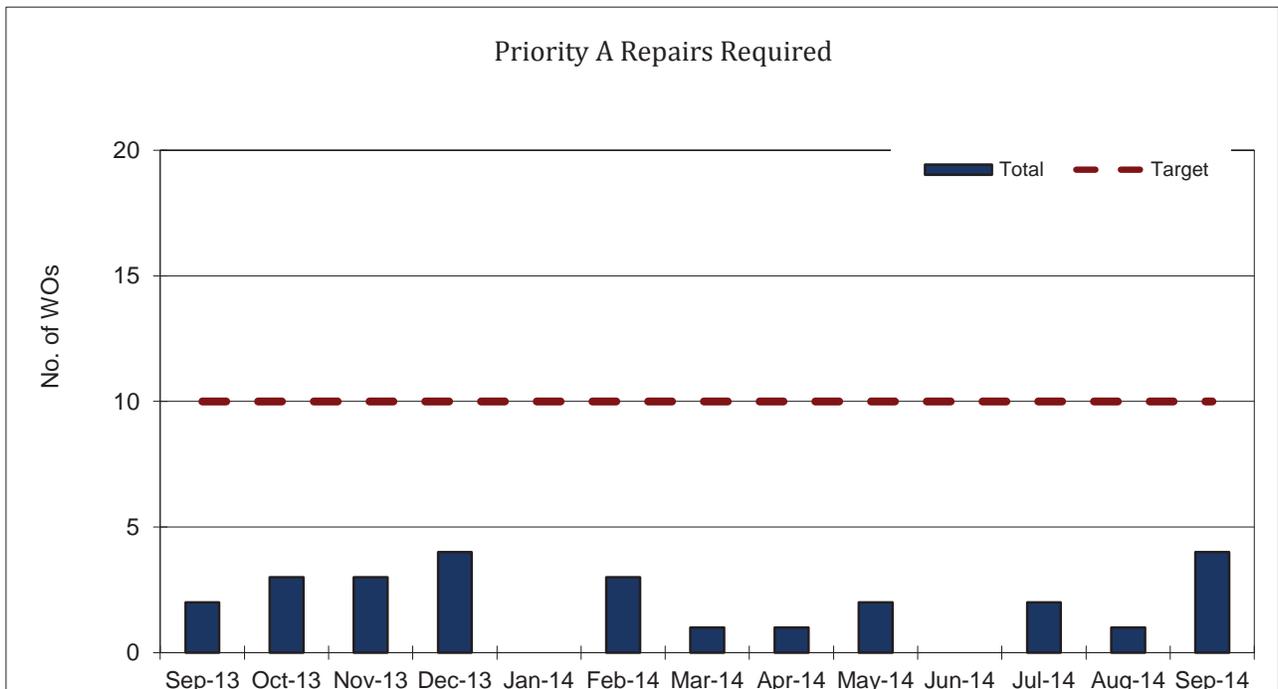
**Future Planning**

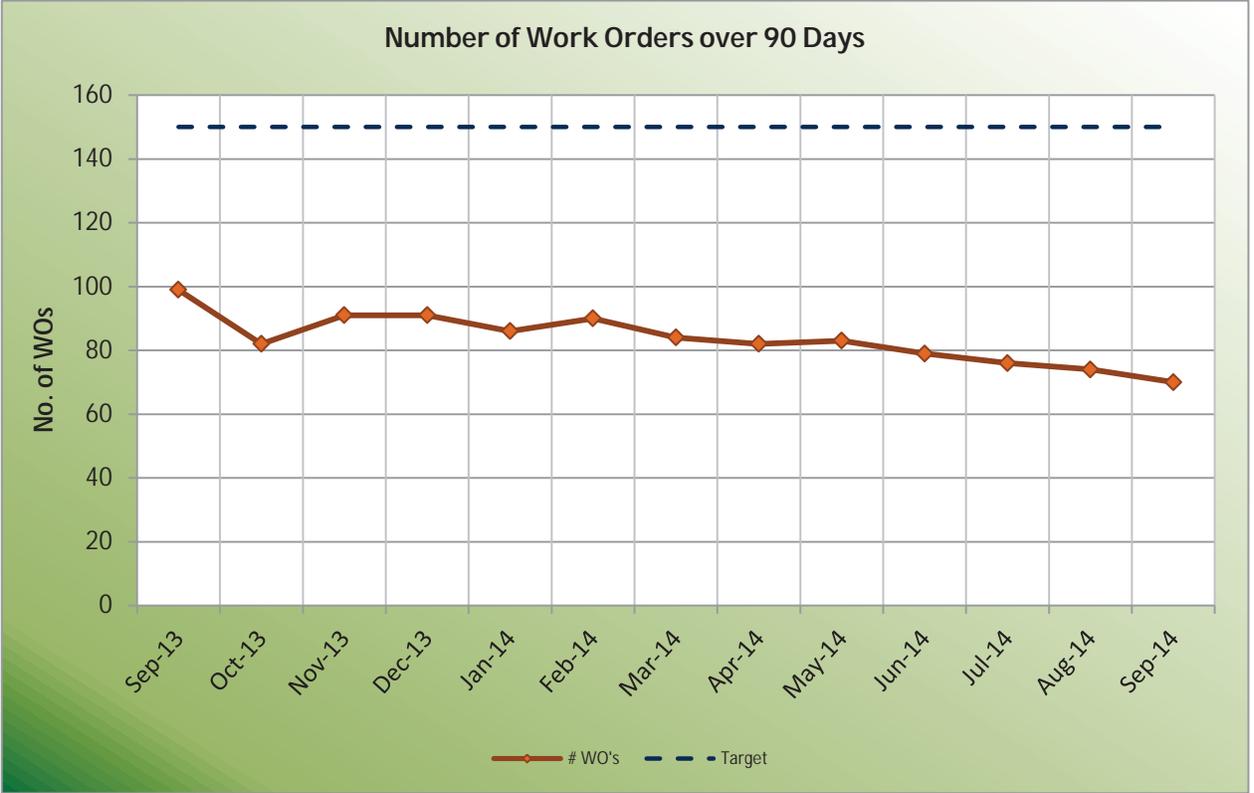
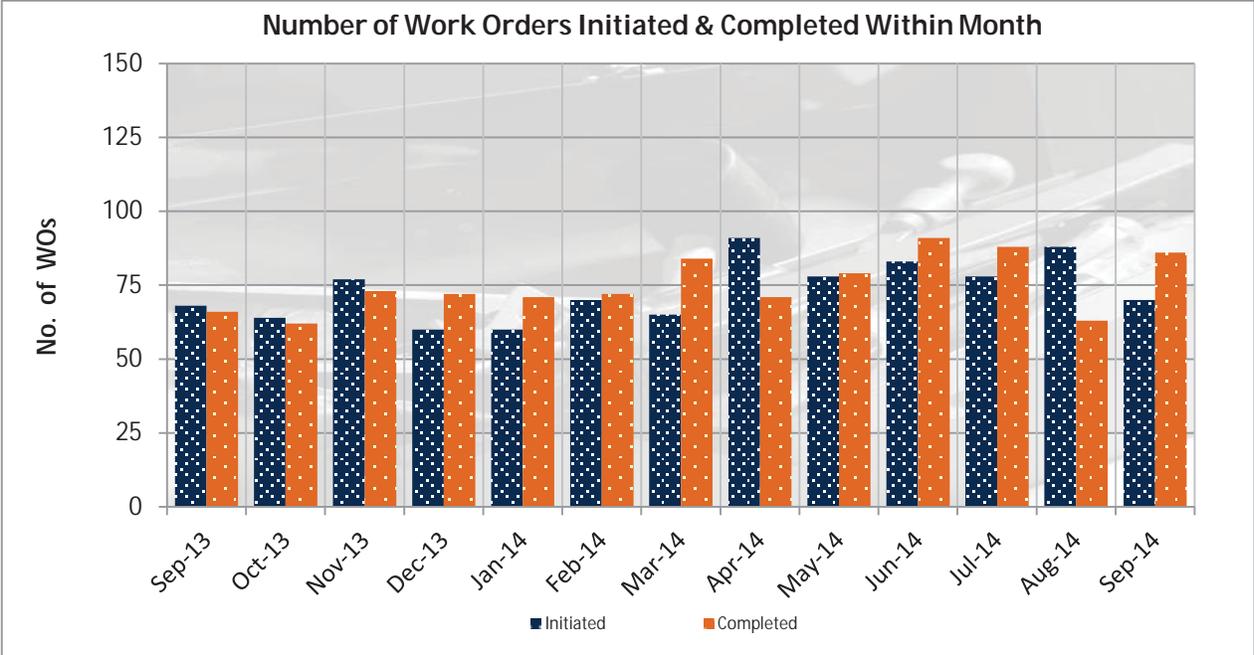
- Covered Storage Retrofit Lighting Project
- Overhaul #1 Centrifuge
- Newark Pump Station Bypass Preparation

**Other**

- Cathodic Protection Tester Training and Certification
- NFPA 70E Training
- Forklift Training
- Painter Hiring Interviews

**Performance Measurements**







**Directors**  
Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

**Officers**  
Paul Eldredge  
*General Manager/  
District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 20, 2014

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Sami Ghossain, Manager of Technical Services  
Raymond Chau, CIP Coach  
Curtis Bosick, Associate Engineer

**SUBJECT:** Agenda Item No. 8 – Meeting of October 27, 2014  
**Authorizing the General Manager to Execute Change Order No. 3 with GSE Construction Company for the Thickener Control Building Improvements Project**

### **Recommendation**

Authorizing the General Manager to execute Change Order No. 3 to the construction contract with GSE Construction Company, Inc. ("GSE") for the credit amount of \$139,292 for the Thickener Control Building Improvements Project ("Project").

### **Background**

On May 27, 2014, the Board awarded the construction contract for the Project to GSE in the amount of \$9,990,050. The Project's scope includes the construction of a new Thickener Control structure with built-in utility trenches, three new progressing cavity sludge pumps, two grinder pumps, two flow meters, and numerous isolation valves along with associated piping and fittings. The Project was designed by Carollo Engineers, and The Covello Group is providing construction management services. The 790-day project is scheduled to be complete on September 10, 2016.

The District obtained financial assistance through the State Revolving Fund program administered by the State Water Resources Control Board ("SWRCB"). The approved budget for this financial assistance is \$12,200,000.

### **American Iron and Steel ("AIS") Requirements**

Staff advertised the Project for bids on January 15, 2014. On January 28<sup>th</sup>, the State Water Resources Control Board informed staff that there were new AIS requirements

which were mandatory for all Clean Water State Revolving Fund Projects. The executed finance agreement for this project, including the new AIS requirements, was received on January 30, 2014.

Per the direction of the SWRCB, staff issued addenda during the bid period which modified the Bid Documents to both add and clarify the new AIS Requirements. The requirements prohibited the use of Project Funds to purchase "iron and steel products" produced outside of the United States. The term "iron and steel products" included products such as lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The requirements did not include mechanical or electrical equipment.

Staff received and opened bids on April 22, 2014. On April 25<sup>th</sup>, the SWRCB notified staff by email that the Project may qualify for a waiver of the AIS Requirements based on the original advertisement date of January 15<sup>th</sup>.

### **Cost Savings for Changing Valves from Domestic to Non-Domestic**

The Project includes the installation of 121 plug valves and 9 check valves ranging from 1-1/2 to 18 inches in size. In August 2014, GSE's project manager asked staff if USD would consider waiving the AIS requirements for the Project check and plug valves as this would improve procurement time and reduce the cost of materials. In anticipation of the AIS requirements being waived by the SWRCB, staff issued a Request for Quotation to GSE on August 28, 2014 to determine what the cost savings would be. Staff discovered that there were significant potential cost savings (approximately 25%) for purchasing non-domestic valves versus domestic valves conforming to the AIS requirements.

On September 4, 2014, the SWRCB provided staff with an executed Amendment No. 1, which amended the finance agreement for the Project to waive the AIS Requirements. It was learned that the Project falls under the National Bid Waiver, as the Project was advertised for bid prior to April 15, 2014.

After some coordination and research from GSE, staff received a cost breakdown identifying that there were \$154,769 in cost savings in purchasing non-domestic check and plug valves for the Project. GSE indicated that the cost savings should be split equally with the District, as with a cost-reduction incentive. However, this proposal does not meet all the requirements of a cost-reduction incentive, as specified in the Project documents. During a meeting on October 1<sup>st</sup>, staff negotiated with GSE a 90:10 cost savings split, in the District's favor. The basis of the 10 percent cost sharing was to compensate GSE for identifying these potential savings, their time spent investigating and computing valve pricing, and to encourage them to look for additional potential savings associated with the waiving of the AIS Requirements.

Change Order No. 3 will comprise of crediting the District's 90 percent of the total cost savings of \$154,769. Therefore, the total credit to the District is \$139,292.

In addition to the substantial cost savings, waiving the AIS requirements for the Project's check and plug valves will reduce valve procurement times. The estimated procurement time for domestic valves is 14 to 16 weeks; while the estimated procurement time for non-domestic valves is only 4 to 6 weeks.

The non-domestic valves would be essentially the same valves (same manufacturer, model and type) as the domestically manufactured valves. The only difference would be that not all of the iron or steel materials used in the manufacturing process were made or formed in the United States. In fact, most if not all of the existing check and plug valves at USD's facilities were manufactured without conforming to the AIS Requirements.

### **Project Change Order Summary**

Two change orders have been executed to date, as follows:

1. Contract Change Order No. 1 is in the amount of \$0 and is for updating the federal Davis Bacon and Related Act wage determination schedule, and
2. Contract Change Order No. 2 is in the amount of \$4,421 and is for the replacing of the originally submitted APCO 4-inch Air Release Valve with the Vent-O-Mat 4-inch Air Release Valve. The Vent-O-Mat is typically sole-sourced by USD; however, the type of valve was not specified by the Design Engineer in the Contract Documents.

Change Order No. 3 will reduce the change order rate to -1.35% of the original contract amount.

Staff recommends the Board authorize the General Manager to execute Change Order No. 3 to the construction contract with GSE Construction Company, Inc. for the credit amount of \$139,292 for the Thickener Control Building Improvements Project. Additionally, staff recommends issuing a Request for Quotation to GSE for identifying any additional cost savings associated with the SWRCB waiving the AIS Requirements.

PRE/SG/RC/CB;ks

Attachment: Contract Change Order No. 3

**CONTRACT CHANGE ORDER No. 003**  
**Union Sanitary District**  
**Thickener Control Building Improvements Project**  
**Project No. 800-394**

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**Item: Deletion of American Iron and Steel Requirements for Valves**

Contractor is hereby directed to make the herein described changes from the plans and specifications or do the following work not included in the plans and specifications of this contract. All new work herein described shall be done in accordance with the applicable provisions of the plans and specifications, except as specifically modified by this Contract Change Order.

**DESCRIPTION OF CHANGE:**

The District agrees to waive the American Iron and Steel (AIS) Requirements for all Eccentric Plug Valves and Swing Check Valves as required by Specification Section 00820-4.0. The Contractor and Owner have agreed to a 90:10 cost savings split, with 90 percent of the total savings being credited back to the District. Refer to the attached breakdown included in Potential Change Order (PCO) No. 1.

Domestic Valve Bid Amount	-\$618,621.00
Non-Domestic Valve Quoted Amount	<u>\$463,852.00</u>
Total Amount	(-154,769.00)

**REFERENCES:** Potential Change Order (PCO) No. 1  
Request for Quote (RFQ) No. 1

**COST OF CHANGE: (\$139,292.00) Deduct**

**CONTRACT TIME ADJUSTMENT:** none

We, the undersigned Contractor, have given careful consideration to all aspects of the change proposed and hereby agree. This Contract Change Order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment, including any delay and rescheduling, required to perform the above described change and will accept this Contract Change Order as full and final payment.

This document supplements the Contract Documents and all provisions of the Contract Documents will apply thereto. It is understood that the Contract Change Order shall be effective when fully executed by the District.

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**ACCEPTED:**

**GSE Construction Co., Inc.**  
Project Manager:

By: \_\_\_\_\_  
Mario Lozano

Date: \_\_\_\_\_

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**RECOMMENDED FOR ACCEPTANCE:**

**The COVELLO GROUP, Inc.**  
Construction Manager:

By: \_\_\_\_\_  
Mike Redig, P.E.

Date: \_\_\_\_\_

**AUTHORIZED STAFF APPROVAL:**

The Contractor shall not commence with the above-described work of this change order prior to the approval by the District's Authorized Staff.

**Union Sanitary District**

General Manager/District Engineer:

By: \_\_\_\_\_  
Paul Eldredge

Date: \_\_\_\_\_

GSE CONSTRUCTION INC.  
 PROJECT/NAME OF JOB: USD THICKENER UPGRADE  
 PROJECT No.: 654

DATE: 9/19/2014  
 GSE CO PCO # 11  
 CLIENTS CO #

PCO No. 01

**CHANGE ORDER CALCULATION**

DESCRIPTION OF CHANGE:

**CHANGE CHECK VALVES AND ECCENTRIC PLUG VALVES FROM DOMESTIC TO NON-DOMESTIC**

DESCRIPTION	QUANTITY	UNIT	UNIT PRICES			LABOR		DIRECT COSTS				TOTAL DIRECT COST
			EQUIP.	MATERIAL	LABOR	HOURS	RATE	EQUIP.	MATERIAL	LABOR	S/CONTRACT	
Domestic (Bid) Price	-1	LS	\$0	\$564,951	0	0.0	0.00	\$0	-\$564,951	\$0	\$0	-\$564,951
Tax for Above	-1	LS	\$0	\$53,670	0	0.0	0.00	\$0	-\$53,670	\$0	\$0	-\$53,670
Non-Domestic Price	1	LS	\$0	\$423,609	0	0.0	0.00	\$0	\$423,609	\$0	\$0	\$423,609
Tax for Above	1	LS	\$0	\$40,243	0	0.0	0.00	\$0	\$40,243	\$0	\$0	\$40,243
<b>TOTALS</b>								\$0	-\$154,769	\$0	\$0	-\$154,769

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System	Drawing	Area	Size	Description	Connection	Actuator	Tag #	Location	Center Line Elevation	QTY	Non-Domestic		Domestic (Bid)	
											Unit Price	Total	Unit Price	Total
DPS	M08	Solids	10"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$3,972.00	\$3,972.00	\$5,295.00	\$5,295.00
DPS	M08	Solids	8"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	2	\$2,733.00	\$5,466.00	\$3,643.00	\$7,286.00
TPS/PWAS	G09	Yard	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	4	\$2,406.00	\$9,624.00	\$3,207.00	\$12,828.00
TI	G06	Yard	1-1/2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	4	\$211.00	\$844.00	\$281.00	\$1,124.00
TPS/PWAS	G09	Yard	1-1/2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	4	\$211.00	\$844.00	\$281.00	\$1,124.00
TPS	M10	Digester 4	1-1/2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$211.00	\$211.00	\$281.00	\$281.00
TPS/PSC/DSN	C01	Yard	6"	Eccentric Plug Valve	Flange	Square Nut		Buried	Unknown	3	\$2,271.00	\$6,813.00	\$3,028.00	\$9,084.00
TPS/PSC/DSN	C01	Yard	6"	Eccentric Plug Valve	Flange	Square Nut		Buried	Unknown	1	\$2,339.00	\$2,339.00	\$3,119.00	\$3,119.00
DSN	C01	Yard	4"	Eccentric Plug Valve	Flange	Square Nut		Buried	Unknown	1	\$2,339.00	\$2,339.00	\$3,119.00	\$3,119.00
TPS	C03	Yard	8"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$2,733.00	\$2,733.00	\$3,643.00	\$3,643.00
TPS/PWAS/PSC	M01	Thickener Bldg	6"	Eccentric Plug Valve	Grooved Ends	Square Nut		Pipe Trench	-2.92	7	\$3,352.00	\$23,464.00	\$4,469.00	\$31,283.00
TPS/PWAS/PSC	M01	Thickener Bldg	6"	Eccentric Plug Valve	Grooved Ends	Square Nut		Pipe Trench	-1.5	10	\$3,352.00	\$33,520.00	\$4,469.00	\$44,690.00
PSC	M01	Thickener Bldg	6"	Eccentric Plug Valve	Grooved Ends	Square Nut		Pipe Trench	???	1	\$3,352.00	\$3,352.00	\$4,469.00	\$4,469.00
PWAS	M01	Thickener Bldg	8"	Eccentric Plug Valve	Grooved Ends	Square Nut		Pipe Trench	-1.5	1	\$3,698.00	\$3,698.00	\$4,930.00	\$4,930.00
TPS/PWAS/PSC	M02	Thickener Bldg	6"	Eccentric Plug Valve	Grooved Ends	Hand		Exposed	NA	12	\$3,352.00	\$40,224.00	\$4,469.00	\$53,628.00
TPS/PWAS/PSC	M02	Thickener Bldg	6"	Check Valve	Flange	NA		Exposed	NA	6	\$4,437.00	\$26,622.00	\$5,916.00	\$35,496.00
TI/AVAS	M03	Thickener Bldg	12"	Eccentric Plug Valve	Flange	Chainwheel		Exposed	11.83	8	\$4,937.00	\$39,496.00	\$6,582.00	\$52,656.00
TI	M03	Thickener Bldg	18"	Eccentric Plug Valve	Flange	Chainwheel		Exposed	8.08	1	\$9,922.00	\$9,922.00	\$13,229.00	\$13,229.00
TPS/PWAS/PSC	M05	Thickener Bldg	6"	Eccentric Plug Valve	Grooved Ends	Hand		Exposed	NA	10	\$3,352.00	\$33,520.00	\$4,469.00	\$44,690.00
TPS/PWAS/PSC	M05	Thickener Bldg	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	6	\$2,406.00	\$14,436.00	\$3,207.00	\$19,242.00
TPS/PWAS/PSC	M06	Thickener Bldg	6"	Eccentric Plug Valve	Grooved Ends	Hand		Exposed	NA	18	\$3,352.00	\$60,336.00	\$4,469.00	\$80,442.00
TPS/PWAS/PSC	M06	Thickener Bldg	1-1/2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	4	\$211.00	\$844.00	\$281.00	\$1,124.00
TPS/PWAS/PSC	M06	Thickener Bldg	4"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	2	\$1,102.00	\$2,204.00	\$1,569.00	\$3,138.00
TPS/PWAS/PSC	M06	Thickener Bldg	2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	2	\$231.00	\$462.00	\$307.00	\$614.00
TPS/PWAS/PSC	M06	Thickener Bldg	4"	Check Valve	Flange	NA		Exposed	NA	2	\$4,187.00	\$8,374.00	\$5,582.00	\$11,164.00
DPS	M07	Thickener Bldg	10"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$3,972.00	\$3,972.00	\$5,295.00	\$5,295.00
SSC/PSC	M07	Thickener Bldg	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	2	\$2,406.00	\$4,812.00	\$3,207.00	\$6,414.00
DPS/SSC/PSC	M07	Thickener Bldg	1-1/2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	3	\$211.00	\$633.00	\$281.00	\$843.00
TPS	M09	HMB 1	6"	Eccentric Plug Valve	Flange	Motorized		Exposed	NA	2	\$10,022.00	\$20,044.00	\$13,362.00	\$26,724.00
TPS	M10	Digester 4 & 5	6"	Eccentric Plug Valve	Flange	Motorized		Exposed	NA	2	\$10,922.00	\$21,844.00	\$14,562.00	\$29,124.00
TPS	M10	Digester 4 & 5	1-1/2"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$211.00	\$211.00	\$281.00	\$281.00
TPS	M11	Digester 4 & 5	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$2,406.00	\$2,406.00	\$3,207.00	\$3,207.00
TPS	M11	Digester 4 & 5	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$2,406.00	\$2,406.00	\$3,207.00	\$3,207.00
TPS	M12	Sludge Pump Room 1	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	1	\$8,672.00	\$8,672.00	\$11,562.00	\$11,562.00
PSC	M13	Sludge Pump Room 2&3	12"	Swing Check Valve	Flange	NA		Exposed	NA	1	\$9,534.00	\$9,534.00	\$12,711.00	\$12,711.00
PSC	M13	Sludge Pump Room 2&3	6"	Eccentric Plug Valve	Flange	Hand		Exposed	NA	2	\$2,406.00	\$4,812.00	\$3,207.00	\$6,414.00
PSC	M13	Sludge Pump Room 2&3	6"	Eccentric Plug Valve	Flange	Motorized		Exposed	NA	1	\$8,672.00	\$8,672.00	\$11,562.00	\$11,562.00
											<b>Non-Domestic</b>	<b>\$423,609.00</b>	<b>Domestic (Bid)</b>	<b>\$564,951.00</b>



**Directors**  
Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

**Officers**  
Paul R. Eldredge  
*General Manager*  
*District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 20, 2013

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Rich Cortes, Business Services Work Group Manager  
Richard Scobee, GIS/Database Administrator

**SUBJECT:** Agenda Item No. 9 - Meeting of October 27, 2014  
**APPROVE GIS JPA FY15 BUDGET ADJUSTMENT**

### **Recommendation**

Approve a net \$7,400 reduction of the FY15 GIS JPA budget including an \$8,400 increase for the purchase of Building Outline data from Pictometry and a deferral of \$16,000 to FY16 and FY17 for a 3-year Aerial Photo Subscription agreement with Alameda County (\$8,000 each year from FY15 to FY17).

### **Background**

The current GIS JPA FY15 budget includes \$24,000 to purchase new Aerial Photos from Alameda County. However Alameda County entered into a 3-year subscription agreement with Pictometry for new Aerial photos and the Pictometry Online (POL) service which provides the Pictometry imagery software system as an Internet web browser application. Through the Southern Alameda County GIS Authority (SACGISA), USD will purchase the 3-year subscription service from Alameda County. USD will also be provided a copy of the new Aerial Photos to use in-house. The cost to USD will be \$8,000 per year for FY15 to FY17.

SACGISA also intends to contract Pictometry to digitize Building Outlines from the new Aerial Photos. The one-time cost to USD will be no more than \$8,400.

Staff recommends the Board approve a net \$7,400 reduction of the FY15 GIS JPA budget including an \$8,400 increase for the purchase of Building Outline data from Pictometry and a deferral of \$16,000 to FY16 and FY17 for a 3-year Aerial Photo Subscription agreement with Alameda County (\$8,000 each year from FY15 to FY17).

PRE/RC/RS

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P. O. Box 5050 Union City, CA 94587-8550  
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[www.unionsanitary.com](http://www.unionsanitary.com)



**Directors**  
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Anjali Lathi  
Jennifer Toy

**Officers**  
Paul R. Eldredge  
*General Manager*  
*District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 16, 2014

**MEMO TO:** Board of Directors – Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Rich Cortes, Business Services Manager  
Maria Scott, Principal Financial Analyst  
Debi Kull, Sr. Accountant

**SUBJECT:** Agenda Item No. 10 – Meeting of October 27, 2014  
Accepting Financial Statements – Fiscal Year Ended June 30, 2014

### **Recommendation**

Receive and file financial statements for fiscal year ended June 30, 2014.

### **Background**

The District engages an independent accounting firm to audit the financial statements and records for each fiscal year. Attached for your review is their audit report on the District's comparative financial statements for the years ended June 30, 2014 and 2013, and the Single Audit report covering State Revolving Fund proceeds (Federal portion) for Cedar Blvd and Substation 1.

### **Operating Revenues:**

FY '14 operating revenues increased by 6.9% to \$46,509,437.

Fiscal Year 2014	\$46,509,437
Fiscal Year 2013	\$43,503,113
Fiscal Year 2012	\$41,657,935

**Operating Expenses:**

FY '14 operating expenses, before depreciation, decreased by 3.6% to \$32,914,966.

Fiscal Year 2014	\$32,914,966
Fiscal Year 2013	\$34,154,742
Fiscal Year 2012	\$29,919,729

**Net Position:**

FY '14 Net Position decreased by .35% to \$349,745,533.

Fiscal Year 2014	\$349,745,533
Fiscal Year 2013	\$350,983,722
Fiscal Year 2012	\$353,867,248

**Fund Balances:**

The total ending fund balances for capacity, renewal and replacement, and other restricted and unrestricted purposes decreased from \$51.6 million in FY'13 to \$45.7 million in FY'14.

**Audit Comments:**

There were no audit comments for FY14.

**Attachments**

# UNION SANITARY DISTRICT

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FINANCIAL STATEMENTS

AND

ACCOMPANYING INFORMATION

JUNE 30, 2014 AND 2013

WITH

INDEPENDENT AUDITORS' REPORT

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**UNION SANITARY DISTRICT**

**JUNE 30, 2014**

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# UNION SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

This section of the District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2014. This information is presented in conjunction with the audited financial statements, which follow this section.

The District, which was established in 1918 and subsequently reorganized in 1923, is empowered to own and operate wastewater facilities and the Board of Directors may prescribe, revise and collect fees or charges for services and facilities of the District in connection with its wastewater system.

### FINANCIAL HIGH LIGHTS

- The District's total ending net position decreased by \$1.2 million as a result of this year's operations. At June 30, 2014 net position totaled \$349.7 million. That is, the District's total assets exceeded liabilities by \$349.7 million.
- During the year, the District had expenses, including depreciation of \$17.2 million, which exceeded sewer service charges, contributed capital, interest, and other operating revenues resulting in a reduction in net position of \$1.2 million. This compares to last year when expenses exceeded revenues by \$2.9 million.
- Long-term liabilities increased by \$454,000 during the current fiscal year due to the addition of State Revolving Fund loan proceeds (debt).
- The District placed \$35.7 million in assets into service compared to \$10 million last year.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The District-wide financial statements include the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These provide information about the activities of the District as a whole and present a longer-term view of the District's property, debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure.

- **Statement of Net Position** – Includes all District assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return; evaluating the capital structure of the District; and assessing the liquidity and financial flexibility of the District.
- **Statement of Revenues, Expenses and Changes in Net Position** – All of the current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of District operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

# UNION SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

- **Statement of Cash Flows** – The primary purpose of this statement is to provide information about District cash receipts, cash disbursements and net changes in cash resulting from operations, investments, and capital and non-capital financing activities. It illustrates the source of revenue, purposes for which it was used, and change in cash balance during the reporting period.

### Reporting the District as a Whole

#### *The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position*

### DISTRICT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities.

Net position of the District's business-type activities decreased from \$350.9 million to \$349.7 million. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - were \$32.8 million at June 30, 2014. The decrease in total net position was the result of a decrease in current and other assets of \$5.3 million, mainly investments, an increase in capital assets of \$3.7 million, due to increased completed construction projects placed into service and depreciation, a decrease in current liabilities of approximately \$0.9 million, and an increase in long term liabilities of \$454,000.

**Table 1 – Condensed Statement of Net Position**

	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Dollar Change FY14 to FY13	Percent Change FY14 to FY13
Current and other assets	\$ 57,495,214	\$ 62,855,452	\$ 63,661,824	\$ (5,360,238)	-8.5%
Capital assets	338,757,641	335,041,723	336,569,446	3,715,918	1.1%
Total assets	396,252,855	397,897,175	400,231,270	(1,644,320)	-0.4%
Current liabilities	9,146,967	10,007,413	10,034,883	(860,446)	-8.6%
Long-term liabilities	37,360,355	36,906,040	36,329,139	454,315	1.2%
Total liabilities	46,507,322	46,913,453	46,364,022	(406,131)	-0.9%
Net Position:					
Net investment in capital assets	299,269,526	294,393,392	296,939,157	4,876,134	1.7%
Restricted	17,622,778	20,297,820	19,346,378	(2,675,042)	-13.2%
Unrestricted	32,853,229	36,292,510	37,581,713	(3,439,281)	-9.5%
Total net position	\$ 349,745,533	\$ 350,983,722	\$ 353,867,248	\$ (1,238,189)	-0.4%

In the prior year, FY 2013, net position decreased from \$353.9 million to \$350.9 million, due mainly to a decrease in current and other assets of \$806,000, mainly cash, a decrease in capital assets of \$1.5 million, due to increased construction in progress and depreciation, a decrease in current liabilities of approximately \$27,000, and an increase in long term liabilities of \$577,000.

# UNION SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

**Table 2 – Condensed Statement of Revenues, Expenses, and Changes in Net Position**

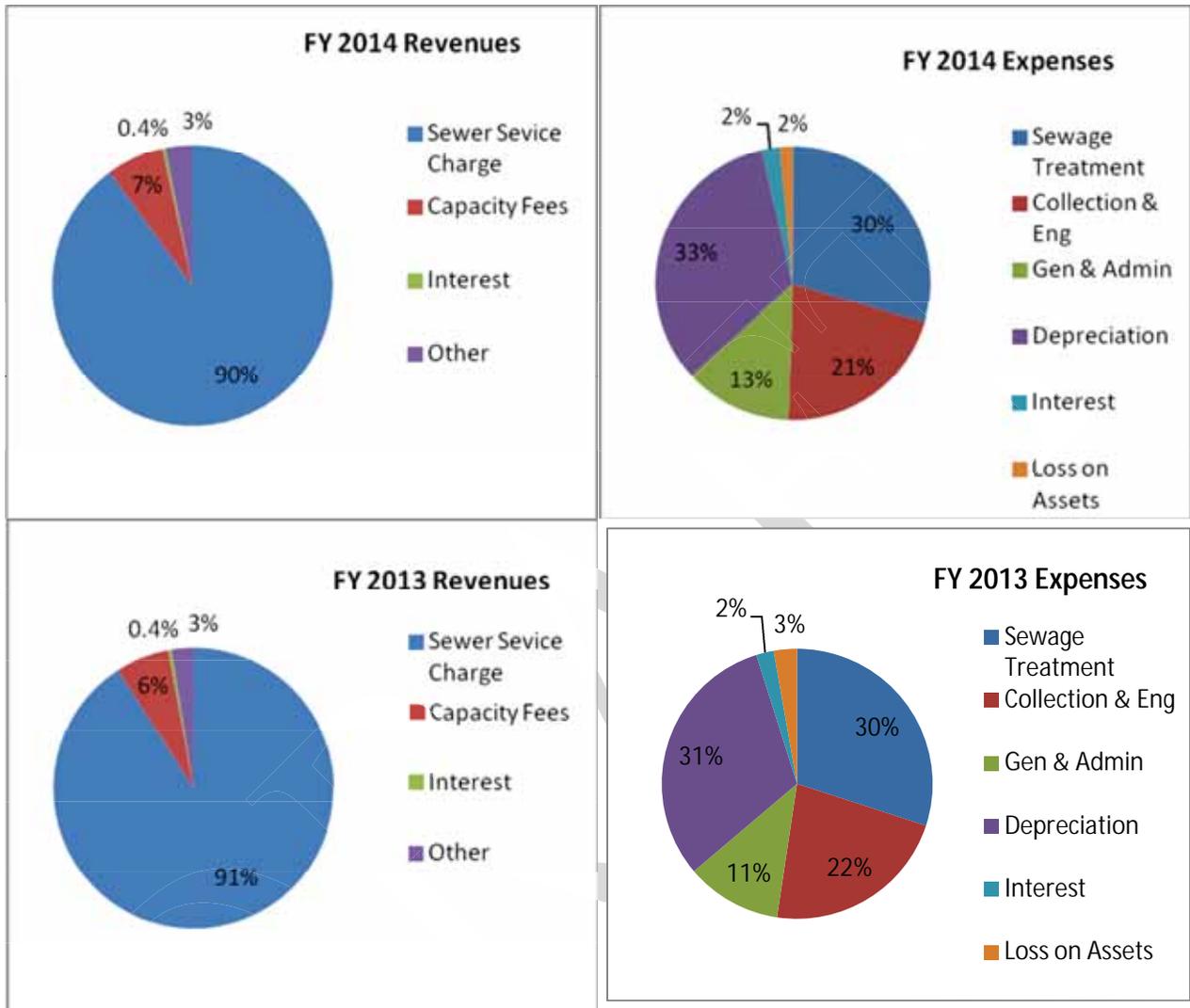
	<u>Fiscal Year 2014</u>	<u>Fiscal Year 2013</u>	<u>Fiscal Year 2012</u>	<u>Dollar Change FY14 to FY13</u>	<u>Percent Change FY14 to FY13</u>
Operating Revenues:					
Sewer service charges (SSC)	\$ 45,139,420	\$ 42,339,311	\$ 40,630,578	\$ 2,800,109	6.6%
Other revenues	1,370,017	1,163,802	1,027,357	206,215	17.7%
Total operating revenues	<u>46,509,437</u>	<u>43,503,113</u>	<u>41,657,935</u>	<u>3,006,324</u>	<u>6.9%</u>
Operating Expenses:					
Depreciation	17,219,109	16,776,307	16,790,277	442,802	2.6%
Sewage treatment	15,410,521	16,088,929	14,255,266	(678,408)	-4.2%
Sewage collection and engineering	10,869,755	11,954,345	9,712,645	(1,084,590)	-9.1%
General and administration	6,634,688	6,111,468	5,951,818	523,220	8.6%
Total operating expenses	<u>50,134,073</u>	<u>50,931,049</u>	<u>46,710,006</u>	<u>(796,976)</u>	<u>-1.6%</u>
Nonoperating Revenues (Expenses)					
Connection fees	3,489,247	3,062,836	2,848,488	426,411	13.9%
Contributed capital	712,683	4,009,985	1,538,284	(3,297,302)	-82.2%
Investment income and net gains	180,041	178,690	248,337	1,351	0.8%
Loss on retirement of capital assets	(796,735)	(1,479,254)	(127,430)	682,519	-46.1%
Interest	(1,106,609)	(1,138,677)	(858,162)	32,068	-2.8%
Total net non-operating revenues (expenses)	<u>2,478,627</u>	<u>4,633,580</u>	<u>3,649,517</u>	<u>(2,187,021)</u>	<u>-47.2%</u>
Change in net position before special items	(1,146,009)	(2,794,356)	(1,402,554)	1,616,279	-57.8%
East Bay Dischargers Authority loss	(92,180)	(89,170)	(100,827)	(3,010)	3.4%
Change in Net Position	<u>(1,238,189)</u>	<u>(2,883,526)</u>	<u>(1,503,381)</u>	<u>1,645,337</u>	<u>-57.1%</u>
Beginning Net Position	350,983,722	353,867,248	355,370,629	(2,883,526)	-0.8%
Ending Net Position	<u>\$ 349,745,533</u>	<u>\$ 350,983,722</u>	<u>\$ 353,867,248</u>	<u>\$ (1,238,189)</u>	<u>-0.4%</u>

The District's total operating revenues such as sewer service charges increased by \$3.0 million, or 7.0 percent for the year ended June 30, 2014. This is due mainly to a 5.7 percent increase in the sewer service charge rate, and an increase in other fees. Contributed capital decreased by \$3.3 million. The total operating expenses, including depreciation, was 1.6 percent lower than last year. Most major cost categories increased over 2013 costs except for non-capital project costs, repairs and maintenance, and office supplies.

In the prior year, FY 2013, total operating revenues such as sewer services charges increased by \$1.8 million. This was due mainly to a 5 percent increase in the sewer service charge rate. The total operating expenses, including depreciation, was 9 percent higher than FY 2012. Most major cost categories increased, including non-capital project expense, insurance, office supplies, repairs and maintenance, and operating supplies. The main increase was for non-capital project expenses of \$3.8 million for Force Main Improvement Project, Inka Demolition, Facilities Condition Assessment, among others. For more information please see schedules of Operating Expenses before Depreciation on page 37.

# UNION SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014



The District took actions this year to compensate for increases in costs, and to avoid the loss of revenue due to changes in the economy.

- The District increased sewer service fees 5.7%.
- The District increased capacity fees 10%.

# UNION SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2014, the District had approximately \$339 million invested in a broad range of capital assets, including facilities and equipment for the plant, collections, and administrative facilities. This amount represents a net increase of \$3.7 million, or 1.1 percent, compared to last year. The main reason for this is the accumulated depreciation in FY 2014. Total assets placed into service were \$37.0 million in FY 2014 vs. \$10 million in FY 2013 and \$3.8 in FY 2012. Additions to Construction in Progress were \$19.9 million in FY 2014 vs. \$13.9 million in FY 2013 and \$18.6 million in FY 2012.

Additions to Construction in Progress totaled \$19.9 million. Major projects included:

**Table 3 – Additions to Construction in Progress**

Cogeneration	\$ 10,060,704
I-680 at Sabercat Road Sanitary Sewer Replacement	1,622,258
Headworks & Emergency Outfall Improvements	1,425,256
Lift Station #1 Improvements	1,258,729
MCC Replacement Phase 2	881,082
Boyce Road Lift Station	792,590
Thickener Control Building Interim Improvements	582,639
RAS Pump Station Improvements	504,938
Hansen 8 Upgrade	502,714
Thickener Control Building Improvements Phase 2	500,723
Cast Iron Lining Phase 2	415,040
Others	1,379,086
Total	<u>\$ 19,925,759</u>

This year's major additions (placed into service) included:

**Table 4 – Total Assets Placed into Service**

Primary Clarifiers 1-4	\$ 9,582,127
Boyce Road Lift Station	8,236,316
Headworks & Emergency Outfall Improvements	3,887,951
Irvington Pump Station Solar Panels	3,144,560
I-680 at Sabercat Road Sanitary Sewer Replacement	2,334,939
Thickeners #3 & 4 Rehabilitation	1,865,693
Lift Station #1 Improvements	1,270,019
MCC Replacement Phase 2	950,824
PLC Replacement Phase 1	901,879
Thickener Control Building Interim Improvements	851,721
RAS Pump Station Improvements	675,167
Niles Sewer Construction	622,992
Cast Iron Lining Phase 4	466,034
Others	923,352
	<u>\$ 35,713,574</u>

More detailed information about the District's capital assets is presented in *Note 2* to the financial statements.

# UNION SANITARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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### Debt Administration

At year-end, the District had \$39.5 million in notes outstanding versus \$40.6 million last year. This debt consists of nine State Revolving Fund loans.

Other obligations include accrued vacation pay and sick leave. More detailed information about the District's long-term liabilities is presented in *Note 5* to the financial statements.

### ECONOMIC AND OTHER FACTORS

The District's elected and appointed officials considered many factors when setting the fiscal year 2014 budget. One of those factors was the economy. Increased salary and benefit costs, as well as increased CIP projects, were taken into consideration. In addition, the Board considered increasing construction costs when reviewing the CIP. Sewer service charge rates increased 5.7% and Capacity fee rates increased 10%. The net Operating budget was increased 6%, using a projected staff vacancy factor of 2%.

The District's fiscal year 2014 capital budget called for expenditures of \$19.4 million for I-680 at Sabercat Rd, Newark Backyard Relocation, Cogeneration, Headworks Conveyors and Screenings, RAS Pump Stations Pumps and Valve Replacement, and Thickener Control Building Improvements among others. The Engineering group prioritized and rescheduled CIP projects in order to help achieve our goal of positive fund balances. The CIP budget has increased by \$3.9 million from fiscal year 2013.

The District's fiscal year 2015 budget includes a 1.5% increase in the operating budget with a 2% staff vacancy factor, and a capital budget which calls for expenditures of \$14.9 million for Cogeneration, Newark Backyard Relocation, Upper Hetch Hetchy, Cogeneration, Digester 5 Rehabilitation, and Thickener Control Building Improvements projects. Sewer service charges will increase 5.7% and Capacity fee rates will increase 5%.

The District will use its revenues to finance current projects, although applications will continue to be submitted to the State Water Resources Control Board for State Revolving Fund loans for upcoming projects.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at (510) 477-7500.

# UNION SANITARY DISTRICT

## STATEMENTS OF NET POSITION JUNE 30, 2014 AND 2013

	2014	2013
<b>CURRENT ASSETS</b>		
Cash, cash equivalents	\$ 994,203	\$ 643,752
Investments	44,648,195	50,804,062
Accounts receivable, net	3,260,774	2,771,607
Interest receivable	79,360	99,811
Inventory	657,399	596,396
Other	21,257	21,659
Total current assets	<u>49,661,188</u>	<u>54,937,287</u>
<b>NONCURRENT ASSETS</b>		
Capital Assets		
Non depreciable capital assets:		
Land and improvements	5,593,929	5,593,929
Construction in progress	16,012,340	31,800,155
Capacity permits and easements	6,217,872	6,043,632
Depreciable assets		
Utility plant in service	643,759,521	609,293,880
Less: Accumulated depreciation	(332,826,021)	(317,689,873)
Net capital assets	<u>338,757,641</u>	<u>335,041,723</u>
Other Assets		
Restricted investments	10,000	10,000
Net OPEB asset	1,443,759	1,435,718
Investment in East Bay Dischargers Authority	6,380,267	6,472,447
Total other assets	<u>7,834,026</u>	<u>7,918,165</u>
Total non-current assets	<u>346,591,667</u>	<u>342,959,888</u>
<b>TOTAL ASSETS</b>	<u>396,252,855</u>	<u>397,897,175</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	4,097,356	3,738,900
Customer deposits	588,996	381,542
Accrued payroll and related expenses	861,253	671,896
Interest payable	573,706	557,503
Current portion of compensated absences	897,896	915,281
Current portion of long-term debt	2,127,760	3,742,291
Total current liabilities	<u>9,146,967</u>	<u>10,007,413</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	37,360,355	36,906,040
Total long-term liabilities	<u>37,360,355</u>	<u>36,906,040</u>
<b>TOTAL LIABILITIES</b>	<u>46,507,322</u>	<u>46,913,453</u>
<b>NET POSITION</b>		
Net investment in capital assets	299,269,526	294,393,392
Restricted for:		
Capacity purposes, expendable	14,165,399	16,093,405
SRF loan contingency reserve, non-expendable	3,457,379	4,204,415
Unrestricted	32,853,229	36,292,510
<b>TOTAL NET POSITION</b>	<u>\$ 349,745,533</u>	<u>\$ 350,983,722</u>

The accompanying notes are an integral part of these financial statements.

**UNION SANITARY DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>OPERATING REVENUE</b>		
Sewer service charges	\$ 45,139,420	\$ 42,339,311
Other operating revenues	1,370,017	1,163,802
Total operating revenue	<u>46,509,437</u>	<u>43,503,113</u>
<b>OPERATING EXPENSES</b>		
Sewage treatment	15,410,523	16,088,929
Sewage collection and engineering	10,869,755	11,954,345
General and administration	6,634,688	6,111,468
Total operating expenses before depreciation	<u>32,914,966</u>	<u>34,154,742</u>
<b>DEPRECIATION</b>	17,219,109	16,776,307
Total operating expenses	<u>50,134,075</u>	<u>50,931,049</u>
<b>OPERATING LOSS</b>	<u>(3,624,638)</u>	<u>(7,427,936)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Net investment income and net realized gains and losses	180,041	178,690
Interest Expense	(1,106,609)	(1,138,677)
Loss on retirement of capital assets	(796,735)	(1,479,254)
Gain (loss) on equity investment in East Bay Dischargers Authority	(92,180)	(89,170)
Net non-operating revenue (expense)	<u>(1,815,483)</u>	<u>(2,528,411)</u>
<b>LOSS BEFORE CONTRIBUTED CAPITAL</b>	(5,440,121)	(9,956,347)
Connection fees and other contributed capital	<u>4,201,932</u>	<u>7,072,821</u>
<b>CHANGE IN NET POSITION</b>	(1,238,189)	(2,883,526)
<b>NET POSITION, BEGINNING OF YEAR</b>	350,983,722	353,867,248
<b>NET POSITION, END OF YEAR</b>	<u>\$ 349,745,533</u>	<u>\$ 350,983,722</u>

The accompanying notes are an integral part of these financial statements.

# UNION SANITARY DISTRICT

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 46,020,270	\$ 43,693,132
Payments to suppliers & service providers	(11,512,817)	(14,855,529)
Payments to employees	(14,647,781)	(13,983,330)
Payments for benefits on behalf of employees	(5,829,730)	(5,692,889)
Receipts for customer deposits	450,116	385,256
Returns of customer deposits	(242,662)	(266,735)
Payments related to postemployment benefits	(462,852)	(448,284)
Cash flows provided by operating activities	<u>13,774,544</u>	<u>8,831,621</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES</b>		
Principal payments on long-term debt	(3,742,293)	(3,306,586)
Proceeds from state revolving loan funds	2,582,077	4,324,628
Interest paid on long-term debt	(1,090,406)	(986,604)
Acquisition and construction of capital assets	(21,815,814)	(14,197,107)
Connection fees and other related revenues from developers	3,489,249	3,062,836
Cash flows (used in) capital and related financing activities	<u>(20,577,187)</u>	<u>(11,102,833)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	200,492	271,737
Proceeds from disposal of capital assets	796,735	1,479,254
Purchase of investments	(62,639,133)	(57,498,133)
Proceeds from sales and maturities of investments	68,795,000	57,040,000
Cash flows provided by investing activities	<u>7,153,094</u>	<u>1,292,858</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	350,451	(978,354)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>643,752</u>	<u>1,622,106</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 994,203</u>	<u>\$ 643,752</u>
<b>RECONCILIATION OF CASH AND EQUIVALENTS</b>		
Unrestricted cash and cash equivalents	\$ 994,203	\$ 643,752
Total cash and cash equivalents	<u>\$ 994,203</u>	<u>\$ 643,752</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating loss	\$ (3,624,638)	\$ (7,427,936)
Adjustments to reconcile operating loss to cash flows provided by operating activities		
Depreciation	17,219,109	16,776,307
(Increase) decrease in accounts receivable and other assets	(489,167)	190,019
Increase (decrease) in accounts payable and accrued expenses	358,456	(827,495)
Decrease in inventory and other	103,330	2,205
Increase in customer deposits	207,454	118,521
Cash flows provided by operating activities	<u>\$ 13,774,544</u>	<u>\$ 8,831,621</u>
<b>NONCASH TRANSACTIONS</b>		
Contributions of capital assets	\$ 712,683	\$ 4,009,985
Decrease in equity in East Bay Dischargers Authority	92,180	89,170

The accompanying notes are an integral part of these financial statements.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### *The Organization*

Union Sanitary District (the “District”) operates pursuant to Division 6 of the Health and Safety Code of the State of California (Sanitary District Act of 1923, as amended). The District, which was established in 1918 and subsequently reorganized in 1923, is empowered to own and operate wastewater facilities, and the Board of Directors may prescribe, revise and collect fees or charges for services and facilities of the District in connection with its wastewater system.

The District is governed by a five-member Board of Directors elected by wards for four-year overlapping terms. The election is at-large and non-partisan. The Board appoints the General Manager to manage and oversee the day-to-day operations.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to enterprise governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. The GASB establishes standards for external financial reporting for all state and local governmental entities, which require a management and discussion and analysis section, a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. It requires the classification of net position into three components: invested in capital assets, restricted, and unrestricted.

#### *The Financial Reporting Entity*

For financial reporting purposes component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable, and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District considered all potential component units in determining what organizations should be included in the financial statements. The District has determined that there are no component units that meet these criteria as of, and for the year ended June 30, 2014. The District includes all funds that are controlled by, or dependent upon the Board of Directors of the District.

In addition, the District’s share of a Joint Powers Authority (East Bay Dischargers Authority) is reflected based upon the District’s proportionate share of its investment in the discharge facilities in the Authority (see Note 4).

#### *Measurement Focus and Basis of Accounting*

The financial statements of the District are presented as those of an enterprise fund under the broad category of funds called proprietary funds, which also include internal service funds. All proprietary funds utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset utilized.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED*

Enterprise funds account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The acquisition and capital improvement of the physical plant facilities requires that these goods and services be financed from existing cash resources, cash flow from operations, the issuance of debt, and contributed capital.

The District applies all applicable GASB pronouncements in accounting and reporting for proprietary operations, as well as the following pronouncements issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### *Cash and Cash Equivalents*

The District considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired, to be cash equivalents. As of June 30, 2014 and 2013, cash equivalents consist of U.S. Treasury funds in a sweep account.

Certain cash and cash equivalents have been placed into escrow according to the requirements of ongoing construction contracts. Accordingly, such cash and cash equivalents have been classified as restricted in the accompanying financial statements.

#### *Investments*

Investments, which consist of short-term, fixed-income securities at June 30, 2014 and 2013, are recorded at fair value using quoted market prices. The related net realized and unrealized gains (losses) on investments are recognized in the accompanying statement of revenues expenses, and changes in net position.

Certain investments have been placed into escrow according to the requirements of ongoing construction contracts. Accordingly, such investments have been classified as restricted in the accompanying financial statements.

#### *Inventory*

Inventory is held for consumption and is recorded at cost using the first-in-first-out (FIFO) basis.

#### *Capital Assets*

Capital assets, including costs of addition to utility plant and major replacements of property, are capitalized and stated at cost. The District's capitalization threshold is \$10,000. Such capital costs include materials, direct labor, transportation, and such indirect costs as interest and contracted engineering. Contributed property is recorded as fair value as of the date of donation. Repairs, maintenance, and minor replacements of property are charges to expense.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED*

#### ***Depreciation***

The purpose of depreciation is to spread the cost of capital assets equitably among all customers over the life of those assets. The amount charged to depreciation expense each year represents that year's pro rata share of capital asset costs.

Depreciation of all capital assets in service is charged as an expense against operations each year. Accumulated depreciation, the total amount of depreciation taken over the years, is reported on the statement of net position as a reduction in the gross value of the capital assets.

Depreciation of capital assets in service is calculated using the straight line method, dividing the cost of the asset by its expected useful life in years. The result is charged to expense each year until the asset is fully depreciated. It is the District's policy to utilize the half-year convention when calculating depreciation. The District has assigned the following useful lives to capital assets:

#### Useful Lives

Wastewater collection facilities	50 – 115 years
Wastewater treatment facilities	10 – 50 years
District facilities	10 – 35 years
General equipment	3 – 35 years

The aggregate provision for depreciation was 3.07 percent and 2.99 percent of average depreciable plant during the years ended June 30, 2014 and 2013, respectively.

#### ***Compensated Absences***

Vacation can be accumulated and is fairly vested. These compensated absences are recorded as an expense when earned and are carried as a liability until taken. The liability is computed using current employee pay rates.

#### ***Net Position***

Net position is measured on the full accrual basis and is the excess of all the District's assets over all its liabilities. Net position is classified into the following components: net investment in capital assets, restricted and unrestricted. Restricted net position describes the portion of net position which is restricted as to use by the terms and conditions of agreement with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. It is the District's policy to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

The following categories of restricted net position are described as follows:

- *Net Position Restricted for Capacity Purposes* – restricted for activities related to increases in the capacity of the collection and/or treatment systems.
- *Net Position Restricted for Debt Purposes* – the State requires a contingency reserve for State Revolving Fund loan balances.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED*

#### *Classification of Revenues and Expenses*

Operating revenues consist primarily of sewer service charges to customers, which are billed and collected on behalf of the District by Alameda County (the County) as a separate component of semiannual property tax billings. Property taxes are levied on March 1 and are due in equal installments on November 1 and February 1. The County remits to the District those charges which are placed on the property tax roll and handles all delinquencies, retaining interest and penalties.

Nonoperating revenues consist of investment income and special charges that can be used for either operating or capital purposes.

Capital contributions consist of contributed capital assets, connection, and capacity fees that are legally restricted for capital expenditures by State law or by Board actions that established those charges. Connection and capacity fees represent a one-time contribution of resources to the District, imposed on contractors and developers for the purpose of financing capital improvements.

Operating expenses are those expenses that are essential to the primary operations of the District. Operating expenses include costs related to wastewater collection and treatment, as well as engineering and general and administrative expenses. Other expenses such as investment losses, interest expense, and loss on retirement of capital assets are reported as non-operating expenses.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Subsequent Events*

Management has considered subsequent events through **September XX, 2014**, the date which the financial statements were available to be issued.

#### *Change in Accounting Principles*

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED*

Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. Prior to the issuance of this Statement, only two such pronouncements have been issued. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires the reporting of a deferred outflow of resources or a deferred inflow of resources for the changes in fair value of hedging derivative instruments, and Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, requires a deferred inflow of resources to be reported by a transferor government in a qualifying service concession arrangement. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations

The District has implemented the provisions of this Statement for the year ended June 30, 2014.

#### **New Accounting Pronouncements**

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent To the Measurement Date*, which amends Statement No. 68, *Accounting and Financial Reporting for Pensions*. As currently provided under Statement No. 68, an employer's date for measuring its net pension liability (i.e., the "measurement date") may be no earlier than the end of its prior fiscal year. In addition, if an employer makes contributions after the measurement date, but before the end of its current reporting period, the employer should recognize the contribution as a deferred outflow of resources.

However, in transitioning to the new accounting standards, GASB Statement No. 68 also required that the employer recognize deferred outflows of resources and deferred inflows of resources only if it is practical for the employer to determine all deferred outflows and deferred inflows. If it is not practical, the beginning balances of deferred outflows and deferred inflows should not be reported. However, in situations where the employer makes contributions after the measurement date, not recognizing the contributions in deferred outflows of resources could result in a substantial understatement of the employer's beginning net position.

To prevent this understatement, GASB Statement No. 71 requires that, at transition, a government should recognize a beginning deferred outflow of resources for its pension contributions made after the measurement date of the beginning net pension liability. However, it continues to require that the beginning balances for other deferred outflows and deferred inflows be reported at transition only if it is practical to determine such amounts.

Both Statements No. 68 and 71 are effective simultaneously for fiscal years beginning after June 15, 2014. Early implementation is encouraged. Management is evaluating the impact the Statements will have on the financial statements.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

### NOTE #2 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 is summarized as follows:

	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Capital assets, not being depreciated:					
Land and improvements	\$ 5,593,929	\$ -	\$ -	\$ -	\$ 5,593,929
Construction in progress	31,800,155	19,925,759	-	(35,713,574)	16,012,340
Capacity permits and easements	6,043,632	174,240	-	-	6,217,872
Total Capital assets, not being depreciated:	<u>43,437,716</u>	<u>20,099,999</u>	<u>-</u>	<u>(35,713,574)</u>	<u>27,824,141</u>
Capital assets, being depreciated:					
Sewage collection facilities	402,324,798	712,683	(1,158,187)	(1,743,374)	400,135,920
Sewage treatment facilities	163,545,041	-	(446,465)	(5,536,447)	157,562,129
District facilities	39,177,008	-	(951,232)	35,025,062	73,250,838
General equipment	4,247,033	46,824	(75,164)	2,341,583	6,560,276
Fleet	-	800,820	(248,648)	5,698,186	6,250,358
Total Capital assets, being depreciated:	<u>609,293,880</u>	<u>1,560,327</u>	<u>(2,879,696)</u>	<u>35,785,010</u>	<u>643,759,521</u>
Less: Accumulated depreciation					
Sewage collection facilities	(209,490,165)	(9,687,906)	613,807	3,806,911	(214,757,353)
Sewage treatment facilities	(88,437,256)	(4,584,708)	336,365	14,815,278	(77,870,321)
District facilities	(16,676,712)	(2,067,840)	813,088	(13,720,710)	(31,652,174)
General equipment	(3,085,740)	(510,795)	75,164	(1,418,109)	(4,939,480)
Fleet	-	(367,861)	244,538	(3,483,370)	(3,606,693)
Total Accumulated depreciation:	<u>(317,689,873)</u>	<u>(17,219,110)</u>	<u>2,082,962</u>	<u>-</u>	<u>(332,826,021)</u>
Total capital assets, being depreciated , net	<u>291,604,007</u>	<u>(15,658,783)</u>	<u>(796,734)</u>	<u>35,785,010</u>	<u>310,933,500</u>
Total Capital Assets, net	<u>\$ 335,041,723</u>	<u>\$ 4,441,216</u>	<u>\$ (796,734)</u>	<u>\$ 71,436</u>	<u>\$ 338,757,641</u>

Construction work in progress consists primarily of the direct construction costs associated with numerous District projects plus related construction overhead. The District has outstanding construction contract commitments on capital projects approximating \$15.6 million at June 30, 2014.

**UNION SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE #2 – CAPITAL ASSETS - CONTINUED**

Capital asset activity for the year ended June 30, 2013 is summarized as follows:

	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Capital assets, not being depreciated:					
Land and improvements	\$ 5,395,903	\$ 198,026	\$ -	\$ -	\$ 5,593,929
Construction in progress	25,094,235	11,868,287	-	(5,162,367)	31,800,155
Capacity permits and easements	6,043,632	-	-	-	6,043,632
Total Capital assets, not being depreciated:	<u>36,533,770</u>	<u>12,066,313</u>	<u>-</u>	<u>(5,162,367)</u>	<u>43,437,716</u>
Capital assets, being depreciated:					
Sewage collection facilities	397,641,506	4,009,985	(693,699)	1,367,006	402,324,798
Sewage treatment facilities	160,543,832	-	(566,051)	3,567,260	163,545,041
District facilities	39,932,779	565,915	(1,473,622)	151,936	39,177,008
General equipment	5,969,586	85,625	(1,884,343)	76,165	4,247,033
Total Capital assets, being depreciated:	<u>604,087,703</u>	<u>4,661,525</u>	<u>(4,617,715)</u>	<u>5,162,367</u>	<u>609,293,880</u>
Less: Accumulated depreciation					
Sewage collection facilities	(200,014,215)	(9,828,694)	352,744	-	(209,490,165)
Sewage treatment facilities	(84,045,740)	(4,527,357)	135,841	-	(88,437,256)
District facilities	(15,761,064)	(1,890,764)	975,116	-	(16,676,712)
General equipment	(4,231,008)	(535,666)	1,680,934	-	(3,085,740)
Total Accumulated depreciation:	<u>(304,052,027)</u>	<u>(16,782,481)</u>	<u>3,144,635</u>	<u>-</u>	<u>(317,689,873)</u>
Total capital assets, being depreciated , net	<u>300,035,676</u>	<u>(12,120,956)</u>	<u>(1,473,080)</u>	<u>5,162,367</u>	<u>291,604,007</u>
Total Capital Assets, net	<u>\$ 336,569,446</u>	<u>\$ (54,643)</u>	<u>\$ (1,473,080)</u>	<u>\$ -</u>	<u>\$ 335,041,723</u>

**NOTE #3 – CASH AND INVESTMENTS**

**A. Summary of Cash and Cash Equivalents and Investments**

Cash and cash equivalents and investments at June 30 are detailed as follows:

	2014	2013
Cash and cash equivalents	\$ 994,203	\$ 643,752
Investments	44,648,195	50,804,062
Restricted investments	10,000	10,000
Total Cash and Cash Equivalents and Investments	<u>\$ 45,652,398</u>	<u>\$ 51,457,814</u>

**UNION SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE #3 – CASH AND INVESTMENTS - CONTINUED**

***B. Authorized Investments by the District***

The District’s investment policy and the California Government Code allow the District to invest in the following investments, with certain limiting provisions that address interest rate, risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Remaining Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Obligations (a)	5 years	N/A	None	None
Bankers Acceptance (b)	180 days	A1/P1 (ST) A (LT)	40%	10%
Certificates of Deposit	180 days	N/A	30%	10%
Negotiable Certificates of Deposit	5 years	A1 (ST) A (LT)	30%	10%
Repurchase Agreements (c)	90 days	N/A	10%	10%
Commercial Paper	270 days	"Prime" quality	25%	10%
Local Agency Investment Fund (LAIF)	N/A	N/A	70%	None
Corporate Notes (d)	5 years	A	30%	10%
Mortgage Pass-through and Asset Backed Securities	N/A	AAA or Aaa	20%	10%
Money Market Funds	N/A	AAA or Aaa	20%	10%

- a) Securities issued by agencies sponsored by the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).
- b) Bankers Acceptances issued by institutions the short term obligations of which are rated at a minimum of “P1” by Moody’s Investor Services (Moody’s) and A1 by Standard & Poor’s, Inc. (S&P); or if the short term obligations are unrated, the long-term obligations of which are rated a minimum of “A” by S&P.
- c) Repurchase agreements must be collateralized with U.S. Treasury Obligation or U.S. Agency Securities, which must maintain a market value of at least 102% of the principal of the repurchase agreement.
- d) Securities shall be issued by corporations rated a minimum of “A” by S&P.

**UNION SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE #3 – CASH AND INVESTMENTS - CONTINUED**

**C. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity as of June 30:

**2014**

	Maturities of		
	12 months or less	12-24 months	Total
U.S. Treasury Obligations	\$ 2,002,187	\$ 5,031,948	\$ 7,034,135
U.S. Agency Obligations:			
FHLB	-	1,000,150	1,000,150
FNMA	-	1,001,700	1,001,700
Corporate Notes	3,580,240	2,578,155	6,158,395
Certificates of Deposit	3,942,289	239,814	4,182,103
LAIF	25,271,923	-	25,271,923
Local Government Investment Pool (CAMP)	9,789	-	9,789
Total Investments	<u>34,806,428</u>	<u>9,851,767</u>	<u>44,658,195</u>
Cash in bank and money market funds	994,203	-	994,203
Total Cash and Investments	<u>\$ 35,800,631</u>	<u>\$ 9,851,767</u>	<u>\$ 45,652,398</u>

**2013**

	Maturities of		
	12 months or less	12-24 months	Total
U.S. Treasury Obligations	\$ 2,014,140	\$ 2,004,063	\$ 4,018,203
U.S. Agency Obligations:			
FHLB	4,033,740	-	4,033,740
FNMA	931,956	1,997,300	2,929,256
Corporate Notes	4,264,164	1,576,605	5,840,769
Certificates of Deposit	1,228,401	720,316	1,948,717
LAIF	32,009,735	-	32,009,735
Local Government Investment Pool (CAMP)	33,642	-	33,642
Total Investments	<u>44,515,778</u>	<u>6,298,284</u>	<u>50,814,062</u>
Cash in bank and money market funds	643,752	-	643,752
Total Cash and Investments	<u>\$ 45,159,530</u>	<u>\$ 6,298,284</u>	<u>\$ 51,457,814</u>

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

### NOTE #3 – CASH AND INVESTMENTS - CONTINUED

#### D. LAIF Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based in the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills and corporations. The carrying value of LAIF approximates fair value. At June 30, 2014, these investments mature in an average of 232 days.

#### E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2014 for each investment type:

	Aaa	Aa3	A1	A3	A2	Total
U.S. Agency Obligations						
FHLB	\$ 1,000,150	\$ -	\$ -	\$ -	\$ -	\$ 1,000,150
FNMA	1,001,700	-	-	-	-	1,001,700
Corporate Notes	-	1,565,435	3,564,200	1,028,760	-	6,158,395
Local Government Investment Pool (CAMP)	9,789	-	-	-	-	9,789
Totals	<u>\$ 2,011,639</u>	<u>\$ 1,565,435</u>	<u>\$ 3,564,200</u>	<u>\$ 1,028,760</u>	<u>\$ -</u>	<u>8,170,034</u>
Exempt from credit rate disclosure						
U.S. Treasury Obligations						7,034,135
Certificates of deposit						4,182,103
Not rated						
California Local Agency Investment Fund						25,271,923
Cash and cash equivalents						994,203
Total Cash, Cash Equivalents and Investments						<u>\$ 45,652,398</u>

Presented below is the actual rating as of June 30, 2013 for each investment type:

	Aaa	Aa3	A1	A3	A2	Total
U.S. Agency Obligations						
FHLB	\$ 4,033,740	\$ -	\$ -	\$ -	\$ -	\$ 4,033,740
FNMA	2,929,256	-	-	-	-	2,929,256
Corporate Notes	-	2,726,484	2,050,485	-	1,063,800	5,840,769
Local Government Investment Pool (CAMP)	33,642	-	-	-	-	33,642
Totals	<u>\$ 6,996,638</u>	<u>\$ 2,726,484</u>	<u>\$ 2,050,485</u>	<u>\$ -</u>	<u>\$ 3,996,910</u>	<u>12,837,407</u>
Exempt from credit rate disclosure						
U.S. Treasury Obligations						4,018,203
Certificates of deposit						1,948,717
Not rated						
California Local Agency Investment Fund						32,009,735
Cash and cash equivalents						643,752
Total Cash, Cash Equivalents and Investments						<u>\$ 51,457,814</u>

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #3 – CASH AND INVESTMENTS - CONTINUED*

#### *F. Concentration of Credit Risk*

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer.

As of fiscal year ended June 30, 2014, the District did not have investments held that are more than five percent of the District's total investments.

#### *G. Custodial Credit Risk*

##### *Deposits*

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy, as well as the California Government Code, requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2014, the District's total bank balance of \$2,564,579 was either collateralized or insured by the Federal Deposit Insurance Corporation (FDIC).

##### *Investments*

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. However, the District's policy states that all security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery, or by third party custodial agreement as required by CGC Section 53601. The collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC Section 53601(i) (2).

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #4 – JOINT VENTURES*

#### *Alameda County Water District Financing Authority*

The Alameda County Water District Financing Authority, a Joint Powers Authority, was established through Joint Exercise of Powers Agreement between the Alameda County Water District (ACWD) and Union Sanitary District (USD) on November 14, 2011 for the purpose of assisting in the financing and refinancing of capital improvement projects of the ACWD and to finance working capital for the ACWD. The debts, liabilities, and obligations of the Authority do not constitute debts, liabilities, and obligations of Union Sanitary District. The Authority is administered by the Board, which consists of one member from Union Sanitary District and five members from the Alameda County Water District.

#### *Investment in East Bay Dischargers Authority*

The District has an 18.7 percent interest in East Bay Discharges Authority (EBDA), a Joint Powers Authority established under the Joint Exercise of Powers Act of the State of California. As a separate legal entity, EBDA exercises full power and authority within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of EBDA are not those of the District and the other participating entities.

EBDA is governed by a board of directors consisting of representatives from each member agency. The board controls the operations of EBDA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the Board.

EBDA constructed and operates an export pumping facility through which all treated wastewater in the area is discharged. The other participants (and their ownership percentages) are the City of Hayward (33 percent), the City of San Leandro (18.6 percent), and the Oro Loma and Castro Valley Sanitary Districts (collectively, 29.7 percent). The District has rights to 18.7 percent of EBDA's capacity.

Because the District has the ability to exercise influence over operating and financial policies of the EBDA, the District's proportionate share of EBDA's net position, excluding sole use of facilities, and the District's share of its undivided ownership (18.7 percent) in EBDA's total net equity, have been recorded as an investment in EBDA accounted for under the equity method.

Summary financial information for EBDA, as of June 30, 2013 and 2012 and for the years then ended, the most recent audited information available, is as follows:

	2013	2012
Total Assets	\$ 35,164,995	\$ 35,461,881
Total liabilities	1,045,918	849,863
Net position value of EBDA	34,119,077	34,612,018
District's share at 18.7%	6,380,267	6,472,447
Net loss on equity investment in EBDA	\$ 92,180	\$ 89,170

EBDA has no outstanding debt.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

### NOTE #4 – JOINT VENTURES – CONTINUED

During fiscal year ended June 30, 2014 and 2013, the District was charged \$1,052,368 and \$1,060,693, respectively, by EBDA primarily for operating costs. Such costs are included in the wastewater treatment expenses by the District for financial reporting purposes.

The financial statement for EBDA may be obtained from the EBDA, 2651 Grant Avenue, San Lorenzo, CA 94580-1841.

### NOTE #5 - LONG-TERM OBLIGATIONS

Long-term obligations at June 30, 2014 are summarized as below:

	Maturity Date	Interest Rate	Balance 7/1/13	Additions	Retirements	Balance 6/30/14	Current Portion
2003 State Revolving Fund Loan - Irvington	08/30/23	2.4%	\$ 8,689,163	\$ -	\$ 699,624	\$ 7,989,539	\$ 716,415
2008 State Revolving Fund Loan - Willow	11/16/27	2.4%	1,351,877	-	75,939	1,275,938	77,762
2008 State Revolving Fund Loan - Newark	01/26/30	2.7%	9,246,018	-	435,762	8,810,256	447,528
2008 State Revolving Fund Loan - Hetch Hetchy	11/17/28	2.7%	1,794,865	-	91,173	1,703,692	93,634
2009 State Revolving Fund Loan - Cedar Blvd.	02/26/30	2.5%	1,746,236	-	83,694	1,662,542	85,786
2011 State Revolving Fund Loan - Primary Cl.	01/15/33	2.7%	8,737,074	291,330	351,691	8,676,713	355,510
2011 State Revolving Fund Loan - Substation 1	02/28/32	2.6%	2,335,432	-	96,606	2,238,826	99,118
2011 State Revolving Fund Loan - Boyce Rd. Lift Station	03/31/33	2.6%	4,839,862	1,514,148	-	6,354,010	252,007
2014 State Revolving Fund Loan- Thickener Control Building	03/31/36	2.1%	-	776,599	-	776,599	-
Compensated absences	n/a	n/a	915,281	949,268	966,653	897,896	897,896
			<u>\$ 41,563,612</u>	<u>\$ 3,531,345</u>	<u>\$ 4,708,946</u>	<u>\$ 40,386,011</u>	<u>\$ 3,025,656</u>

#### A. 2003 State Revolving Fund Loan – Irvington

During 2003, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. As of March 26, 2004, \$14,301,057, the maximum loan amount, had been drawn. The interest rate on the loan is 2.4 percent and is payable in twenty annual installments, beginning on year after initial loan disbursement. The purpose of this loan was to finance the Irvington Equalization Storage Facilities project.

#### B. 2008 State Revolving Fund Loan – Willow

During 2008, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.4 percent and is payable in twenty annual installments, beginning one year after initial loan disbursement. The purpose of this loan was to finance the Willow/Central Avenue sanitary sewer rehabilitation project. The maximum amount of this agreement is \$1,749,329 based upon projected costs to be incurred.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #5 - LONG-TERM OBLIGATIONS – CONTINUED*

#### *C. 2008 State Revolving Fund Loan – Newark Pump Station*

During 2008, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.7 percent and is payable in twenty annual installments, beginning in 2011. The purpose of this loan was to finance the Newark Pump Station project. The maximum amount of this agreement is \$10,283,321 based upon projected costs to be incurred. As of June 30, 2014, \$10,283,322, the maximum loan amount, has been advanced under this agreement.

#### *D. 2008 State Revolving Fund Loan – Hetch Hetchy*

During 2008, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.7 percent and will be payable in twenty annual installments beginning one year after initial loan disbursements. The purpose of this loan is to finance the lower Hetch Hetchy sewer rehabilitation project. The maximum amount of this agreement is \$2,212,432 based upon projected costs to be incurred. As of June 30, 2014, \$2,113,379 has been advanced under this agreement.

#### *E. 2009 State Revolving Fund Loan – Cedar Boulevard*

During 2009, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.5 percent and will be payable in twenty annual installments beginning one year after the initial loan disbursements. The purpose of this loan is to finance the Cedar Boulevard Sanitary Sewer Rehabilitation Project. The maximum amount of this agreement is \$2,052,841 based upon projected costs to be incurred. As of June 30, 2014, \$1,998,384 has been advanced under this agreement.

#### *F. 2011 State Revolving Fund Loan – Primary Clarifier*

During 2011, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.7 percent and will be payable in twenty annual installments beginning one year after the initial loan disbursements. The purpose of this loan is to finance the rehabilitation of primary clarifiers (Nos. 1 through 4) at the Alvarado Wastewater Treatment Plant. The maximum amount of this agreement is \$8,821,860 based upon projected costs to be incurred. As of June 30, 2014, \$8,821,860 has been advanced under this agreement.

**UNION SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE #5 - LONG-TERM OBLIGATIONS – CONTINUED**

**G. 2011 State Revolving Fund Loan – Substation 1**

During 2011, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.6 percent and will be payable in twenty annual installments beginning one year after the initial loan disbursements. The purpose of this loan is to finance the replacement of Substation 1 to ensure its continual operation. The maximum amount of this agreement is \$2,676,485 based upon projected costs to be incurred. As of June 30, 2014, \$2,412,908 has been advanced under this agreement.

**H. 2011 State Revolving Fund Loan – Boyce Rd. Lift Station**

During 2011, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.6 percent and will be payable in twenty annual installments beginning one year after the initial loan disbursements. The purpose of this loan is to finance the replacement of Boyce Road Lift Station to ensure its continual operation. The maximum amount of this agreement is \$6,196,671 based upon projected costs to be incurred. As of June 30, 2014, \$6,196,671 has been advanced under this agreement.

**I. 2011 State Revolving Fund Loan –Thickener Control Building**

During December 2013, the District entered into a loan agreement with the California State Water Resources Control Board in accordance with the State Revolving Fund Loan Program. The interest rate on the loan is 2.1 percent and will be payable in nineteen annual installments beginning September 2017. The purpose of this loan is to finance the Thickener Control Building Improvements Project to ensure its continual operation. The maximum amount of this agreement is \$12.2 million based upon projected costs to be incurred. As of June 30, 2014, \$776,559 has been advanced under this agreement.

**J. Debt Service Requirements**

Future annual repayment requirements as of June 30, 2014 are as follows:

Year Ended June 30	Principal	Interest	Total
2015	\$ 2,127,761	\$ 889,657	\$ 3,017,418
2016	2,176,158	850,139	3,026,297
2017	2,231,944	803,445	3,035,389
2018	2,320,945	771,919	3,092,864
2019	2,380,304	722,101	3,102,405
2020-2024	12,846,603	2,816,870	15,663,473
2025-2029	9,704,009	1,493,092	11,197,101
2030-2034	5,563,279	376,693	5,939,972
2035-2038	137,112	7,362	144,474
Totals	<u>\$ 39,488,115</u>	<u>\$ 8,731,278</u>	<u>\$ 48,219,393</u>

**UNION SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE #6 - PENSION PLAN**

Substantially all District employees are eligible to participate in a pension plan offered by California Public Employees Retirement System (CALPERS) to the District, an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The benefit provisions and all other requirements have been established and may be amended by State statute and District resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plan are determined annually based on an actuarial study as of June 30 by CALPERS. The Plan's provisions and benefits in effect at June 30, 2014 are summarized as follows.

Benefit vesting schedule	5 years service
Benefit payment	Monthly for life
Minimum retirement age	50
Benefit factor per year of service	2.0 - 2.5%
Required employee contribution rate	8%
Required employer contribution rate	16.399%

CALPERS determines contribution requirements using a modification of the Entry Age Actuarial Cost Method. Under this method, the District's total normal benefit cost for each employee for date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the District must pay annually to fund and employee's projected retirement benefit. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The District uses the actuarially determined percentages of payroll to calculate and pay contribution to CALPERS. This results in no net pension obligations or unpaid contributions. The required employer contributions, as determined by CalPERS, for the years ended June 30, 2014 and 2013 were \$2,287,910 and \$2,248,207 respectively.

Effective June 6, 2013, employees hired before January 1, 2013 will pay additional contribution of 1.5 percent for pension; employees hired after January 1, 2013 will be subject to a new formula and contributions as provided in recent legislation. That obligation is not reflected within the actuarial accrued liability disclosed in the required supplementary information section. The annual pension costs, including both the employer and employee portion paid by the District, for the years ended June 30:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 2,908,247	100%	-
2013	3,069,290	100%	-
2012	2,869,537	100%	-

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #6 - PENSION PLAN - CONTINUED*

CALPERS uses the Entry Age Normal Cost Method to value Plan obligations and the market related value method of valuing the Plan's assets. An investment rate of return of 7.5 percent is assumed, including inflation at 2.75 percent. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are tracked and amortized over 30 years. Salaries are projected to increase from 3.30 percent to 14.20 percent depending on age, service, and type of employment.

*Funded Status:* The schedule of funded status of the plan as of June 30, 2012 was as follows:

Actuarial accrued liability (AAL)	\$ 98,458,686
Actuarial value of plan assets	81,479,378
Unfunded actuarial accrued liability (UAAL)	<u>\$ 16,979,308</u>
Funded ratio (actuarial value of plan assets/ AAL)	82.8%
Covered payroll (active plan members)	\$ 13,063,048
UAAL as a percentage of covered payroll	130.0%

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

### *NOTE #7 - OTHER RETIREMENT BENEFITS*

#### *A. Postemployment Healthcare Plan (OPEB)*

*Plan Description.* The District's defined benefit postemployment healthcare plan provides medical benefits to employees who satisfy the requirements for retirement under CalPERS (attained age 50 with five years of service or satisfaction of the requirements for a disability retirement.) The amount of the retiree's medical benefit is dependent upon both years of service with the District and the year the employee retires.

The District contracts with CalPERS to administer its retiree health benefit plan (an agent multiple-employer plan) and to provide an investment vehicle, the California Employers' Retiree Benefit Trust Fund, to prefund future OPEB costs. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. The District chooses among the menu of benefit provisions and adopts certain benefit provisions by Board resolution. CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, CA, 95814.

*Funding Policy.* The District's annual required contribution of the employer (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal annual costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years on a closed basis. The current ARC rate is 4% of the annual covered payroll, based on the most recent actuarial report dated July 1, 2013. The plan members receiving benefits currently do not make contributions.

**UNION SANITARY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

**NOTE #7 - OTHER RETIREMENT BENEFITS - CONTINUED**

*Annual OPEB Cost and Net OPEB Obligation.* The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual Required Contribution (ARC)	\$ 462,852
Interest on net OPEB obligation (asset)	(96,911)
Adjustment to ARC	88,870
Annual OPEB cost	<u>454,811</u>
Contributions made	<u>462,852</u>
Change in net OPEB obligation (asset)	(8,041)
OPEB obligation (asset) - beginning of year	(1,435,718)
OPEB obligation (asset) - end of year	<u><u>\$ (1,443,759)</u></u>

*Trend Information.* The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) is as follows:

Fiscal Year Ending	Annual OPEB Cost	Actual Employer Contributions	Percentage Contributed	Net OPEB Obligation (Asset)
6/30/2014	\$ 454,811	\$ 462,852	102%	\$ (1,443,759)
6/30/2013	438,130	448,284	102%	(1,435,718)
6/30/2012	346,615	363,108	105%	(1,425,564)

*Funded Status.* The schedule of funded status of the plan as of July 1, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 7,568,777
Actuarial value of plan assets	3,377,623
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,191,154</u>
Funded ratio (actuarial value of plan assets/ AAL)	44.6%
Covered payroll (active plan members)	\$ 13,310,618
UAAL as a percentage of covered payroll	31.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #7 - OTHER RETIREMENT BENEFITS – CONTINUED*

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions and methods:

Valuation date	July 1, 2013
Actuarial cost method	Entry age, Normal cost
Amortization method	Level percentage of payroll
Amortization period	30 years
Asset valuation method	Market value of assets
Actuarial Assumptions:	
Investment rate of return (funded)	6.75%
Salary increase	3.25%
Healthcare cost trend rate	8.5% initial; 4.5% ultimate
Inflation Rate	3.25%

#### ***B. 401(a) Plans***

The District sponsors three internal Revenue Code Section 401(a) money purchase retirement plans for unclassified employees through the ICMA Retirement Corporation. The plans were established and can be amended by Board resolution and, for certain terms, by participant agreement. Eligibility for participation in a particular plan is dependent on job classification. Within each plan, participating employees contribute the same dollar amount, and the District makes matching contributions on their behalf. The District and the participants both contributed a total of \$32,594 and \$34,185 to the plans for the years ended June 30, 2014, and 2013, respectively.

#### ***C. Deferred Compensation Plan***

District employees may defer a portion of their compensation under a District sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distribution. Distributions may be made only at termination, retirement, death, or, in an emergency, as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District assets and are not subject to District control, they have been excluded from these general purpose financial statements.

# UNION SANITARY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

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### *NOTE #8 - RISK MANAGEMENT*

The District is a member of the California Sanitation Risk Management Authority (CSRMA). CSRMA covers general liability and workers' compensation claims. In addition, commercial insurance is purchased for excess liability, property, and employee dishonesty coverage. The District has a \$500,000 deductible for general liability coverage, and no deductible for workers' compensation coverage.

Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims. The District's liability for uninsured claims is limited to general liability claims, as discussed above.

### *NOTE #9 - COMMITMENTS AND CONTINGENT LIABILITIES*

The District is contingently liable in connection with claims and contracts arising in the normal course of its activities. District management is of the opinion that the ultimate outcome of such matters will not have a significant effect on the financial position of the District.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**UNION SANITARY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

Schedule of Funding Progress for Pension Plan

Actuarial Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2012	\$ 81,479,378	\$ 98,458,686	\$ 16,979,308	82.8%	\$ 13,063,048	130.0%
2011	77,586,175	94,015,409	16,429,234	82.5%	12,767,707	128.7%
2010	73,970,831	88,741,572	14,770,741	83.4%	12,301,216	120.1%

Schedule of Funding Progress for Retiree Health Benefit Plan

Date	of Assets	Liability (AAL)	(UAAL)	Funded Ratio	Payroll	Covered Payroll
July 1, 2013	\$ 3,377,623	\$ 7,568,777	\$ 4,191,154	45%	\$ 13,310,618	31.5%
July 1, 2011	2,849,311	6,557,147	3,707,836	43%	12,094,561	30.7%
July 1, 2010	2,202,422	5,120,503	2,918,081	43%	11,590,155	25.2%

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**SUPPLEMENTARY INFORMATION**

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**UNION SANITARY DISTRICT**

**SCHEDULES OF COMPONENTS OF NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>NET INVESTMENT IN CAPITAL ASSETS</b>		
Net capital assets	\$ 338,757,641	\$ 335,041,723
Less long term debt:		
State revolving fund	(39,488,115)	(40,648,331)
Net investment in capital assets	<u>\$ 299,269,526</u>	<u>\$ 294,393,392</u>
<b>RESTRICTED</b>		
Expendable:		
Capacity purposes	\$ 14,165,399	\$ 16,093,405
Nonexpendable:		
State revolving fund loan contingency requirement	3,457,379	4,204,415
Total restricted net position	<u>\$ 17,622,778</u>	<u>\$ 20,297,820</u>
<b>UNRESTRICTED</b>		
Renewal and replacement:		
Structural	\$ 3,563,478	\$ 8,079,734
Vehicle and equipment	956,195	1,150,234
Information system	1,399,153	1,368,371
Plant and pump station	(646)	158,524
Non-capital project expense (NECB)	134,820	310,580
Investment in East Bay Dischargers Authority	6,380,267	6,472,447
Risk management	1,500,000	1,500,000
Cash flow	16,050,179	15,139,823
Emergency	2,750,000	2,000,000
Pretreatment	119,783	112,797
Total unrestricted	<u>\$ 32,853,229</u>	<u>\$ 36,292,510</u>
<b>NET POSITION</b>	<u>\$ 349,745,533</u>	<u>\$ 350,983,722</u>



# UNION SANITARY DISTRICT

## SCHEDULES OF COMPONENTS OF NET POSITION FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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### *Note A – Restricted Components of Net Position*

The amounts have legal restrictions as to their uses. Those amounts restricted for capacity purposes can be used only for acquisition of capacity related capital assets. Those amounts restricted as bond reserve can be used only for debt service.

### *Note B – Unrestricted Components of Net Position*

These amounts have been designated by Board resolution for various purposes including renewal and replacement and a reserve for economic uncertainty.

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**UNION SANITARY DISTRICT**

**SCHEDULES OF OPERATING EXPENSES BEFORE DEPRECIATION  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014			2013				
	Sewage Treatment	Sewage Collection & Engineering	General & Administrative	Total	Sewage Treatment	Sewage Collection & Engineering	General & Administrative	Total
Salaries and wages	\$ 5,100,118	\$ 6,359,678	\$ 3,357,034	\$ 14,816,830	\$ 4,800,376	\$ 6,282,578	\$ 2,981,252	\$ 14,064,206
Employee benefits	2,015,558	2,652,303	1,619,603	6,287,464	1,918,094	2,645,861	1,574,478	6,138,433
Recruitment and development	67,852	94,495	249,776	412,123	89,445	98,160	196,330	383,935
Temporary help	8,469	47,253	-	55,722	-	10,476	31,253	41,729
Repairs and maintenance	1,344,232	458,105	10,327	1,812,664	1,482,668	509,882	11,213	2,003,763
Operating supplies	1,805,454	230,157	-	2,035,611	1,674,605	232,206	-	1,906,811
Office and safety supplies	137,178	233,731	143,528	514,437	144,142	179,200	245,880	569,222
Insurance	-	-	225,722	225,722	-	-	222,425	222,425
Contractual services	837,684	66,913	-	904,597	700,986	47,514	10,569	759,069
Professional services	224,802	74,190	644,345	943,337	168,316	35,027	534,404	737,747
Utilities	2,235,180	63,747	77,404	2,376,331	2,190,981	53,095	63,023	2,307,099
East Bay Dischargers Authority - operating charges	1,052,368	-	-	1,052,368	1,060,693	-	-	1,060,693
Non-capital projects	524,295	524,295	271,763	1,320,353	1,805,985	1,805,985	200,084	3,812,054
Sewer Service charge administrative fee	35,186	35,186	35,186	105,558	35,084	35,084	35,084	105,252
Rents/Leases	22,147	29,702	-	51,849	17,554	19,277	5,473	42,304
<b>Total</b>	<b>\$15,410,523</b>	<b>\$ 10,869,755</b>	<b>\$ 6,634,688</b>	<b>\$ 32,914,966</b>	<b>\$ 16,088,929</b>	<b>\$ 11,954,345</b>	<b>\$ 6,111,468</b>	<b>\$ 34,154,742</b>

# UNION SANITARY DISTRICT

## SCHEDULE OF INSURANCE COVERAGE FOR THE YEAR ENDED JUNE 30, 2014

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The District's insurance policies and coverages in effect at June 30, 2014 are as follows:

General liability (pooled liability program)		
Bodily injury, property damage, and personal injury	\$	25,500,000
Public entity errors and omissions and other related practices	\$	25,500,000
Employment related practices	\$	25,500,000
		<u>Insured Value</u>
Auto physical damage (primary insurance program)	\$	3,112,791
Workers' Compensation	\$	1,750,000
Group Health and Life		Contract
Employee Disability and Salary Continuance		Contract
Property insurance, all property	\$	250,928,297
Accounts receivable		No sublimit
Employee Dishonesty Bond Coverages:		
Public Employee Dishonesty Bond	\$	1,000,000
Forgery and alteration	\$	1,000,000
Computer Fraud	\$	1,000,000

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**UNION SANITARY DISTRICT**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED**

**JUNE 30, 2011**

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**UNION SANITARY DISTRICT**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Union Sanitary District  
Union City, California

**Compliance**

We have audited Union Sanitary District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing

procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the Union Sanitary District, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 16, 2011, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of management, Board of Directors, federal awarding agencies, and the Controller of the State of California and is not intended to be and should not be used by anyone other than these specified parties.

Varrinck, Trine, Day & Co., LLP.

Pleasanton, California  
May 21, 2014

**UNION SANITARY DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Grant Identifying Number</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
<b><u>Environmental Protection Agency</u></b>			
Passed through State Water Resources Control Board			
Capitalization Grants for Clean Water State Revolving Funds	C-06-5220-110	66.458	\$ 197,893
	C-06-5221-110	66.458	497,592
Total Expenditures of Federal Awards			<u>\$ 695,485</u>

# UNION SANITARY DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

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### *NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Union Sanitary District (District). The District's reporting entity is defined in Note #1 of the District's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies to the District are included in the accompanying schedule.

#### B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note #1 of the District's basic financial statements.

#### C. Relationship to Basic Financial Statements

The loan associated with federal award funds is reported within the District's basic financial statements under the financial statement caption current portion of long-term debt and long-term debt, net of current portion.

#### D. Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports. However, certain federal financial reports are filed based on cash expenditures. As such, certain timing differences may exist in the recognition of revenues and expenditures between the Schedule of Expenditures of Federal Awards and the federal financial reports.

#### E. Catalog of Federal Domestic Assistance (CFDA) Numbers

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

**UNION SANITARY DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**I. SUMMARY OF AUDITOR'S RESULTS**

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FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>No</u>
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>66.458</u>	<u>Capitalization Grants for Clean Water State Revolving Funds</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

**UNION SANITARY DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

**II. FINANCIAL STATEMENT FINDINGS**

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None.

**UNION SANITARY DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011**

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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None.

**UNION SANITARY DISTRICT**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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None.

**UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155504	10/9/2014	10962	PACIFIC INFRASTRUCTURE CORP	BOYCE ROAD LIFT STATION	\$125,745.00	\$125,745.00
155605	10/16/2014	101814	WASTEWATER SOLIDS MGMT INC	DIGESTER #5 CLEANING	\$118,669.00	\$118,669.00
155493	10/9/2014	4030	J2 BUILDING CONSULTANTS INC	ADMIN & FIELD OPS BUILDING LEAK INVESTIGATION	\$34,785.20	\$34,785.20
155564	10/16/2014	25870	HARRIS & ASSOCIATES	MISC. SS SPOT REPAIRS PHASE V - JARVIS	\$20,280.00	\$20,280.00
155503	10/9/2014	224720140924	PACIFIC GAS AND ELECTRIC	SERV TO 09/23/14 CS TRAINING TRAILER	\$38.87	\$19,427.75
	10/9/2014	761520140926		SERV TO 09/25/14 NEWARK PS	\$19,388.88	
155602	10/16/2014	533620140922	US BANK CORP PAYMENT SYSTEM	MONTHLY CAL CARD STMT - SEPT 2014	\$17,219.48	\$17,219.48
155556	10/16/2014	XJJJWP723	DELL MARKETING LP C/O DELL USA	COGEN VIEW NODE	\$1,723.16	\$15,528.04
	10/16/2014	XJJDWNN42		DELL SERVER FOR REMOTE ACCESS VDI	\$13,804.88	
155499	10/9/2014	43371	NACWA	FY2015 MEMBERSHIP DUES (10/1/14 - 9/30/15)	\$14,730.00	\$14,730.00
155600	10/16/2014	645102	UNIVAR USA INC	5,012 GALS SODIUM HYPOCHLORITE	\$2,316.55	\$13,763.37
	10/16/2014	643805		4,953 GALS SODIUM HYPOCHLORITE	\$2,289.27	
	10/16/2014	643720		4,789 GALS SODIUM HYPOCHLORITE	\$2,213.47	
	10/16/2014	644543		5,058 GALS SODIUM HYPOCHLORITE	\$2,337.80	
	10/16/2014	643828		5,017 GALS SODIUM HYPOCHLORITE	\$2,318.86	
	10/16/2014	644965		4,949 GALS SODIUM HYPOCHLORITE	\$2,287.42	

UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155528	10/9/2014	643439	UNIVAR USA INC	5,012 GALS SODIUM HYPOCHLORITE	\$2,316.55	\$11,526.33
	10/9/2014	643452		5,008 GALS SODIUM HYPOCHLORITE	\$2,314.70	
	10/9/2014	642550		4,954 GALS SODIUM HYPOCHLORITE	\$2,289.73	
	10/9/2014	642225		4,949 GALS SODIUM HYPOCHLORITE	\$2,287.42	
	10/9/2014	642549		5,015 GALS SODIUM HYPOCHLORITE	\$2,317.93	
155540	10/16/2014	8480049073	ANDRITZ SEPARATION INC	2 CENTRIFUGE 1 GEARBOX AND GEARBOX REPAIR KIT	\$10,540.86	\$10,540.86
155584	10/16/2014	3341556	PENN DETROIT DIESEL ALLISON LL	COGENERATION PROJECT	\$10,528.53	\$10,528.53
155495	10/9/2014	9017410679	KEMIRA WATER SOLUTIONS, INC.	8.02 DRY TONS FERROUS CHLORIDE	\$5,245.08	\$10,392.06
	10/9/2014	9017411148		7.87 DRY TONS FERROUS CHLORIDE	\$5,146.98	
155569	10/16/2014	9017411747	KEMIRA WATER SOLUTIONS, INC.	7.96 DRY TONS FERROUS CHLORIDE	\$5,205.84	\$10,078.14
	10/16/2014	9017412725		7.45 DRY TONS FERROUS CHLORIDE	\$4,872.30	
155465	10/9/2014	8480048893	ANDRITZ SEPARATION INC	1 CENTRIFUGE GEARBOX & GEARBOX REPAIR KIT	\$143.69	\$9,889.20
	10/9/2014	8480048969		3 CENTRIFUGE 1 8K SERVICE PARTS	\$9,745.51	
155549	10/16/2014	43685	CDW GOVERNMENT LLC	VMWARE RENEW SOFTWARE UPDATES AND SUPPORT	\$6,987.00	\$8,940.23
	10/16/2014	23517		10 RSA TWO FACTOR AUTHENTICATION	\$1,214.10	
	10/16/2014	71032		RSA TWO FACTOR AUTHENTICATION	\$739.13	
155571	10/16/2014	10504	LOOKINGPOINT INC	FIREWALL MIGRATION	\$8,523.60	\$8,523.60
155597	10/16/2014	22391	TECHNOLOGY INTEGRATION GROUP	DISASTER RECOVERY REVIEW	\$8,000.00	\$8,000.00
155548	10/16/2014	134920	CAROLLO ENGINEERS	COGENERATION PROJECT	\$7,870.74	\$7,870.74

UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155542	10/16/2014	5677017	AT&T	SERV: 07/20/14 - 08/19/14	\$2,576.85	\$7,783.61
	10/16/2014	5588137		SERV: 06/20/14 - 07/19/14	\$2,536.19	
	10/16/2014	5766162		SERV: 08/20/14 - 09/19/14	\$2,670.57	
155496	10/9/2014	37432220141001	LINCOLN NATIONAL LIFE INS COMP	LIFE & DISABILITY INSURANCE - OCT 2014	\$7,513.87	\$7,513.87
155547	10/16/2014	11028870	BNA - BUREAU NATL AFFAIRS INC	BNA SUBSCRIPTION RENEWAL	\$7,415.09	\$7,415.09
155480	10/9/2014	31431	D & L SUPPLY	25 MANHOLE FRAME W/COVER NO BOLTS 24-IN PN	\$6,843.75	\$6,843.75
155505	10/9/2014	10962E	PACIFIC INFRASTRUCTURE CORP	BOYCE ROAD LIFT STATION	\$6,618.00	\$6,618.00
155470	10/9/2014	1453	BURLINGAME ENGINEERS INC	ASTD MILTON ROY PARTS	\$5,651.25	\$5,790.65
	10/9/2014	1467		2 FERROUS PUMP SEAL	\$139.40	
155506	10/9/2014	913153	POLYDYNE INC	41,360 LBS CLARIFLOC WE-539	\$5,434.70	\$5,434.70
155471	10/9/2014	34511	CDW GOVERNMENT LLC	HP COLOR LASER JET ENT M750XH	\$-3,613.53	\$5,386.47
	10/9/2014	4460		REMOTE ACCESS SOFTWARE LICENSES	\$9,000.00	

UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155537	10/16/2014	4104550220140730	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 07/29/14-MTR HYD 19866550	\$577.38	\$5,211.88
	10/16/2014	4104560820140930		SERV TO: 09/26/14-MTR HYD B33476241	\$549.46	
	10/16/2014	4104550220140930		SERV TO: 09/26/14-MTR HYD 19866550	\$591.02	
	10/16/2014	4104550320140930		SERV TO: 09/26/14-MTR HYD 29389772	\$982.59	
	10/16/2014	4104550420140930		SERV TO: 09/26/14-MTR HYD 29389774	\$534.13	
	10/16/2014	4104560920140930		SERV TO: 09/26/14-MTR HYD 19866549	\$534.13	
	10/16/2014	4104983520140930		SERV TO: 09/26/14-MTR HYD 19866540	\$631.78	
	10/16/2014	4047286120141003		SERV TO: 10/02/14 - PASEO PADRE	\$35.78	
155535	10/16/2014	102176	ACCUVANT INC	SERV TO: 09/26/14-MTR HYD B32896064	\$775.61	
	10/16/2014	102176		1 FIREWALL REDUNDANT INTERNET LICENSE	\$4,811.00	\$4,811.00
155479	10/9/2014	250144	CURTIS & TOMPKINS LTD	51 LAB SAMPLE ANALYSIS	\$855.00	\$4,809.00
	10/9/2014	250193		55 LAB SAMPLE ANALYSIS	\$2,175.00	
	10/9/2014	250192		18 LAB SAMPLE ANALYSIS	\$1,615.00	
	10/9/2014	247297		10 LAB SAMPLE ANALYSIS	\$164.00	
155469	10/9/2014	445022	BRENNTAG PACIFIC, INC.	2949 LBS SODIUM HYDROXIDE	\$1,629.71	\$4,746.54
	10/9/2014	445023		5640 LBS SODIUM HYDROXIDE	\$3,116.83	
155526	10/9/2014	130700	TOTAL WASTE SYSTEMS INC	SEPTEMBER 2014 GRIT DISPOSAL	\$4,125.40	\$4,125.40
155534	10/16/2014	62486	3T EQUIPMENT COMPANY INC	6 FERNCO FLEX ADAPTER	\$277.60	\$3,772.84
	10/16/2014	62488		8 PIPEPATCH KIT - WINTER	\$3,495.24	

UNION SANITARY DISTRICT  
 CHECK REGISTER  
 10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155583	10/16/2014	096020141002	PACIFIC GAS AND ELECTRIC	SERV TO 10/01/14 CATHODIC PROJECT	\$61.54	\$3,732.68
	10/16/2014	380420141006		SERV TO 09/03/14 CHERRY ST PS	\$408.51	
	10/16/2014	892820141002		SERV TO 10/01/14 HAYWARD MARSH	\$56.85	
	10/16/2014	140120141007		SERV TO 10/05/14 IRVINGTON PS	\$26.61	
	10/16/2014	013720141007		SERV TO 10/06/14 BOYCE RD PS	\$2,725.55	
	10/16/2014	666720141002		SERV TO 10/01/14 PASEO PADRE PS	\$198.58	
	10/16/2014	898220141002		SERV TO 10/01/14 FREMONT PS	\$255.04	
155563	10/16/2014	3H6901	HARRINGTON INDUSTRIAL PLASTICS	1 EA 2" VALVE	\$502.40	\$3,573.18
	10/16/2014	3H7317		1 EA SIGN & LABEL MAKER	\$1,898.69	
	10/16/2014	3H6900		1 EA 2" STRAINER BASKET	\$648.93	
	10/16/2014	3H7397		1 EA 3" VALVE	\$523.16	

UNION SANITARY DISTRICT  
CHECK REGISTER  
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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
15551	10/16/2014	54359701	CINTAS CORPORATION	UNIFORM LAUNDERING SERVICE	\$298.97	\$3,472.98
	10/16/2014	54364251		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$88.00	
	10/16/2014	54361982		UNIFORM LAUNDERING SERVICE	\$298.97	
	10/16/2014	54357457		UNIFORM LAUNDERING SERVICE	\$311.93	
	10/16/2014	54357456		UNIFORM LAUNDERING SERVICE	\$310.54	
	10/16/2014	54359700		UNIFORM LAUNDERING SERVICE	\$326.80	
	10/16/2014	54364250		UNIFORM LAUNDERING SERVICE	\$415.69	
	10/16/2014	54366497		UNIFORM LAUNDERING SERVICE	\$316.93	
	10/16/2014	54359702		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$89.00	
	10/16/2014	54364249		UNIFORM LAUNDERING SERVICE	\$317.93	
	10/16/2014	54366496		UNIFORM LAUNDERING SERVICE	\$314.21	
	10/16/2014	54361981		UNIFORM LAUNDERING SERVICE	\$384.01	
15558	10/16/2014	7120	TLT BBQ	REFUND # 17543	\$3,432.50	\$3,432.50
15552	10/9/2014	18546	RMC WATER AND ENVIRONMENT	MIDTOWN DEVELOPMENT SEWER EVALUATION	\$1,664.00	\$3,382.15
	10/9/2014	18552		ALVARADO TREATMENT PLANT SITE USE STUDY	\$1,718.15	
155474	10/9/2014	1310	COMMERCIALTRANSPORTATION SVCS	COMMERCIAL DRIVER TRAINING	\$3,375.00	\$3,375.00
155550	10/16/2014	7231	MICHAEL CHU	REFUND # 17542	\$3,300.00	\$3,300.00
155533	10/16/2014	3EU0056948	3E COMPANY	ONLINE MSDS 09/01/14-08/31/15	\$3,270.00	\$3,270.00

UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155554	10/16/2014	250201	CURTIS & TOMPKINS LTD	8 LAB SAMPLE ANALYSIS	\$124.00	\$3,256.00
	10/16/2014	250297		5 LAB SAMPLE ANALYSIS	\$435.00	
	10/16/2014	250322		15 LAB SAMPLE ANALYSIS	\$1,305.00	
	10/16/2014	250216		2 LAB SAMPLE ANALYSIS	\$120.00	
	10/16/2014	250199		10 LAB SAMPLE ANALYSIS	\$154.00	
	10/16/2014	250215		8 LAB SAMPLE ANALYSIS	\$124.00	
	10/16/2014	250200		10 LAB SAMPLE ANALYSIS	\$154.00	
	10/16/2014	250202		12 LAB SAMPLE ANALYSIS	\$480.00	
	10/16/2014	250278		7 LAB SAMPLE ANALYSIS	\$300.00	
	10/16/2014	250217		1 LAB SAMPLE ANALYSIS	\$60.00	
155560	10/16/2014	20141013	MICHAEL GILL	EXP REIMB: QUANTUM LIBRARY CONTRACT	\$3,200.00	\$3,200.00
155475	10/9/2014	32998	CONTRACT OFFICE GROUP INC	OFFICE FURNITURE - D. LIVINGSTON	\$304.58	\$3,070.19
	10/9/2014	32997		OFFICE FURNITURE - D. LIVINGSTON	\$2,765.61	
155578	10/16/2014	91400216	NBS	SEWER SERVICE CHARGE DATA SERV OCT- DEC 2014	\$2,795.63	\$2,795.63
155466	10/9/2014	637	AUTOMATED NETWORK CONTROLS	COGENERATION PROJECT	\$2,535.68	\$2,535.68
155587	10/16/2014	916002215788	REPUBLIC SERVICES #916	ROLL OFF ON CALL - SEPTEMBER 2014	\$220.32	\$2,197.59
	10/16/2014	916002203343		RECYCLE & ROLL OFF - SEPTEMBER 2014	\$1,977.27	
155525	10/9/2014	6071	THORNTON ENVIRONMENTAL CONST	INSTALL NEW FFS 5G SPILL BUCKET W/OUT DRAIN VALVE	\$2,145.00	\$2,145.00
155477	10/9/2014	36808320001	CRESCO EQUIP RENTALS & AFFIL	EQUIP RENTAL: CAT D3G TRACTOR	\$1,786.98	\$1,786.98

UNION SANITARY DISTRICT  
 CHECK REGISTER  
 10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155575	10/16/2014	14644370	MCMMASTER SUPPLY INC	1 EA RECHARGEABLE NICAD BATTERY PACK	\$37.89	\$1,742.92
	10/16/2014	14390505		1 EA SHEET ALUMINUM	\$243.99	
	10/16/2014	14335200		4 EA TUBE CONNECTORS	\$130.37	
	10/16/2014	14492928		2 PACKS SPLIT RINGS	\$29.73	
	10/16/2014	14230201		ASTD PARTS & MATERIALS	\$539.96	
	10/16/2014	14285572		ASTD PARTS & MATERIALS	\$16.04	
	10/16/2014	14256263		4 EA EXTENDED-LIFE SEALED LEAD-ACID BATTERIES	\$206.12	
	10/16/2014	14608874		ASTD PARTS & MATERIALS	\$252.09	
	10/16/2014	14375442		20 EA BUSHINGS	\$48.18	
	10/16/2014	14375443		ASTD PARTS & MATERIALS	\$238.55	
155604	10/16/2014	20141010	JANINNE WARD	COMPUTER NOTE	\$1,671.63	\$1,671.63

UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155546	10/16/2014	10376020	BLAISDELL'S	ASTD PARTS STAND UP STATION - M. GILL	\$650.95	\$1,592.15
	10/16/2014	10413050		3 POST-IT PAGE MARKER	\$19.02	
	10/16/2014	10408620		ASTD OFFICE SUPPLIES	\$35.53	
	10/16/2014	10411200		ASTD OFFICE SUPPLIES	\$24.07	
	10/16/2014	10402201		2 KNIVES PLASTIC MEDIUM WEIGHT 1000 CS EPX	\$106.76	
	10/16/2014	10385660C		1 LBL TAPE - CREDIT	\$-30.65	
	10/16/2014	10410810		ASTD OFFICE SUPPLIES	\$47.87	
	10/16/2014	10409420		ASTD OFFICE SUPPLIES	\$200.31	
	10/16/2014	10410820		1 POPUP NOTE DISPENSER	\$12.03	
	10/16/2014	10402200		ASTD OFFICE BREAKROOM SUPPLIES	\$508.76	
	10/16/2014	10409000		2 ECON 9" BOOKEND	\$17.50	
155489	10/9/2014	3H7134	HARRINGTON INDUSTRIAL PLASTICS	1 EA 1" RELIEF VALVE	\$412.90	\$1,574.73
	10/9/2014	3H7255		ASTD PVC PARTS & MATERIALS	\$1,161.83	
155484	10/9/2014	108646151001	GEXPRO	IFIX TERMINAL SERVICES LICENSE FOR COGEN	\$1,503.44	\$1,503.44
155529	10/9/2014	27523	VALLEY OIL COMPANY	1 DRUM SHELL PELLA A OIL	\$1,349.77	\$1,349.77
155516	10/9/2014	1610688002	SAN LEANDRO ELECTRIC SUPPLY	ASTD PARTS & MATERIALS	\$989.94	\$1,342.54
	10/9/2014	1610688001		5 CONDUIT CONNECTOR 3/4 STRAIT LIQUID TIGH	\$216.89	
	10/9/2014	1610688003		2 CONDULET 1/2IN C17-G 1/2"	\$88.30	
	10/9/2014	1610688004		10 RIGHT ANGLE 3 HOLE FLAT SUPERS	\$47.41	

UNION SANITARY DISTRICT  
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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155518	10/9/2014	20513	SERVICEWRKX	INSTALLATION OF THERMOSTAT IN FMC TRAILER	\$1,328.83	\$1,328.83
155500	10/9/2014	20140930	NAPA AUTO PARTS	MONTHLY AUTO PARTS STMT - SEPT 2014	\$1,247.72	\$1,247.72
155543	10/16/2014	7634356205	AT&T	SERV: 09/10/14 - 10/09/14	\$1,178.56	\$1,178.56
155579	10/16/2014	464620100	NEW PIG CORPORATION	36 BAGS RECYCLED RAGS	\$1,073.58	\$1,073.58
155501	10/9/2014	67074	NOZZTEQ INC	1 EA LUMBERJACK 200 SERIES REBUILD KIT	\$396.61	\$1,021.21
	10/9/2014	67124		10 EA LUMBERJACK 200 SERIES 8" CUTTING CHAINS	\$624.60	
155538	10/16/2014	5104532	ALL INDUSTRIAL ELECTRIC SUPPLY	8 LED NEPTUN	\$1,007.40	\$1,007.40
155541	10/16/2014	486329	A-PRO PEST CONTROL INC	SEP PEST CONTROL	\$1,005.00	\$1,005.00
155588	10/16/2014	20141016	CAROL RICE	EXP REIMB: EMPLOYEE RECOGNITION BBQ	\$994.70	\$994.70
155483	10/9/2014	2935	GEOSPHERE CONSULTANTS INC	JARVIS AVE. SS REPLACEMENT PROJECT COMPACTION TESTING SERV	\$984.00	\$984.00
155522	10/9/2014	3243868151	STAPLES CONTRACT & COMMERCIAL	ASTD OFFICE SUPPLIES - INVENTORY	\$395.26	\$884.73
	10/9/2014	3243868150		ASTD JANITORIAL SUPPLIES - INVENTORY	\$489.47	
155488	10/9/2014	1498590	HANSON AGGREGATES INC	11.09 TONS 1/2 MED TYPE A	\$830.17	\$830.17
155559	10/16/2014	32796	EXECUTRAIN	7 STUDENTS - MS ACCESS TRAINING	\$825.00	\$825.00
155592	10/16/2014	16671	SERVICEWRKX	MONTHLY MAINTENANCE BLDG 81	\$306.64	\$806.64
	10/16/2014	20578		SERVICE REQUEST: CONDENSATION PROBLEM	\$500.00	
155565	10/16/2014	601313797	HILLYARD/SAN FRANCISCO	6 CS PAPER TOWELS & 1 CS GARBAGE BAGS	\$318.59	\$792.06
	10/16/2014	601217264		3 CASES ASTD PAPER PLATES	\$473.47	
155481	10/9/2014	20140925.10	DALE HARDWARE INC	09/14 - ASTD PARTS & MATERIALS	\$784.28	\$784.28

UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155582	10/16/2014	30195105	OLDCASTLE ENCLOSURE SYSTEMS	PRECAST CONCRETE BLOCKS	\$708.76	\$708.76
155509	10/9/2014	45041341	RAIN FOR RENT	28 DAYS TANK POLY 2450 RENTAL	\$688.80	\$688.80
155498	10/9/2014	13812305	MCMMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$213.58	\$676.30
	10/9/2014	13926516		1 PACK SANDING PADS	\$31.93	
	10/9/2014	12687579		1 EA PVC Y-STRAINER	\$160.69	
	10/9/2014	13907769		2 EA BACK CONNECTIONS	\$190.92	
	10/9/2014	14183229		1 EA STAINLESS STEEL ROD	\$22.59	
	10/9/2014	13847276		24 EA PIPE FITTINGS	\$56.59	
155589	10/16/2014	250478	RKI INSTRUMENTS INC	EAGLE CALIBRATION SERVICE LEVEL 3	\$660.92	\$660.92
155491	10/9/2014	20141006	VIRGINIA HOLSLAG	EXP REIMB: AIRFARE/MEALS/MILEAGE/PARKING ETC - OPTIMUM CONF,	\$647.30	\$647.30
155606	10/16/2014	32487	WECO INDUSTRIES LLC	REPAIR CAMERA CABLE/BULLET ON TRUCK T2371	\$612.34	\$612.34
155482	10/9/2014	2014134	FARALLON GEOGRAPHICS INC	GIS INSPECTION AND DEFECTS LAYERS	\$587.50	\$587.50
155476	10/9/2014	20140930	RICHARD CORTES	EXP REIMB: RETIREMENT GIFT - R. CURRIE	\$345.00	\$547.00
	10/9/2014	20141001		EXP REIMB: CA PUBLIC RETIREMENT SEMINAR REG & PARKING	\$202.00	
155557	10/16/2014	8487	EAST BAY MUNI UTILITY DISTRICT	6 LAB SAMPLE ANALYSIS	\$543.00	\$543.00
155585	10/16/2014	20141014	PETTY CASH	PETTY CASH REPLENISHMENT	\$521.75	\$521.75
155502	10/9/2014	41280697	OFFICE TEAM	TEMP LABOR-BLANCHETTE, V., WKEND 09/12/14	\$514.35	\$514.35
155586	10/16/2014	7545	PRO ROOTER	REFUND # 17539	\$500.00	\$500.00
155595	10/16/2014	7546	STAR ROOTER AND PLUMBING	REFUND # 17545	\$500.00	\$500.00

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155596	10/16/2014	7541	STREAMLINE PLUMBING & DRAIN	REFUND # 17538	\$500.00	\$500.00
155473	10/9/2014	44074066	CINTAS FIRE PROTECTION	TROUBLESHOOT FALSE ALARM	\$485.00	\$485.00
155539	10/16/2014	5801	ALLIED PACKING AND SUPPLY CO	40 1/2X48 BUNA-N SHEET	\$481.80	\$481.80
155562	10/16/2014	9536314645	GRAINGER INC	1 EA PILOT LIGHT	\$207.44	\$470.15
	10/16/2014	9536797740		1 EA AIR DIE GRINDER	\$91.69	
	10/16/2014	9535981931		1 SPOOL, CABLE - 500FT	\$171.02	
155576	10/16/2014	579706	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - OCT 2014	\$467.57	\$467.57
155581	10/16/2014	41323119	OFFICE TEAM	TEMP LABOR-BLANCHETTE, V., WKEND 09/19/14	\$457.20	\$457.20
155508	10/9/2014	117059	R-2 ENGINEERING INC	4 LANTERN RING HALF	\$451.55	\$451.55
155552	10/16/2014	33222	CLAREMONT BEHAVIORAL SERVICES	PREVENTING WORKPLACE VIOLENCE TRAINING	\$440.00	\$440.00
155487	10/9/2014	9531398718	GRAINGER INC	1 EA DC POWER SUPPLY	\$349.96	\$425.16
	10/9/2014	9531398726		1 EA CIRCUIT BREAKER	\$75.20	
155523	10/9/2014	224766801	STEVEN ENGINEERING INC	1 PHOENIX ANALOG OUT MOD	\$408.05	\$408.05
155467	10/9/2014	10402570	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$77.07	\$377.32
	10/9/2014	10395060		ASTD OFFICE SUPPLIES	\$256.47	
	10/9/2014	10397970		2 LABEL TAPE	\$43.78	
155566	10/16/2014	997720140926	HOME DEPOT CREDIT SERVICES	MONTHLY HARDWARE STMT - SEPT 2014	\$376.87	\$376.87
155478	10/9/2014	2113220	CUMMINS PACIFIC LLC	LV2 DPF CLEANING	\$375.00	\$375.00
155553	10/16/2014	2113071	CUMMINS PACIFIC LLC	SERVICE CALL: FILTER CLEANING	\$375.00	\$375.00

UNION SANITARY DISTRICT  
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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155517	10/9/2014	20141007.1	JAMES SCHOFIELD	EXP REIMB: 30 DAY SAFETY RECOG GIFT	\$86.85	\$371.45
	10/9/2014	20141007.2		REIMB: CONSTRUCTION TEAM 1000 DAYS	\$284.60	
155558	10/16/2014	98186	EUROFINS AIR TOXICS INC	5 LAB SAMPLE ANALYSIS SUPPLIES	\$350.00	\$350.00
155568	10/16/2014	825185	INTERNATIONAL PAINT LLC	ASTD PAINT SUPPLIES	\$346.39	\$346.39
155570	10/16/2014	2267328	LAB SUPPORT	TEMP LABOR-WINSOR, B., WKEND 09/14/14	\$331.20	\$331.20
155544	10/16/2014	55922	BARNETT MEDICAL SERVICES LLC	100 LBS PHARMACEUTICAL WASTE REMOVAL	\$164.00	\$328.00
	10/16/2014	56301		100 LBS PHARMACEUTICAL WASTE REMOVAL	\$164.00	
155591	10/16/2014	7537398302	RS HUGHES CO INC	20 BXS MICROFLEX SAFEGRIP LATEX GLOVES	\$323.14	\$323.14
155599	10/16/2014	5456	TURNER RISK CONSULTING INC	FALL PROTECTION TRAINING - SEPULVEDA	\$300.00	\$300.00
155520	10/9/2014	20141007	KRISTINA SILVA	EXP REIMB: GIFT CARDS EE RECOGNITION BBQ	\$275.00	\$275.00
155530	10/9/2014	9732400340	VERIZON WIRELESS	WIRELESS SERV 08/21/14-09/20/14	\$272.15	\$272.15
155494	10/9/2014	79434510	KANO LABORATORIES INC	2 CS AEROKROIL	\$265.52	\$265.52
155490	10/9/2014	601304536	HILLYARD/SAN FRANCISCO	2 CS HAND CLEANER	\$259.33	\$259.33
155497	10/9/2014	10397	LOOKINGPOINT INC	FIREWALL MIGRATION	\$250.00	\$250.00
155510	10/9/2014	655	REDMON ENGINEERING COMPANY	LAB EVALUATION OF MEMBRANE DIFFUSER	\$250.00	\$250.00
155527	10/9/2014	5446	TURNER RISK CONSULTING INC	CONFINED SPACE TRAINING - SEPULVEDA	\$250.00	\$250.00
155573	10/16/2014	23876	MAR-LEN SUPPLY INC	REPAIR STEAM CLEANER	\$244.08	\$244.08
155577	10/16/2014	20141014	MICHAEL MOSLEY	EXP REIMB: MEALS & TIPS - THERMOGRAPHIC TRNG 10/5-10/10/14	\$236.28	\$236.28
155531	10/9/2014	47052	WEST COAST COMPRESSOR	ASTD PARTS & MATERIALS	\$226.24	\$226.24

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155561	10/16/2014	1178421325	GLACIER ICE COMPANY INC	107 EA 7-LB BAGS OF ICE	\$213.84	\$213.84
155594	10/16/2014	20141001	SPOK INC	OCTOBER 2014 PAGER SERVICE	\$211.29	\$211.29
155567	10/16/2014	5489118	HOSE & FITTINGS ETC	ASTD PARTS & MATERIALS	\$82.34	\$209.65
155574	10/16/2014	5488703		ASTD PARTS & MATERIALS	\$127.31	
155545	10/16/2014	17230100	BECK'S SHOES	SAFETY SHOES - V. VASUT	\$208.00	\$208.00
155524	10/9/2014	20141007	SWRCB - STATE WATER RESOURCES	UPPER HETCH HETCHY SS REHABILITATION	\$200.00	\$200.00
155513	10/9/2014	20141006	AARON ROBLES	EXP REIMB: TRI-STATE SEMINAR	\$193.18	\$193.18
155603	10/16/2014	8059021441	VWR INTERNATIONAL LLC	4 BOTTLE SQUARE LG W/M HDPE 4L	\$179.93	\$179.93
155515	10/9/2014	7537398300	RS HUGHES CO INC	60 PRS GLOVE COTTON LATEX DIP LRG	\$171.26	\$171.26
155536	10/16/2014	9031653556	AIRGAS NCN	1 CYL NITROGEN	\$170.59	\$170.59
155590	10/16/2014	20141015	THERESA RODRIGUEZ	EXP REIMB: MANAGEMENT MEETING LUNCH	\$168.76	\$168.76
155574	10/16/2014	20141013	REGINA MCEVOY	EXP REIMB: GIFT CARDS FOR EMP RECOG BBQ	\$150.00	\$150.00
155580	10/16/2014	831241	NILES PIE COMPANY	CATERING FOR RICH CURRIE'S RETIREMENT PARTY	\$150.00	\$150.00
155593	10/16/2014	20141015	KRISTINA SILVA	EXP REIMB: EMPLOYEE RECOGNITION BBQ	\$147.37	\$147.37
155507	10/9/2014	20141007	MICHELLE POWELL	EXP REIMB: CURRIE'S RETIREMENT PARTY	\$147.28	\$147.28
155511	10/9/2014	249624	RKI INSTRUMENTS INC	1 SENSOR, OXYGEN, OS-B3	\$131.40	\$131.40
155555	10/16/2014	20141008	CWEA-NRTC	REG: NORTHERN SAFETY DAY 2014 - M. COSTELLO	\$130.00	\$130.00
155519	10/9/2014	838279541	SHARP BUSINESS SYSTEMS	MTHLY MAINTENANCE BASED ON USE	\$115.71	\$115.71
155486	10/9/2014	75584	GORILLA METALS	ASTD METAL, STEEL, STAINLESS, AND ALUMINUM	\$114.64	\$114.64

**UNION SANITARY DISTRICT  
CHECK REGISTER  
10/04/2014-10/17/2014**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
155463	10/9/2014	5503680	ALPINE AWARDS INC	1 CHERRY 12X15 PLAQUE	\$72.82	\$72.82
155601	10/16/2014	9853384	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 09/20/14	\$70.11	\$70.11
155485	10/9/2014	20141006	MICHAEL GILL	EXP REIMB: BARCODED LABELS FOR BACKUP TAPES	\$69.93	\$69.93
155521	10/9/2014	20141006	THOMAS SOLARI	EXP REIMB: MILEAGE FOR CALL OUT	\$67.75	\$67.75
155464	10/9/2014	1725214	ANALYSTS INC	3 LAB SAMPLE ANALYSIS	\$66.30	\$66.30
155492	10/9/2014	5486174	HOSE & FITTINGS ETC	ASTD PARTS & MATERIALS	\$63.66	\$63.66
155462	10/9/2014	4071038120140922	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 09/19/14-BENSON ROAD	\$55.95	\$55.95
155514	10/9/2014	20141006	JOSE RODRIGUES JR	EXP REIMB: EMERGENCY REPAIR DINNER	\$52.94	\$52.94
155468	10/9/2014	20140910	BOTTOM LINE	SUBSCRIPTION RNWL - BOTTOMLINE HEALTH	\$39.00	\$39.00
155532	10/9/2014	20140930	DONNA WIES	EXP REIMB: CURRIE'S RETIREMENT PARTY	\$36.01	\$36.01
155572	10/16/2014	20141007	MAINTENANCE SUPERINTENDENTS	REGIS FEE: PAST PRESIDENTS COUNCIL MEETING	\$35.00	\$35.00
155472	10/9/2014	439248	CENTERVILLE SAW AND TOOL	ASTD PARTS & MATERIALS	\$27.60	\$27.60

<b>Invoices:</b>	<b>Checks:</b>
<b>Credit Memos :</b> 2	
<b>\$0 - \$1,000 :</b> 174	<b>\$0 - \$1,000 :</b> 82
<b>\$1,000 - \$10,000 :</b> 65	<b>\$1,000 - \$10,000 :</b> 49
<b>\$10,000 - \$100,000 :</b> 8	<b>\$10,000 - \$100,000 :</b> 12
<b>Over \$100,000 :</b> 2	<b>Over \$100,000 :</b> 2
<b>Total:</b> 251	<b>Total:</b> 145

	<b>-3,644.18</b>
	<b>51,591.46</b>
	<b>219,475.28</b>
	<b>141,277.83</b>
	<b>244,414.00</b>
	<b>653,114.39</b>



## Summary of the EBDA Commission Meeting

Thursday, October 16, 2014 at 9:30 a.m.

Prepared by: P. Eldredge

- Commissioners Handley, Dias, Johnson, Peixoto and Prola were all present.
- The Consent Calendar was approved unanimously and included the Commission Meeting Minutes, the List of Disbursements, and the Treasurer's Report for September 2014.
- For the General Manager's report, Mike outlined the results of the refurbishment of an EBDA manhole via epoxy coating to stop the migration of ground water. The project, which was done at the Hayward Marsh turnout, was so successful and cost effective that they are looking at utilizing the same method for several more manholes.
- The Commission unanimously approved the reports from the Regulatory Affairs, Operation & Maintenance, Financial Management, Personnel, and Management Advisory Committees. The following items were discussed:
  - **Managers Advisory Committee** discussed the proposed changes to the Brown and Caldwell proposal related to the outfall study to include support services to EBDA staff as they will be contracting directly with the contractors that will be performing the work. There was a brief discussion regarding the BACWA nutrient workshop that took place on October 6<sup>th</sup> of this year. Tim Grillo from USD was one of the presenters at this workshop, and the information presented was very informative to the group regarding the District's pilot project on side stream nitrogen removal. Discussions will continue as treatment and regulatory agencies continue to deal with this topic. A wet weather operations plan from LAVMA was presented to the group outlining the planned operations of the LAVMA facility, should it ever decide to rain again.
  - **Financial Management Committee** indicated that the independent auditor was at EBDA the previous week and did not have any findings. It is anticipated that the auditor's report will be presented to the EBDA Board at the November meeting. EBDA staff is looking into sending out an RFP for auditing services to replace the current firm they have been using for the last five years. Per the current audit, member agencies will be receiving a refund on operational costs due to the dry weather as EBDA ended up spending less on power and chemicals. EBDA is showing a refund to USD in the amount of \$65,953.32 for FY 2013/14.
  - **Regulatory Affairs Committee** reviewed the status report (informational only, no action required) for the NPDES permit. EBDA staff did not determine any violations of the combined effluent in September of 2014. EBDA has not had any permit violations since April of 2006. There was a brief update on BACWA's strategy for Sanitary Sewer Overflows (SSO's). The current concept is to develop a proactive enforcement action that will provide a clear definition of the financial regulatory penalty and formalize Administrative Civil Liabilities. In essence, this would provide some protection for the agencies from third party lawsuits.

BACWA has been reaching out to the agencies to ensure they are comfortable with the approach before presenting to the Regional Board. The next step is to approach the Board to get their input and feedback on the concept. The BACWA regulatory issues matrix was included in the packet and briefly discussed. The matrix is produced several times annually and provided to BACWA members. The issues that could have the most impact on the EBDA agencies are:

- a. Actions by the State Water Board on nutrient permit issues
- b. Development of a Selenium standard for the Suisun Bay on South Bay dischargers
- c. Streamlining of recycled water permits statewide versus permitting requirements by the SF Water Board whose requirements are less stringent
- d. Ongoing tightening of greenhouse gas emission requirements

Commissioner Dias asked which State agency would be responsible for setting permit limits for direct potable reuse, and if it was an issue that DSRSD was giving its customers free tertiary treated wastewater. Mike answered that it would be a combination of the Water Board and Health Department, and noted DSRSD customers were required to sign a waiver before receiving the treated water.

- **O&M Committee** reviewed the contract amendment for the services provided by Brown and Caldwell for the outfall pipe study. Attached to this update is a copy of the presentation from Brown and Caldwell that provides additional detail on the scope and nature of the work being proposed. EBDA staff is recommending that they move forward with Phase 1 and Phase 2 of the work plan and not move forward with Phase 3 and 4 at this time (see attached table for phases and descriptions).
- **Joint Powers Agreement Ad Hoc Committee** outlined the strategy for the upcoming discussions regarding the Joint Powers Agreement (JPA). The current strategy, which was acceptable to everyone, includes modifying the agreement to address non-controversial issues and having all the agencies approve the "clean" version. Discussions would then begin on topics that will likely require more time and attention such as fixed and variable cost allocations and other financial terms and conditions. The intent is to start with the items that should not be controversial to get the agreement on everyone's radar screen and get the process started in a positive direction instead of trying to address all of the issues at once. Additional "clean-up" edits will be presented to the agencies in the next month or so.

The Commission unanimously passed the following resolution:

- Resolution authorizing the General Manager to execute Amendment No.1 to the engineering services agreement with Brown and Caldwell to provide engineering assistance for outfall inspection, bid document and condition assessment not to exceed \$75,000

East Bay Dischargers Authority

# Transport System Outfall Pipe Inspection and Condition Assessment

September 17 | 2014

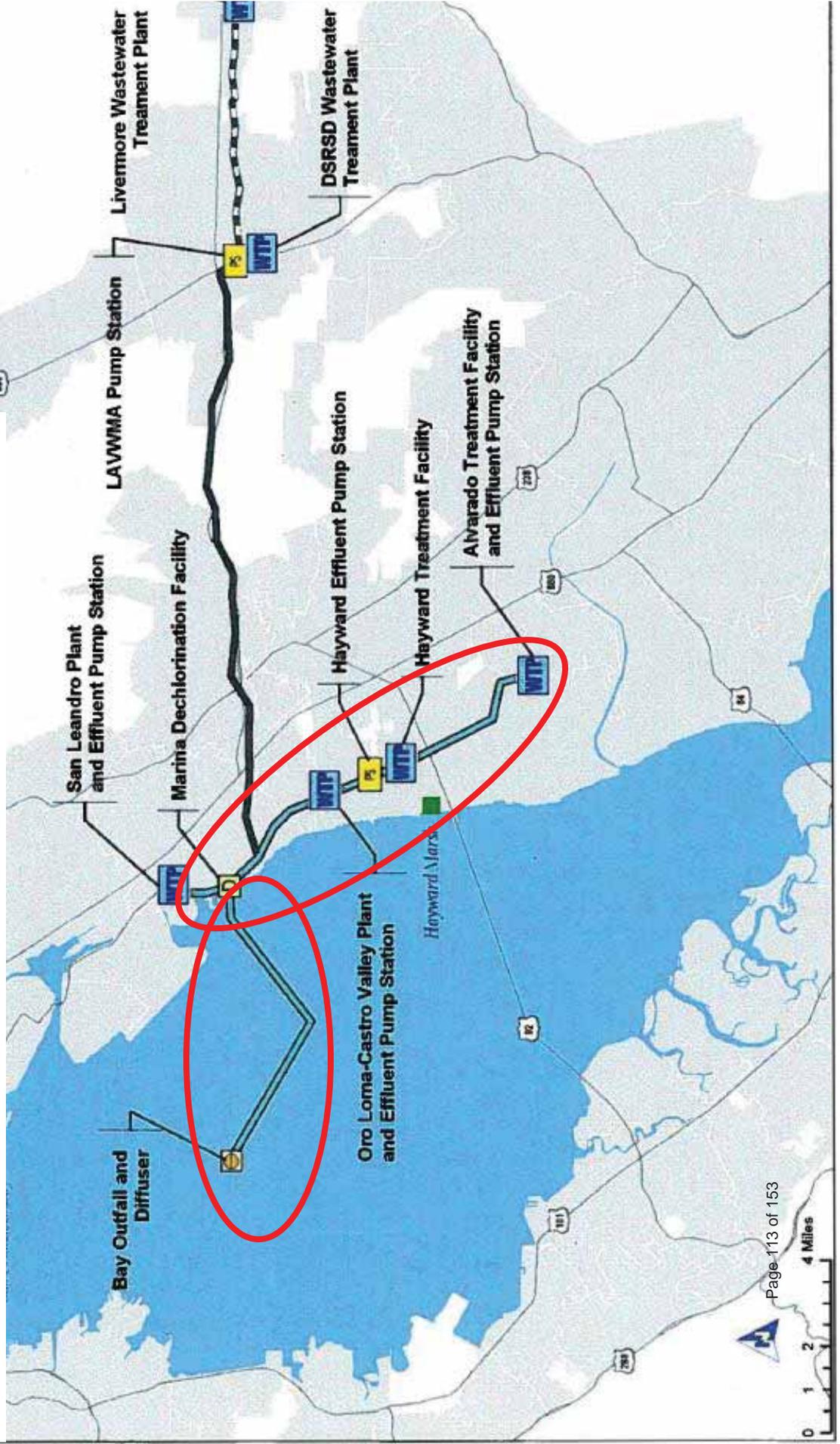
# EBDA



**Map features**

- Pump Station
- Wastewater Treatment Plant
- Dechlorination Facility
- Diffuser
- East Bay Dischargers Auth
- Effluent Disposal System
- LAVVMA Export Pipeline
- Livermore Pipeline

# East Bay Dischargers Authority





# Study Objectives

- Develop a strategy to assess the structural integrity and overall condition of the outfall
- Develop a long-term management and operating plan for the outfall
- Recommend the most efficient operating and maintenance strategy for the outfall
- Identify opportunities to increase the outfall's life cycle beyond its estimated 80-year design-life
- Comply with future regulatory requirements

# Conduct External and Internal Inspections



Location	STA	Delta (ft)	Pipe Material	Features/Description	Access Point?	Approx. Depth to top of pipe	Notes - Reference to the 1977 Record Drawings: EBDA Project 57001
1	0+00	0	Various	Valve Box and Dechlorination Facility	Unknown	-	Pipeline access unknown. Vault located at edge of golf course.
2	0+37	37	96-inch CMLC Steel	Begin Outfall pipeline	-	13' bgs	Vehicular access. Potential area for equipment staging.
3	1+29	32	96-inch CMLC Steel	Flowmeter Vault	Yes	15' bgs	Vault includes 28-inch access manhole. Vehicular access.
4	1+55	26	96-inch RCP	Transition to RCP	-	-	Begin sub-aqueous outfall pipeline
5	3+50	195	96-inch RCP	Sweeping angle point (PI "A")	-	<5' bMSL	Approximately 165-degree horizontal deflection
6	16+73	1,323	96-inch RCP	Sweeping angle point (PI "B")	-	-5' bMSL	Approximately 130-degree horizontal deflection
7	38+51	2,178	96-inch RCP	Sweeping angle point (PI "C")	-	-7' bMSL	Approximately 100-degree horizontal deflection
8	145+00	10,649	96-inch RCP	Vertical deflection	-	-12' bMSL	48-inch access manhole (see sheet 14/detail 3)
9	152+70	770	96-inch RCP	Sweeping angle point (PI "D")	Yes	-13' bMSL	Oil pipeline located below outfall pipeline
10	275+00	12,230	96-inch RCP	Approx. crossing of oil pipeline	-	-18' bMSL	See sheet 14 for details on diffusers
11	362+00	8,700	96-inch RCP	Begin Diffuser section	-	-30' bMSL	48-inch access manhole (see sheet 14/detail 3)
12	362+12	12	96-inch RCP	Access manhole	Yes	-30' bMSL	48-inch access manhole (see sheet 14/detail 3)
13	372+12	1,000	96-inch RCP	End Diffuser section	Yes	-31' bMSL	48-inch access manhole (see sheet 14/detail 3)
14	382+00	988	96-inch RCP	End of Outfall Pipeline	-	-32' bMSL	
15	382+16	16	96-inch RCP	End of Outfall Pipeline	Yes	-32' bMSL	48-inch access manhole (see sheet 14/detail 4)

**EBDA BAY OUTFALL PIPELINE**  
SAN LEANDRO, CALIFORNIA  
APRIL 15, 2014



# Reinforced Concrete Pipe (RCP) Failure Modes

## Materials

- Pipe
- Joints
- Access structures
- Diffusers

## Hydraulics Operations

- Conservation vs Growth
- Seawater intrusion

## Climate Change/ Sea level rise

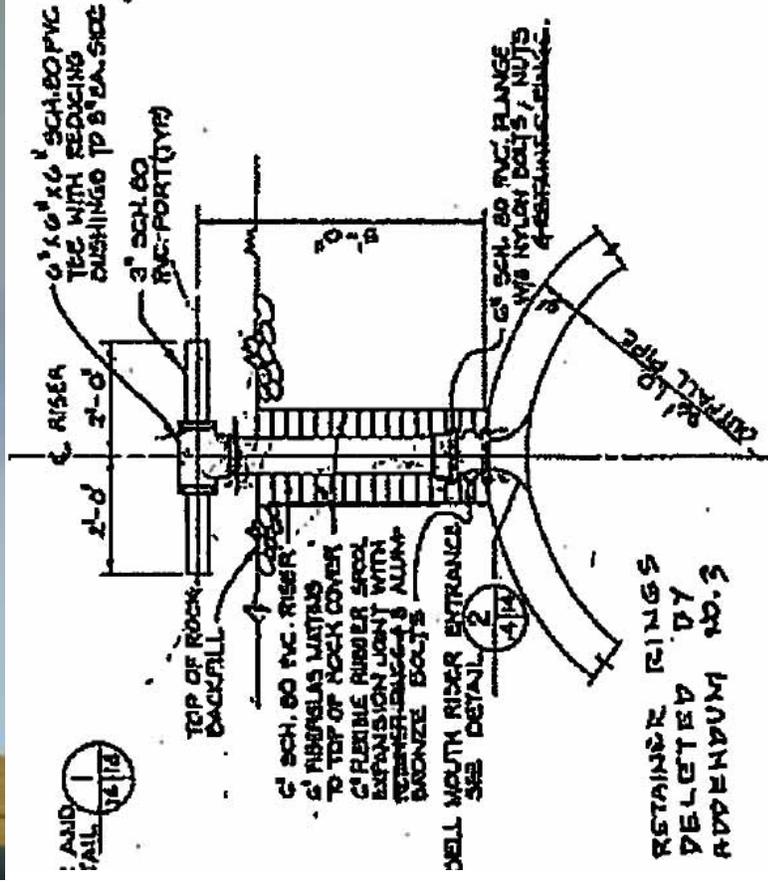
- Hydraulic capacity
- Shore-side facility

## In-situ Influencers

- Internal
  - High flow velocity (scour, thrust)
  - Water chemistry (non-corrosive)
- External
  - Differential Settlement
    - During construction
    - Seismic events
  - Soft Bay Muds Consolidation
  - Tidal Action/Erosion
    - Boat anchor hits
    - Biofilm and Sea life

# Diffusers

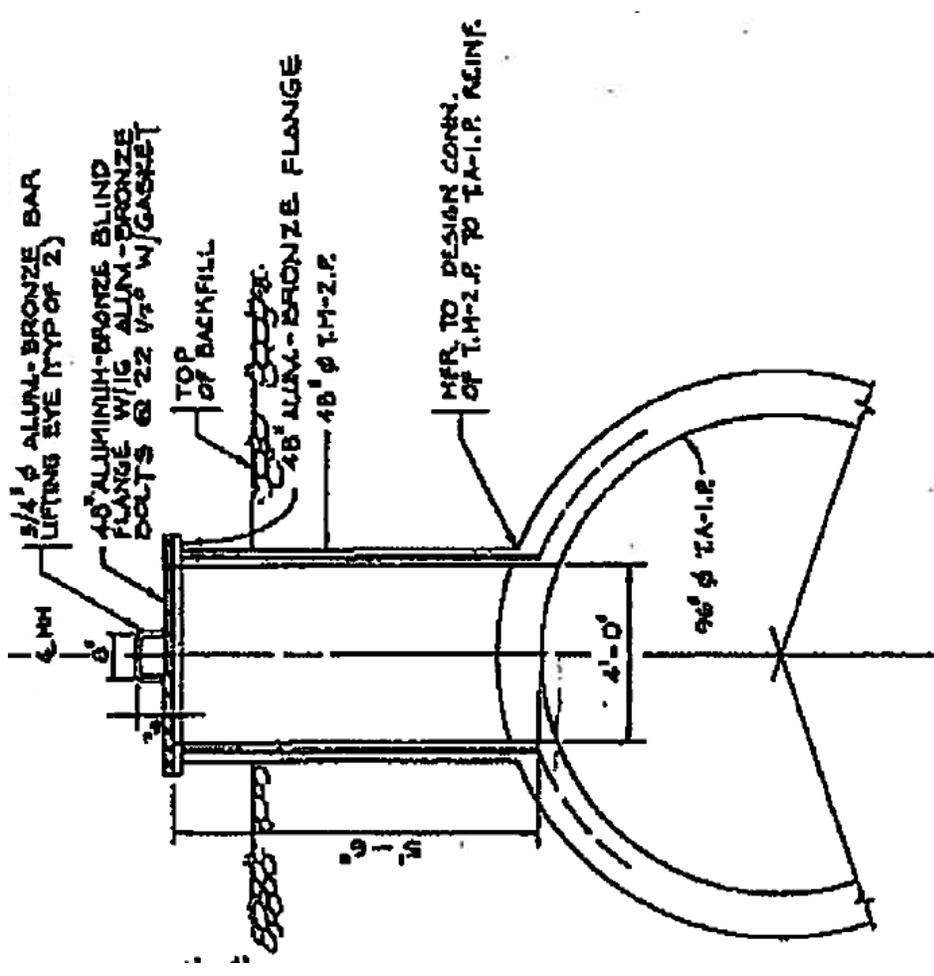
- Bell mouth riser entrance
  - Aluminum-bronze integrally cast in concrete
  - Flange fitting with threaded bolt holes for flexible rubber spool expansion joint
- 6-inch Flexible Rubber Spool Expansion Joint with "8" aluminum bronze bolts
- 6-inch PVC flange with nylon bolts
- 6-inch PVC riser
- Tee assembly



**RISER AND PORT DETAIL 1**  
SCALE: 1/2" = 1'-0"

# Intermediary Access Manholes (1, 2, 3)

- 48-in Aluminum-Bronze flange with bolts and gasket
- Neoprene flat gasket
- 48-in Aluminum-Bronze flange
- Construction Joints at pipe blockout (MH opening)
- Subject to anchor hits (smaller craft)

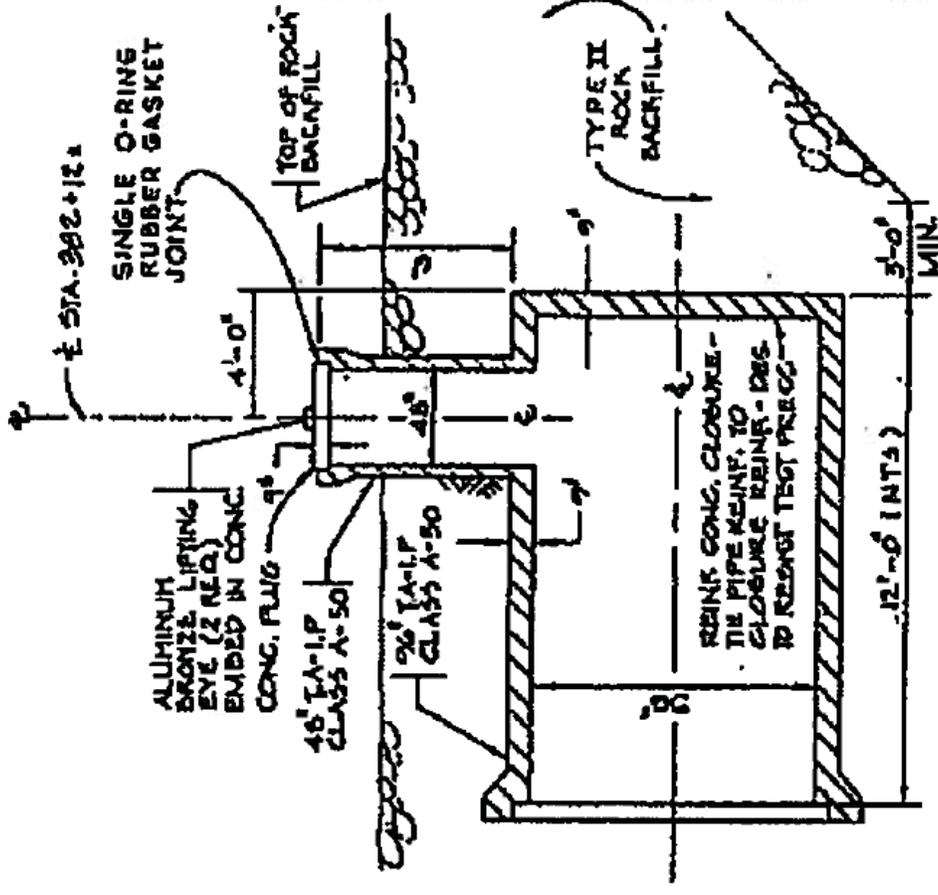


ACCESS MANHOLE DETAIL  
SCALE: 1 NONE

3  
REV

# Terminus Access Manhole (4)

- 48-in Aluminum-Bronze flange with bolts and gasket
- Single O-ring gasket
- Construction Joints at pipe blockout (MH opening)
- Subject to anchor hits (smaller craft)



END SECTION DETAIL 4  
 SCALE: 1/4" = 1'-0"  
 (PIPE MANUFACTURED BY PIPE MANUFACTURER)

# Historical Inspections

## Previous Inspections

- Diver surveys in 1987, 1994, 2000 and 2007 by URI
- Focused on diffuser section
- Inspection in 2000 included 750 LF of internal inspection via ROV downstream from flow meter vault

## General Findings

- 5~ 10% of diffusers in need of maintenance and/or repair
- Debris at diffuser ports and within pipeline
- Degraded concrete manhole covers



## Chemical Analysis of a Corroded Nut

Findings – chemical composition is not consistent with the aluminum bronze materials specified and may cause galvanic corrosion

# Recommendations

Transport System Outfall Pipe Inspection and  
Condition Assessment

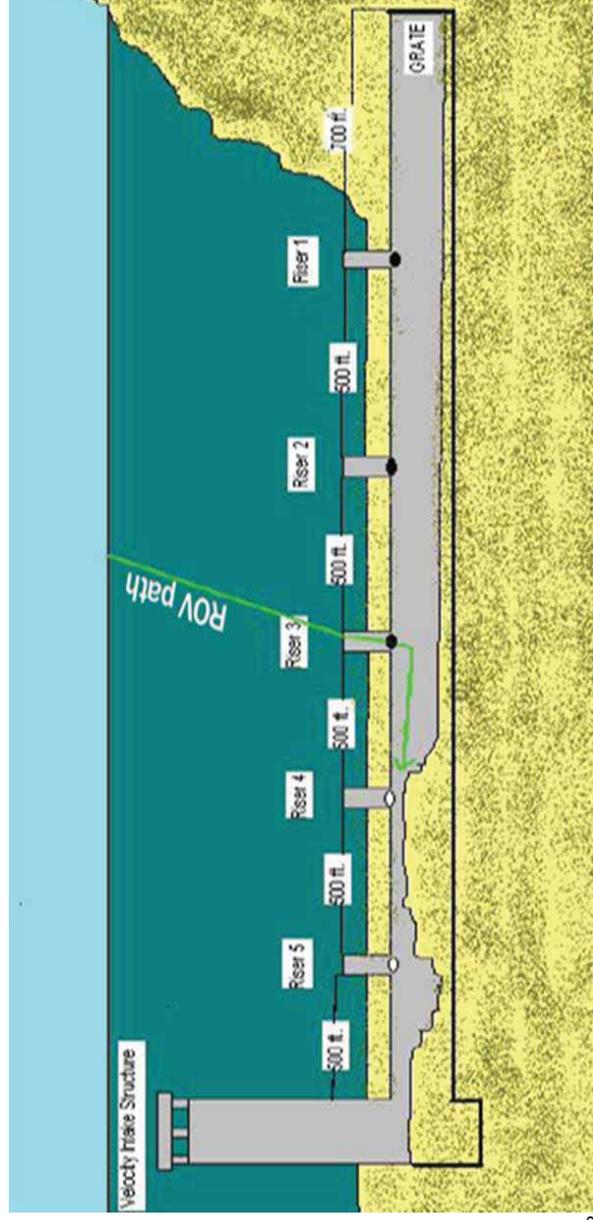
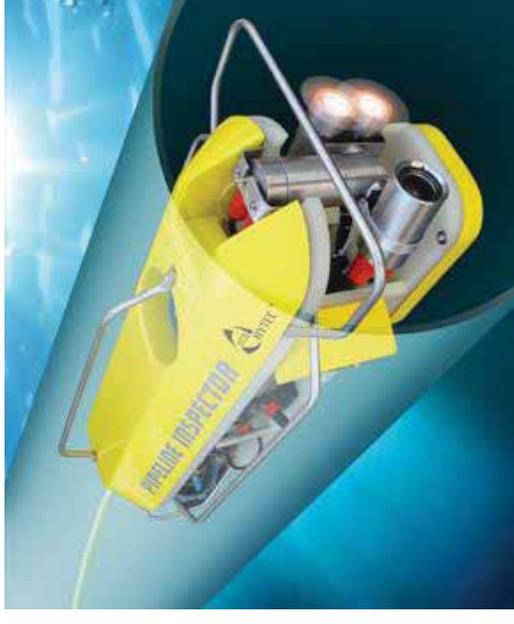
# Internal Inspections

## Diver Survey

- Interior of access structures (4)

## Remotely Operated Vehicle (ROV)

- Diffuser
- Limited length of outfall



### Multibeam Profiling

- Provides Pipeline Cross Sectioning.
- Detects Debris Build-up.
- Measures Level of Debris.
  
- Profiling sonars can only do all of the above at its current scan location, potentially missing important features.

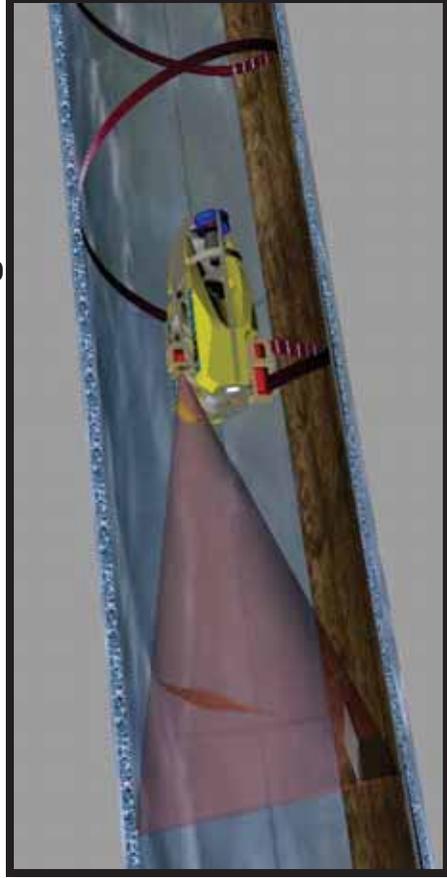
**Profiling Sonar Alone**



### Multibeam Forward Looking

- Detects objects ahead of the vehicle such as:
  - Joints
  - Surface Cracks
  - Debris
  - Holes
  - Offsets

**Forward Looking (Sector Scan) Sonar Combined with Profiling Sonar**



# External Inspections

## *Phase 1 Manhole reconnaissance (3 mos - \$40-\$65K)*

- *Diffuser risers and ports (approximately 2,000 ft)*
- *Access structures (3 on diffuser, 1 on pipeline)*

## *Phase 2 Manhole/diffuser inspection (sonar) (12mos-\$75-\$100K)*

## *Phase 2 Optional Lab analysis nut corrosion & spools (\$25K)*

Phase 3 Bathymetric survey entire length side scan (3-5 yr)

Phase 4 – Concrete coring



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Brown and Caldwell



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**ITEM NO. 12 RESOLUTION APPROVING AMENDMENT NO. 1 TO THE ENGINEERING SERVICES AGREEMENT WITH BROWN AND CALDWELL TO PROVIDE ENGINEERING ASSISTANCE FOR OUTFALL INSPECTION BID DOCUMENTATION AND CONDITION ASSESSMENT NOT TO EXCEED \$75,000**

**Recommendation**

Staff is recommending approval of amendment No. 1 with Brown and Caldwell for engineering services required for the Transport System Outfall Pipe Inspection and Condition Assessment Project in the amount not the exceed \$75,000.

**Discussion**

At the MAC meeting in September 2014, B&C provided a detailed follow-up for the proposed Inspection Cost Estimates for the Outfall pipe found in Technical Memorandum No. 1 dated September 3, 2014. Based on the phased approach that B&C proposed, the MAC supports developing a scope of work for bidding purposes for Phase 1 - Manhole reconnaissance and Phase 2 Base - Manhole inspection and Sonar Interior Inspection (see Table 1). The MAC also concurs that by B&C's preparation of a technical scope for a multi-part inspection of the Outfall pipe and follow-up Technical Memorandum will provide the needed engineering detail to ascertain the future life cycle of the Authority's Outfall pipe. The Committee also discussed the Phase 2 Optional - Exterior Diffuser Inspection and Component Analyses and Phase 3 - Bottom and Sub-Bottom Survey. It was agreed that this work would not be done, at this time. However, based on the findings of the initial inspection, further inspections may be necessary to fully assess the condition of the Outfall Pipe.

The additional scope of services for amendment No. 1 includes:

1. Prepare the technical scope for a multiple-part inspection of the Authority's effluent outfall pipeline and diffuser section based on the inspection program developed by the Authority and the Consultant, presented in the final draft technical memorandum dated August 28, 2014. Exhibit A1 presents inspection activities (Activities 1 through 6) that will be included in the technical scope. Prepare and submit a draft technical scope electronically. Receive and respond to one set of review comments and submit a final technical scope of work. Assist Authority staff during Management Advisory Committee and Commission meetings when requested by staff.
2. Assist the Authority staff during Contractor selection, including responding to questions from potential inspection Contractors and reviewing and responding to questions that arise from the Authority during proposal evaluation. [Consultant's budget for this task is limited to 36 professional hours.]

3. Review and provide feedback on the selected Contractor's work plan. Review the Contractor's proposed details for the manhole cover retention retrofit system and provide feedback to the Authority. [Consultant's budget for this task is limited to 20 professional hours.]
4. Provide on-call assistance to Authority staff during field work as directed by Authority staff. [Consultant's budget for this task is limited to 96 professional hours.]
5. Review field data and data reports prepared by the Authority's Contractor(s). Perform a condition assessment of the diffuser section based on those data, including the key system components—buried pipeline, access manholes, and riser/nozzle assemblies. Prepare a concise technical memorandum (TM) that summarizes Consultant's review and evaluation of Contractor's data and condition assessment findings. Develop the TM in two parts: an interim TM upon completion of Phase 1 inspections and a final TM upon completion of Phase 2 inspections.
6. Based on the work in Task A1.5, prepare and present findings, conclusions, and recommendations at one Management Advisory Committee meeting and at one Authority Commission meeting.

Table 1

Table ES-1. Inspection Cost Estimates				
Number	Activity Description	Cost (\$1,000s)	Duration (weeks)	Comments
PHASE 1—MANHOLE RECONNAISSANCE (COMPLETED WITHIN 3 MONTHS)				
1	Diver reconnaissance of four access manhole structures and covers	12-15	2	The intent is to check the manhole cover condition, take measurements of cover dimensions, determine if material such as ballast rock would need to be removed to access the covers, and examine the existing bolts, nuts, and washers to determine if an alternative method for securing the covers is needed after the covers are removed and reinstalled.
2	Diver inspection of the riser-and-port assemblies and surrounding cover materials and determination of flow and condition.	30-50	4	Assume that all diffusers would be located, individually tagged, and inspected and that the Contractor would need to repair several broken diffuser risers. This work would include inserting a video camera down several risers, to inspect the flexible rubber spool pieces visually.
PHASE 2 BASE—MANHOLE INSPECTION AND SONAR INTERIOR INSPECTION (COMPLETED IN 4 TO 12 MONTHS)				
3	Diver inspection of the top interior and exposed exterior of the three access manhole structures and covers at diffuser's upstream end, middle and downstream end	25-40	3	Assume that covers will be removed and will need to be re-secured after removal, i.e., fabricate new clamping rings or brackets prior to dive and install them as part of the interior sonar inspection program. Salvage original metal fasteners for possible laboratory analyses.
4	Sonar inspection of the diffuser's	50-60	8-12	Time duration includes post-inspection data processing

Table ES-1. Inspection Cost Estimates				
Number	Activity Description	Cost (\$1,000s)	Duration (weeks)	Comments
	interior using remotely operated vehicle (ROV)			and report preparation
<b>PHASE 2 OPTIONAL—EXTERIOR DIFFUSER INSPECTION AND COMPONENT ANALYSES (COMPLETED IN 4 TO 12 MONTHS)</b>				
5	Laboratory analysis for corrosion potential of the aluminum-bronze material	5	4	Assume nut/bolt removal done in conjunction with Activity 3 above
6	Removal and laboratory analysis of two rubber flexible rubber spool pieces	20	4	Assume spool pieces removal and replacement done in conjunction with Activity 2 or 4 above, followed by laboratory analyses of recovered spool pieces
<b>PHASE 3—BOTTOM AND SUB-BOTTOM SURVEY (COMPLETED WITHIN 3 TO 5 YEARS)</b>				
7	Geophysical study with bathymetric survey of the entire alignment using side scanning sonar and subbottom profiling with "pinger"	60-85	8	Subbottom profiling would create a 3D picture of the buried outfall pipe and surroundings for future reference. This survey will benchmark the outfall and its surroundings for future reference and assessment after major seismic events
<b>PHASE 4—OPTIONAL DESTRUCTIVE PIPE MATERIAL TESTING (COMPLETED IN A 20- TO 50-YEAR TIME HORIZON)</b>				
8	Concrete coring of the RCP pipe	50-75	16	Independent activity to be undertaken later only if other inspections identify a potential for reinforced concrete pipe material degradation.



**Directors**  
Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

**Officers**  
Paul R. Eldredge  
*General  
Manager/District  
Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 20, 2014

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Rich Cortés, Business Services Manager  
Roslyn Fuller, Purchasing Agent  
Kim Truong, Administrative Specialist II

**SUBJECT:** Agenda Item No. 11c. – October 27, 2014  
Information item: **CAL-CARD QUARTERLY MERCHANT  
ACTIVITY REPORT**

### **Recommendation**

Information Only

### **Information**

The attached CAL-Card Merchant Spend Analysis details the CAL-Card activity for the first quarter of FY 2015. This covers transactions for the CAL-Card billing period June 24, 2014 through September 22, 2014. During this quarter, we had 184 transactions totaling \$41,538.46.

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
9399	<a href="#">CITY OF FREMONT</a> <a href="#">DEV SVCS</a>	FREMONT	CA	CA	\$ 2,841.00	2	\$ 1,420.50	\$ 0.00	0	\$ 2,841.00	7.05%	2	\$ 0.00
8398	<a href="#">CALIFORNIA</a> <a href="#">ASSOC OF SAN</a>	916-4460388	CA	CA	2,500.00	2	1,250.00	0.00	0	2,500.00	6.20%	2	0.00
8398	<a href="#">CA WATER ENV</a> <a href="#">ASSN</a>	510-382-7800	CA	CA	2,262.59	14	161.61	0.00	0	2,262.59	5.61%	14	3.19
5969	<a href="#">REMOTE</a> <a href="#">SATELLITE SYSTE</a>	707-5458199	CA	CA	1,599.14	1	1,599.14	0.00	0	1,599.14	3.97%	1	0.00
5047	<a href="#">AED SUPERSTORE</a>	800-544-0048	WI	WI	1,552.00	1	1,552.00	0.00	0	1,552.00	3.85%	1	0.00
8641	<a href="#">PAYPAL *MSA SF</a> <a href="#">BAY</a>	402-935-7733	CA	CA	1,485.00	4	371.25	0.00	0	1,485.00	3.68%	4	0.00
5039	<a href="#">OWEN EQUIPMENT</a> <a href="#">COMPANY</a>	503-2559055	OR	OR	1,305.05	1	1,305.05	0.00	0	1,305.05	3.24%	1	102.04
5599	<a href="#">PETERSON POWER</a> <a href="#">SYSTEMS</a>	510-3576200	CA	CA	1,225.90	2	612.95	0.00	0	1,225.90	3.04%	2	0.00
5969	<a href="#">AMERICAN PUBLIC</a> <a href="#">WORKS</a>	8164726100	MO	MO	1,185.00	3	395.00	0.00	0	1,185.00	2.94%	3	0.00
5085	<a href="#">HOFFMEYER</a> <a href="#">COMPANY</a>	510-8959955	CA	CA	1,037.84	1	1,037.84	0.00	0	1,037.84	2.57%	1	83.53
8999	<a href="#">IN *KEN GRADY</a> <a href="#">COMPANY, IN</a>	415-8835924	CA	CA	956.08	2	478.04	0.00	0	956.08	2.37%	2	78.86
5085	<a href="#">AIRMAIR</a>	855-3453555	CA	CA	954.62	2	477.31	0.00	0	954.62	2.37%	2	0.00
5969	<a href="#">SEARS.COM 9300</a>	800-349-4358	IA	IA	873.03	2	436.52	0.00	0	873.03	2.17%	2	71.59
8911	<a href="#">BROWN AND</a> <a href="#">CALDWELL</a>	925-2102277	CO	CO	800.00	4	200.00	0.00	0	800.00	1.98%	4	0.00
5085	<a href="#">XYLEM WATER</a> <a href="#">SOLUTIONS USA</a>	315-5684516	NC	NC	766.11	1	766.11	0.00	0	766.11	1.90%	1	0.00
5311	<a href="#">SEARS ROEBUCK</a> <a href="#">1248</a>	HAYWARD	CA	CA	689.96	1	689.96	0.00	0	689.96	1.71%	1	56.97
5251	<a href="#">ALL INDUSTRIAL</a> <a href="#">ELECTRIC S</a>	BURLINGAME	CA	CA	1,090.62	1	1,090.62	402.96	1	687.66	1.71%	2	94.62
5085	<a href="#">ZORO TOOLS INC</a>	855-2899676	IL	IL	653.65	2	326.83	0.00	0	653.65	1.62%	2	0.00

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
8734	<a href="#">JET-CARE INTL INC</a>	973-2929597	NJ	601.66	1	601.66	0.00	0	601.66	1.49%	1	6.02
8699	<a href="#">WEF CSI</a>	800-6660206	VA	575.00	1	575.00	0.00	0	575.00	1.43%	1	0.00
5065	<a href="#">STEVEN ENGINEERING</a>	650-7459147	CA	547.33	4	136.83	0.00	0	547.33	1.36%	4	0.00
5169	<a href="#">NSI SOLUTIONS INC</a>	RALEIGH	NC	507.00	1	507.00	0.00	0	507.00	1.26%	1	0.00
7399	<a href="#">WESTERN CITY MAGAZINE</a>	916-658-8223	CA	500.00	2	250.00	0.00	0	500.00	1.24%	2	0.00
7361	<a href="#">BOXWOOD TECH</a>	888-491-8833	MD	500.00	2	250.00	0.00	0	500.00	1.24%	2	0.00
5251	<a href="#">US SAWS INC</a>	813-621-8015	FL	493.39	1	493.39	0.00	0	493.39	1.22%	1	1.00
5200	<a href="#">THE HOME DEPOT #6964</a>	NEWARK	CA	446.54	3	148.85	0.00	0	446.54	1.11%	3	36.87
8099	<a href="#">CONCENTRA</a>	248-712-2231	MI	430.00	1	430.00	0.00	0	430.00	1.07%	1	0.00
5942	<a href="#">AMAZON MKTPLACE PMTS</a>	AMZN.COM/BILL	WA	510.44	9	56.72	89.38	1	421.06	1.04%	10	27.05
2741	<a href="#">ADS REPROGRAPHICS INC</a>	925-4493486	CA	396.99	1	396.99	0.00	0	396.99	0.98%	1	0.00
5732	<a href="#">LEDTRONICS INC.</a>	800-5794875	CA	387.49	1	387.49	0.00	0	387.49	0.96%	1	0.00
7399	<a href="#">PUBLIC RISK MANAGEMENT</a>	703-5287701	VA	385.00	1	385.00	0.00	0	385.00	0.96%	1	0.00
7311	<a href="#">CRAIGSLIST.ORG</a>	415-566-6394	CA	375.00	5	75.00	0.00	0	375.00	0.93%	5	0.00
5942	<a href="#">AMAZON.COM</a>	AMZN.COM/BILL	WA	330.56	5	66.11	0.00	0	330.56	0.82%	5	28.67
5532	<a href="#">GOODYEAR COMMERCIAL TI</a>	510-7836700	CA	326.27	1	326.27	0.00	0	326.27	0.81%	1	0.00
7392	<a href="#">PESTICIDE APPLICATORS</a>	831-442-3536	CA	320.00	4	80.00	0.00	0	320.00	0.79%	4	0.00
5085	<a href="#">TIFCO INDUSTRIES INC</a>	281-5716000	TX	301.61	1	301.61	0.00	0	301.61	0.75%	1	19.62

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
5045	<a href="#">PERSITS SOFTWARE INC</a>	703-4121015	NY	\$ 300.00	1	\$ 300.00	\$ 0.00	0	\$ 300.00	0.74%	1	\$ 0.00
7392	<a href="#">IN *TURNER RISK CONSULTIN</a>	510-3646010	CA	300.00	1	300.00	0.00	0	300.00	0.74%	1	0.00
8249	<a href="#">NATL/PADGET 8006825061</a>	913-4327755	KS	299.00	1	299.00	0.00	0	299.00	0.74%	1	0.00
5311	<a href="#">SEARS ROEBUCK 1698</a>	NEWARK	CA	297.43	2	148.72	0.00	0	297.43	0.74%	2	24.56
5065	<a href="#">NEWARKINONE-US 00000109</a>	773-9075740	IL	296.27	2	148.14	0.00	0	296.27	0.73%	2	23.87
1761	<a href="#">EOFF MANUFACTURING</a>	5104895060	CA	280.32	1	280.32	0.00	0	280.32	0.70%	1	24.32
4814	<a href="#">ATT*WEBSITE SOLUTIONS</a>	888-932-4678	TX	280.03	1	280.03	0.00	0	280.03	0.69%	1	0.00
5099	<a href="#">SETON IDENTIFICATION PRD</a>	SETON.COM	CT	275.92	1	275.92	0.00	0	275.92	0.68%	1	0.00
7361	<a href="#">JOBTARGET LLC</a>	860-440-0635	CT	275.00	1	275.00	0.00	0	275.00	0.68%	1	0.00
5999	<a href="#">WECO INDUSTRIES LLC</a>	707-446-6661	CA	270.20	2	135.10	0.00	0	270.20	0.67%	2	20.70
5045	<a href="#">MICROSOFT.COM</a>	800-936-3500	WA	259.00	1	259.00	0.00	0	259.00	0.64%	1	0.00
5200	<a href="#">LOWES #01132*</a>	UNION CITY	CA	256.58	5	51.32	0.00	0	256.58	0.64%	5	22.26
3066	<a href="#">SOUTHWES 5262429620989</a>	800-435-9792	TX	250.00	1	250.00	0.00	0	250.00	0.62%	1	0.00
8398	<a href="#">NACE INTERNATIONAL</a>	800-797-6223	TX	250.00	1	250.00	0.00	0	250.00	0.62%	1	0.00
5943	<a href="#">OFFICE MAX</a>	UNION CITY	CA	242.21	2	121.11	0.00	0	242.21	0.60%	2	20.99
8299	<a href="#">ASTD</a>	703-683-8100	VA	229.00	1	229.00	0.00	0	229.00	0.57%	1	0.00
5065	<a href="#">7547 ROYAL</a>	510-8959810	CA	215.17	1	215.17	0.00	0	215.17	0.53%	1	18.67

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
4816	<a href="#">GODADDY.COM</a>	480-5058855	AZ	\$ 209.97	1	\$ 209.97	\$ 0.00	0	\$ 209.97	0.52%	1	\$ 0.00
5511	<a href="#">FREMONT</a> <a href="#">CHRYSLER DODGE</a>	NEWARK	CA	204.05	1	204.05	0.00	0	204.05	0.51%	1	0.00
5085	<a href="#">NW PUMP &amp; EQUIP</a> <a href="#">FREMONT</a>	5032052198	OR	204.03	1	204.03	0.00	0	204.03	0.51%	1	16.85
8641	<a href="#">WATER</a> <a href="#">ENVIRONMENT</a> <a href="#">FEDTN</a>	703-6842428	VA	202.00	1	202.00	0.00	0	202.00	0.50%	1	0.00
1799	<a href="#">GATE HOUSE</a> <a href="#">SUPPLIES</a>	805-520-2714	CA	201.50	1	201.50	0.00	0	201.50	0.50%	1	0.00
5969	<a href="#">SEARS.COM 9301</a> <b>**REBILL**</b>	800-349-4358	IL	193.79	2	96.90	0.00	0	193.79	0.48%	2	0.00
5812	<a href="#">BRONCO BILLYS</a> <a href="#">PIZZA</a>	UNION CITY	CA	163.13	1	163.13	0.00	0	163.13	0.40%	1	0.00
5970	<a href="#">MICHAELS STORES</a> <a href="#">2076</a>	UNION CITY	CA	162.38	2	81.19	0.00	0	162.38	0.40%	2	0.00
8699	<a href="#">MISAC</a>	714-738-5309	CA	160.00	1	160.00	0.00	0	160.00	0.40%	1	0.00
5969	<a href="#">SEARS.COM 9301</a>	800-349-4358	IL	159.25	1	159.25	0.00	0	159.25	0.40%	1	12.49
3066	<a href="#">SOUTHWES</a> <a href="#">5262433694267</a>	800-435-9792	TX	156.20	1	156.20	0.00	0	156.20	0.39%	1	0.00
5072	<a href="#">BURLINGTON</a> <a href="#">SAFETY LABORAT</a>	925-8661412	CA	148.58	1	148.58	0.00	0	148.58	0.37%	1	0.00
3066	<a href="#">SOUTHWES</a> <a href="#">5262435198771</a>	800-435-9792	TX	144.20	1	144.20	0.00	0	144.20	0.36%	1	0.00
4816	<a href="#">DRI*AOMEI</a> <a href="#">PARTITION AS</a>	ORDERFIND.COM	MN	139.00	1	139.00	0.00	0	139.00	0.34%	1	0.00
5532	<a href="#">AMERICAS-TIRE-C</a> <a href="#">O CAN-14</a>	UNION CITY	CA	137.09	1	137.09	0.00	0	137.09	0.34%	1	11.59
8699	<a href="#">GOVERNMENT</a> <a href="#">FINANCE OFFIC</a>	312-977-9700	IL	135.00	1	135.00	0.00	0	135.00	0.33%	1	0.00
7342	<a href="#">DOMYOWNPESTCO</a> <a href="#">NTROL.COM</a>	866-581-7378	GA	120.75	1	120.75	0.00	0	120.75	0.30%	1	0.00
5045	<a href="#">DMI* DELL</a> <a href="#">K-12/GOVT</a>	800-981-3355	TX	120.53	1	120.53	0.00	0	120.53	0.30%	1	10.46

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
5411	<a href="#">TARGET</a> <a href="#">00026153</a>	FREMONT	CA	\$ 118.81	1	\$ 118.81	\$ 0.00	0	\$ 118.81	0.29%	1	\$ 9.81
5085	<a href="#">WW GRAINGER</a>	877-2022594	PA	114.48	1	114.48	0.00	0	114.48	0.28%	1	8.89
5085	<a href="#">REED &amp; GRAHAM, INC.</a>	408-2871400	CA	114.19	1	114.19	0.00	0	114.19	0.28%	1	9.19
5085	<a href="#">CYBERWELD COM</a>	800-2459353	NJ	112.90	1	112.90	0.00	0	112.90	0.28%	1	0.00
8398	<a href="#">ISA</a>	919-549-8411	NC	110.00	1	110.00	0.00	0	110.00	0.27%	1	0.00
4816	<a href="#">AMAZON.COM</a>	AMZN.COM/BILL	WA	109.48	1	109.48	0.00	0	109.48	0.27%	1	9.50
5999	<a href="#">FILTERS FAST</a>	866-4383458	NC	107.80	1	107.80	0.00	0	107.80	0.27%	1	0.00
5072	<a href="#">WESTERN ENGRAVERS SUPP</a>	602-439-8818	AZ	102.79	1	102.79	0.00	0	102.79	0.25%	1	0.00
5964	<a href="#">CDW GOVERNMENT</a>	800-800-4239	IL	100.08	1	100.08	0.00	0	100.08	0.25%	1	8.68
8931	<a href="#">QI MACROS</a>	888-468-1537	CO	99.00	1	99.00	0.00	0	99.00	0.25%	1	0.00
7399	<a href="#">TRI STATE SEMINAR</a>	510-3827800	CA	95.00	1	95.00	0.00	0	95.00	0.24%	1	0.00
5533	<a href="#">FLEETPRIDE 720</a>	800-2333038	CA	89.73	2	44.87	0.00	0	89.73	0.22%	2	0.00
5992	<a href="#">FREMONT FLOWERS...ALWA</a>	510-7971136	CA	88.24	1	88.24	0.00	0	88.24	0.22%	1	0.00
5533	<a href="#">SIX ROBBLEES NO 8</a>	OAKLAND	CA	80.04	1	80.04	0.00	0	80.04	0.20%	1	6.61
5074	<a href="#">CAL-STEAM 2504</a>	510-512-7700	CA	80.00	1	80.00	0.00	0	80.00	0.20%	1	6.61
5621	<a href="#">WILLIAMSON-DICKI E</a>	817-336-7201	TX	79.69	1	79.69	0.00	0	79.69	0.20%	1	0.00
5511	<a href="#">FREMONT CHEVROLET</a>	FREMONT	CA	70.95	1	70.95	0.00	0	70.95	0.18%	1	0.00
8111	<a href="#">PAYPAL *LIEBERTCASS</a>	402-935-7733	CA	55.00	1	55.00	0.00	0	55.00	0.14%	1	0.00

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
5021	<a href="#">CONTRACT OFFICE GROUP INC</a>	408-213-1790	CA	\$ 52.98	2	\$ 26.49	\$ 0.00	0	\$ 52.98	0.13%	2	\$ 0.00
5511	<a href="#">MISSION VALLEY FORD PARTS</a>	SAN JOSE	CA	50.82	1	50.82	0.00	0	50.82	0.13%	1	0.00
5399	<a href="#">SIGN A RAMA</a>	UNION CITY	CA	50.37	1	50.37	0.00	0	50.37	0.12%	1	0.00
5074	<a href="#">FERGUSON ENT #664</a>	510-782-9820	CA	46.04	1	46.04	0.00	0	46.04	0.11%	1	0.00
5411	<a href="#">TRADER JOE'S #208 QPS</a>	LIVERMORE	CA	45.72	1	45.72	0.00	0	45.72	0.11%	1	0.00
5200	<a href="#">THE HOME DEPOT 635</a>	UNION CITY	CA	44.81	1	44.81	0.00	0	44.81	0.11%	1	3.89
4816	<a href="#">YAHOO *BAYAREABIOSOLI</a>	408-916-2149	CA	41.82	3	13.94	0.00	0	41.82	0.10%	3	0.00
5046	<a href="#">PETERSON TRUCKS INC</a>	SAN LEANDRO	CA	40.28	1	40.28	0.00	0	40.28	0.10%	1	0.00
5085	<a href="#">PLASTIC PROCESS EQUIPMENT</a>	216-3677000	OH	34.44	1	34.44	0.00	0	34.44	0.09%	1	0.00
5965	<a href="#">OFFICE MAX</a>	800-283-7674	IL	31.74	1	31.74	0.00	0	31.74	0.08%	1	2.75
5532	<a href="#">BORGEQUIPME</a>	818-352-8717	CA	28.55	1	28.55	0.00	0	28.55	0.07%	1	0.00
5046	<a href="#">MOTOR CAPACITORS</a>	773-774-6666	IL	24.75	1	24.75	0.00	0	24.75	0.06%	1	0.00
5085	<a href="#">REDDEN MARINE SUPPLY INC</a>	800-4269284	WA	19.25	1	19.25	0.00	0	19.25	0.05%	1	0.00
5310	<a href="#">WALMART.COM</a>	800-966-6546	AR	17.94	1	17.94	0.00	0	17.94	0.04%	1	0.00
5111	<a href="#">STAPLES DIRECT</a>	800-3333330	MA	16.07	1	16.07	0.00	0	16.07	0.04%	1	0.53
5912	<a href="#">CVS PHARMACY #9099</a>	FREMONT	CA	10.34	1	10.34	0.00	0	10.34	0.03%	1	0.85
5046	<a href="#">CABLE MOORE INC</a>	510-272-0218	CA	4.91	1	4.91	0.00	0	4.91	0.01%	1	0.41
5511	<a href="#">MISSION VALLEY</a>	SAN JOSE	CA	0.00	0	0.00	40.00	1	(40.00)	0.00%	1	0.00

### Analysis - Detail

MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax	
	<u>FORD PARTS</u>												
8111	<u>PAYPAL</u>	4029357733	CA	0.00	0	0.00	55.00	1	(55.00)	0.00%	1	0.00	
	<u>*LIEBERTCASS</u>												
5621	<u>WILLIAMSON-DICKI</u>	FORT WORTH	TX	0.00	0	0.00	57.79	1	(57.79)	0.00%	1	0.00	
	<u>E</u>												
5699	<u>WORK WORLD</u>	NEWARK	CA	0.00	0	0.00	119.82	1	(119.82)	0.00%	1	0.00	
	<u>NEWARK</u>												
5732	<u>LEDTRONICS INC.</u>	TORRANCE	CA	0.00	0	0.00	219.58	1	(219.58)	(0.54%)	1	0.00	
5969	<u>SEARS.COM 9301</u>	800-349-4358	IL	0.00	0	0.00	243.64	3	(243.64)	(0.60%)	3	0.00	
				<b>\$41,538.46</b>			<b>\$1,228.17</b>		<b>\$40,310.29</b>		<b>184</b>	<b>\$ 884.51</b>	

## Merchant Analysis - Detail Output Parameter Page

Cycle Close Date Range: 07/2014 to 09/2014

Report Type: Detail

Merchant Profile Source: Association

Merchant Names: All

Merchant Category Code Group: All

Merchant States: All

Sort Report By: (1) Total Spend, (2) No Sort, (3) No Sort, (4) No Sort  
Break/Subtotal Level: No Break/Subtotal

Merchant Position:	Bank	Agent	Company	Division	Department
	1425	3135	51756	All	All



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Anjali Lathi  
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*General Manager*  
*District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 20, 2014

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Sami Ghossain, Manager of Technical Services

**SUBJECT:** Agenda Item No. 11.d. – Meeting of October 27, 2014  
Information Only: **Status of Priority 1 CIP Projects**

### **Recommendation**

Information Only.

### **Background**

In June 2014, the Board approved the Capital Improvement Program budget for FY'15 in the amount of \$14.87 million for the design and construction of 21 projects.

These 21 projects are further ranked as Priority 1 and 2 projects based on a criteria prepared by staff and approved by the Executive Team. A copy of the criteria used to prioritize the projects is attached for your reference.

The status of the Priority 1 CIP projects is reviewed by the Executive Team at the end of each quarter and a copy of the status report is attached for the Board's review. For FY'15, nine (9) projects are ranked as Priority 1 projects and the remaining twelve (12) are ranked as Priority 2 projects.

Also attached is a tabular summary of the number and nature of the ongoing CIP projects at the District during FY'15.

PRE/SG;ks

Attachments: Priority 1 CIP Project Criteria  
Priority 2 & 3 CIP Project Criteria  
Priority 1 CIP Projects Status Report  
Summary of CIP Projects for FY'15

## PRIORITY 1 CIP PROJECT CRITERIA

### Priority 1 Projects:

1. Project to repair or prevent an imminent critical infrastructure failure that could result in a threat to the public, or result in permit non-compliance.
2. A project designed to address public health and safety or employee health and safety.
3. Project to provide additional capacity in order to allow connection to the District system or to prevent a potential wet weather overflow from occurring.
4. Projects that have a deadline tied to receiving a loan or grant funding.
5. Projects where we have made a timeline commitment to a customer or other outside stakeholder.
6. A project in which the District may suffer financial losses or claims should the project be delayed.
7. A project which is part of a sequence of projects whose delay could result in delays to other projects at USD or other agencies.
8. A project in which an internal commitment has been made to provide a facility that significantly impacts another group from efficiently and effectively carrying out their core work. (Not a “nice to have” type project)

These criteria can apply to a study, design, or construction project.

## PRIORITY 2 & 3 CIP PROJECT CRITERIA

### Priority 2 Projects

1. These are planned projects related to the replacement of electrical and mechanical equipment identified by the Plant Master Plan – this equipment is not in imminent danger of failure but needs to be replaced at a future date.
2. These are planned pipeline rehab/replacement projects that are identified either by the Master Plan or by the Maintenance staff and need to be completed to improve the condition of existing sewers to safeguard against potential maintenance problems – these pipelines are not in imminent danger of failure.
3. These projects do not have any immediate negative impacts on either other agencies or other projects.
4. Examples: Blacow Road Sewer Replacement, Cast Iron Pipe Replacement, Thickener Mechanism 3&4 Replacement, Rehab of Clarifiers 5&6.

### Priority 3 Projects

1. These are capacity projects identified by the master plans that will address future capacity needs of the District.
2. These projects are place holders and need to be defined at a future date
3. The District will not suffer any financial loss or claim, if these projects are delayed.
4. Examples: Cedar Relief Sewer, Hetch Hetchy Relief Sewer, Digester No. 7, Secondary Clarifiers 7 & 8.

**Priority 1 Projects for FY 15 – Status Report**

	<b>Project</b>	<b>Planned Milestones</b>	<b>Status after 1<sup>st</sup> Quarter</b>	<b>Status after 2<sup>nd</sup> Quarter</b>	<b>Status after 3<sup>rd</sup> Quarter</b>	<b>Status after 4<sup>th</sup> Quarter</b>
<b>1</b>	Alvarado-Niles Blvd. Sewer Rehab	Complete design by May, open bids by June 2015.	50% design due November 21, 2014.			
<b>2</b>	Jarvis Ave. Sewer Replacement	Complete construction by January 2015.	Construction work is approximately 45% complete.			
<b>3</b>	Pine St. Easement	Complete preliminary design and begin environmental review process by June 2015.	Design consultant is selected and negotiations underway for task order to evaluate pipe bridge alternatives.			
<b>4</b>	Upper Hetch Hetchy Sewer Rehab	Complete construction by April 2015.	Rehabilitation of 24 and 27-inch pipe in Fremont is complete. Construction work is approximately 65% complete.			
<b>5</b>	Fremont & Paseo Padre Lift Station Internal Lift Pumps	Complete condition assessment by October 2014, Complete design by June 2015	Condition assessment of pumps is complete. RFP to consultants for design services will be issued in October.			
<b>6</b>	Wet Weather Flow Management	Site Use Study: Presentation to USD Board by May, 2015 Complete draft report by June 2015.	Kickoff meeting was conducted on September 2 <sup>nd</sup> . Workshop No. 1 is scheduled for November 18 <sup>th</sup> .			

	<b>Project</b>	<b>Planned Milestones</b>	<b>Status after 1<sup>st</sup> Quarter</b>	<b>Status after 2<sup>nd</sup> Quarter</b>	<b>Status after 3<sup>rd</sup> Quarter</b>	<b>Status after 4<sup>th</sup> Quarter</b>
<b>7</b>	Cogeneration Project	Complete construction by December 2014.	Commissioning of the engine generator system is complete. Operational testing of the engine generator and digester gas conditioning systems has begun. Construction work is approximately 94% complete.			
<b>8</b>	Thickener Control Bldg. Modifications Project	Complete the construction of the Electrical Building (structure only) by June 2015.  Complete installation of major electrical work by August 2015.  Complete construction by November 2016.	Excavation of the new TPS pipeline trench and electrical building foundation is complete. Construction work is approximately 5% complete.			
<b>9</b>	Digester No. 5 Rehab	Complete construction by February 2015	Removal of existing sealant between the dome and concrete tank wall and preparation for steel dome supports has begun. Construction work is approximately 12% complete.			

**SUMMARY OF CIP PROJECTS FOR FY'15**

<b>Type of Project</b>	<b>Number of Projects</b>	<b>Names of Projects</b>
<b>Collection System</b>	<b>Six</b>	<ol style="list-style-type: none"> <li>1. Alvarado-Niles Blvd. Sewer Rehab</li> <li>2. Jarvis Ave. Sewer Relocation</li> <li>3. Newark Backyard Sewer Relocation</li> <li>4. Pine Street Easement Repair</li> <li>5. Upper Hetch Hetchy Sewer Rehab Project</li> <li>6. Veasy Street Sewer Improvements Project</li> </ol>
<b>Transport System</b>	<b>Five</b>	<ol style="list-style-type: none"> <li>1. Boyce Road Lift Station</li> <li>2. Cherry Street Pump Station Improvements</li> <li>3. Fremont &amp; PP LS Internal Lift Pumps</li> <li>4. Stevenson Property Backup Comm Tower</li> <li>5. Wet Weather Flow Management</li> </ol>
<b>Treatment System</b>	<b>Ten</b>	<ol style="list-style-type: none"> <li>1. Aeration System Rehab</li> <li>2. Cogeneration Project</li> <li>3. Digester No. 5 Rehab</li> <li>4. Generator Controls Upgrade</li> <li>5. MCC Replacement Project, Phase III</li> <li>6. Plant Facilities Improvements Project</li> <li>7. 60" Primary Effluent Pipe Rehab</li> <li>8. Sludge Drying (BACWA Study)</li> <li>9. Thickener Control Bldg Improvements Project</li> <li>10. Water Storage Tank and Well</li> </ol>



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Anjali Lathi  
Jennifer Toy

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Paul R. Eldredge  
*General Manager*  
*District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 20, 2014

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Sami Ghossain, Manager of Technical Services

**SUBJECT:** Agenda Item No. 11.e. – Meeting of October 27, 2014  
Information Only: **First Quarterly Report on Capital Improvement  
Program for FY 15**

**Recommendation:**

Information only

**Background:**

In June 2014, the Board approved the Capital Improvement Program (CIP) budget for FY'15 in the amount of \$14.87 million for the design and construction of 21 projects. The first quarter expenditures for FY'15 are shown on the attached budget projection graphs. These graphs depict actual expenditures versus approved budget for the Capacity Fund 900, the Renewal and Replacement Fund 800 as well as for both funds, combined.

The total CIP expenditure up to September 30, 2014, was above the projections for the first quarter by approximately \$35,000. The main project that incurred more than the projected expenditures is the Thickener Control Bldg. project, while the Jarvis Ave. SS Replacement project incurred less than the projected expenditures.

These primary variances are tabulated as follows:

<b>Project</b>	<b>Variance at the end of 1st Quarter (x \$1000)</b>	<b>Comments</b>
Thickener Control Bldg. Modifications	+165	Early start of excavation work.
Jarvis Ave. SS Replacement (Misc. SS Spot Repairs Ph 5)	- 130	Late start of construction work
<b>Total Variance for the 1<sup>st</sup> Qtr.</b>	<b>+ 35</b>	

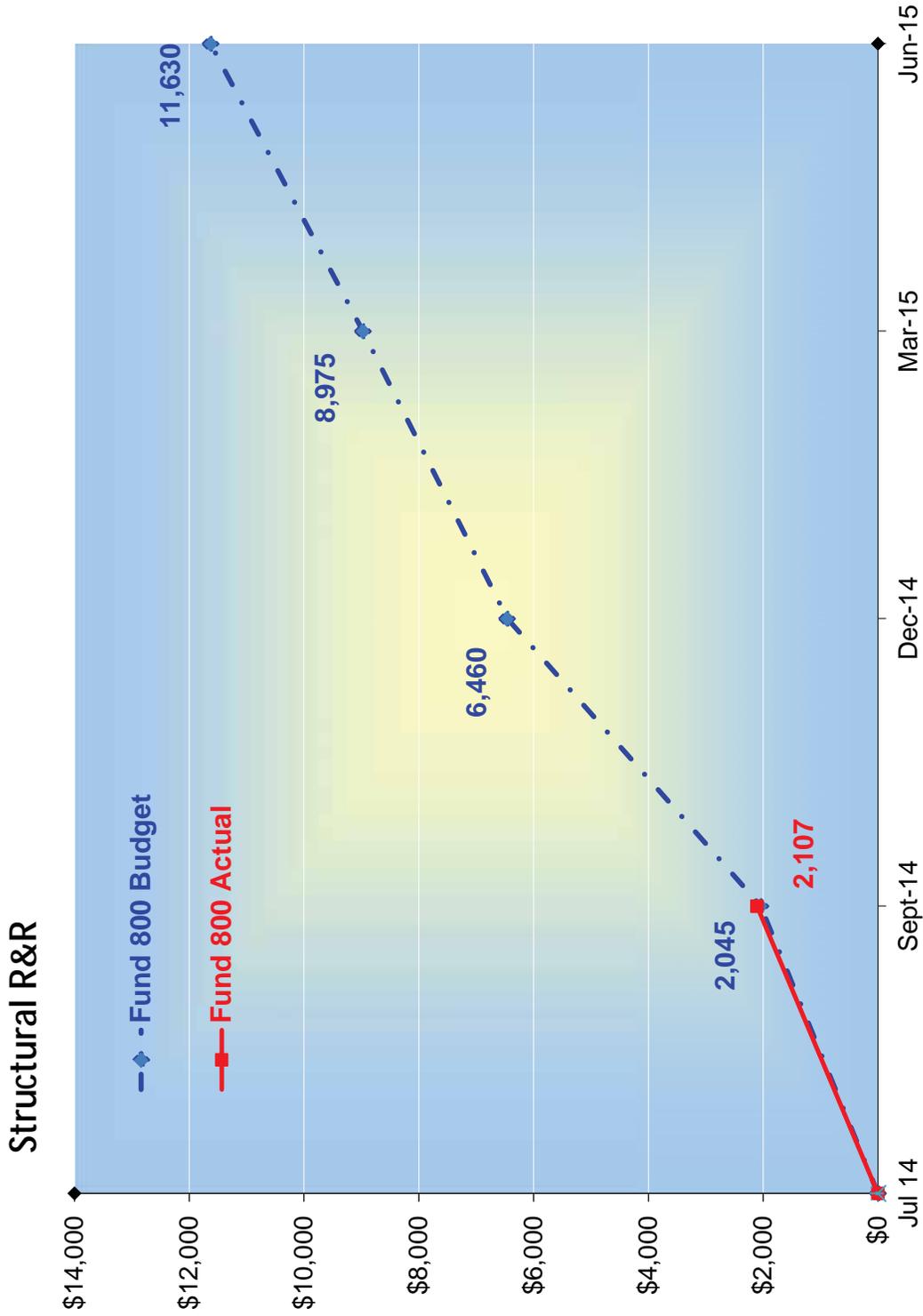
In addition to the two (2) projects listed above, the following projects will be either in design or in construction during FY'15:

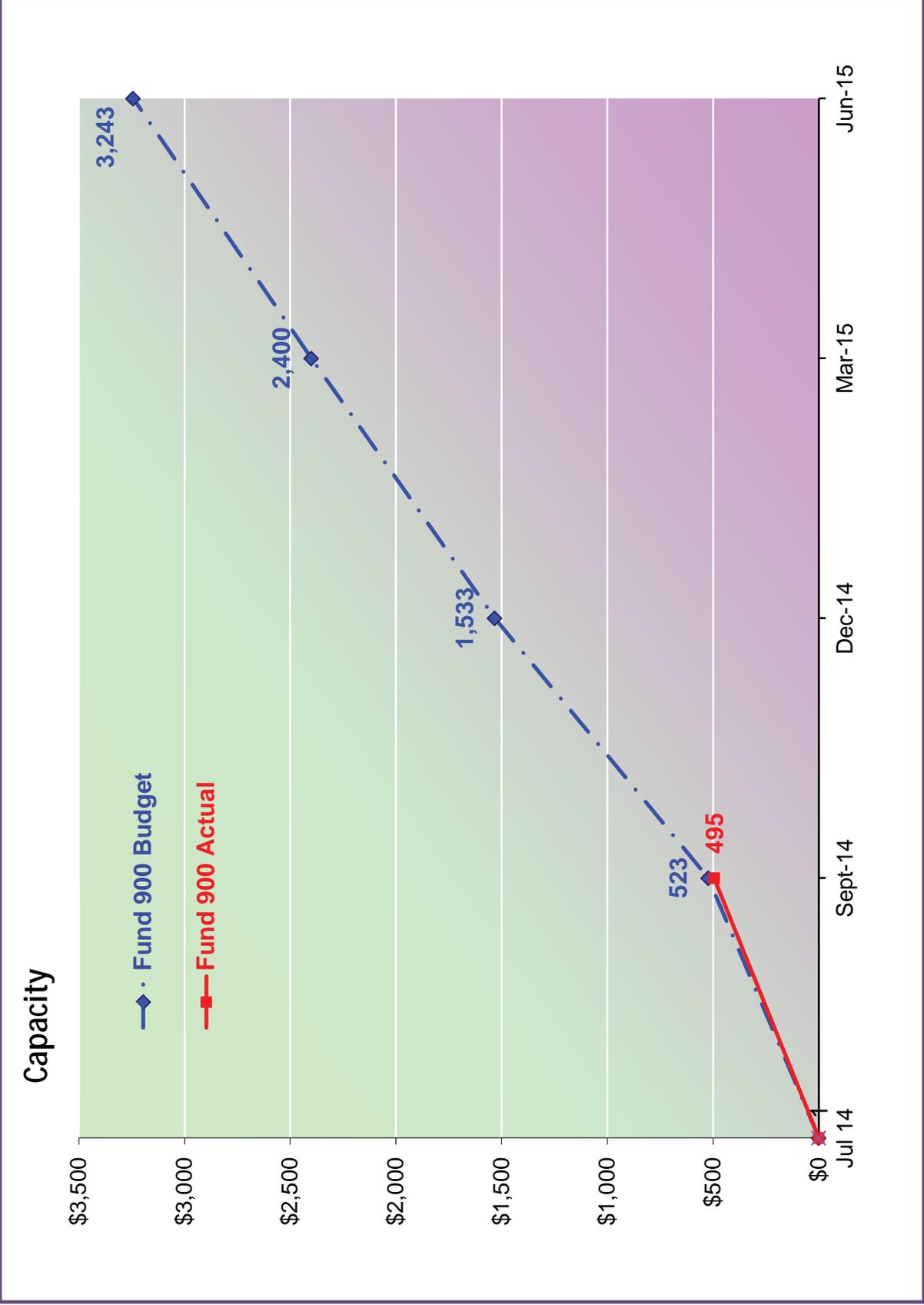
1. Alvarado-Niles Blvd. Sewer Rehab
2. Pine St. Easement
3. Upper Hetch Hetchy Sewer Rehab
4. Fremont & Paseo Padre Lift Station Internal Lift Pumps
5. Wet Weather Flow Management - Site Use Study
6. Cogeneration
7. Digester No. 5 Rehab

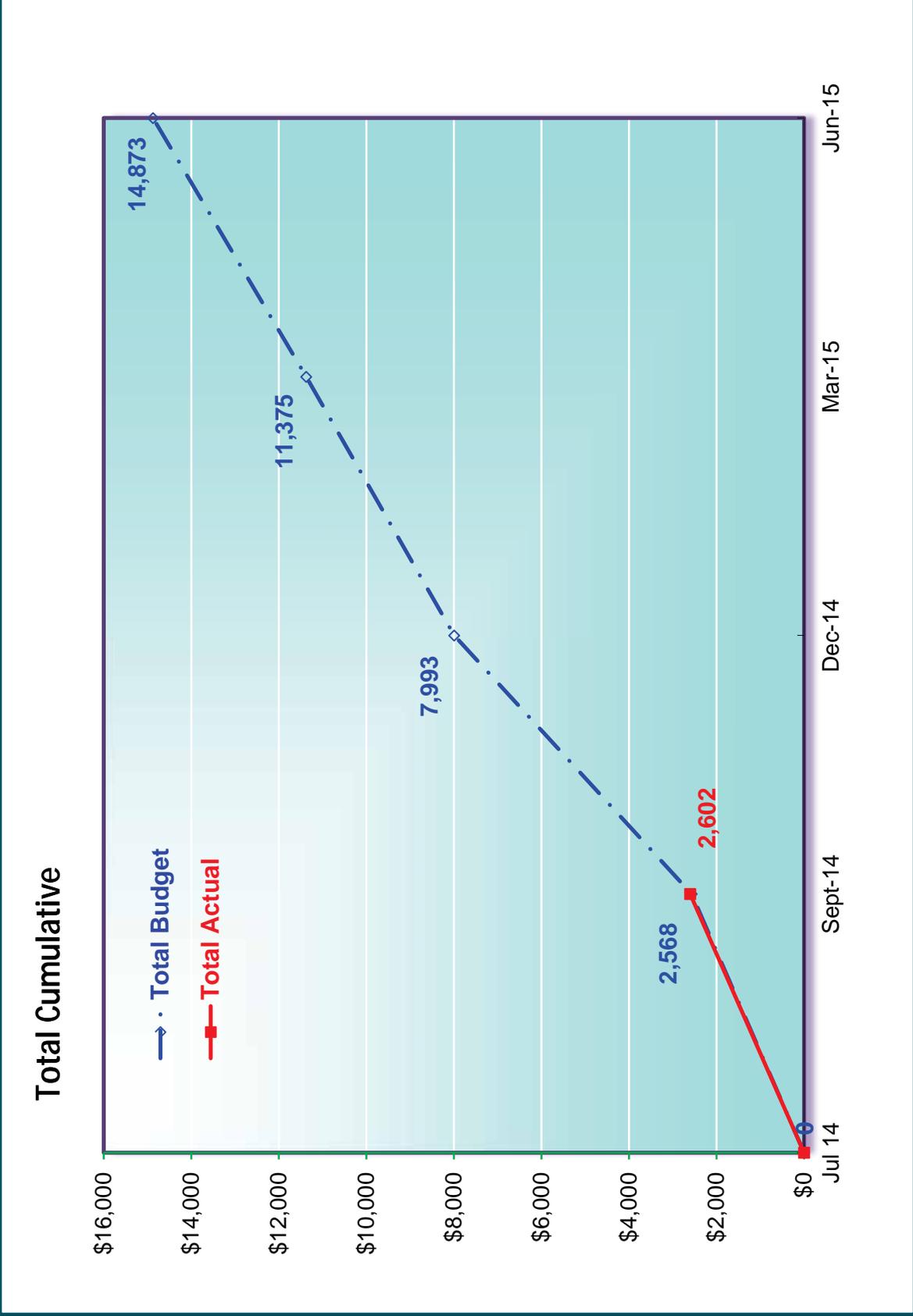
In addition, twelve (12) other smaller projects will be either in design or in construction during FY'15.

PRE/SG;ks

Attachments: Budget Projection Graphs







# Alameda County Water District: Three running for two board seats

*Posted 10/17/2014*

*By Chris De Benedetti*

*The Argus*

FREMONT -- As the drought continues, utility leaders have struggled to provide water despite diminishing supplies, and to pay for system upgrades with reduced revenue.

Those are some of the problems that Alameda County Water District board of directors must solve as the agency continues to serve 336,000 people in Fremont, Newark and Union City.

Two incumbents, Paul Sethy and Judy Huang, are trying to fend off challenger Eric Tsai, to keep their board seats in a race won by the top two finishers.

Huang said the district's top priorities include delivering safe and reliable water at a lower cost, encouraging conservation, and replacing old pipes and water mains.

"We need to invest in our infrastructure so we can respond quickly to a natural disaster," she said. "What happened in Napa this year (when more than 100 water mains broke after an earthquake) proved that."

Huang also wants the agency to operate more efficiently and minimize future rate increases. She said she is proud that labor contract negotiations led to union employees contributing more to their health care costs. They will pay 0.25 percent, Huang said. "Yes, it's a quarter-percent, but it's better than nothing," she said. "It's a beginning."

She says her experience as an engineer and a board incumbent will be crucial, especially because district general manager Walt Wadlow has retired, making 2015 a year of transition.

"Is this a good time to have a new general manager and a new board member?" she said.

Tsai, a 28-year-old challenger, said the district should find a way stop the rate increases the board approved in each of the past 12 years.

"Those increases have significantly hurt the poor and senior citizens on a fixed income," he said.

Tsai said that the board must spend more wisely, noting that it allocated \$280,000 for a water district history book as it raised rates on customers.

He also wants to make the district's actions more transparent as it decides annual budgets and negotiates employee contracts. "It's pretty hard to find their financial reports on their website," he said. "I would make the public part of the process because they're the ones paying the bills."

Tsai said the district fulfills most of its mission to provide safe, affordable and reliable water. "The affordable part is where I have a problem with them," he said.

Sethy says the district must continue making seismic improvements to its pipes and water mains so it can continue supplying safe water, even after a natural disaster.

"We can pay a small price today or a major price tomorrow," he said, noting that the Hayward Fault runs under the agency's 900 miles of pipelines and is due for a major quake. "This is a race against time."

Sethy said it takes expertise and vision to run the water district, especially when planning for complex projects such as Union City's Station Center or Fremont's Innovation District in Warm Springs.

He said his experience in founding a successful tech company and managing people and finances at Xerox makes him the best candidate.

Sethy said he strongly disagrees with Tsai's criticism, saying the board's finances are well-managed. Sethy said the district saved millions in 2011, for example, when it refinanced some of its debt, freeing money to help pay for badly needed seismic upgrades.

"I'm proud that this board has the guts to move forward and invest in the reliability of the system," he said. "Previous generations built this system. Now we have to rebuild it."

Contact Chris De Benedetti at 510-293-2480. Follow him at [Twitter.com/cdebenedetti](https://twitter.com/cdebenedetti).

### Candidates for Alameda County Water District Board

Judy Huang

Age: 45

Education: Bachelor's, chemical engineering

Occupation: Environmental engineer

Paul Sethy

Age: 54

Education: High school graduate. Attended UC Berkeley

Occupation: CEO of technology engineering company

Eric Tsai

Age: 28

Education: Bachelor's, business economics

Occupation: Financial analyst

## Union Sanitary District wins Peak Performance Platinum Award

SUBMITTED BY MICHELLE POWELL

Union Sanitary District (USD) has received the "Peak Performance Platinum Award" from the National Association of Clean Water Agencies (NACWA.) The Platinum Award recognizes the District's achievement of 100 percent compliance with its regulatory permit requirements for five consecutive years, 2008 through 2013. These permit conditions are in place to protect the water quality of San Francisco Bay.

USD has been recognized by NACWA for 21 continuous years since the award program began in 1993. "The Platinum Award is an honor that reflects our ongoing commitment to protect public health and the environment," says David Livingston, Plant Manager. "The combined efforts of all District employees, particularly our plant operators, mechanics, electricians, laboratory staff, engineers and environmental compliance staff, made this achievement possible."

General Manager Paul Eldredge notes that "USD's highly trained, dedicated staff is the reason for our success. They keep the facilities running smoothly, and they work hard to prevent harmful materials from being discharged to the sewer by businesses and industries in our service area."

Union Sanitary District operates a 33 million gallon per day wastewater treatment facility in Union City and provides collection, treatment and disposal services to a total population of 334,600 in Fremont, Newark, and Union City. The District maintains over 800 miles of underground pipeline in its service area. For more information, visit the District's website at [www.unionsanitary.ca.gov](http://www.unionsanitary.ca.gov).

# Tri-CityVoice Water purification facility wins WaterReuse Award

SUBMITTED BY MARTY GRIMES

On Monday, September 8, the Santa Clara Valley Water District received the Project of the Year Award – Large” from the WaterReuse Association at its annual national symposium in Dallas, TX.

According to the association, the Project of the Year Award recognizes projects whose significance and contributions to the community continue to advance the water reuse industry. In its award letter, the association wrote that “Santa Clara Valley Water District has demonstrated continued dedication to the water reuse community, and the WaterReuse Association gratefully acknowledges the contributions you have made.”

The association’s award recognizes the completion of the water district’s new water recycling facility, the Silicon Valley Advanced Water Purification Center. Lo-

cated in northern San José off Zanker Road, the facility produces up to eight million gallons a day of highly purified water. It is the largest facility of its kind in Northern California.

The new facility uses three advanced technologies to purify water which has already undergone two levels of quality wastewater treatment, sourced from the San José-Santa Clara Regional Wastewater Facility (RWF). At the new purification center, the water goes through microfiltration, reverse osmosis and ultraviolet light to produce water that is so pure it is expected to match drinking water quality.

Instead of going to the bay, this water is distributed via the regional “purple pipe” recycled water system, delivered by South Bay Water Recycling (SBWR), and used for industrial cooling towers, golf courses and car washes, throughout San José, Milpitas and Santa Clara.

Approximately 750 customers of the SBWR program are now enjoying the enhanced recycled water, which has a lower level of total dissolved solids. This helps reduce chemical use and maintenance costs for industrial users, and is easier on some plant species because it reduces salt buildup.

In addition, the facility is helping to raise awareness and support for advanced treatments that render water of such a high quality that it can be used for additional purposes, including future drinking water supplies.

Today, recycled water meets about 5 percent of the county’s total water demands. By 2025, the water district hopes to double that number. The new purifica-

tion center is one important step to reaching that goal.

Free public tours of the facility are now available. Interested individuals or groups can find tour information at [www.purewater4u.org](http://www.purewater4u.org).



11/17/14 Argus



GEORGE SAKKESTAD/STAFF ARCHIVES

The old road that runs through the middle of Lexington Reservoir has been uncovered as the drought has caused the capacity to drop to 15 percent of normal.

# California likely headed for fourth dry year in row

60 percent of state is in worst category as reservoirs sink

By Scott Smith  
Associated Press

FRESNO — Parts of California could receive above-average rain and snow this winter but not enough to end the worsening drought, federal forecasters said Thursday.

As a result, the drought likely will persist or intensify, said Mike Halpert, acting director of the National Oceanic and Atmospheric Administration's Climate Prediction Center.

The announcement predicts precipitation for December through February, when snow typically falls in the Sierra Nevada mountains forming a snowpack that melts through summer as runoff and flows to rivers and reservoirs.

The forecast puts the state on course for a fourth

dry year after Gov. Jerry Brown declared a drought emergency in January.

Forecasters have said 60 percent of California is in exceptional drought — the worst category — and 2013 was the state's driest year on record.

California reservoirs are at 36 percent of capacity, the California Department of Water Resources reports. The largest of them, Shasta Reservoir north of Redding, is 25 percent full.

State and federal officials this year provided no irrigation water to many Central Valley farmers this year.

As a result, those farmers have left thousands of acres unplanted and drawn heavily on groundwater rather than mountain runoff. Hundreds of residential wells have run dry, and the state has instituted fines for residents caught wasting water.

Firefighters have combated over 5,200 wildfires

so far this year, up by about 1,000 from the average, costing the state nearly \$233 million, California Department of Forestry and Fire Protection spokesman Daniel Berlant said.

Given the probability and new science of weather prediction, Halpert said there remains a possibility that California could be unexpectedly drenched from top to bottom, but that's not likely based on his analysis.

A much-awaited tropical weather pattern over the Pacific Ocean, called an El Nino, has yet to form, forecasters said. The strong tropical systems often bring more moisture into California over the winter.

Halpert said there is a 67 percent chance of a weak El Nino occurring by the year's end, offering little help.

"Even in the best case, there's going to be serious drought in most parts of the state when the winter is over," Halpert said.



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**Officers**  
Paul R. Eldredge  
*General Manager*  
*District Engineer*

David M. O'Hara  
*Attorney*

**DATE:** October 24, 2013

**MEMO TO:** Board of Directors - Union Sanitary District

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Rich Cortes, Business Services Work Group Manager  
Richard Scobee, GIS/Database Administrator

**SUBJECT:** Amended Agenda Item No. 9 - Meeting of October 27, 2014  
Information Item: **GIS JPA FY15 ADJUSTMENT**

### **Recommendation**

Information Only

### **Information**

At the Budget and Finance Committee on Thursday October 23, 2014 it was suggested that this item be changed from a Motion to an Information Item with no change in the adopted budget.

The current GIS JPA FY15 project budget includes \$24,000 to purchase new Aerial Photos from Alameda County. However Alameda County entered into a 3-year subscription agreement with Pictometry for new Aerial photos and the Pictometry Online (POL) service which provides the Pictometry imagery software system as an Internet web browser application. Through the Southern Alameda County GIS Authority (SACGISA), USD will purchase the 3-year subscription service from Alameda County. USD will also be provided a copy of the new Aerial Photos to use in-house. The cost to USD is \$8,000 per year for FY15 to FY17.

SACGISA also intends to contract Pictometry to digitize Building Outlines from the new Aerial Photos. The one-time cost to USD will be no more than \$8,400.

In total there is a net \$7,600 reduction of the current FY15 GIS JPA project.

PRE/RC/RS



VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Union Sanitary District  
Union City, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Union Sanitary District as of and for the years then ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Union Sanitary District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the equity investment in the East Bay Dischargers Authority which represents 1.6 percent and 1.8 percent, respectively, of the assets and net position of the Union Sanitary District. The statements for which the equity investment is derived were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for the equity investment, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Union Sanitary District as of June 30, 2014 and 2013, and the changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems provided by the State Comptroller's Office for Special Districts.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress for pension and retiree health benefit plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, statistical section and the financial information listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Varrinck, Trine, Day & Co., LLP.*

Pleasanton, California  
October 21, 2014