



**BOARD MEETING AGENDA**  
**Monday, June 8, 2015**  
**Regular Meeting - 7:00 P.M.**

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

**Boardroom**  
**5072 Benson Road**  
**Union City, CA 94587**

**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 May 26, 2015.

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5. Written Communications.

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6. 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

7. Award Contract to RESC-Q Services for the Digester Gas Treatment Vessel Media Replacement *(to be reviewed by the Budget & Finance Committee).*

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Motion

8. Resolution No. \_\_\_\_, Accept the Construction of the Cogeneration Project from D. W. Nicholson Corporation and Authorize the Attorney for the District to Record a Notice of Completion *(to be reviewed by the Construction Committee).*

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Motion

9. Authorize the General Manager to Enter into a Cost-Sharing Agreement with Alameda County Water District for a Recycled Water Feasibility Study, and Adopt a Resolution Authorizing the General Manager to Enter into a Grant Agreement with the State of California *(to be reviewed by the Budget & Finance Committee).*

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- Information 10. Information Items:
- a. Check Register.
  - b. Preliminary Operating and Capacity Fund Budgets for FY16 *(to be reviewed by the Budget & Finance Committee)*.
  - c. Report on the EBDA Commission Meeting of May 21, 2015.
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- Information 11. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*
- a. Budget & Finance Committee – scheduled for Wednesday, June 3, 2015 at 2:30 p.m.
  - b. Construction Committee – scheduled for Thursday, June 4, 2015 at 8:45 a.m.
  - c. Legal/Community Affairs Committee – will not meet
  - d. Personnel Committee – will not meet
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- Information 12. General Manager’s Report. *(Information on recent issues of interest to the Board)*.
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- Information 13. 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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14. Adjournment – The Board will adjourn to the Treatment Plant Site Study Presentation Workshop in the Boardroom on Monday, June 15, 2015, at 6:30 p.m.
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15. Adjournment – The Board will then adjourn to the Hayward Marsh Options Study Workshop in the Boardroom on Wednesday, June 17, 2015, 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, June 22, 2015, 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 JUNE 8, 2015**

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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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**Budget & Finance Committee, Wednesday, June 3, 2015, at 2:30 p.m.**

7. Award Contract to RESC-Q Services for the Digester Gas Treatment Vessel Media Replacement
  9. Authorize the General Manager to Enter into a Cost-Sharing Agreement with Alameda County Water District for a Recycled Water Feasibility Study, and Adopt a Resolution Authorizing the General Manager to Enter into a Grant Agreement with the State of California
  - 10b. Preliminary Operating and Capacity Fund Budgets for FY16
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**Construction Committee, Thursday, June 4, 2015, at 8:45 a.m.**

8. Resolution No. \_\_\_\_, Accept the Construction of the Cogeneration Project from D. W. Nicholson Corporation and Authorize the Attorney for the District to Record a Notice of Completion
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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  
May 26, 2015**

**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 – arrived at 7:03 p.m.  
Tom Handley, Secretary  
Pat Kite, Director  
Anjali Lathi, Director

STAFF: Paul Eldredge, General Manager  
Dave O'Hara, District Counsel  
Karen Murphy, Attorney  
Rich Cortés, Business Services Manager  
Sami Ghossain, Technical Services Manager  
Armando Lopez, Treatment & Disposal Services Manager  
Robert Simonich, Fabrication, Maintenance, & Construction Manager  
Rich Czapkay, Maintenance/TV Coach  
Michael Dunning, Environmental Compliance Coach  
Alex Paredes, Environmental Program Coordinator  
Mariela Espinosa, Customer Service Fee Analyst  
Regina McEvoy, Assistant to the GM/Board Secretary

**APPROVAL OF THE MINUTES OF MAY 11, 2015**

A desk item for this item was prepared and submitted for Board review and approval. The desk item was added to the May 26, 2015, Board meeting packet.

It was moved by Director Lathi, seconded by Secretary Handley, to Approve the Minutes of the Board of Director's Meeting held May 11, 2015. Motion carried with the following vote:

AYES: Fernandez, Handley, Lathi  
NOES: None  
ABSENT: Toy  
ABSTAIN: None

## **MONTHLY OPERATIONS REPORT FOR APRIL 2015**

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge reported the following:

- **Odor Complaints:** There was one odor complaint received during the month of April from Fremont. The call originated as a storm drain odor, and was initially investigated by the Environmental Compliance Team who were unable to determine the source. Collection Services staff discovered a plugged District main was leaking into the storm drain, which resulted in a Category #1 Spill and has been reported as required. The plugged main was caused by roots that have since been removed.
- **Safety:**
  - One employee fell and bruised his left knee in the month of April. The employee declined medical treatment.
- **Staffing and Personnel:**
  - Jose Rodrigues was promoted to Collection Services Planner/Scheduler I
  - Doug Dattawalker was promoted to Environmental Compliance Outreach Representative
  - Ariel Teixeira was promoted to Administrative Specialist I – Environmental Compliance
  - Leticia Najera was selected for the Human Resources Analyst II position
- **Hours Worked and Leave Time by Work Group:** The District continues to meet the goals for at-work hours per employee per week (more than 34 hours) and average annual sick leave used per employee (less than 47 hours/year).

Business Services Manager Cortés reported the following:

- **Revenues:** Capacity fees received in April included \$259,000 from Living Spaces Furniture, \$123,000 from Silicon Sage Construction, and \$315,000 from Mid Pen Housing. The District received \$25,000 for inspection fees, \$42,000 for plan check fees, and \$1.6 Million in Cogen rebates.
- **Expenses:** The District purchased one dump truck for \$160,000. Expenses by work group are below budget.

General Manager Eldredge reported the following:

The Customer Service Team dispatched 22 trouble calls; issued permits for one main, 16 new laterals, and 27 repairs in April. The Environmental Compliance Team completed 118 storm water inspections and 28 FOG inspections, which resulted in 35 and five enforcement actions respectively. Collection Services staff have inspected and cleaned 60 of the 193 recently identified problematic sewer lines. One Fabrication, Maintenance, and Construction mechanic attended Cogeneration training in Wisconsin, and was the fourth District mechanic to attend said training. The Cogeneration system produced 75% of power consumed for the month of April.

## **WRITTEN COMMUNICATIONS**

There were no written communications.

## **ORAL COMMUNICATIONS**

There were no oral communications.

## **PUBLIC HEARING TO ADOPT ORDINANCE 36.03, SEWER USE ORDINANCE**

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated staff did not receive any comments on the proposed ordinance prior to the meeting.

President Fernandez opened the public hearing. There were no speakers on the matter. President Fernandez closed the public hearing.

## **RESOLUTION NO. 2758, ADOPT ORDINANCE 36.03, SEWER USE ORDINANCE**

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated Ordinance No. 36 provides the requirements for restrictions on discharges to the sanitary sewer, and applies to industrial, commercial, and residential dischargers establishing the requirements for the District's pretreatment program. Proposed revisions to Ordinance 36 included an ammonia local limit, changing the Ordinance name and incorporating a version convention, revising the signature requirement, and revising the hazardous waste discharge notification to reflect current Federal regulations.

It was moved by President Fernandez, seconded by Director Lathi, to Adopt Resolution No. 2758, Adopting Ordinance 36.03, Sewer Use Ordinance. Motion carried unanimously.

## **SCHEDULE A PUBLIC HEARING TO ADOPT ORDINANCE NO. 34.07, AN ORDINANCE PROVIDING FOR THE GENERAL REGULATION OF PRIVATE AND PUBLIC SEWERS, PLAN REVIEW, ISSUANCE OF CONSTRUCTION PERMITS, INSPECTION OF SEWER INSTALLATION, AND THE COLLECTION OF FEES FOR THESE SERVICES, AND TO REPEAL ORDINANCE NO. 34.06**

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated District Ordinance No. 34.06 provides for plan review, issuance of construction permits, inspection of sewer installation, and collection of fees for said services. The Ordinance also governs the handling of deposits and includes fees for Collection System services. Proposed changes to Ordinance No. 34.06 include revisions to material and services fees used to calculate fees for work performed by the District, updates to contractors' required insurance limits, and addition of a sewer-in-steel casing line item. Material and services fees were last updated three years ago, and the fees no longer cover the minimum effort associated with performing said services due to inflation.

It was moved by Director Lathi, seconded by Secretary Handley, to Schedule a Public Hearing to be held at 7:00 p.m. on June 22, 2015, to Adopt Ordinance No. 34.07, An Ordinance Providing for the General Regulation of Private and Public Sewers, Plan Review, Issuance of

Construction Permits, Inspection of Sewer Installation, and the Collection of Fees for these Services, and to Repeal Ordinance No. 34.06. Motion carried unanimously.

### **INFORMATION ITEMS:**

#### **Check Register**

All questions were answered to the Board's satisfaction.

#### **COMMITTEE MEETING REPORTS:**

The Legal/Community Affairs and Budget & Finance Committees met.

#### **GENERAL MANAGER'S REPORT:**

General Manager Eldredge reported the following:

- The District hosted several individuals from the Monterey Regional Water Pollution Control Agency on May 21, 2015.
- District and Alameda County Water District staff have been working on a reclaimed water cost sharing agreement to be presented to the Board in June.
- The City of Fremont contract renegotiation is underway, and staff estimate the contract will be presented for Board approval in July.
- Requested revisions to Board Policy 3070 had originally been slated for Board consideration in June, however staff would like to postpone the matter until September or October. The Board agreed to the requested postponement.
- The new attorney orientation has begun and will continue over the next several weeks for recently selected lead counsel Karen Murphy and backup counsel Leah Castella.
- The Supreme Court declined to hear the appeal of pharmaceutical companies regarding the Alameda County Ordinance to require drug manufacturers to be responsible for the cost of unused medication disposal. The action allows Alameda County to move forward with the program and clears the way for other counties to do the same.
- The Environmental Compliance Team will host the annual Certificates of Merit presentation at 3:00 p.m. on May 28, 2015.
- Nine applications were received for the Treatment and Disposal Services Night Coach position, including two from internal applicants.
- The District received 22 applications for the Human Resources Manager position and interviews will be conducted in June.
- Internal recruitments for Environmental Compliance Inspector will close May 28, 2015, and Fabrication, Maintenance, and Construction Planner/Scheduler will close May 29, 2015.
- Recruitment for the District Receptionist closed after more than 100 applications were received in three days. Testing for the position will be conducted on May 29, 2015.
- Recruitment for Business Services Manager will open June 1, 2015.

#### **OTHER BUSINESS:**

Director Lathi stated she attended Southern Alameda County Geographic Information System Joint Powers Authority (GIS) meeting on May 20, 2015. Director Lathi further stated GIS internal data will be integrated with Google Maps.

**ADJOURNMENT:**

The meeting was adjourned at 7:46 p.m. to the next Regular Board Meeting in the Boardroom on Monday, June 8, 2015, at 7:00 p.m.

SUBMITTED:

ATTEST:

\_\_\_\_\_  
REGINA McEVOY  
SECRETARY TO THE BOARD

\_\_\_\_\_  
TOM HANDLEY  
SECRETARY

APPROVED:

\_\_\_\_\_  
MANNY FERNANDEZ  
PRESIDENT

Adopted this 8<sup>th</sup> day of June, 2015



**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:** June 1, 2015

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

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Robert Simonich, Manager of Fabrication, Maintenance, Construction  
Ric Pipkin, T&D Coach

**SUBJECT:** Agenda Item No. 7 - Meeting of June 8, 2015  
**Award Contract to RESC-Q Services for the Digester Gas Treatment Vessel Media Replacement**

### **Recommendation**

Staff recommends the Board award the contract to RESC-Q Services Inc. for the Digester Gas Treatment Vessel Media Replacement in the amount of \$232,700.00. Funds for the work have been budgeted in the Operating Budget for the Fabrication, Maintenance, and Construction Workgroup.

### **Background**

The anaerobic sludge digesters at the Alvarado Wastewater Treatment Plant produce methane gas which is fuel for the District's cogeneration engines. The methane gas produced onsite by the digesters contains hydrogen sulfide and siloxane which if introduced to the cogeneration engines will severely damage the engines. These compounds are a result of the materials present in the wastewater.

The Cogeneration Project included the construction of a new digester gas treatment system. The digester gas treatment system includes two (2) siloxane removal vessels and two (2) hydrogen sulfide removal vessels. See attached photos of these vessels. The siloxane removal vessels contain approximately 6000 pounds each of an activated carbon media. The hydrogen sulfide removal vessels contain approximately 39,000 pounds each of an iron impregnated wood or sand media. The construction contract included the initial filling of the vessels with media.

The design life of this media is nine (9) to eighteen (18) months. The media in these vessels first went into service in September 2014. Staff regularly monitors the performance of the media to determine the appropriate time to replace the media. Staff currently estimates that the first vessel of media will need to be replaced in July 2015.

### Scope of Work

Staff issued an invitation for bids to perform the work to replace the media on May 1, 2015. The contract duration is two (2) years and is expected to include the replacement of three vessel volumes of each type of media during the contract period.

The Project's major elements include

- Opening the gas treatment vessels.
- Removing the used media from the vessels.
- Allowing time for District inspection and repair of the vessels.
- Installing new media in the vessels
- Resealing the vessels
- Performing hazardous material testing on the used media to determine the appropriate disposal location.
- Hauling of the removed materials to an approved off-site disposal location.

### Bid Results

Staff received three (3) bids from contractors on May 20, 2015. The bid results are summarized in the table below. Please refer to the attached bid tabulation abstract for a detailed breakdown of the bids.

<b>Contractor</b>	<b>Total Base Bid</b>
RESC-Q Services Inc Redmond, WA	\$232,700.00
Carbon Activated Corp Compton, CA	\$355,704.00
Baker Corporation Plano, TX	\$425,439.00

Staff used the Total Cost to determine the lowest responsive and responsible bidder for the work. RESC-Q Services Inc. was the apparent low bidder with a total cost of \$232,700.00. The total costs as described in the bid tabulation abstract is based upon staff estimates of the number of media replacements required for each type of vessel and likely hazardous materials present in the used media. The final purchase order amount will vary depending on the number of vessel replacements that are required and the results of the hazardous materials testing of the media after removal.

RESC-Q Services Inc. has demonstrated that they have at least five years of experience in performing work of a similar nature. In addition, key staff of RESC-Q Services Inc. are also key staff of the subcontractor who designed, manufactured, installed, and started-up the gas treatment system as part of the Cogeneration construction project.

Attachments: Figure 1 – Photo of Hydrogen Sulfide Removal Vessels  
Figure 2 – Photo of Siloxane Removal Vessels  
Bid Tabulation Abstract



Figure 1 – Photo of Hydrogen Sulfide Removal Vessels



Figure 2 – Photo of Siloxane Removal Vessels





**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:** June 2, 2015

**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

**SUBJECT:** Agenda Item No. 8 - Meeting of June 8, 2015  
**Resolution No. \_\_\_\_\_, Accept the Construction of the Cogeneration Project from D. W. Nicholson Corporation and Authorize the Attorney for the District to Record a Notice of Completion**

### **Recommendation**

Staff recommends the Board accept the construction of the Cogeneration Project from D. W. Nicholson Corporation (DWN) by resolution, and authorize the Attorney for the District to record a Notice of Completion at the Alameda County Recorder's Office.

### **Background**

Wastewater biosolids from the Alvarado wastewater treatment plant process are anaerobically digested within the six primary digesters, which continuously produce a combustible methane-rich gas called digester gas or biogas. This biogas is an important renewable energy source and can be utilized to produce electrical power to supplement a portion of the power needs of the Plant and to provide heat to the anaerobic digestion process.

In 2011, the District commenced with design of the Cogeneration Project to replace two existing biogas-fueled engine generators which were at the end of their useful life. The Project's major elements included:

- Two 850-kilowatt engine generators manufactured by GE Jenbacher. The engine generators can operate entirely on biogas, natural gas, or a blend of the two depending on availability of biogas from the digesters.
- A new approximately 50-foot by 100-foot metal building that houses the new engine generators and is located at the area formerly occupied by the INKA process structure (Refer to Figure 1). There are provisions for a third unit should the District's biogas production increase in the future.
- A new packaged biogas conditioning system with redundant chillers, blowers, and pumps to provide reliable and quality biogas to the engine generators. This equipment is installed on an exterior concrete pad adjacent to the new building.
- Modifications to the existing biogas collection equipment and piping at the primary and secondary digesters and consolidation of the biogas conditioning operation at the new conditioning system adjacent to the Cogeneration Building.
- Modifications to the existing hot water system to utilize the waste heat from the new engine generators for the anaerobic digestion process in the primary digesters.
- Modifications to the Plant's electrical and control systems and connections of the new equipment to these systems in order to conform to the Plant's operational needs.

### **Construction Contract**

The District awarded the construction contract to DWN on March 11, 2013 in the amount of \$10,566,358 and issued the Notice to Proceed on April 5, 2013. The Project's original construction period was 525 calendar days with commissioning of the engine generators by June 13, 2014 (Milestone A) to meet PG&E's Self-Generation Incentive Program (SGIP) deadline and completion of all Project elements by September 11, 2014.

Due to delays resulting from several Contract Change Orders (CCOs), Milestone A and Project substantial completion dates were extended twice. Overall, staff granted time extensions of 175 calendar days.

PG&E's SGIP deadline was extended and the engines were commissioned prior to PG&E's new deadline of January 11, 2015. The overall project was substantially completed on March 4, 2015.

Carollo Engineers designed the Project and The Covello Group provided construction management services. The attached Figures 2 through 5 show the completed cogeneration and biogas conditioning facilities.

## **Change Order Summary**

The Project construction included 117 CCOs. A summary of the change orders is shown in the attached Table 1. Below is a summary of the significant executed CCOs:

1. CCO No. 10, Modifications to Plant Switchgear MVSA

Change Order No. 10 is in the amount of \$175,919 and is for the extra work of incorporating modifications to the Plant main switchgear MVSA. PG&E required the District to install protective devices on the Plant's 12,000-volt electrical switchgear to monitor the power from the biogas-fired engine generators and to prevent the export of power to PG&E's grid. PG&E's requirements were not known during the design phase, so the new protective devices for the main utility breaker were not included in the electrical switchgear plans and specifications. The CCO included a new standalone enclosure with the new protective devices and switches, terminations of wires within the switchgear, current-measuring devices in the switchgear, testing of the new devices in conjunction with the existing main utility breaker, and DWN's supplier's engineering services. This CCO was approved by the Board of Directors during the Board meeting of October 14, 2013.

2. CCO No. 27, High Temperature Jacket Water Pump and Decoupling Heat Exchanger

Change Order No. 27 is in the amount of \$98,500 and is for the extra work pertaining to the high temperature jacket water pump and decoupling heat exchanger. The initial cogeneration equipment submittal had initially shown the mentioned equipment to be mounted on each of the two engine generator skids. However, the supplier's cogeneration equipment final submittal showed an additional decoupling heat exchanger, and associated pumps and valves, on each engine unit, all being provided at no additional charge. The additional equipment was a highly recommended requirement of the engine manufacturer to extend the life of the engine coolant and reduce engine maintenance and associated downtime and costs. This required the design engineer, Carollo, to modify the equipment layout within the Cogeneration Building, which resulted in a CCO to install the equipment and to modify the mechanical, electrical, and instrumentation installation within the building.

3. CCO No. 28, Engine Generator catalyst

Change Order No. 28 is in the amount of \$249,367 and is for the extra work associated with incorporating an oxidation catalyst system to the engines' exhaust piping. The District submitted the air permit application in October 2012 to the Bay Area Air Quality Management District (BAAQMD), which was during the design phase of the Project. The

permit application proposed emission limits of 1.0 gram per brake horsepower-hour (g/bhp-hr) of carbon dioxide (CO) and 2.65 g/bhp-hr of nitrogen oxide (NOx) in accordance with published BAAQMD Best Available Control Technology (BACT) guidelines and regulatory limits at the time. The manufacturer of the engine generators could guarantee these emission limits without any emission controls.

After award of the construction contract, the BAAQMD responded in April 2013 to the District's application and proposed permit conditions that set a lower CO limit of 2.1 g/bhp-hr but left the NOx limit at 1.0 g/bhp-hr. To meet the lower CO limit, the District needed to install oxidation catalysts on each engine's exhaust piping.

This CCO included oxidation catalysts and housing; catalyst monitor and differential pressure transmitter; stainless steel exhaust piping, expansion joints, and supports; and electrical conduits and wiring. This CCO was approved by the Board of Directors during the Board meeting of January 27, 2014.

4. CCO No. 57, Delete DGCS Warranty

Change Order No. 57 is in the credit amount of \$186,791 and is for deleting the warranty for the biogas or digester gas conditioning system (DGCS) equipment. The SGIP required all of the major components of the cogeneration system carry a minimum ten-year equipment warranty. The warranty would cover the full cost of repair or replacement of defective components or systems, including coverage for labor costs to remove and reinstall defective components or systems. The SGIP required system owners to fulfill the warranty requirements by acquiring standard and extended warranties from the equipment manufacturers or suppliers.

During design, the District applied for and received PG&E's approval to "self-perform" the warranty for the engine generator system. However, the construction contract still included the ten-year warranty for the digester gas conditioning system. During the construction phase, staff discovered that the cost of the ten-year warranty for the DGCS equipment was significant. In October 2014, the District applied for and received PG&E's approval to "self-perform" the warranty of the DGCS equipment. This CCO also deleted a five-year maintenance bond that insured the equipment supplier's performance. This CCO was approved by the Board of Directors during the Board meeting of November 24, 2014.

5. CCO No. 93, Electrical Modifications for Final Engine System Components

Change Order No. 93 is in the amount of \$77,000 and is for incorporating electrical conduit and wire modifications to accommodate actual devices provided by the engine

generator supplier. After reviewing the submittal from the engine generator supplier, Carollo discovered additional temperature elements, pressure switches, vibration switches, and digester and natural gas anti-backfire devices that were not included in the construction contract documents. During design, Carollo worked with the supplier to show the anticipated instrumentation and control equipment in the contract documents. However, during the submittal preparation phase, the supplier “designed” the system based on the technical requirements of the Project. This CCO included installation of new conduits and wiring to these devices between the control room and the field devices in and around the Cogeneration Building.

Staff provided a summary of the CCOs during the April 13, 2015, Board meeting. At the time, there were 21 potential change orders that remained to be negotiated. The total amount requested by DWN in these potential change orders was \$363,375. Staff completed those negotiations and executed the CCOs in a total amount of \$126,833. None of these executed CCOs were above \$40,000.

The final change order amount is \$1,240,809, which is approximately 11.7% of the construction contract amount. During the design phase, Carollo had calculated the Project’s payback period at 8.9 years, which is based on a number of factors including an Engineer’s Estimate of \$12.9 million, 20% engineering costs, and an SGIP grant of \$3.25 million.

Accounting for the final construction and engineering costs and the approved SGIP grant amount, the recalculated Project’s payback period is 8.2 years.

DWN has completed all field punch list items. A few administrative punch list items remain and staff anticipates their completion by July 2015.

Staff recommends the Board accept the construction of the Cogeneration Project from D. W. Nicholson Corporation by resolution, and authorize the Attorney for the District to record a Notice of Completion with the Alameda County Recorder’s Office.

PRE/SG/RC:ks

Attachments: Figure 1 – Site Map  
Figures 2 through 5 – Photos  
Table 1 – CCO Summary  
Resolution  
Notice of Completion

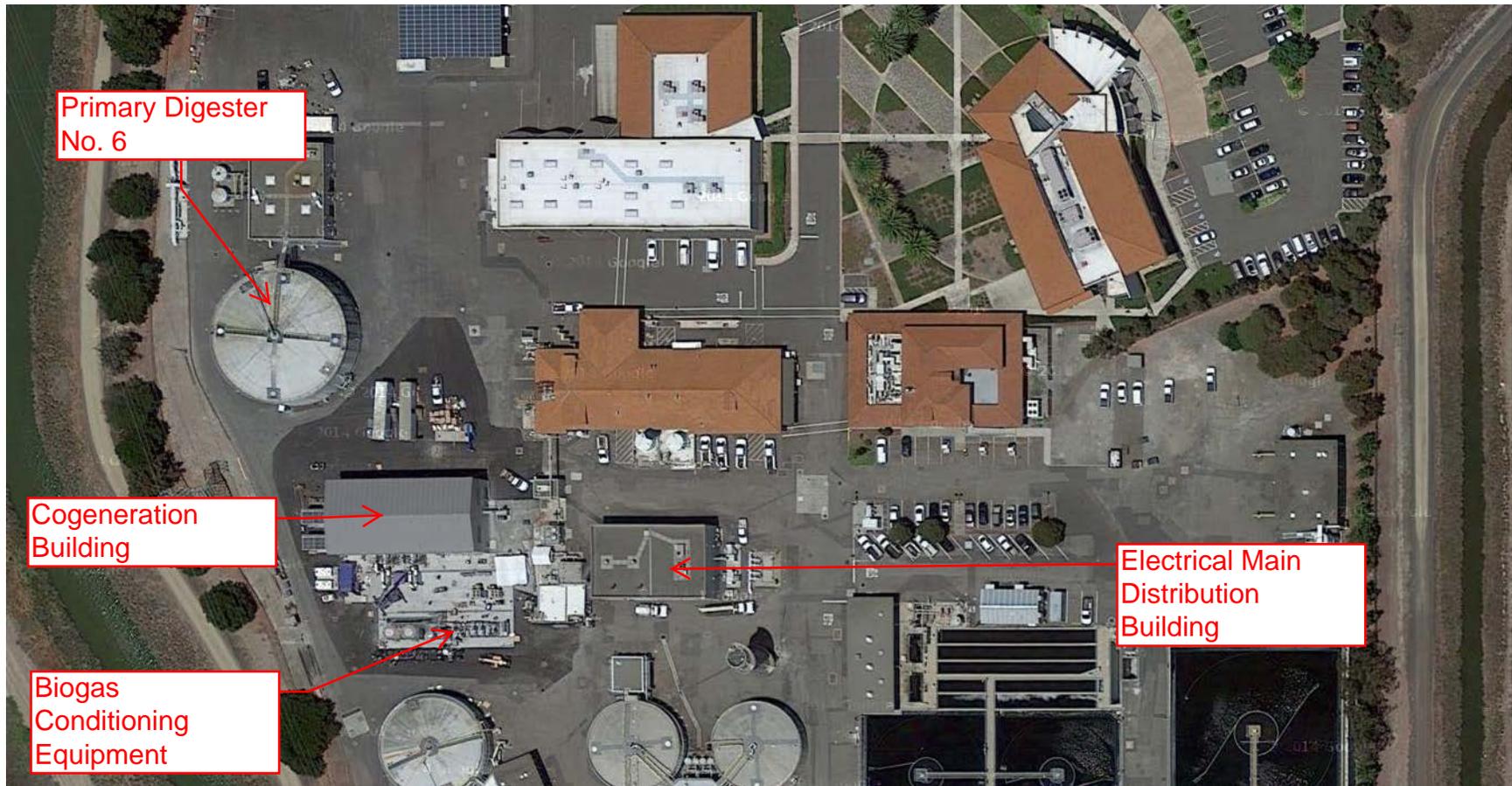


Figure 1 – Alvarado WWTP Site Map



Figure 2 – Cogeneration Building



Figure 3 – Engine Generator



Figure 4 – Biogas Conditioning System



Figure 5 – Engine Exhaust Piping

Table 1 - CCO Summary  
Cogeneration Project

CCO	Description	Amount
1	Bus Duct Between Transformer T-H and Cogeneration Switchgear SWGR-CG at Cogeneration Building	\$3,327
2	Flare No. 3 Temporary Bypass	\$11,796
3	Flare Pilot and Pressure Regulator Piping Modifications	\$5,143
4	Electrical Room Roll-up Door Electrical Service	\$1,933
5	Generator 1 and 2 Cable Substitution	\$3,696
6	Revised Yard Drain Point of Connection	\$17,031
7	Alternate Gas Monitor Manufacturer	\$5,475
8	Natural Gas Isolation Valve	\$4,114
9	Foundation Re-Design for Submitted Metal Building System	\$35,827
10	Plant Switchgear MVSA Modifications	\$175,919
11	Digester Gas Back Pressure Control Valve	\$25,335
12	Gas Conditioning Skid Location and Chiller Pad Revisions	-\$3,568
13	Engine Controller Ethernet Architecture Modifications	\$18,956
14	Delete Main Electrical Building Trench Plates	-\$7,078
15	Service Sink Drain Line, Water Heater Installation, and Electrical Service Modifications	\$10,005
16	Partial Payment for Equipment Stored Off-Site	\$0
17	Generator Room Concrete Floor Sealer	\$5,369
18	Gas Conditioning Concrete Slab Modifications	-\$3,000
19	Transformer T-H Sudden Pressure Relay	\$9,622
20	Catch Basin Installation Modifications	\$3,028
21	Emergency Sodium Hypochlorite Tank Repair	\$1,846
22	North Utility Alignment Underground Obstructions - Bid Item No. 4 Allowance	\$0
23	Phase 1 Natural Gas Excavation - Bid Item No. 4 Allowance	\$0
24	Existing No. 1 Water Piping Modifications - Bid Item No. 4 Allowance	\$0
25	Yard Drainage Point of Connection Investigation - Bid Item No. 4 Allowance	\$0
26	Anode Installation at 12" and 6" Digester Piping Connections	\$901
27	High Temperature Jacket Water Pump and Decoupling Heat Exchanger Additions	\$98,500
28	Engine Exhaust Oxidation Catalysts for Carbon Monoxide Emissions	\$249,367
29	Revised Ductbank Routing Between Switchboard SWBD-3 and Field Operations Building	-\$22,000
30	Internal Ventilation Duct Insulation	\$1,873
31	Future Natural Gas Flow Meter Conduits	\$7,259
32	Engine Generator Exhaust Stack Support Structure	\$39,517
33	Lighting and Exit Sign Modifications	\$3,114
34	Hot Water Piping Point of Connection and Expansion Joint Installation	\$11,429
35	Disposal of Contaminated Excavated Soils	\$5,949
36	Metal Ductwork Fan Transition Modifications	\$3,713
37	Engine Generator Conduit Termination Extension Box	\$5,412
38	Air Compressor Modifications	\$4,744
39	Additional Conductors between Busway and Cogeneration Switchgear SWGR-CG	\$1,879
40	Digester Gas Methane Gas Sensor	\$20,099

Table 1 - CCO Summary  
Cogeneration Project

CCO	Description	Amount
41	Cogeneration Building Digester Gas Isolation Valve	\$2,286
42	3" Pressure Reducing Valve on Natural Gas Pipeline	\$15,667
43	Air Dryer Power Supply	\$1,230
44	Waste Coolant Pump and Piping Modifications	\$6,500
45	Additional Plant Main Switchgear MVSA Shutdowns	\$17,611
46	Sludge Grinder Installation at Heating and Mixing Building No. 4	\$5,300
47	Plant Main Switchgear MVSA Main Breaker Protective Relay Training	\$4,125
48	Digester Gas Conditioning System Skid - Additional Lighting	\$3,000
49	Digester Gas Conditioning System - Chiller Control Valves	\$5,000
50	Heating and Mixing Building No. 1 Digester Gas Piping Modifications	\$15,000
51	Modifications to Thickener Control Building Interim Piping	\$65,717
52	Natural Gas Bypass Pressure Reducing Valve Addition	\$13,500
53	Primary Digester No. 1-3 - Digester Gas Flow Meter Power Supply Modifications	\$4,867
54	Gas Conditioning Area Spare Lighting Conduit	\$1,103
55	Additional Waste Heat Radiator Conduits	\$5,444
56	Additional Catch Basin Installation	\$16,671
57	Delete Digester Gas Conditioning System 10-Year Warranty	-\$186,791
58	Engine Exhaust Oxidation Catalyst Monitoring Alarms	\$8,578
59	Current Transformer Wiring to Transformer T-H	\$1,074
60	Revised Combustible Gas Detector Mounting Location	\$2,944
61	Additional Electrical Receptacles at the Engines	\$2,122
62	Secondary Digester Gas Piping Sample Port	\$359
63	South Utility Trench Excavation - Existing Utilities	\$13,500
64	Electrical Support for Plant Shutdowns	\$4,970
65	Modifications to Plant Switchgear MVSA	\$23,500
66	Engine Room Supply Duct Register Modifications	\$12,465
67	Non-Compensable Time Extension	\$0
68	Hydrogen Sulfide Media Tank Maintenance Platform Safety Tie Off Details	\$5,147
69	Hydrogen Sulfide Media Tank Piping Modifications	-\$9,602
70	Relocate Combustible Gas Detector	\$2,477
71	Digester Gas Conditioning Skid Access Stairs	\$5,115
72	Buried No. 4 Water Isolation Valve	\$770
73	Gas Conditioning Area Equipment Drain Modifications	\$2,263
74	Miscellaneous Programming Modifications	\$2,905
75	Additional Engine Exhaust Pipe Supports	\$18,640
76	South Grade Beam Connection to Utility Trench Wall	\$2,416
77	Modified Site Paving and Grading Plan	\$11,222
78	North Utility Trench Excavation - Existing Utilities	\$2,500
79	Engine Exhaust Sample Port Relocation	\$7,043
80	Alternate Pipe Support Detail	\$12,500
81	Hazardous Materials - Existing Coating Removal	\$7,793
82	Engine Exhaust Pipe Support Modifications	\$28,235
83	Existing Hydrogen Sulfide Media Disposal - Hazardous Waste	\$24,616
84	Delete Electrical Vault Submersible Pump	-\$7,112
85	Gas Conditioning System Chiller Isolation Valves	\$2,500

Table 1 - CCO Summary  
Cogeneration Project

CCO	Description	Amount
86	Builder's Risk Insurance Extension	\$16,635
87	Future Radiator Utility Protection	\$1,086
88	Hazardous Materials Removal Plan - Existing Coatings	\$5,635
89	Existing Hydrogen Sulfide Media Sampling and Testing	\$7,706
90	Additional Aluminum Grating Supports	\$10,233
91	Digester Gas Conditioning System Tank and Pipe Fabrication Details	\$5,000
92	Hot Water and Jacket Water Vents and Drains	\$17,000
93	Electrical Modifications for Final Engine System Components	\$77,000
94	Bid Item No. 5 Overages - Disposal of Excavated Materials as Non-Hazardous Waste	\$39,681
95	Digester No. 4 & 5 Bypass Modifications	-\$2,448
96	Flare Header Piping Modifications	\$1,073
97	Existing Gas Conditioning Area Demolition Modifications	-\$6,327
98	Low Temperature Jacket Water Expansion Tank Drain Valves	\$288
99	Trench Grating at Gas Conditioning Slab	\$0
100	Western Energy Systems Engine Generator Operational Test Support	\$19,927
101	Digester Gas Low Point Drains	\$16,500
102	Delete Metal Building Secondary Framing Field Coatings	-\$12,000
103	Time Extension Costs for Final Completion	\$23,985
104	Jacket Water and Hot Water Pipe Insulation Modifications	\$3,021
105	Plant Switchgear MVSA Main Breaker Indicator Lights	\$2,977
106	Sodium Carbonate Pump Electrical Service	\$8,726
107	Primary Digester 1-3 Piping Modifications	\$8,922
108	Electrical Equipment Housekeeping Pads	\$9,122
109	Cogeneration Building Doorway Entrance Slabs	\$5,825
110	Revised Supply and Exhaust Duct Supports	\$936
111	Engine Gas Train Pipe Modifications	\$4,506
112	Hot Water Flow Meter and 3-Way Valve Piping	\$6,270
113	Additional Pressure and Temperature Indicators	\$10,184
114	Mechanical and Electrical Utility Trench Modifications	\$3,681
115	Digester Gas Backpressure Control Valve Modifications	\$4,873
116	Revised Building Curb Installation	\$2,954
117	Jacket Water Expansion Tank Installation	\$6,136
<b>Total</b>		<b>\$1,240,809</b>

**RESOLUTION NO. \_\_\_\_\_**

**ACCEPT CONSTRUCTION OF THE  
COGENERATION PROJECT  
LOCATED IN UNION CITY, CALIFORNIA  
FROM D.W. NICHOLSON CORPORATION**

RESOLVED: That the Board of Directors of the UNION SANITARY DISTRICT that it hereby accepts the Cogeneration Project from D. W. Nicholson Corporation effective June 8, 2015; and be it

FURTHER RESOLVED: That the attorney for the District is authorized to record a "Notice of Completion" for the project.

On motion duly made and seconded, this resolution was adopted by the following vote on June 8, 2015:

AYES:

NOES:

ABSENT:

ABSTAIN:

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MANNY FERNANDEZ  
President, Board of Directors  
Union Sanitary District

Attest:

---

TOM HANDLEY  
Secretary, Board of Directors  
Union Sanitary District



**RECORDING REQUESTED BY  
AND WHEN RECORDED  
RETURN TO:**

**DAVID M. O'HARA  
Attorney at Law  
975 Centennial Drive  
Brentwood, CA 94513**

NO RECORDING FEE – PER GOVERNMENT CODE SECTIONS 6103 & 27283

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**NOTICE OF COMPLETION**

**NOTICE IS HEREBY GIVEN BY UNION SANITARY DISTRICT**, Alameda County, California, that the work hereinafter described, the contract for the construction of which was entered into on March 11, 2013, by said District and **D.W. NICHOLSON CORPORATION**, 24747 Clawiter Road, Hayward, CA, 94545, Contractor for the Project, "**COGENERATION PROJECT**", was substantially completed on March 4, 2015, and accepted by said District on June 8, 2015.

The name and address of the owner is **UNION SANITARY DISTRICT**, at 5072 Benson Road, Union City, CA 94587.

The estate or interest of the owner is: FEE SIMPLE ABSOLUTE.

The description of the site where said work was performed and completed is Union Sanitary District's Wastewater Treatment Plant, located at 5072 Benson Road, Union City, CA 94587, County of Alameda, State of California.

The undersigned declares under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_ at UNION CITY, CALIFORNIA.

\_\_\_\_\_  
DAVID M. O'HARA,  
Agent of UNION SANITARY DISTRICT



**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:** June 1, 2015

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

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

**SUBJECT:** Agenda Item No. 9 – Meeting of June 8, 2015  
**Authorize The General Manager To Enter Into A Cost-Sharing Agreement With Alameda County Water District For A Recycled Water Feasibility Study, And Adopt A Resolution Authorizing The General Manager To Enter Into A Grant Agreement With The State Of California**

**Recommendation:**

By motion, 1) Authorize the General Manager to enter into a cost-sharing agreement with Alameda County Water District for a Recycled Water Feasibility Study; and 2) Adopt a resolution authorizing the General Manager to enter into a grant agreement with the State of California.

**Background:**

The Alameda County Water District (ACWD) and Union Sanitary District (USD) plan to apply for a grant from the State Water Resources Control Board to support funding a Recycled Water Feasibility Study. The Recycled Water Feasibility Study will build upon past studies by both agencies and will focus on non-potable use of recycled water in the vicinity of the Alvarado Wastewater Treatment Plant and indirect potable reuse (IPR) utilizing advanced treated purified water for recharge of the Niles Cone Groundwater Basin to augment potable supplies.

ACWD's long-term water supply strategy includes plans for developing non-potable recycled water, such as for landscape irrigation and industrial process water. The benefits of recycled water include: 1) providing a new, stable, and locally-controlled source of supply; and, 2) providing additional water capacity to provide a reliable drought proof supply of water to meet the peak summer demands of both District's customers. Although the use of reclaimed water is not an operational necessity for USD, the District has and continues to support this concept. In 1993 ACWD and USD jointly developed a Non-Potable Wastewater Reuse Master Plan. In 2000, ACWD and USD completed an update of the master plan, which considered a recycled water treatment facility at the Alvarado Wastewater Treatment

Plant. In 2003, ACWD and USD again partnered to evaluate the feasibility of developing a satellite recycled water treatment facility at USD's Irvington Pump Station in southern Fremont. These studies were revisited again in 2010.

These studies found that recycled water is an expensive water supply option for ACWD. Recent regulatory changes for the indirect potable reuse (IPR) of wastewater have expanded the realm of feasible recycled water projects. IPR depends, primarily, on access to either a large raw water reservoir or aquifer for buffering and blending of the reclaimed supply. IPR also has higher intrinsic value than non-potable recycled water due to the fact that the supply is potable and will directly supplement essential water supply, which is more valuable during droughts and emergencies. Public acceptance has also evolved on the concept, furthered along by the current drought. Finally, IPR was identified by ACWD's Board as one of the most feasible and potentially cost effective new water supply options for ACWD during its 2014 Water Supply Alternatives Workshop.

Staff from ACWD and USD propose to apply for a grant from the State Water Resources Control Board to support funding an updated Recycled Water Feasibility Study. The Recycled Water Feasibility Study will build upon past studies by both agencies and will focus on non-potable use of recycled water in the vicinity of USD's Alvarado Wastewater Treatment Plant, west of the Highway 880 corridor, and IPR utilizing advanced treated purified water for recharge of the Niles Cone Groundwater Basin to augment potable supplies.

ACWD's Board is considering this matter at their meeting on June 11, 2015. Should they not approve this concept and the corresponding contracts, this approval by USD shall be null and void. Had we opted to consider the item following ACWD's approval, the item would have been presented to the USD Board at the meeting to be held June 22, 2015. USD is going first to help expedite the process.

RMC Water and Environment was selected to conduct the study, primarily because of the knowledge, experience, and track record of their staff. RMC has conducted many similar recycled water studies in the Bay Area and throughout the state, including the Recycled Water Study Update completed for USD and ACWD in 2010. RMC has also successfully assisted many of its clients in securing grant funding for the construction of recycled water facilities.

Excluding optional services, the total cost for the study is estimated to be \$259,731, which ACWD and USD staff have found to be reasonable for the required scope of work. Under the proposed ACWD-USD cost-sharing agreement, ACWD will administer the contract with RMC and the costs will be shared equally between the two agencies after the application of any grant funds received. USD's share of the study with the \$75,000 grant shall not exceed \$92,366, and shall not exceed \$129,866 without any state grant funds. The schedule assumes work will be completed by the end of March 2016.

**Attachment:** Resolution

**RESOLUTION NO. \_\_\_\_\_**

**AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A GRANT  
AGREEMENT WITH THE STATE OF CALIFORNIA**

BE IT RESOLVED by the Board of Directors of UNION SANITARY DISTRICT that the General Manager of said District be and is hereby authorized and directed to execute a grant agreement with the State of California to receive funds for the completion of a Recycled Water Feasibility Study.

On motion duly made and seconded, this resolution was adopted by the following vote on June 8, 2015:

AYES:

NOES:

ABSENT:

ABSTAIN:

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MANNY FERNANDEZ  
President, Board of Directors  
UNION SANITARY DISTRICT

Attest:

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TOM HANDLEY  
Secretary, Board of Directors  
UNION SANITARY DISTRICT

**UNION SANITARY DISTRICT  
CHECK REGISTER  
5/16/2015-5/29/2015**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
157693	5/21/2015	14005	SAK CONSTRUCTION LLC	UPPER HETCH HETCHY SS REHABILITATION		
					\$162,122.54	\$162,122.54
157647	5/21/2015	141019	CAROLLO ENGINEERS	COGENERATION PROJECT		
					\$1,617.73	\$131,998.83
	5/21/2015	140535R		COGENERATION PROJECT		
					\$130,381.10	
157725	5/28/2015	201300826	COVELLO GROUP INC	COGENERATION PROJECT		
					\$11,198.50	\$62,245.80
	5/28/2015	201303512		THICKENER CONROL BUILDING IMPROVEMENTS PH II		
					\$51,047.30	
157776	5/28/2015	30103357	SYNAGRO WEST LLC	APRIL 2015 BIOSOLIDS DISPOSAL		
					\$58,430.75	\$58,430.75
157687	5/21/2015	963836	POLYDYNE INC	45,460 LBS CLARIFLOC C-6267		
					\$50,006.00	\$50,006.00
157681	5/21/2015	892820150504	PACIFIC GAS AND ELECTRIC	SERV TO 05/03/15 HAYWARD MARSH		
					\$48.64	\$46,116.54
	5/21/2015	898220150504		SERV TO 05/03/15 FREMONT PS		
					\$215.08	
	5/21/2015	666720150504		SERV TO 05/03/15 PASEO PADRE PS		
					\$179.47	
	5/21/2015	170120150511		SERV TO 04/22/15 PLANT		
					\$43,861.10	
	5/21/2015	013720150507		SERV TO 05/06/15 BOYCE RD PS		
					\$1,812.25	
157786	5/28/2015	2027257	WEST YOST & ASSOCIATES	PINE STREET EASEMENT		
					\$5,232.00	\$31,697.74
	5/28/2015	2027253		NEWARK BACKYARD SS RELOCATION - PHASE 2		
					\$4,465.24	
	5/28/2015	2027256		UPPER HETCH HECTCHY SS REHABILITATION		
					\$587.00	
	5/28/2015	2027255		PLANT FACILITIES IMPROVEMENTS		
					\$3,748.50	
	5/28/2015	2027254		ALVARADO-NILES ROAD SS REHABILITATION		
					\$17,665.00	

**UNION SANITARY DISTRICT  
CHECK REGISTER  
5/16/2015-5/29/2015**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
157761	5/28/2015	201505	NICHOLAS J PEROS	SCADA MASTER PLAN & SCADA STANDARDS	\$19,201.26	\$19,201.26
157728	5/28/2015	36059	DW NICHOLSON CORP	COGENERATION PROJECT	\$13,907.90	\$17,682.25
	5/28/2015	4480		PRIMARY DIGESTER #5 REHABILITATION	\$3,774.35	
157718	5/28/2015	11240821	BROWN & CALDWELL CONSULTANTS	ODOR CONTROL STUDY UPDATE	\$13,991.06	\$17,667.26
	5/28/2015	11240822		ALVARADO POTABLE WATER TANK/USE STUDY	\$3,676.20	
157779	5/28/2015	31128	TJC AND ASSOCIATES INC	STEVENSON COMMUNICATION TOWER PROJECT	\$16,747.56	\$16,747.56
157727	5/28/2015	89025	DEGENKOLB ENGINEERS	SEISMIC STUDY	\$15,470.00	\$15,470.00
157732	5/28/2015	92963463	ESRI INC	ESRI SWM RENEWAL	\$11,880.00	\$11,880.00
157680	5/21/2015	97720150504	DAVID M O'HARA ATTY AT LAW	CIP LEGAL - APR 2015	\$1,669.50	\$11,739.00
	5/21/2015	86420150504		GENERAL LEGAL - APR 2015	\$10,069.50	
157642	5/21/2015	41556	BEECHER ENGINEERING	MCC & PLC REPLACEMENT - PHASE 3	\$11,050.00	\$11,560.00
	5/21/2015	41557		STANDBY POWER SYSTEM UPGRADE	\$510.00	
157754	5/28/2015	103134	MUNIQUEIP, LLC	6 EA MISSION MANHOLE MONITORS	\$11,381.40	\$11,381.40
157674	5/21/2015	9017446292	KEMIRA WATER SOLUTIONS, INC.	8.01 DRY TONS FERROUS CHLORIDE	\$5,262.57	\$10,246.05
	5/21/2015	9017445804		7.62 DRY TONS FERROUS CHLORIDE	\$4,983.48	
157721	5/28/2015	12241	CDW GOVERNMENT LLC	FY15 SWITCH R&R	\$5,091.56	\$8,578.72
	5/28/2015	63262		FY15 SWITCH R&R	\$1,648.10	
	5/28/2015	62758		PLANT SWITCH R&R	\$590.00	
	5/28/2015	93792		PLANT SWITCH R&R	\$1,249.06	

**UNION SANITARY DISTRICT  
CHECK REGISTER  
5/16/2015-5/29/2015**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
157699	5/21/2015	680402	UNIVAR USA INC	4,999 GALS SODIUM HYPOCHLORITE	\$2,321.09	\$6,962.81
	5/21/2015	680266		4,999 GALS SODIUM HYPOCHLORITE	\$2,321.09	
	5/21/2015	680863		4,998 GALS SODIUM HYPOCHLORITE	\$2,320.63	
157703	5/21/2015	33895	WECO INDUSTRIES LLC	ASTD PARTS & MATERIALS	\$3,791.56	\$5,767.00
	5/21/2015	33943		REPAIR OF OZIII CAMERA	\$1,975.44	
157762	5/28/2015	964445	POLYDYNE INC	42,080 LBS CLARIFLOC WE-539	\$5,554.56	\$5,554.56
157697	5/21/2015	6162	THORNTON ENVIRONMENTAL CONST	ANNUAL TANK MONITOR CERTIFICATION SERVICE	\$5,310.00	\$5,310.00
157726	5/28/2015	255536	CURTIS & TOMPKINS LTD	34 LAB SAMPLE ANALYSIS	\$1,585.00	\$5,305.00
	5/28/2015	255464		28 LAB SAMPLE ANALYSIS	\$1,860.00	
	5/28/2015	255465		26 LAB SAMPLE ANALYSIS	\$1,545.00	
	5/28/2015	255592		2 LAB SAMPLE ANALYSIS	\$315.00	
157746	5/28/2015	9017447403	KEMIRA WATER SOLUTIONS, INC.	7.57 DRY TONS FERROUS CHLORIDE	\$4,973.49	\$4,973.49
157744	5/28/2015	1017168	INDUSTRIAL SAFETY SUPPLY	CS CONFINED SPACE ENTRY GEAR	\$4,498.60	\$4,498.60
157778	5/28/2015	3001793674	THYSSENKRUPP ELEVATOR CORP	MAINTENANCE MAY 2015-MAY 2016	\$4,015.07	\$4,015.07
157715	5/28/2015	15508	BAY COUNTIES DIESEL SERVICE	DAIGNOSE AND REPAIR T3252	\$3,995.10	\$3,995.10
157633	5/21/2015	5116256	ALL INDUSTRIAL ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$1,685.40	\$3,943.10
	5/21/2015	5116260		1 WEST PRIMARY EXIT LIGHT REBUILD KIT	\$1,974.73	
	5/21/2015	5116261		ASTD PARTS & MATERIALS	\$282.97	

**UNION SANITARY DISTRICT  
CHECK REGISTER  
5/16/2015-5/29/2015**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
157741	5/28/2015	313711	HARRINGTON INDUSTRIAL PLASTICS	ASTD PARTS & MATERIALS	\$766.89	\$3,797.56
	5/28/2015	313712		ASTD PARTS & MATERIALS	\$321.91	
	5/28/2015	313633		3 EA PVC FITTINGS & GLUE	\$52.25	
	5/28/2015	313632		RENTAL OF PLASTIC FUSION MACHINE	\$2,656.51	
157698	5/21/2015	130760	TOTAL WASTE SYSTEMS INC	APRIL 2015 GRIT DISPOSAL	\$3,791.16	\$3,791.16
157685	5/21/2015	7980410	PILLSBURY WINTHROP SHAW PITTM	LABOR & EMPLOYMENT LAW FEES	\$3,774.00	\$3,774.00
157770	5/28/2015	1176	ROCKWELL SOLUTIONS INC	1 IMPELLER, 1 CUTTER BAR & 1 CUTTER NUT	\$3,507.95	\$3,507.95
157689	5/21/2015	150429	PROSAFE	32 HRS INSPECTIONS & 3 HRS SPCC	\$3,500.00	\$3,500.00
157760	5/28/2015	127645	PERFECTION SWEEPING INC	SWEEP PLANT & PARKING LOT	\$3,500.00	\$3,500.00
157666	5/21/2015	7851	GENMORE PLUMBING	REFUND # 18111	\$3,300.00	\$3,300.00
157683	5/21/2015	7409	MAYANK PATEL	REFUND # 18110	\$3,300.00	\$3,300.00
157749	5/28/2015	7600	L T STANDARD CONSTRUCTION CO	REFUND # 18131	\$3,300.00	\$3,300.00
157791	5/28/2015	7678	CHEE KEE YAP	REFUND # 18122	\$3,300.00	\$3,300.00
157787	5/28/2015	3456780	WESTERN ENERGY SYSTEMS	1 HANDHELD PRESSURE GAUGE & 1 HOSE SET	\$3,115.84	\$3,115.84
157648	5/21/2015	13828	CDW GOVERNMENT LLC	FY15 SWITCH R&R	\$2,985.20	\$2,985.20
157657	5/21/2015	20150425.25	DALE HARDWARE INC	04/15 - ASTD PARTS & MATERAILS	\$2,948.28	\$2,948.28
157704	5/21/2015	3455604	WESTERN ENERGY SYSTEMS	3 OIL FILTERS	\$2,917.62	\$2,917.62

**UNION SANITARY DISTRICT  
CHECK REGISTER  
5/16/2015-5/29/2015**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
157631	5/21/2015	4017420220150504	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 05/04/15 - FREMONT BLVD		
					\$36.40	\$2,804.25
	5/21/2015	4017274120150504		SERV TO: 05/01/15 - FREMONT BLVD		
					\$2,686.25	
	5/21/2015	4017275220150504		SERV TO: 05/01/15 - FREMONT BLVD		
					\$81.60	
157706	5/28/2015	63659	3T EQUIPMENT COMPANY INC	REPAIR OMNI III ZOOM CAMERA		
					\$1,358.76	\$2,766.27
	5/28/2015	63671		REPAIR NOVA STAR CAMERA		
					\$1,407.51	
157655	5/21/2015	255435	CURTIS & TOMPKINS LTD	2 LAB SAMPLE ANALYSIS		
					\$315.00	\$2,550.00
	5/21/2015	255351		33 LAB SAMPLE ANALYSIS		
					\$2,235.00	
157707	5/28/2015	63115	AIR & TOOL ENGINEERING COMPANY	RENTAL - CS UNITEC SAW		
					\$986.70	\$2,400.42
	5/28/2015	63185		2 WATER SEPARATOR/OILER		
					\$1,413.72	
157645	5/21/2015	518083	BRENNTAG PACIFIC, INC.	4231 LBS SODIUM HYDROXIDE		
					\$2,338.18	\$2,338.18
157780	5/28/2015	682337	UNIVAR USA INC	4,992 GALS SODIUM HYPOCHLORITE		
					\$2,317.83	\$2,317.83
157679	5/21/2015	24844034	MOTION INDUSTRIES INC	1 EA SPLIT SLEEVE		
					\$50.93	\$2,310.67
	5/21/2015	24844156		CREDIT FOR 1 EA FLEX SLEEVE		
					\$-41.32	
	5/21/2015	24843672		1 EA ELECTRIC MOTOR		
					\$1,248.59	
	5/21/2015	24843560		1 EA SHEAVE		
					\$60.23	
	5/21/2015	24843562		1 EA BEARING		
					\$992.24	
157678	5/21/2015	36537	METROMOBILE COMMUNICATIONS INC	RADIOS FOR GRABOWSKI AND GASKINS		
					\$2,221.60	\$2,221.60
157768	5/28/2015	19807	RMC WATER AND ENVIRONMENT	OLD ALAMEDA CREEK NPDES PERMIT RENEWAL		
					\$1,930.16	\$1,930.16
157724	5/28/2015	28790	COLANTUONO HIGHSMITH & WHATLEY	PROP 218 ADVICE		
					\$1,854.50	\$1,854.50

**UNION SANITARY DISTRICT  
CHECK REGISTER  
5/16/2015-5/29/2015**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
157658	5/21/2015	XJNNMD4R2	DELL MARKETING LP C/O DELL USA	1 FY15 Q3 MINI TOWER		
					\$1,810.53	\$1,810.53
157773	5/28/2015	445.4	SCHEIDEGGER & ASSOCIATES	STEVENSON COMMUNICATION TOWER PROJECT		
					\$1,787.50	\$1,787.50
157752	5/28/2015	29115362	MCMASTER SUPPLY INC	4 EA ALUMINUM SIGNS FOR "HANDICAPPED PARKING"		
					\$127.90	\$1,741.95
	5/28/2015	30734456		ASTD PARTS & MATERIALS		
					\$738.80	
	5/28/2015	30488409		ASTD PARTS & MATERIALS		
					\$806.60	
	5/28/2015	30611495		10 PACKS REPLACEMENT SCALER NEEDLES		
					\$68.65	
157705	5/21/2015	2136904	WHAT'S HAPPENING INC	AD NAME: USD MAY 9, 2015 OPEN HOUSE		
					\$1,650.00	\$1,650.00
157669	5/21/2015	20150519.1	TIMOTHY GRILLO	EXP REIMB: BACWA/BAAQMD ANNUAL MEETING BART FARE		
					\$11.90	\$1,580.90
	5/21/2015	20150519.3		EXP REIMB: REGIS & AIRFARE - WEF RESIDUALS/BIOSOLIDS CON		
					\$1,404.00	
	5/21/2015	20150519.2		EXP REIMB: REGIS FEE - CASA/CWEA BIOSOLIDS SEMINAR		
					\$165.00	
157668	5/21/2015	9712682070	GRAINGER INC	1 PR SAFETY READER GLASSES		
					\$10.30	\$1,566.55
	5/21/2015	9711474875		1 EA PRESSURE WASHER HOSE & FLASHLIGHT		
					\$537.93	
	5/21/2015	9715492543		1 EA ENCLOSURE		
					\$234.22	
	5/21/2015	9714581775		1 EA FLOAT SWITCH		
					\$73.41	
	5/21/2015	9714947588		ASTD PPE & SAFETY SUPPLIES		
					\$493.51	
	5/21/2015	9715021623		1 EA FIBER OPTIC CLEANING KIT		
					\$217.18	
157667	5/21/2015	20150515.1	MICHAEL GILL	EXP REIMB: LUNCH FOR AT&T FIBER PROJECT		
					\$30.74	\$1,517.75
	5/21/2015	20150515.2		EXP REIMB: AIRFARE - ALLEN BRADLEY ROCKWELL TRNG-SAN DI		
					\$288.01	
	5/21/2015	20150515.3		EXP REIMB: REGIS FEE - ALLEN BRADLEY ROCKWELL TRNG		
					\$1,199.00	

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157651	5/21/2015	44081616	CINTAS FIRE PROTECTION	INSTALL SMOKE DETECTORS NPS BUILDING	\$1,488.08	\$1,488.08
157789	5/28/2015	24965	WILEY PRICE & RADULOVICH LLP	LABOR & EMPLOYMENT LAW FEES	\$1,391.50	\$1,391.50
157757	5/28/2015	XCTZ00M	PACHECO BROTHERS GARDENING INC	LANDSCAPE MAINTENANCE SERVICES MAY 2015	\$1,365.00	\$1,365.00
157738	5/28/2015	9716627808	GRAINGER INC	ASTD TOOLS	\$201.75	\$1,263.55
	5/28/2015	9717841861		1 EA LABEL TAPE, WHITE/BLUE	\$29.52	
	5/28/2015	9718394324		5 EA BOLLARD, SAFETY	\$628.11	
	5/28/2015	9718394332		1 PK HEAT LAMINATING POUCHES	\$28.80	
	5/28/2015	9720706929		2 EA CORRUGATED LOOMS	\$62.51	
	5/28/2015	9720692772		2 EA PLUG-IN CFL, 9W, NON-DIM	\$11.46	
	5/28/2015	9721662675		20 EA ASTD FUSES	\$282.59	
	5/28/2015	9720199000		1 EA INSERT SOCKET SET	\$18.81	
157708	5/28/2015	9926954939	AIRGAS NCN	CYLINDER RENTAL	\$760.93	\$1,238.09
	5/28/2015	9038934885		4 CYL ACETYLENE	\$477.16	
157665	5/21/2015	232444	FRANK A OLSEN COMPANY	1 6" PLUG VALVES FOR DIGESTER 5	\$1,237.35	\$1,237.35
157692	5/21/2015	7570133300	RS HUGHES CO INC	ASTD SAFETY SUPPLIES	\$1,232.04	\$1,232.04
157747	5/28/2015	150520	KL BRAJENOVICH CONSULTING	PHYS STDS - HUMAN RESOURCES ANALYST	\$1,192.31	\$1,192.31
157632	5/21/2015	275021718	ALFA LAVAL INC	1 HEAT EXCHANGER HOOKBOLTS, 1X8" SA193B7	\$1,182.52	\$1,182.52
157660	5/21/2015	108141	EMBARCADERO TECHNOLOGIES, INC.	ER STUDIO RENEWAL	\$1,159.00	\$1,159.00

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157745	5/28/2015	7210	IRON MOUNTAIN	OFF-SITE STORAGE AND SERVICES APR 2015	\$292.55	\$1,145.14
	5/28/2015	200618898		DATA/MEDIA OFF-SITE STORAGE APR 2015	\$234.09	
	5/28/2015	4300		OFF-SITE STORAGE AND SERVICES APR 2015	\$618.50	
157634	5/21/2015	330388	ALLIANT INSURANCE SERVICES INC	07/15-07/16 CRIME RENEWAL	\$1,114.00	\$1,114.00
157694	5/21/2015	21379	SERVICEWRKX	REPLACE COMBUSTION BLOWER MOTOR	\$1,049.93	\$1,049.93
157672	5/21/2015	601589416	HILLYARD/SAN FRANCISCO	1 EA MOTOR SCRUBBER BATTERY	\$69.89	\$1,004.59
	5/21/2015	601585515		ASTD JANITORIAL SUPPLIES	\$573.90	
	5/21/2015	601589415		2 CS PAPER PLATES	\$279.04	
	5/21/2015	601589417		2 CASES TRASH LINERS	\$81.76	
157641	5/21/2015	868398	BAY AREA NEWS GROUP EAST BAY	ADS: OPEN HOUSE	\$1,000.00	\$1,000.00
157742	5/28/2015	20150520	THOMAS HERLIHY	EXP REIMB: CWEA CONF - LODGING, MILEAGE, & MEALS	\$981.57	\$981.57
157736	5/28/2015	226972	CITY OF FREMONT	MISC SPOT REPAIRS PHASE VI	\$973.64	\$973.64
157696	5/21/2015	667500670	TELEPACIFIC COMMUNICATIONS	WIRELESS INTERNET BACKUP - MAY	\$960.00	\$960.00
157675	5/21/2015	20150519	CONGNA LI	EXP REIMB: REGIS FEE WEF RESIDUALS/BIOSOLIDS CONF - WASI	\$950.00	\$950.00
157654	5/21/2015	20150428	COMMUNICATION & CONTROL INC	UTILITY FEE/ANTENNA RENTAL	\$938.65	\$938.65
157758	5/28/2015	XCTZ00N	PACHECO BROTHERS GARDENING INC	WEED ABATEMENT WORK MAY 2015	\$915.00	\$915.00
157629	5/21/2015	7441670	ABC IMAGING, INC.	8 POSTERS DISTRICT OPEN HOUSE	\$777.85	\$864.90
	5/21/2015	7441671		1 POSTER DISTRICT OPEN HOUSE	\$87.05	

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157688	5/21/2015	20150518	MICHELLE POWELL	EXP REIMB: LODGING/MEAL/PARKING/MILEAGE/BAGGAGE CASA C	\$576.30	\$832.47
	5/21/2015	20150514		EXP REIMB: OPEN HOUSE SUPPLIES	\$256.17	
157682	5/21/2015	197766500	PAPE MATERIAL HANDLING	1 MONTH HY H50FT 1/C LIFT TRUCK RENTAL	\$808.50	\$808.50
157755	5/28/2015	7758	MYANMAR TEA GARDEN	REFUND # 18121	\$800.00	\$800.00
157734	5/28/2015	9599	FREMONT EXPRESS COURIER SVC	COURIER SERVICES: APR 2015 DAILY MAIL/6 BOARDMEMBER DEL	\$775.00	\$775.00
157710	5/28/2015	6984	AMERICAN DISCOUNT SECURITY	APRIL SECURITY GUARD SERVICES	\$759.00	\$759.00
157733	5/28/2015	33228	EXECUTRAIN	MS ACCESS INTERMEDIATE TRAINING	\$750.00	\$750.00
157690	5/21/2015	55624	QUENVOLD'S SAFETY SHOEMOBILES	SAFETY SHOES - HOVEY, SEPULVEDA, NILASH, & SEO	\$742.60	\$742.60
157769	5/28/2015	1181128	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$689.03	\$689.03
157790	5/28/2015	79415290	XEROX CORPORATION	MTHLY MAINTENANCE BASED ON USE	\$564.74	\$688.13
	5/28/2015	79415293		MTHLY MAINTENANCE BASED ON USE	\$95.51	
	5/28/2015	79415291		MTHLY MAINTENANCE BASED ON USE	\$27.88	
157767	5/28/2015	267729	RKI INSTRUMENTS INC	EAGLE CALIBRATION SERVICE LEVEL 3	\$664.68	\$664.68
157756	5/28/2015	20150521.1	STEVEN NOVAK	EXP REIMB: LODGING FOR CWEA CONFERENCE	\$639.36	\$639.36
157652	5/21/2015	34979	CLAREMONT BEHAVIORAL SERVICES	JUN 2015 EAP PREMIUM	\$634.80	\$634.80
157783	5/28/2015	4257	VON EUW TRUCKING	23.48 TONS PGE SAND DELIVERED	\$628.91	\$628.91
157650	5/21/2015	20150518	DENNIS CHRISTOPHER	TRAVEL REIMB: CWEA CONFERENCE LODGING/AIRFARE/MEALS	\$620.69	\$620.69
157662	5/21/2015	902142274	EVOQUA WATER TECHNOLOGIES	DI WATER SYSTEM	\$615.00	\$615.00

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157740	5/28/2015	257931	HANIGAN COMPANY INC	1 LOT USD MAILING LABELS	\$531.57	\$608.86
	5/28/2015	257930.1		1 LOT BUSINESS CARDS: DATTAWALKER	\$38.65	
	5/28/2015	257930.2		1 LOT BUSINESS CARDS: CHIU	\$38.64	
157709	5/28/2015	5116449	ALL INDUSTRIAL ELECTRIC SUPPLY	1 MGM XFMR 75KVA 480-120/208 COPPER	\$596.78	\$607.99
	5/28/2015	5116531		ASTD PARTS & MATERIALS	\$11.21	
157753	5/28/2015	150545	METROMOBILE COMMUNICATIONS INC	RADIO SERVICE AGREEMENT - MAY 2015	\$582.75	\$582.75
157717	5/28/2015	10722600	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$42.44	\$574.54
	5/28/2015	10724600		1 CT HAND SANITIZER	\$58.29	
	5/28/2015	10725300		1 VIEW BINDER	\$5.05	
	5/28/2015	10718850		ASTD OFFICE SUPPLIES	\$60.43	
	5/28/2015	10726560		ASTD OFFICE SUPPLIES	\$41.40	
	5/28/2015	10723930		1 FLIP CHART	\$54.99	
	5/28/2015	10725090		1 DZ GEL PEN	\$10.22	
	5/28/2015	10720070		2 ENV MOISTENERS	\$6.58	
	5/28/2015	10723020		ASTD OFFICE SUPPLIES	\$295.14	
157661	5/21/2015	92970233	ESRI INC	ESRI CLASS M. GHOURY	\$535.00	\$535.00
157684	5/21/2015	20150519	PETTY CASH	PETTY CASH REPLENISHMENT	\$514.39	\$514.39

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157643	5/21/2015	10707490	BLAISDELL'S	1 PK CORRECTION TAPE	\$5.49	\$500.16
	5/21/2015	10709280		ASTD OFFICE SUPPLIES	\$90.70	
	5/21/2015	10713000		ASTD OFFICE SUPPLIES	\$150.18	
	5/21/2015	10711290		ASTD OFFICE SUPPLIES	\$61.58	
	5/21/2015	10716120		1 TONER	\$113.29	
	5/21/2015	10707380		ASTD OFFICE SUPPLIES	\$15.17	
	5/21/2015	10696801		1 HEADPHONE HEADSET	\$3.29	
	5/21/2015	10709350		1 ARCHBRD CLIPBOARD	\$9.34	
	5/21/2015	10709680		ASTD OFFICE SUPPLIES	\$40.68	
	5/21/2015	10703890		ASTD OFFICE SUPPLIES	\$10.44	
157630	5/21/2015	7874	ABSOLUTE PRO PLUMBING	REFUND # 18114	\$500.00	\$500.00
157659	5/21/2015	7881	DRAIN DOCTOR	REFUND # 18113	\$500.00	\$500.00
157686	5/21/2015	7862	PLUMBING TECH INC	REFUND # 18112	\$500.00	\$500.00
157750	5/28/2015	11318	LOOKINGPOINT INC	MONTHLY PREMIER SERVICE - MAY 2015	\$500.00	\$500.00
157748	5/28/2015	10944397	KRONOS INC	TRAIN-THE-TRAINER CLASS	\$472.50	\$472.50
157635	5/21/2015	20150531153492	AMERICAN PAYROLL ASSOCIATION	MEMBER DUES-V. HOLSLAG	\$438.00	\$438.00
157737	5/28/2015	77948	GORILLA METALS	ASTD METAL, STEEL, STAINLESS, AND ALUMINUM	\$142.24	\$434.73
	5/28/2015	77916		ASTD METAL, STEEL, STAINLESS, AND ALUMINUM	\$27.38	
	5/28/2015	77921		ASTD METAL, STEEL, STAINLESS, AND ALUMINUM	\$265.11	

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157723	5/28/2015	49614	CITYLEAF INC	PLANT MAINTENANCE - APR 2015	\$429.65	\$429.65
157695	5/21/2015	4568	SKIL-PAINTING INC	SANDBLAST INTERIOR/EXTERIOR OF STEEL TANK	\$400.00	\$400.00
157766	5/28/2015	8200000008352	RED WING SHOE STORE	SAFETY SHOES - CULBERTSON & NESGIS	\$389.49	\$389.49
157646	5/21/2015	6440	BURLINGAME ENGINEERS INC	GRIFCO BACK PRESSURE VALVES	\$368.20	\$368.20
157677	5/21/2015	28507766	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$64.18	\$328.67
	5/21/2015	30217275		ASTD HIGH-TEMPERATURE 600 NICKEL WIRE	\$148.57	
	5/21/2015	30217273		10 EA STEEL PINS W/WIRE LOCK	\$27.68	
	5/21/2015	28641651		1 EA AC EQUIPMENT COOLING FAN	\$88.24	
157764	5/28/2015	109205	PREFERRED ALLIANCE INC	APRIL 2015 SERVICE FEE	\$327.20	\$327.20
157713	5/28/2015	317449	BAY AREA BARRICADE SERVICE INC	7 CASES ASPHALT MARKING PAINT	\$319.55	\$319.55
157653	5/21/2015	180678	CLARK'S HOME AND GARDEN INC	1 YD CONCRETE 6SK	\$294.80	\$294.80
157640	5/21/2015	459938	ARCHER NORRIS	LEGAL SERVICES MAR 2015	\$288.00	\$288.00
157743	5/28/2015	5532952	HOSE & FITTINGS ETC	ASTD PARTS & MATERIALS	\$86.67	\$279.79
	5/28/2015	5534428		ASTD PARTS & MATERIALS	\$189.48	
	5/28/2015	5534327		2 FEET OF HOSE	\$3.64	
157638	5/21/2015	7004982241	APPLIED INDUSTRIAL TECHNOLOGIE	6 BELTS & BATTERIES	\$63.18	\$272.02
	5/21/2015	7005031996		6 BELTS & BATTERIES	\$208.84	
157729	5/28/2015	1143	ELITE ANALYTICAL LABORATORIES	2 LAB SAMPLE ANALYSIS	\$270.00	\$270.00
157644	5/21/2015	20150520	LAURIE BRENNER	EXP REIMB: FOOD & BEVERAGES - MONTEREY RWPCA SITE VISIT	\$265.79	\$265.79

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157670	5/21/2015	313346	HARRINGTON INDUSTRIAL PLASTICS	2 EA ROTOMETERS	\$260.03	\$260.03
157639	5/21/2015	507663	A-PRO PEST CONTROL INC	PESTICIDE APPLICATIONS	\$250.00	\$250.00
157759	5/28/2015	380420150511	PACIFIC GAS AND ELECTRIC	SERV TO 04/30/15 CHERRY ST PS	\$176.47	\$249.07
	5/28/2015	140120150507		SERV TO 05/05/15 IRVINGTON PS	\$25.76	
	5/28/2015	096020150504		SERV TO 05/03/15 CATHODIC PROJECT	\$46.84	
157781	5/28/2015	24827730	UPS - UNITED PARCEL SERVICE	FREIGHT FOR ENGINE BLOCK	\$242.87	\$242.87
157649	5/21/2015	20150518	RAYMOND CHAU	EXP RIEMB: CIP TEAM QTLY SAFETY STRATEGY RECOGNITION	\$240.00	\$240.00
157714	5/28/2015	870717	BAY AREA NEWS GROUP EAST BAY	ADS: ORDINANCE #36	\$238.68	\$238.68
157719	5/28/2015	1275525	STATE OF CALIFORNIA	ELEVATOR PERMIT	\$225.00	\$225.00
157701	5/21/2015	30057	VALLEY OIL COMPANY	1 DRUM DEF FLUID	\$222.04	\$222.04
157673	5/21/2015	60500000593131	KELLY-MOORE PAINT COMPANY	ASTD PAINT SUPPLIES - STMT - MAR 2015	\$221.62	\$221.62
157636	5/21/2015	1731612	ANALYSTS INC	10 LAB SAMPLE ANALYSIS	\$220.40	\$220.40
157785	5/28/2015	20150521	WEF-WATER ENVIRONMENT FEDERATI	WEF MEMBERSHIP T GRILLO	\$218.00	\$218.00
157637	5/21/2015	8480054615	ANDRITZ-RUTHNER INC	1 CENTRIFUGE GREASE	\$205.74	\$205.74
157628	5/21/2015	31655	ABACUS PRODUCTS INC	2 BANNERS	\$203.31	\$203.31
157765	5/28/2015	20151501	QUICK SPACE RENTALS	GUARD BOOTH RENTAL MAY 2015	\$192.50	\$192.50
157716	5/28/2015	17854400	BECK'S SHOES	SAFETY SHOES: M. GILL	\$190.79	\$190.79

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157774	5/28/2015	20150526	KRISTINA SILVA	EXP REIMB: BUDGET MEETING LUNCH	\$121.45	\$190.71
	5/28/2015	20150521		PROJ 413 WORKSHOP LUNCH	\$56.28	
	5/28/2015	20150528		EXP REIMB: CIP BIRTHDAY TREATS	\$12.98	
157664	5/21/2015	1111780	FASTENAL	ASTD PARTS & MATERIALS	\$162.95	\$162.95
157627	5/21/2015	63633	3T EQUIPMENT COMPANY INC	REPAIR OMNI III ZOOM CAMERA	\$151.00	\$151.00
157788	5/28/2015	11371	WESTERN MACHINE & FAB INC	CUT 1/2" OFF OUTSIDE DIAMETER OF MANHOLE LINER	\$150.00	\$150.00
157735	5/28/2015	116522847	FREMONT URGENT CARE CENTER	3 HEARING TESTS/1 DOT PHYSICAL	\$142.00	\$142.00
157731	5/28/2015	85114418	ENVIRONMENTAL SAMPLING SUPPLY	1 BX TEDLAR GAS SAMPLING BAGS: 10 PER BOX	\$131.12	\$131.12
157777	5/28/2015	20150527	ARIEL TEIXEIRA	EXP REIMB: FOOD CERT OF MERIT CEREMONY	\$129.29	\$129.29
157739	5/28/2015	20150528	TIMOTHY GRILLO	EXP REIMB: 3RD QTR SAFETY RECOG GIFT CARD - COSTCO	\$120.00	\$120.00
157771	5/28/2015	7566826801	RS HUGHES CO INC	1 PR HIP WADER STEEL TOE BLACK	\$107.35	\$107.35
157671	5/21/2015	19163	HAYWARD PIPE AND SUPPLY	126 FEET 1/2" PIPE	\$104.78	\$104.78
157782	5/28/2015	9853185.0	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 05/02/15	\$101.74	\$101.74
157722	5/28/2015	402898	CHEMETRICS INC	NITRITE VACU-VIALS KIT.CHEMETRICS CAT	\$96.72	\$96.72
157775	5/28/2015	20150527	JENNIFER SIO-KWOK	EXP REIMB: LUNCH MANAGEMENT MEETING	\$95.48	\$95.48
157772	5/28/2015	2599727002	S & S SUPPLIES & SOLUTIONS	ASTD SAFETY SUPPLIES - GLASSES	\$88.04	\$94.29
	5/28/2015	2599727001		4 BXS ADHESIVE ELASTIC KNUCKLE BANDAGES	\$6.25	
157730	5/28/2015	5519779	ENTERPRISE GOV 43-1514861	RENTAL: D. LEATH, SAN DIEGO	\$93.29	\$93.29
157656	5/21/2015	20150519	RICHARD CZAPKAY	EXP REIMB: CS WORK GROUP SAFETY RECOGNITION	\$81.80	\$81.80

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157691	5/21/2015	20150518	LOUIS RIVERA III	EXP REIMB: MILEAGE FOR CALL OUT	\$77.97	\$77.97
157700	5/21/2015	9853175.0	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 04/25/15	\$77.30	\$77.30
157711	5/28/2015	7005065275	APPLIED INDUSTRIAL TECHNOLOGIE	ASTD PARTS & MATERIALS	\$24.27	\$72.80
	5/28/2015	7005074456		ASTD PARTS & MATERIALS	\$48.53	
157763	5/28/2015	20150521	MICHELLE POWELL	EXP REIMB: VARIOUS MILEAGE & TOLLS	\$65.05	\$65.05
157784	5/28/2015	8041183704	VWR INTERNATIONAL LLC	1 SOLUTION COD STAN 800MG/L 200M	\$34.29	\$61.19
	5/28/2015	8041177185		1 SOLUTION BUFFER HARDN 1 500ML	\$26.90	
157712	5/28/2015	6482255	AT&T	SERV: 03/13/15 - 04/12/15	\$41.87	\$41.87
157663	5/21/2015	138297	EXAMINETICS	2015 ANNUAL HEARING & RESPIRATOR FIT TEST	\$39.60	\$39.60
157751	5/28/2015	77765526	MATHESON TRI-GAS INC	MONTHLY CYLINDER RENTAL - APR 2015	\$34.35	\$34.35
157720	5/28/2015	98597	STATE OF CALIFORNIA	1 NEW HIRE FINGERPRINTS	\$32.00	\$32.00
157702	5/21/2015	9744809930	VERIZON WIRELESS	WIRELESS SERV 04/02/15-05/01/15	\$14.04	\$14.04
157676	5/21/2015	129895	MCIVORS HARDWARE	1 EA POWER NOZZLE	\$10.94	\$10.94

**Invoices:**

<b>Credit Memos :</b>	<b>1</b>	<b>-41.32</b>
<b>\$0 - \$1,000 :</b>	<b>180</b>	<b>50,441.52</b>
<b>\$1,000 - \$10,000 :</b>	<b>69</b>	<b>181,128.72</b>
<b>\$10,000 - \$100,000 :</b>	<b>15</b>	<b>355,907.33</b>
<b>Over \$100,000 :</b>	<b>2</b>	<b>292,503.64</b>
<b>Total:</b>	<b>267</b>	<b>879,939.89</b>

**Checks:**

<b>\$0 - \$1,000 :</b>	<b>92</b>	<b>35,593.69</b>
<b>\$1,000 - \$10,000 :</b>	<b>56</b>	<b>158,153.22</b>
<b>\$10,000 - \$100,000 :</b>	<b>15</b>	<b>392,071.61</b>
<b>Over \$100,000 :</b>	<b>2</b>	<b>294,121.37</b>
<b>Total:</b>	<b>165</b>	<b>879,939.89</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:** June 1, 2015

**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

**SUBJECT:** Agenda Item No. 10b - Meeting of June 8, 2015  
Information Item: **Preliminary Operating and Capacity Fund Budgets  
for Fiscal Year 2016**

## **Recommendation**

Review Preliminary Operating and Capacity Fund Budgets for FY 2016, and direct staff to present the final version at the next appropriate Board meeting.

## **Background**

Attached for your review are the Preliminary Operating and Capacity Fund budgets for FY 2016. These budgets reflect the Board's input and information presented at the Budget workshop on April 20<sup>th</sup>. The Budget reflects:

- 1) Increasing the sewer service charge by an average of 5.7%.
- 2) Capacity fee of \$5,596.66 per EDU; currently under review.
- 3) Increasing the Net Operating Budget 2.7%.

This document reflects eight significant changes since the April 20<sup>th</sup> Budget workshop:

- 1) Sewer Service Charges - \$3M revenue reduction
- 2) Operating (TS) – Postponed the Asset Manager position, \$151K
- 3) Operating (GM) – Removed the costs associated with a temporary position due to retirement, \$19K
- 4) Operating (T&D) – Reduced by \$178K due to postponement of Digester #1 and 2 cleaning; EBDA expenses increased \$38K
- 5) Operating (FMC) – Reduced overtime by \$20K and reduced SCADA Maintenance by \$20K
- 6) ISRR fund – Reduced Operations Data Management System project by \$138K.
- 7) Special Projects – Reduced by \$250,000
- 8) CIP - \$3M reduction

Attached are schedules supporting the budget including brief comments.

Attachments

## SUMMARY & COMMENTS FISCAL YEAR 2016 BUDGET

This summary and comments section addresses the proposed budget and rates for Fiscal Year 2016.

### 10-YEAR FINANCIAL PLAN

Rates: Increase by 5.7% the existing Sewer Service Charge for Single Family Dwelling (SFD) to \$377.37. Increase to \$326.00 the Multi-family Dwelling (MFD) rate. Sewer Service Charge ordinance rates will increase by 5.7% on average in 2016. A Proposition 218 notice to reflect an increase for FY14-FY16 of 5.7% each year was mailed to property owners in April 2013. Increases are projected for the following several years, but will be reviewed and analyzed annually.

PERS retirement investment losses from 2008-2009 have adversely impacted employer rates. Rates are expected to increase in the next five years, due to assumption changes and prior year losses. Projected rates for FY 2016 and FY 2017 are 18.56% and 20.3%, respectively. The employee paid portion of the employer rate will increase as well, slightly offsetting the employer rate.

Capacity fees are currently under review. The current rate is \$5,595.66 per EDU. The fees will be brought back for the Board's consideration later this summer.

Financing: The District will fund capital projects by a combination of pay-as-you-go and debt financing (State Revolving Fund Loans).

### Budget Summary for FY 2016

	FY 2015 (Projected)	FY 2016 (Budget)	% Change
<b>Total District Revenues &amp; Proceeds</b>			
Sewer Service Charge	\$48,385,649	\$48,430,260	0.1
Capacity Fees	4,200,000	4,372,000	4.1
Interest	335,000	345,000	2.9
Other Fees	1,562,004	1,373,000	-12.1
SGIP Rebates	1,690,000	200,000	-88.2
SRF Loan Proceeds	4,099,480	5,500,000	34.1
<b>Total Revenues &amp; Proceeds</b>	<b>\$60,272,133</b>	<b>\$60,220,260</b>	<b>-0.1</b>
<b>Total District Expenses</b>			
Operating	\$31,951,111	\$33,739,303	5.6
Capital Projects	15,327,000	15,076,000	-1.6
Debt Servicing	3,127,110	3,127,110	0.0
Special Projects	1,149,267	1,522,970	32.5
Sub-Funds	2,613,002	2,239,405	-14.3
County Processing Fee	105,559	106,000	0.4
<b>Total Expenses</b>	<b>\$54,273,049</b>	<b>\$55,810,788</b>	<b>2.8</b>

**SEWER SERVICE FUND****FY 2016 Revenues & Proceeds: \$54,243,260**

## Revenue and Transfers:

- The principal revenue for the Operating Fund is from the annual sewer service charges, estimated to be \$48.4 million in FY 2016. Revenues are expected to decline in FY 2016 between \$1,223,991 and \$3,000,740 due to lower water usage for non-residential customers. Non-residential customers' rates are calculated annually using flow and sewage strength per the rate study. This analysis is ongoing and should be finalized by mid-July. For the purposes of this draft budget, the amount of \$3,000,740 is being conservatively utilized as a worst-case scenario.
- Interest and other income (\$1.7 million) includes \$215,000 in interest, \$1,080,000 in Operating revenue from the City of Fremont Urban Runoff program, East Bay Dischargers Authority (EBDA) revenue, inspection/plan check fees; \$76,000 from Livermore Amador Valley Water Management Agency (LAVWMA), \$174,000 from PG&E in carport and Irvington solar panel rebates (until 2017), and \$43,000 from the sale of surplus equipment. The District is expected to receive \$100,000 in SGIP rebates from the Cogeneration project.
- The District is anticipating total receipts of \$4,125,000 in SRF loan proceeds for the Thickenner project for the sewer service charge fund in FY 2016.

**SEWER SERVICE FUND****FY 2016 Expense: \$50,365,067**

Each component of the Sewer Service Fund expense is described below:

- Operating Budget: FY 2016 Expense: \$33,739,304

The Operating Fund contains expenditures required for the day-to-day operation of the District, including maintenance, regulatory activities, engineering, and administration. The net Operating budget will increase 2.67% in FY 2016. Since the May, 2015 Budget Workshop, the Operating expense budget has been reduced by \$353,938.

- Special Projects FY 2016 Expense: \$1,522,970

This fund includes non-routine expenses such as one-time studies, hiring of consultants, and new programs where the long-term financial impact, if any, is not known. Major FY 2016 expenses by categories include: Administrative and Regulatory projects, \$564,538; Hayward Marsh projects, \$74,500; Studies and other projects, \$883,932. Since the May, 2015 Budget Workshop, the Special Projects Budget has been reduced by \$250,000. A detailed listing of Special Projects is included in this document.

- Retiree Medical Benefits FY 2016 Expense: \$561,205

The District began to transfer Retiree Assets to the CalPERS trust (CERBT) in FY 2009. For FY 2016, the annual required contribution (ARC) based on the recently completed 7/1/13 actuarial study will be \$561,205. A new study (biennial) is required by CalPERS for FY 2016.

- Renewal & Replacement - Vehicle and Equipment FY 2016 Expense: \$379,500

Vehicles and equipment that are scheduled to be replaced due to age or obsolescence are purchased through this fund. The provision is based on a 10-year replacement schedule and expense projection. Major expenses include two dump bed pickup trucks, a service response truck, three electric carts, 1 forklift, and other equipment. The provision is \$620,000 for FY 2016.

- Renewal & Replacement - Information System FY 2016 Expense: \$1,036,700

This fund replaces major information systems hardware and software. The provision is \$800,000 for FY 2016. Major projects include SCADA upgrade, Operations Data Management System, Collection System GIS Upgrade, and Records Management, and Mobile Projects, and Share Point Upgrade. IT/PBX and Security Replacements will be approximately, \$469,700, as described in the IT Master Plan of 2011.

- Renewal & Replacement – Plant & Pump Station FY 2016 Expense: \$250,000

This fund is for the purchase of Plant equipment that is scheduled to be replaced due to age or obsolescence, as well as unplanned replacement costs. The provision for FY 2016 is \$203,000 and expenses include overhauling degritters, a gravity belt press, purchasing a spare mixing pump, rehabilitating a forklift, two paint shop compressors, and two positive displacement pumps.

- Emergency Fund FY 2016 Expense: \$0

The District established the Emergency Fund in FY 2008. The purpose of this fund is to mitigate the financial impact of an emergency or catastrophic event. The provision for FY 2016 will be \$750,000.

- Structural Renewal and Replacement FY 2016 Expense: \$12,757,389

The proposed Capital Improvement Program projects of \$10,553,000 for FY 2016 are included in this fund. In addition, the fund will pay SRF loan payments of \$681,000 for the Irvington Equalization Storage Facility project, \$108,000 for the Willow/Central Ave. project, \$343,000 for Newark Pump Station, \$140,000 for the Lower Hetch Hetchy project, \$127,000 for the Cedar Blvd project, \$157,000 for the Substation 1 project, \$444,000 for the Primary Clarifier project, and \$206,000 for the Boyce Road project. The provision will be approximately \$17,000,000. A detailed CIP schedule is included with this document.

- Pretreatment Fund FY 2016 Expense: \$12,000

Expenses are for supplies, equipment and training that support the Pretreatment Program and Ordinance No. 36. There is no sewer service charge provision for this fund.

- Miscellaneous Expense FY 2016 Expense: \$106,000

The District pays Alameda County an annual fee for administration and sewer service charge collection through the tax rolls, based on the number of parcels.

## **SEWER SERVICE FUND RESERVES**

- Approximately \$3,878,193 will be transferred to reserves for funding of the FY 2016 Operating Fund, Renewal and Replacement funds, Capital Improvement Program, and related debt servicing.

## **CAPACITY FUND**

**FY 2016 Revenues & Proceeds: \$5,977,000**

- Revenues for FY 2016 include capacity fees of \$4,372,000, and interest income of \$130,000. The Capacity fund will be financed by a Capacity Fee of \$5,595.66 per equivalent dwelling unit.
- The Capacity fund is scheduled to receive SRF loan proceeds for the Thickener project in the amount of \$1,375,500.
- The Capacity fund is expected to receive \$100,000 in SGIP rebates for the Cogeneration project.

## **CAPACITY FUND**

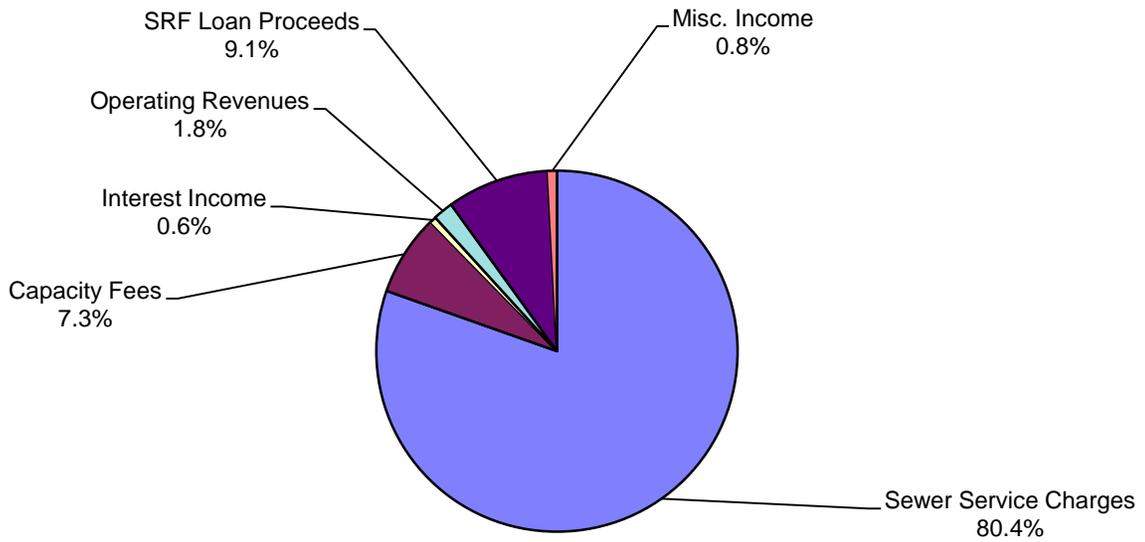
**FY 2016 Expense: \$5,445,721**

- The expenditures for FY 2016 include \$4,523,000 for the Capacity-related portion of the Capital Improvement Program.
- The Capacity fund will pay debt servicing of \$227,000 for the Capacity portion of the Irvington Equalization Storage Facilities project SRF loan and \$343,000 for the Capacity portion of the Newark Pump Station SRF loan, \$147,000 for Primary Clarifier, and \$206,000 for Boyce Road, for a total of \$923,000.

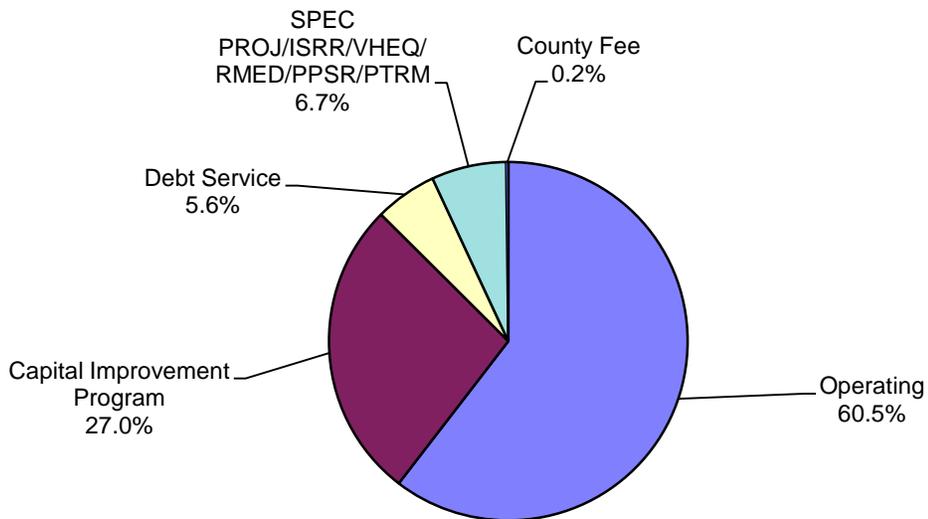
## **CAPACITY FUND RESERVES**

- Approximately \$531,279 will be added to Capacity Fund reserves in FY 2016.

**FY '16 Total Revenues & Proceeds  
\$60,220,260**



**FY '16 Total Expenditures  
\$55,810,788**



**Amount to Reserves  
\$4,409,472**

<b>NET OPERATING BUDGET</b>			
<b>Work Group</b>	<b>FY '15 Budget</b>	<b>FY '15 Projected</b>	<b>FY '16 Proposed</b>
<b>District Board</b>	\$170,900	\$170,900	\$176,481
<b>General Manager/Administration</b>	1,048,000	1,030,795	953,139
<b>Business Services</b>	4,664,105	4,651,977	5,111,612
<b>Collection Services</b>	5,906,998	5,841,517	6,011,202
<b>Technical Services</b>	4,641,307	4,178,125	4,548,323
<b>Treatment &amp; Disposal Services</b>	9,798,640	9,600,393	9,997,304
<b>Fabrication, Maintenance &amp; Construction</b>	5,580,794	5,357,255	5,861,242
<b>Total OPERATING</b>	<b>\$31,810,744</b>	<b>\$30,830,962</b>	<b>\$32,659,303</b>
<b>Percent of FY '15 Budget</b>		<b>96.9%</b>	

**Percent change from FY '15 Budget**

**2.67%**

**SPECIAL PROJECTS FUND FY '15 - FY '16**

	<u>DESCRIPTION</u>	<u>BUDGET FY '15</u>	<u>PROJECTION FY '15</u>	<u>ESTIMATED CARRYOVER</u>	<u>New \$</u>	<u>PROPOSED BUDGET FY '16</u>
	<b><i>Administrative &amp; Regulatory</i></b>					
	GIS JPA	38,000	30,400	7,600	14,400	22,000
	New Public Outreach Programs	25,000	40,000	(15,000)	70,000	70,000
	Professional Recruitment Services	65,000	50,000	15,000	10,000	25,000
	Public Information Program (includes USD Newsletter)	44,000	44,000	0	165,000	165,000
	Election Costs	0	0	0	282,538	282,538
	<b><i>Sub-Total Admin &amp; Regulatory</i></b>	<b>172,000</b>	<b>164,400</b>	<b>7,600</b>	<b>541,938</b>	<b>564,538</b>
	<b><i>Studies &amp; Other</i></b>					
	Admin & Field Services Building Leak Investigation	48,000	42,000	6,000	0	0
	Alvarado Basin Master Plan/PACP Update	0	0	0	50,000	50,000
	Alvarado Sub-Surface Investigation (was Plant Groundwater Well)	15,722	8,200	7,522	2,500	10,000
	Anitamox Sidestream Treatment Pilot	15,000	18,574	(3,574)	0	0
	Corrosion Control & Pretreatment Chemical Study	100,000	0	100,000	0	0
	Effluent Flow Management Study	46,719	0	46,719	0	0
	Evaluation of CS Preventive Maintenance Program	50,000	10,000	40,000	40,000	80,000
	Financial Master Plan	0	0	0	50,000	50,000
	Fremont Mid-Town Capacity Assessment	6,862	1,664	5,198	0	0
	Hazardous Materials Program	50,000	49,700	300	0	0
	Irvington Basin Master Plan Update	200,000	200,000	0	0	0
	Lateral Pilot Program - Condition Assessment	95,650	3,000	65,932	0	65,932
	Local Limits and Wastewater Treatability (Ammonia)	5,000	5,000	0	0	0
	NPDES Permit Renewal - Old Alameda Creek	75,000	39,000	36,000	2,000	38,000
	NPDES Permit Support Services	0	0	0	10,000	10,000
	Odor Control System Evaluation	100,000	100,000	0	0	0
	Plant Master Plan Update	0	0	0	50,000	50,000
	Plant Paving Condition Assessment	0	0	0	50,000	50,000
	Plant Solids System/Capacity Master plan	0	0	0	200,000	200,000
	Plant-wide Lighting Study	50,000	50,000	0	0	0
	Pump Station Master Plan	150,000	150,000	0	25,000	25,000
	Regional Biosolids Facility	0	0	0	15,000	15,000
	Seismic Evaluation	50,000	50,000	0	0	0
	Sewer Service Charge Cost of Service Study	26,615	52,653	(26,038)	10,000	10,000
	Standard Specs Update	0	0	0	50,000	50,000
	Vehicle Storage Bird Netting and Light Replacement	67,500	57,687	9,813	0	0
	Water Recycling & Conservation Program (Funded by CPTY)	220,000	7,000	213,000	0	180,000
	<b><i>Sub-Total Studies &amp; Other</i></b>	<b>1,372,068</b>	<b>844,478</b>	<b>500,872</b>	<b>554,500</b>	<b>883,932</b>
	<b><i>Hayward Marsh</i></b>					
	NPDES Permit Annual Fee	2,100	2,000	100	1,900	2,000
	NPDES Permit Support Services	5,000	0	5,000	32,500	37,500
	Permit Amendment to Delay Mixing Study	13,100	0	13,100	0	0
	Regional Monitoring Plan (RMP) Annual Fee	16,210	17,389	(1,179)	18,000	18,000
	Rehabilitation Study	128,000	121,000	7,000	10,000	17,000
	<b><i>Sub-Total Hayward Marsh</i></b>	<b>164,410</b>	<b>140,389</b>	<b>24,021</b>	<b>62,400</b>	<b>74,500</b>
	<b>Total Special Projects Fund</b>	<b>1,708,478</b>	<b>1,149,267</b>	<b>532,493</b>	<b>1,158,838</b>	<b>1,522,970</b>

67.3%

89.1%

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>SPECIAL PROJECTS - Fund 30</b>						
<b>Beginning Balance</b>	<b>\$134,820</b>	<b>\$384,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue</b>						
Provisions from SSC	1,398,795	1,138,622	600,000	600,000	600,000	600,000
<b>Expenditures</b>						
Studies and Projects	1,149,267	1,522,970	600,000	600,000	600,000	600,000
<b>Estimated Carryover</b>	<b>\$384,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**PROJECTS PLANNED FOR FY '16**

Project Category	Amount
Administrative & Regulatory	\$564,538
Studies & Other	883,932
Hayward Marsh	74,500
<b>Total</b>	<b>\$1,522,970</b>

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>RETIREE MEDICAL - Fund 40</b>						
<b>Beginning Balance</b>	<b>\$4,468</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue</b>						
Provisions from SSC for ARC*	543,540	561,205	579,444	598,276	617,720	637,796
<b>Expenditures</b>						
Medical Expenses	(398,224)	(432,737)	(466,174)	(501,989)	(536,886)	(571,293)
Medical Reimbursement	398,224	432,737	466,174	501,989	536,886	571,293
Transfers out:						
Annual Required Contribution (ARC)	548,008	561,205	579,444	598,276	617,720	637,796
<b>Ending Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* From actuarial valuation completed in FY'14

		<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>		2015	2016	2017	2018	2019	2020
<b>RENEWAL &amp; REPLACEMENT VEHICLES AND EQUIPMENT - Fund 50</b>							
<b>Beginning Balance</b>		\$956,195	\$648,865	\$932,365	\$363,365	\$673,365	\$759,365
<b>Revenue</b>							
Provisions from SSC		589,900	620,000	645,000	670,000	690,000	711,000
Sale of surplus		45,000	43,000	39,000	18,000	26,000	57,000
<b>Expenditures</b>							
Vehicles and Equipment		942,230	379,500	1,253,000	378,000	630,000	960,000
<b>Ending Balance</b>		\$648,865	\$932,365	\$363,365	\$673,365	\$759,365	\$567,365
<b>REPLACEMENTS SCHEDULED FOR FY '16</b>							
<b>Vehicles</b>			<b>Equipment</b>				
QTY	Type	Repl. Cost	QTY	Type	Repl. Cost		
2	Dump Bed Pickups	\$114,000	3	Electric Carts	\$55,500		
1	Service Response Truck	56,000	1	Forklift	52,000		
			2	Trailer Mounted Steam Cleaner	46,000		
			1	Saw Trailer	25,000		
			1	Pressure Washer	12,000		
			2	3-Inch Pumps	9,000		
			1	3,600 Watt Portable Generatot Chair Budget	3,000		
					7,000		
Total for Vehicles		\$170,000	Total for Equipment		\$209,500		
<b>TOTAL VEHICLES AND EQUIPMENT FY '16 BUDGET</b>							\$379,500

		<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>		2015	2016	2017	2018	2019	2020
<b>RENEWAL &amp; REPLACEMENT INFORMATION SYSTEM - Fund 60</b>							
<b>Beginning Balance</b>		\$1,399,153	\$1,391,421	\$1,154,721	\$811,921	\$765,421	\$835,321
<b>Revenue</b>							
Provisions from SSC		800,000	800,000	800,000	800,000	800,000	700,000
<b>Expenditures</b>							
IT/PBX/Security Replacements		281,000	469,700	339,800	211,500	330,100	321,300
IT Master Plan Projects		526,732	567,000	803,000	635,000	400,000	400,000
<b>Ending Balance</b>		\$1,391,421	\$1,154,721	\$811,921	\$765,421	\$835,321	\$814,021

**SYSTEM UPGRADES & REPLACEMENTS SCHEDULED FOR FY '16**

Project / System	Amount
SCADA Upgrade	\$150,000
Operations Data Management System	137,000
Collection System GIS Upgrade	120,000
Records Management	50,000
Mobile Projects	40,000
Share Point Upgrade 2013	40,000
Network Design Remote Site Data Lines	30,000
IT/PBX/Security Replacements	469,700
<b>Total</b>	<b>\$1,036,700</b>

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>RENEWAL &amp; REPLACEMENT PLANT AND PUMP STATION - Fund 70</b>						
<b>Beginning Balance</b>	<b>(\$647)</b>	<b>\$47,353</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue</b>						
Provisions from SSC	250,000	202,647	250,000	250,000	250,000	250,000
<b>Expenditures</b>						
Plant and Pump Station Equipment	202,000	200,000	200,000	200,000	200,000	200,000
Unplanned expenditures		50,000	50,000	50,000	50,000	50,000
Charged to Operating if exceeds Budget						
<b>Ending Balance</b>	<b>\$47,353</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REPLACEMENTS SCHEDULED FOR FY 2016	
Overhaul 2 Degritters	\$50,000
Overhaul 1 Gravity Belt Press	50,000
Purchase Spare Mixing Pump	40,000
R&R Forklift	35,000
R&R 2 Paint Shop Compressors	30,000
R&R 2 Positive Displacement Pumps	22,000
Subtotal Planned Projects:	\$227,000
Unplanned Maintenance	\$23,000
Total for FY 2016	\$250,000
TOTAL PLANT AND PUMPSTATION R&R FY '16 BUDGET	

It is anticipated that the Plant & Pump Station Renewal & Replacement fund will be incorporated with or replaced by an asset management program in the future.

Fiscal Years Ending June 30,	Estimated	Projected				
	2015	2016	2017	2018	2019	2020
<b>EMERGENCY - Fund 75</b>						
<b>Beginning Balance</b>	<b>\$2,750,000</b>	<b>\$3,500,000</b>	<b>\$4,250,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>
<b>Revenue</b>						
Provisions from SSC	750,000	750,000	750,000	0	0	0
<b>Expenditures</b>						
Supplies/Equipment	0	0	0	0	0	0
<b>Ending Balance</b>	<b>\$3,500,000</b>	<b>\$4,250,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>

	<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>STRUCTURAL RENEWAL &amp; REPLACEMENT - Fund 80</b>						
<b>Beginning Balance</b>	<b>(\$9,562,970)</b>	<b>(\$63,872)</b>	<b>\$8,578,239</b>	<b>\$5,978,850</b>	<b>\$5,511,100</b>	<b>\$6,878,350</b>
<b>Revenue</b>						
Provisions from SSC	19,843,659	17,000,000	16,000,000	20,000,000	20,000,000	20,000,000
SRF Proceeds	3,074,480	4,125,000	0	0	0	0
SGIP Proceeds	845,000	100,000	100,000	100,000	100,000	100,000
Solar Rebates	180,348	174,000	65,000	0	0	0
<b>Expenditures</b>						
CIP Projects	12,240,000	10,552,500	16,560,000	18,799,200	15,964,200	16,470,000
Debt Service (SRF Repayments)	2,204,389	2,204,389	2,204,389	1,768,550	2,768,550	2,768,550
<b>Ending Balance</b>	<b>(\$63,872)</b>	<b>\$8,578,239</b>	<b>\$5,978,850</b>	<b>\$5,511,100</b>	<b>\$6,878,350</b>	<b>\$7,739,800</b>

	<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>PRETREATMENT - Fund 85</b>						
<b>Beginning Balance</b>	<b>\$119,783</b>	<b>\$108,483</b>	<b>\$101,483</b>	<b>\$94,483</b>	<b>\$87,483</b>	<b>\$80,483</b>
<b>Revenue</b>						
Transfer from SSC	0	0	0	0	0	0
Enforcement Fees	6,200	0	0	0	0	0
Safety Kleen Reimbursement	100,000	0	0	0	0	0
<b>Expenses</b>						
Supplies/Equipment	17,500	4,000	4,000	4,000	4,000	4,000
Training	0	3,000	3,000	3,000	3,000	3,000
Safety Kleen	100,000	0	0	0	0	0
<b>Ending Balance</b>	<b>\$108,483</b>	<b>\$101,483</b>	<b>\$94,483</b>	<b>\$87,483</b>	<b>\$80,483</b>	<b>\$73,483</b>

	<i>Estimated</i>	<i>Projected</i>				
<u>Fiscal Years Ending June 30,</u>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>CAPACITY - Fund 90</b>						
<b><i>Beginning Balance</i></b>	<b>\$14,165,399</b>	<b>\$16,350,399</b>	<b>\$16,881,899</b>	<b>\$14,720,899</b>	<b>\$11,817,199</b>	<b>\$8,401,499</b>
<b><u>Revenue</u></b>						
Capacity Fees	4,200,000	4,372,000	2,800,000	2,800,000	2,800,000	2,800,000
SRF Proceeds	1,025,000	1,375,000	125,000	0	0	0
SGIP Proceeds (Cogen)	845,000	100,000	100,000	100,000	100,000	100,000
Interest	125,000	130,000	102,000	89,000	72,000	51,000
<b><u>Expenditures</u></b>						
CIP	3,087,000	4,522,500	4,365,000	4,781,700	5,276,700	3,285,000
Debt Servicing	923,000	923,000	923,000	1,111,000	1,111,000	1,111,000
<b><i>Ending Balance</i></b>	<b>\$16,350,399</b>	<b>\$16,881,899</b>	<b>\$14,720,899</b>	<b>\$11,817,199</b>	<b>\$8,401,499</b>	<b>\$6,956,499</b>

<b>Annual Contract Purchases of Supplies, Services &amp; Vehicle Renewal Replacements Over \$100,000 for Fiscal Year 2016</b>	
<b>ITEMS</b>	
	<b>Estimated Expenditure</b>
<b>Supplies*:</b>	
Ferrous Chloride, One-Year contract with Kemira Water Solutions, Inc.	\$400,000
Sodium Hypochlorite - One-year contract with Univar USA, Inc.	395,000
Polymer, emulsion, One-Year Contract with successful bidder	352,000
Hydrogen Peroxide, One-Year Contract with Siemens, Inc.	336,000
Polymer, mannich, One-Year Contract with successful bidder	145,000
<b>Total Supplies:</b>	<b>\$1,628,000</b>
<b>Services:</b>	
State Water Resources Control Board, Debt payments for eight SRF loans	\$3,127,110
PERS Medical - payments for employee coverage	3,099,141
PERS Retirement payments for employees	2,997,078
PG&E, payments for electrical service - Alvarado site	1,450,000
EBDA Operations & Maintenance payments	1,303,841
Biosolids, Year Four of Five-Year Contract with Synagro & successful bidder	756,879
PERS Retiree Medical Trust payments (ARC)	561,205
PG&E, payments for electrical service - Newark Pump Station	197,258
<b>Total Services:</b>	<b>\$13,492,512</b>
<b>Vehicle &amp; Equipment Renewal/Replacement:</b>	
Dump Bed Pickup Trucks	\$114,000
<b>Total Vehicle &amp; Equipment Renewal/Replacement</b>	<b>\$114,000</b>

\*Chemicals are bid annually via the Bay Area Chemical Consortium (BACC).

<b>STATEMENT OF CASH FLOW AND FUND BALANCES</b>			
	FY '15 Budget	FY '15 Projected	FY '16 Proposed
<b>OPERATING FUND</b>			
<b>Beginning Balance</b>	\$31,569,000	\$31,569,000	\$35,382,805
<b><u>Revenues and Proceeds:</u></b>			
<b>Sewer Service Charges</b>	\$47,448,461	\$48,385,649	\$48,430,260
<b>Operating Revenues</b>	848,500	1,120,149	1,080,000
<b>Interest Income</b>	210,000	210,000	215,000
<b>SGIP Rebates (Cogen)</b>	845,000	845,000	100,000
<b>Solar Rebates (Irvington &amp; Carport)</b>	189,200	180,348	174,000
<b>SRF Loan Proceeds</b>	2,542,000	3,074,480	4,125,000
<b>Misc. (LAVWMA, enforce fees, surplus items)</b>	115,000	261,507	119,000
<i>Total Revenues and Proceeds</i>	\$52,198,161	\$54,077,133	\$54,243,260
<b><u>Expenditures:</u></b>			
<b>Operating</b>	\$32,659,214	\$31,951,111	\$33,739,303
<b>Special Projects</b>	1,708,478	1,149,267	1,522,970
<b>Retiree Medical Benefits (ARC)</b>	543,540	543,540	561,205
<b>R &amp; R - Vehicles &amp; Equipment</b>	1,057,700	942,230	379,500
<b>R &amp; R - Information System</b>	1,216,000	807,732	1,036,700
<b>R &amp; R - Plant &amp; Pump Stations</b>	250,000	202,000	250,000
<b>Pretreatment Program</b>	7,000	117,500	12,000
<b>Sewer Service Fee from County</b>	106,000	105,559	106,000
<b>Debt Servicing</b>	2,204,389	2,204,389	2,204,389
<b>Capital Program - R &amp; R Structural*</b>	11,632,500	12,240,000	10,553,000
<i>Total Expenditures</i>	\$51,384,821	\$50,263,328	\$50,365,067
<b>Ending Sewer Service Fund Balance</b>	\$32,382,340	\$35,382,805	\$39,260,998
<b>CAPACITY FUND</b>			
<b>Beginning Balance</b>	\$14,165,000	\$14,165,000	\$16,350,279
<b><u>Revenues:</u></b>			
<b>Capacity Fees</b>	\$2,700,000	\$4,200,000	\$4,372,000
<b>Interest Income</b>	89,000	125,000	130,000
<b>SGIP Rebates (Cogen)</b>	845,000	845,000	100,000
<b>SRF Loan Proceeds</b>	848,000	1,025,000	1,375,000
<i>Total Revenues</i>	\$4,482,000	\$6,195,000	\$5,977,000
<b><u>Expenditures:</u></b>			
<b>Capital Program*</b>	\$3,240,000	\$3,087,000	\$4,523,000
<b>Debt Servicing - SRF</b>	923,000	922,721	922,721
<i>Total Expenditures</i>	\$4,163,000	\$4,009,721	\$5,445,721
<b>Ending Capacity Fund Balance</b>	\$14,484,000	\$16,350,279	\$16,881,558

\*CIP Budgeted at 90%

TEN YEAR CIP FY16-FY25 EXPENDITURE PLAN

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ADMINISTRATIVE FACILITIES

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	1	Admin/Field Ops Bldg. Sesmic Upgrade at	100	1,000	1,000								2,100
900	1	Admin/Field Ops Bldg. Sesmic Upgrade and Leak Repairs											0
800	3	Additional CS (Vehicle) Storage		250									250
800	2	FMC Bldg. - New	200	3,700	3,900								7,800
900	2	FMC Bldg. - New											0
800	2	FMC Bldgs Renovation			100	300							400
900	2	FMC Bldgs Renovation											0
800	3	FMC Storage		250									250
800	3	Plant Paving		200				250					450
900	3	Solar Panels at Alvarado - Phase II		150	1,500								1,650
<b>Total for ADMINISTRATIVE FACILITIES</b>			<b>300</b>	<b>5,550</b>	<b>6,500</b>	<b>300</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,900</b>

COLLECTION SYSTEM

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	1	Alvarado-Niles Sewer Rehab	1,000	3,000									4,000
900	1	Alvarado-Niles Sewer Rehab											0
800	2	Cast Iron/Pipe Lining		500		500		500		500		500	2,500
900	2	Cast Iron/Pipe Lining											0
800	2	Misc. C S Projects		250	250	300	300	300	300	300	300	300	2,600
800	2	RCP Sewer Rehab (Alvarado Basin)						200	2,000	100	1,000		3,300
900	2	RCP Sewer Rehab (Alvarado Basin)											0
800	2	RCP Sewer Rehab (Irvington Basin)				200	2,000	300	3,000				5,500
900	2	RCP Sewer Rehab (Irvington Basin)											0
800	2	RCP Sewer Rehab (Newark Basin)					100	1,000			100	1,000	2,200
900	2	RCP Sewer Rehab (Newark Basin)											0
800	0.50	Newark Backyard Relocation	1,300	1,200									2,500
900	0.50	Newark Backyard Relocation	1,300	1,200									2,500
800	1	Pine St. Easement	100										100
800	2	Spot Repairs	500		500		500		500		500		2,500
900	2	Spot Repairs											0

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Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
Collections cont'd													
900	2	Stevenson at Davis St.					150	1,000					1,150
900	2	Veasy St. Sewer Improvements	50	650									700
<b>Total for COLLECTION SYSTEM</b>			<b>4,250</b>	<b>6,800</b>	<b>750</b>	<b>1,000</b>	<b>3,050</b>	<b>3,300</b>	<b>5,800</b>	<b>900</b>	<b>1,900</b>	<b>1,800</b>	<b>29,550</b>

TRANSPORT SYSTEM PROJECTS

Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	0.50	2	Alameda Creek Crossing Lift Station									250	250
900	0.50	2	Alameda Creek Crossing Lift Station									250	250
900	1	Equalization Storage @ Alvarado	400	600									1,000
900	3	Equalization Storage @ Irvington								300	3,000		3,300
900	2	Equalization Storage @ Newark				600		3,500	3,500				7,600
800	0.50	1	Fremont & PP LS\ Internal Lift Pumps	1,000	500								1,500
900	0.50	1	Fremont & PP LS\ Internal Lift Pumps	1,000	500								1,500
800	0.50	2	Hayward Marsh Ammonia Removal Facility			50	500						550
900	0.50	2	Hayward Marsh Ammonia Removal Facility			50	500						550
800	2	New Cherry St. PS						300	3,000				3,300
900	2	New Cherry St. PS											0
800	2	Newark PS Waterline	50										50
800	3	Transport System Misc. Projects	50	50		1,000			1,000			1,000	3,100
900	3	Transport System Misc. Projects											0
800	0.50	1	Wet Weather Flow Management	100	300	2,500	2,500	500					5,900
900	0.50	1	Wet Weather Flow Management	100	300	2,500	2,500	500					5,900
<b>Total for TRANSPORT SYSTEM PROJECTS</b>			<b>2,700</b>	<b>2,250</b>	<b>5,100</b>	<b>7,600</b>	<b>1,000</b>	<b>3,800</b>	<b>7,500</b>	<b>300</b>	<b>3,000</b>	<b>1,500</b>	<b>34,750</b>

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Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
<b>TREATMENT</b>													
Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
900	2	3rd Degritter System	100	500									600
800	2	30" ML Pipe Lining				100	500						600
800	0.50	2 Aeration Internal Lift Pumps					500						500
900	0.50	2 Aeration Internal Lift Pumps					500						500
800	0.50	2 Aeration System Rehab	500		200	1,000	1,000						2,700
900	0.50	2 Aeration System Rehab	500		200	1,000	1,000						2,700
900	2	Aeration Tank (East) Baffling	50	550									600
800	2	Aeration Tank (East) Roof	50	1,200	1,500								2,750
800	3	Blower Bldg & Channel Air Demo & Repl			100	500							600
800	0.50	1 Cogen Project	150	100									250
900	0.50	1 Cogen Project	150	100									250
800	2	Contact Tank Valve Replacement				1,000							1,000
800	2	Control Box No. 1 Improvements		150	1,500	1,500							3,150
800	2	Diffuser Replacement	100	100	150								350
900	3	Digester No. 7										100	100
800	2	Emergency Outfall Outlet Improvements		300									300
800	2	Gravity Belt Thickener					500	5,500					6,000
800	2	Generator Controls Upgrade	300	1,000									1,300
800	2	Headworks gates, actuators and Screens		100	1,500								1,600
800	1	Hypo Tank and PVC pipe replacement at	500	1,000									1,500
800	2	MCC Replacement	600				100	600					1,300
800	2	Misc. Electrical Equipment Upgrade		500		500		500		500		1,000	3,000
800	2	Misc. Projects		250	250	250	300	300	300	300	300	300	2,550

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Fund %	Rank	Project Name	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Total
800	2	Odor Scrubber System Improvements							550	5,500	600	6,000	12,650
900	2	Odor Scrubber System Improvements											0
800	2	Plant Facilities Improvements	500	600									1,100
800	1	Plant Master Plan Equipment Replacement			650	650	3,300		5,000	2,000	7,300	3,300	22,200
900	1	Plant Master Plan Equipment Replacement											0
800	2	PLC Replacement	100	200	350								650
800	0.75	2 Primary Clarifier Rehab (5-6)		375	1,688	1,688							3,750
900	0.25	2 Primary Clarifier Rehab (5-6)		125	563	563							1,250
800	2	Primary Effluent (60") Pipeline Rehab	100										100
800	1	RAS PS Pumps, Valve & Pipe Replacement		100	600	600							1,300
800	2	Repairs to Concrete Tanks		200	200	200	200	200	200	200	200	200	1,800
800	0.75	2 Sec. Clarifiers No. 5 and 6 Rehabilitation		150	1,500	1,500							3,150
900	0.25	2 Sec. Clarifiers No. 5 and 6 Rehabilitation		50	500	500							1,050
900	3	Secondary Clarifiers No. 7,8										400	400
800	2	Seismic Retrofit of Conc. Structures		200	2,000	200	2,000	200	2,000	300	3,000	300	10,200
900	2	Seismic Retrofit of Conc. Structures											0
800	2	Sludge Drying (BACWA)	100	100	100								300
800	2	Sludge Recirculation Pump Replacement			200	200							400
900	2	Sludge Recirculation Pump Replacement											0
800	2	Standby Generators 5 and 6				150	2,500						2,650
800	2	Standby Generators 7 and 8				200	4,000						4,200
900	2	Storm Water Diversion Pump Station				200	1,500						1,700
800	0.75	1 Thickener Control Bldg Improvements	4,125	375									4,500
900	0.25	1 Thickener Control Bldg Improvements	1,375	125									1,500
800	2	Thickener Mechanisms 1-2			100	2,200							2,300
900	2	Thickener Mechanisms 1-2											0
800	2	Truck Scales Improvements		100									100

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<u>Fund %</u>	<u>Rank</u>	<u>Project Name</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Total</u>
Treatment cont'd													
800	2	Water Storage Tank and Well	200	100									300
900	2	Waste Recycling and Alternative Energy							500	5,000			5,500
<b>Total for TREATMENT</b>			<b>9,500</b>	<b>8,650</b>	<b>13,850</b>	<b>14,700</b>	<b>17,900</b>	<b>7,300</b>	<b>8,550</b>	<b>13,800</b>	<b>11,400</b>	<b>11,600</b>	<b>117,250</b>
<b>GRAND TOTAL</b>			<b>16,750</b>	<b>23,250</b>	<b>26,200</b>	<b>23,600</b>	<b>21,950</b>	<b>14,650</b>	<b>21,850</b>	<b>15,000</b>	<b>16,300</b>	<b>14,900</b>	<b>194,450</b>
			0	0	0	0	0	0	0	0	0	0	0
<b>FUND 800 - Structural Renewal &amp; Replacement</b>			<b>11,725</b>	<b>18,400</b>	<b>20,888</b>	<b>17,738</b>	<b>18,300</b>	<b>10,150</b>	<b>17,850</b>	<b>9,700</b>	<b>13,300</b>	<b>14,150</b>	<b>152,200</b>
<b>FUND 900 - Capacity</b>			<b>5,025</b>	<b>4,850</b>	<b>5,313</b>	<b>5,863</b>	<b>3,650</b>	<b>4,500</b>	<b>4,000</b>	<b>5,300</b>	<b>3,000</b>	<b>750</b>	<b>42,250</b>

**FY 2016 Budget - 5.7% - From 052115 CIP - for 060815 Bd Mtg.**

ASSUMPTIONS (Long-Term)	
Interest Rate - Bonds, SRF	2.70%
CIP Inflation Rate	3.50%
Investment Rate	0.60%
CIP Funding @	<b>90%</b>

Amounts x\$1000, except where noted.

Debt Summary - At 2020 (all amounts x \$1,000)	
SRF Loans Outstanding - SSC	\$43,818
SRF Loans Outstanding - Capacity	21,082
<b>Total SRF Loans &amp; other Debt Outstanding</b>	<b>\$64,900</b>
CIP Expenditures - 2016-2020	
Renewal & Replacement - SSC	\$78,346
Capacity Fund	22,231
<b>Total CIP Expenditures @ 90%</b>	<b>\$100,577</b>

Debt Summary - At 2025	
SRF Loans Outstanding - SSC	\$30,247
SRF Loans Outstanding - Capacity	15,422
<b>Total SRF Loans &amp; other Debt Outstanding</b>	<b>\$45,669</b>
CIP Expenditures - 2016 - 2025	
Renewal & Replacement - SSC	136,981
Capacity Fund	38,026
<b>Total CIP Expenditures @ 90%</b>	<b>175,007</b>

Rate Study Impact												
	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate Model Time Period (must match time period below)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
Fiscal Years Ending June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Capacity Fee Increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SSC Increase	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%
<b>Projection</b>												
Residential (EDU) Increase (Growth) - 1 year lag in rates	0.25%	0.40%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Commercial Increase (Memo only here)	0.00%	3.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Industrial Increase (Memo only here)	0.00%	3.00%	0.00%	0.20%	0.40%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Increase in Operations Budget	1.52%	4.60%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Capacity Fee Charge (whole \$)	\$5,596	\$5,875	\$6,169	\$6,477	\$6,801	\$7,141	\$7,498	\$7,873	\$8,267	\$8,680	\$9,114	
Sewer Service Charge (SFD) (whole \$)	\$357	\$377	\$398	\$421	\$445	\$467	\$490	\$515	\$541	\$568	\$596	
<b>CASH FLOW PROJECTIONS</b>												
<b>Sewer Service Fund</b>												
<b>Beginning Balance (Fund 80 + FPR)</b>	<b>\$4,203</b>	<b>\$7,403</b>	<b>\$10,443</b>	<b>\$8,548</b>	<b>\$6,552</b>	<b>\$9,544</b>	<b>\$13,896</b>	<b>\$27,510</b>	<b>\$36,509</b>	<b>\$54,766</b>	<b>\$73,687</b>	<b>\$73,687</b>
<b>Revenue</b>												
Net Revenues (SSC+Int+OPRev-Gross OP Exp-Prov)	13,724	11,572	16,769	19,472	21,625	23,491	25,517	27,833	29,755	33,660	35,527	
Loan Payments from Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	
Temporary Transfer To/From Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	
SRF Loan/SGIP Proceeds	3,919	4,225	100	100	100	100	0	0	0	0	250	
<b>Expenditures</b>												
CIP Expenditures	12,240	10,553	16,560	18,799	15,964	16,470	9,135	16,065	8,730	11,970	12,735	
Loans to Capacity Fund	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - New Issues	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - SRF Loan	2,204	2,204	2,204	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,087	
<b>Ending Balance</b>	<b>\$7,403</b>	<b>\$10,443</b>	<b>\$8,548</b>	<b>\$6,552</b>	<b>\$9,544</b>	<b>\$13,896</b>	<b>\$27,510</b>	<b>\$36,509</b>	<b>\$54,766</b>	<b>\$73,687</b>	<b>\$94,642</b>	
<b>Other Designated Reserves (funds #30,40,50,60,70,75,85,SRF,INS,CF, Cash in bank)</b>	<b>27,772</b>	<b>28,600</b>	<b>29,583</b>	<b>30,527</b>	<b>31,391</b>	<b>31,914</b>	<b>32,720</b>	<b>32,839</b>	<b>34,374</b>	<b>34,977</b>	<b>35,534</b>	
<b>Total Sewer Service Fund Balance</b>	<b>\$35,175</b>	<b>\$39,044</b>	<b>\$38,131</b>	<b>\$37,079</b>	<b>\$40,935</b>	<b>\$45,810</b>	<b>\$60,230</b>	<b>\$69,348</b>	<b>\$89,140</b>	<b>\$108,664</b>	<b>\$130,175</b>	
<b>Capacity Fund (Capacity Fees)</b>												
<b>Beginning Balance</b>	<b>\$14,165</b>	<b>\$16,351</b>	<b>\$16,883</b>	<b>\$14,722</b>	<b>\$11,819</b>	<b>\$8,404</b>	<b>\$6,959</b>	<b>\$8,141</b>	<b>\$8,858</b>	<b>\$5,411</b>	<b>\$4,014</b>	<b>\$4,014</b>
<b>Revenue</b>												
Interest income	125	130	102	89	72	51	43	52	59	38	30	
Capacity Fees	4,200	4,372	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	
Temporary Transfer To/From Existing Fund	0	0	0	0	0	0	0	0	0	0	0	
SGIP Proceeds	845	100	100	100	100	100	0	0	0	0	0	
SRF Loan Proceeds	1,025	1,375	125	0	0	0	3,500	3,000	0	0	250	
<b>Expenditures</b>												
CIP Expenditures	3,087	4,523	4,365	4,782	5,277	3,285	4,050	3,600	4,770	2,700	675	
Loan Payments to R & R Fund	0	0	0	0	0	0	0	0	0	0	0	
Debt Servicing - SRF Loan	923	923	923	1,111	1,111	1,111	1,111	1,536	1,536	1,536	1,309	
<b>Ending Balance</b>	<b>\$16,351</b>	<b>\$16,883</b>	<b>\$14,722</b>	<b>\$11,819</b>	<b>\$8,404</b>	<b>\$6,959</b>	<b>\$8,141</b>	<b>\$8,858</b>	<b>\$5,411</b>	<b>\$4,014</b>	<b>\$5,110</b>	
<b>% OF DEBT SERVICE TO GROSS REVENUES</b>	<b>5.8%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>6.2%</b>	<b>5.9%</b>	<b>5.6%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.3%</b>	<b>5.0%</b>	<b>3.8%</b>	
Debt Capacity Target (should not exceed 25% of Op + Debt)	8.9%	8.5%	8.2%	9.6%	9.3%	9.0%	8.7%	9.2%	8.9%	8.6%	6.6%	
Ratio of debt service to SSC Net Rev (min. 1.30 per Debt policy#2060)	5.79	5.17	6.73	5.95	6.52	6.99	7.53	7.35	7.93	8.51	11.62	
<b>BONDING CAPACITY - Above 1.25 coverage</b>	<b>173,696</b>	<b>150,059</b>	<b>209,851</b>	<b>223,098</b>	<b>250,263</b>	<b>272,729</b>	<b>298,402</b>	<b>321,145</b>	<b>352,083</b>	<b>382,652</b>	<b>431,217</b>	



**Summary of the EBDA Commission Meeting  
Thursday, May 21, 2015 at 9:30 a.m.**

Prepared by: P. Eldredge

- Commissioners Handley, Dias, Johnson, Peixoto and Ursula Reed was present in place of Prola for the City of San Leandro.
- The Consent Calendar was approved unanimously and included the Commission Meeting Minutes, the List of Disbursements, and the Treasurer's Report.
- The Commission unanimously approved the reports from the General Manger, Managers Advisory Committee, Financial Management, Regulatory Affairs, Operation & Maintenance, Personnel, and Ad-Hoc committees. The following items were discussed:
- **General Mangers Report** The General Manager advised the Commission on the status of the EBDA system and proposed budget for FY 2015/16. The Authority has met major performance goals for this fiscal year. EBDA's member agency performance continues to be well below permit compliance limits. In summary, expenses are expected to rise by ~\$207K (5%). This total requirement for funding is driven by O&M expenses increasing by ~1% and Special Project expenses increasing by 15%. The major changes in the proposed budget from last year are as follows:
  1. \$38,000 increase in O&M costs (~1%).
  2. \$30,000 increase in BACWA Clean Estuary Partnership support for nutrient studies required by the San Francisco Water Board.
  3. \$30,000 contract support for beginning the 5-year permit process.
  4. \$30,000 increase (~6%) in utility costs driven by estimated rate increases.
  5. \$50,000 increase in RRF funding.
  6. \$100,000 in Special Studies funding for Outfall pipe inspection, the beginning of force main assessment, and assistance in JPA renewal.
- **Managers Advisory Committee (MAC)** discussed recycled water strategies and permitting. The Water Board may allow EBDA's member agencies to distribute recycled water under EBDA's permit. There is support throughout the State for increased recycled water use. The MAC also reviewed the three bids received for the outfall inspection. Staff will provide a report to the Committees in the next couple of months on the bids.
- **Financial Management Committee** The Finance Committee approved the April List of Disbursements and Treasurer's Report. The Committee reviewed EBDA's third quarter expense summary for FY 2014/15, Authority spending is under budget ~4%. The Committee indicated their support for resolutions adopting the Fiscal Year 2015/16 Budget, setting the price of recycled water, and approving the Authority's CERBT fund contribution. The Committee recommended adoption of these items by the Commission. In addition, the Committee recommended Commission approval of a resolution accepting the proposal and authorizing the General Manager

to execute a professional services agreement in the amount of \$23,383 for independent auditing services.

- **Regulatory Affairs Committee** reviewed the status report (informational only, no action required) for the NPDES permit. The committee reviewed April permit compliance. The Committee discussed the status of underground storage tank violations. The Committee also discussed EBDA's recycled water use program and asked staff to provide more details.
- **O&M Committee** reviewed EBDA's performance and the status of O&M projects. The Committee recommends approval of Amendment No. 1 to the agreement with TJC and Associates, Inc. for Phase 1 of the OLEPS Automation Control System Upgrade Project in the amount of \$66,400.
- **Personnel Committee** The Personnel Committee meeting was postponed; the next meeting is scheduled for June 17, 2015.
- **Ad-Hoc Committee** The Ad Hoc Committee meeting was postponed due to a scheduling conflict; the next meeting is scheduled for July 15, 2015.

The Commission unanimously passed the following resolutions:

Commissioner Peixoto moved to approve the resolution adopting the Fiscal Year 2015/16 Budget. The budget includes a \$50,000 increase to raise Renewal & Replacement Fund assessments to \$450,000. The motion was seconded by Commissioner Reed and carried unanimously (Peixoto, Dias, Johnson, Reed, Handley; ayes).

Commissioner Johnson moved to approve the resolution increasing Repair & Replacement Fund assessments from \$400,000 to \$450,000. The motion was seconded by Commissioner Peixoto and carried unanimously (Peixoto, Dias, Johnson, Reed, Handley; ayes).

Commissioner Reed moved to adopt the resolution establishing the cost of recycled water in FY 2015/16 at \$8,500 each month. The motion was seconded by Commissioner Johnson and carried unanimously (Peixoto, Dias, Johnson, Reed, Handley; ayes).

Commissioner Peixoto introduced the resolution to approve the Fiscal Year 2015/16 California Employers' Retiree Benefit Trust (CERBT) Fund contribution in the amount of \$8,900. The motion was seconded by Commissioner Dias and carried unanimously (Peixoto, Dias, Johnson, Reed, Handley; ayes).

Commissioner Dias moved to adopt the resolution authorizing a professional services agreement with Maze & Associates in the amount of \$23,383 for independent audit services for fiscal years 2014/15, 2015/16, and 2016/17. The motion was seconded by Commissioner Johnson and carried unanimously (Peixoto, Dias, Johnson, Reed, Handley; ayes)

Commissioner Peixoto moved to approve the resolution authorizing the General Manager to issue an amendment to the agreement with TJC and Associates, Inc. for Phase 1 of the OLEPS Automation Control System Upgrade Project in the amount of \$66,400 for programming, testing, training, and design engineering services. The motion was seconded by Commissioner Johnson and carried unanimously (Peixoto, Dias, Johnson, Reed, Handley; ayes).

# California drought: Silicon Valley faces sweeping water cuts

By Kurtis Alexander

Updated 6:03 pm, Tuesday, May 19, 2015

Nearly 1 million Silicon Valley residents will face strict water quotas — and pricey premiums for going over — under what will soon be the Bay Area’s most far-reaching rationing plan in four years of drought.

The private San Jose Water Co. is notifying customers by mail this week that they’ll be required to keep their water consumption beneath specific targets every other month, starting in mid-June.

For most of the utility’s customers, who live in single-family homes and townhomes, the limit will be 70 percent of what the average household used in the same period in 2013, meaning an average 30 percent cutback.

The South Bay plan differs from other conservation policies that require households to reduce consumption by a certain percentage of their past use. Instead, it sets a uniform water allocation for all residential customers, with tiered fees for excess water that will either double or triple the price.

“I think this is a fair way,” said John Tang, a spokesman for San Jose Water. “If we applied it individually, those who have conserved (in the past) would be asked to conserve another 30 percent.”

The company’s move comes as the state hands down mandatory reductions for California’s 400 biggest water agencies in response to Gov. Jerry Brown’s emergency drought declaration. The state cuts — which vary between 4 and 36 percent — are based on an area’s past conservation record, with bigger guzzlers facing steeper cuts.

San Jose Water, which serves not only most of San Jose but also Saratoga, Los Gatos, Monte Sereno, Campbell and half of Cupertino, is marked for a 20 percent reduction under the state mandate.

Tang, however, said the company is shooting for greater conservation after being asked by its water supplier, the Santa Clara Valley Water District, to trim more.

San Jose Water ranks among the Bay Area's largest water retailers and is the first big utility to move forward with rationing.

The East Bay Municipal Utility District, which serves Alameda and Contra Costa counties, has asked its customers for 20 percent water cutbacks, but it plans to penalize only those who use four times the average amount of water.

The San Francisco Public Utilities Commission, which provides retail water service in San Francisco, has asked only for voluntary reductions of 10 percent.

In the South Bay, the rationing plan will not apply to apartment buildings, which don't have individually metered units, nor most businesses. The company's big irrigation customers such as cemeteries and office parks, however, will be required to cut water use by 30 percent over 2013 levels.

Tang said most multi-unit residences and businesses already had relatively good conservation records.

Since San Jose Water is a private company, its plan requires approval by the California Public Utilities Commission, which is expected by the middle of June. A public hearing on the policy is scheduled for May 28 in San Jose.

*Kurtis Alexander is a San Francisco Chronicle staff writer. E-mail: [kalexander@sfgate.com](mailto:kalexander@sfgate.com) Twitter: @kurtisalexander*

# Lovers Point sewage leak fixed after 6-hour spill

UPDATED 12:35 PM PDT May 19, 2015

PACIFIC GROVE, Calif. —More than 100,000 gallons of raw sewage spilled at Lovers Point in Pacific Grove Monday and sewage flowed into the ocean for six hours.

Monterey Regional Water Pollution Control Agency workers were doing maintenance repairs at a pump station on Ocean View Boulevard at Lovers Point when a plug valve failed at 10:30 a.m., Monterey Deputy Fire Marshal David Reade said.

This caused the station to flood and fill with sewage. Power was quickly shutoff to prevent an electrocution hazard, Reade said, but crews failed to stop 100,000 gallons of raw sewage from discharging into the Monterey Bay.

Reverse emergency calls were made to residents in the area urging against flushing toilets and using water.

Crews fixed the valve at 5:30 p.m. They had hoped to fix it before residents returned home from work, when water use spikes.

Scott Kathey, emergency response coordinator for the Monterey Bay National Marine Sanctuary, said cleaning sewage out of the ocean is impossible.

"From an environmental standpoint, there is nothing we can do mechanically to recover it from the ocean. There is no method for cleaning other than let the ocean assimilate it, allow sunlight to breakdown bacteria," Kathey said.

"On land you can treat it with bleach and vacuum it up. You can't do that in an aquatic environment," he said.

When asked what environmental impact may occur, Kathey said, "It's hard to say. Obviously the plume is going to spread. Any kind of effects would be long-term."

Marine animals could develop bacterial infections from coming into contact with the sewage, he said. Luckily, there were no sea otters or seals nearby at the time of the spill.

The recreational trail was closed to the public from the Monterey Bay Aquarium to Point Pinos. Lovers Point Beach was also closed, as well as all beaches one mile to the north and one mile to the south of it.

## California Drought: Delta farmers propose voluntary water cuts to avoid bigger pinch

By Scott Smith, The Associated Press

DailyNews.com

FRESNO >> Farmers in the Sacramento-San Joaquin River Delta who have California's oldest water rights are proposing to voluntarily cut their use by 25 percent to avoid the possibility of even harsher restrictions by the state later this summer as the record drought continues.

Under the deal expected to be presented to state officials Wednesday, farmers would either take less river water for irrigation or leave a quarter of their crops unplanted. If the state accepts the deal, Delta water managers say it may become a model for farmers throughout California who also are facing curtailments.

It is difficult to predict how many farmers will participate, said attorney Jennifer Spaletta, who represents several Delta growers, but those who do would be able to plan their crops earlier in the season with more certainty.

"From a business standpoint, it makes a lot of sense to do our part and to help in the emergency," Spaletta said. "At this point, obviously we're in an absolute drought emergency."

Gov. Jerry Brown has ordered communities throughout the state to reduce water use by 25 percent. State water officials have encouraged water users to propose conservation measures, drawing the proposal from farmers.

Brown has been criticized for leaving farmers out of tightening regulations that force communities throughout the state to cut back on their water use. But this is the second consecutive year that junior water-rights holders have received orders to stop pumping river water to irrigate their crops.

Those making the proposal are so-called riparian water rights holders, who have the oldest and most secure access to California rivers. The harsh drought has caused state officials to say they may start ordering even these rights holders to stop taking water.

A coalition of Delta farmers and officials for the State Water Resources Control Board continue to work out the details and Spaletta said officials have responded positively to the proposal.

Delta farmers with the most senior water rights dispute the state can force them to stop irrigating their crops from California rivers, said John Herrick, manager of the South Delta Water Agency, who called this proposal a "safe harbor." He said that it would likely be adopted beyond the Delta by water users in the San Joaquin and Sacramento River watersheds.

Thomas Howard, executive director of the state water board, would ultimately rule on whether to approve the deal.

Michael George, who works for the state water board as the Delta Water Master, said that the proposal is a classic example of risk assessment by the farmers proposing the voluntary cutbacks.

"It is my personal opinion that a certain 25 percent reduction is a reasonable trade-off for regulatory uncertainty," George said. "Nobody benefits if uncertainty persists."

## Dublin water district reduces rates as a reward for saving

Updated: 05/21/2015 06:31:04 AM PDT

InsideBayArea.com

DUBLIN -- About 80,000 people in Dublin and San Ramon are getting lower water rates right away because they have saved the resource so well in the drought.

The price break isn't huge -- about \$2.55 a month for many households -- but any cut in rates is unusual in a dry year when many California water districts are imposing or renewing steeper rates as an incentive to save.

Officials at the Dublin San Ramon Services District said they have some flexibility because their customers have done an admiral job of saving water aggressively.

"This is good news," said Richard Halket, a water board member who voted Tuesday with the 5-0 majority to reduce rates immediately. "This is rewarding customers for what they have done."

District customers in Dublin and San Ramon's Dougherty Valley slashed water use nearly 25 percent last year to cope with sharp cuts in state supplies to the Tri-Valley area, including Pleasanton and Livermore. The savings, among the highest in California last year, left many lawns brown.

This year, the state water board ordered urban water districts in California to cut use by amounts averaging about 25 percent below 2013 levels. But the board said the Dublin San Ramon district only has to reduce use 16 percent because it has a low per-capita residential water use rate -- just 84.7 gallons per day last summer -- and customers continue to save.

With conservation habits ingrained, the district can ease up a little and still meet the 16 percent target, district managers said.

"Our message to our customers is, 'Keep it up and we should be able to get through this year okay,'" said Sue Stephenson, a district spokeswoman. "We may need every drop we save this year if next winter is dry."

Board members said the district still faces an emergency, but not quite as severe as last year.

Households will continue to face harsh financial penalties if they use more than 4,480 gallons per week -- an average of 640 gallons a day. Washing down pavement still is banned.

And the district's tiered water rates -- though lower now -- are still higher than they were in 2013.

Under the rate reduction, a household using 200 gallons per day will see its monthly water charges drop from \$44.92 to \$42.37.

The district also relaxed its outdoor watering restrictions slightly to match the statewide limit of irrigating lawns and plants no more than twice a week. The district previously banned outdoor water in wet winter months, and had a once-a-week limit in spring months.

And the board agreed to drop a ban on washing cars at home as long as a shutoff nozzle is used on the water hose.

Contact Denis Cuff at 925-943-8267. Follow him at [Twitter.com/deniscuff](https://twitter.com/deniscuff).

# "Toilet-to-tap" water gains steam in Calif. amid drought

CBS NEWS May 22, 2015, 1:57 PM

**SACRAMENTO, Calif.** -- Gov. Jerry Brown signaled his support for more aggressive water-saving measures Thursday in the face of the state's historic drought, including a controversial plan to use recycled wastewater to replenish the drinking water supply, CBS San Francisco reports.

"I know people don't like 'toilet to tap,' but it is memorable. It is memorable," Brown said as he spoke to political and business leaders.

Just last month, San Jose Mayor Sam Liccardo demonstrated his faith in the technology by drinking recycled wastewater. Liccardo also called on Brown to ease restrictions on its use.

Currently, Santa Clara County's wastewater recycling plant produces more than eight million gallons of water a day, enough in theory to provide water to more than 17,000 homes.

There are plans to quadruple that plant's capacity, even though the recycled water now is only used for irrigation and manufacturing.

The governor did try to reassure members of the public who may be reluctant to embrace the toilet-to-tap concept, even amid an unrelenting drought.

"Don't worry, it's not going to happen overnight," he said. "And we're going to test."

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## **Vandals damage dam, nearly 50 million gallons of water pours into Bay**

*David DeBolt, Oakland Tribune*

*Updated: 05/23/2015 02:56:20 PM PDT*

ContraCostaTimes.com

FREMONT -- Enough water to supply 500 homes for one year spilled into San Francisco Bay on Thursday after vandals damaged a water district dam in Fremont, officials said.

The loss of 49 million gallons of water began sometime Thursday morning, when an inflatable dam on Alameda Creek was destroyed. Alameda County Water District, which maintains the dam, reported it to police at 11:30 a.m.

"This is a very significant loss of water under any circumstances, and more so in the drought conditions we are experiencing," said ACWD General Manager Robert Shaver. "It is an utterly senseless, destructive and wasteful thing to do."

Police said the felony vandalism was an intentional act, but as of Friday afternoon had no suspects and were not exactly sure how it was damaged. The dam is in a restricted area, authorities said.

Because of its age, the district was already working to replace the dam, officials said. It was built in 1971 and is one of two dams ACWD controls.

The water was to eventually be used by residents and businesses in Fremont, Newark and Union City, the water district said. ACWD supplies water to some 340,000 people in southern Alameda County. The district estimated the 49 million gallons, or 150 acre-feet of water, is enough to supply the needs of 500 homes for one year.

"While the water loss was substantial, the district does not believe it will have a long-term impact on its water supply operations," according to a district statement.

Anyone with information about the vandalism is asked to contact Fremont police Detective A. Ceniceros at 510-790-6900 or email [Aceniceros@fremont.gov](mailto:Aceniceros@fremont.gov).

David DeBolt covers breaking news. Contact him at 510-208-6453. Follow him at [Twitter.com/daviddebolt](https://twitter.com/daviddebolt).

MAY 22, 2015

# California drought: State approves farmers' offer of 25% voluntary water cuts

## HIGHLIGHTS

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The move could fend off deeper mandatory losses during the drought

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The farmers are in the Sacramento/San Joaquin delta

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California water law is built around preserving claims of rights holders

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In a May 2014 file photo, irrigation water runs along the dried-up ditch between the rice farms in Richvale, Calif. | Jae C. Hong - ASSOCIATED PRESS

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BY FENIT NIRAPPIL

*The Associated Press*

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California regulators on Friday accepted a historic offer by farmers to make a 25 percent voluntary water cut to avoid deeper mandatory losses during the drought.

Officials with the state Water Resources Control Board made the announcement involving farmers in the delta of the Sacramento and San Joaquin rivers who hold some of California's strongest water rights.

The several hundred farmers made the offer after state officials warned they were days away from ordering some of the first cuts in more than 30 years to the senior water rights holders.

California water law is built around preserving the water claims of those rights holders. The threat of state cuts is a sign of the worsening impacts of the four-year drought.

The state already has mandated 25 percent conservation by cities and towns and curtailed water deliveries to many farmers and communities.

The most arid winter on record for the Sierra Nevada snowpack means there will be little runoff this summer to feed California's rivers, reservoirs and irrigation canals. As of Thursday, the U.S. Drought Monitor rated 94 percent of California in severe drought or worse.

About 350 farmers turned out Thursday at a farmers' grange near Stockton to talk over the delta farmers' bid to stave off deeper cuts.

"That doesn't necessarily mean they'll all participate" in the proposed voluntary cutbacks, said Michael George, the state's water master for the delta. But based on the farmers' comments, George said, he believed many will.

Longtime west side farmer Don Cameron said the water deal has the potential to benefit water users south of the delta.

"Maybe this allows for a redistribution of water through the delta," Cameron said. "And I think this will go a long way to show some good will."

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**SENIOR WATER-RIGHTS HOLDERS ALONE CONSUME TRILLIONS OF GALLONS OF WATER A YEAR. THE STATE DOESN'T KNOW EXACTLY HOW MUCH THEY USE BECAUSE OF UNRELIABLE DATA COLLECTION.**

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Cameron said that even though many farmers in the San Joaquin Valley have received

little to no surface water, the public perception is that farmers are not conserving water.

"We are all affected by the drought," Cameron said. "Hopefully, we will make it through this year, not just for farmers but for everyone in the rural communities who has their own wells."

Under the deal, delta farmers would have until June 1 to lay out how they will use 25 percent less water during what typically is a rain-free four months until September.

The delta is the heart of the water system in California, with miles of rivers interlacing fecund farmland. It supplies water to 25 million California residents and vast regions of farmland that produce nearly half of the fruits, nuts and vegetables grown in the U.S.

Agriculture experts, however, say they would expect only modest immediate effects on food prices from any reduction in water to the senior water-rights holders. Other states will be able to make up the difference if California moves away from low-profit crops, economists say.

State officials initially said they would also announce the first cuts of the four-year drought to senior rights holders on Friday. Water regulators said Thursday, however, that the announcement involving farmers and others in the watershed of the San Joaquin River would be delayed until at least next week.

It is unclear whether the delta farmers' offer would go far enough to save drying, warming waterways statewide.

Farmers use 80 percent of all water taken from the land in California. Senior water-rights holders alone consume trillions of gallons of water a year. The state doesn't know exactly how much they use because of unreliable data collection.

The 1977 cutback order for senior rights holders applied only to dozens of people along a stretch of the Sacramento River.

Although thousands of junior water rights holders have had their water curtailed this year, Gov. Jerry Brown has come under criticism for sparing farmers with senior water rights from mandatory cutbacks.

Increasing amounts of the state's irrigation water goes to specialty crops such as almonds, whose growers are expanding production despite the drought.

*Bee staff writer Robert Rodriguez contributed to this report.*

## **Union City: Sanitary agency set to save money, energy with \$14.5 million facility**

*By Chris De Benedetti cdebenedetti@bayareanewsgroup.com*

*Posted: 05/24/2015 12:00:00 AM PDT*

InsideBayArea.com

UNION CITY -- The Tri-City agency that treats wastewater and sewage says it will save energy and money from a new facility that reuses gas to power part of its Union City plant.

The Union Sanitary District's "cogeneration facility" converts the biogas that it generates into electrical power at its Benson Road property, which could reduce the agency's power bills by tens of millions of dollars over the new building's life span.

"Everybody wants to save on energy costs while using materials that would otherwise be wasted, and this will help us achieve that" said district board President Manny Fernandez. "It's a great idea, creating energy out of something you'd normally dispose of."

The Union Sanitary District treats millions of gallons of wastewater and offers collection and disposal services to residents and businesses in Fremont, Newark and Union City. Its total annual budget this year is around \$56.7 million, district General Manager Paul Eldredge said.

The \$14.5 million cogeneration facility took two years to build at the district's 33-acre plant on the western edge of town. Last month, the agency celebrated the opening of the 30-foot-tall, 5,000-square-foot metal building. The cogeneration facility was partly funded by a nearly \$3.4 million grant from PG&E, Eldredge said.

The special district for decades has used methane gas created from treating and breaking down sewage and wastewater. That gas then has been reused as energy to power the agency's cogeneration engines.

The old engines, in use for about 30 years, were replaced recently by bigger ones that are more efficient and can repurpose a greater level of methane gas, district leaders said. The new engines, expected to last about 20 years, are able to use all of the gas produced by the plant's treatment system, whereas the old ones could only convert about 50 percent of it, Eldredge said.

"Wastewater treatment is an energy-intensive process, and we're always looking for ways to reduce our operational expenses," he said, "The amount of power that we generate (with the new engines) will insulate us and ratepayers from rising power costs."

The upgraded equipment has earned the recognition of Rep. Eric Swalwell, D-Dublin, who last month gave Union Sanitary District a special congressional certificate. He lauded the agency for its "commitment and dedication to renewable energy."

If the facility works as it should, agency leaders said, the district might reduce its annual \$2 million energy costs by more than 75 percent, taking its yearly bill lower than \$500,000.

"This is one of many USD projects that help us ... make the best use of the public's assets," Eldredge said.

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

# Turning sewage into drinking water gains appeal as drought lingers

Pine Flat Reservoir  
Allen J. Schaben / Los Angeles Times  
By Monte Morin contact the reporter

As the drought drags on, water managers and environmentalists advocate turning sewage into drinking water

It's a technology with the potential to ease California's colossal thirst and insulate millions from the parched whims of Mother Nature, experts say.

But there's just one problem — the "yuck factor."

As a fourth year of drought continues to drain aquifers and reservoirs, California water managers and environmentalists are urging adoption of a polarizing water recycling policy known as direct potable reuse.

Unlike nonpotable reuse — in which treated sewage is used to irrigate crops, parks or golf courses — direct potable reuse takes treated sewage effluent and purifies it so it can be used as drinking water.

It's a concept that might cause some consumers to wince, but it has been used for decades in Windhoek, Namibia — where evaporation rates exceed annual rainfall — and more recently in drought-stricken Texas cities, including Big Spring and Wichita Falls.

In California, however, similar plans have run into heavy opposition.

Los Angeles opponents coined the derisive phrase "toilet to tap" in 2000 before torpedoing a plan to filter purified sewage water into an underground reservoir — a technique called indirect potable reuse.

In 1994, a San Diego editorial cartoonist framed debate over a similar proposal by drawing a dog drinking from a toilet bowl while a man ordered the canine to "Move over..."

Despite those defeats, proponents say the time has finally arrived for Californians to accept direct potable reuse as a partial solution to their growing water insecurity. With Gov. Jerry Brown ordering an unprecedented 25% cut in urban water usage because of drought, the solution makes particular sense for large coastal cities such as Los Angeles, they say.

Instead of flushing hundreds of billions of gallons of treated sewage into the Pacific Ocean each year, as they do now, coastal cities can capture that effluent, clean it and convert it to drinking water.

"That water is discharged into the ocean and lost forever," said Tim Quinn, executive director of the Assn. of California Water Agencies. "Yet it's probably the single largest source of water supply for California over the next quarter-century."

The advocates' hunch that severe drought has changed long-held attitudes on potable reuse may be on the mark.

Recently, a leader in the effort to stop the Los Angeles project more than a decade ago said he still opposed it but might consider a new plan if officials made a solid case for it. He said one of the reasons he opposed the original plan was that "incompetent" officials failed to explain their rationale to residents in the first place.

"You know, toilet to tap might be the only answer at this point," said Van Nuys activist Donald Schultz. "I don't support it, but we're running out of options. In fact, we may have already run out of options."

To be sure, it will be years, or even a decade, before direct potable reuse systems begin operation in California — if ever.

One reason for this is that there is no regulatory framework for the approval of such a system. Currently, a panel of experts is preparing a report to the Legislature on the feasibility of creating such rules. That report is due in 2016.

Potable reuse advocates insist the public's distaste for the concept is based on ignorance. They note that more than 200 wastewater treatment plants already discharge effluent into the Colorado River, which is a primary source of drinking water for Southern California.

"That's what I call de facto potable reuse," said George Tchobanoglous, a water treatment expert and professor emeritus at UC Davis.

In an economic analysis last year, Tchobanoglous estimated that by 2020, potable reuse could yield up to 1.1 million acre-feet of water annually — somewhat less than the 1.3 million acre-feet of water the governor hopes to save through mandatory reductions, and enough to supply 8 million Californians, or one-fifth of the state's projected population.

In potable reuse systems, effluent from a wastewater treatment plant is sent to an advanced treatment facility, where it undergoes a three-step purification process.

First, the water is passed through a microfilter that blocks particles, protozoans or bacteria that are larger than 1/300<sup>th</sup> the thickness of a human hair. Next, it undergoes even finer filtration in the form of reverse osmosis, in which water is forced through a membrane that blocks fertilizers, pharmaceuticals, viruses and salts. In the third step, ultraviolet light and hydrogen peroxide are used to break down any pathogens or organic compounds that escaped the first two steps.

The result is a purified substance that is cleaner than most bottled waters, according to WateReuse California, a group that advocates for water reuse and desalination. However, it is still sent to a traditional water treatment plant, where it is blended with other sources of water, processed and pumped to household taps.

In an indirect potable reuse system, the water is placed in an "environmental buffer," such as an underground aquifer or surface water reservoir, where it is stored for a period of time before getting processed in a traditional water treatment plant. It is this type of system that was defeated in Los Angeles.

Although potable reuse advocates say opposition is often driven by a visceral response to the process, the so-called yuck factor, those who opposed the Los Angeles project said recently that

they did so for a variety of reasons, including cost and the potential long-term effects of the trace quantities of drug compounds, hormones and personal care products found in wastewater and surface water.

"Personally I would not drink water that has been recycled through the toilet to tap process," said Steven Oppenheimer, a biology professor at Cal State Northridge. However, Oppenheimer said he would use such water for irrigation, and even household cleaning and bathing.

The presence of so-called contaminants of emerging concern may prove to be one of the main barriers to direct potable reuse. Because of limited scientific knowledge, these compounds are unregulated, meaning that there are no government-prescribed methods for monitoring or removing them.

Tchobanoglous and others insist these substances exist in such small quantities that they don't pose a significant issue.

To some, the contaminant issue argues in favor of using indirect potable reuse systems.

Such a system has been operating since 2008 in Orange County, where purified water is pumped into an aquifer and held for six months before being used as drinking water. Also, after its first failed attempt at establishing an indirect potable reuse system, San Diego approved a second demonstration project years later. It recently won approval to store treated water in an open reservoir as part of a pilot program.

Allison Chan, an environmental engineer who has studied the issue of why some potable reuse projects succeeded while others failed, said that an active public outreach campaign, as well as a crucial need for water, were key factors in projects that won approval.

Chan said that although education and outreach generally increased support for potable reuse programs, it also had the effect of hardening perceptions. In other words, supporters became even more supportive, while opponents became even more opposed.

Said Chan: "This just goes to show how the yuck factor can stick with some people."

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# County can make manufacturers pay for discarded drugs

By Bob Egelko

Updated 1:00 am, Wednesday, May 27, 2015

The U.S. Supreme Court rejected a challenge by the pharmaceutical industry Tuesday to an Alameda County law, the first of its kind in the nation, requiring drug manufacturers to pay the costs of disposing of consumers' unused medications.

The action allows the county to move forward with the program and clears the way for similar ordinances elsewhere. San Francisco's Board of Supervisors approved a drug-disposal measure in January but delayed implementation while the court considered the Alameda County case. San Mateo County is about to implement its own ordinance, and Santa Clara County is considering one. Washington state's King County has required drug companies to pay cleanup costs since 2013.

"This was the last opportunity for the pharmaceutical industry to stop these kinds of programs," which now will "begin to proliferate around the United States," said Arthur Shartsis, a lawyer for Alameda County.

Drug companies have resisted paying for off-site disposal programs and have maintained that unneeded pills can be discarded safely at home.

After Tuesday's court order, industry groups led by Pharmaceutical Research and Manufacturers of America said they would seek to "educate consumers on the appropriate use of medicines," including "safe, secure and effective methods for disposal."

Supporters of the Alameda County ordinance, including the Natural Resources Defense Council, city and county governments, and Attorney General Kamala Harris, say manufacturers should bear the cost of keeping discarded drugs out of landfills and waterways for the sake of the environment and their customers' health.

The drug-disposal laws are part of a broader movement, begun in Europe more than 20 years ago, to “extend producer responsibility beyond the sale,” said Heidi Sanborn, executive director of the California Product Stewardship Council, an advocacy group.

### **Practice growing**

The practice is now prevalent in South American nations as well as Mexico and Canada. Sanborn noted that other laws require manufacturers to pay disposal costs for such products as needles, batteries, paints and mattresses.

Alameda County has operated and paid for about 30 drop-off sites where consumers can discard their pills. In July 2012, county supervisors approved the law to require the industry to pay for pickup and disposal of unused prescription drugs sold in the county. It is in the process of being implemented.

Pharmaceutical companies, backed by trade associations and the U.S. Chamber of Commerce, argued that the ordinance illegally shifts local costs to out-of-state drug producers and interferes with interstate commerce. But the Ninth U.S. Circuit Court of Appeals in San Francisco upheld the Alameda County law in September, saying it treats all manufacturers equally, regardless of location, and imposes no substantial burden on interstate commerce.

“Given that the ordinance applies across the board, it does not discriminate at all,” said Judge N. Randy Smith in the 3-0 ruling.

The court said pharmaceutical companies collect \$950 million a year in sales revenue in Alameda County and could comply with the ordinance at an annual cost of \$1.2 million, by the companies’ estimate, or \$330,000 by the county’s figures.

### **Price increases OKd**

The ordinance allows manufacturers to pass their costs along by increasing prices, and Shartsis said they could recoup their expenses by charging Alameda County customers another penny, at most, for each \$10 in sales.

In seeking Supreme Court review, drug manufacturers said that under the Ninth Circuit ruling, “virtually all interstate manufacturers can be converted into local collectors of unused products at the whim of local governments.” The Constitution, the companies argued, does not allow state or local governments to force multistate companies to establish local operations, like drug-disposal sites, “to enrich local residents at the expense of non-local businesses and consumers.”

The high court denied review of the case without comment.

*The case is Pharmaceutical Research and Manufacturers of America vs. Alameda County, 14-751.*

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- ★ Quality Transport, Inc. (5)
- ★ Quantum Clean #2 (8)
- ★ Seagate Technology LLC #3 (3)
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- ★ Washington Hospital Healthcare (2)
- ★ Western Digital Fremont #1 (2)

## Newark

- Britech Electropolishing, Inc.
- ★ Matheson Tri-Gas, Inc. (5)

## Union City

- ★ Electrochem Solutions, Inc. (2)
- ★ Royal Truck Body (5)
- ★ Star Pacific, Inc. (4)
- United States Pipe & Foundry Company

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## Castro Valley sewer fees jump almost 50 percent in four years

By Rebecca Parr [rparr@bayareanewsgroup.com](mailto:rparr@bayareanewsgroup.com)

Updated: 05/26/2015 11:03:05 AM PDT

ContraCostaTimes.com

CASTRO VALLEY -- Residents could see their sewer service fee jump almost 50 percent in four years under a proposed rate hike.

If the sewer fee increase is approved, Castro Valley Sanitary District residential customers will pay \$340 annually starting in July and \$380 in 2016.

The 2016 fee is 46 percent more than the \$260 levied against residential customers in 2012. Sanitary district directors are scheduled to vote on the proposed increase June 16.

Sanitary district board President Dave Sadoff said the increases are needed to cover expenses.

"We have capital improvement costs. The district has 180 miles of pipeline; a lot of it is 50-plus years old, with a 50-year life expectancy," he said. "Our staff is constantly inspecting the lines, looking for failing section that needs to be repaired or replaced. The cost keeps going up and up."

The district also has to comply with state and federal regulations, and it is crucial that the system and equipment are working properly, Sadoff said. The district is contributing \$2 million for required improvements at the wastewater treatment plant it jointly owns with Oro Loma Sanitary District.

"We are making sure that when you flush the toilet, it works," Sadoff said.

Castro Valley Sanitary also is helping pay for a pilot ecotone levee near the wastewater treatment plant, Sadoff said. The levee will provide additional wastewater storage during storms.

Castro Valley Sanitary is paying \$2.45 million of the \$9 million ecotone cost; Oro Loma is contributing \$4.55 million, and a state grant will cover \$2.1 million.

If the district board approves the fee increases, they will go into effect unless a majority of property owners file protest letters.

Castro Valley's proposed \$340 sewer charge is much higher than Oro Loma's, which will go up from \$200 annually to \$206 in July, a 3 percent increase.

"I would love it if our board asked Oro Loma to annex us," said Dan Davini, a Castro Valley Sanitary customer.

Except for Oro Loma, Castro Valley's proposed sewer fees are close to what other agencies charge. Hayward charges its residents \$337.08, and Dublin San Ramon Services District will increase its fee from \$372.96 to \$382.38 in July. Union Sanitary District, which serves Union City, Fremont and Newark, charges \$357.02 annually.

Not everyone is buying that the district needs the increases.

Marc Crawford, a Castro Valley resident who ran for the sanitary district board, said he has complained for years about its fees. As chairman of the Castro Valley Municipal Council, he said he often hears about restaurants not being able to open in the community because they cannot afford the sanitary district's fees.

Castro Valley Sanitary District charges \$14,000 to connect a house into the sewer system, he said. Oro Loma's fee is \$6,555; Hayward charges \$7,700.

"The district's insatiable appetite for high fees has gotten out of hand," Crawford said.

Davini agreed.

"I'm tired of the nonstop fee increases. Every year in the last four years, they have had substantial sewer increases. What bothers me, there's no good reason for it; we have pretty much a zero rate inflation economy," he said.

The proposed sewer increase comes after the district raised garbage rates 3 percent this spring, from \$36.92 to \$38.07 for a 32-gallon cart starting in July.

"Every year, we look at our rates to see if they need adjusting," district General Manager Roland Williams said. "We look at the cost of delivering garbage service, the equipment, any cost associated with the landfill, fuel and labor, which is a big component. The drivers and the folks who work at Davis Street Transfer Station negotiate salary increases."

Hayward's monthly charge for a 32-gallon residential cart is \$29.81.

"Hayward has the same services with the same company," Crawford said. Waste Management has a franchise agreement with both Castro Valley Sanitary and Hayward.

The board also increased Williams' annual total compensation in March, from \$260,422 last year to \$325,240 in 2017, an increase of almost 23 percent. Total compensation includes salary and all benefits.

The pay raise brings Williams' salary up to what other general managers in similar districts are paid, Sadoff said.

"It was not done willy-nilly. Roland is an attribute to the district; we have won numerous awards under his leadership. We have an excellent staff. We are recognized as a cutting edge and progressive district," Sadoff said.

Contact Rebecca Parr at 510-293-2473 or follow her at [Twitter.com/rdparr1](https://twitter.com/rdparr1).

## **Barnidge: Small drought measures are good, but better solutions await**

*Updated: 05/27/2015 12:58:49 PM PDT*

ContraCostaTimes.com

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Not only did I see no sprinklers sprinkling, I noticed one resident replaced the grass in her front yard with desert vegetation. With a few horned lizards and rattlesnakes, you might mistake it for the Mojave. Even more striking was the couple at the end of our block. They did to their lawn what Bruce Willis did to his hair. Their walkway from the street to the front door now divides a lovely plot of dirt. It's reminiscent of the basepaths at AT&T Park.

Drought management efforts are all the rage now. Water districts have issued conservation rules about washing cars, irrigation frequency and restaurants serving water. Some communities have gone even further. Concord presented its drought strategy at a City Council meeting Tuesday.

Irrigation has been turned off for street medians with ornamental turf. Unplanted medians will remain unplanted. The kids spray park will be open shorter hours, cops will report broken sprinkler heads in parks, city fountains will remain dry and so on.

These are incremental steps, drip by drip, that presumably add up to something. They come on top of other modest measures designed to curtail water waste: low-flow toilets and showerheads; water-efficient dishwashers and washing machines; mulch for gardens; drip irrigation systems.

Don Berger, an environmental engineer and water resource expert, refers to those as the "low-hanging fruit" on the drought-mitigation tree. They came first on the to-do list because they were the easiest. He thinks the next big step in Northern California is tapping into recycled water.

This is already being done, to some extent, in Southern California, where processed waste water is repurposed for industrial use and San Diego has begun steps to treat it as drinking water. Processed waste water is largely ignored locally. The Central Contra Costa Sanitary District dumps 40 million gallons of it into Suisun Bay every day.

"The Bay Area is one of the few areas in the country where people are not already drinking recycled water," Berger said. "Think about all the cities on the Mississippi River. Each pulls out water and treats it, then it goes through the sewer and is discharged back into the river and treatment plants farther south take it out to make more drinking water."

When waste water has gone through the primary, secondary and tertiary treatment cycles at Central San's plant, he said, what comes out is comparable to swimming pool water. By industry standards, he said, it's "gulpable -- if you drink it, you're not going to get sick." All that separates it from drinking water is reverse osmosis treatment and disinfection.

The expense to do all that is not insignificant -- he estimates turning recycled water into potable water costs about \$900 per acre-foot -- but he said it's less than half the cost of producing the same amount of potable water from seawater through desalination.

"It will be a while," Berger said, "but I think the future of Central San's water will be potable use."

Maybe someday there will be enough water to go around. Maybe we'll wise up to all the water we're wasting. Meanwhile, I'm finding out where to buy those desert plants.

Contact Tom Barnidge at [tbarnidge@bayareanewsgroup.com](mailto:tbarnidge@bayareanewsgroup.com).

## **California drought: Hundreds turn out to oppose San Jose Water Company's strict drought rules**

*By Paul Rogers [progers@mercurynews.com](mailto:progers@mercurynews.com)*

*Updated: 05/29/2015 12:49:09 PM PDT*

[ContraCostaTimes.com](http://ContraCostaTimes.com)

SAN JOSE -- Despite an outcry from hundreds of residents, San Jose Water Company officials say they are sticking with their plan to impose some of the state's strictest water conservation rules on more than 1 million people across Silicon Valley starting June 15.

More than 350 people turned out to voice their concerns late into the night Thursday at the only public hearing on the new rules. Through four hours of testimony, dozens of speakers at the Rotary Summit Center in downtown San Jose urged the water company's top representatives to rewrite the proposed new drought regulations that will limit each home to a fixed monthly allocation of water, with financial penalties for customers who use more than their limit.

"You chose the option which was the most painful to the residents," said Robert Goldman, a San Jose resident who noted that other Bay Area water providers such as East Bay Municipal Utility District have adopted less stringent regulations.

"Your proposal is unjust, unreasonable and discriminatory," added Wolfgang Hausen, a Saratoga resident who said he cut water use 57 percent since 2013 but still faces significant penalties under the new rules.

Customers complained the one-size-fits-all rules are unfair to people with large yards and large families -- although the water company has agreed to adjust one of its rules to allocate more water to residences with more than four people.

Company officials said they have no plans, however, to change anything else with the new rules, which were triggered by Gov. Jerry Brown's order this month requiring urban residents to reduce water use by 25 percent statewide compared to 2013 to preserve drinking water amid the worst drought in California's 164-year history.

"Our position is that we stand by our proposal," Palle Jensen, San Jose Water's senior vice president for regulatory affairs, told the crowd, some of whom yelled out criticisms. "It's not like the spigot is going to go dry. You can still use water. But you will have to decide how."

San Jose Water is a private company founded in 1866. It provides 80 percent of San Jose's residents with drinking water, along with Los Gatos, Saratoga, Monte Sereno, Campbell and parts of Cupertino.

On May 11, mirroring tough rules already in place in Santa Cruz, the company announced it would give all single-family residences -- defined as any home that has its own water meter -- monthly water allocations requiring a 30 percent reduction from 2013 levels. Apartments and most businesses won't receive them.

A key point of controversy Thursday night: the 30 percent cut isn't based on each home's individual use. Instead, it's calculated on the month-by-month average of all residential users in San Jose Water's service area. For the months of July, August and September, each home will be allowed the same amount -- 13 units of water a month. Each unit is 100 cubic feet, or 748 gallons. Use above that will bring penalties of up to \$7.12 a unit.

Company officials defended the strategy. They noted that in 1991, the last time California faced a severe drought, they required each South Bay customer to cut water use 25 percent from their own prior totals. But residents said then that the system was unfair because people who already had been conserving all along had little left to cut, while their water-guzzling neighbors met the target without much pain. Now, the company is trying a different approach due to that experience, officials said.

"We heard from tens of thousands of people back then who were complaining -- and legitimately so -- that they were being penalized when they had already reduced landscaping, and put in low-flow plumbing fixtures," said Robert Day, San Jose Water's director of customer service.

One person, Andrew Lowd of San Jose, said he supports the new rules giving everyone the same monthly allocation because through drip irrigation and careful conservation, his family has cut use to 48 gallons per person a day, or about 8 units a month.

"If we had to cut another 30 percent, that would be 33 gallons per person," he said. "I couldn't cut to 33."

Some at the meeting said the rules should be flexible for large families.

"It's not fair to penalize a family of six and give a bonus to a family of one," said Bryce Carroll, of San Jose.

After the meeting, the company offered new details on how it would adjust for larger families. Homes with more than four residents will be allowed to fill out an appeal form to receive two units of water a month for each extra permanent resident, said John Tang, San Jose Water's spokesman. Those forms will be on the company's website soon, and the appeals program, which also will provide extra allocations to people with medical conditions needing more water, will be up and running by June 15, he said.

Some at Thursday's meeting criticized the plan for not applying to indoor water use at businesses, or to apartments. Company officials said they rushed to meet a state deadline and wanted to focus on the bulk of their customers, residences, and their lawns, which use 50 percent of residential water.

Others blasted the company for not recording the event, which was required under state Public Utilities Commission rules. Many said they plan to file appeals with the PUC in the hopes of changing the plan.

"I get the feeling that this is token," said Ron Rico, of San Jose. "You are sitting there looking like you are waiting for the meeting to be over. You aren't taking notes. There isn't going to be a transcript. That's frustrating."

Company officials said those using more water than the community average, particularly on landscaping, must cut back more, or next year there will be more severe rules, and local groundwater tables could fall so low that the ground sinks, breaking roads, gas lines and damaging buildings.

"I know this is going to be a hardship for some people," said Tang. "But we don't know if we are in the fourth year of a four-year drought or the fourth year of a 10-year drought."

Paul Rogers covers resources and environmental issues. Contact him at 408-920-5045. Follow him at [Twitter.com/PaulRogersSJMN](https://twitter.com/PaulRogersSJMN)

#### SAN JOSE WATER COMPANY'S NEW CONSERVATION RULES

To see the San Jose Water Company water conservation rules, go to [www.sjwater.com](http://www.sjwater.com)

## **Guest commentary: Contra Costa Sanitary District pensions should cover rate increase**

*By Robert Fellner, guest commentary © 2015 Bay Area News Group*

*Posted: 05/31/2015 09:00:00 AM PDT*

ContraCostaTimes.com

When learning of the proposed hikes, Mt. Diablo Unified School District's executive director of operations, Jeff McDaniel, needed to be "picked up off the floor" according to a report in this paper. County ratepayers may find themselves floored as well, upon realizing just where their money is going.

In 2014, the average pay and benefits package for a full-time, year-round Sanitary District employee was \$207,486 -- roughly half of which is the employer cost of funding their pension and Rolls-Royce-style health, dental and vision insurance plans that cost as much as \$36,868 a year.

The Sanitary District has long had one of the most lucrative pension systems in the state due to the ability to engage in pension spiking at an unprecedented level.

Columnist Daniel Borenstein was the first to uncover how many district retirees actually got a raise to retire, explaining how district employees were able to take advantage of extremely generous leave accrual policies and a pension system that allowed one-time cash outs to be counted toward their pensionable compensation.

Despite efforts to curb this practice going forward, the costs for many existing and retired employees will burden the district for decades to come.

Take former General Manager James Kelly, for example. When Kelly retired in 2012 his maximum annual salary was \$275,414. Last year, he received a \$280,235 pension -- a slight increase from the highest salary possible for the district's highest paid position, despite only having worked a 28-year career.

Six-figure retirement income is an agencywide trend. Just released 2014 pension data on Transparent California reveals that the average pension for a full-career retiree of the district was \$102,947.

That is 25 percent more than what Contra Costa County retirees earned (\$82,094), 47 percent more than San Joaquin County (\$70,111) and 48 percent more than Sacramento County.

The district's annual pension contributions, 68 cents for every dollar of payroll, are dramatically higher than its neighbors as well.

By comparison, the East Bay Municipal Utility District pays about 39 cents and both the West County Wastewater District and Union Sanitary District pay only 19 cents per dollar of payroll to fund their pensions.

**The district will phase out the practice of paying for the employee's share of pension**

contributions by 2017 -- at which point employees will contribute roughly an additional 4 cents per dollar of pay toward their pension, depending on their age when hired.

While this is a step in the right direction, it is unlikely to meaningfully reduce the cost being passed on to ratepayers.

The excess is not limited to pensions only -- the district also purchases some of the most expensive health, dental and vision plans available, at no cost to the employee. Incredibly, the district pays \$30,000 or more for over half of their employees' health insurance. The average cost for all employees was just over \$25,000, or more than triple what private employers pay.

Expecting government officials to reduce their own pay contradicts everything we know about human behavior.

Consequently, there will always be some excuse for why taxes must be raised again that ignores excessive compensation.

Central Contra Costa County ratepayers should be aware that the reason they, and their schools, will have less in the coming years, is so that district employees can have that much more.

Robert Fellner is research director at [TransparentCalifornia.com](http://TransparentCalifornia.com), the state's largest database of public sector pensions and pay.