



**BOARD MEETING AGENDA**  
**Monday, February 22, 2016**  
**Regular Meeting - 7:00 P.M.**

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

**Union Sanitary District**  
**Administration Building**  
**5072 Benson Road**  
**Union City, CA 94587**

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

Karen W. Murphy  
*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 February 8, 2016.

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5. Monthly Operations Report *(to be reviewed by the Budget & Finance Committee)*.
  - a. Monthly Odor Report & Financial Reports.
  - b. Second Quarter FY 16 District-wide Balanced Scorecard Measures.
  - c. Balanced Scorecard Report for the Treatment & Disposal and Fabrication, Maintenance and Construction (FMC) Workgroups.

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6. Written Communications.

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7. Oral Communications.

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

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- Motion 8. Review and Approve Proposed Changes to Policy No. 3070.2, Board Member Officers and Committee Membership *(to be reviewed by the Personnel Committee)*.

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- Motion 9. Review and Approve Proposed Changes to Policy No. 3080, Board Agenda Subjects Requested by Board Members *(to be reviewed by the Personnel Committee)*.

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- Motion 10. Adopt the Investment Policy for 2016 *(to be reviewed by the Budget and Finance Committee)*.

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- Motion 11. Consider Confirming and Declaring the Need to Continue the Emergency Action to Repair the 33 Inch Sewer on Alvarado Boulevard and Update on the Repairs *(to be reviewed by the Construction Committee)*.

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- Motion 12. Discuss and Provide Direction Regarding Changes to the Sewer Service Charges FY17 - 21 Rate Fact Sheet as Proposed by Director Lathi.

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- Motion 13. Schedule Special Meeting for General Manager Check-In.
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- Information 14. Information Items:
- a. Check Register.
  - b. Cal-Card Quarterly Activity Report *(to be reviewed by the Budget and Finance Committee)*.
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- Information 15. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*
- a. Construction Committee – scheduled for Wednesday, February 17, 2016, at 10:30 a.m.
  - b. Budget & Finance Committee – scheduled for Thursday, February 18, 2016, at 8:30 a.m.
  - c. Legal/Community Affairs Committee – will not meet.
  - d. Personnel Committee – scheduled for Friday, February 19, 2016, at 11:00 a.m.
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- Information 16. General Manager’s Report. *(Information on recent issues of interest to the Board)*.
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17. 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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18. Adjournment – The Board will adjourn to a Special Meeting Newsletter Layout / Mid-Year Budget Combined Board Workshop to be held in the Centerville Conference Room on Tuesday, February 23, 2016, at 11:30 a.m.
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19. Adjournment – The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, March 14, 2016, at 7:00 p.m.

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  
5072 Benson Road, Union City, CA 94587



**BOARD MEETING OF FEBRUARY 22, 2016**

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**Committee Membership:**

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

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**Construction Committee, Wednesday, February 17, 2016, at 10:30 a.m.**

11. Consider Confirming and Declaring the Need to Continue the Emergency Action to Repair the 33 Inch Sewer on Alvarado Boulevard and Update on the Repairs.
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**Budget & Finance Committee, Thursday, February 18, 2016, at 8:30 a.m.**

5. Monthly Operations Report.
    - a. Monthly Odor Report & Financial Reports
    - b. Second Quarter FY 16 District-wide Balanced Scorecard Measures
    - c. Balanced Scorecard Report for the Treatment & Disposal and Fabrication, Maintenance and Construction (FMC) Workgroups
  10. Adopt the Investment Policy for 2016.
  - 14b. Cal-Card Quarterly Activity Report.
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**Personnel Committee, Friday, February 19, 2016, at 11:00 a.m.**

8. Review and Approve Proposed Changes to Policy No. 3070.2, Board Member Officers and Committee Membership.
  9. Review and Approve Proposed Changes to Policy No. 3080, Board Agenda Subjects Requested by Board Members
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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  
February 8, 2016**

**CALL TO ORDER**

President Toy called the meeting to order at 7:02 p.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

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

STAFF: Paul Eldredge, General Manager  
Karen Murphy, District Counsel  
James Schofield, Collection Services Manager  
Robert Simonich, Fabrication, Maintenance, and Construction (FMC) Manager  
Sami Ghossain, Technical Services Manager  
Pamela Arends-King, Business Services Manager/CFO  
Sheila Tolbert, Human Resources Manager  
Michelle Powell, Communications and Intergovernmental Relations Coordinator  
Mohammad Ghoury, Engineering Technician II  
Kristina Silva, Administrative Specialist

GUEST: Alice Johnson, League of Women Voters

**APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 25, 2016**

It was moved by Director Handley, seconded by Director Fernandez, to approve the Minutes of the Meeting of January 25, 2016 as presented at meeting. Motion carried unanimously.

**MONTHLY OPERATIONS REPORT FOR NOVEMBER AND DECEMBER 2015**

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge stated there was one odor complaint in November and one in December. Both odor complaints came from Union City in the vicinity of the sink hole. Collection Services is chemically dosing the lines impacted by the sink hole regularly to help control odors until the repairs are completed.

An abridged overview of the financials was given.

Business Services Manager/CFO Arends-King reported on the December financials.

- Revenues:
  - 52% of Sewer Service Charges Budget have been received
  - 82% of Capacity Fees Budget have been received to date. The reason for the higher than normal percentage for this time period is due to new developments in District's service area
- Expenses were representative of typical expenses for the period stated
- Short term investments were purchased in November and December maturing between 1-2 years

General Manager Eldredge stated that the Cogeneration generator power production had slightly dropped in the month of December due to mechanical issues and repairs on warranty items of the generator engines.

### **WRITTEN COMMUNICATIONS**

There were no written communications.

### **ORAL COMMUNICATIONS**

There were no oral communications.

### **APPROVE NEW COLLECTION SERVICES TRAINER – JOB DESCRIPTION AND SALARY**

This item was reviewed by the Personnel Committee. Collection Services Manager Schofield stated that in an effort to prevent the Collection Services (CS) Work Group from falling behind in critical safety training, the Work Group is proposing to create the new position. The responsibilities of this position will include preparing new equipment Standard Operating Procedures and Training modules and developing and conducting classroom and practical presentations, as well as the responsibilities of the CS Planner. Due to recent retirements and recent new hires, 30% of District CS employees have less than 3 years' experience with waste water, which will require the need for safety training.

The CS Trainer will be a two year pilot position that will be reevaluated on an annual basis to determine if there is an ongoing need.

General Manager Eldredge clarified that the position will not add staff to the District; the position will include responsibilities of an existing position.

It was moved by Director Handley, seconded by Director Kite, to Approve the Class Description and Salary for the Position of Collection Services Trainer. Motion carried unanimously.

### **CONSIDER PARTICIPATION IN THE ANNUAL "SCIENCE IN THE PARK" EVENT TO BE HELD OCTOBER 1, 2016**

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge noted that the Science in the Park annual event encourages the exploration of science and will be located in Hayward. The event location is outside our service area; however,

it will benefit schools and education foundations in our service area. The event would increase the District's outreach possibilities.

Two sponsorship possibilities were discussed; sponsorships in the amount of \$1,000 and \$2,500.

It was moved by Director Kite, seconded by Director Fernandez, to Direct District Staff to participate in the "Science in the Park" Event to be Held October 1, 2016 with a sponsorship in the amount of \$1,000. Motion carried unanimously.

**CONSIDER A RESOLUTION TO ACCEPT THE CONSTRUCTION OF MISCELLANEOUS SANITARY SEWER SPOT REPAIRS PROJECT – PHASE VI FROM CRATUS, INC. AND AUTHORIZE THE RECORDATION OF A NOTICE OF COMPLETION**

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated the construction contract was awarded June 2015. The purpose of the project was to repair the existing gravity sewer structural defects, such as cracks and sags that were identified through the District's television inspection program. The project was designed in-house. The project was substantially completed November 2015. All punchlist items have been completed by the contractor. Technical Services Manager Ghossain discussed the three change orders associated with the project.

It was moved by Director Fernandez, seconded by Director Kite to Adopt Resolution No. 2773 Accepting Construction of the Miscellaneous Sanitary Sewer Spot Repairs Project – Phase VI From Cratus, Inc. Located in Union City, California and Fremont, California and Authorize the Recordation of a Notice of Completion. Motion carried unanimously.

**CONSIDER A RESOLUTION TO ACCEPT THE CONSTRUCTION OF THE NEWARK BACKYARD SANITARY SEWER RELOCATION PROJECT – PHASE 2 FROM RANGER PIPELINES, INC. AND AUTHORIZE RECORDATION OF A NOTICE OF COMPLETION**

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated that the Board awarded the construction contract in April 2015. The project consisted of laterals and sewer mains relocated from backyard easements to public right-of-ways. West Yost Engineers provided the design. The project was substantially completed on November 13. All punchlist work has been completed. There were a total of five change orders amounting to 2.1% of the construction contract. Technical Services Manager Ghossain discussed the significant change orders.

It was moved by Director Kite, seconded by Director Handley, to Adopt Resolution No. 2774 Accepting the Construction of the Newark Backyard Sanitary Sewer Relocation Project – Phase 2 From Ranger Pipelines, Inc. Located in the City of Newark, California and Authorize the Recordation of a Notice of Completion. Motion carried unanimously.

**CONSIDER A RESOLUTION TO QUITCLAIM PORTIONS OF SANITARY SEWER EASEMENTS LOCATED IN TRACT 1188, TRACT 1276 IN THE CITY OF NEWARK IN CONJUNCTION WITH THE NEWARK BACKYARD SANITARY SEWER RELOCATION PROJECT – PHASE 2**

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated that the laterals had been relocated to the public right-of-ways during Phase 2 of the Newark Backyard Sanitary Sewer Relocation. With the relocation of the laterals, the need for the portion of easements has become obsolete.

It was moved by Director Lathi, seconded by Director Fernandez, to Adopt Resolution No. 2775 Quitclaiming Portions of Sanitary Sewer Easements Located in Tract 1188, Tract 1276 and Tract 1296 in the City of Newark in Conjunction with the Newark Backyard Sanitary Sewer Relocation Project – Phase 2. Motion carried unanimously.

**CONSIDER CONFIRMING AND DECLARING THE NEED TO CONTINUE THE EMERGENCY ACTION TO REPAIR 33 INCH SEWER ON ALVARADO BOULEVARD AND UPDATE ON THE REPAIRS**

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated repairs are in phase 2. The contractor has excavated to the top of the pipe. During excavation, excess ground water was encountered. Further digging resulted in the ground water seeping through and into the excavated site. Construction crews were unable to stop the ground water flow. A geotechnical consultant has been contacted to review the situation. Dewatering pumps will be installed at the site in an attempt to control the ground water.

Additional traffic signs have been installed to indicate the road closure and detour.

Collection Services staff is chemical dosing the sewer mains upstream of the sink hole to reduce the odor.

Pursuant to Public Contract Code section 22050, the Board is required to review the status of the emergency action at each subsequent meeting until the emergency action is terminated. Authorization to continue the emergency action must be approved by a four-fifths vote of the Board. Staff recommended the Board approve a motion to confirm and declare the need to continue the emergency action to repair the 33-inch sewer on Alvarado Boulevard.

It was moved by Director Fernandez, seconded by Director Kite, to Confirm and Declare the Need to Continue the Emergency Action to Repair the 33 Inch Sewer on Alvarado Boulevard. Motion carried unanimously.

**DISCUSS AND PROVIDE DIRECTION REGARDING REQUEST FOR SOCIAL MEDIA STRATEGY FROM DIRECTOR LATHI**

Director Lathi requested the Board discuss a strategy on how USD could better communicate with the public via a comprehensive communications strategy including social media. The Directors discussed if the strategy warranted a workshop. The Board also discussed if the subject could be added to another workshop or if it should be reviewed by a Board committee. General Manager Eldredge suggested an Ad-hoc committee would be more appropriate than an existing Board Committee. Upon further

discussion, the Directors agreed that an Ad-Hoc Committee be formed with Director Lathi and Director Handley as members. Director Handley requested an Ad-Hoc Committee meeting be schedule in 2-6 weeks.

It was moved by Director Handley, seconded by Director Lathi, to create an Ad-Hoc committee with Director Lathi and Director Handley being members to Discuss and Provide Direction Regarding Request for Social Media Strategy. Motion carried unanimously.

### **DISCUSS AND PROVIDE DIRECTION REGARDING REQUEST FOR CHANGES TO GENERAL MANAGER EVALUATIONS FROM DIRECTOR LATHI**

Director Lathi reported that she had received information from a webinar recommending mid-year reviews for General Managers. Director Handley suggested quarterly conversations with an annual review. Directors discussed the difference between a conversation or check-in and a review. Possible topics for the conversations were discussed.

District Counsel Murphy stated there are provisions in the General Manager's contract regarding annual performance evaluation. If the Board desires to have the conversations or check-ins by majority consensus, the matter would have to be looked at pursuant to the General Manager's contract. Majority consensus was achieved. District Counsel Murphy will look at the various options to pursue the wishes of the Board.

District Counsel Murphy suggested the item be placed on the next Board meeting agenda and District Counsel Murphy will prepare the agenda item for the February 22, 2016, Board meeting.

### **INFORMATION ITEMS:**

#### **Check Register**

All questions were answered to the Board's satisfaction.

#### **Status Report on Computer and Student Loan Program**

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Arends-King stated the commitment for fiscal year 2016 computer loans were \$50,000 and \$15,000. As of December 2015, the outstanding computer loans amount was \$17,309. The average loan amount is \$1,621. Nineteen employees are currently participating in the program. Funds are still available for computer and student loans.

Director Handley would like to look at the program to see if it is still a valid program and whether it still meets the original intended purpose.

#### **Update of the Subsurface Investigation at the Alvarado Wastewater Treatment Plant**

This item was reviewed by the Construction Committee. Technical Services Manager Ghossain stated that the Subsurface Investigation report was started in 1999. Alameda County Water District (ACWD) requested to investigate potential releases of petroleum hydrocarbons into soil and ground water beneath the treatment plant property. Three specific areas were identified in the request for ground water monitoring: an area formerly used for equipment storage, a former 550 gallon gasoline underground storage tank area,

and a closed in-place 6,000 gallon diesel UST area. The purpose of the ground water monitoring program is to document groundwater conditions in the areas of concern. Ten groundwater monitoring wells were initially installed. In 2008 ACWD approved the closure of three wells due to the analytical results. Monitoring frequency has changed from quarterly to annually, with approval from ACWD. Some monitoring area levels did not change. Electroconductivity was increased in several areas. Previously, staff had been purging the wells. After staff consulted with ACWD, staff will now use a hydrocarbon absorbing sock which will be more efficient in removing hydrocarbons.

In June 2014, ACWD reevaluated the case. ACWD provided the District with a Path to Closure Plan. One of the requirements of this plan was to perform a water supply well survey. Another requirement includes conducting a vapor intrusion investigation. Staff will continue to work with Brown and Caldwell and ACWD.

### **Board Expenditures for the 2<sup>nd</sup> Quarter of 2016**

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Arends-King stated Board Expenditures for the 2<sup>nd</sup> quarter of fiscal year 2016 were \$320. The expenditures included educational webinars and City of Union City event registrations.

### **Report on the EBDA Commission Meeting of January 14, 2016**

Vice President Handley stated over the next few months, EBDA will be concentrating energy on the expected wet weather flows. EBDA's Financial Committee and Personnel Committee reviewed the CalPERS pension plan and agreed it would be fiscally prudent to pay a lump sum payment towards the unfunded liability. The Ad-Hoc Committee met and discussed EBDA's long term capital costs as a function of flows and transport system capacity. Specific flow data will be provided by the General Manager.

### **COMMITTEE MEETING REPORTS:**

The Budget & Finance and Construction Committees met.

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

General Manager Eldredge reported the following:

- Senate Bill 1894 – California Energy Drought Relief Press release
  - This Bill still needs to go through Congress
  - Short term provision highlights include:
    - How a water district will pump water out of the delta or river; water transfer
  - Long term provision highlights include
    - Assistance for drought stricken areas
    - Water recycle
    - Water storage projects
    - Water desalination
    - Water reclamation
  - The Bill recognizes several water recycled projects
  - The Bill proposes \$200 million for water recycling projects
- Treatment and Disposal Night Coach update
  - The position is currently open and will close on February 11th

- General Manager Eldredge will be presenting to the Tri-City Marketing Council on February 25th.

**OTHER BUSINESS:**

Director Kite stated there will be a Special District dinner held on March 24<sup>th</sup>. If someone is able to attend a basket is requested.

Directly Handley requested an information item regarding the CAFR and asked staff to provide details on the FY2015 CAFR process as well as a completion timeline for future CAFR's.

President Toy attended the ACWD Finance Authority Meeting in January. There was no new business.

**ADJOURNMENT:**

The meeting was adjourned at 8:33 p.m. to the next scheduled Regular Board Meeting to be held in the Boardroom on Monday, February 22, 2016, at 7:00 p.m.

SUBMITTED:

ATTEST:

\_\_\_\_\_  
KRISTINA SILVA for  
REGINA McEVOY  
SECRETARY TO THE BOARD

\_\_\_\_\_  
PAT KITE  
SECRETARY

APPROVED:

\_\_\_\_\_  
JENNIFER TOY  
PRESIDENT

Adopted this 22<sup>nd</sup> day of February, 2016



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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 16, 2016

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

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

**SUBJECT:** Agenda Item No. 5.a - Meeting of February 22, 2016  
Information Item: **January Monthly Odor Report & Financial Reports**

### **Background**

Attached are the Hours Worked and Leave Time by Work Group Reports, and Financial Reports. Staff is available to answer questions regarding information contained in the report.

### **Work Group Managers**

General Manager/Administration	Paul Eldredge	GM
Business Services	Rich Cortés	BS
Collection Services	James Schofield	CS
Technical Support	Sami Ghossain	TS
Treatment and Disposal Services	Armando Lopez	T&D
Fabrication, Maintenance, and Construction	Robert Simonich	FMC

### **ODOR COMPLAINTS:**

There was one odor complaint received for the Treatment Plant during the month of January.

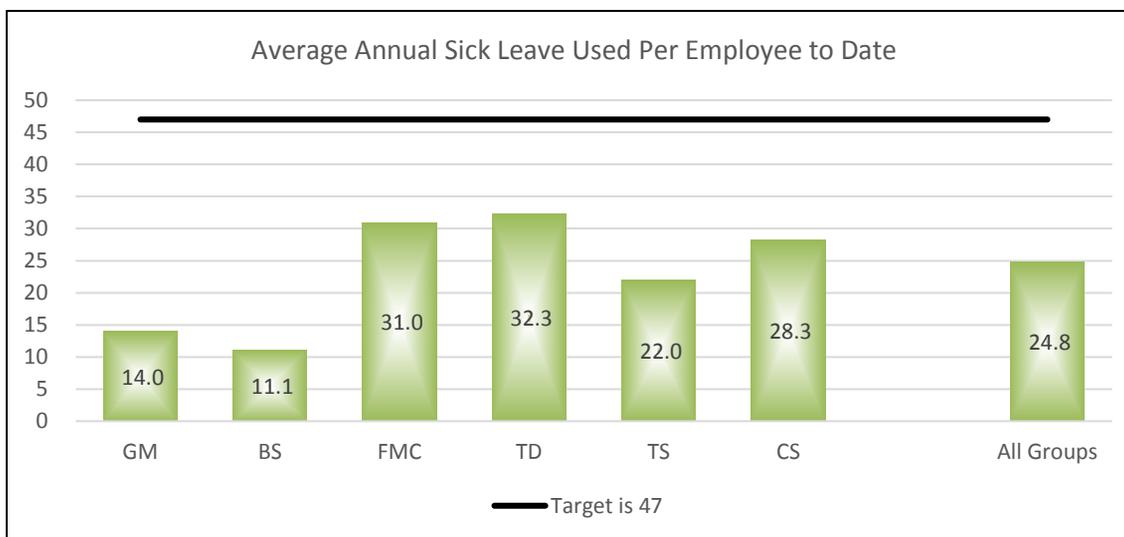
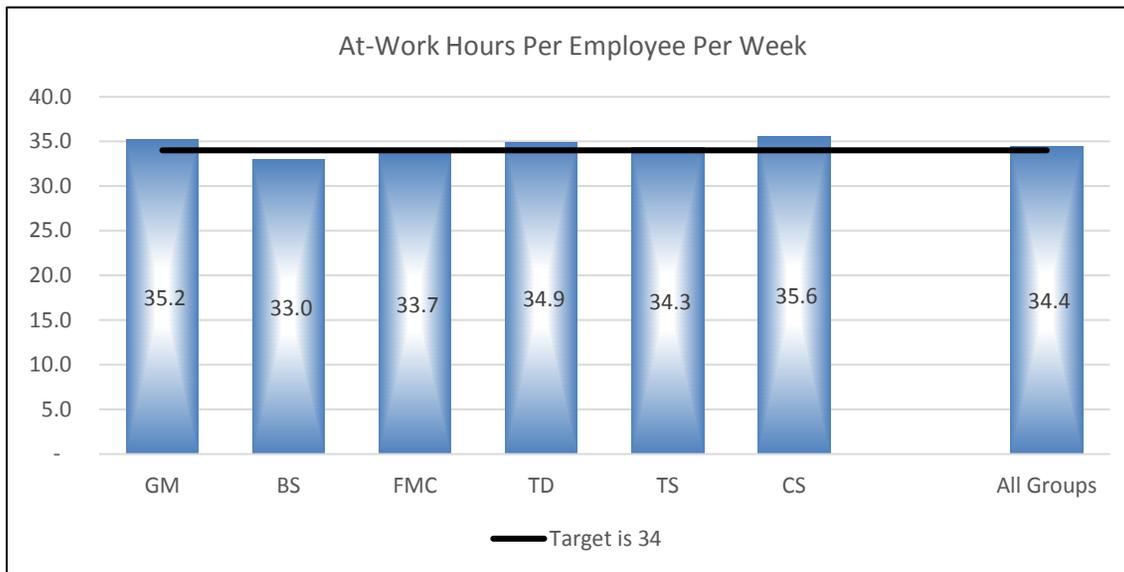
**G.M. ACTIVITIES:** For the month of January, the GM was involved in the following:

- Met with ACWD General Manager to continue discussing coordination possibilities.
- Attended the monthly EBDA Commission Meeting.

- Conducted a public Informational Meeting at the Fremont Main Library to present information regarding the District and then proposed sewer service charges.
- Presented at the Fremont Chamber of Commerce Government Affairs Committee meeting.
- Met with representatives from Integral Properties to discuss the Force Main Project.

Attachments: Hours Worked and Leave Time by Work Group  
Financial Reports

**HOURS WORKED AND LEAVE TIME BY WORK GROUP**  
**July 2, 2015 through January 27, 2016**  
**Weeks to Date: 30 out of 52 (58.0%)**



**NOTES**

- (1) Regular hours does not include hours worked by part-time or temporary employees.
- (2) Overtime hours includes call outs.
- (3) Discretionary Leave includes Vacation, HEC, Holiday, MAL, FLEX, Funeral, Jury Duty, Military, OT Banked Use, Paid Admin., SLIP, VRIP, Holiday Banked Use leaves.
- (4) Sick Leave includes sick and catastrophic sick leaves as well as protected time off, which the District has no discretion.

An employee using 15 vacation, 11 holiday, 2 HEC, and 5 sick days will work an average of **34.9** hours per week over the course of a year; with 20 vacation days, **34.2** hours per week.

**HOURS WORKED AND LEAVE TIME BY WORK GROUP**

July 2, 2015 through January 27, 2016

Weeks to Date: 30 out of 52 (58.0%)

Group	Average Number of Employees	AT-WORK HOURS		At-Work Hours Per Employee Per Week	LEAVE HOURS				Average Annual Sick Leave Used Per Employee To Date	FY15		
		Regular (1)	Overtime (2)		Discretionary (3)	Short Term Disability	Workers Comp	Sick (4)		Average Number of Employees	At-Work Hours Per Week Per Employee	Annual Sick Leave Used
GM	2	2,071.00	33.75	35.2	301.00	-	-	28.00	14.0	3	34.4	28.8
BS	23	22,361.69	309.43	33.0	4,100.01	-	-	255.14	11.1	22	35.3	30.2
FMC	22	21,720.75	401.73	33.7	3,620.00	166.35	-	680.90	31.0	23	34.2	52.4
TD	25	25,274.17	775.24	34.9	3,525.08	333.14	-	807.61	32.3	25	35.3	24.1
TS	31	31,486.63	274.65	34.3	4,836.17	18.67	-	680.83	22.0	30	35.0	28.1
CS	30	29,955.43	1,909.59	35.6	5,064.33	102.87	124.50	847.57	28.3	29	36.8	68.4
<b>All Groups</b>	<b>133</b>	<b>132,869.67</b>	<b>3,704.39</b>	<b>34.4</b>	<b>21,446.59</b>	<b>621.03</b>	<b>124.50</b>	<b>3,300.05</b>	<b>24.8</b>	<b>132</b>	<b>35.3</b>	<b>40.8</b>

**SICK LEAVE INCENTIVE PROGRAM TARGETS**

**≥34**

**≤47**

The Sick Leave Incentive Program target goals are 47 or less hours of sick leave per employee annually, and 34 or more hours of at-work time per week per employee.

**NOTES**

(1) Regular hours does not include hours worked by part-time or temporary employees.

(2) Overtime hours includes call outs.

(3) Discretionary Leave includes Vacation, HEC, Holiday, MAL, FLEX, Funeral, Jury Duty, Military, OT Banked Use, Paid Admin., SLIP, VRIP, Holiday Banked Use leaves.

(4) Sick Leave includes sick and catastrophic sick leaves, as well as protected time off, of which the District has no discretion.

An employee using 15 vacation, 11 holiday, 2 HEC, and 5 sick days will work an average of **34.9** hours per week over the course of a year; with 20 vacation days, **34.2** hours per week.

**BUDGET AND FINANCE REPORT**

FY 2016

**Year-to-date as of 1/31/16**

58% of year elapsed

**Revenues**

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Rec'd</b>	<b>Audited Last Year Actuals 6/30/15</b>
Capacity Fees	\$4,372,000	\$3,866,918	88%	\$4,820,637
Sewer Service Charges	48,430,260	25,136,833	52%	48,379,254
Operating	1,080,000	683,632	63%	1,143,435
Interest	345,000	239,897	70%	309,600
Misc. (incl. LAVWMA pymnt, solar, Cogen rebates)	493,000	312,275	63%	2,127,594
<b>Subtotal Revenues</b>	<b>\$54,720,260</b>	<b>\$30,239,555</b>	<b>55%</b>	<b>\$56,780,521</b>
SRF Loan Proceeds (Thickener)	5,500,000	2,596,627	47%	4,501,122
<b>Total Revenues + SRF Proceeds</b>	<b>\$60,220,260</b>	<b>\$32,836,182</b>	<b>55%</b>	<b>\$61,281,643</b>

**Expenses**

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Used</b>	<b>Last Year Actuals</b>
Capital Improvement Prog.				
Capacity Projects	\$4,523,000	\$1,513,219	33%	\$3,755,472
Renewal & Repl. Projects	10,553,000	3,157,619	30%	12,194,927
Operating	33,827,303	17,734,871	52%	30,058,848
Special Projects	1,522,970	248,413	16%	1,065,653
Retiree Medical (Annual Required Contribution)	561,205	280,603	50%	543,540
Vehicle & Equipment	379,500	105,112	28%	787,159
Information Systems	1,036,700	680,169	66%	616,117
Plant & Pump Station R&R	250,000	154,119	62%	168,089
Pretreatment Fund	12,000	24,434	204%	109,499
County Fee for Sewer Service Charge Admin.	106,000	52,933	50%	105,559
Debt Servicing:				
SRF Loans (Irv., Wilw, LHH, Cdr, NPS, Sub1, Boyc, Prim Cl)	3,127,110	2,842,433	91%	3,127,110
<b>Total Expenses</b>	<b>\$55,898,788</b>	<b>\$26,793,925</b>	<b>48%</b>	<b>\$52,531,974</b>
<b>Total Revenue &amp; Proceeds less Expenses</b>	<b>\$4,321,472</b>	<b>\$6,042,257</b>		<b>\$8,749,669</b>

**Gross Operating Expenses by Work Group**

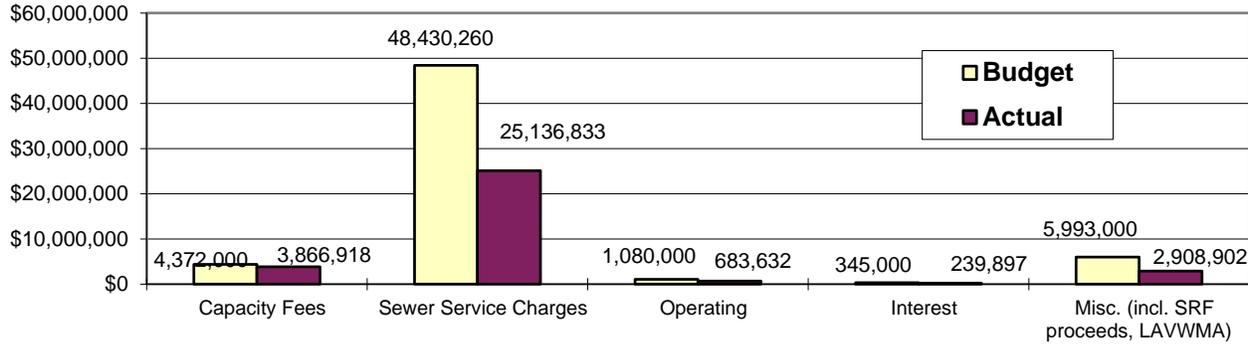
	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Used</b>	<b>Last Year Actuals</b>
Board of Directors	\$176,481	\$68,937	39%	\$135,699
General Manager/Admin.	953,139	487,253	51%	987,502
Business Services	5,199,612	2,984,038	57%	4,460,485
Collection Services	6,066,202	3,161,932	52%	5,447,126
Technical Services	5,323,323	2,873,470	54%	4,693,517
Treatment & Disposal Services	10,227,304	5,304,953	52%	9,172,622
Fabrication, Maint. & Construction	5,881,242	2,854,288	49%	5,161,897
<b>Total</b>	<b>\$33,827,303</b>	<b>\$17,734,871</b>	<b>52%</b>	<b>\$30,058,848</b>

**Operating Expenses by Type**

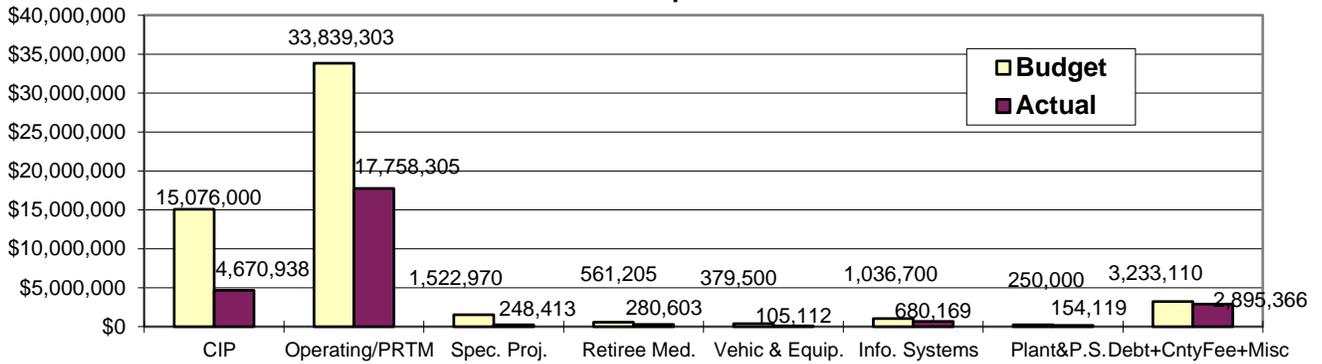
	<b>Budget</b>	<b>Actual</b>	<b>% of Budget Used</b>	<b>Last Year Actuals</b>
Personnel (incl D&E)	\$23,313,376	\$12,471,998	53% (59%)*	\$20,901,890
Repairs & Maintenance	2,008,184	899,224	45%	1,772,819
Supplies & Matls (chemicals, small tools)	2,645,660	1,104,819	42%	2,285,558
Outside Services (utilities, biosolids, legal)	5,580,083	3,232,055	58%	4,961,560
Fixed Assets	280,000	26,774	10%	137,021
<b>Total</b>	<b>\$33,827,303</b>	<b>\$17,734,871</b>	<b>52%</b>	<b>\$30,058,848</b>

\* Personnel Budget Target

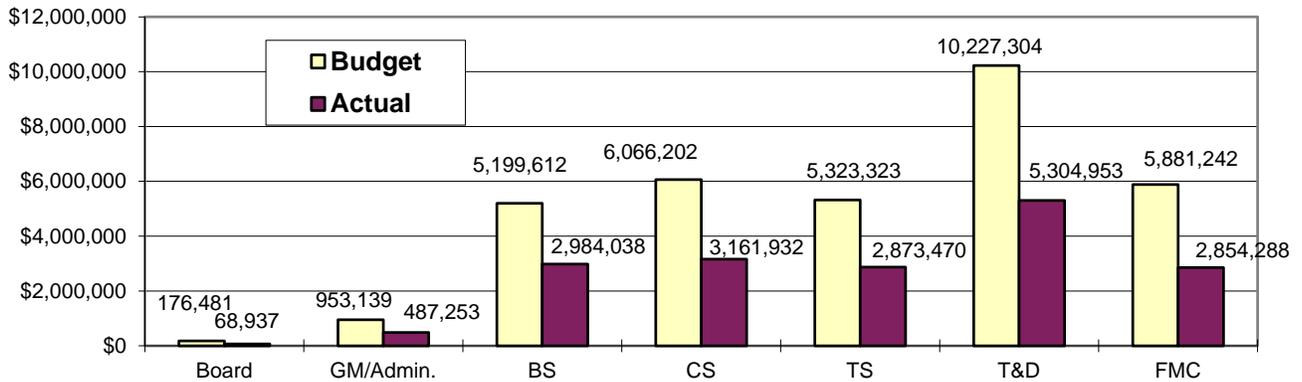
### USD Revenues



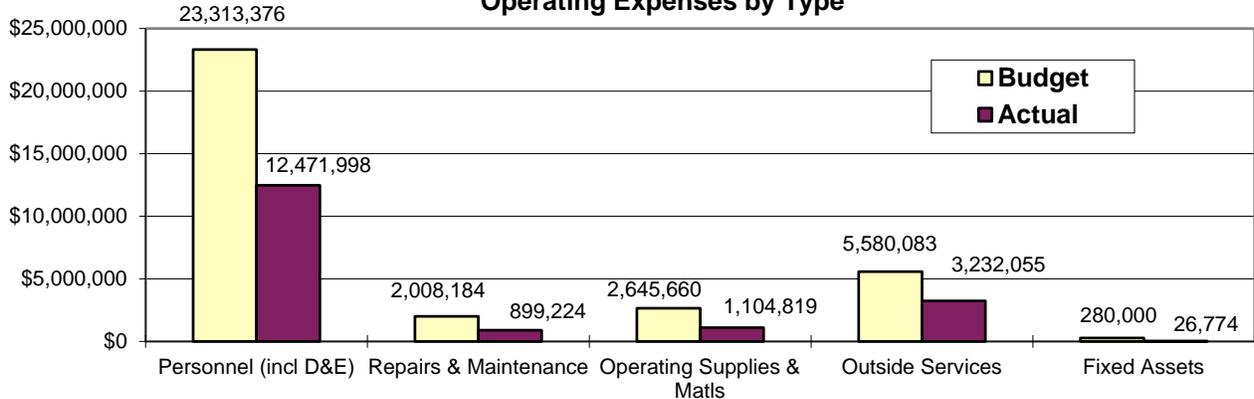
### Total USD Expenses



### Operating Expenses by Work Group

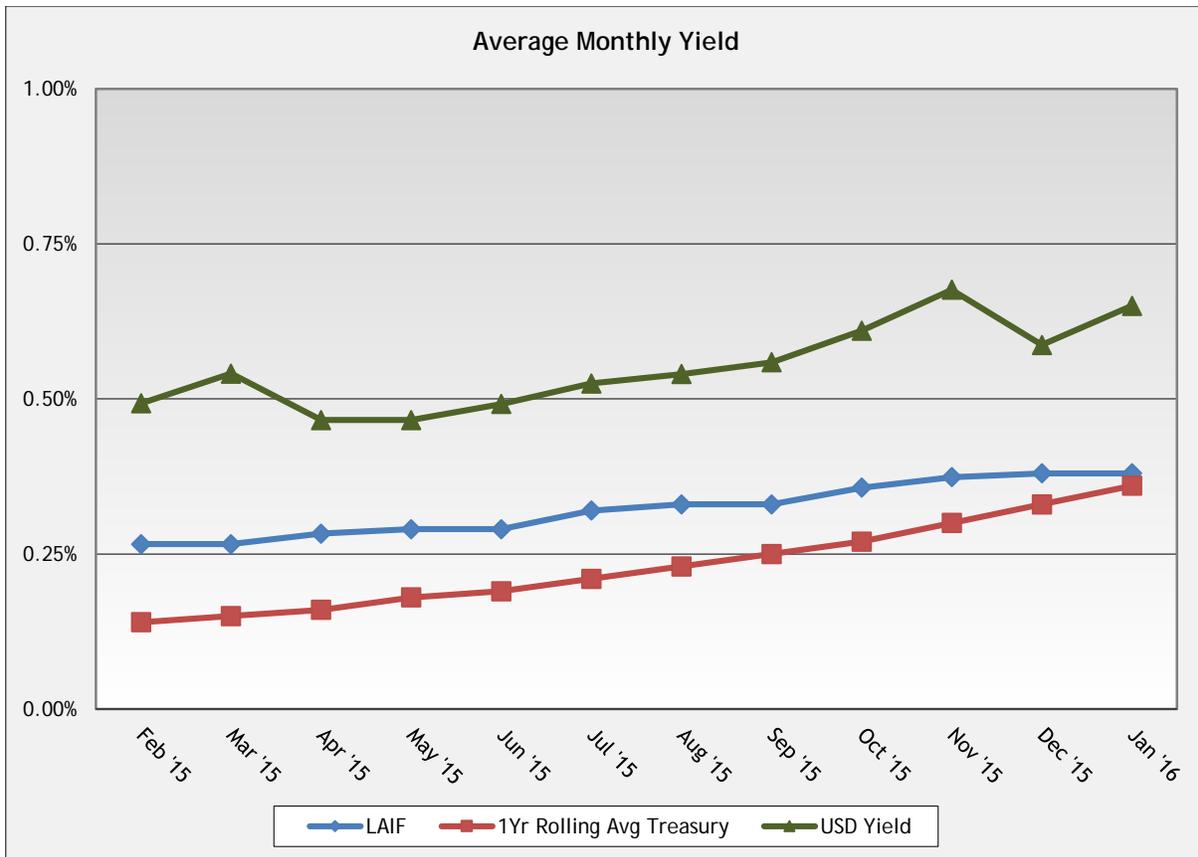


### Operating Expenses by Type

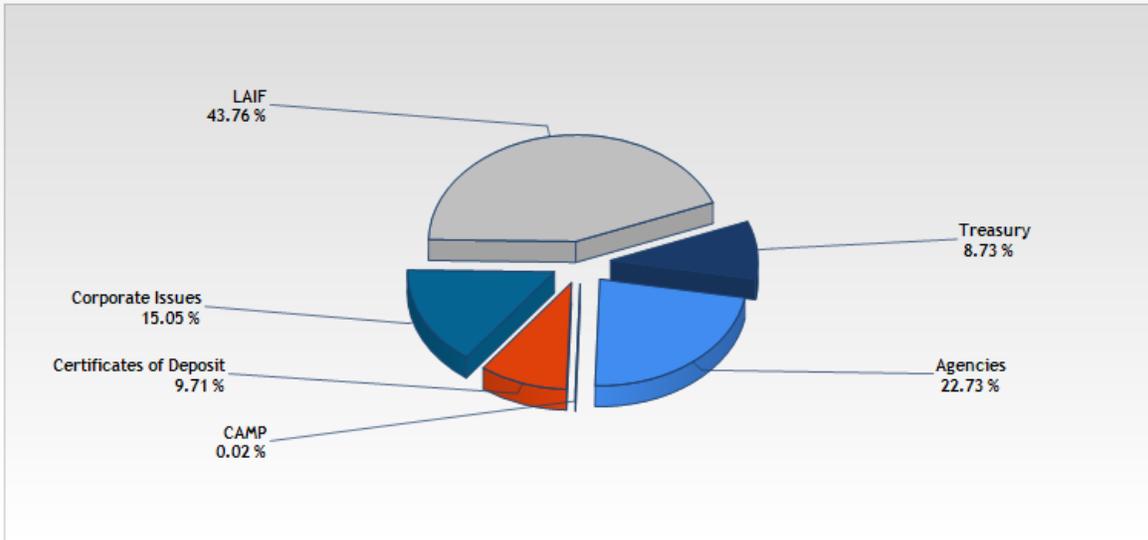


Business Services Group  
Activities Report  
January 2016

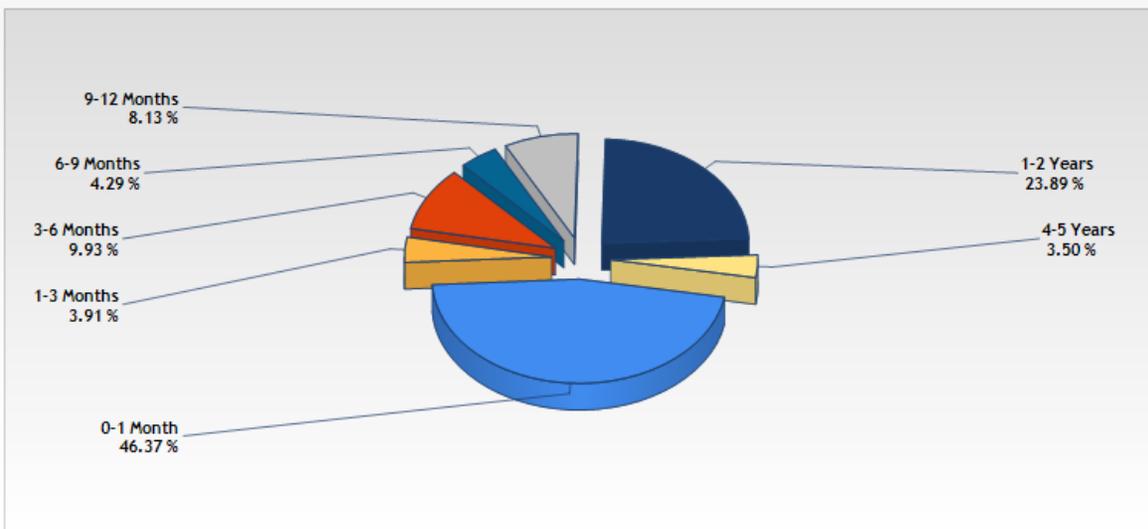
**Performance Measures for the USD Investment Portfolio**



### Portfolio Holdings Distribution by Asset Class



### Portfolio Holdings Distribution by Maturity Range



Maturity Range	Face Amount/Shares	YTM @ Cost	Cost Value	Days To Maturity	% of Portfolio	Market Value	Book Value	Duration To Maturity
0-1 Month	26,548,207.65	0.402	26,547,737.65	2	46.37	26,548,224.77	26,548,198.27	0.00
1-3 Months	2,240,000.00	0.467	2,238,713.33	52	3.91	2,239,575.59	2,239,466.69	0.14
3-6 Months	5,670,000.00	0.630	5,683,446.06	128	9.93	5,675,233.23	5,675,184.08	0.35
6-9 Months	2,455,000.00	0.784	2,454,356.25	240	4.29	2,454,647.08	2,454,469.28	0.65
9-12 Months	4,625,000.00	0.797	4,653,054.00	329	8.13	4,636,539.47	4,641,209.61	0.90
1-2 Years	13,578,000.00	0.891	13,676,327.92	531	23.89	13,639,146.66	13,632,080.65	1.44
4-5 Years	2,000,000.00	2.045	2,004,342.20	1508	3.50	2,003,720.00	2,004,336.45	3.95
<b>al / Average</b>	<b>57,116,207.65</b>	<b>0.650</b>	<b>57,257,977.41</b>	<b>232</b>	<b>100</b>	<b>57,197,086.80</b>	<b>57,194,945.03</b>	<b>0.63</b>

**Union Sanitary District**  
**Board Report - Holdings**  
Report Format: By Transaction  
Group By: Asset Class  
**Portfolio/Report Group: All Portfolios**  
**As of 1/31/2016**

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
<b>Agencies</b>											
FFCB 0.93 11/17/2017	3133EFPH4	Moodys-Aaa	11/18/2015	1,000,000.00	999,700.00	0.930	1,001,860.00	0.945		11/17/2017	1.75
FHLB 0.625 11/23/2016	3130A3J70	Moodys-Aaa	12/16/2015	1,000,000.00	999,000.00	0.625	999,760.00	0.732		11/23/2016	1.74
FHLB 0.75 7/28/2017-16	3130A4ZV7	Moodys-Aaa	4/28/2015	1,000,000.00	1,000,000.00	0.750	1,000,050.00	0.750	4/28/2016	7/28/2017	1.75
FHLB 0.8 3/17/2017-16	3130A4GT3	Moodys-Aaa	3/17/2015	1,000,000.00	1,000,000.00	0.800	1,000,100.00	0.800	3/17/2016	3/17/2017	1.75
FHLB 0.8 5/17/2017	3130A4Q54	Moodys-Aaa	3/27/2015	1,000,000.00	1,001,690.00	0.800	1,002,070.00	0.720		5/17/2017	1.75
FHLB 0.85 6/16/2017-16	3130A4GU0	Moodys-Aaa	3/16/2015	1,000,000.00	1,000,000.00	0.850	1,000,700.00	0.850	3/16/2016	6/16/2017	1.75
FHLB 0.9 9/28/2017	3130A5KH1	Moodys-Aaa	7/22/2015	1,000,000.00	1,001,140.00	0.900	1,001,960.00	0.847		9/28/2017	1.75
FHLMC 1 7/25/2017	3134G3ZH6	Moodys-Aaa	6/24/2015	1,000,000.00	1,004,540.00	1.000	1,003,340.00	0.780		7/25/2017	1.75
FNMA 0.5 3/30/2016	3135GOVA8	Moodys-Aaa	1/24/2014	1,000,000.00	1,000,750.00	0.500	1,000,230.00	0.465		3/30/2016	1.75
FNMA 0.625 8/26/2016	3135G0YE7	Moodys-Aaa	12/16/2015	1,000,000.00	999,540.00	0.625	1,000,300.00	0.691		8/26/2016	1.75
FNMA 1.25 1/30/2017	3135G0GY3	Moodys-Aaa	12/16/2015	1,000,000.00	1,004,790.00	1.250	1,005,590.00	0.820		1/30/2017	1.75
FNMA 2.1 3/18/2020-16	3136G2LV7	Moodys-Aaa	1/29/2016	2,000,000.00	2,004,342.20	2.100	2,003,720.00	2.045	3/18/2016	3/18/2020	3.50
<b>Sub Total / Average</b>				<b>13,000,000.00</b>	<b>13,015,492.20</b>	<b>1.018</b>	<b>13,019,680.00</b>	<b>0.961</b>			<b>22.73</b>
<b>CAMP</b>											
CAMP LGIP	LGIP4000	None	5/31/2011	9,805.25	9,805.25	0.380	9,805.25	0.380	N/A	N/A	0.02

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
<b>Sub Total / Average</b>				<b>9,805.25</b>	<b>9,805.25</b>	<b>0.380</b>	<b>9,805.25</b>	<b>0.380</b>			<b>0.02</b>
<b>Certificates of Deposit</b>											
1st Source Bank 0.6 9/15/2016	33646CGK4	None	12/18/2015	245,000.00	244,816.25	0.600	244,588.03	0.701		9/15/2016	0.43
Ally Bank 1 10/24/2016	02006LKM4	None	10/23/2014	240,000.00	240,000.00	1.000	240,171.65	1.000		10/24/2016	0.42
American Express Bank 1.1 10/24/2016	02587CBZ2	None	10/23/2014	240,000.00	240,000.00	1.100	240,349.90	1.100		10/24/2016	0.42
American Express Centurian 1.05 6/5/2017	02587DYJ1	None	6/5/2015	240,000.00	240,000.00	1.050	240,001.82	1.050		6/5/2017	0.42
Bank of Baroda Ny 0.65 10/27/2016	06062QCS1	None	10/27/2015	245,000.00	245,000.00	0.650	244,532.03	0.650		10/27/2016	0.43
Bank of China NY 0.5 2/4/2016	06426TCH0	None	2/4/2015	240,000.00	240,000.00	0.500	240,003.56	0.500		2/4/2016	0.42
Bank of India NY 0.65 10/26/2016	06279HBX0	None	10/30/2015	245,000.00	245,000.00	0.650	244,533.82	0.650		10/26/2016	0.43
BankUnited NA 0.9 5/24/2017	066519BE8	None	11/24/2015	240,000.00	240,000.00	0.900	239,442.85	0.900		5/24/2017	0.42
Bar Harbor Bank 0.7 1/30/2017	066851TT3	None	6/30/2015	240,000.00	240,000.00	0.700	238,964.16	0.700		1/30/2017	0.42
BMW Bank North America 0.5 3/14/2016	05568P6V4	None	3/31/2014	240,000.00	239,760.00	0.500	240,027.05	0.552		3/14/2016	0.42
Capital One Bank 1 10/24/2016	140420QG8	None	10/22/2014	240,000.00	240,000.00	1.000	240,171.65	1.000		10/24/2016	0.42
Capital One National Asso Bank 1.25 8/28/2017	14042E6B1	None	8/26/2015	245,000.00	245,000.00	1.250	245,978.25	1.250		8/28/2017	0.43
Compass Bank 0.95 6/5/2017	20451PLE4	None	6/5/2015	240,000.00	240,000.00	0.950	239,676.44	0.950		6/5/2017	0.42

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
Discover Bank 0.75 1/3/2017	254672QZ4	None	7/1/2015	240,000.00	240,000.00	0.750	239,254.85	0.750		1/3/2017	0.42
First Niagara Bank 1.1 10/30/2017	33583CSV2	None	10/30/2015	245,000.00	245,000.00	1.100	245,878.10	1.100		10/30/2017	0.43
Goldman Sachs Bank 1 10/16/2017	38148JQX2	None	4/27/2015	240,000.00	239,520.00	1.000	240,217.46	1.069		10/16/2017	0.42
Great Midwest Bank 0.75 7/27/2016	39083PCK6	None	10/27/2014	240,000.00	240,000.00	0.750	239,994.01	0.750		7/27/2016	0.42
Medallion Bank 1.15 10/30/2017	58403B2L9	None	10/28/2015	245,000.00	245,000.00	1.150	246,097.13	1.150		10/30/2017	0.43
Merrick Bank 0.9 5/19/2017	59013JLK3	None	11/19/2015	240,000.00	240,000.00	0.900	239,448.80	0.900		5/19/2017	0.42
Patriot Bank 0.65 6/30/2016	70337MAH1	None	12/30/2015	240,000.00	240,000.00	0.650	239,820.65	0.650		6/30/2016	0.42
Safra National Bank 0.7 11/29/2016	78658QSF1	None	11/30/2015	245,000.00	245,000.00	0.700	244,355.46	0.700		11/29/2016	0.43
Santander Bank 0.5 2/4/2016	80280JDH1	None	2/4/2015	240,000.00	240,000.00	0.500	240,003.56	0.500		2/4/2016	0.42
Wex Bank 0.85 5/19/2017	92937CDE5	None	11/20/2015	245,000.00	245,000.00	0.850	244,276.72	0.850		5/19/2017	0.43
<b>Sub Total / Average</b>				<b>5,560,000.00</b>	<b>5,559,096.25</b>	<b>0.835</b>	<b>5,557,787.95</b>	<b>0.845</b>			<b>9.71</b>

#### Corporate Issues

Caterpillar Financial 1 3/3/2017	14912L5Z0	Moodys-A2	12/23/2014	1,313,000.00	1,307,603.57	1.000	1,313,301.99	1.190		3/3/2017	2.28
General Electric Capital Corp 5.4 2/15/2017	36962G2G8	Moodys-A1	3/2/2015	1,085,000.00	1,179,514.35	5.400	1,131,937.10	0.890		2/15/2017	2.06
International Business Machs 0.45 5/6/2016	459200HL8	Moodys-Aa3	11/26/2013	1,000,000.00	996,840.00	0.450	999,680.00	0.580		5/6/2016	1.74
	46640PED1		8/19/2015	1,000,000.00	995,235.56	0.000	998,104.17	0.653		5/13/2016	1.74

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
JP Morgan Securities 0 5/13/2016		Moodys-P1									
Natixis NY 0 3/18/2016	63873JCJ7	Moodys-P1	10/23/2015	1,000,000.00	998,203.33	0.000	999,318.54	0.448		3/18/2016	1.74
Royal Bank of Canada 1.2 1/23/2017	78010UNX1	Moodys-Aa3	10/2/2015	1,000,000.00	1,003,960.00	1.200	1,001,100.00	0.895		1/23/2017	1.75
Royal Bank of Canada 2.3 7/20/2016	78008TLB8	Moodys-Aa3	12/23/2014	1,190,000.00	1,217,310.50	2.300	1,198,044.40	0.830		7/20/2016	2.13
US Bankcorp 2.2 11/15/2016	91159HHB9	Moodys-A1	3/31/2015	900,000.00	920,304.00	2.200	907,515.00	0.797		11/15/2016	1.61
<b>Sub Total / Average</b>				<b>8,488,000.00</b>	<b>8,618,971.31</b>	<b>1.642</b>	<b>8,549,001.20</b>	<b>0.803</b>			<b>15.05</b>
<b>LAIF</b>											
LAIF LGIP	LGIP1002	None	4/30/2011	25,058,402.40	25,058,402.40	0.400	25,058,402.40	0.400	N/A	N/A	43.76
<b>Sub Total / Average</b>				<b>25,058,402.40</b>	<b>25,058,402.40</b>	<b>0.400</b>	<b>25,058,402.40</b>	<b>0.400</b>			<b>43.76</b>
<b>Treasury</b>											
T-Bond 0.25 5/16/2016	912828VC1	Moodys-Aaa	1/24/2014	1,000,000.00	994,530.00	0.250	999,430.00	0.488		5/16/2016	1.74
T-Note 0.375 2/15/2016	912828UM0	Moodys-Aaa	1/24/2014	1,000,000.00	999,530.00	0.375	1,000,010.00	0.398		2/15/2016	1.75
T-Note 0.5 6/15/2016	912828VG2	Moodys-Aaa	3/27/2014	1,000,000.00	999,530.00	0.500	1,000,160.00	0.521		6/15/2016	1.75
T-Note 0.875 1/15/2018	912828H37	Moodys-Aaa	6/1/2015	1,000,000.00	1,001,560.00	0.875	1,001,330.00	0.815		1/15/2018	1.75
T-Note 0.875 11/15/2017	912828G20	Moodys-Aaa	6/24/2015	1,000,000.00	1,001,060.00	0.875	1,001,480.00	0.830		11/15/2017	1.75
<b>Sub Total / Average</b>				<b>5,000,000.00</b>	<b>4,996,210.00</b>	<b>0.576</b>	<b>5,002,410.00</b>	<b>0.611</b>			<b>8.73</b>
<b>Total / Average</b>				<b>57,116,207.65</b>	<b>57,257,977.41</b>	<b>0.785</b>	<b>57,197,086.80</b>	<b>0.650</b>			<b>100</b>

All investment actions executed since the last report have been made in full compliance with the District's Investment Policy.

The District will meet its expenditure obligations for the next six months.

Major value sources are the LAIF, CAMP, and BNY Mellon monthly statements.

**Union Sanitary District**  
**Board Report - Activity**  
**Portfolio/Report Group: All Portfolios**  
**From 1/1/2016 To 1/31/2016**

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
<b>BUY</b>								
FNMA 2.1 3/18/2020-16	3136G2LV7	2,000,000.00	2,004,342.20	15,283.33	2.100	2.045	1/29/2016	2,019,625.53
<b>Sub Total / Average</b>		<b>2,000,000.00</b>	<b>2,004,342.20</b>	<b>15,283.33</b>				<b>2,019,625.53</b>
<b>DEPOSIT</b>								
CAMP LGIP	LGIP4000	3.16	3.16	0.00		0.000	1/31/2016	3.16
LAIF LGIP	LGIP1002	14,516.95	14,516.95	0.00		0.000	1/15/2016	14,516.95
<b>Sub Total / Average</b>		<b>14,520.11</b>	<b>14,520.11</b>	<b>0.00</b>				<b>14,520.11</b>
<b>INTEREST</b>								
CAMP LGIP	LGIP4000	0.00	0.00	3.16		0.000	1/31/2016	3.16
FHLB 0.75 7/28/2017-16	3130A4ZV7	0.00	0.00	3,750.00	0.750	0.000	1/28/2016	3,750.00
FHLMC 1 7/25/2017	3134G3ZH6	0.00	0.00	5,000.00	1.000	0.000	1/25/2016	5,000.00
Great Midwest Bank 0.75 7/27/2016	39083PCK6	0.00	0.00	152.88	0.750	0.000	1/27/2016	152.88
JP Morgan Chase 2.6 1/15/2016	46625HHW3	0.00	0.00	7,358.00	2.600	0.000	1/15/2016	7,358.00
LAIF LGIP	LGIP1002	0.00	0.00	14,516.95		0.000	1/15/2016	14,516.95
Medallion Bank 1.15 10/30/2017	58403B2L9	0.00	0.00	239.29	1.150	0.000	1/31/2016	239.29
Merrick Bank 0.9 5/19/2017	59013JLK3	0.00	0.00	183.45	0.900	0.000	1/19/2016	183.45
Royal Bank of Canada 1.2 1/23/2017	78010UNX1	0.00	0.00	6,000.00	1.200	0.000	1/23/2016	6,000.00
Royal Bank of Canada 2.3 7/20/2016	78008TLB8	0.00	0.00	13,685.00	2.300	0.000	1/20/2016	13,685.00
T-Note 0.875 1/15/2018	912828H37	0.00	0.00	4,375.00	0.875	0.000	1/15/2016	4,375.00
<b>Sub Total / Average</b>		<b>0.00</b>	<b>0.00</b>	<b>55,263.73</b>				<b>55,263.73</b>
<b>MATURED</b>								

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
JP Morgan Chase 2.6 1/15/2016	46625HHW3	566,000.00	566,000.00	0.00	2.600	0.000	1/15/2016	566,000.00
<b>Sub Total / Average</b>		<b>566,000.00</b>	<b>566,000.00</b>	<b>0.00</b>				<b>566,000.00</b>
<b>WITHDRAW</b>								
LAIF LGIP	LGIP1002	1,100,000.00	1,100,000.00	0.00		0.000	1/8/2016	1,100,000.00
LAIF LGIP	LGIP1002	400,000.00	400,000.00	0.00		0.000	1/13/2016	400,000.00
LAIF LGIP	LGIP1002	500,000.00	500,000.00	0.00		0.000	1/15/2016	500,000.00
LAIF LGIP	LGIP1002	2,300,000.00	2,300,000.00	0.00		0.000	1/29/2016	2,300,000.00
<b>Sub Total / Average</b>		<b>4,300,000.00</b>	<b>4,300,000.00</b>	<b>0.00</b>				<b>4,300,000.00</b>

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

**For Period Ended 12/31/15**

<b>Fund Balance 9/30/15:</b>	<b>\$426,445.64</b>
<b>Revenues:</b>	
	0.00
<b>Expenses:</b>	
Net Medical Reimbursements	(10,264.61)
<b>Transfers Out:</b>	
11/19/15 CalPERS OPEB Trust Annual Required Contrib. (ARC) (payment #2 of 4)	(140,301.25)
<b>Ending Fund Balance 12/31/15:</b>	<b>\$275,879.78</b>



**Market Value Summary:**

	QTD Current Period	Fiscal Year to Date
Beginning Balance	\$4,269,511.41	\$4,311,934.25
Contribution	140,301.25	280,602.50
Distribution	(78,722.10)	(146,233.07)
Transfer In	0.00	0.00
Transfer Out	0.00	0.00
Investment Earnings	58,065.30	(123,739.17)
Admin Expense	(541.10)	(1,072.32)
Investment Expense	(395.62)	(784.02)
Other	0.00	0.00
Ending Balance	\$4,388,219.14	\$4,320,708.17
YTD Accrual	0.00	67,510.97
Grand Total	\$4,388,219.14	\$4,388,219.14

**Unit Value Summary:**

	QTD Current Period	Fiscal Year to Date
Beginning Units	324,587.729	318,863.990
Unit Purchases from Contributions	10,386.736	21,035.645
Unit Sales for Withdrawals	(5,787.755)	(10,712.925)
Unit Transfer In	0.000	0.000
Unit Transfer Out	0.000	0.000
Ending Units	329,186.710	329,186.710
Period Beginning Unit Value	13.153644	13.734525
Period Ending Unit Value	13.330487	13.330487

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

Statement of Transaction Detail for the Quarter Ending 12/31/2015

Union Sanitary District

Entity #: SKB7-6011550262



Date	Description	Amount	Unit Value	Units	Check/Wire	Notes
11/05/2015	Distribution	(\$78,722.10)	\$13.601491	(5,787.755)		
11/19/2015	Contribution	\$140,301.25	\$13.507733	10,386.736	WIRE 2015111900087 757	

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Client Contact:  
CERBT4U@CalPERS.ca.gov



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

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

Karen W. Murphy  
*Attorney*

**DATE:** 2/22/16

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

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Laurie Brenner, Organizational Performance Program Manager

**SUBJECT:** Agenda Item No. 5b - Meeting of February 22, 2016  
Information Item: **Second Quarter FY 16 District-Wide Balanced Scorecard Measures**

**Recommendation:**  
Information Only.

**Background:**

This report summarizes progress meeting the District's strategic objectives for the second quarter of fiscal year 2015-16.

Safety

The District performed well against published safety measures in the second quarter of FY16. All customer service and financial perspective measures were within targeted values, except the X-Mod, which is currently 1.01 against our goal of  $\leq 1.0$  (although this reflects a considerable improvement over the FY15 value of 1.16).

Safety trainings offered and percent targeted employees receiving that training were both below targeted values; however, there were not any planned mandatory safety trainings in Q2, which results in the Q1 values remaining static against the annual targets. The absence of a Technical Training Program Manager continues to impact related activities, despite collaborative efforts by the Organizational Support Team (OST) to maintain basic program processes and associated record-keeping.

See Table 1: Safety Objectives and Measures, for District performance against all safety measures in Q2.

### Operational Excellence

The measures not meeting published targets in the Operational Excellence scorecard in the second quarter of FY16 include critical asset failures with negative impacts on customers, priority CIP project milestones met versus planned, and the # of competency assessments completed (in Collection Services).

The Alvarado sinkhole negatively impacted customers in Q2 and remains our highest priority corrective action to date. A comprehensive strategy to mitigate impacts and repair the issue was developed and implemented immediately in response to this urgent matter. The situation will be monitored and status updates will be provided to the Board until the problem has been satisfactorily resolved.

Six of ten CIP project milestones were achieved as planned in Q2 (66.66% quarterly performance to plan). Equalization storage at Alvarado remains behind schedule, hypochlorite and PVC piping at the odor control building and Newark pump station is being postponed until at least April 2016, the Pine Street Easement project is slightly behind schedule, and the Thickener Control Building project construction is approximately 62% complete.

Collections Services have not yet completed any of the 65 planned competency assessments at the end of Q2; however, the management team still believes that they will achieve their annual goal with a concerted effort in the latter half of FY16.

See Table 2: Operational Excellence Objectives and Measures, for District performance against all operational measures in Q2.

**Table 1: Safety Objectives and Measures**

Measures	Q2 FY16	FY16 Target	FY15	FY14	Comments
Total accidents with lost days	0	0	3	1	
Other OSHA reportable accidents	0	<4	0	0	
# Incidents of vehicle or equipment accidents/damage	1	<2	3	4	Backhoe damaged in plant in November; asset M6366
Cost associated with vehicle/equipment accidents	\$540	<\$5000	\$444	\$7,265	11.5 hours in-house labor for repair plus \$540 in parts
Ave FTE lost time	0	<0.5	0.4875	0.05	
"Total Costs: Lost time wages only	\$0	<\$46,883	\$48,903.84	\$4,897	
Ave FTE limited duty time	0	<0.5	0.53	0	
"Total costs: Limited duty/Other ½ wages	\$0	<\$23,441	\$26,545.28	0	
X-Mod	1.01	<1.0	1.16	0.95	Improved over last year
# Facility inspections completed (SIT)	1	4	4	4	
% of areas of concern identified during internal facility inspections that are resolved within 45 days of report	84%	>90%	92%	93%	Q2- 36/43 items identified resolved completely; several others have outstanding work orders or scheduled activities associated with them
# work site inspections completed	67	275	300	323	Q1 total was also updated to reflect 10 additional observations previously unreported for an annual total to date of 150/270 targeted
# site visits (for potential BMPS)	0	2	2	2	None planned in Q2
# GM communications on status of safety program and performance	3	7	8	7	Q2- Safety recognition and BBQ; Holiday Safety Tips; Earthquake Safety
# of major safety training events offered	0	7	8	7	None planned in Q2; multiple in coming quarters
Ave. % of targeted employees trained	77.8%	>90%	80%	91.8	Make-up sessions from Q1 completed; no change to measure since nothing was planned in Q2

**Legend for Table 1 and Table 2:**

Green: meeting or exceeding target or projected to meet target by the end of the fiscal year

Yellow: Will not meet target if trend continues, and/or not meeting target by <10%-needs attention

Red: Will not meet FY target by >10%- corrective action needed

Table 2: Operational Excellence Objectives and Measures

Measures	Q2 FY16	FY16 Target	FY15	FY14	Comments
Progress implementing outreach plan milestones: % planned events completed	47.89%	>90%	94%	98%	
Response time to calls for service: % under 1 hour	96.0%	>95%	97.7%	97.1%	Q1- 38/39; Q2- 78/81
"New: Response time to contact USD inquiries:	97.0%	>90%	96.4%	95%	Q1= 41/44; Q2- 33/34
# Total adverse impacts on customers	2	<10	5	12	Alvarado sink hole hits in two measures, plus a sewer back up
# Emergency preparedness events (drills, training, debriefs, etc.)	0	3	5	3	Evacuation drill in Q1; none planned in Q2
Residential SSC compared to surrounding areas	11.50%	<33rd percentile	15.3%	11.50%	
# regional projects/initiatives with financial benefit	3	>3	3	2	
# Critical asset failures wo negative impacts	0	<2	0	1	
# critical asset failures with negative impacts	1	0	2	0	Alvarado sink hole
Priority CIP Project milestones met vs. planned	60.0%	85%	92%	100%	Q2- 6/10 on track
# adverse impacts on environment	0	0	2	1	
# regional projects/initiatives with environmental benefit	3	>3	3	2	
Category 2/3 SSOs	0	< 10	4	4	None in Q2
% Training System Milestones Completed (accumulative total)	54.16%	100%	100%	66%	Across FMC, TPO and CS teams
# competency assessments completed	0	65	60	22	Management is committed to make this annual target, despite a slow start



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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 16, 2016

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

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Armando Lopez, Operations Manager, T&D Work Group

**SUBJECT:** Agenda Item No. 5c - Meeting of February 22, 2016  
Information Item: **Plant Process Scorecard**

### **Recommendation**

Information Only.

### **Background**

This report covers the first two quarters of Fiscal Year 2016 and recaps Fiscal Year 2015. The T&D staff operates the District's wastewater treatment plant, manages all environmental laboratory services for the District, and produces the regulatory monitoring reports required for permit compliance. The performance measures for the Plant Process Scorecard focus on the following areas: process control and compliance; energy and chemical efficiency; and employee skill development.

A recap of FY15 shows that we missed our target in the area of power consumption. Power consumption continues to be negatively influenced by decreasing influent flows.

All other measures met or surpassed expectations.

### Process Control and Compliance:

The “Plant Health Index” measure tracks twelve aspects of treatment plant process performance. The index includes the activated sludge and anaerobic digestion processes, electrical power generation, chemical and energy utilization, and NPDES Permit compliance. The index value average met the target of 85% or greater for FY15 and is currently meeting the target for FY16.

We met all of our NPDES compliance measures for FY15, and are on track to continue regulatory excellence during FY16.

The Biosolids measure tracks the percentage and amount of wet tons disposed of as Class A (composting facility). It is slightly below the target at 23% for the first two quarters of FY16, but it is expected the target of 25% will be met by the end of the fiscal year.

Laboratory service measures track timely analysis of samples for the EC Team and annual compliance with State proficiency standards for accredited environmental laboratories. All laboratory measures met or exceeded their targets for FY15 and are on track to meet the target of 95% or greater in FY16.

### Planned Maintenance:

Completing preventive maintenance on time ensures that equipment is kept operating at peak efficiency, and that problems are promptly identified and corrected. TPO met the target of 95% or greater for completing preventive maintenance work orders within the month they are scheduled for FY15. During the first two quarters of FY16, this measure is falling below the target due to low staffing levels for TPO.

### Energy, Chemical, and Water Utilization:

Electricity production from the District’s cogeneration system is averaging 32,176 kwh/d (kilowatt-hours per day) surpassing the previous goal of 23,088 kwh/d. Plant staff continues to gather data and conduct pilot studies to explore options to increase gas production.

Overall consumption of electricity at the plant is averaging 2,300 kwh/MG (kilowatt hours per million gallons treated), up slightly from FY15 usage of 2,234 kwh/MG. The target value is 2,100 kwh/MG or less. The daily plant flow has averaged 21.9 million gallons per day (mgd) so far in FY16, which is down slightly from the FY15 flow of 22.5 mgd. A typical secondary wastewater treatment plant in the U.S. consumes 1,800 to 2,500 kwh/MG.

The use of ferrous chloride and hydrogen peroxide to control hydrogen sulfide in the plant influent continues to provide cost-effective odor control compared to the use of sodium hypochlorite for the same purpose. There were no plant-related odor complaints during the first half of FY16. The odor neutralizing mist system installed along the Eastern perimeter of the treatment plant seems to be proving effective. Polymer consumption for GBT is slightly above the target of ≤5.5 average pounds/dry ton, averaging 5.9 average pounds/dry ton in the first half of FY16. There was higher usage during the 1<sup>st</sup> quarter of FY16 due to a polymer

blend unit not functioning correctly in conjunction with fouled belts. Staff has corrected the issues with the polymer blend unit, replaced the belts, and instituted a new operational strategy.

Water usage for the first five months of FY16 is averaging 24,509 gallons per day and is on track to meet the target of 30,000 gallons or less per day.

**Plant Process Scorecard**

	<b>Measures</b>	<b>2016 Fiscal Year to Date</b>	<b>Target</b>	<b>2015 Fiscal Year End</b>	
<b>Customer</b>	Number of adverse impacts (odor complaints, violations)	0	0	0	
<b>Financial</b>	Water Usage – Alvarado Site (Gallons Used per Day)	24,509	≤ 30,000	24,592	
	Total Kwh/MG Alvarado Site (Avg per Month)	2,300	< 2100	2,234	
	On-site Power Generation (Avg kwh/day)	32176	23,088	17617	
	H2S/Odor Control	Ferrous Chloride (Ave gal/hour)	32	≤ 35	32
		Hydrogen Peroxide (Ave gal/hour)	5.5	≤ 8.5	7.9
	Disinfection	Hypochlorite (Ave gal/hour)	31.8	≤ 43	31.0
<b>Internal Processes</b>	Solids Conditioning	GBT Polymer (Lbs/dry ton-avg)	5.9	≤ 5.5	5.3
		Dewatering Polymer (Lbs/dry ton-avg)	32.6	≤ 33	33.5
<b>Internal Processes</b>	Biosolids Disposal – Percent Disposed of as Class A	23%	25%	27%	
	Plant Operational Health Index (Ave monthly value)	88%	≥ 85%	88%	
	Percent preventative maintenance work orders completed within month scheduled	84%	≥ 95%	99%	
	Percent Environmental Compliance Samples that Met Turnaround Time (12 days)	100%	≥ 95%	100%	
	State Proficiency Test, Percent Areas Passed (T&D Lab)	100%	> 85%	100%	
<b>Learning &amp; Growth</b>	Number of Training Modules Updated	0	2	10	



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Pat Kite  
Anjali Lathi  
Jennifer Toy

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

Karen W. Murphy  
*Attorney*

**DATE:** February 10, 2016

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

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Robert Simonich, Maintenance Manager, FMC Work Group

**SUBJECT:** Agenda Item No. 5c - Meeting of February 22, 2016  
Information Item: **Plant & Pump Station Maintenance Process Scorecard**

### **Recommendation**

Information only.

### **Background**

In previous years, Fabrication, Maintenance and Construction (FMC) and Treatment & Disposal Services (T&D) shared a combined Plant Process Scorecard containing performance measurement data for both workgroups. Beginning in fiscal year 2014, FMC and T&D began keeping separate Scorecards and tracking performance measurement data separately.

This report covers the first two quarters of Fiscal Year 2016 and recaps Fiscal Year 2015. The FMC staff maintains the District's wastewater treatment plant, pump stations, and influent force main system. The performance measures for the FMC Process Scorecard focus on the following areas: planned maintenance, labor utilization, energy efficiency at the pump stations, and employee skill development.

**Planned Maintenance and Labor Utilization:**

The percentage of time FMC spends on planned maintenance work vs. unplanned maintenance work is one of our benchmarking measures. The Water Environment Federation (WEF) identifies planned maintenance at a level greater than 90% as a “best practice.” Using the WEF definition for planned work as that which is preventive, predictive, or scheduled vs. unplanned work, defined as an asset failure (a breakdown where no back-up exists) or corrective work that needs to be repeated, the FMC team is averaging greater than 95% of complete planned maintenance activities. The plant has not experienced any critical asset failures within the past three fiscal years.

A second benchmarking measure tracks the percentage of preventive maintenance work orders completed within the month scheduled. Completing preventive maintenance on time ensures that equipment is kept operating at peak efficiency, and that problems are promptly identified and corrected. The FMC work group fell slightly below the target of 95% to 92.5%. This measure is expected to exceed the target in the 3<sup>rd</sup> quarter of FY16.

The FMC work group also tracks the number of Priority A work orders issued. This measure is meeting the target of 10 or less per month at an average of 2 per month. Meeting the target for Priority A work orders is a substantial indicator of the quality of our preventive and predictive maintenance program.

Increasing the efficiency of our labor force is also a goal of the FMC work group. The performance measure used is the percentage of total man-hours spent on the performance of maintenance work. FMC is currently exceeding the target for the fiscal year. Overtime has decreased from 6.9% in FY15 to 2.6% in FY16 due to improvements made within the planning and scheduling process and the CIP team requiring fewer of FMC’s labor hours this year.

**Energy Efficiency:**

FMC continues to track energy consumption at the Irvington and Newark Pump Stations. It is anticipated that targets will be developed for FY17.

**Employee Skill Development:**

The Learning and Growth measure on the scorecard tracks development of the District’s competency-based training program. FMC updated one JCR in the 2<sup>nd</sup> quarter of FY16 and have identified updating one additional JCR for FY16.

Staff will be present to answer questions.

**Plant & Pump Station Maintenance Process Scorecard**

	Measures	2016 Fiscal Year to Date	Target	2015 Fiscal Year End
Customer	Number of priority A work orders (Average per Month)	2	< 10	3
	Number of critical asset failures	0	0	0
	Number with negative impact on the environment	0	0	0
Financial	% Total hours worked spent on maintenance work	81.5%	≥ 80%	84.5%
	Overtime as % of Base Payroll (Ave per month)	2.6%	≤ 7% (FY15) ≤ 5% (FY16)	6.9%
Internal Processes	% of Time spent on planned vs. unplanned maintenance activities (Best in Class 90%)	99.3%	75% - 90%	98.2%
	Percent preventative maintenance work orders completed within month scheduled	92.5%	≥ 95%	97.6%
	Number of Corrective Work Orders Over 90 Days (Ave/qtr)	79	≤150	72
Employees	Number of training modules developed vs. goal	0	0	0



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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 12, 2016

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

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

**SUBJECT:** Agenda Item No. 8 - Meeting of February 22, 2016  
**Review and Approve Proposed Changes to Policy No. 3070.2, Board Member Officers, and Committee Memberships**

### **Recommendation**

Review policy and proposed changes, provide additional recommendations for revisions, and approve policy 3070.2.

### **Background**

Board policy 3070.2 provides guidelines for the timing and selection Board officers, internal and external committee members. These proposed revisions are a combination of suggestions by the Board and staff recommendations. The proposed changes include but are not limited to:

- Provides direction on the selection of Board Officers and memorializes options for selection
- Provides clarity and direction on internal and external committee selections
- Adds the JPA with ACWD as an external committee to the rotation list

This policy was last reviewed and approved by the Board in October of 2013.

Staff recommends the Board adopt the changes shown in red on the attached and set the date for the next review for February of 2019.

### **Attachment**

Redline version of policy 3070.2

Clean version of policy 3070.2

Union Sanitary District  
Policy and Procedure Manual

Effective: <del>10/14/13</del> <u>02/22/</u> <u>16</u>	<b>Boardmember</b>  <b>Officers and Committee Membership</b>	Policy Number 3070.2  Page 1 of 3
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### Policy

Selection of Board Officers will be held annually at the first regular meeting in the month of July of each year. ~~No Internal Board committee memberships shall be established no~~ later than the second ~~regular~~ regularly scheduled meeting in July of each year, ~~Committee memberships will be established following the selection of the Board Officers.~~ External commissions/committees representatives shall be established no later than the first regularly scheduled meeting in May of each year.

### Purpose

To provide a written record of the procedure approved by the Board for electing its Officers and establishing its committee memberships.

### Procedure

#### Board Officers

1. The Officers are President, Vice President, and Secretary. ~~Term~~ and the term of office shall be for one year.
2. The President shall preside over the meetings of the Board of Directors and be responsible for the following:
  - a. maintaining order and following the published agenda
  - b. ensuring Boardmembers are allowed to participate in discussions
  - c. allowing the public to speak on agenda items
  - d. facilitating dialog among the public, staff, and Boardmembers
  - e. appointment of members of the Board of Directors to Committee assignments
  - f. signing resolutions, ordinances, and construction contracts on behalf of the District
  - g. representing the Board of Directors on issues or at events as designated by the full ~~board~~ Board

The Vice President shall fulfill the duties of the President when the President is absent or otherwise unavailable.

The Secretary shall ensure the recording of the minutes of the Board of Directors meetings and sign the adopted Minutes, shall sign all Resolutions and Ordinances passed by the District, and shall serve as Vice President when the Vice President is absent or otherwise unavailable. If the President and Vice President are both absent, and a quorum

is present, the ~~Secretary shall serve~~ Secretary shall preside over the meetings of the Board of Directors as the Board President.

- ~~3. Annually, at the first regular meeting in July, nominations will be made for each officer, and secret ballots shall be cast for each office separately, with the vote of the majority of Directors of the Board required for election. In the event no nominee receives a majority vote in the first ballot, the nominee having the least votes shall be dropped from the ballot and additional ballots successively cast, as necessary, to produce a majority vote. The Board may choose to waive the requirement for secret ballot and conduct election by voice vote.~~

#### Board Committee Memberships—Internal Standing and Ad Hoc Committees

3. At the first regularly scheduled Board meeting in July, or as soon thereafter as the item can be agendaized at a regular Board meeting, the Board shall appoint its Board Officers. During election years, the newly elected Boardmembers shall be sworn in as the first item of business on the agenda followed immediately by the selection of the Board Officers. During non-election years, the selection of the Board Officers shall be considered after the last motion item on the agenda. The Board shall elect the President, Vice-President and Secretary for one year terms. The election or removal of the President, Vice-President or Secretary shall require a majority vote of the Board. The Board may follow a rotation of officers where the Vice-President becomes President, Secretary becomes Vice-President, the fourth Board member in rotation becomes the Secretary and the President becomes the fifth Board member in Rotation.

The Board officers in office at the beginning of the meeting shall retain their positions until the adjournment of the meeting and the newly selected Board Officers shall assume their duties immediately following this meeting.

#### Internal Board Committee Memberships

1. Internal committees are: Budget and Finance; Construction; Legal/Community Affairs; Legislative; Personnel; and Audit Committee. There is no fixed schedule for meetings set by this policy and appointments are made by the President, as set forth below. Notwithstanding the above, meetings are noticed and open to the public.
- ~~12.~~ Annually, following the election of Board officers, and at the same meeting as the election of the officers, Directors are responsible for letting the President know their interest in serving on internal standing and ad hoc committees (listed under Nos. 3 and 4). shall be provided a list of the internal committees along with a committee interest form. At the following meeting, during the appropriate informational item, the Board members shall verbally note their committee interests in order of preference, which information shall be compiled by the General Manager or designee.
- ~~23.~~ The President will appoint Directors to the internal ~~standing and ad hoc committees~~ committees. The President shall make every effort to rotate committee

assignments and ensure a similar number of committee assignments for each Board member. Notice of internal committee membership appointments will be contained in an information item to the Board at the ~~second regular meeting in July~~next regularly scheduled meeting following the selection of the Board Officers, at which time Boardmembers may ask questions about the assignments. The determination of the Board President on committee assignments shall be considered final.

~~3. Internal standing committees are: Budget and Finance; Construction; Legal/Community Affairs; Legislative; Personnel, and Audit Committee.~~

4. Ad Hoc committees are called as needed by a majority vote of the Board of Directors.

~~Representatives — Board External Commissions/Committees /~~ Committee Representatives (CCR)

~~1. The Board of Directors will elect the representatives for the External Committees no later than the first meeting of the Board of Directors in June, so that the representatives may be seated for the first meeting of the new fiscal year. Secret ballots shall be cast for representatives and alternates to external commissions and committees (listed under No. 2 below).~~

2.1. External commissions/committees include: the EBDA Commission; the Joint Powers Authority for Geographic Information Systems; the Alameda County Water District Finance Authority (ACW DFA); and the Alameda County Chapter of the California Special Districts Association.

~~3. Directors interested in external representative or alternate to commissions/committees are to make their wishes known. Following which, secret ballots shall be cast separately, with each Boardmember voting for the representative to each group listed above under No. 2. The Director receiving the highest number of votes will be the representative. If there is not a clear majority, the nominee having the least number of votes shall be dropped from the ballot, and additional ballots successively cast, as necessary, to produce a majority vote. This process will then be repeated for the alternate representative. The Board may choose to waive the requirement for secret ballot and conduct the selection by voice vote.~~

2. The Board of Directors will elect the representatives for the External Committees no later than the first regularly scheduled Board meeting in May of each year in order to ensure that the representatives may be seated for the first meeting of the new committee or commission. The Board shall elect the CCRs for one year terms or as otherwise decided by the Board majority. The election or removal of CCRs shall require a majority vote of the Board.

## Management Responsibility

The General Manager will be responsible for scheduling on the Board agenda, the election ~~of External Committee representatives by early June, and the election of Board Officers at the first regular meeting in July. The GM will provide a list of~~ or appointment of Board officers and external commissions, pursuant to the schedule shown above. The General Manager, or designee, will provide a list of the last five years and current committee memberships to the new President ~~and blank ballot forms for election use as needed~~ along with a list of internal committee interests. ~~The~~ In consultation with the Board President, the General Manager will also be responsible for scheduling on the Board agenda the announcement of committee appointments ~~at the second regular meeting in July.~~

Supersedes Policy Dated: July 2004, September 2005, January 2008, September 2010, October 2013

Approved by: Board of Directors ~~October 14~~ February 22, 2013 2016  
Reviewers: General Manager, Board of Directors, District's attorney  
Notify Person: General Manager  
Review frequency: Every 3 years  
Next Review: ~~October 2016~~ February 2019

Effective: 02/22/16	<b>Boardmember</b>  <b>Officers and Committee Membership</b>	Policy Number 3070.2 Page 1 of 3
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### **Policy**

Selection of Board Officers will be held annually at the first regular meeting in the month of July of each year. Internal Board committee memberships shall be established no later than the second regularly scheduled meeting in July of each year, following the selection of the Board Officers. External commissions/committees representatives shall be established no later than the first regularly scheduled meeting in May of each year.

### **Purpose**

To provide a written record of the procedure approved by the Board for electing its Officers and establishing its committee memberships.

### **Procedure**

#### Board Officers

1. The Officers are President, Vice President, and Secretary and the term of office shall be for one year.
2. The President shall preside over the meetings of the Board of Directors and be responsible for the following:
  - a. maintaining order and following the published agenda
  - b. ensuring Boardmembers are allowed to participate in discussions
  - c. allowing the public to speak on agenda items
  - d. facilitating dialog among the public, staff, and Boardmembers
  - e. appointment of members of the Board of Directors to Committee assignments
  - f. signing resolutions, ordinances, and construction contracts on behalf of the District
  - g. representing the Board of Directors on issues or at events as designated by the full Board

The Vice President shall fulfill the duties of the President when the President is absent or otherwise unavailable.

The Secretary shall ensure the recording of the minutes of the Board of Directors meetings and sign the adopted Minutes, shall sign all Resolutions and Ordinances passed by the District, and shall serve as Vice President when the Vice President is absent or otherwise unavailable. If the President and Vice President are both absent, and a quorum is present, the Secretary shall preside over the meetings of the Board of Directors as the Board President.

3. At the first regularly scheduled Board meeting in July, or as soon thereafter as the item can be agendaized at a regular Board meeting, the Board shall appoint its Board Officers. During election years, the newly elected Boardmembers shall be sworn in as the first item of business on the agenda followed immediately by the selection of the Board Officers. During non-election years, the selection of the Board Officers shall be considered after the last motion item on the agenda. The Board shall elect the President, Vice-President and Secretary for one year terms. The election or removal of the President, Vice-President or Secretary shall require a majority vote of the Board. The Board may follow a rotation of officers where the Vice-President becomes President, Secretary becomes Vice-President, the fourth Board member in rotation becomes the Secretary and the President becomes the fifth Board member in Rotation.

The Board officers in office at the beginning of the meeting shall retain their positions until the adjournment of the meeting and the newly selected Board Officers shall assume their duties immediately following this meeting.

#### Internal Board Committee Memberships

1. Internal committees are: Budget and Finance; Construction; Legal/Community Affairs; Legislative; Personnel; and Audit Committee. There is no fixed schedule for meetings set by this policy and appointments are made by the President, as set forth below. Notwithstanding the above, meetings are noticed and open to the public.
2. Annually, following the election of Board officers, and at the same meeting as the election of the officers, Directors shall be provided a list of the internal committees along with a committee interest form. At the following meeting, during the appropriate informational item, the Board members shall verbally note their committee interests in order of preference, which information shall be compiled by the General Manager or designee.
3. The President will appoint Directors to the internal committees. The President shall make every effort to rotate committee assignments and ensure a similar number of committee assignments for each Board member. Notice of internal committee membership appointments will be contained in an information item to the Board at the next regularly scheduled meeting following the selection of the Board Officers, at which time Boardmembers may ask questions about the assignments. The determination of the Board President on committee assignments shall be considered final.
4. Ad Hoc committees are called as needed by a majority vote of the Board of Directors.

#### External Commissions / Committee Representatives (CCR)

1. External commissions/committees include: the EBDA Commission; the Joint Powers Authority for Geographic Information Systems; the Alameda County Water District Finance Authority (ACWDFA); and the Alameda County Chapter of the California Special Districts Association.
2. The Board of Directors will elect the representatives for the External Committees no later than the first regularly scheduled Board meeting in May of each year in order to ensure that the representatives may be seated for the first meeting of the new committee or commission. The Board shall elect the CCRs for one year terms or as otherwise decided by the Board majority. The election or removal of CCRs shall require a majority vote of the Board.

### **Management Responsibility**

The General Manager will be responsible for scheduling on the Board agenda, the election or appointment of Board officers and external commissions, pursuant to the schedule shown above. The General Manager, or designee, will provide a list of the last five years and current committee memberships to the new President along with a list of internal committee interests. In consultation with the Board President, the General Manager will also be responsible for scheduling on the Board agenda the announcement of committee appointments.

Supersedes Policy Dated: July 2004, September 2005, January 2008, September 2010, October 2013

Approved by: Board of Directors February 22, 2016  
Reviewers: General Manager, Board of Directors, District's attorney  
Notify Person: General Manager  
Review frequency: Every 3 years  
Next Review: February 2019



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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 12, 2016

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

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

**SUBJECT:** Agenda Item No. 9 - Meeting of February 22, 2016  
**Review and Approve Proposed Changes to Policy No. 3080, Board Agenda Subjects Requested by Board Members**

### **Recommendation**

Review policy and proposed changes, provide additional recommendations for revisions, and approve policy 3080.

### **Background**

Board policy 3080 provides guidelines on how agenda topics are to be requested by the Board and placed on the agenda. Staff is recommending changes to this policy that clarifies and provides additional flexibility to the Board when requesting future agenda items. This policy was last reviewed and approved by the Board in February of 2013.

Staff recommends the Board adopt the changes shown in red on the attached and set the date for the next review for February of 2019.

### **Attachment**

Redline version of policy 3080  
Clean version of policy 3080

Union Sanitary District  
Policy and Procedure Manual

Effective: <del>02/25/2013</del> <u>02/22/2016</u>	<b>Board Agenda Subjects Requested by Boardmembers</b>	Policy Number 3080 Page 1 of 1
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### Policy

Under "Other Business" at Board meetings, Boardmembers may request ~~the President~~ to have an item calendared for discussion on the following Board agenda.

### Purpose

To ensure ~~that~~ compliance with the Ralph M. Brown Act and the devotion of staff time ~~is devoted~~ to District priorities as established by the majority of the Board and to effectively and efficiently utilize District resources, this written policy has been prepared governing placement of Boardmember-requested items on Board meeting agendas.

### Procedure

~~A Boardmember wanting an item discussed by the Board of Directors may request placement of the item on the agenda for discussion at the next Board meeting by making the request of the President during "Other Business." At least two Boardmembers must be in favor in order for the item to be placed on the agenda.~~ Options for requesting future agenda items shall be as follows:

1. An individual Boardmember can request that an item be placed on a future agenda by either: (a) asking the General Manager or his/her designee to include a Request for Agenda Item on the "Other Business" section of the agenda no later than 11 calendar days in advance of the meeting; or (b) making a Request for Agenda Item during the "Other Business" section of a regularly scheduled Board Meeting.

2. Once a Request for Agenda Item has been made, staff will determine if the item is routine in nature and would involve minimal staff time; or is already being worked on by staff. If either of these conditions are satisfied, the item will be placed directly on the agenda for the next board meeting without further board discussion. If these conditions are not satisfied, then the Request for Agenda Item will be placed on the agenda for the next Board meeting under "Other Business" with a summary description of the item. The requesting Boardmember shall introduce and explain the request in greater detail during the meeting.

3. If a majority of Boardmembers vote in favor of agendizing the item, the item will be agendized for consideration and possible action at a future meeting.

### Management Responsibility

The General Manager will be responsible for placing requests for future agenda items under "Other Business," and for scheduling ~~the requested~~ any item on the next Board meeting agenda.

Supersedes Policy Dated: ~~None, Minor updates and review~~ February 2008 and 2013

Approved by: Board of Directors: ~~02/25/2013~~02/22/2016

Reviewers: Board of Directors, General Manager, General Counsel

Notify Person: General Manager

Review Frequency: Every ~~5~~3 years

Next Review: February ~~25, 2018~~2019

Union Sanitary District  
Policy and Procedure Manual

Effective: 02/22/2016	<b>Board Agenda Subjects Requested by Boardmembers</b>	Policy Number 3080 Page 1 of 1
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**Policy**

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**Management Responsibility**

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Supersedes Policy Dated: February 2008 and 2013

Approved by: Board of Directors: 02/22/2016

Reviewers: Board of Directors, General Manager, General Counsel  
Notify Person: General Manager  
Review Frequency: Every 3 years  
Next Review: February 2019



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

Karen W. Murphy  
*Attorney*

**DATE:** February 22, 2016

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

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Pamela Arends-King, Business Services Manager/Chief Financial Officer  
Maria Buckley, Principal Financial Analyst  
Debi Kull, Senior Accountant

**SUBJECT:** Agenda Item No. 10 - Meeting of February 22, 2016  
**ADOPTION OF THE 2016 INVESTMENT POLICY**

### **Recommendation**

Adopt the 2016 Investment Policy and renew the delegation of authority of Treasurer to the Business Services Manager/Chief Financial Officer for a one-year period, per CA Govt. Code Section 53607.

### **Background**

The District adopts an investment policy annually. The proposed investment policy is for the calendar year 2016. Historically the District has adopted an investment policy for each calendar year and presented the proposed policies to the Board of Directors for the one hundred twenty days after the close of the fiscal year. With the retirement of the former Business Services Manager, it was decided to wait for the new Business Services Manager/Chief Financial Officer to review the policy and submit any changes to the Board.

Several changes were made to the Investment Policy for 2016 that eliminate redundancy, change format and length of the policy and provide both flexibility and safety when investments are made. The following changes that were made are:

Section I, A. Purpose and B. Policy:

Item B was eliminated because it is the same language basically stated in item A. The wording in item A was expanded to include Item B 1.a. Also the purpose of the investments enhancing the economic status of the District was included.

Section 1, C. Objectives:

Item C., Objectives is now item B. Additional language was included for B. 3 and B. 4 to include the objective of portfolio diversification and to expand the more definition of maintaining sufficient liquidity to meet cash flow needs.

Section II, A. Scope:

This was not changed except for condensing the format.

Section II, F. Qualifications and Selection of Broker/Dealers:

In the prior investment policy the broker/dealers were pre-approved and a list was created that the District reviewed every six years to determine whether any changes needed to be made regarding the list of approved broker/dealers. The current list only includes four broker/dealers. The changes to this section allows the District to work with a number of qualified dealers that meet the standards set forth in the policy without having a pre-approved list that is only reviewed every six years. Due to federal regulation changes there are many broker/dealers that will not be able to do business with the District because of the portfolio size therefore having the flexibility to work with a number of broker/dealers and receiving information regarding the investments that are offered provides the District with a larger pool of investments to choose from without jeopardizing the safety of the portfolio. This section was also changed to state that a list of broker/dealers the District is using will be included on the monthly investment report.

Section III, A. Authorized Investments:

The last sentence discussing credit ratings is redundant so it was removed.

Section III, A.1:

The sentence was shortened, but still describes the investment and its requirements.

Section III, A.2:

This section was changed to eliminate the twenty percent (20%) limitation on investing in Callable Federal Agency bonds. This will give the District more choices when investing portfolio funds without risking safety and liquidity.

Section III, A.3, 6, and 8:

The changes condense the format without making any changes to the investment requirements except with commercial paper where no more than five percent (5%) of the total portfolio will be invested in one issuer to lessen risk.

Section III, A.9:

The changes condense the format and eliminates redundancy in items b and c as those items are irrelevant because the Local Agency Investment Fund is an approved vehicle investment in the California Govt. Code regardless of whether its portfolio invests in instruments not specifically stated in the District's policy.

Section III, A.10:

The section was condensed and the only requirement change was the addition of language stating that the District will not invest more than five percent (5%) of the total portfolio with any one issuer to lessen risk.

Section III, C. 2:

To lessen risk the sentence regarding commercial paper and medium term notes limitation of no more than five percent (5%) of the total two combined shall be with the same issuing company was included.

Section III, D, Mitigating Market Risk in the Portfolio:

This section was eliminated as it is basically a repeat of the policy's priorities of investing funds which are safety, liquidity, legal compliance and diversification. Also based on the District's portfolio and its cash flow it is unnecessary to divide the portfolio between a Liquid Fund and an Operating Reserve Fund.

Section V, A 1:

Section A was changed to Liquidity as the need for a Liquid Fund is unnecessary. Item 1 in this section states that a minimum of ten percent (10%) of total funds shall be invested in liquid funds such as LAIF. Also item 3 was eliminated as that language was included in item1. Item 4 was eliminated as if the state included any new investment instruments that the District may use then the investment policy would have to be amended.

Section V, B 1:

This section was changed from Operating Reserve Fund to Maximum Maturities because the Operating Reserve Fund is not necessary based on the District's cash flow and determining the weighted average maturity shall not exceed two and a half (2 ½) years limits the District from investing in longer term investments based on cash flow needs. The revised language states that investments shall be matched with anticipated cash flow requirements and known future liabilities and that no investments will exceed five (5) years unless approved by the Board of Directors by resolution at least three months prior to the date of investment.

Section VI, B 1:

The timing of when the Board of Directors will be presented the investment policy to adopt was revised to state the review process would start within two months of the expiration of the current

Agenda Item No. 10  
Meeting of February 22, 2016  
Page 4

policy and the Board of Directors will adopt the investment policy before the current policy expires.

Attachments: Investment Policy #2030 – Redline  
Investment Policy #2030 – Changes Incorporated

Union Sanitary District Policy

Effective: 1/1/16 <del>5</del>	<b>Investment Policy</b>	Policy Number 2030 Page 1 of 17
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**I. INVESTMENT POLICY**

**A. Purpose**

The purpose of the Union Sanitary District's ("USD") Investment Policy is to establish clear guidelines, ~~objectives, policies and understanding for the Board of Directors, USD management, responsible, citizens and third parties for the investment of all USD fund. for the investment of all USD funds.~~ USD funds invested shall provide sufficient cash flow to meet current and expected operating expenses and to fund capital requirements as described in USD's 10-year Capital Improvement Program and 10-year Financial Plan; ~~and enhance the economic status of USD while protecting its cash. USD shall review this policy as least once annually, and may changes its policies as investment objectives change.-~~

**~~B. Policy~~**

- ~~1. USD sets forth this Investment Policy for the following purposes:
  - ~~a. To establish a clear understanding for the Board of Directors, USD management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of USD funds;~~
  - ~~b. To offer guidance to investment staff and the external investment adviser on the investment of USD funds; and~~
  - ~~e. To establish a basis for evaluating investment results.~~~~
- ~~2. USD establishes investment policies which meet its current investment goals.~~
- ~~3. USD shall review this policy at least once annually, and may change its policies as investment objectives change.~~

**~~B.C. Objectives~~**

The objectives of this investment policy are, in order of priority:

1. To assure ongoing compliance with all Federal, State and local laws governing the investment of public funds;

2. To ensure safety of invested funds;
3. To maintain sufficient liquidity to meet cash flow needs for all operating requirements which might be reasonably anticipated without requiring a sale of securities;
- ~~4. and~~ Maintain a diversified investment portfolio to avoid incurring unreasonable risks regarding specific security types or individual financial institutes; and
- 5.4. To attain a “market average rate of return” consistent with the primary objectives of safety and liquidity. The expected rate of return on USD’s portfolio is more specifically defined in Section IV.

#### **CD. Prudence**

1. The Prudent Investor Standard shall be used by investment officials, and shall be applied in the context of managing an overall portfolio. Investment staff acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.
2. The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

#### **DE. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **II. OPERATIONS AND PROCEDURAL MATTERS**

### **A. Scope**

This investment policy applies to all financial assets and investment activities of USD ~~with the following exceptions: except USD's Deferred Compensation Plan managed by a third party administrator and invested by individual participants; and USD's retiree medical trust held with CalPERS (the CERBT Trust) and pension assets held with CalPERS since the assets of both plans are managed by CalPERS.~~

~~Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of USD as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.~~

- ~~1. USD's Deferred Compensation Plan is excluded because it is managed by a third party administrator and invested by individual plan participants; and~~
- ~~2. USD's retiree medical trust held with CalPERS (the CERBT Trust) is excluded since the assets of the plan are invested and managed by CalPERS.~~
- ~~3. USD's pension assets held with CalPERS are excluded since the assets of the plan are invested and managed by CalPERS.~~
- ~~4. Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of USD as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.~~

## **B. Delegation of Authority**

1. Authority to manage USD's investment program is derived from the California Government Code Sections 53600 et seq., and USD's Charter.
2. With the approval of the Board of Directors, USD may engage the services of an external investment advisor to assist in the management of USD's investment portfolio in a manner consistent with USD's objectives. Such external investment advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such discretion will be subject to oversight and other restrictions which are to be described in a written agreement. Such advisor must be registered under the Investment Advisers Act of 1940.
3. In accordance with Government Code Section 53607, the Board of Directors delegates to the General Manager/Treasurer, or his designee, the authority to invest, sell or exchange securities. This delegation of authority must be reviewed, and if still applicable, renewed on an annual basis. The Board shall receive a monthly report of the transactions conducted on its behalf.

**C. Internal Controls**

The General Manager/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the annual financial audit, USD's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

**D. Delivery vs. Payment**

All investment transactions of USD shall be conducted using standard delivery-vs.-payment procedures.

**E. Safekeeping of Securities**

To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by USD shall be held in safekeeping by a third party bank trust department, acting as agent for USD under the terms of a custody agreement executed by the bank and by USD. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held by USD.

**F. Qualifications and Selection of Broker/Dealers**

~~USD's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers.~~

USD shall purchase investments with security broker/dealers based on their reliability; trustworthiness; and their expertise in public cash management. Brokers/dealers must be registered with the state and provide upon request other information to determine their creditworthiness and trustworthiness such as proof of Financial Industry Regulatory Authority (FINRA) registration. A list of security brokers/dealers USD is doing business with will be provided to the Board of Directors with the monthly investment report. A copy of the current USD investment policy will be provided to all security broker/dealers doing business with USD. It shall be the policy of USD to purchase securities only from authorized institutions or firms.

~~For any investments not purchased directly from the issuer, USD shall transact business with security broker/dealers after careful review of their qualifications and creditworthiness. All dealers who desire to do business with USD shall provide the necessary information (e.g. audited financial statements, proof of state registration, proof of Financial Industry Regulatory Authority (“FINRA”) registration, etc.) from which USD can determine their creditworthiness, the existence of any pending legal action against the firm or the individual broker, as well as an understanding of the security markets that they service. USD shall maintain a list of authorized broker/dealers which are approved for investment purposes, in the state of California, and it shall be the policy of USD to purchase securities only from authorized institutions or firms.~~

~~USD shall annually send a copy of the current investment policy to all broker/dealers approved to do business with USD. Confirmation of receipt of this policy shall be considered evidence that the dealer understands USD’s investment policies and intends to present USD only appropriate investments authorized by this investment policy.~~

For transactions initiated through an external investment advisor, the investment advisor may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

~~USD shall review broker/dealers at least every six years to determine whether any changes need to be made regarding the current list of approved firms.~~

### III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

#### A. Authorized Investments

All investments shall be made in accordance with Sections 53600 et seq. of the Government Code of California and as described within this Investment Policy. Within the investments permitted by the Government Code, USD seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this Investment Policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased. ~~Credit ratings, where shown, specify the minimum credit rating category required at purchased without regard to +/- or 1,2,3 modifiers.~~

- ~~1. Securities issued by the US Treasury. There is no limitation as to the percentage of the portfolio that may be invested in this category. U.S. Treasury securities not exceeding five (five) years to final maturity. There is no limitation as to the percentage of the portfolio that may be invested in this category.~~

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, provided that there shall be no maximum allowable investment in such securities; ~~however purchases of currently callable Federal Agency obligations are limited to a maximum of 20 % of the portfolio. In addition, Purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 % of the portfolio.~~
  
3. ~~Banker's acceptances, provided that:~~ Eligible Banker's acceptances, highest letter and numerical numerical short term debt ratings by a National Recognized Standard Rating Organization (NRSRO) and an A1 or P1 or equivalent rating, if any, of other debt, shall have a maximum rating of one hundred eighty (180) days. The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio, and no more than five percent (5%) of the District's-City's total portfolio shall be invested in banker's acceptances of any one bank.
  - a. ~~They are issued by institutions the short term obligations of which are rated a minimum of "A1" or its equivalent by two; or, if the short term obligations are unrated, the long term obligations of which are rated a minimum of "A" by a Nationally Recognized Statistical Rating Organization (NRSRO);~~
  - b. ~~The maturity does not exceed 180 days; and~~
  - c. ~~No more than 40% of the total portfolio may be invested in banker's acceptances.~~
  
4. Bank Deposits. FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in financial institutions located in California. Bank deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government Code Section 53649. The maturity of time deposits may not exceed 5 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in time deposits.

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5. Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be 5 years. The combined amount invested in placement service certificates of deposit and negotiable certificates of deposit shall not exceed 30% of the portfolio.
6. ~~Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 by the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of NCDs shall not exceed thirty percent (30%) of the total portfolio and will have a maturity date not to exceed five (5) years; provided that:~~
- ~~a. They are issued by institutions which have long term debt rated at least "A" or its equivalent by a NRSRO; and /or have short term debt rated at least "A1" or its equivalent by a NRSRO;~~
- ~~b. No more than 30% of the total portfolio may be invested in NCDs.~~
- ~~The maximum term for negotiable certificates of deposit shall be five years.~~
7. Repurchase agreements, provided that:
- a. The maximum maturity of repurchase agreements shall be 90 days;
- b. No more than 10% of the portfolio shall be invested in repurchase agreements;
- c. Repurchase agreements shall be fully secured by deliverable U.S. Treasury and Federal Agency obligations as described under Sections III (A1-2) of this policy (without limit to maturity) having a market value at all times of at least one hundred two percent (102%) of the amount of the contract. If additional collateral is required then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);
- d. Securities used as collateral for repurchase agreements, shall be free and clear of any lien and be held by USD's custodian bank or an independent third-party custodian acting solely as agent for the USD, provided such third party is not the seller under the repurchase agreement;

- e. The repurchase agreements are the subject of a master repurchase agreement or a specific written repurchase agreement between USD and the provider of the repurchase agreement; and
  - f. The counterparty meets the following criteria:
    - (i) The counterparty must be a primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or a bank, savings and loan association, or diversified securities broker-dealer having \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency;
    - (ii) Has a long-term credit rating of at least 'AA' or the equivalent from a NRSRO;
    - (iii) Has been in operation for at least 5 years; and
    - (iv) Is reputable among market participants.
8. Commercial Paper with the highest letter and numerical short term debt ratings by a NRSRO and A1 or P1 or equivalent rating with a corporation organized and operating in the United States and has assets in excess of five hundred million dollars (\$500,000,000). No more than twenty-five percent (25%) of the portfolio shall be invested in commercial paper and no more than five percent (5%) of USD's total portfolio shall be invested in the commercial paper of any one issuer. Maximum maturity shall not exceed two hundred seventy (270) days, provided that:
- ~~a. The maturity does not exceed 270 days from the date of purchase;~~
  - ~~b. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million;~~
  - ~~c. The commercial paper is "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. Commercial paper rated below the highest letter and number rating by any NRSRO is not eligible for purchase for USD's portfolio;~~
  - ~~d. No more than 25% of the portfolio is invested in commercial paper; and~~
  - ~~e. USD may purchase no more than 10% of the outstanding commercial paper of any single corporate issue.~~
9. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. A maximum of seventy percent (70%)

~~of USD's funds or the limit permitted by the State may be invested in LAIF, whichever is less;~~

~~provided that:~~

- ~~a. A maximum of 70% of USD's funds or the limit permitted by the State may be invested in LAIF, whichever is less;~~
- ~~b. LAIF's investments in instruments prohibited by or not specified in USD's policy do not exclude LAIF from USD's list of allowable investments, provided that the fund's reports allow USD's Treasurer to adequately judge the risk inherent in LAIF's portfolio; and~~
- ~~c. The General Manager/Treasurer or designee shall review LAIF's summary portfolio holdings on a quarterly basis.~~

10. Corporate medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, ~~issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated A or better by a NRSRO. Purchases may not exceed thirty percent (30%) of invested funds and five percent (5%) of the total portfolio of any one issuer's securities, provided that:~~

- ~~a. Such notes have a maximum maturity of five years;~~
- ~~b. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States;~~
- ~~c. Are rated a minimum of "A" or its equivalent or better by a NRSRO; and~~
- ~~d. Medium term notes may not exceed 30 percent of the portfolio.~~

11. Municipal Obligations. USD may purchase municipal obligations in the following categories.

- a. USD Bonds – Bonds issued by USD, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by USD or by a department, board, agency, or authority of USD.
- b. California State Obligations – Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.

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- c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. A maximum of ~~thirty percent (30%)~~ thirty percent (30%) of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed ~~ten percent (10%)~~ ten percent (10%) of the portfolio.

12. Money market mutual funds, provided that such funds

- a. Are registered with the Securities and Exchange Commission and are rated “AAAm” or its equivalent by not less than two NRSROs; or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of \$500 million;
- b. The purchase price of shares shall not exceed twenty percent (20%) of USD’s portfolio; and
- c. If USD has funds invested in a money market fund, a copy of fund’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the fund’s summary holdings on a quarterly basis.

13. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) as provided, provided that

- a. A maximum of fifty percent (50%) of USD’s funds may be invested in the shares of any one investment pool;
- b. The pool’s investment advisor meets the requirements of 53601(p);
- c. The pool seeks to maintain a stable Net Asset Value (“NAV”);
- d. The pool is rated “AAAm” or its equivalent by a NRSRO; and

- e. If USD has funds invested in a pool, a copy of pool's information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool's summary holdings on a quarterly basis.
14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed ~~thirty percent (30%) percent~~ of the agency's moneys that may be invested pursuant to this section.

#### **B. Prohibited Investment Vehicles and Practices**

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds.
2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. In accordance with Government Code Section 53601.6, investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. USD is not permitted to deposit funds into any state or federal credit union, if a member of the Board of Directors, or any person with investment decision making authority also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

#### **C. Mitigating Credit Risk in the Portfolio**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. USD shall mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section III (A) are designed to mitigate credit risk in the portfolio;
2. No more than 10% of the total portfolio may be invested in securities of any single issuer, other than LAIF, local government investment pools, all U.S. Government, its agencies and instrumentalities. In regards to commercial paper and medium-term notes no more than five percent (5%) of the total two combined shall be with the same issuing company; and
3. USD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or USD's risk preferences; and
4. If securities owned by USD are downgraded by a NRSRO to a level below the quality required by this Investment Policy, it shall be USD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. Please see Appendix A for credit ratings.
  - a. If a security is downgraded two rating categories below the level required by USD (A, depending on the rating Agency), the security shall be sold immediately.
  - b. If a security is downgraded one rating category below the level required by this policy, USD will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
  - c. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to USD's Board of Directors.

#### **~~D. Mitigating Market Risk in the Portfolio~~**

~~Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. USD recognizes that, over time, longer term portfolios achieve higher returns. On the other hand, longer term portfolios have higher volatility of return. USD shall mitigate market risk by providing adequate liquidity for short term cash needs, and by making some longer term investments only with funds which are not needed for current cash flow purposes. USD further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. USD, therefore, adopts the following strategies to control and mitigate its exposure to market risk:~~

- ~~1. Funds are divided into two categories:
  - ~~a. Funds needed for current operating expenses and capital requirements, known as the "Liquid Fund," and~~
  - ~~b. Funds not currently needed, known as the "Operating Reserve Fund."~~~~
- ~~2. If USD uses an investment advisor, USD shall inform the investment advisor from time to time of amounts to be allocated to each of the two categories.~~
- ~~3. The investment goals of the Liquid Fund shall be:
  - ~~a. To provide liquidity for operating expenses and capital requirements,~~
  - ~~b. To preserve capital, and~~
  - ~~c. To earn a return commensurate with the first two goals.~~~~
- ~~4. The investment goal of the Operating Reserve Fund shall be to preserve real capital and provide growth over the long term by earning the rate of return which is available from the longer term investments permitted under the California Government Code.~~

#### IV. INVESTMENT PERFORMANCE OBJECTIVES

- A. A 12-month rolling average of the 1-year U.S. Treasury yield may serve as a reasonable benchmark for the total current portfolio.

#### V. INVESTMENT GUIDELINES

##### A. ~~Liquidity Fund~~

- ~~1. The average maturity of the Liquid Fund shall not exceed 90 days, and the maximum final stated maturity of individual securities in the Liquid Fund may not exceed one year. A minimum of ten percent (10%) of USD's funds shall be invested in liquid investments such as LAIF or CAMP to ensure adequate cash reserves to pay current expenses. Any changes to investments or new investments approved by the state shall require an amendment to the policy approval by the Board.~~
2. If USD uses an investment advisor, USD's General Manager/Treasurer shall communicate periodically with the investment adviser in order to keep the adviser informed as to USD's specific short-term liquidity requirements.

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- ~~3. A minimum of 10% of USD's funds shall be maintained in the Liquid Fund at all times to ensure adequate cash reserves to pay current expenses.~~
- ~~4. Staff shall report to the Board in advance of initiating any new investment instruments not used at the time of the latest policy revision.~~

**B. Maximum Maturities ~~Operating Reserve Fund~~**

- ~~1. The maximum stated final maturity of individual investments in the Operating Reserve Fund shall not exceed the limits set forth in Section III of this policy. However, no investment shall exceed a maturity of five years from the date of purchase unless USD's Board of Directors has granted express authority to make that investment either specifically or as a part of an investment program approved by USD's Board of Directors no less than three months prior to the investment. The weighted average maturity of the Operating Reserve Fund shall not exceed two and a half (2½) years. To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. USD will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the the Board of Directors has by resolution granted authority to make such an investment at least three months prior to the date of investment.~~

## VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

### A. Monthly Reports

Monthly investment reports shall be submitted by USD finance staff to USD's Board of Directors and the General Manager. These reports shall disclose, at a minimum, the following information about the risk characteristics of USD's portfolio:

1. As asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:
  - a. Weighted average maturity of the portfolio;
  - b. Maturity distribution of the portfolio;
  - c. Average monthly yield to maturity at cost for the portfolio for the prior twelve months compared to the Benchmark Index returns for the same periods;

- d. A list of portfolio transactions;
- 3. A statement of compliance with the investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and
- 4. A statement that USD has adequate funds to meet its cash flow requirements for the next six months.
- 5. A list of broker/dealers the District is currently using.

**B. Annual Reports**

- 1. The investment policy shall be reviewed at least two months before the current investment policy expires and adopted before at least the current investment policy expires annually within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.
- 2. The investment program shall be included in the scope of USD’s annual audit.

**C. Periodic Investment Program Review**

USD shall retain the services of an expert consultant to perform a thorough review of the investment program a minimum of once every four years.

This revision supersedes the versions listed below, which are no longer effective.

Title	Policy #	Effective Date
Investment Policy	2030	11/27/95
Investment Policy	2030	10/11/11
Investment Policy	2030	9/24/2012
Investment Policy	2030	9/22/2014
<u>Investment Policy</u>	<u>2030</u>	<u>1/1/2015</u>

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Approved by: Board of Directors  
 Author/owner: Principal Financial Analyst Business Services Manager/Chief Financial Officer  
 Reviewers: General Manager, Senior Accountant and Principal Financial Analyst Business Services Work Group Manager  
 Notify Person: Principal Financial Analyst Business Services Manager/Chief Financial Officer

Investment Policy

Policy Number 2030  
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Revision frequency: ~~Annually~~ Every 1 year

Next Review: ~~9/28/15 (within 120 days of the end of the fiscal year)~~ 11/1/16 (two months before the effective policy expires)

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## GLOSSARY OF INVESTMENT TERMS

**Asset-backed security.** A security supported by assets such as automobile loans or other consumer receivables which are placed with a trustee for the benefit of the owners of the security.

**Banker's acceptance.** A high quality, short term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

**Benchmark.** A segment of the securities market with characteristics similar to the subject portfolio. It is used to compare portfolio performance to the performance of the appropriate segment of the market.

**Callable Security.** Callable securities are those which contain an option allowing the issuer to retire the security prior to its final maturity date. If the level of interest rates falls sufficiently, the issuer of the bond will exercise the option and call the bond away from the investor. The issuer can save money by issuing new bonds at lower rates. Types of callable bonds can range from "one-time" to "quarterly" to "continuous" calls.

**CAMP (California Asset Management Program).** A pooled investment vehicle and Joint Powers Authority for local agencies in California which manages the California Asset Management Trust.

**Commercial paper.** Short term, negotiable unsecured promissory notes of corporations.

**Delivery vs. payment.** A securities industry procedure in which payment for a security is not released until the security is delivered to the customer's bank custodial account.

**Inverse floaters.** A security with an interest rate which changes periodically in the opposite direction to the change in the general level of interest rates.

**Investment Official.** An individual who is authorized to make investment decisions and execute investments of funds on behalf of USD.

**Leverage.** An investment practice in which the investor borrows money in order to increase the amount invested.

**Local Agency Investment Fund (LAIF).** A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

**Market cycle.** A market cycle is defined as a period of time which includes a minimum of two consecutive quarters of falling interest rates followed by a minimum of two consecutive quarters of rising interest rates.

**Money market mutual fund.** A mutual fund which invests in short term money market instruments only, and which has as an investment objective.

**Nationally Recognized Statistical Rating Organization (NRSRO).** A credit rating agency which issues credit ratings that the US Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. Commonly used NRSROs are Moody's Investor Service, Standard & Poor's, and Fitch Ratings.

**Negotiable certificate of deposit.** A large denomination certificate of deposit which can be sold in the open market prior to maturity.

**Range notes.** Fixed income securities which pay interest only under certain conditions which are defined in the bond's indenture.

**Repurchase agreement.** An investment transaction wherein an investor agrees to purchase securities at an agreed upon price, and simultaneously agrees to sell the securities back to the counterparty on an agreed upon future date at an agreed upon price.

**Time certificate of deposit.** A non-negotiable certificate of deposit which cannot be sold prior to maturity.

**Total rate of return.** Annual return on an investment including appreciation and dividends or interest. For bonds held to maturity, total return is yield to maturity.

**Weighted Average Maturity.** The weighted average of the remaining terms of the underlying securities, using the current balance of each security as the weighting factor.

**Appendix A – Credit Ratings for Corporate Notes**

<b>Equivalent Credit Ratings</b>				
<b>Credit Risk</b>	<b>Moody's*</b>	<b>Standard &amp; Poor's*</b>	<b>Fitch IBCA**</b>	<b>Duff &amp; Phelps**</b>
<b>INVESTMENT GRADE</b>				
Highest quality	Aaa	AAA	AAA	AAA
High quality (very strong)	Aa	AA	AA	AA
Upper medium grade (strong)	A	A	A	A
Medium grade	Baa	BBB	BBB	BBB
<b>NOT INVESTMENT GRADE</b>				
Lower medium grade (somewhat speculative)	Ba	BB	BB	BB
Low grade (speculative)	B	B	B	B
Poor quality (may default)	Caa	CCC	CCC	CCC
Most speculative	Ca	CC	CC	CC
No interest being paid or bankruptcy petition filed	C	C	C	C
In default	C	D	D	D

Source: The Bond Market Association

\* The ratings from Aa to Ca by Moody's may be modified by the addition of a 1, 2 or 3 to show relative standing within the category.

\*\*The ratings from AA to CC by Standard & Poor's, Fitch IBCA and Duff & Phelps may be modified by the addition of a plus or minus sign to show relative standing within the category.

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## **I. INVESTMENT POLICY**

### **A. Purpose**

The purpose of the Union Sanitary District’s (“USD”) Investment Policy is to establish clear guidelines, objectives, policies and understanding for the Board of Directors, USD management, responsible, citizens and third parties for the investment of all USD fund. USD funds invested shall provide sufficient cash flow to meet current and expected operating expenses and to fund capital requirements as described in USD’s 10-year Capital Improvement Program and 10-year Financial Plan; and enhance the economic status of USD while protecting its cash. USD shall review this policy as least once annually, and may changes its policies as investment objectives change.

### **B. Objectives**

The objectives of this investment policy are, in order of priority:

1. To assure ongoing compliance with all Federal, State and local laws governing the investment of public funds;
2. To ensure safety of invested funds;
3. To maintain sufficient liquidity to meet cash flow needs for all operating requirements which might be reasonably anticipated without requiring a sale of securities;
4. Maintain a diversified investment portfolio to avoid incurring unreasonable risks regarding specific security types or individual financial institutes; and
5. To attain a “market average rate of return” consistent with the primary objectives of safety and liquidity. The expected rate of return on USD’s portfolio is more specifically defined in Section IV.

### **C. Prudence**

1. The Prudent Investor Standard shall be used by investment officials, and shall be applied in the context of managing an overall portfolio. Investment staff acting in accordance with written procedures and the investment policy and

exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

2. **The Prudent Investor Standard:** When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

#### **D. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **II. OPERATIONS AND PROCEDURAL MATTERS**

### **A. Scope**

This investment policy applies to all financial assets and investment activities of USD except USD's Deferred Compensation Plan managed by a third party administrator and invested by individual participants; and USD's retiree medical trust held with CalPERS (the CERBT Trust) and pension assets held with CalPERS since the assets of both plans are managed by CalPERS.

Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of USD as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

### **B. Delegation of Authority**

1. Authority to manage USD's investment program is derived from the California Government Code Sections 53600 et seq., and USD's Charter.
2. With the approval of the Board of Directors, USD may engage the services of an external investment advisor to assist in the management of USD's investment portfolio in a manner consistent with USD's objectives. Such external investment advisors may be granted discretion to purchase and sell

investment securities in accordance with this Investment Policy. Such discretion will be subject to oversight and other restrictions which are to be described in a written agreement. Such advisor must be registered under the Investment Advisers Act of 1940.

3. In accordance with Government Code Section 53607, the Board of Directors delegates to the General Manager/Treasurer, or his designee, the authority to invest, sell or exchange securities. This delegation of authority must be reviewed, and if still applicable, renewed on an annual basis. The Board shall receive a monthly report of the transactions conducted on its behalf.

### **C. Internal Controls**

The General Manager/Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the annual financial audit, USD's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

### **D. Delivery vs. Payment**

All investment transactions of USD shall be conducted using standard delivery-vs.-payment procedures.

### **E. Safekeeping of Securities**

To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by USD shall be held in safekeeping by a third party bank trust department, acting as agent for USD under the terms of a custody agreement executed by the bank and by USD. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held by USD.

### **F. Qualifications and Selection of Broker/Dealers**

USD shall purchase investments with security broker/dealers based on their reliability; trustworthiness; and their expertise in public cash management. Brokers/dealers must be registered with the state and provide upon request other

information to determine their creditworthiness and trustworthiness such as proof of Financial Industry Regulatory Authority (FINRA) registration. A list of security brokers/dealers USD is doing business with will be provided to the Board of Directors with the monthly investment report. A copy of the current USD investment policy will be provided to all security broker/dealers doing business with USD. It shall be the policy of USD to purchase securities only from authorized institutions or firms.

For transactions initiated through an external investment advisor, the investment advisor may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

### **III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT**

#### **A. Authorized Investments**

All investments shall be made in accordance with Sections 53600 et seq. of the Government Code of California and as described within this Investment Policy. Within the investments permitted by the Government Code, USD seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this Investment Policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

1. U.S. Treasury securities not exceeding five (5) years to final maturity. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, provided that there shall be no maximum allowable investment in such securities. Purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 % of the portfolio.
3. Eligible Banker's acceptances, highest letter and numerical short term debt ratings by a National Recognized Standard Rating Organization (NRSRO) and an A1 or P1 or equivalent rating, if any, of other debt, shall have a maximum rating of one hundred eighty (180) days. The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio, and no more than five percent (5%) of the District's total portfolio shall be invested in banker's acceptances of any one bank.

4. Bank Deposits. FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits (“TCDs”) and other types of bank deposits in financial institutions located in California. Bank deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government Code Section 53649. The maturity of time deposits may not exceed 5 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20 percent of the portfolio may be invested in time deposits.
5. Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be 5 years. The combined amount invested in placement service certificates of deposit and negotiable certificates of deposit shall not exceed 30% of the portfolio.
6. Negotiable certificates of deposit (NCDs issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 by the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of NCDs shall not exceed thirty percent (30%) of the total portfolio and will have a maturity date not to exceed five (5) years.
7. Repurchase agreements, provided that:
  - a. The maximum maturity of repurchase agreements shall be 90 days;
  - b. No more than 10% of the portfolio shall be invested in repurchase agreements;
  - c. Repurchase agreements shall be fully secured by deliverable U.S. Treasury and Federal Agency obligations as described under Sections III (A1-2) of this policy (without limit to maturity) having a market value at all times of at least one hundred two percent (102%) of the amount of the contract. If additional collateral is required then that collateral must be delivered within

- one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);
- d. Securities used as collateral for repurchase agreements, shall be free and clear of any lien and be held by USD's custodian bank or an independent third-party custodian acting solely as agent for the USD, provided such third party is not the seller under the repurchase agreement;
  - e. The repurchase agreements are the subject of a master repurchase agreement or a specific written repurchase agreement between USD and the provider of the repurchase agreement; and
  - f. The counterparty meets the following criteria:
    - (i) The counterparty must be a primary government securities dealer who reports daily to the Federal Reserve Bank of New York, or a bank, savings and loan association, or diversified securities broker-dealer having \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency;
    - (ii) Has a long-term credit rating of at least 'AA' or the equivalent from a NRSRO;
    - (iii) Has been in operation for at least 5 years; and
    - (iv) Is reputable among market participants.
8. Commercial Paper with the highest letter and numerical short term debt ratings by a NRSRO and A1 or P1 or equivalent rating with a corporation organized and operating in the United States and has assets in excess of five hundred million dollars (\$500,000,000). No more than twenty-five percent (25%) of the portfolio shall be invested in commercial paper and no more than five percent (5%) of USD's total portfolio shall be invested in the commercial paper of any one issuer. Maximum maturity shall not exceed two hundred seventy (270) days
9. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. A maximum of seventy percent (70%) of USD's funds or the limit permitted by the State may be invested in LAIF, whichever is less;
10. Corporate medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or

less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated A or better by a NRSRO. Purchases may not exceed thirty percent (30%) of invested funds and five percent (5%) of the total portfolio of any one issuer's securities.

11. Municipal Obligations. USD may purchase municipal obligations in the following categories.

- a. USD Bonds – Bonds issued by USD, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by USD or by a department, board, agency, or authority of USD.
- b. California State Obligations – Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
- c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. A maximum of thirty percent (30%) of the portfolio may be invested in this category. The amount invested with any one issuer shall not exceed ten percent (10%) of the portfolio.

12. Money market mutual funds, provided that such funds

- a. Are registered with the Securities and Exchange Commission and are rated “AAAm” or its equivalent by not less than two NRSROs; or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of \$500 million;
- b. The purchase price of shares shall not exceed twenty percent (20%) of USD’s portfolio; and
- c. If USD has funds invested in a money market fund, a copy of fund’s information statement shall be maintained on file for due diligence. In

addition, the General Manager/Treasurer should review the fund's summary holdings on a quarterly basis.

13. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) as provided, provided that
  - a. A maximum of fifty percent (50%) of USD's funds may be invested in the shares of any one investment pool;
  - b. The pool's investment advisor meets the requirements of 53601(p);
  - c. The pool seeks to maintain a stable Net Asset Value ("NAV");
  - d. The pool is rated "AAAm" or its equivalent by a NRSRO; and
  - e. If USD has funds invested in a pool, a copy of pool's information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool's summary holdings on a quarterly basis.
14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed thirty percent (30%) of the agency's moneys that may be invested pursuant to this section.

#### **B. Prohibited Investment Vehicles and Practices**

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds.
2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. In accordance with Government Code Section 53601.6, investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.

6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. USD is not permitted to deposit funds into any state or federal credit union, if a member of the Board of Directors, or any person with investment decision making authority also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

### **C. Mitigating Credit Risk in the Portfolio**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. USD shall mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section III (A) are designed to mitigate credit risk in the portfolio;
2. No more than 10% of the total portfolio may be invested in securities of any single issuer, other than LAIF, local government investment pools, all U.S. Government, its agencies and instrumentalities. In regards to commercial paper and medium-term notes no more than five percent (5%) of the total two combined shall be with the same issuing company; and
3. USD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or USD's risk preferences; and
4. If securities owned by USD are downgraded by a NRSRO to a level below the quality required by this Investment Policy, it shall be USD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. Please see Appendix A for credit ratings.
  - a. If a security is downgraded two rating categories below the level required by USD (A, depending on the rating Agency), the security shall be sold immediately.
  - b. If a security is downgraded one rating category below the level required by this policy, USD will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
  - c. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to USD's Board of Directors.

#### **IV. INVESTMENT PERFORMANCE OBJECTIVES**

- A. A 12-month rolling average of the 1-year U.S. Treasury yield may serve as a reasonable benchmark for the total current portfolio.

#### **V. INVESTMENT GUIDELINES**

##### **A. Liquidity**

A minimum of ten percent (10%) of USD's funds shall be invested in liquid investments such as LAIF or CAMP to ensure adequate cash reserves to pay current expenses. Any changes to investments or new investments approved by the state shall require an amendment to the policy approval by the Board.

2. If USD uses an investment advisor, USD's General Manager/Treasurer shall communicate periodically with the investment adviser in order to keep the adviser informed as to USD's specific short-term liquidity requirements.

##### **B. Maximum Maturities**

1. To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. USD will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Board of Directors has by resolution granted authority to make such an investment at least three months prior to the date of investment.

#### **VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION**

##### **A. Monthly Reports**

Monthly investment reports shall be submitted by USD finance staff to USD's Board of Directors and the General Manager. These reports shall disclose, at a minimum, the following information about the risk characteristics of USD's portfolio:

1. As asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:

- a. Weighted average maturity of the portfolio;
  - b. Maturity distribution of the portfolio;
  - c. Average monthly yield to maturity at cost for the portfolio for the prior twelve months compared to the Benchmark Index returns for the same periods;
  - d. A list of portfolio transactions;
3. A statement of compliance with the investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and
  4. A statement that USD has adequate funds to meet its cash flow requirements for the next six months.
  5. A list of broker/dealers the District is currently using.

#### **B. Annual Reports**

1. The investment policy shall be reviewed at least two months before the current investment policy expires and adopted before the current investment policy expires to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.
2. The investment program shall be included in the scope of USD's annual audit.

#### **C. Periodic Investment Program Review**

USD shall retain the services of an expert consultant to perform a thorough review of the investment program a minimum of once every four years.

This revision supersedes the versions listed below, which are no longer effective.

<b>Title</b>	<b>Policy #</b>	<b>Effective Date</b>
Investment Policy	2030	11/27/95
Investment Policy	2030	10/11/11
Investment Policy	2030	9/24/2012
Investment Policy	2030	9/22/2014
Investment Policy	2030	1/1/2015

Approved by: Board of Directors  
Author/owner: Business Services Manager/Chief  
Financial Officer  
Reviewers: General Manager, Senior Accountant and Principal Financial  
Analyst  
Notify Person: Business Services Manager/Chief Financial Officer  
Revision frequency: Annually  
Next Review: 11/1/16 (two months before the effective policy expires)

## GLOSSARY OF INVESTMENT TERMS

**Asset-backed security.** A security supported by assets such as automobile loans or other consumer receivables which are placed with a trustee for the benefit of the owners of the security.

**Banker's acceptance.** A high quality, short term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

**Benchmark.** A segment of the securities market with characteristics similar to the subject portfolio. It is used to compare portfolio performance to the performance of the appropriate segment of the market.

**Callable Security.** Callable securities are those which contain an option allowing the issuer to retire the security prior to its final maturity date. If the level of interest rates falls sufficiently, the issuer of the bond will exercise the option and call the bond away from the investor. The issuer can save money by issuing new bonds at lower rates. Types of callable bonds can range from "one-time" to "quarterly" to "continuous" calls.

**CAMP (California Asset Management Program).** A pooled investment vehicle and Joint Powers Authority for local agencies in California which manages the California Asset Management Trust.

**Commercial paper.** Short term, negotiable unsecured promissory notes of corporations.

**Delivery vs. payment.** A securities industry procedure in which payment for a security is not released until the security is delivered to the customer's bank custodial account.

**Inverse floaters.** A security with an interest rate which changes periodically in the opposite direction to the change in the general level of interest rates.

**Investment Official.** An individual who is authorized to make investment decisions and execute investments of funds on behalf of USD.

**Leverage.** An investment practice in which the investor borrows money in order to increase the amount invested.

**Local Agency Investment Fund (LAIF).** A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

**Market cycle.** A market cycle is defined as a period of time which includes a minimum of two consecutive quarters of falling interest rates followed by a minimum of two consecutive quarters of rising interest rates.

**Money market mutual fund.** A mutual fund which invests in short term money market instruments only, and which has as an investment objective.

**Nationally Recognized Statistical Rating Organization (NRSRO).** A credit rating agency which issues credit ratings that the US Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. Commonly used NRSROs are Moody's Investor Service, Standard & Poor's, and Fitch Ratings.

**Negotiable certificate of deposit.** A large denomination certificate of deposit which can be sold in the open market prior to maturity.

**Range notes.** Fixed income securities which pay interest only under certain conditions which are defined in the bond's indenture.

**Repurchase agreement.** An investment transaction wherein an investor agrees to purchase securities at an agreed upon price, and simultaneously agrees to sell the securities back to the counterparty on an agreed upon future date at an agreed upon price.

**Time certificate of deposit.** A non-negotiable certificate of deposit which cannot be sold prior to maturity.

**Total rate of return.** Annual return on an investment including appreciation and dividends or interest. For bonds held to maturity, total return is yield to maturity.

**Weighted Average Maturity.** The weighted average of the remaining terms of the underlying securities, using the current balance of each security as the weighting factor.

## Appendix A – Credit Ratings for Corporate Notes

<b>Equivalent Credit Ratings</b>				
<b>Credit Risk</b>	<b>Moody's*</b>	<b>Standard &amp; Poor's*</b>	<b>Fitch IBCA**</b>	<b>Duff &amp; Phelps**</b>
<b>INVESTMENT GRADE</b>				
Highest quality	Aaa	AAA	AAA	AAA
High quality (very strong)	Aa	AA	AA	AA
Upper medium grade (strong)	A	A	A	A
Medium grade	Baa	BBB	BBB	BBB
<b>NOT INVESTMENT GRADE</b>				
Lower medium grade (somewhat speculative)	Ba	BB	BB	BB
Low grade (speculative)	B	B	B	B
Poor quality (may default)	Caa	CCC	CCC	CCC
Most speculative	Ca	CC	CC	CC
No interest being paid or bankruptcy petition filed	C	C	C	C
In default	C	D	D	D

Source: The Bond Market Association

\* The ratings from Aa to Ca by Moody's may be modified by the addition of a 1, 2 or 3 to show relative standing within the category.

\*\*The ratings from AA to CC by Standard & Poor's, Fitch IBCA and Duff & Phelps may be modified by the addition of a plus or minus sign to show relative standing within the category.



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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 15, 2016

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

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

**SUBJECT:** Agenda Item No. 11 – Meeting of February 22, 2016  
**Consider Confirming and Declaring the Need to Continue the Emergency Action to Repair the 33-Inch Sewer on Alvarado Boulevard and Update on the Repairs**

### **Recommendation**

Receive update on repairs and adopt motion by a four-fifths vote finding that there is a need to continue the action and confirming and declaring the continuance of the emergency.

### **Background**

On Wednesday, October 14<sup>th</sup>, a sinkhole surfaced at the intersection of Alvarado Blvd. and New Haven St. in Union City; see attached location map. The sinkhole was amplified by a subsequent water main break, which was repaired by Alameda County Water District on the same day. Union Sanitary District's 20-foot deep, 33-inch pipeline and manhole located in the intersection were inspected and found to be damaged.

Given the potential for the sinkhole to affect the health and safety of the community and the possible impact to the District facilities, it was determined that an emergency existed and the necessary steps were taken to meet the emergency, secure the site, and start the repair process. Compliance with competitive bidding procedures typically takes a number of months and would not have allowed prompt action to be taken, as required to safeguard the public and District facilities.

Therefore, District staff called upon the District's emergency contractor, McGuire & Hester Inc., for assistance. Immediate repairs to the damaged sewer facilities could not be accomplished due to the high groundwater level and unstable soil conditions. For safety and traffic reasons and to

avoid additional damage to the street, McGuire & Hester quickly stabilized the site by backfilling the sinkhole.

At the Board Meeting of November 9, 2015, the Board adopted a resolution confirming and declaring the need to continue an emergency and authorizing emergency expenditures to allow staff to proceed with expeditious repairs to the 33-inch sewer main, and related appurtenances (e.g. manhole and overflow pipe) on Alvarado Boulevard. Subsequently, at the Board Meetings of November 23, 2015, December 14, 2015, January 11, 2016, January 25, 2016, and February 8, 2016, the Board found that there was a need to continue the action and confirmed and declared the continuance of the emergency. The Board meeting of December 28, 2015 was cancelled.

## **Update on the Alvarado Boulevard Sewer Main Repairs**

### **Trunk Sewer Repair**

Efforts to control the high groundwater level and unstable soils were unsuccessful and a trenchless repair is not feasible. Therefore, the damaged facilities will be repaired by open-cut method. The approach is to construct a deep shaft around the manhole and pipeline by installing interlocking steel sheet piles, and then to excavate the soil within the shaft down to the pipe. The deep steel sheet piles will stop the inflow of groundwater into the shaft and allow the necessary cleaning, inspection, and repairs to proceed unhindered.

The six phases envisioned for this repair work are as follows:

*Phase 1 – PG&E (Complete):* On December 23<sup>rd</sup>, PG&E disconnected and removed a gas line to facilitate the excavation necessary to complete the final repairs.

*Phase 2 – Shoring, Jet Grouting, & Excavation (In Progress):* On December 28th, McGuire & Hester mobilized to begin Phase 2 work. First, seventy (70) feet of Alameda County Water District's (ACWD's) water line which was in conflict with the shoring plan was removed for the duration of the work; it will be replaced once the final repairs are complete. Sheet pile installation around the excavation area then began on January 4, 2016, and was completed on January 8, 2016. The sheet pile installation was followed by jet grouting, a process during which grout is injected by pressure into the soils surrounding the sheet piles to seal up gaps and prevent water intrusion into the shaft. Jet grouting work began on January 12, 2016, and was completed on January 29, 2016. The jet grouting was followed by excavation of the shaft itself, which began on February 1, 2016.

On February 2, 2016, excavation work was nearing completion when groundwater began to infiltrate from the bottom of the pit. To ensure stability of the excavated pit and surrounding soils, McGuire & Hester stopped the excavation work and pumped water back into the pit. Before the pit could be dewatered and excavation work could be resumed, the challenges presented by the groundwater had to be properly addressed. A groundwater dewatering system, supplemental to the one originally installed in October 2015, and comprised of four, 40-foot deep wells, was installed on February 11, 2016. The system will be allowed to pump for several days before the pit is dewatered again and excavation work is resumed.

*Phase 3 – Sewer Repair:* Once the excavation is completed, the sewer pipeline repair will proceed. The damaged manhole along with several feet of pipe on each side of it will be completely replaced. In addition, over 700 feet of the existing pipeline upstream and downstream of the damaged manhole will likely be rehabilitated.

*Phase 4 – Backfill:* After the sewer repair and rehabilitation is complete, the excavated shaft will be backfilled.

*Phase 5 – Utilities:* Before the project may be completed, several utilities must be re-connected. PG&E will re-install and reconnect the gas line that was disconnected and removed in Phase 1. McGuire and Hester will replace 70 feet of ACWD's water line removed in Phase 2. A storm drain line temporarily relocated to facilitate shaft excavation will also be replaced.

*Phase 6 – Site Restoration:* Final restoration work includes reconstructing the damaged street area and re-paving the street and returning to normal traffic operations.

District staff is coordinating closely with the City of Union City, New Haven Unified School District, Union City Police Dept., Alameda County Fire Dept., ACWD, and contractor McGuire & Hester to accomplish the work in an efficient and safe manner.

### **Traffic Control**

Due to the large size and location of the repair shaft, the resulting available lane width on westbound Alvarado Blvd. will be less than 11 feet. Thus, the City's preference is that westbound Alvarado Blvd. between Fair Ranch Rd. and Fredi St. be closed entirely to facilitate the work and provide the staging area needed by McGuire & Hester. This closure went into effect on December 28, 2015, and will continue through the duration of the project, which is expected by late April, weather permitting.

At least one eastbound lane on Alvarado Blvd. will be open at all times. Left turns into and out of New Haven St. will be closed. Westbound transit buses and vehicular traffic are being detoured. The New Haven Unified School District requested help directing traffic at the school entrance near Fredi St. and Horner St. during the street closure, and staff has worked with the Union City Police Dept. and McGuire & Hester to provide the appropriate traffic control. The fire truck at Fire Station #32 will continue to be able to enter and exit the fire station safely.

### **Sewer Bypass**

The damaged 33-inch sewer continues to be plugged and its flows bypassed through a permanent overflow pipe to the unaffected 39-inch trunk sewer on the south side of the street. A standby pump is retained on site as a contingency. District Collection Services staff continue to provide daily monitoring of the collection system upstream of the overflow pipe to prevent sanitary sewer overflows, of which none have been reported. Additionally, Collection Services staff has installed odor absorbing, activated carbon canisters in a number of select manholes, and will also continue chemical dosing of the sewer mains upstream of the sinkhole area on a 3-week schedule to control odors. Finally, Collection Services staff has been pumping down and cleaning the surcharged sewers upstream of the overflow pipe. This work, which includes the temporary closure of one eastbound lane on Alvarado Blvd., began on Tuesday, February 16, 2016.

### **Public Information**

Staff continues to develop and issue press releases about the field work on an as-needed basis only. These updates are disseminated via the "What's New" page on the District website, as well as through USD social media.

A CMS (changeable message sign) traffic board, as well as other traffic signs, remain on Alvarado Blvd. notifying motorists of the shutdown of westbound Alvarado Blvd. Additionally, flyers were distributed on December 23, 2015, to the businesses at Alvarado Blvd. and Fair Ranch Rd and the apartment complex to the west, notifying them of the same.

### **Review of Emergency Status**

After the determination of an emergency pursuant to Public Contract Code section 22050, the Board is required to review the status of the emergency action at each subsequent meeting until the emergency action is terminated, and authorize continuation of the emergency action by a four-fifths vote. This staff report seeks such authorization. As discussed above, the sinkhole continues to affect traffic and people that live, work, or commute in the area. Furthermore, District facilities need to be protected and there is a need to complete the actions described above as expeditiously as possible. Therefore, staff believes that there is a need to continue the emergency action.

Staff will continue to bring a similar item to the Board until the emergency is terminated.

PRE/SEG/RC/CE:ks

Attachment: Exhibit A – Location Map

# EXHIBIT A - LOCATION MAP

## ALVARADO BLVD. SEWER REPAIR





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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 10, 2016

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

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

**SUBJECT:** Agenda Item No. 12 - Meeting of February 22, 2016  
**Discuss and Provide Direction Regarding Changes to the Sewer Service Charges FY17 - 21 Rate Fact Sheet as proposed by Director Lathi**

### **Recommendation**

Board to discuss Director Lathi's request and provide direction to staff regarding changes to the Rate Fact Sheet that are being proposed by Director Lathi.

### **Background**

Director Lathi is requesting that changes be made to the Rate Fact Sheet that was previously considered and approved by the Board at the November 23, 2015 meeting.

If a majority of the Board desire to discuss this item, the proposed changes and the previously approved Rate Fact Sheet are attached to this staff report, in order for the Board to consider the changes without having to re-agendize the item.

### **Attachments**

Sewer Service Charges FY17 – 21 Fact Sheet  
Proposed Edits by Director Lathi



## Proposed Sewer Service Charges For Fiscal Years 2017 – 2021

Union Sanitary District (USD) is an award winning public agency providing wastewater service to the Tri-Cities (Fremont, Newark, and Union City). Pursuant to the Proposition 218 notice sent to all property owners in December 2015, USD will hold a public hearing on January 25, 2016 to consider a new cost of service analysis that covers proposed rate increases for FY 2017 through FY 2021. For single-family homeowners (the majority of USD’s customers) the 1% increase in FY 2017 equates to \$3.05 per year or \$0.25 per month.

The District recognizes that no one enjoys a rate increase, and continuously looks for ways to reduce costs while maintaining a high level of service. Only three agencies of 26 surveyed in the Bay Area currently have rates lower than USD.

State law requires the District to establish rates sufficient to cover operating expenses, including interest on debts, and expenses necessary for the replacement and construction of facilities. The proposed rates are based on the results of the most recent, comprehensive study of the cost of providing sewer service. This study calculated rates by determining the fair allocation of costs for sewer service between residential, commercial, and industrial users based on each class’ use of services and impact on the system.

As an example, single-family residential rates are proposed to increase by approximately 1% in FY 2017 and 3.5% each year thereafter through FY 2021:

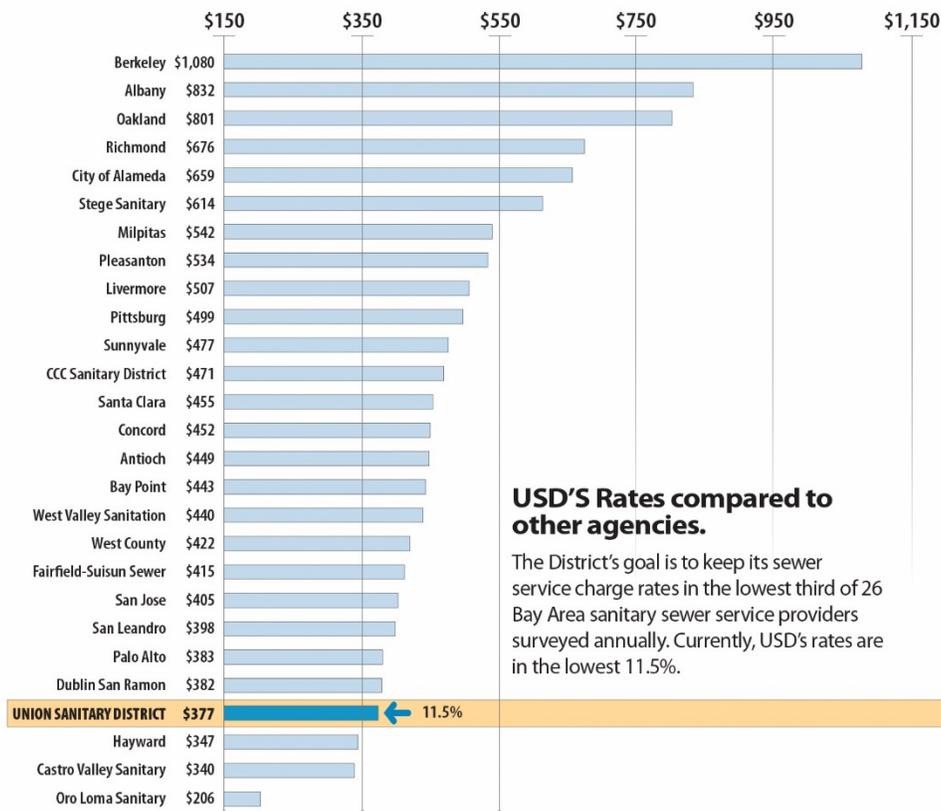
**PROPOSED RESIDENTIAL RATES  
FY 2017 - 2021**

Current Rate	\$377	
	Proposed Rates	Difference from previous year
<b>FY 2017</b>	<b>\$380.05</b>	<b>\$3.05</b>
<b>FY 2018</b>	<b>\$393.35</b>	<b>\$13.30</b>
<b>FY 2019</b>	<b>\$407.12</b>	<b>\$13.77</b>
<b>FY 2020</b>	<b>\$421.37</b>	<b>\$14.25</b>
<b>FY 2021</b>	<b>\$436.12</b>	<b>\$14.75</b>

## USD rates in perspective

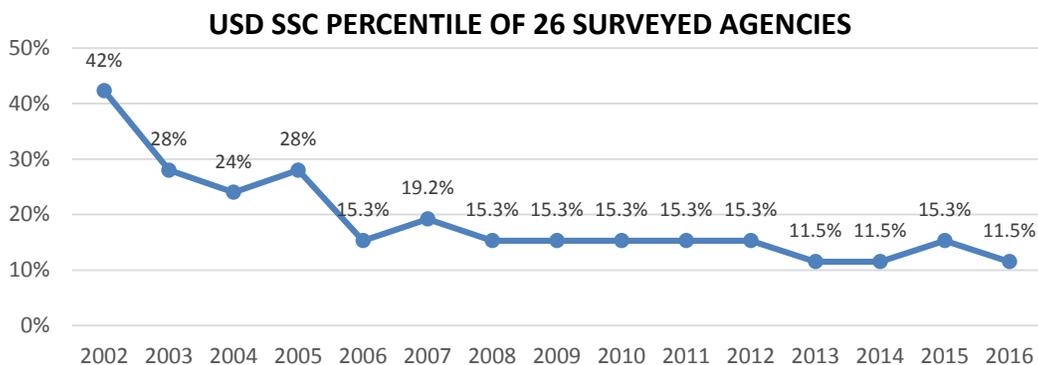
USD conducts an annual rate comparison survey of 26 Bay Area wastewater agencies. The District's goal is to remain in the lower 1/3 of agencies surveyed (i.e. USD's rates would be lower than 2/3 of neighboring agencies). Today, only **three** districts have lower rates.

### BAY AREA ANNUAL SEWER SERVICE CHARGES 2015–2016



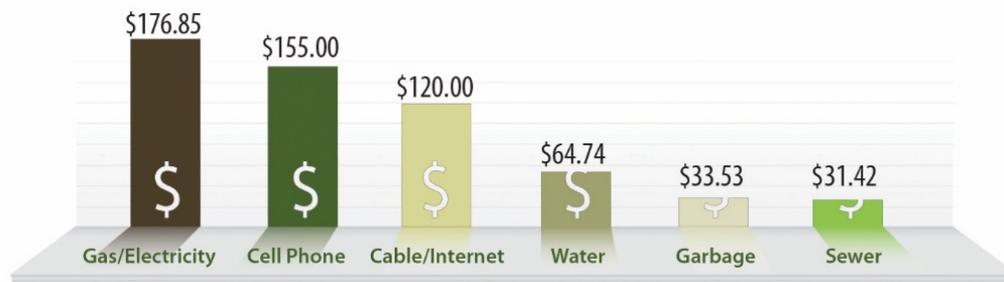
As of 9/14/2015 – Hayward rate effective 10/1/2015

The graph below shows USD's rate percentiles since the District began surveying 26 Bay Area wastewater agencies annually in 2002. USD's rates are currently in the 11<sup>th</sup> percentile.



## **Compared to other utilities and services, USD's rates are the lowest**

A typical household in USD's service area pays considerably more for services like those below:



*Sewer Rate shown is USD's FY 2016 single-family residential rate (July 1, 2015 - June 30, 2016)*

*Other monthly utility rates are based on a typical residential household and were obtained from service providers in August 2015 where possible. Gas and Electricity rate is based on an annual average for a 1,500 sq. ft. home in USD's service area. Cell phone monthly bill is based on a typical calling plan for a family of four.*

## **USD strives to keep rates low and stable**

Prior to 2004, USD had not increased rates since 1997. During that time, the District used reserves to finance the majority of its capital improvements, significantly depleting this critical account. Beginning in 2004, USD implemented a rate increase program to fund these improvements and keep pace with increasing operation costs facing the agency. This was to implement the Board of Directors' philosophy of keeping rates relatively stable over time, and protect ratepayers from large rate increases that often occur in a service delivery business.

The District plans 10 years in advance for capital projects and needs; however, these capital expenditures are evaluated on an annual basis. Capital expenditures for FY 2016 are anticipated to total \$15.08 million and average approximately \$20 million annually after that through FY 2021.

## **USD's Capital Improvement Program is a large driver for increased rates**

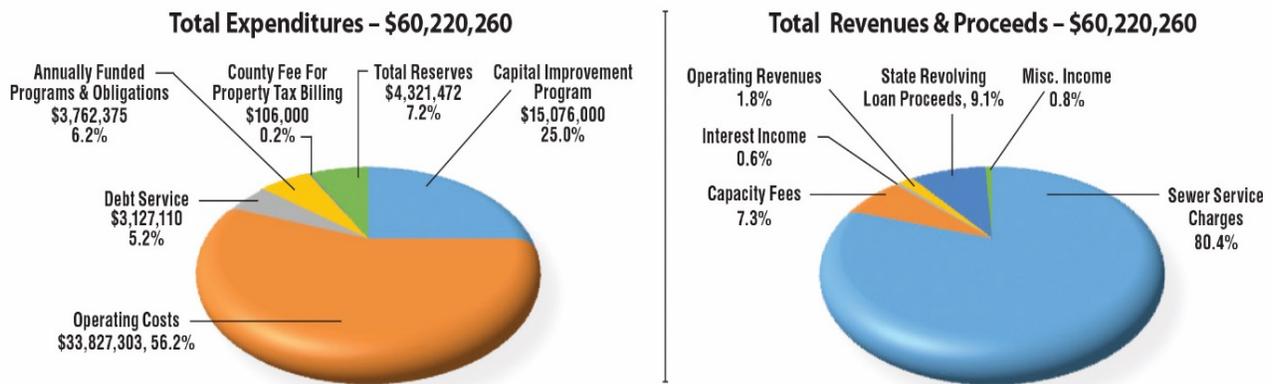
USD maintains a large number of facilities and equipment, including more than 811 miles of sewer lines, seven pump stations, the treatment plant and other infrastructure – much of it built in the late 1970's. In total, the District is responsible for operating, maintaining, and replacing over \$650.9 million in assets. Responsible, timely upkeep of these facilities has allowed the District to avoid catastrophic failures, interruptions to service, and major spills that often plague other utilities and agencies.

Since 2004, the primary focus of the District's Capital Improvement Program has been on rehabilitation, replacement, and repair of its pump stations and treatment plant equipment. For Fiscal Years 2004 - 2014, USD spent more than \$151 million on capital projects. The plant operates 24/7/365 to process an average of 23 million gallons of untreated sewage every day,

and operates and maintains more than 50 major treatment process units and buildings. A large portion of District facilities are now over 35 years old.

The District’s current operating budget is approximately \$60.2 million, and raises revenue from two primary sources: (1) Sewer service charges paid by residential customers, businesses, and other users of the system; and (2) Capacity fees paid by developers and others who connect to USD’s system.

**FY 2016 BUDGET (July 1, 2015 through June 30, 2016)**



■ Annually Funded Programs and Obligations include special studies and equipment replacement ■ Operating Costs include employee, utilities, chemicals, maintenance and administrative costs  
 ■ Capital Improvement Program includes project construction and related costs

**Additional Costs**

In addition to funding USD’s capital improvement program, rate increases have historically been implemented in part to address other rising costs. Approximately 42% of the District’s total budget is dedicated to personnel expenses, which is within range of other service providers in this industry. Like all other businesses, USD faces steeply rising employee costs. All USD employees now pay a portion of their health care and pension benefits. By March of 2016, employees of USD will be paying approximately 30% of overall pension costs. In addition, USD is subject to pension reforms enacted by the State.

Chemicals, electricity, and fuel also account for a significant portion of the District’s budget - those costs have similarly increased substantially over the last 10 years. Chemical costs alone were over \$1.8 million in FY 2014. USD’s electricity bill in FY 2014 was over \$2.1 million. While USD uses renewable energy wherever possible and works toward energy-independence, the District must still purchase power from outside sources, generally at rising costs every year. Moreover, the costs of complying with state and local regulations, including annual permit fees, also continue to rise.

### **Efficiency/Technology**

One of the many factors keeping USD's rates low is efficient service and use of technology. By implementing technology to streamline permitting, plant operations, maintenance management, and engineering services, the District has been able to maintain more conservative staffing levels, thus helping to control costs. USD also partners with neighboring agencies to purchase chemicals and equipment at discounted prices. Careful financial planning allows USD to finance capital improvements at very low, below-market rates.

### **Award Winning Service/Agency**

USD is proud of its award winning service. Since 2004, nearly every team or workgroup at USD has received awards. A partial list of those awards includes:

- Peak Performance Platinum Award from the National Association of Clean Water Agencies (NACWA) for six years of 100% compliance at the District's Treatment Plant, and recognition for 21 consecutive years of outstanding performance.
- CASA Public Outreach Program of the Year Award - 2015
- CSDA Innovative Program of the Year – 2015
- NACWA Excellence in Management Program Gold Certificate - 2015
- Green Business of the Year – Union City Chamber of Commerce 2015
- Engineering Achievement Award for 2014 from the California Water Environment Association (CWEA)
- CWEA Collection System Worker of the Year – 2013
- CWEA Al Ditman Professional Development Award - 2013
- CWEA Safety Program of the Year – Statewide Award 2010
- CWEA Treatment Plant of the Year for the State of California - 2009
- CWEA Collection System Maintenance Program of the Year - 2005, 2009, 2010, 2012
- US EPA Pretreatment Program of the Year (National Award) - 2008
- Training Magazine International Top 125 Training Programs – 2011 (Private and public sector, with USD being one of only 3 public sector agencies amongst 125 companies)

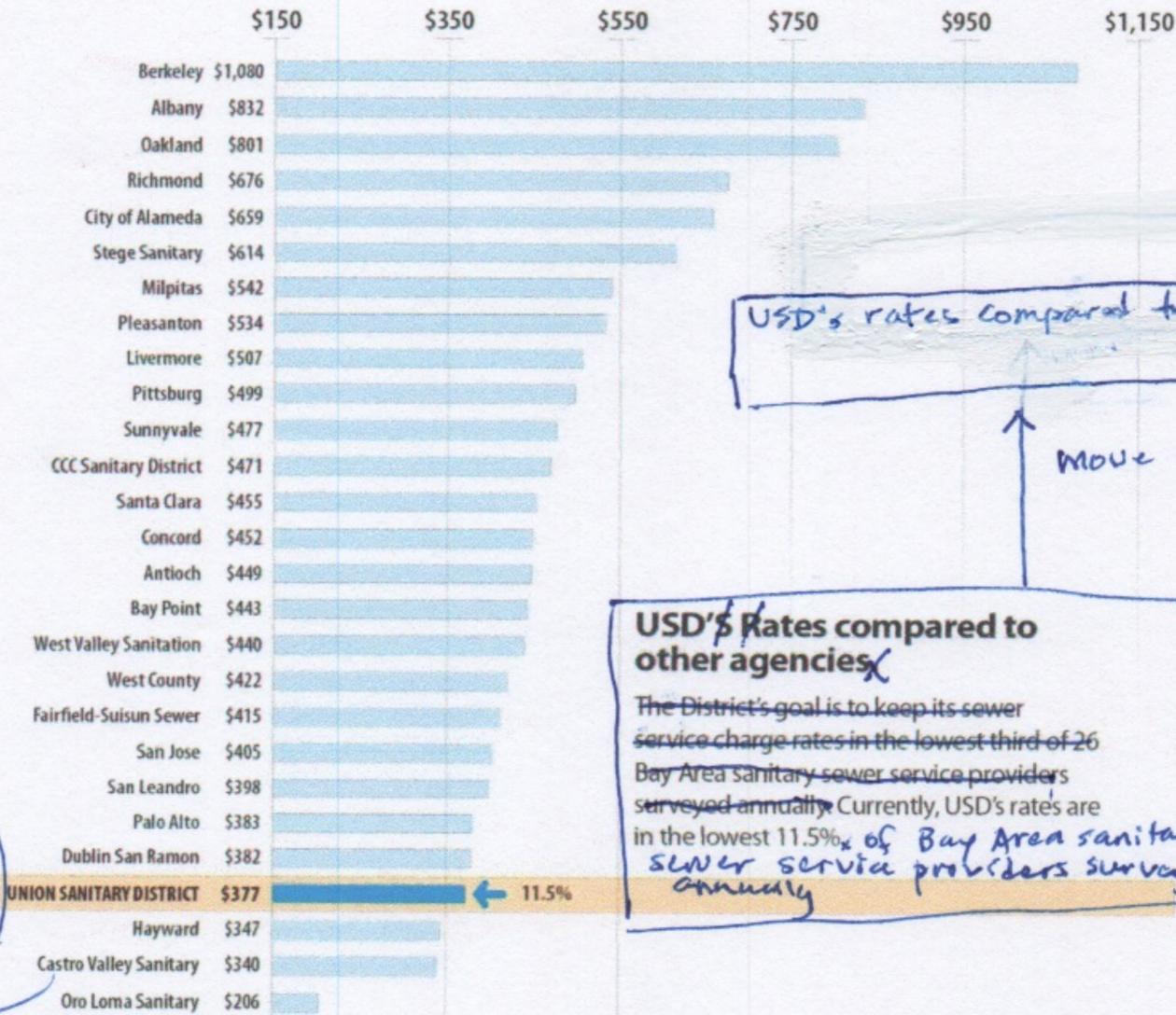
For more information, visit our sewer service charges web page:

[www.unionsanitary.ca.gov/sewerService.htm](http://www.unionsanitary.ca.gov/sewerService.htm)

**USD rates in perspective**

USD conducts an annual rate comparison survey of 26 Bay Area wastewater agencies. <sup>and</sup> The District's goal is to remain in the lower 1/3 of agencies surveyed (i.e. USD's rates would be lower than 2/3 of neighboring agencies). Today, only three districts <sup>agencies</sup> have lower rates.

**BAY AREA ANNUAL SEWER SERVICE CHARGES 2015-2016**



USD's rates compared to other agencies

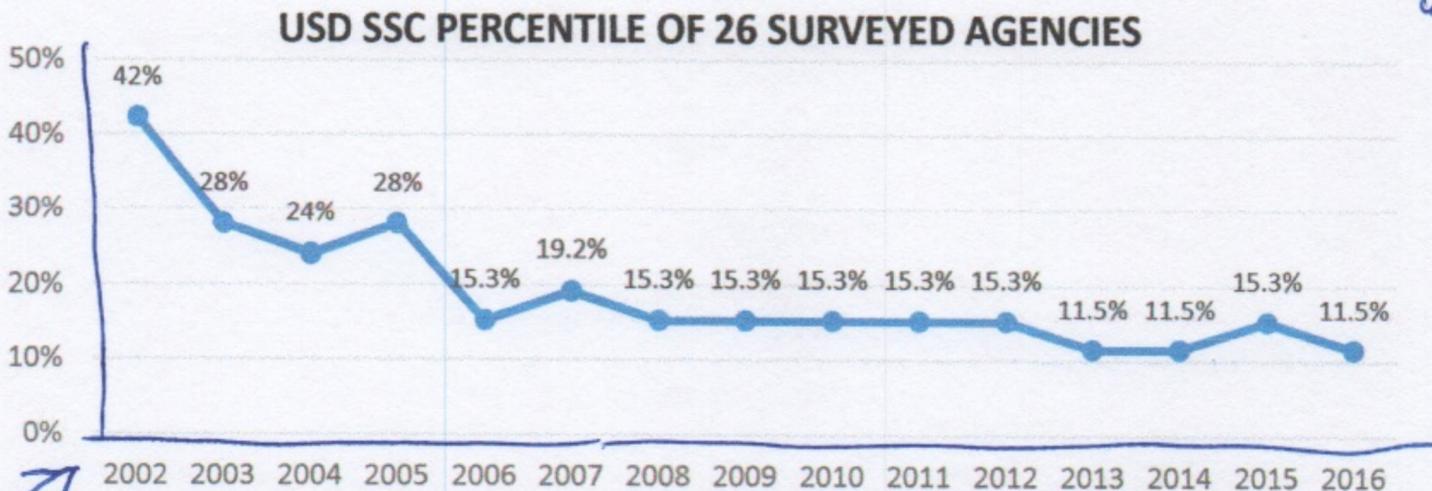
move up

**USD's Rates compared to other agencies**  
 The District's goal is to keep its sewer service charge rates in the lowest third of 26 Bay Area sanitary sewer service providers surveyed annually. Currently, USD's rates are in the lowest 11.5% of Bay Area sanitary sewer service providers surveyed annually.

change highlight to yellow

As of 9/14/2015 - Hayward rate effective 10/1/2015

The graph below shows USD's rate percentiles since the District began surveying 26 Bay Area wastewater agencies annually in 2002. USD's rates are currently in the 11<sup>th</sup> percentile.

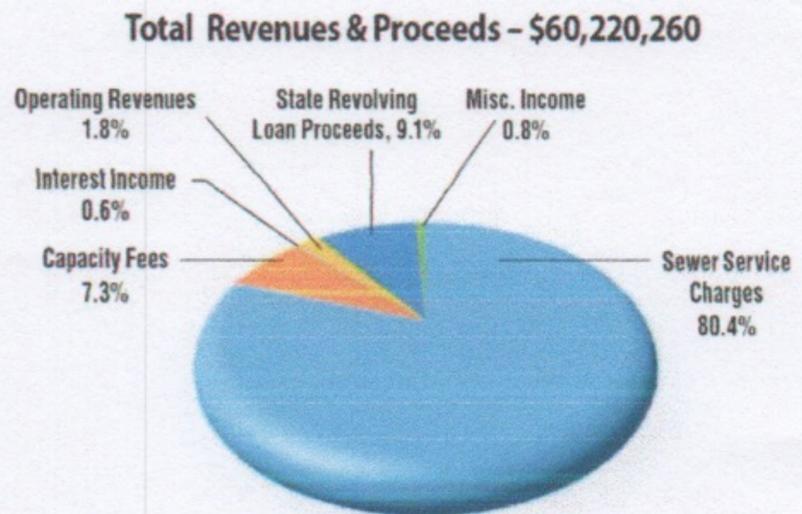
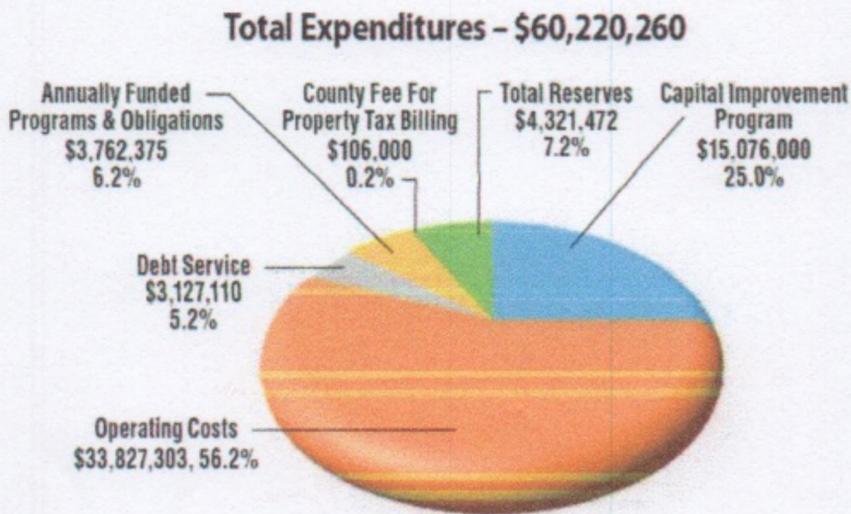


Despite modest rate increases, USD's percentile rank has steadily decreased and is now

and operates and maintains more than 50 major treatment process units and buildings. A large portion of District facilities are now over 35 years old.

The District's current operating budget is approximately \$60.2 million, and raises revenue from two primary sources: (1) Sewer service charges paid by residential customers, businesses, and other users of the system; and (2) Capacity fees paid by developers and others who connect to USD's system.

**FY 2016 BUDGET (July 1, 2015 through June 30, 2016)**



- Annually Funded Programs and Obligations include special studies and equipment replacement
- Capital Improvement Program includes project construction and related costs
- Operating Costs include employee, utilities, chemicals, maintenance and administrative costs

**Additional Costs**

In addition to funding USD's capital improvement program, rate increases have historically been implemented in part to address other rising costs. Approximately 42% of the District's total budget is dedicated to personnel expenses, which is within range of other service providers in this industry. Like all other businesses, USD faces steeply rising employee costs. All USD employees now pay a portion of their health care and pension benefits. By March of 2016, employees of USD will be paying approximately 30% of overall pension costs. In addition, USD is subject to pension reforms enacted by the State.

Chemicals, electricity, and fuel also account for a significant portion of the District's budget - those costs have similarly increased substantially over the last 10 years. Chemical costs alone were over \$1.8 million in FY 2014. USD's electricity bill in FY 2014 was over \$2.1 million. While USD uses renewable energy wherever possible and works toward energy-independence, the District must still purchase power from outside sources, generally at rising costs every year. Moreover, the costs of complying with state and local regulations, including annual permit fees, also continue to rise.

*From 1996 to 2015  
The CPI (typically referred to as inflation)  
for the SF Bay Area has averaged  
approx 3% annually from  
1996 to 2014.  
Update to reflect 2015)*

*our salaries are competitive in the industry, falling somewhere between the 50th and 75th percentile of other agencies.*



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

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

Karen W. Murphy  
*Attorney*

**DATE:** February 16, 2016

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

**FROM:** Karen W. Murphy, General Counsel

**SUBJECT:** Agenda Item No. 13 - Meeting of February 22, 2016  
**Schedule General Manager Mid-Year Check-In**

### **Recommendation**

Based on prior direction, discuss date and schedule General Manager check-in

### **Background**

At the January 11, 2016 Board meeting, Director Lathi requested that a staff report be placed on a future agenda to discuss General Manager mid-year check-ins, which were recommended by a webinar in which she participated.

The item was placed on the agenda for the February 8, 2016 Board Meeting. At the meeting, Directors Lathi, Handley and Fernandez determined that they would like to conduct a General Manager check-in, or conversation with the General Manager. There was some discussion about multiple annual check-ins. The majority consensus was to schedule an initial check-in at this point. The Board also discussed that Mr. Eldredge's contract provides for one annual performance evaluation and that the "check-in" would be distinct from the annual performance evaluation process.

This item is on the agenda for the Board to discuss possible dates to schedule a meeting. It is recommended that the check-in take place as an informal performance evaluation, separate and distinct from the annual performance evaluation, at a special meeting of the Board in closed session.

**UNION SANITARY DISTRICT  
CHECK REGISTER  
1/30/2016-02/12/2016**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
160164	2/11/2016	1020604	POLYDYNE INC	45,000 LBS CLARIFLOC C-6267	\$39,501.00	\$39,501.00
160161	2/11/2016	170120160128	PACIFIC GAS AND ELECTRIC	SERV TO 01/20/16 PLANT	\$35,683.01	\$35,683.01
160082	2/4/2016	1506103C	DELTA DENTAL SERVICE	JANUARY 2016 DENTAL	\$20,211.60	\$22,885.59
	2/4/2016	1506103A		JANUARY 2016 DENTAL	\$2,673.99	
160171	2/11/2016	9759202729	VERIZON WIRELESS	WIRELESS SERV 12/21/15-01/20/16	\$1,828.68	\$22,707.06
	2/11/2016	9755926515.0		34 SAMSUNG GALAXY NOTE PRO TABLETS	\$20,878.38	
160137	2/11/2016	146468	CAROLLO ENGINEERS	PUMP STATION MASTER PLAN	\$7,431.13	\$21,991.62
	2/11/2016	146591		FREMONT & PASEO PADRE LS IMPROVEMENTS	\$14,560.49	
160111	2/4/2016	21189	RMC WATER AND ENVIRONMENT	ALVARADO TREATMENT PLANT SITE USE STUDY	\$19,339.06	\$19,339.06
160107	2/4/2016	224720160122	PACIFIC GAS AND ELECTRIC	SERV TO 01/21/16 CS TRAINING TRAILER	\$23.29	\$16,764.16
	2/4/2016	761520160126		SERV TO 01/25/16 NEWARK PS	\$16,740.87	
160075	2/4/2016	28463	CALIFORNIA WATER TECHNOLOGIES	41,960 LBS FERROUS CHLORIDE	\$4,770.32	\$14,690.15
	2/4/2016	28514		42,740 LBS FERROUS CHLORIDE	\$4,955.88	
	2/4/2016	28518		42,340 LBS FERROUS CHLORIDE	\$4,963.95	
160062	2/4/2016	65100	3T EQUIPMENT COMPANY INC	20 PIPEPATCH KIT - WINTER	\$10,659.00	\$10,659.00
160136	2/11/2016	28534	CALIFORNIA WATER TECHNOLOGIES	42,720 LBS FERROUS CHLORIDE	\$4,966.57	\$10,190.70
	2/11/2016	28490		44,740 LBS FERROUS CHLORIDE	\$5,224.13	

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
160098	2/4/2016	9713774	HF&H CONSULTANTS, LLC	SEWER SERVICE CHARGE PEER REVIEW	\$8,092.50	\$8,092.50
160103	2/4/2016	37432220160201	LINCOLN NATIONAL LIFE INS COMP	LIFE & DISABILITY INSURANCE - FEB 2016	\$7,769.37	\$7,769.37
160121	2/4/2016	725291	UNIVAR USA INC	5,000 GALS SODIUM HYPOCHLORITE	\$2,261.06	\$6,782.72
	2/4/2016	725468		4,999 GALS SODIUM HYPOCHLORITE	\$2,260.60	
	2/4/2016	724941		5,000 GALS SODIUM HYPOCHLORITE	\$2,261.06	
160170	2/11/2016	726093	UNIVAR USA INC	4,995 GALS SODIUM HYPOCHLORITE	\$2,258.78	\$6,781.34
	2/11/2016	725905		5,000 GALS SODIUM HYPOCHLORITE	\$2,261.06	
	2/11/2016	726524		5,001 GALS SODIUM HYPOCHLORITE	\$2,261.50	
160088	2/4/2016	234683	FRANK A OLSEN COMPANY	2 SITE WASTE 10" CHECK VALVE REPLACEMENT	\$6,382.51	\$6,382.51
160129	2/11/2016	4105755320160129	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 01/29/16-MTR HYD 19866546	\$528.32	\$5,411.62
	2/11/2016	4105755820160129		SERV TO: 01/29/16-MTR HYD 15210655	\$1,590.07	
	2/11/2016	4105755620160129		SERV TO: 01/29/16-MTR HYD 18486436	\$497.66	
	2/11/2016	4105755720160129		SERV TO: 01/29/16-MTR HYD 19866542	\$570.49	
	2/11/2016	4105755520160129		SERV TO: 01/29/16-MTR HYD 19866544	\$930.79	
	2/11/2016	4105755420160129		SERV TO: 01/29/16-MTR HYD 29389785	\$497.66	
	2/11/2016	4105756020160129		SERV TO: 01/29/16-MTR HYD 33481982	\$796.63	
160156	2/11/2016	6899	MCGUIRE & HESTER	REFUND # 18721	\$5,000.00	\$5,000.00
160168	2/11/2016	130833	TOTAL WASTE SYSTEMS INC	JANUARY 2016 GRIT DISPOSAL	\$4,018.26	\$4,018.26
160083	2/4/2016	7099.1	DELTA PRODUCTS CORPORATION	REFUND # 18691	\$3,775.00	\$3,775.00

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160122	2/4/2016	32747	VALLEY OIL COMPANY	1 DR ATF, 2 DRS ASTD OIL & 20 TUBES GREASE	\$2,148.77	\$3,451.53
	2/4/2016	32849		1 DRUM MOBIL GEAR 600XP 150 OIL	\$1,087.98	
	2/4/2016	32814		1 DRUM DEF FLUID	\$214.78	
160104	2/4/2016	48507010	MCMASTER SUPPLY INC	4 EA HIGH-PERFORMANCE DISPOSABLE LITIUM BATTERY	\$118.18	\$3,347.64
	2/4/2016	48612630		ASTD PARTS & MATERIALS	\$307.95	
	2/4/2016	49022602		15 PACKS UV-RESISTANT PLASTIC ENGRAVING PLATE	\$120.71	
	2/4/2016	48837207		ASTD PARTS & MATERIALS	\$941.38	
	2/4/2016	48866949		ASTD PARTS & MATERIALS	\$45.29	
	2/4/2016	48575252		20 PACKS REPLACEMENT SCALER NEEDLES	\$131.55	
	2/4/2016	48883275		ASTD PARTS & MATERIALS	\$110.39	
	2/4/2016	48631254		ASTD PARTS & MATERIALS	\$121.66	
	2/4/2016	48844287		ASTD PARTS & MATERIALS	\$1,450.53	
160131	2/11/2016	7544725	AT&T	SERV: 12/13/15 - 01/12/16	\$699.56	\$3,331.43
	2/11/2016	7588300		SERV: 12/20/15 - 01/19/16	\$18.09	
	2/11/2016	7557862		SERV: 12/13/15 - 01/12/16	\$43.16	
	2/11/2016	7553896		SERV: 12/13/15 - 01/12/16	\$99.09	
	2/11/2016	7582588		SERV: 12/20/15 - 01/19/16	\$2,471.53	
160092	2/4/2016	8005	THOMAS GAO	REFUND # 18684	\$3,300.00	\$3,300.00
160155	2/11/2016	13802	ROBERT KENG	REFUND # 18641	\$3,300.00	\$3,300.00

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160174	2/11/2016	7112	WARM SPRINGS CONSTRUCTORS	REFUND # 18717		
					\$3,300.00	\$3,300.00
160123	2/4/2016	20160201	VISION SERVICE PLAN - CA	FEBRUARY 2016 VISION STMT		
					\$3,294.10	\$3,294.10
160100	2/4/2016	2896	KOFF & ASSOCIATES	RECRUITMENT SERVICES - BUS SERVICES COACH		
					\$3,150.00	\$3,150.00
160112	2/4/2016	20160201	JOSE RODRIGUES JR	COMPUTER NOTE		
					\$3,000.00	\$3,000.00
160150	2/11/2016	3592820160208	HASLER INC.	POSTAGE BY PHONE - TMS 35928		
					\$3,000.00	\$3,000.00
160166	2/11/2016	916002652444	REPUBLIC SERVICES #916	RECYCLE & ROLL OFF - JANUARY 2016		
					\$2,988.80	\$2,988.80
160154	2/11/2016	250888	INVENTIVE RESOURCES INC.	3 EA MANHOLE H2S FILTER		
					\$2,955.00	\$2,955.00
160124	2/4/2016	34433	VOX NETWORK SOLUTIONS INC	PHONE SYS MAINT FEB 16 - APR 16		
					\$2,931.90	\$2,931.90
160151	2/11/2016	28267017004	HERTZ EQUIPMENT RENTAL	MIX TANK RENTAL AND SPILL GUARD PURCHASE		
					\$2,926.00	\$2,926.00
160139	2/11/2016	53072900	CHANNING BETE COMPANY, INC.	2500 WASTEWATER TREATMENT WORKBOOKS		
					\$2,757.70	\$2,757.70
160101	2/4/2016	7542	LENNAR HOMES - BAY AREA	REFUND # 18698		
					\$2,500.00	\$2,500.00
160158	2/11/2016	8029	MILLIE & SEVERSON	REFUND # 18718		
					\$2,500.00	\$2,500.00
160134	2/11/2016	594217	BRENNTAG PACIFIC, INC.	2564 LBS SODIUM HYDROXIDE		
					\$1,361.39	\$2,042.09
	2/11/2016	594218		1282 LBS SODIUM HYDROXIDE		
					\$680.70	
160077	2/4/2016	343102	CALTROL INC	ASTD HIGH PRESSURE GLYCERIN GAUGES		
					\$1,736.15	\$1,736.15
160072	2/4/2016	592703	BRENNTAG PACIFIC, INC.	1923 LBS SODIUM HYDROXIDE		
					\$1,021.04	\$1,701.74
	2/4/2016	592704		1282 LBS SODIUM HYDROXIDE		
					\$680.70	
160160	2/11/2016	20160131	NAPA AUTO PARTS	MONTHLY AUTO PARTS STMT - JAN 2016		
					\$1,676.29	\$1,676.29
160114	2/4/2016	7602078800	RS HUGHES CO INC	ASTD PPE & SAFETY SUPPLIES		
					\$1,673.45	\$1,673.45

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160144	2/11/2016	234769	FRANK A OLSEN COMPANY	1 DEZURIK PLUG VALVES FOR PLANT	\$1,661.61	\$1,661.61
160159	2/11/2016	586601	MISSION CLAY PRODUCTS LLC	17 EA ASTD CLAY FITTINGS	\$1,619.33	\$1,619.33
160095	2/4/2016	1147841	GROENIGER AND COMPANY	14 EA 12" SDR PIPE	\$370.51	\$1,592.40
	2/4/2016	1143656		6 EA WYES	\$758.64	
	2/4/2016	1148098		1 EA REPAIR KIT	\$463.25	
160141	2/11/2016	40305600001	CRESO EQUIP RENTALS & AFFIL	EQUIP RENTAL: EXCAVATOR/BUCKET/FEES	\$1,489.20	\$1,489.20
160102	2/4/2016	20160201	LIEBERT CASSIDY WHITMORE	REGIS FEE: TRAIN THE TRAINER CLASS - HARASSMENT TRNG 3/18/16	\$1,350.00	\$1,350.00
160175	2/11/2016	40693805	WAVECREST COMPUTING	WEB USE REPORT SOFTWARE	\$1,350.00	\$1,350.00
160116	2/4/2016	1696659002	SAN LEANDRO ELECTRIC SUPPLY	ASTD PARTS & MATERIALS	\$241.33	\$1,347.79
	2/4/2016	1696659003		40 LIGHT BULB MINIATURE	\$50.14	
	2/4/2016	1696659001		ASTD PARTS & MATERIALS	\$1,056.32	
160119	2/4/2016	20109340	TELEDYNE ISCO INC	ASTD SUCTION LINES & DISCHARGE TUBINGS	\$1,268.30	\$1,268.30
160068	2/4/2016	8480060867	ANDRITZ-RUTHNER INC	ANDRITZ INSTALL #3 CENTRIFUGE PEDESTAL	\$1,200.00	\$1,200.00
160078	2/4/2016	146378	CAROLLO ENGINEERS	ON-CALL SERVICES	\$1,175.90	\$1,175.90
160145	2/11/2016	20160205	ROSLYN FULLER	TREAVEL REIMB: CAPPO CONFERENCE MEALS/LODGING/MILEAGE/SH	\$1,110.58	\$1,110.58
160135	2/11/2016	6764	BURLINGAME ENGINEERS INC	3 MSB HYPO PUMP COVER GASKET LARGE	\$1,088.50	\$1,088.50
160162	2/11/2016	15273	PACIFIC WATER RESOURCES	REBUILD FLOWSERVE MECHANICAL SEAL	\$1,066.03	\$1,066.03
160073	2/4/2016	87149	BRUCE BARTON PUMP SERVICE INC	1 SUMP PUMP	\$1,049.07	\$1,049.07
160093	2/4/2016	20160128	SAMI GHOSSAIN	EXP REIMB: CASA WINTER CONF: AIRFARE/LODGING/MEALS/MISC TR	\$1,022.75	\$1,022.75

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160130	2/11/2016	536444	A-PRO PEST CONTROL INC	JAN PEST CONTROL		
					\$1,005.00	\$1,005.00
160128	2/11/2016	20160208	ALAMEDA CO. SCIENCE & ENGINEER	SPONSORSHIP FEE - SCIENCE & ENGINEERING FAIR		
					\$1,000.00	\$1,000.00
160142	2/11/2016	262074	CURTIS & TOMPKINS, LTD	2 LAB SAMPLE ANALYSIS		
					\$315.00	\$1,000.00
	2/11/2016	262065		1 LAB SAMPLE ANALYSIS		
					\$60.00	
	2/11/2016	261993		17 LAB SAMPLE ANALYSIS		
					\$625.00	
160074	2/4/2016	37118	CALCON SYSTEMS	CAL CON PLANT FLOW METER CALIBRATIONS		
					\$984.00	\$984.00
160106	2/4/2016	24857793	MOTION INDUSTRIES INC	2 EA FLOAT SWITCHES		
					\$280.50	\$972.37
	2/4/2016	24857818		8 EA AIR FILTER ELEMENTS		
					\$691.87	
160167	2/11/2016	8122768012816	SIERRA SPRING WATER COMPANY	BOTTLESS COOLERS RENTAL		
					\$239.00	\$953.52
	2/11/2016	4868173012816		WATER SERVICE 01/01/16 - 01/28/16		
					\$714.52	
160063	2/4/2016	7796992	ABC IMAGING, INC.	MCC & PLC REPLACEMENT - PHASE 3		
					\$906.40	\$906.40
160097	2/4/2016	3J0732	HARRINGTON INDUSTRIAL PLASTICS	2 EA 4: VALVE BALL TUBV S PVC FKM		
					\$891.95	\$891.95
160126	2/4/2016	12277	WESTERN MACHINE & FAB INC	1 SLIDING HAMMER & 1 INSERT INSTALLING TOOL		
					\$880.00	\$880.00
160113	2/4/2016	791368	ROSEMOUNT ANALYTICAL INC	1 ASSY SNSR PH 5.05" TUBE PT100 CA W/O BNC FL BULB		
					\$700.46	\$700.46
160067	2/4/2016	7830	AMERICAN DISCOUNT SECURITY	01/04/16 - 01/15/16 GUARD AT DISTRICT GATE		
					\$690.00	\$690.00
160069	2/4/2016	87896581201252016	AT&T	SERV: 12/18/15 - 01/17/16		
					\$677.25	\$677.25
160079	2/4/2016	36715	CLAREMONT BEHAVIORAL SERVICES	FEB 2016 EAP PREMIUM		
					\$634.80	\$634.80
160070	2/4/2016	2521917783	BANK OF NEW YORK	DEC 2015 SERVICE FEE		
					\$605.34	\$605.34
160165	2/11/2016	820000009191	RED WING SHOE STORE	SAFETY SHOES - BULLIS, LULLO & ROBLES		
					\$583.83	\$583.83

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160149	2/11/2016	1643586	HANSON AGGREGATES INC	7.67 TONS 1/2 MED TYPE A AC-R	\$579.32	\$579.32
160091	2/4/2016	1083759540	G&K SERVICES CO	UNIFORM LAUNDERING SERVICE	\$83.90	\$535.07
	2/4/2016	1083759545		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$33.78	
	2/4/2016	1083759542		UNIFORM LAUNDERING SERVICE	\$16.96	
	2/4/2016	1083759544		UNIFORM LAUNDERING SERVICE	\$11.20	
	2/4/2016	1083759541		UNIFORM LAUNDERING SERVICE	\$38.93	
	2/4/2016	1083759538		UNIFORM LAUNDERING SERVICE	\$130.98	
	2/4/2016	1083759539		UNIFORM LAUNDERING SERVICE	\$100.88	
	2/4/2016	1083759543		UNIFORMS & MATS	\$59.22	
	2/4/2016	1083757582		UNIFORMS & MATS	\$59.22	
160146	2/11/2016	1083761490	G&K SERVICES CO	UNIFORM LAUNDERING SERVICE	\$11.20	
	2/11/2016	1083761484		UNIFORM LAUNDERING SERVICE	\$143.21	
	2/11/2016	1083761485		UNIFORM LAUNDERING SERVICE	\$106.27	
	2/11/2016	1083761488		UNIFORM LAUNDERING SERVICE	\$16.96	
	2/11/2016	1083761489		UNIFORMS & MATS	\$59.22	
	2/11/2016	1083761487		UNIFORM LAUNDERING SERVICE	\$44.97	
	2/11/2016	1083761486		UNIFORM LAUNDERING SERVICE	\$111.40	
	2/11/2016	1083761491		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$33.78	

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160157	2/11/2016	49142193	MCMASTER SUPPLY INC	4 EA UNTHREADED PIPE FITTING	\$184.92	\$526.45
	2/11/2016	49161459		2 PACKS HEX WASHER HEADS	\$27.09	
	2/11/2016	49161458		ASTD PARTS & MATERIALS	\$173.17	
	2/11/2016	49123206		30 PACKS THUMB NUTS	\$141.27	
160090	2/4/2016	228807	CITY OF FREMONT	MISC SPOT REPAIRS PHASE VI	\$515.66	\$515.66
160086	2/4/2016	8199	ROGER EMMETT	REFUND # 18683	\$500.00	\$500.00
160143	2/11/2016	8208	DRAIN DOCTOR	REFUND # 18716	\$500.00	\$500.00
160163	2/11/2016	8223	PLUMBING & SEWER SOLUTIONS	REFUND # 18710	\$500.00	\$500.00
160105	2/4/2016	912803	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - FEB 2016	\$493.90	\$493.90
160065	2/4/2016	425523	ALLIANT INSURANCE SERVICES INC	PHYSICAL DAMAGE PREMIUM, 1 SUPERCAB & 2 TV COMPANION TRUC	\$478.00	\$478.00
160152	2/11/2016	944720160128	HOME DEPOT CREDIT SERVICES	MONTHLY HARDWARE STMT - JAN 2016	\$451.41	\$451.41
160109	2/4/2016	1690000010624	RED WING SHOE STORE	SAFETY SHOES - FARSI & ANDERSON	\$416.00	\$416.00
160099	2/4/2016	601920309	HILLYARD/SAN FRANCISCO	2 CS PAPER PLATES & 1 CASE PAPER BOWLS	\$361.16	\$399.60
	2/4/2016	601924497		1 EA SCRAPER AND REPLACEMENT BLADES	\$38.44	
160125	2/4/2016	8043591414	VWR INTERNATIONAL LLC	1 PK FUNNEL SH STEM 58DEG 90MM	\$95.93	\$397.45
	2/4/2016	8043585637		1 PK FUNNEL SH STEM 58DG 75MM	\$188.98	
	2/4/2016	8043632993		1 PK TAPE ASSORTMENT & 1 PK BUFFER BOD POWDER	\$112.54	
160085	2/4/2016	8664	EAST BAY MUNI UTILITY DISTRICT	8 LAB SAMPLE ANALYSIS	\$370.70	\$370.70
160120	2/4/2016	180128616	TRENCH PLATE RENTAL COMPANY	28 DAYS TRENCH PLATE & EYEBOLT RENTAL	\$350.00	\$350.00

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160133	2/11/2016	11106240	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$259.22	\$330.42
	2/11/2016	11106241		ASTD OFFICE SUPPLIES	\$4.39	
	2/11/2016	11105980		ASTD OFFICE SUPPLIES	\$24.18	
	2/11/2016	11102460		ASTD OFFICE SUPPLIES	\$4.68	
	2/11/2016	11100150		1 PK AIR DUSTER	\$18.69	
	2/11/2016	11105191		2 SHARPIE MARKERS	\$10.98	
	2/11/2016	11054640C		CREDIT 3 CALENDARS & 1 WEEKLY PLANNER	\$-45.61	
	2/11/2016	11105190		ASTD OFFICE SUPPLIES	\$53.89	
160071	2/4/2016	11096840	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$104.25	\$320.90
	2/4/2016	11095970		1 WALL CALENDAR	\$20.34	
	2/4/2016	11091190		ASTD OFFICE SUPPLIES	\$51.11	
	2/4/2016	11087070		ASTD OFFICE SUPPLIES	\$37.41	
	2/4/2016	11084080		1 ECONO CHAIRMAT	\$107.79	
160140	2/11/2016	20160204	KEVIN CLENNON	EXP REIMB: SEMINAR REG K. CLENNON & R. SHENK-2 EVENTS	\$320.00	\$320.00
160080	2/4/2016	17817	CLI-METRICS SERVICE COMPANY	SERVICE REQUEST: BLDG 81 FILTERS	\$306.64	\$306.64
160096	2/4/2016	79376	H2O PRECISION INC	WATERJET CUT 1" HOLE IN 10EA MANHOLE COVERS	\$300.00	\$300.00
160087	2/4/2016	1113360	FASTENAL	ASTD PARTS & MATERIALS	\$278.09	\$278.09
160169	2/11/2016	17118251	TRI DIM FILTER CORPORATION	100 TRI-DEK 15/40 2 PLY PADS	\$278.04	\$278.04

**UNION SANITARY DISTRICT  
CHECK REGISTER  
1/30/2016-02/12/2016**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
160094	2/4/2016	9927462300	GRAINGER INC	4 EA CONNECTORS		
					\$38.68	\$271.17
	2/4/2016	9926790396		1 EA FENDER WASHER, BOLT		
					\$10.55	
	2/4/2016	9925233307		4 EA VERTICAL MOUNT CONE HOLDERS - BLACK		
					\$221.94	
160132	2/11/2016	18658100	BECK'S SHOES	SAFETY SHOES: A. SHONG		
					\$206.61	\$206.61
160173	2/11/2016	20160204	JANINNE WARD	EXP REIMB: MANAGEMENT MEETING LUNCH		
					\$197.28	\$197.28
160064	2/4/2016	5132094	ALL INDUSTRIAL ELECTRIC SUPPLY	1 SUA-440-ASA ATC		
					\$173.73	\$173.73
160115	2/4/2016	85340220160122	SAN FRANCISCO WATER DEPT	SERVICE 12/22/15 TO 01/21/16		
					\$154.65	\$154.65
160127	2/4/2016	140123261.0	XEROX CORPORATION	STAPLES REFILL FOR CONVENIENT STAPLER		
					\$73.76	\$147.51
	2/4/2016	140123261.1		STAPLES REFILL FOR CONVENIENT STAPLER		
					\$73.75	
160081	2/4/2016	201601.10	DALE HARDWARE INC	01/16 - ASTD PARTS & MATERIALS		
					\$146.27	\$146.27
160147	2/11/2016	1182601505	GLACIER ICE COMPANY INC	84 7-LB BAGS OF ICE		
					\$116.76	\$116.76
160117	2/4/2016	893010541	SHARP BUSINESS SYSTEMS	MTHLY MAINTENANCE BASED ON USE		
					\$115.88	\$115.88
160108	2/4/2016	10634G	R & S ERECTION OF S ALAMEDA	PM SERVICE ON ALL GATES		
					\$115.25	\$115.25
160076	2/4/2016	79421	STATE OF CALIFORNIA	PE LICENSE RENEWAL - C. ELLIOTT		
					\$115.00	\$115.00
160172	2/11/2016	8043663899	VWR INTERNATIONAL LLC	ASTD LAB SUPPLIES		
					\$109.21	\$109.21
160110	2/4/2016	78423	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE FEBRUARY 2016		
					\$97.90	\$97.90
160089	2/4/2016	116524143	FREMONT URGENT CARE CENTER	1 HEARING TEST/1 DOT PHYSICAL/1 NEW HIRE PHYSICAL		
					\$90.00	\$90.00
160118	2/4/2016	20160203	KRISTINA SILVA	EXP REIMB: LUNCH STRATEGIC FACILITY PLANNING MEETING		
					\$64.49	\$64.49
160153	2/11/2016	5586777	HOSE & FITTINGS ETC	2 EA 5919-06-06-04-04-30		
					\$61.67	\$61.67

**UNION SANITARY DISTRICT  
CHECK REGISTER  
1/30/2016-02/12/2016**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
160066	2/4/2016	6011771	ALPHA ANALYTICAL LABORATORIES	2 LAB SAMPLE ANALYSIS	\$60.00	\$60.00
160084	2/4/2016	615320160118	DISH NETWORK	FEB 2016 - SERVICE FEE	\$50.90	\$50.90
160148	2/11/2016	9930220315	GRAINGER INC	4 EA PROTECTIVE CAPS	\$31.81	\$48.92
	2/11/2016	9929674761		1 EA FUSE	\$17.11	
160138	2/11/2016	286758	CENTERVILLE LOCKSMITH	1 PADLOCK KEY/2 PADLOCKS	\$16.26	\$16.26
160176	2/11/2016	83004066	XEROX CORPORATION	MTHLY MAINTENANCE BASED ON USE	\$13.93	\$13.93

**Invoices:**

Credit Memos :	1	-45.61
\$0 - \$1,000 :	124	33,635.48
\$1,000 - \$10,000 :	59	162,049.64
\$10,000 - \$100,000 :	8	177,573.41
Over \$100,000 :	0	
<b>Total:</b>	<b>192</b>	<b>373,212.92</b>

**Checks:**

\$0 - \$1,000 :	58	23,527.97
\$1,000 - \$10,000 :	47	135,273.60
\$10,000 - \$100,000 :	10	214,411.35
Over \$100,000 :		
<b>Total:</b>	<b>115</b>	<b>373,212.92</b>



**Directors**

Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

**Officers**

Paul R. Eldredge, P.E.  
*General Manager/District  
Engineer*

Karen W. Murphy  
*Attorney*

**DATE:** February 1, 2016

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

**FROM:** Paul R. Eldredge, General Manager/District Engineer  
Pamela Arends-King, Business Services Manager/CFO  
Roslyn Fuller, Purchasing Agent  
Nina Narvaez, Administrative Specialist I

**SUBJECT:** Agenda Item No. 14b. February 22, 2016  
Information item: **CAL-CARD QUARTERLY MERCHANT ACTIVITY REPORT**

**Recommendation**

Information Only

**Information**

The attached CAL-Card Merchant Spend Analysis details the CAL-Card activity for the second quarter of FY 2016. This covers transactions for the CAL-Card billing period September 23, 2015 through December 22, 2015. During this quarter, we had 230 transactions totaling \$73,080.46.

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
137510	Rialto	9399	<a href="#">CITY OF FREMONT DEV SVCS</a>	FREMONT	CA	\$11,302.00	8	\$ 1,412.75	\$ 0.00	0	\$11,302.00	15.47%	8	\$ 0.00
47972	OTHER	5999	<a href="#">IN *FOUNDATION FITNESS LL</a>	503-5059538	OR	9,422.36	3	3,140.79	0.00	0	9,422.36	12.89%	3	0.00
47963	BUSINESS EXPENS	8398	<a href="#">CA WATER ENV ASSN</a>	510-382-7800	CA	5,145.00	27	190.56	0.00	0	5,145.00	7.04%	27	0.00
47963	BUSINESS EXPENS	8299	<a href="#">ROK*ROCKWELL TRAINING</a>	440-646-3434	WI	2,560.00	1	2,560.00	0.00	0	2,560.00	3.50%	1	0.00
47970	OFFICE SERVICES	7399	<a href="#">SMRP MTGS</a>	ATLANTA	GA	2,420.00	2	1,210.00	0.00	0	2,420.00	3.31%	2	0.00
47972	OTHER	5999	<a href="#">WECO INDUSTRIES LLC</a>	707-446-6661	CA	2,124.03	4	531.01	0.00	0	2,124.03	2.91%	4	0.00
47963	BUSINESS EXPENS	8398	<a href="#">CALIFORNIA ASSOC OF SAN</a>	916-4460388	CA	1,575.00	3	525.00	0.00	0	1,575.00	2.16%	3	0.00
119156	MCC001	1520	<a href="#">SQ *ENECON NORCAL</a>	SAN JOSE	CA	1,504.37	1	1,504.37	0.00	0	1,504.37	2.06%	1	0.00
47971	OFFICE SUPPLIES	5942	<a href="#">AMAZON MKTPLACE PMTS</a>	AMZN.COM/BILL	WA	1,484.58	13	114.20	0.00	0	1,484.58	2.03%	13	11.94
47972	OTHER	5999	<a href="#">FILTERSOURCE.COM IN</a>	7166492326	NY	1,467.06	1	1,467.06	0.00	0	1,467.06	2.01%	1	0.00
47972	OTHER	5732	<a href="#">EPASALES</a>	866-448-5547	TN	1,451.87	1	1,451.87	0.00	0	1,451.87	1.99%	1	0.00
47963	BUSINESS EXPENS	8999	<a href="#">MIL-RAM TECHNOLOGY</a>	510-6562001	CA	1,440.00	1	1,440.00	0.00	0	1,440.00	1.97%	1	0.00
47979	WHOLESALE TRADE	5013	<a href="#">SEAT SPECIALISTS, LLC</a>	269-969-7722	MI	1,305.98	2	652.99	0.00	0	1,305.98	1.79%	2	0.00
47963	BUSINESS EXPENS	8299	<a href="#">IN *MITCHES CERTIFIED CLA</a>	916-7837176	CA	1,000.00	1	1,000.00	0.00	0	1,000.00	1.37%	1	0.00
137510	Rialto	9399	<a href="#">UNION CITY CITY HALL</a>	510-675-5381	CA	855.00	2	427.50	0.00	0	855.00	1.17%	2	0.00
47978	VEHICLE EXPENSE	7531	<a href="#">GOLDEN GATE TRUCK CENTER</a>	OAKLAND	CA	802.07	1	802.07	0.00	0	802.07	1.10%	1	16.45
47979	WHOLESALE TRADE	5045	<a href="#">DELL SALES &amp; SERVICE</a>	866-393-9460	TX	788.98	1	788.98	0.00	0	788.98	1.08%	1	70.99
47966	MAIL/TELEPHON	5964	<a href="#">NPC*NEW PIG</a>	800-468-4647	PA	767.64	1	767.64	0.00	0	767.64	1.05%	1	0.00

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47966	E		<a href="#">CORP</a>											
47972	OTHER	5999	<a href="#">FILTERSOURCE.CO</a>	716-649-2326	NY	766.45	1	766.45	0.00	0	766.45	1.05%	1	0.00
			<a href="#">M IN</a>											
47960	AIRLINE	3058	<a href="#">DELTA AIR</a>	DELTA.COM	CA	725.20	1	725.20	0.00	0	725.20	0.99%	1	0.00
			<a href="#">0062322807830</a>											
		3058	<a href="#">DELTA AIR</a>	DELTA.COM	CA	725.20	1	725.20	0.00	0	725.20	0.99%	1	0.00
			<a href="#">0062322807831</a>											
217413	Prohibited Tran	5699	<a href="#">SHIELD RADIATOR</a>	626-9266408	CA	701.99	1	701.99	0.00	0	701.99	0.96%	1	0.00
47963	BUSINESS EXPENS	8999	<a href="#">ACTION RESEARCH</a>	760-722-4001	CA	695.00	1	695.00	0.00	0	695.00	0.95%	1	0.00
47979	WHOLESALE TRADE	5065	<a href="#">STEVEN ENGINEERING</a>	650-588-9200	CA	685.41	4	171.35	0.00	0	685.41	0.94%	4	0.00
137510	Rialto	9399	<a href="#">CA DEPT TOXIC SUB. CONTR</a>	916-324-3150	CA	664.00	1	664.00	0.00	0	664.00	0.91%	1	0.00
47979	WHOLESALE TRADE	5065	<a href="#">TESSCO TECHNOLOGIES</a>	800-472-7373	MD	651.43	2	325.71	0.00	0	651.43	0.89%	2	0.00
47979	WHOLESALE TRADE	5085	<a href="#">TIFCO INDUSTRIES INC</a>	281-5716000	TX	617.50	1	617.50	0.00	0	617.50	0.84%	1	41.46
47978	VEHICLE EXPENSE	5533	<a href="#">MIKE'STRUCKLINE XBAYAREA</a>	HAYWARD	CA	589.92	1	589.92	0.00	0	589.92	0.81%	1	0.00
47972	OTHER	7299	<a href="#">WPY*FORMULA DESIGN</a>	855-469-3729	CA	550.00	1	550.00	0.00	0	550.00	0.75%	1	0.00
212656	SCCLD AUTO	5599	<a href="#">PETERSON SAN LEANDRO</a>	SAN LEANDRO	CA	539.03	1	539.03	0.00	0	539.03	0.74%	1	0.00
47979	WHOLESALE TRADE	5251	<a href="#">SOL*SNAP-ON INDUSTRIAL</a>	877-740-1900	GA	525.86	1	525.86	0.00	0	525.86	0.72%	1	47.82
47979	WHOLESALE TRADE	5074	<a href="#">SOUTHWEST VALVE LLC</a>	559-261-2703	CA	517.80	2	258.90	0.00	0	517.80	0.71%	2	0.00
47963	BUSINESS EXPENS	8398	<a href="#">PUBLIC AGENCY RISK MANAG</a>	916-444-3568	CA	500.00	2	250.00	0.00	0	500.00	0.68%	2	0.00
47960	AIRLINE	3000	<a href="#">UNITED</a>	800-932-2732	TX	498.20	1	498.20	0.00	0	498.20	0.68%	1	0.00
			<a href="#">0162472521927</a>											
47962	BUILDING SERVIC	1799	<a href="#">CLASSIC GRAPHICS</a>	NEWARK	CA	496.04	1	496.04	0.00	0	496.04	0.68%	1	0.00

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47966	MAIL/TELEPHONE	5964	<a href="#">CDW GOVERNMENT</a>	800-800-4239	IL	\$ 486.51	2	\$ 243.26	\$ 0.00	0	\$ 486.51	0.67%	2	\$ 44.23
47970	OFFICE SERVICES	7399	<a href="#">IR INDUSTRIAL</a>	7048964504	NC	444.35	1	444.35	0.00	0	444.35	0.61%	1	39.30
47971	OFFICE SUPPLIES	5734	<a href="#">MAXXEON INC.</a>	8776210005	ON	787.48	2	393.74	359.85	1	427.63	0.59%	3	0.00
47972	OTHER	5999	<a href="#">IN *WHAT'S HAPPENING, TRI</a>	510-4941999	CA	415.00	1	415.00	0.00	0	415.00	0.57%	1	0.00
47979	WHOLESALE TRADE	5085	<a href="#">GEMS SENSORS INC</a>	860-7934379	CT	400.16	1	400.16	0.00	0	400.16	0.55%	1	31.68
47970	OFFICE SERVICES	7399	<a href="#">CAL OSHA REPORTER</a>	916-774-4000	CA	395.00	1	395.00	0.00	0	395.00	0.54%	1	0.00
47971	OFFICE SUPPLIES	5942	<a href="#">AMAZON.COM</a>	AMZN.COM/BILL	WA	381.26	3	127.09	0.00	0	381.26	0.52%	3	34.68
47963	BUSINESS EXPENS	8398	<a href="#">NORTH AMERICAN SOCIETY FO</a>	703-3515252	NY	375.00	1	375.00	0.00	0	375.00	0.51%	1	0.00
47979	WHOLESALE TRADE	5251	<a href="#">LED-WORKLIGHT</a>	OTTAWA	ON	369.84	1	369.84	0.00	0	369.84	0.51%	1	0.00
47979	WHOLESALE TRADE	5046	<a href="#">CABLE MOORE INC</a>	510-272-0218	CA	351.82	1	351.82	0.00	0	351.82	0.48%	1	30.52
138753	SEMINAR/CONF.	8641	<a href="#">FREMONT CHAMBER OF CMMRC</a>	FREMONT	CA	350.00	1	350.00	0.00	0	350.00	0.48%	1	0.00
47979	WHOLESALE TRADE	5044	<a href="#">PTM DOCUMENT SYSTEMS INC</a>	707-5766304	CA	325.90	1	325.90	0.00	0	325.90	0.45%	1	24.62
47979	WHOLESALE TRADE	5065	<a href="#">L-COM,INC</a>	978-682-6939	MA	318.26	2	159.13	0.00	0	318.26	0.44%	2	26.87
212656	SCCLD AUTO	7538	<a href="#">BAYCOUNTIESDIES ELSERVINC</a>	510-490-5665	CA	312.64	1	312.64	0.00	0	312.64	0.43%	1	0.84
47979	WHOLESALE TRADE	5251	<a href="#">ALL INDUSTRIAL ELECTRIC S</a>	650-7770060	CA	303.74	1	303.74	0.00	0	303.74	0.42%	1	27.61
212656	SCCLD AUTO	7549	<a href="#">JACK JAMES TOWING</a>	510-581-1950	CA	290.00	1	290.00	0.00	0	290.00	0.40%	1	0.00
47970	OFFICE	7399	<a href="#">IR INDUSTRIAL</a>	704-896-4504	NC	285.01	1	285.01	0.00	0	285.01	0.39%	1	24.90

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47970	SERVICES													
141822	Hardware Supply	5200	<a href="#">THE HOME DEPOT 635</a>	UNION CITY	CA	278.92	3	92.97	0.00	0	278.92	0.38%	3	25.20
47972	OTHER	5732	<a href="#">SF CABLE</a>	510-264-9988	CA	274.35	1	274.35	0.00	0	274.35	0.38%	1	0.00
47963	BUSINESS EXPENS	8999	<a href="#">SSPC</a>	877-2817772	PA	270.00	1	270.00	0.00	0	270.00	0.37%	1	0.00
47979	WHOLESALE TRADE	5065	<a href="#">TELOG INSTRUMENTS INC</a>	800-554-3363	NY	269.30	1	269.30	0.00	0	269.30	0.37%	1	0.00
47966	MAIL/TELEPHONE	5964	<a href="#">USA BLUE BOOK</a>	800-493-9876	IL	267.85	1	267.85	0.00	0	267.85	0.37%	1	0.00
137510	Rialto	9399	<a href="#">CALIFORNIA SPECIAL DISTR</a>	916-442-7887	CA	255.00	5	51.00	0.00	0	255.00	0.35%	5	0.00
137510	Rialto	9399	<a href="#">ACT*CAPPO 2016 CONFERE</a>	877-551-5560	TX	229.00	1	229.00	0.00	0	229.00	0.31%	1	0.00
47970	OFFICE SERVICES	7399	<a href="#">HTTP://WEBEX.COM</a>	916-861-3174	CA	228.00	1	228.00	0.00	0	228.00	0.31%	1	0.00
47971	OFFICE SUPPLIES	5942	<a href="#">AMAZON.COM AMZN.COM/BILL</a>	AMZN.COM/BILL	WA	221.35	3	73.78	0.00	0	221.35	0.30%	3	20.13
217413	Prohibited Tran	8699	<a href="#">WEF WYTHE</a>	800-6660206	VA	218.00	1	218.00	0.00	0	218.00	0.30%	1	0.00
47979	WHOLESALE TRADE	5085	<a href="#">WW GRAINGER</a>	877-2022594	PA	211.64	1	211.64	0.00	0	211.64	0.29%	1	18.11
47979	WHOLESALE TRADE	5065	<a href="#">7547 ROYAL</a>	510-8959810	CA	199.98	1	199.98	0.00	0	199.98	0.27%	1	0.00
47970	OFFICE SERVICES	2741	<a href="#">PROGRESSIVE BUSINESS CONF</a>	800-9646033	PA	199.00	1	199.00	0.00	0	199.00	0.27%	1	0.00
47960	AIRLINE	3000	<a href="#">UNITED 0162472764702</a>	800-932-2732	TX	197.20	1	197.20	0.00	0	197.20	0.27%	1	0.00
47979	WHOLESALE TRADE	5039	<a href="#">OWEN EQUIPMENT COMPANY</a>	503-2559055	OR	197.20	1	197.20	0.00	0	197.20	0.27%	1	16.79
47961	AUTO/RV DEALERS	5511	<a href="#">MISSION VALLEY FORD PARTS</a>	408-933-2300	CA	195.58	2	97.79	0.00	0	195.58	0.27%	2	0.00
47972	OTHER	5999	<a href="#">CELEBRATION PARTY EQUI</a>	510-887-0727	CA	195.00	1	195.00	0.00	0	195.00	0.27%	1	0.00
47979	WHOLESALE	5047	<a href="#">CPI*COLEPARMER</a>	800-323-4340	IL	186.20	1	186.20	0.00	0	186.20	0.25%	1	15.60

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/ Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47979	TRADE		<a href="#">NSTRUMT</a>											
47962	BUILDING SERVIC	780	<a href="#">REED AND GRAHAM INC</a>	SAN JOSE	CA	184.88	1	184.88	0.00	0	184.88	0.25%	1	14.88
47969	MRO SUPPLIES	5983	<a href="#">CORRPRO CANADA INC.</a>	EDMONTON	AB	179.49	1	179.49	0.00	0	179.49	0.25%	1	0.00
47960	AIRLINE	3000	<a href="#">UNITED 0162473853504</a>	800-932-2732	TX	155.20	1	155.20	0.00	0	155.20	0.21%	1	0.00
141822	Hardware Supply	5200	<a href="#">THE HOME DEPOT #6964</a>	NEWARK	CA	151.74	2	75.87	0.00	0	151.74	0.21%	2	13.17
47970	OFFICE SERVICES	7399	<a href="#">SWAGELOK NORTHERN CALIFOR</a>	408-7343145	CA	143.94	1	143.94	0.00	0	143.94	0.20%	1	0.00
141822	Hardware Supply	5200	<a href="#">LOWES #01132*</a>	UNION CITY	CA	140.02	6	23.34	0.00	0	140.02	0.19%	6	12.73
47972	OTHER	5941	<a href="#">POWER SYSTEMS</a>	865-769-8223	TN	139.04	1	139.04	0.00	0	139.04	0.19%	1	0.00
47972	OTHER	5999	<a href="#">WECO INDUSTRIES LLC</a>	VACAVILLE	CA	137.37	1	137.37	0.00	0	137.37	0.19%	1	0.00
47960	AIRLINE	3000	<a href="#">UNITED 0162472508568</a>	800-932-2732	TX	136.20	1	136.20	0.00	0	136.20	0.19%	1	0.00
217413	Prohibited Tran	8699	<a href="#">GOVERNMENT FINANCE</a>	312-977-9700	IL	135.00	1	135.00	0.00	0	135.00	0.18%	1	0.00
47972	OTHER	5732	<a href="#">BEST BUY 00001446</a>	UNION CITY	CA	131.98	1	131.98	0.00	0	131.98	0.18%	1	12.00
137510	Rialto	9399	<a href="#">CALIFORNIA SPECIAL DISTR</a>	916-442-7887	CA	124.00	2	62.00	0.00	0	124.00	0.17%	2	0.00
137510	Rialto	9399	<a href="#">CA DEPT PEST REG PUBLICA</a>	916-4453891	CA	120.00	2	60.00	0.00	0	120.00	0.16%	2	0.00
235401	REGISTRATION	8111	<a href="#">PAYPAL *LIEBERTCASS</a>	402-935-7733	CA	120.00	2	60.00	0.00	0	120.00	0.16%	2	0.00
47979	WHOLESALE TRADE	5074	<a href="#">GORDO SALES INC</a>	801-544-4236	UT	119.95	1	119.95	0.00	0	119.95	0.16%	1	0.00
47972	OTHER	7699	<a href="#">IN *SABRE BACKFLOW INC</a>	925-6985169	CA	114.00	1	114.00	0.00	0	114.00	0.16%	1	0.00
47970	OFFICE SERVICES	7399	<a href="#">AMZ*OFFICESUPPLY DOT C</a>	866-302-5397	WA	113.90	1	113.90	0.00	0	113.90	0.16%	1	8.90

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47979	WHOLESALE TRADE	5199	<a href="#">TAP PLASTICS # 20</a>	FREMONT	CA	\$ 109.93	2	\$ 54.97	\$ 0.00	0	\$ 109.93	0.15%	2	\$ 9.73
47966	MAIL/TELEPHONE	5964	<a href="#">ORIENTAL TRADING CO</a>	800-228-0475	NE	93.92	1	93.92	0.00	0	93.92	0.13%	1	0.00
47979	WHOLESALE TRADE	5085	<a href="#">GIH*GLOBALINDUSTRIAL</a>	800-645-2986	FL	90.10	1	90.10	0.00	0	90.10	0.12%	1	0.00
217413	Prohibited Tran	7216	<a href="#">GREEN LEAF CLEANERS</a>	FREMONT	CA	90.00	2	45.00	0.00	0	90.00	0.12%	2	0.00
		8699	<a href="#">NATIONAL PROCUREMENT INST</a>	702-989-8095	NV	90.00	1	90.00	0.00	0	90.00	0.12%	1	0.00
47970	OFFICE SERVICES	8911	<a href="#">CALIFORNIA SURVEY INET</a>	916-344-0232	CA	88.03	1	88.03	0.00	0	88.03	0.12%	1	0.00
281845	Food Exceptions	5812	<a href="#">BRONCO BILLY'S PIZZA</a>	UNION CITY	CA	87.84	1	87.84	0.00	0	87.84	0.12%	1	0.00
47962	BUILDING SERVIC	1711	<a href="#">IN *NASSCO, INC.</a>	410-4427473	MD	84.90	1	84.90	0.00	0	84.90	0.12%	1	0.00
47979	WHOLESALE TRADE	5046	<a href="#">PETERSON TRUCKS SL</a>	SAN LEANDRO	CA	81.86	1	81.86	0.00	0	81.86	0.11%	1	0.00
47961	AUTO/RV DEALERS	5511	<a href="#">FREMONT CHEVROLET</a>	FREMONT	CA	80.81	1	80.81	0.00	0	80.81	0.11%	1	0.00
47960	AIRLINE	3000	<a href="#">UNITED 0162473782066</a>	800-932-2732	TX	78.10	1	78.10	0.00	0	78.10	0.11%	1	0.00
47970	OFFICE SERVICES	7311	<a href="#">CRAIGSLIST.ORG</a>	415-399-5200	CA	75.00	1	75.00	0.00	0	75.00	0.10%	1	0.00
47979	WHOLESALE TRADE	5085	<a href="#">JOHN M. ELLSWORTH CO INC.</a>	414-3541414	WI	72.26	1	72.26	0.00	0	72.26	0.10%	1	0.00
47970	OFFICE SERVICES	7399	<a href="#">NSI SOLUTIONS INC</a>	RALEIGH	NC	71.50	1	71.50	0.00	0	71.50	0.10%	1	0.00
281845	Food Exceptions	5814	<a href="#">ANDERSEN BAKERY -UNION LA</a>	UNION CITY	CA	68.75	2	34.38	0.00	0	68.75	0.09%	2	0.00
47979	WHOLESALE TRADE	5039	<a href="#">BONDIC/PROFORMIC</a>	905-713-6514	ON	67.97	1	67.97	0.00	0	67.97	0.09%	1	0.00

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47972	OTHER	5732	<a href="#">EPASALES</a>	866-448-5547	TN	\$ 66.95	1	\$ 66.95	\$ 0.00	0	\$ 66.95	0.09%	1	\$ 0.00
47979	WHOLESALE TRADE	5251	<a href="#">D &amp; F LIQUIDATORS</a>	510-785-9600	CA	62.96	2	31.48	0.00	0	62.96	0.09%	2	0.00
137510	Rialto	9399	<a href="#">PAYPAL *NCC IPMA HR</a>	402-935-7733	CA	60.00	1	60.00	0.00	0	60.00	0.08%	1	0.00
138753	SEMINAR/CONF.	8641	<a href="#">UNION CITY CHAMBER OF COM</a>	510-952-9637	CA	60.00	1	60.00	0.00	0	60.00	0.08%	1	0.00
47972	OTHER	5732	<a href="#">BATTERYLOGI</a>	800-409-0250	NY	59.84	1	59.84	0.00	0	59.84	0.08%	1	0.00
217413	Prohibited Tran	5719	<a href="#">BED BATH &amp; BEYOND #218</a>	FREMONT	CA	56.92	1	56.92	0.00	0	56.92	0.08%	1	4.94
150085	MCC5969	5969	<a href="#">STU*SHINDIGZ DECORATIO</a>	877-446-3449	IN	54.97	1	54.97	0.00	0	54.97	0.08%	1	0.00
47971	OFFICE SUPPLIES	5734	<a href="#">CBI*IPSWITCH</a>	800-799-9570	IL	54.95	1	54.95	0.00	0	54.95	0.08%	1	0.00
281845	Food Exceptions	5814	<a href="#">CHIPOTLE 1529</a>	UNION CITY	CA	49.81	1	49.81	0.00	0	49.81	0.07%	1	0.00
47963	BUSINESS EXPENS	8398	<a href="#">NATL PUBLIC EMPLOYER LA</a>	760-433-1686	CA	49.00	1	49.00	0.00	0	49.00	0.07%	1	0.00
281845	Food Exceptions	5812	<a href="#">DRAGON HOUSE CHINESE RES</a>	UNION CITY	CA	47.82	2	23.91	0.00	0	47.82	0.07%	2	0.00
47972	OTHER	4816	<a href="#">YAHOO *BAYAREABIOSOLI</a>	408-916-2149	CA	41.82	3	13.94	0.00	0	41.82	0.06%	3	0.00
150085	MCC5969	5969	<a href="#">LMC TRUCK</a>	913-541-1525	KS	40.70	1	40.70	0.00	0	40.70	0.06%	1	0.00
217413	Prohibited Tran	8699	<a href="#">CALIFORNIA ASSOCIATION</a>	530-755-4922	CA	39.00	1	39.00	0.00	0	39.00	0.05%	1	0.00
47971	OFFICE SUPPLIES	5943	<a href="#">FRANKLINCOVEYP RODUCTS</a>	800-819-1812	UT	38.44	1	38.44	0.00	0	38.44	0.05%	1	0.00
47963	BUSINESS EXPENS	8299	<a href="#">OWPSACSTATE</a>	916-278-6142	CA	38.18	1	38.18	0.00	0	38.18	0.05%	1	0.00
47979	WHOLESALE TRADE	5065	<a href="#">BESTLINK NETWARE INC</a>	855-4568891	CA	37.76	1	37.76	0.00	0	37.76	0.05%	1	0.00
47978	VEHICLE EXPENSE	5533	<a href="#">PEPBOYS STORE 816</a>	UNION CITY	CA	37.39	1	37.39	0.00	0	37.39	0.05%	1	3.40
47971	OFFICE SUPPLIES	5943	<a href="#">OFFICEMAX/OFFIC EDEPOT6177</a>	UNION CITY	CA	35.71	1	35.71	0.00	0	35.71	0.05%	1	3.25

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
217413	Prohibited Tran	8699	<a href="#">ARMA INTERNATIONAL</a>	800-422-2762	KS	\$ 35.00	1	\$ 35.00	\$ 0.00	0	\$ 35.00	0.05%	1	\$ 0.00
47979	WHOLESALE TRADE	5072	<a href="#">MQI*MULTIQUIP INC.</a>	310-400-1367	CA	26.64	1	26.64	0.00	0	26.64	0.04%	1	0.00
217413	Prohibited Tran	5719	<a href="#">PAYPAL *KINGSTRUEVA</a>	402-935-7733	CA	24.49	1	24.49	0.00	0	24.49	0.03%	1	0.00
47978	VEHICLE EXPENSE	5533	<a href="#">PAYPAL EBAY MARKTPLC USD</a>	402-935-7733	NE	22.35	2	11.18	0.00	0	22.35	0.03%	2	0.38
47978	VEHICLE EXPENSE	5533	<a href="#">AUTOZONE #3338</a>	UNION CITY	CA	21.98	1	21.98	0.00	0	21.98	0.03%	1	2.00
281845	Food Exceptions	5411	<a href="#">LUCKY #782 UNION CI</a>	UNION CITY	CA	20.48	1	20.48	0.00	0	20.48	0.03%	1	0.00
47972	OTHER	5999	<a href="#">PARTY CITY</a>	UNION CITY	CA	20.03	1	20.03	0.00	0	20.03	0.03%	1	0.00
47970	OFFICE SERVICES	7399	<a href="#">ACT*MSA SAN FRANCISCO</a>	877-551-5560	TX	20.00	1	20.00	0.00	0	20.00	0.03%	1	0.00
141822	Hardware Supply	5200	<a href="#">ORCHARD SUPPLY #100</a>	FREMONT	CA	18.35	1	18.35	0.00	0	18.35	0.03%	1	0.00
281845	Food Exceptions	5812	<a href="#">CHAAT BHAVAN</a>	FREMONT	CA	17.33	1	17.33	0.00	0	17.33	0.02%	1	0.00
47970	OFFICE SERVICES	5968	<a href="#">AUDIBLE</a>	888-283-5051	NJ	14.95	1	14.95	0.00	0	14.95	0.02%	1	0.00
47972	OTHER	5999	<a href="#">MILWAUKEE ELECTRIC TOO</a>	5108974031	CA	13.08	1	13.08	0.00	0	13.08	0.02%	1	0.00
47978	VEHICLE EXPENSE	5533	<a href="#">OREILLY AUTO 00025718</a>	UNION CITY	CA	10.99	1	10.99	0.00	0	10.99	0.02%	1	1.00
47979	WHOLESALE TRADE	5085	<a href="#">EREPLACEMENTPA RTS.COM</a>	866-802-6383	UT	9.23	1	9.23	0.00	0	9.23	0.01%	1	0.00

## Merchant Spend Analysis - Detail

MCCG	Merchant Category Code Group Description	MCC	Merchant Name	Merchant City	Merchant State/Province	Debit Amount	Nbr of Debit Trans	Average Spend per Debit Trans	Credit Amount	Nbr of Credit Trans	Total Spend	% of Total Spend	Nbr of Trans	Total Sales Tax
47978	VEHICLE EXPENSE	5533	<a href="#">PAYPAL</a> <a href="#">*ANNELIDARAC</a>	402-935-7733	CA	\$ 5.00	1	\$ 5.00	\$ 0.00	0	\$ 5.00	0.01%	1	\$ 0.00
<b>Total</b>						<b>\$73,440.31</b>			<b>\$ 359.85</b>		<b>\$73,080.46</b>		<b>230</b>	<b>\$ 656.12</b>

Total Number of Records: 137

End of Report

## Merchant Spend Analysis - Detail Output Parameter Page

**Cycle Close Date Range:** 10/2015 to 12/2015

**Report Type:** Detail

**Merchant Profile Source:** Association

**Merchant Names:** All

**Merchant Category Code Group:** All

**Merchant States:** All

**Sort Report By:** (1) Total Spend, (2) No Sort, (3) No Sort, (4) No Sort

**Break/Subtotal Level:** No Break/Subtotal

<b>Processing Hierarchy Position:</b>	<u>Bank</u>	<u>Agent</u>	<u>Company</u>	<u>Division</u>	<u>Department</u>
	1425	3135	51756	All	All

## Criminal Cases Against Fremont Dam Vandals End

*By Ted Goldberg  
February 4, 2016*

The four men charged with vandalizing a large dam in Fremont last year, an act that led to the loss of nearly 50 million gallons of water, have all agreed to plea deals.

Drake Elkhouri, the man prosecutors say stabbed the inflatable dam on Alameda Creek on May 21, pleaded guilty to felony vandalism last month and has been sentenced to one year in county jail.

Dylan Jeffery, Gavin Palmon and Zackory Morton all pleaded guilty to misdemeanor trespassing. They ended up each serving around 40 days in jail, according to Teresa Drenick, a spokeswoman for the Alameda County District Attorney's Office.

Elkhouri, the main defendant, could end up having to pay for the damage related to the vandalism, including the cost of the loss of water, Drenick said in an email. A restitution hearing on how much he would have to pay is set for early March.

Elkhouri's lawyer has not returned calls for comment.

In late November, authorities revealed that the vandalism took place after the four men had been drinking and smoking marijuana.

The case prompted an investigation by the U.S. Environmental Protection Agency because the vandalism could have been a violation of the federal Safe Drinking Water Act.

That federal case is now closed. The EPA's Criminal Investigation Division (CID) met with the U.S. Attorney's Office in San Francisco after the men were arrested and decided not to pursue separate charges.

The local charges were "appropriate and consistent with the facts of this case," said Michele Huitric, an EPA spokeswoman, in an email Thursday. "Rather than attempting to pursue federal criminal charges related to tampering under the Safe Drinking Water Act, EPA-CID is closing its file on the matter."

The Alameda County Water District replaced the dam and upgraded security around it but the agency's general manager, Robert Shaver, said there's only so much that can be done to keep pieces of the region's water infrastructure completely secure.

"We have over 900 miles of pipeline just serving Fremont, Union City and Newark. We have numerous tanks and reservoirs," Shaver said in an interview this week. "There's no way that any water utility could guarantee that something like this can't happen to any one of its facilities."

## **Levi's Stadium Preparing for a surge during Super Bowl**

*South Bay's sewage plant to avoid a stink as fans flush en masse*

**By Robert Salonga**

[rsalonga@mercurynews.com](mailto:rsalonga@mercurynews.com)

SAN JOSE — As South Bay residents and visitors watch the big game Sunday and take in the intermission performance by Coldplay, a half-mile from Levi's Stadium will be a squad of people prepping for their own halftime show, albeit a couple of hours after the final whistle. These are the unsung heroes who put the "bowl" in Super Bowl. The workers at the region's sewage treatment plant — also known as the San Jose-Santa Clara Regional Wastewater Facility — have the odorous responsibility of tackling the spike in wastewater surging through the facility from the staggering number of near-simultaneous midgame toilet flushes from many among the 70,000 or so Levi's attendees, on top of the million-plus area TV viewers hustling to relieve themselves and avoid missing any action.

"Nobody knows about us when we do our job right," said Kerrie Romanow, director of environmental services for the city of San Jose, which operates the plant. "But it's exciting. It's the Super Bowl, a half-mile away."

Indeed, standing on top of one of the 40-foot-high digester silos — where anaerobic bacteria break down assorted sludge, producing methane that provides 70 percent of the plant's power needs — the stadium is in a clear line of sight across Highway 237.

The silo is part of an array of processes to purify wastewater coming from 17,000 sewer connections and 300 miles of interconnected pipes serving 1.6 million customers in San Jose, Santa Clara and a half-dozen other Silicon Valley cities. The plant's daily peak flow rate is 110 million gallons of wastewater, or enough to fill downtown San Jose's SAP Center, site of the Super Bowl media day and affectionately known as the "Shark Tank."

From the pregame show onward, the plant anticipates a potential peak flow rate of 167 million gallons, or more than one-and-a-half Shark Tanks worth of effluence generated at the start of the game alone, and double the average for a regular Sunday. The facility will be up to its eyeballs: That's 13 million more gallons than the average of past Super Bowl Sundays, without an on-site game, right at the ceiling of the facility's normal operating capacity.

So for the duration of the game Sunday, the equivalent of more than eight Shark Tanks full of wastewater will be heading slowly but surely toward the treatment center, which sits on 2,600 acres in the northernmost reaches of San Jose.

"Looking at the numbers — it's not just another day," said plant manager Joanna De Sa, who is also a deputy director of environmental services.

Because it takes minutes, even hours, for the community's contributions to travel from toilet to treatment, the plant's Super Bowl day crew will be busy long after the game is over.

With its relatively short distance away, Levi's Stadium has one of the shortest routes between flush and when the, ahem, waste, hits the fan, or the front line of treatment, clocking in at 30 minutes. Comparatively, a flush from the Almaden Valley in San Jose, about 20 miles away, takes between two and three hours to let gravity run its course and deliver it to treatment.

Once wastewater gets to the plant's entry point, known as the headworks, huge mechanical arms move rotating bars that pull out solids such as the baby wipes and other disposables that have been a bane to treatment plants the region over. It's skimmed for other solids, anything from grease and oils to other biological matter, much of which forms a sludge to be broken down by bacteria and bugs in the aforementioned digesters. The water is then aerated, clarified and filtered in a succession of gigantic tanks to ultimately remove 99 percent of impurities. The intensive process makes San Jose home to the state's largest tertiary treatment plant.

After 12 to 14 hours, about 90 percent of the treated wastewater goes into the bay, with the rest used as recycled water for irrigation, industrial use, and, to complete a circle of life of sorts, back to toilets, urinals and other nonpotable water needs.

Big game or not, the plant has been operating nonstop since opening in 1956, and even its planned \$1 billion retrofit and rebuild can only be done in phases, since nothing can be shut down for construction.

And while one might think that the Super Bowl would require a boost in personnel, the wastewater facility is only slightly increasing its normally modest weekend crew, most of whom will also be viewing several big screens, but in a control room monitoring the pipes rather than the Broncos-Panthers score.

"We'll be hearing cheering, wondering what it's for," Romanow said, alluding to the nearby stadium. "The team is very skilled and committed toward what we do."



Plant manager Joanna De Sa describes the function of the headworks, or the plant's entry point, at the San Jose-Santa Clara Regional Wastewater Facility in San Jose.

# Community Newsletter

## Recycling & Waste Solutions



## Fremont Residential Recycling News

### FREE Compost Giveaway

Join Republic Services and the City of Fremont at the 21st Annual Compost Giveaway on Sunday, April 3, 2016! This event is our way of thanking you for properly recycling your yard trimmings and food scraps each week in your green organics cart.

Republic Services, the City of Fremont and the Fremont Recycling & Transfer Station invite Fremont households participating in the green waste recycling program to collect two (2) free bags of compost from 8 a.m. – noon (while supplies last).

Compost is the end product of grass, branches, leaves, food scraps and other organic material. When this mixture of material biodegrades, it becomes a useful soil conditioner and fertilizer that holds moisture, conserves water and nourishes plants. Compost is meant to be used as a soil amendment – think of it as a vitamin boost for your plants and trees!

To participate in the Annual Compost Giveaway, you must be a Fremont resident participating in the green waste program and bring your most recent Republic Services invoice as proof of eligibility. For more information contact Republic Services at [510-657-3500](tel:510-657-3500).

#### Helpful Hint:

**Avoid lines!** For shorter wait times, arrive at the Compost Giveaway after 9:30 a.m.

## Fremont's 21st Annual Compost Giveaway

8 a.m. – Noon • Sunday, April 3, 2016 (while supplies last)  
Fremont Recycling & Transfer Station | 41149 Boyce Road, Fremont





## Compost and Help California Save Water!

Traditional reasons to participate in Fremont's curbside compost program include keeping organic material out of landfills and returning nutrients to soil. When we compost food scraps, we also help reduce the harmful gases that contribute to climate change. Compost gives farmers a viable alternative to using synthetic fertilizers, enabling them to grow healthy food with locally produced compost, thereby "closing the loop." Here is another great reason to compost: It helps California save tremendous amounts of water. Compost helps retain soil moisture, so when we apply compost to soil we increase the soil's capacity to withstand drought conditions.

Many food growers choose to apply compost because doing so helps soil and crops receive the full benefit of moisture from rain or irrigation. This is particularly important for orchards, which require a lot of irrigation. Key statistic: By increasing the amount of organic matter by one percent on one acre of land by applying compost we can save 16,500 gallons of water each year! Imagine how much water we could save if every city in California duplicated Fremont's compost collection program and sent more compost to local farms.

In Fremont we are doing a good job of composting scraps and plant cuttings, but we can do better. What can an individual do on a daily basis to help? Place all food scraps and plant cuttings in the green bin for curbside collection. Place all food-soiled paper, like used paper napkins and towels, in your green bin too. Soiled paper in a kitchen compost pail or curbside compost bin will absorb moisture, which will help control odor.

Knowing that composting is a highly effective way to help California save water, Fremont residents have a whole new motivation to participate in Fremont's green bin program! Together we can help our home state save great amounts of water by continuing our green habits and composting all of our food scraps, plant trimmings, and soiled paper!

## Save the Date!

**Earth Day Fair**, April 23, 2016  
at Washington Hospital - Washington West Bldg.

## Recycle Right

### Avoid Contamination

Knowing what is accepted in your recycle bin is essential to ensuring we are meeting our recycling goals on a county and state level. Wishful recycling (placing everything that might be recyclable in the bin, rather than knowing what will actually be recycled) can create problems at the sorting facility, and actually result in more waste going to the landfill.

So what is contamination? Recycling contamination is simply placing any non-recyclable material in with the recyclables. Too much contamination can make recyclable materials unusable, and the wrong shape or size materials can jam up or damage sorting machinery. By doing our part and keeping our recycling contaminant-free, we can be sure that the materials from our once-used products can be turned into new products!

Common contaminants include Styrofoam, pet food bags, food and food-soiled paper (pizza boxes, food wrappers), packing peanuts, unbundled plastic bags, garbage, clothing, clothes hangers, garden hoses, wood and construction debris.

To find out more about what can be recycled in Fremont, call **510-657-3500** or visit: [republicservicesAC.com](http://republicservicesAC.com)

## My Resource™

### Do more with the touch of a button

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- Pay your bill
- Schedule a pickup
- Report a missed pickup
- Repair a container
- And more



## Former Assemblywoman Lynne Leach endorses Hardcastle for Supervisor



Lynne Leach

Today, candidate for County Supervisor in District 3, Doug Hardcastle announced he has received the endorsement of former State Assemblywoman Lynne Leach.

While in the Assembly for six years, Leach represented almost all of what makes up District 3, including the East County communities of Oakley, Brentwood, Discovery Bay, Bethel Island, Knightsen, Byron and parts of Antioch, as well as Blackhawk, Diablo and Camino Tassajara, in the San Ramon Valley portion of the Supervisor district.

"What impressed me about Doug is that he has taken so many of the necessary steps, both as a member of the Ironhouse Sanitary District Board and Oakley City Council, and is now well prepared to be a member of the Board of Supervisors," said Leach. "Plus, his small business experience and community service, it just makes a lot of sense."

"He is one of the best, well-rounded candidates you could imagine," she added. "That's why I'm supporting him for County Supervisor."

A leader in the Assembly, Leach served as Vice Chair of the Assembly Education Committee in her second and third terms. She also served on a variety of committees, including Transportation, Insurance, Business and Professions, Jobs and Economic Development, Aging and Long Term Care, Joint Legislative Audit and the Master Plan for California Education (Kindergarten through Higher Education).

"I appreciate Lynne's endorsement, and her time and counsel in my campaign," Hardcastle said. "Plus, her great experience serving the same communities that I will be serving as Supervisor."

Doug Hardcastle was elected to the Oakley City Council in 2012 and recently completed a year as Mayor. From 2000 to 2012 he served as a Director on the Ironhouse Sanitary District Board, for which he served as President in 2010-2011. He currently serves on both the Transplan Committee and the Tri Delta Transit Board of Directors. Doug and his wife Lyn own Hardcastle's RV in Oakley and have for over 40 years. Doug was selected Oakley Business Person of the Year in 2006. He's a life-long resident of Contra Costa County. For more information visit [www.doughardcastle.com](http://www.doughardcastle.com) and follow the Hardcastle campaign on Facebook, Twitter and Instagram @doughardcastle.

Supervisor District 3 includes Oakley, Brentwood, Discovery Bay, Blackhawk, Diablo, Camino Tassajara, Bethel Island, Byron, Knightsen and a portion of Antioch. The election is on June 7, 2016.

Share this:



*the attachments to this post:*



Lynne Leach

This entry was posted on Thursday, February 11th, 2016 at 12:28 pm and is filed under [News, Politics & Elections](#). You can follow any responses to this entry through the [RSS 2.0](#) feed. You can [leave a response](#), or [trackback](#) from your own site.

No Comments so far.

### Leave a Reply

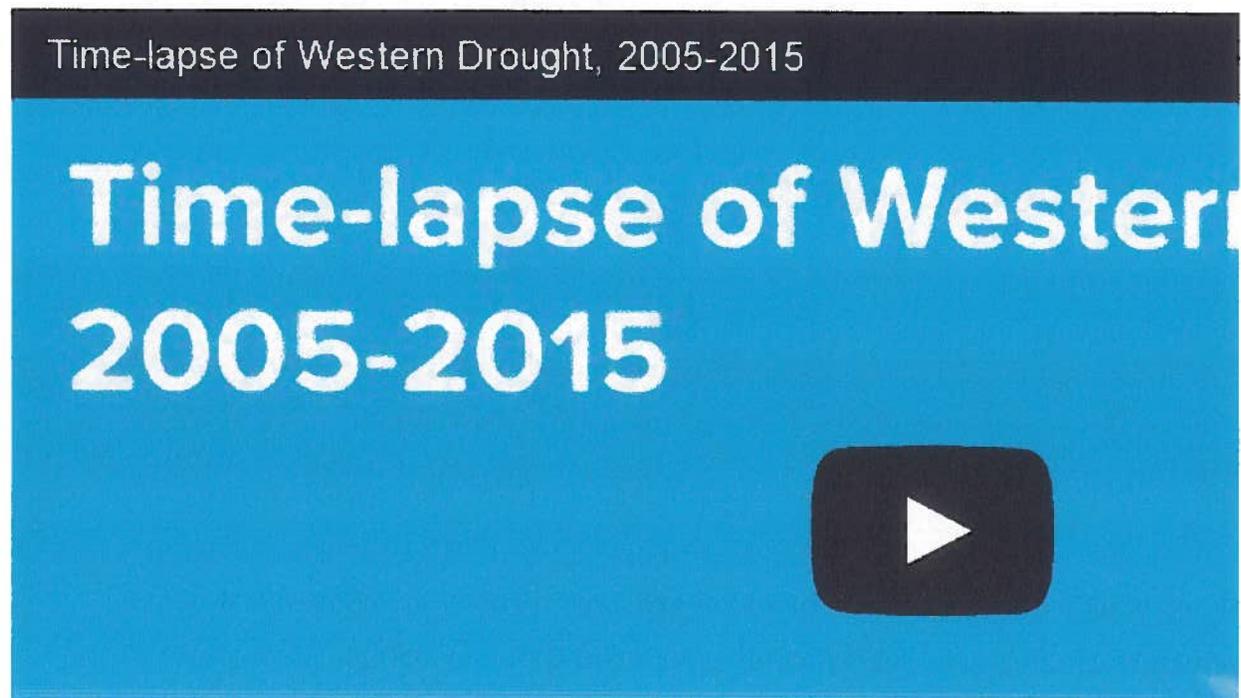
Name (required)  
 Mail (will not be published) (required)  
 Website



## In the Western U.S., the Next Drought Is Always Around the Corner

Even if El Niño ends the region's current dry spell.

LAURA BLISS | [@mslaurabliss](#) | Feb 8, 2016 | [Comments](#)



In California, El Niño's January storms left above-average snowpack in the mountains and rising reservoir levels across the state. Could the end of the five-year drought be in sight? Alan Haynes, a hydrologist for the [National Weather Service](#) in Sacramento, told [the L.A. Times](#) in late January, "If storms continue and we keep getting wet into the spring, like we're projecting because of the El Niño ... we have a good shot[.]"

Eight days into February, however, the outlook is a little less promising. Last week, the National Weather Service's Sacramento office described El Niño as [taking a 5-10 day break](#), with a high pressure ridge moving in between California and any storms that might otherwise be forming. Now, temperatures across the state are running a good 10-15 degrees above normal. Today [Los Angeles is expected to see a high of 85 degrees](#).

Peter Gleick, a climate scientist and president of the Pacific Institute, warned on Twitter that seven days of continuous warmth could turn as much as 30 percent of California's snowpack to slush:

**A warning about California's coming high temps: state can gain or lose 20-30% of snowpack in 7 days. [#drought](#)  
[pic.twitter.com/u8m4M3ESIN](https://pic.twitter.com/u8m4M3ESIN)**

— Peter Gleick (@PeterGleick) [February 4, 2016](#)

There's still a chance that sustained storms later in the season could turn things back around. But ultimately, these projections and forecasts are short-term thinking. In California, the next drought is always around the corner. In fact, that's true for virtually all of the West.

Since 2005, with just a few brief exceptions, more than 25 percent of U.S. western lands have faced drought, according to the Public Policy Institute of California. More than half of the West has been short on water since 2012, with vast swathes of land experiencing at least some level of dry conditions.

A time-lapse animation, which the PPIC created using weekly U.S. Drought Monitor maps from 2005 to 2015, shows how drought slips and slides across the West over a relatively long period of time. [The PPIC reports:](#)

**The 10-year span shows strong regional differences. Droughts in California and the Pacific Northwest tend to develop and end relatively quickly. In contrast, parts of the Colorado Basin have been dry for much of the past decade or longer—a situation that is proving difficult to manage.**

Right now, Colorado is fairly drought-free, while California and the Pacific Northwest remain in the red. Even if this dry February turns into a March wet enough to signal this drought's end, it's only a matter of time before the West's growing population and [fragile hydrology](#) (influenced by climate change) creates another imbalance of water supply and demand. As the PPIC warns, "California—like its western neighbors—must continue to strengthen its water management to better cope with ongoing drought and prepare for the next."

## About the Author



Laura Bliss is a staff writer at CityLab. She writes about the environment, infrastructure, and cartography, among other topics.

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FEBRUARY 9, 2016 3:39 PM

# California's drought adds \$2 billion in electricity costs

Shortage of cheap hydro power to blame, think tank says



In this January 2014 photo, a sparse amount of snowfall surrounds the Union Valley powerhouse at the base of the Union Valley dam in El Dorado County. The drought is reducing hydroelectric supplies, which usually provide about 15 percent of the state's total, forcing utilities to find alternative sources. Sacramento

i

In this January 2014 photo, a sparse amount of snowfall surrounds the Union Valley powerhouse at the base of the Union Valley dam in El Dorado County. The drought is reducing hydroelectric supplies, which usually provide about 15 percent of the state's total, forcing utilities to find alternative sources. Sacramento

By Dale Kasler

[dkasler@sacbee.com](mailto:dkasler@sacbee.com)

It's one of the lesser-known costs of California's drought: the drying-up of the state's normally abundant cheap hydroelectric power.

A hydro shortage has raised California's electricity costs by a combined \$2 billion the past four years, according to a report released Tuesday by the Pacific Institute, a water policy think tank based in Oakland. In addition, the institute said the drought has contributed to climate change: California's fossil-fuel power plants have increased greenhouse gas emissions by 10 percent to make up for the hydro shortage.

The financial impact on individual consumers hasn't been huge. SMUD, for instance, raised residential rates an average of \$1.22 a month last spring to compensate for the hydro shortage. That's amounted to a 1.3 percent increase for the typical household, said Christopher Capra, spokesman for the Sacramento Municipal Utility District.

Nonetheless, it's clear the drought has robbed California of one of its [cheapest electricity sources](#). Hydro typically costs 2 cents per kilowatt-hour, according to SMUD, about half the cost of power from natural gas plants. A household uses about 750 kilowatt-hours monthly.

During a normal year, hydro can account for as much as 18 percent of the state's power supply. That figure has fallen to 10.5 percent during the drought, including a low of 7 percent last year, according to the [Pacific Institute's report](#).

Other Northern California utilities have raised rates to compensate for the hydro shortage. Pacific Gas and Electric Co. imposed a 1.5 percent increase beginning in January 2014, which was reduced to 1.4 percent last year. Roseville Electric put in place a 2 percent surcharge starting in July 2014, although spokeswoman Vonette McAuley said the surcharge was reduced slightly last summer.

With Northern California experiencing a wet winter so far, it's possible ratepayers could get a break. Capra said SMUD plans to withdraw its rate increase if the region gets "median or above precipitation" this winter.

"It's looking good," he said.

PG&E said it won't offer a prediction until it has a better idea in the spring about the size of the Sierra snowpack.

"We're only halfway through the wet season," said utility spokesman Paul Moreno.

*Dale Kasler: 916-321-1066, @dakasler*



[Home](#) / [Join Together](#) / [Walgreens to Install Disposal Kiosks for Prescription Drugs at More Than 500 Stores](#)

## Walgreens to Install Disposal Kiosks for Prescription Drugs at More Than 500 Stores

BY [JOIN TOGETHER STAFF](#)

February 11th, 2016 / 0

Walgreens announced this week it will install kiosks in more than 500 stores in 39 states by the end of the year to allow customers to safely dispose of unneeded or expired prescription drugs. The pharmacy chain will also make the opioid overdose antidote naloxone available without a prescription in 35 states and Washington, D.C.

Customers will be able to dispose of unwanted, unused or expired prescriptions, including controlled substances and over-the-counter medications, at no cost, the company said. Most of the kiosks will be located in stores open 24 hours a day. They will "offer one of the best ways to ensure medications are not accidentally used or intentionally misused by someone else," the company stated.

"By continuing to counsel our patients on the safe and effective use of medications and by making this opioid antidote more accessible, we're going to be proactive in fixing this problem," Richard Ashwood, President of Pharmacy and Retail Operations for Walgreens, said in a [news release](http://news.walgreens.com/press-releases/general-news/walgreens-leads-fight-against-prescription-drug-abuse-with-new-programs-to-help-curb-misuse-of-medications-and-the-rise-in-overdose-deaths.htm) [<http://news.walgreens.com/press-releases/general-news/walgreens-leads-fight-against-prescription-drug-abuse-with-new-programs-to-help-curb-misuse-of-medications-and-the-rise-in-overdose-deaths.htm>]. "I am proud to say that Walgreens is leading the way in the fight against prescription drug abuse."

The announcement, made at a Walgreens in Washington, D.C., was attended by Michael Botticelli, Director of the White House Office of National Drug Control Policy, according to [The Hill](http://thehill.com/policy/healthcare/268795-walgreens-launches-effort-to-curb-drug-abuse) [<http://thehill.com/policy/healthcare/268795-walgreens-launches-effort-to-curb-drug-abuse>].

"Thanks to efforts, like Walgreens, and the efforts they are announcing today, people won't have to wait to safely dispose of their drugs and obtain naloxone," Botticelli said. "They can just go to their local drug store any time."

### ***No responses yet.***

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## Union Sanitary District board approves sewer rate hikes

By Julian J. Ramos - Fremont Bulletin

[jramos@themilpitaspost.com](mailto:jramos@themilpitaspost.com)

San Jose Mercury News

Posted: Thu Feb 11 13:48:38 MST 2016

Beginning in July, Union Sanitary District customers in the Tri-Cities will begin paying higher sewer rates.

Under a plan, approved Jan. 25 by the district's Board of Directors, costs for single-family residences will go up by 1 percent on July 1 and 3.5 percent in each of the four following fiscal years. Sewer service charges are collected on the property tax roll in the same way as general taxes.

At the moment, the annual rate for single-family residences is \$377. The rate will jump by \$3.05 to \$380.05 in the 2016-17 fiscal year. In the fifth year, the rate would be \$436.12, a difference of \$59.12 from the current rate. Non single-family residential customers, such as commercial and industrial users, will also see higher rates.

Officials for the district, which serves Fremont, Newark and Union City, say the increases are meant to cover rising costs associated with providing sewer service and maintaining aging infrastructure.

Directors Manny Fernandez, Tom Handley, Anjali Lathi and Jennifer Toy voted in favor of the rates. Director Pat Kite was absent.

In December, the district sent notices, in compliance with state Proposition 218, to all property owners notifying them of the proposed rate increases for the next five years. A majority protest of customers would have stopped the hikes and caused the board to consider other options.

"The district received 194 written and five verbal protests at the meeting," said Paul Eldredge, the district's general manager.

Anticipating its revenue would be lower because customers conserved water during the ongoing drought, the district modified some operating expenses and delayed certain capital projects.

Revenue is expected to decline in the current fiscal year, which ends June 30, by as much as \$3 million because non-residential customers used less water, according to the district.

The sewer service charge is expected to generate 80 percent of the district's \$60 million total operating revenue this fiscal year.

Total operating expenses meanwhile are anticipated to be about \$1.8 million higher, or 5.6 percent, than last fiscal year. About 42 percent of the district's total budget is committed to personnel expenses; it has 137 employees.

Several factors have contributed to anticipated higher operating expenses, the district says. Those factors include salary increases, rising health care costs, higher prices for various chemicals used in wastewater treatment processes, steeper energy bills and capital projects with costlier labor and materials.

The district proposed five years of rate increases instead of three because the longer timeframe would save costs associated with staff time, service analysis, public outreach and public hearings, Eldredge said.

Compared to 26 similar wastewater agencies in the Bay Area, Union Sanitary District's annual service charges are in the lowest 11.5 percent, Eldredge added. The district annually conducts a rate comparison survey.

The district oversees more than 810 miles of sewer lines, seven pump stations and the buildings and equipment at its 33-acre Union City Wastewater Treatment Plant.

Contact Julian J. Ramos at [ramos@themilpitaspost.com](mailto:ramos@themilpitaspost.com) or 408-262-2454 or follow him on [twitter.com/julianjramosmp](https://twitter.com/julianjramosmp). Visit us on our social media sites at [facebook.com/FremontBulletin](https://facebook.com/FremontBulletin) and [twitter.com/FremontBulletin](https://twitter.com/FremontBulletin).

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# California Drought Improvement Will 'Take Quite A While'

[Ed Joyce](#)

Thursday, February 11, 2016 | Sacramento, CA | [Permalink](#)

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0:37

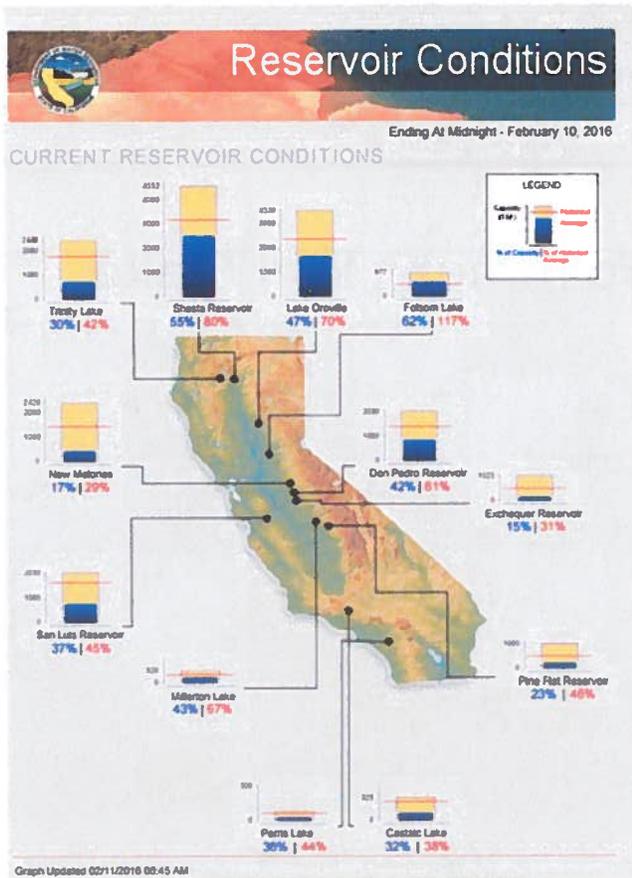


January brought abundant snow to the Sierra Nevada, but February has been mostly dry. A view of true-color imagery of the snow covering the Western U.S. from NOAA Satellite and Information Service.

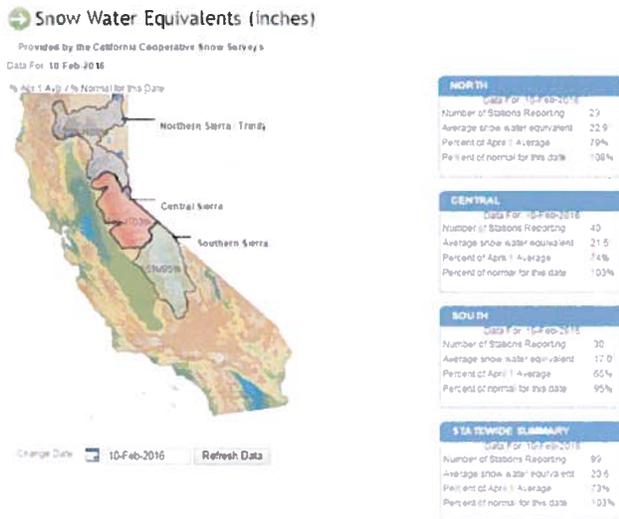
NOAA / Courtesy

The U.S. Drought Monitor weekly update shows some slight reductions in the percentage of drought in California the past week. But the report cautions that improvement in the historic four-year drought will "take quite a while."

Despite heavy rainfall in January, an above-average snowpack and rising reservoirs in some areas, the U.S. Drought Monitor says more than one above-average winter will be needed to ease all the impacts of long-term drought in California.



"Reservoir storage generally remains below-average and very significant groundwater shortages continue, according to the [report \(http://droughtmonitor.unl.edu/\)](http://droughtmonitor.unl.edu/) released Feb. 11. "There are also serious problems with tree mortality. The [USDA \(http://www.sierranevada.ca.gov/our-work/docs/2015\\_treemortality\\_brief\\_0326.pdf\)](http://www.sierranevada.ca.gov/our-work/docs/2015_treemortality_brief_0326.pdf) estimates 29 million trees are already dead, and a Stanford group estimates another 29 million trees are showing significant stress. Given these various factors, it will take quite a while for improvements in the short-term to chip away at large, multi-year precipitation deficits."

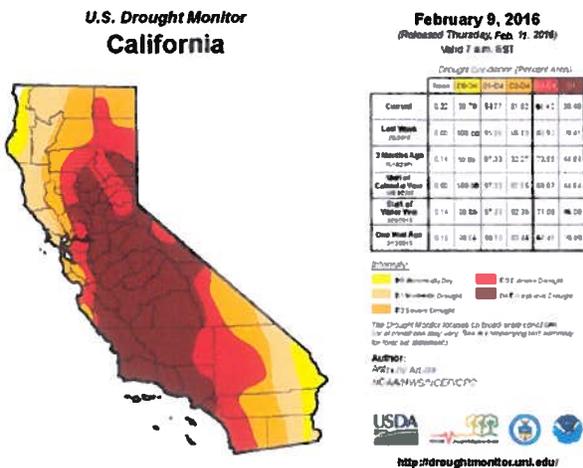


The U.S. Drought Monitor says reservoir storage (<http://cdec.water.ca.gov/cgi-progs/products/rescond.pdf>) and snow water content (<http://cdec.water.ca.gov/cdecapp/snowapp/sweq.action>) data "played a large role in the revisions made this week to the USDM map in northern California and southern Oregon."

As of Feb. 10, the snow water content in the Sierra Nevada snowpack ranges from 95 to 108 percent of average. The statewide average for 99 stations reporting in the northern, central and southern Sierra is 103 percent, just 73 percent of the April 1 average.

There were some slight changes week-over-week in the percentage of California in drought.

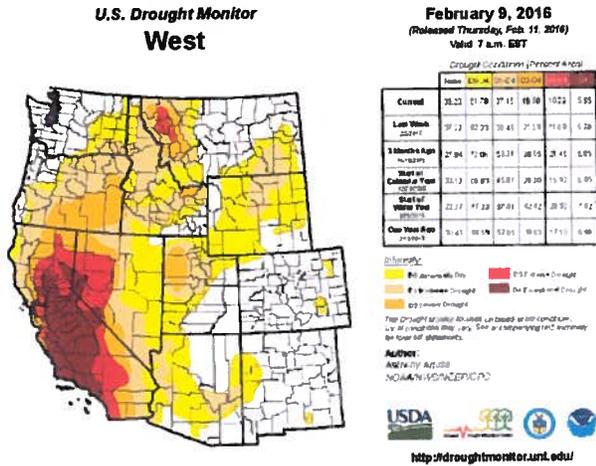
The U.S. Drought Monitor (<http://droughtmonitor.unl.edu/>) intensity levels are Abnormally Dry, Moderate, Severe, Extreme and Exceptional drought. This week in California: 99 percent is abnormally dry, 94.7 percent is moderate, 81 percent is severe, 61 percent is extreme and 38 percent is in exceptional drought.



In northwestern California, the abnormally dry, moderate and severe drought "contours

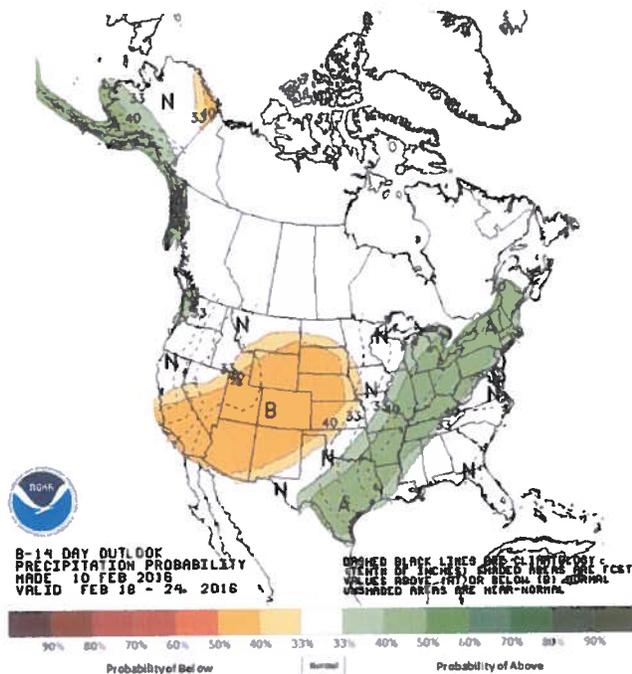
were adjusted slightly eastward."

The biggest reduction came in the percent of severe (D2) drought, from 86 percent to 81 percent. A year ago, 93 percent of California was in severe drought.



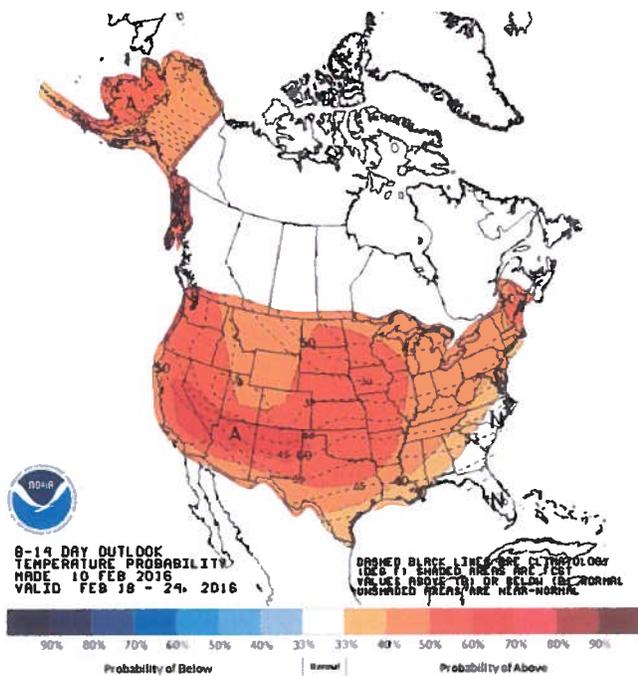
"Moderate drought (D1) was extended southward as far as Sonoma and Marin Counties. The D1/D2 boundary (separating moderate from severe drought) was moved slightly to the east, to central Siskiyou County, and eastern Trinity County," according to the weekly update. "Extreme drought (D3) was eliminated from eastern and northwestern Modoc County, and exceptional drought (D4) was trimmed out of Lassen County."

In Oregon, extreme drought (D3) in southern Klamath and southern Lake Counties was eliminated.

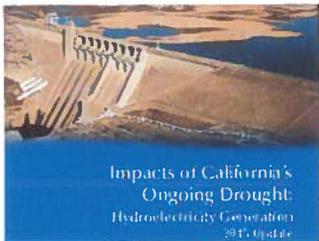


While January brought above-average precipitation, February has been mostly dry with record high temperatures in California.

The 8-14 day outlook from the National Weather Service (<http://www.cpc.ncep.noaa.gov/index.php>) predicts warm and dry conditions to continue for most of California through Feb. 24.



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## Study: California Drought Means Less Hydropower, More CO2 Pollution

Tuesday, February 9, 2016

## Norman is seeing ultraviolet

By Joy Hampton, Senior Staff Writer

*February 11, 2016*

While the \$63 million upgrade of the Norman Water Reclamation facility won't make the city's wastewater drinkable, it will move Norman one step closer to that long-term goal. The current design has left city property to the south and east for future equipment needed to further treat the wastewater that comes from our sinks, showers and, yes, flushed toilets.

Already, fish flourish in the cleaned discharge from the plant, and water travels along the Canadian River to Lake Eufaula where it becomes part of that city's drinking water.

The current project is about 60 percent complete, Plant Manager Steven Hardeman said. Two new clarifiers are 70 percent finished and the new ultraviolet disinfection is up and running.

"They just completed the UV facility," Hardeman said. "We're going through 30-day performance tests. It's doing a very good job of disinfecting."

After the performance tests, adjustments will be made to fine-tune the equipment. Meanwhile, the maintenance staff is being trained on the equipment for the daily operations and maintenance.

"It's very maintenance intensive and there's quite a bit of O and M," Hardeman said.

The UV system is performing well, providing disinfection to meet new DEQ requirements for the Canadian River discharge. Also required for the discharge under new Total Maximum Daily Load guidelines coming down for the Canadian, are post-aerators to put more dissolved oxygen into the discharge water. Both those are located across the street from the main plant on the south side of Bratcher-Miner Road near the compost facility.

"The completion date on the UV was met," Hardeman said, "but the completion date for the whole project is behind."

Weather has been a contributing factor to the delay, but so has the fact that there are things buried, pipes and utilities that were not anticipated.

"We've been on this site since '42," Hardeman said. To identify those abandoned and unknown lines, he pulled out old blue prints including some that "were actually blue."

As new lines and utilities have gone into place, Hardeman has documented them with photographs along with what's in the plans to help a later generation making the next upgrade.

The entire cost of the project tallied \$63 million, but that included engineering, the construction cost running about \$50 million.

"We've had one change order, and a lot of that was stuff we added and things we didn't know about until we dug stuff up," Hardeman said.

That change order used up most of the \$500,000 contingency money they had set aside, and a second change order is in the works for some add-ons and unforeseen upgrades and retrofits needed. On a project this size, to use two change orders is nothing short of astounding. Hardeman credits team planning.

"A lot of people were involved in the design," he said.

Michael Graves of Garver Engineering has been a big help, since Graves used to be a supervisor at the plant and knows the facility inside out, Hardeman said.

In addition to the UV performing well, the post-aeration is performing above the dissolved oxygen requirement by DEQ of 6.5.

"We're getting as high as 9, so we're having to cut it back a bit," Hardeman said.

Ten cities were part of the Canadian River TMDL study, but Norman is the largest discharger in the project. Total Maximum Daily Load or TMDL studies determine the pollutant loading a waterbody can assimilate without exceeding the water quality standard for that pollutant, according to the Oklahoma Department of Environmental Quality.

"We've got to take out of (the wastewater) what we put into it, and return it to nature after we clean it up for the next user," Hardeman said.

## Napa Sanitation plans meetings on proposed charge increases

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The Napa Sanitation District has scheduled two public information sessions regarding the proposed sewer service charge increase.

The district is considering sewer rate hikes that over five years would raise local household bills by 53 percent to replace and repair aging infrastructure.

A city of Napa household that now pays \$482.50 would be paying \$738.62 annually by July 1, 2020.

District officials will explain the proposed rate structure and the projects that would be funded by the additional rate revenue.

The meeting schedule:

— Monday, Feb. 22, 6:30-7:30 p.m., Napa Boys and Girls Club Community Room, 1515 Pueblo Ave.

— Tuesday, Feb. 23, 6:30-7:30 p.m., Napa Valley College Community Room, Building 1700 (next to the library), 2277 Napa-Vallejo Highway.

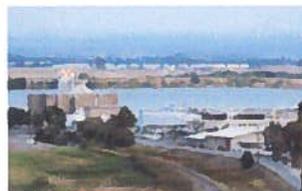
These sessions are strictly informational and should not be confused with the public hearing that will take place on Wednesday, March 16, at 6 p.m. in the Napa Valley Unified School District Board Room, 2425 Jefferson St.

The District has mailed Proposition 218 notices to property owners informing them of the proposed hike. Proposition 218 gives property owners the ability to stop proposed fee hikes if a majority submit written protests.

Roughly one third of the pipes in the system are over 50 years old, and as the system ages, it needs more maintenance, the district explained in a news release. This rate increase will allow the District to increase efforts to replace aging sewer pipes and complete new capital projects designed to reduce the risks of sewer collapses and overflows that are harmful to public health and water quality in the Napa River.

There are three major projects that the additional rate revenue will pay for:

— Renewal and replacement of roughly 3 miles of aging sewer pipes per year.



The Napa Sanitation District treatment plant on the Napa River.

[Enlarge Photo](#)

— Building of an interceptor to divert flow from downtown pipes that typically overflow and could result in untreated sewage getting into storm drains and flowing to creeks or the river.

— Reducing the amount of stormwater and groundwater that get into sewer pipes through leaks and cracks. This extra water can overwhelm the sewer system during large rain events, causing untreated sewage to escape and flow into creeks and the river, and can cause backups into homes and businesses.

Napa Sanitation District provides wastewater collection and treatment services to the residents and businesses in the city of Napa, Silverado Country Club, the Napa County Airport and several adjacent unincorporated areas. Napa Sanitation District also provides recycled water service to the MST area, Los Carneros Water District and other portions of southern Napa County. Covering 20 square miles, Napa Sanitation District has been serving the area since November 1945.

For further information about the District, visit [www.NapaSanitationDistrict.com](http://www.NapaSanitationDistrict.com).

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## Bishop Ranch Reduced Potable Water Usage by 8.5M Gallons in 2015 Compared to 2014

*Conservation Efforts Continue at Bishop Ranch as Drought Persists*

San Ramon, CA, February 12, 2016 --(PR.com)-- Even before the California Governor's order to significantly reduce the use of potable water, Sunset Development implemented numerous conservation measures. In 2015, water usage at Bishop Ranch (BR) was reduced by approximately 22.5 percent or 8,500,000 gallons, compared to 2014.

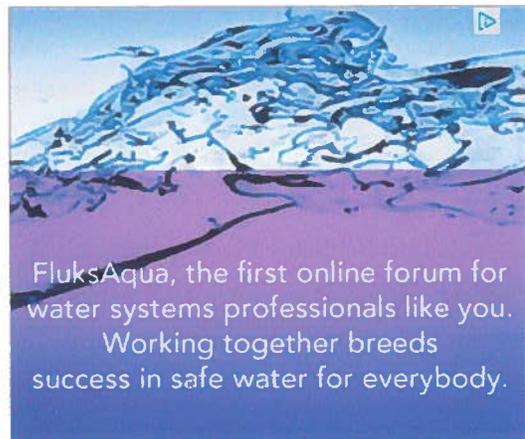
"Water conservation is a top priority as part of our commitment to sustainable principles and practices," said Alexander Mehran, Jr., president and COO of Sunset Development Company. "That's why we've aggressively pursued and will continue to pursue water conservation efforts in every corner of Bishop Ranch."

Bishop Ranch has implemented a range of programs focused on saving water and using drought tolerant plants to achieve significant savings, including the following:

- Installing drip irrigation in all non-turf applications, which account for about 80 percent of Bishop Ranch's overall landscape
- Irrigating all landscape with irrigation control clocks that use weather data to set run times
- Removing and replacing turf with drought tolerant plantings in select areas. In May of 2015, BR reduced watering of turf by 50%, which led to the biggest gain in water savings
- Reducing annual flower planting by 35%
- Limiting renovation projects to primarily spring and fall, thus reducing supplemental watering required during the summer
- Constant monitoring and adjustment of irrigation in the field to avoid run-off or malfunctioning sprinklers
- Reducing water usage in its 2600 building by 154,760 gallons from 2013 levels

Bishop Ranch is also currently installing water main lines to bring reclaimed water to the properties. Completion is expected by mid-2016.

Early in 2015, the 2600 building was renovated, transforming it into a model of green operating efficiency, incorporating into the buildings' operations and maintenance the efficient use of electricity, water and green building materials. The building was awarded LEED® Gold certification from the U.S. Green Building Council (USGBC). The certification completes Sunset Development Company's ambitious project to update all of its 27 buildings to earn LEED recognition, the largest concentration of LEED certified buildings outside an urban area.



**About Bishop Ranch**

Bishop Ranch, owned and operated by Sunset Development Company, is built on a legacy of sound planning and smart growth. Located on 585 acres in the San Ramon Valley, it is the largest mixed-use business community in Northern California. For nearly four decades, Bishop Ranch has continually, carefully grown with its successful neighbors to become a dynamic center for the modern business. Today, the prosperous surrounding communities -- 192,000 residents within a six-mile radius -- enjoy an average household income of \$162,000.

We are home to 30,000 employees at 600 companies in more than 30 industries. Among the tenants are many Fortune 500 companies, including AT&T, Chevron, General Electric, IBM, PG&E, Robert Half, Bank of the West, Toyota and Berkshire Hathaway. Numerous small businesses in high tech, bio/clean tech, and social software -- such as Affiliated Computer Services, Aon eSolutions, Cognizant Technology Solutions and AGIS Network -- have also chosen to locate in this diverse and thriving business environment. Bishop Ranch offers a unique flexibility for the space requirements of companies large and small, and its tenants occupy spaces from 150 to more than 1 million square feet.

Employees at Bishop Ranch enjoy a wide range of amenities and on-site services, including award-winning transportation programs, professional seminars and networking opportunities, special offers and discounts, gourmet food trucks and a farmers' market.

For more information, visit [bishopranch.com](http://bishopranch.com).

**Contact Information**

Sunset Development  
Annie Noebel  
949.525.7024  
[Contact](#)  
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# Massive Public Works Project Will Help Clean Sacramento River

 [Amy Quinton](#)

Tuesday, February 16, 2016 | Sacramento, CA | [Permalink](#)

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3:56



Construction of the largest public works project in Sacramento's history is underway at the Sacramento Wastewater Treatment Plant.

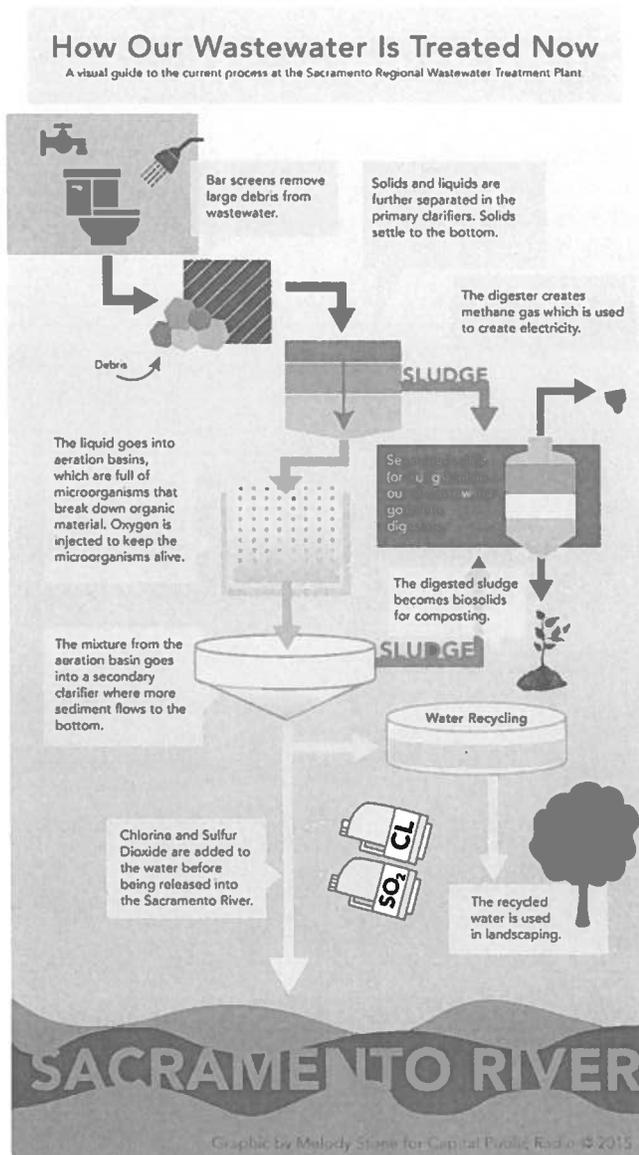
Photo / Regional San

Nearly a dozen sewage treatment plants dump wastewater into the Sacramento-San Joaquin Delta right now.

Most treat water using the strictest standards possible under state law. The Sacramento Regional Wastewater Treatment plant does not. Improvements are underway to change that. The upgrade is the largest public works project in the region's history.

At the current plant, wastewater from 1.4 million households in the Sacramento region spins around in 24 large tanks.

"This is where the dirty water is, so let's move to our right and it gets cleaner as it goes further away from the center well," says Ruben Robles, director of operations at the Sacramento Regional County Sanitation District, or Regional San. He's standing near the plant's secondary sedimentation tanks. It's almost the last step in the treatment process at the current plant.



Cleaning so much wastewater is a multi-stage process that requires 900 acres of land. The plant, with its tanks, concrete towers, underground passageways, and miles of pipes was built in the early 1980's.

Every day, it treats enough sewage to fill 227 Olympic-sized swimming pools. And almost all of it ends up in the Sacramento River.

"There's a pipeline that goes under the Sacramento River about two-thirds of the way across. It's 10 feet in diameter so you can drive a car through it," says Robles. "It has what are called ports. There's about 100 of these ports where the wastewater shoots out, mixes with the river and then goes downstream."

The plant is the largest sewage discharger into a freshwater body west of the Mississippi. A common byproduct of that human waste is ammonia, which is something the plant does not remove from the water.

"You put 15 tons of ammonium nitrogen into the river at this one spot, it's hard to imagine that that isn't a big disruption for this ecosystem," says Richard Dugdale, an oceanographer at San Francisco State University.

His research shows that ammonia can disrupt the food chain in the Sacramento-San Joaquin Delta. It slows the production of beneficial algae and can encourage the growth of toxic algae. Young fish can't get enough to eat. In 2010, state regulators ordered Regional San to clean the water better. But the upgrade is not easy or cheap.



Earth movers remove dirt to prepare site of new wastewater treatment. Construction workers have had to remove about 7,000 cubic yards of dirt to expand storage basins on the property. Photo / Regional San

Trucks unload gravel at a construction site at the wastewater treatment plant. Removing ammonia means building new levels of filtration and disinfection, known as tertiary treatment. The new treatment will also remove bacterial pathogens untreated in the past. Robles says the new facilities cover 20 acres.

"We believe it's probably the biggest project in Sacramento County history. It's estimated to be up as much as 2.1 billion dollars in total costs," says Robles. "The biggest project is called the biological nutrient removal project. The construction costs on that one alone is over half a billion dollars."

Regional San even built a pilot plant to see what technologies would work best at the least cost.



Rendering of new biological nutrient removal system.

Photo / Regional San

Homeowners' monthly sewer bills have been steadily increasing to pay for the project. Rates will continue to increase from \$32 now to the mid \$40 range by completion in 2023. But the new plant could raise some revenue by making water clean enough to recycle and sell.

"We'll be creating this recycled water that we can use for agricultural re-use we can apply it to parks, schools, street medians, so it will be a great water project for our region," says Robles.

In the process of removing ammonia, tertiary treatment will reduce other contaminants as well. Richard Cannon, an environmental toxicologist with UC Davis, has been studying the effects of ammonia on fish. He says fish won't be the only beneficiaries of the upgrade.

"All the pharmaceuticals and pesticides that we as human beings pour out into the wastewater treatment water, gets processed as well," says Cannon. "It will mean in the long run that fewer contaminants would be entering the Delta that way."

Not only does that help fish, but ultimately it provides cleaner drinking water for people.

#### Virtual Treatment Plant Tour



LOCAL / L.A. Now

# Proposal would shift bullet train funding for use on new water projects



Sprinklers water a field outside Salinas. A proposed ballot measure would use bond money earmarked for California's high speed rail project and use it for new water projects. (Michael Robinson Chavez / Los Angeles Times)



By **Ralph Vartabedian** · Contact Reporter

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**T**he state's powerful agriculture industry and its political allies are gathering signatures for a November ballot initiative that would grab bond money earmarked for California's bullet train and use it instead for new water projects.

Supporters believe the measure taps two politically powerful sentiments: growing public concern about the state's future water supply amid a historic drought and increasing opposition to the high speed rail project, which is behind schedule and over budget.

Unlike past grass-roots efforts to kill the high speed rail project, the new proposed initiative has \$2 million set aside for a signature-gathering campaign, backers say. And it has moved with such speed that it is barely on potential opponents' radar screens.

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Fierce opposition certainly will come from rail proponents, the construction industry and environmental groups — which have deep commitments to preserving the \$68-billion transportation project as well as existing water policy.

The initiative calls for the reallocation of about \$8 billion in remaining rail system bonds approved by voters in 2008 and \$2.7 billion previously approved for water storage under Proposition 1 in 2014.

Half that money would go to specific projects, including raising Shasta Dam by 18.5 vertical feet, expanding the San Luis Reservoir, building a new reservoir near the Sacramento River and a new storage system on the San Joaquin River.

The other half of the funding is not designated, but could be tapped for such projects as expanding the capture of storm runoff in urban areas.

In addition, the measure would make substantial changes to state water law via a constitutional amendment, setting domestic water use and irrigation as the first- and second- highest priorities — ahead of environmental conservation.

“Water is more important than rail,” said George Runner, a member of the state Board of Equalization who authored the proposition along with Sen. Bob Huff (R-San Dimas).

But the state, said rail authority spokeswoman Lisa Marie Alley, would not only lose jobs, but may have to pay back billions of dollars in federal grants if it loses the bond money.

The effort is being run by the California Water Alliance, a Central Valley nonprofit backed by farmers. The group has hired Michael Arno — who runs one of the nation's best-known petitioning companies — to gather the 585,000 valid voter signatures needed. Arno said he has 500 to 700 people in the field on any given day collecting signatures, along with volunteers from Central Valley groups opposed to the rail project.

**Water and Power is The Times' guide to the drought. Sign up to get the free newsletter >>**

Aubrey Bettencourt, executive director of the group, said it has commitments to meet a \$2-million budget for the signature campaign. The secretary of state's campaign fundraising website shows much less, about \$250,000 in receipts since Jan. 1.

"Two million dollars is real," Runner said. "That is what we need to be able to get it on the ballot."

If the measure does qualify, California's \$53-billion-a-year agriculture industry will probably haul out checkbooks to support it.

But the nation's biggest engineering and construction firms would probably do the same thing to defend the billions of dollars expected to flow their way for the bullet train, which began construction in the Central Valley last year and is more than two years behind schedule.

The building industry underwrote the campaign to persuade the public to pass the bonds.

In addition, Gov. Jerry Brown has a campaign fund of more than \$20 million, which he could use to defend what has become his signature project. Brown's office declined to comment on the proposition.

Huff said he doubted Brown would fully commit those funds, noting that the governor was deeply interested in two other prospective ballot propositions and may recognize the problems he faces keeping high speed rail on track.

"Even he has to recognizing the waning support," Huff said. "At some point, when you have a losing hand, you have to fold."

A recent poll by Stanford University's Hoover Institution found that 53% of voters would approve of shifting the rail bonds to water projects.

The \$2 million collected so far to fund the proposition has come from unidentified agriculture interests in the Central Valley, where thousands of acres of land have been left fallow as water allocations have been slashed in recent years. The industry is also deeply resentful of the rail project's impact on farms and processing plants.

Along every major highway in the Central Valley, signs plead for more water with slogans like: as "Crops grow where water flows."

Environmental groups long have supported the bullet train and would strongly oppose the dam construction called for under the proposed initiative. They also certainly would dispute a constitutional amendment that downgraded the environment's claim to water.

However, environmentalists also are growing weary of the high-speed rail project's use of greenhouse gas fees — given that the train may not reduce carbon dioxide emissions in the state for decades to come.

The Sierra Club is on record opposing most of the projects that the proposal would fund.

Union positions on the measure are not clear. Although they have strongly supported the bullet train, unions may be indifferent as to whether jobs are produced by dams or a rail project. Labor has other competing interests.

"I don't know if we will get involved in the fight," said Robbie Hunter, president of the State Building and Construction Trades Council of California.

If passed, the ballot measure would create a nine-member board, appointed by regional water management agencies, that would control spending decisions.

Bettencourt said the proposal's guiding principle is more water for every use.

"Conservation communities will get more water than they did before," she said. "Environmental justice communities will get better water quality."

But Jim Earp, a member of the California Transportation Commission who led the rail bonds campaign, said the water measure could have a difficult time because its backers were greedy.

"They have basically a deeply flawed measure," Earp said. "They couldn't resist overreaching. They couldn't resist the temptation to rewrite water laws to benefit corporate farmers who are going to underwrite the campaign."

The other critical issue, Earp said, was that water projects traditionally have been paid for largely by users — whether agricultural or residential.

"They are trying to shift the cost of water from users to taxpayers," Earp said. "They might as well throw their money into one of the rivers they want to dam. All you have to do is create enough confusion and doubt in the voters' minds that it won't pass the smell test."

Runner said the opposite was true, that voters will see the proposal's inherent logic.

"This comes at a time when everybody is aware of the water problem," Runner said. "You have water rationing and you are paying more for water. The average person doesn't get high speed rail."

[ralph.vartabedian@latimes.com](mailto:ralph.vartabedian@latimes.com)