



**BOARD MEETING AGENDA**  
**Monday, January 13, 2020**  
**Regular Meeting - 7:00 P.M.**

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

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

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

Karen W. Murphy  
*Attorney*

1. Call to Order.

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2. Salute to the Flag.

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3. Roll Call.

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- Motion 4. Approve Minutes of the Special Board Meeting of December 3, 2019.

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- Motion 5. Approve Minutes of the Board Meeting of December 9, 2019.

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- Motion 6. Approve Minutes of the Special Board Meeting of December 16, 2019.

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- Information 7. October 2019 Monthly Operations Report *(to be reviewed by the Budget & Finance and Legal/Community Affairs Committees)*.

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- Information 8. November 2019 Monthly Operations Report *(to be reviewed by the Budget & Finance and Legal/Community Affairs Committees)*.

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9. Written Communications.

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10. Public Comment.  
Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available in the Boardroom and are requested to be completed prior to the start of the meeting.

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- Motion 11. Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer for the Enhanced Treatment and Site Upgrade Phase 1A Project *(to be reviewed by the Engineering and Information Technology Committee)*.

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- Motion 12. Reject the Bid Protest from Kiewit Infrastructure West Co. and Award the Construction Contract for the Primary Digester No. 7 Project to C. Overaa & Co. *(to be reviewed by the Engineering and Information Technology Committee)*.

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- Motion 13. Consider a Resolution of the Union Sanitary District Authorizing the Execution and Delivery of a Joint Exercise of Powers By and Between the Union Sanitary District and California Municipal Finance Authority and the Master CMFA Agreement; Consider a Resolution of the Union Sanitary District Regarding Its Intention to Reimburse Certain Project Costs from Proceeds of Tax-Exempt Obligations; and Consider Approval of

Debt Management Policy No. 2060 *(to be reviewed by the Budget & Finance Committee)*.

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Motion 14. Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Tanner Pacific, Inc. for the Primary Digester No. 2 Rehabilitation Project *(to be reviewed by the Engineering and Information Technology Committee)*.

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Motion 15. Authorize the General Manager to Execute Task Order No. 2 with Carollo Engineers, Inc. for the Primary Digester No. 2 Rehabilitation Project *(to be reviewed by the Engineering and Information Technology Committee)*.

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Motion 16. Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8344 – Monarch at Soares Ranch, Located Near the Intersection of Western Avenue and Alvarado-Niles Road, in the City of Union City *(to be reviewed by the Legal/Community Affairs Committee)*.

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Motion 17. Consider and Adopt a Resolution to Certify Union Sanitary District’s Sanitary Sewer Management Plan (SSMP) *(to be reviewed by the Legal/Community Affairs Committee)*.

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Motion 18. Review and Consider Approval of Robotic Cutter System Purchase *(to be reviewed by the Budget & Finance Committee)*.

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Motion 19. Consider a Motion to Cancel the May 25, November 23, and December 28, 2020, Board of Directors Meetings, and Provide Direction to Staff Regarding Canceling Board Meetings for One Month Out of the Year.

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Information 20. Report on the East Bay Dischargers Authority (EBDA) Meeting of November 21, 2019.

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Information 21. Check Register.

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Information 22. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*

- a. Budget & Finance Committee – Thursday, January 9, 2020, at 11:30 a.m.
  - Director Kite and Director Lathi
- b. Legal/Community Affairs Committee – Thursday, January 9, 2020, at 12:00 p.m.
  - Director Fernandez and Director Handley
- c. Engineering and Information Technology Committee – Friday, January 10, 2020, at 11:00 a.m.
  - Director Toy and Director Fernandez
- d. Legislative Committee – will not meet.
- e. Personnel Committee – will not meet.
- f. Audit Committee – will not meet.

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Information 23. General Manager’s Report. *(Information on recent issues of interest to the Board)*.

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24. 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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25. Adjournment – The Board will adjourn to the next Regular Board Meeting in the Boardroom on Monday, January 27, 2020, at 7:00 p.m.

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# REVISED



## ENGINEERING AND INFORMATION TECHNOLOGY COMMITTEE MEETING

Committee Members: Director Toy and Director Fernandez

### AGENDA

**Friday, January 10, 2020** ~~Wednesday, January 8, 2020~~  
**11:00 A.M.** ~~10:00 A.M.~~

**Alvarado Conference Room  
5072 Benson Road  
Union City, CA 94587**

#### Directors

Manny Fernandez  
Tom Handley  
Pat Kite  
Anjali Lathi  
Jennifer Toy

#### Officers

Paul R. Eldredge  
*General Manager/  
District Engineer*

Karen W. Murphy  
*Attorney*

1. Call to Order

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2. Roll Call

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3. Public Comment

Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

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4. Items to be reviewed for the Regular Board meeting of January 13, 2020:

- Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer for the Enhanced Treatment and Site Upgrade Phase 1A Project
  - Reject the Bid Protest from Kiewit Infrastructure West Co. and Award the Construction Contract for the Primary Digester No. 7 Project to C. Overaa & Co.
  - Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Tanner Pacific, Inc. for the Primary Digester No. 2 Rehabilitation Project
  - Authorize the General Manager to Execute Task Order No. 2 with Carollo Engineers, Inc. for the Primary Digester No. 2 Rehabilitation Project
- 

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting.  
No action will be taken at committee meetings.

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.



**BUDGET & FINANCE COMMITTEE MEETING**  
Committee Members: Director Kite and Director Lathi

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

**AGENDA**  
**Thursday, January 9, 2020**  
**11:30 A.M.**

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

**Alvarado Conference Room**  
**5072 Benson Road**  
**Union City, CA 94587**

Karen W. Murphy  
*Attorney*

1. Call to Order

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2. Roll Call

---

3. Public Comment

Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

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4. Items to be reviewed for the Regular Board meeting of January 13, 2020:

- October 2019 Monthly Operations Report – Financial Reports
  - November 2019 Monthly Operations Report – Financial Reports
  - Consider a Resolution of the Union Sanitary District Authorizing the Execution and Delivery of a Joint Exercise of Powers Agreement By and Between the Union Sanitary District and California Municipal Finance Authority; Consider a Resolution of the Union Sanitary District Regarding Its Intention to Reimburse Certain Project Costs from Proceeds of Tax-Exempt Obligations; and Consider Approval of Debt Management Policy No. 2060
  - Review and Consider Approval of Robotic Cutter System Purchase
- 

5. Adjournment

<p>Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.</p>
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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.



**LEGAL/COMMUNITY AFFAIRS COMMITTEE MEETING**  
Committee Members: Director Fernandez and Director Handley

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

**AGENDA**  
**Thursday, January 9, 2020**  
**12:00 P.M.**

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

**Alvarado Conference Room**  
**5072 Benson Road**  
**Union City, CA 94587**

Karen W. Murphy  
*Attorney*

1. Call to Order

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2. Roll Call

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3. Public Comment

Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

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4. Items to be reviewed for the Regular Board meeting of January 13, 2020:

- October Monthly Operations Report – Odor and Work Group Reports
  - November Monthly Operations Report – Odor and Work Group Reports
  - Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8344 – Monarch at Soares Ranch, Located Near the Intersection of Western Avenue and Alvarado-Niles Road, in the City of Union City
  - Review and Consider Certification of Sanitary Sewer Management Plan (SSMP)
- 

5. Adjournment

<p>Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.</p>
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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.

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF  
UNION SANITARY DISTRICT  
December 3, 2019**

**CALL TO ORDER**

Vice President Handley called the special meeting to order at 2:00 p.m.

**ROLL CALL**

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

ABSENT: Jennifer Toy, President (arrived at 2:20 p.m.)

STAFF: Paul Eldredge, General Manager/District Engineer  
Gene Boucher, Human Resources Manager  
Karen Murphy, District Counsel

**PUBLIC COMMENT**

There was no public comment.

**CLOSED SESSION**

The Board adjourned to Closed Session for the following:

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One potential case.

The Board reconvened to Open Session. President Toy stated there was no reportable action.

**ADJOURNMENT:**

The special meeting was adjourned at approximately 2:50 p.m. to a Regular Board Meeting in the Boardroom on Monday, December 16, 2019, at 7:00 p.m.

SUBMITTED:

ATTEST:

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REGINA McEVOY  
BOARD CLERK

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

APPROVED:

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

Adopted this 13<sup>th</sup> day of January, 2020

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF  
UNION SANITARY DISTRICT  
December 9, 2019**

**CALL TO ORDER**

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

**SALUTE TO THE FLAG**

**ROLL CALL**

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

STAFF: Paul Eldredge, General Manager/District Engineer  
Karen Murphy, District Counsel  
Sami Ghossain, Technical Services Manager  
Armando Lopez, Treatment and Disposal Services Manager  
James Schofield, Collection Services Manager  
Robert Simonich, Fabrication, Maintenance, and Construction Manager  
Laurie Brenner, Business Services Coach  
Mike Marzano, Environmental Health and Safety Program Manager  
Randy Musgraves  
Lily Moreno  
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITORS: Roelle Balan, Tri-City Voice Newspaper  
Alice Johnson, League of Women Voters  
Jaqueline Zipkin, East Bay Dischargers Authority General Manager  
Robert Porr, Fieldman Rolapp & Associates

**APPROVE MINUTES OF THE SPECIAL BOARD MEETING OF NOVEMBER 6, 2019**

It was moved by Vice President Handley, seconded by Director Kite, to Approve Minutes of the Special Board Meeting of November 6, 2019. Motion carried unanimously.

**APPROVE MINUTES OF THE BOARD MEETING OF NOVEMBER 11, 2019**

It was moved by Secretary Lathi, seconded by Director Fernandez, to Approve Minutes of the Board Meeting of November 11, 2019. Motion carried unanimously.

## **WRITTEN COMMUNICATIONS**

There were no written communications.

## **PUBLIC COMMENT**

There was no public comment.

## **CONSIDERATION OF BOARD RESOLUTION TO AUTHORIZE STAFF, LEGAL COUNSEL, AND MUNICIPAL ADVISOR TO PREPARE DOCUMENTS FOR THE ISSUANCE OF REVENUE BONDS AND REFUNDING REVENUE BONDS**

General Manager Eldredge stated staff, in consultation with consultants, determined it would be prudent for the District to consider refunding existing SRF debt and issue approximately \$25-\$37 million in new bonds for the Digester 7 Project and other capital projects (Bonds). The proposed resolution would provide staff the authority to proceed with the preparation of necessary documents for the Board's consideration of the matter at a subsequent Board meeting. Staff recommended the Board consider and approve a resolution to authorize the District prepare the aforementioned documents for the Board's consideration.

It was moved by Vice President Handley, seconded by Director Lathi, to Adopt Resolution No. 2872 A Resolution to Authorize Union Sanitary District to Issue Revenue Bonds and Refunding Revenue Bonds with Stradling Yocca Carlson & Rauth as Bond Counsel, Quint & Thimmig as Disclosure Counsel, Fieldman Rolapp & Associates as Municipal Advisor, and RBC as Underwriter for the Transaction. Motion carried unanimously.

## **CONSIDER A RESOLUTION APPROVING THE FOURTH AMENDMENT TO THE JOINT EXERCISE OF POWER AGREEMENT FOR THE EAST BAY DISCHARGERS AUTHORITY (EBDA) AND A RESOLUTION APPROVING THE AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT**

General Manager Eldredge stated the East Bay Dischargers Authority is a Joint Powers Authority of which Union Sanitary District is a member. EBDA was formed in 1974 by a "Joint Exercise of Powers Agreement" entered into by the City of Hayward, City of San Leandro, Oro Loma Sanitary District, Union Sanitary District, and Castro Valley Sanitary District. EBDA provides a transport system and outfall to collect effluent from six wastewater treatment plants in the East Bay. EBDA's member agencies commenced discussions and negotiations on a new JPA in 2015. The outcome was a final draft Amended and Restated JPA which was included in the Board meeting packet. The EBDA Commission approved the Amended and Restated JPA on October 29, 2019, and it will be considered by each of the member agencies for approval. Staff recommended the Board consider and adopt a resolution approving the Fourth Amendment to the EBDA JPA and a resolution approving the amended and restated EBDA JPA.

Staff recognized EBDA General Manager Zipkin for guiding the JPA process.

It was moved by Director Fernandez, seconded by Director Kite, to Adopt Resolution No. 2873, A Resolution Approving the Fourth Amendment to the Joint Exercise of Powers Agreement of the East Bay Dischargers Authority. Motion carried unanimously.

It was moved by Director Lathi, seconded by Vice President Handley, to adopt Resolution No. 2874, A Resolution Approving the Amended and Restated Joint Exercise of Powers Agreement of the East Bay Dischargers Authority. Motion carried unanimously.

### **CONSIDER PROPOSED REVISIONS TO POLICY NO. 3070, BOARDMEMBER OFFICERS AND COMMITTEE MEMBERSHIP**

This was reviewed by the Legal/Community Affairs Committee. District Counsel Murphy stated Policy No. 3070, Boardmember Officers and Committee Membership, provides direction on how the Board selects officers and appoints internal and external committee members. In 2020, the State will hold its primary election in March and the District has consolidated its election with the March statewide primary election. This change in the month of District elections requires modifications to Policy No. 3070. The Board discussed and provided direction on these modifications at its October 14, 2019, Board meeting.

The Board directed staff to update Policy No. 3070 as indicated by italics below:

- Under the 'Policy' subheading, the first sentence shall state "Selection of Board Officers will be held annually at the first regular meeting following the certification of Board election results in election years or *approximately* one year after the election of Board officer in non-election years.
- Under the 'Board Officers' portion of the Policy, item 3 shall state "At the first regular meeting following the certification of Board election results in election years, or *approximately* one year after the election of Board Officers in non-election years, the Board shall appoint its Board Officers.

It was moved by Director Kite, seconded by Director Fernandez, to Approve Policy No. 3070, Boardmember Officers and Committee Membership with incorporation of revisions outlined during the Board meeting and stated above. Motion carried unanimously.

### **AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 WITH WOODARD & CURRAN FOR THE 2020 NPDES PERMIT REISSUANCE FOR WET WEATHER DISCHARGE**

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the District's Alvarado Wastewater Treatment Plant operates under three National Pollution Discharge Elimination System (NPDES) permits. The District's wet weather discharge of the final effluent to the Old Alameda Creek is regulated by an NPDES permit issued to the District for limited frequency wet weather discharges to the Creek. The current permit is due for renewal on or before December 31, 2020. The Regional Board requested a special study be

completed for the future “less restrictive discharge” scenario and that the District complete an antidegradation analysis in accordance with state and federal antidegradation policies. Staff anticipates Woodard and Curran will complete the special study, as outlined in the Board meeting packet, and permit negotiations by the end of calendar year 2020. Staff recommended the Board authorize the General Manager to execute Task Order No. 2 with Woodard and Curran Inc. in the amount of \$139,616 for the 2020 NPDES Permit Reissuance for Wet Weather Discharge.

It was moved by Director Fernandez, seconded by Director Kite, to Authorize the General Manager to Execute Task Order No. 2 with Woodard & Curran, Inc. in the Amount of \$139,616 for the 2020 NPDES Permit Reissuance for Wet Weather Discharge. Motion carried unanimously.

**AWARD THE CONSTRUCTION CONTRACT FOR THE PRIMARY DIGESTER NO. 2 REHABILITATION PROJECT TO KIEWIT INFRASTRUCTURE WEST CO.**

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated Primary Digester No. 2 was last cleaned in Spring 2019. JDH Corrosion Consultants, Inc. (JDH) completed the condition assessment in July 2019. The condition assessment found the digester was in generally good condition and only spot repairs of coatings on the cover and manways and minor concrete repairs of the overflow box were needed. Staff included improvements to Thickeners No. 1 and 2 and the Sludge Transfer Tank in the Project to take advantage of the economy of scale of a larger construction project. The three bids received for the Project were opened November 21, 2019, and staff selected Kiewit Infrastructure West Co. using the “blind bid” process. Kiewit will have 270 calendar days to complete the Project from Notice to Proceed. Staff recommended the Board award the construction contract, including Bid Alternates A and B, for the Primary Digester No. 2 Rehabilitation Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530.

It was moved by Director Fernandez, seconded by Director Kite, to Award the Construction Contract, Including Bid Alternates A and B, for the Primary Digester No. 2 Rehabilitation Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530. Motion carried unanimously.

**INFORMATION ITEMS:**

**Report on the East Bay Dischargers Authority (EBDA) Meeting of October 17, 2019**

Director Handley provided an overview of the EBDA meeting minutes included in the Board meeting packet.

**Check Register**

Staff responded to Boardmember questions regarding the Check Register.

**COMMITTEE MEETING REPORTS:**

The Engineering and Information Technology, Budget & Finance, and Legal/Community Affairs committees met.

**GENERAL MANAGER’S REPORT:**

General Manager Eldredge reported the following:

- In response to a Boardmember inquiry, plans have not been approved and a permit has not been issued for the temple on Veasy Street in Union City.
- General Manager Eldredge was invited to present an overview of the District at the Fremont Chamber of Commerce Government Affairs meeting to be held at the Fremont Chamber office on December 18, 2019.
- The District’s annual Holiday Potluck will be held in the Boardroom on December 11, 2019.

**OTHER BUSINESS:**

There was no other business.

**ADJOURNMENT:**

The meeting was adjourned at 7:55 p.m. to a Board Rebranding Workshop in the Mission Conference Room on Monday, December 16, 2019, at 6:00 p.m.

The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, January 13, 2019, at 7:00 p.m.

SUBMITTED:

ATTEST:

\_\_\_\_\_  
REGINA McEVOY  
BOARD CLERK

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

APPROVED:

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

Adopted this 13<sup>th</sup> day of January 2020

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF  
UNION SANITARY DISTRICT  
December 16, 2019**

**CALL TO ORDER**

President Toy called the special meeting to order at 6:00 p.m.

**ROLL CALL**

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

STAFF: Paul Eldredge, General Manager/District Engineer  
Michelle Powell, Communications and Intergovernmental Relations Coordinator  
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

**PUBLIC COMMENT**

There was no public comment.

**BOARD WORKSHOP**

Communications and Intergovernmental Relations Coordinator Powell and Executive Assistant to the General Manager/Board Clerk McEvoy presented updated rebranding concepts developed by Pier 2 Marketing.

The Board directed staff to present rebranding concepts to the District's Internal Task Force who will make the final decision.

**ADJOURNMENT:**

The special meeting was adjourned at approximately 7:15 p.m. to the next Regular Meeting in the Boardroom on Monday, January 13, 2020, at 7:00 p.m.

SUBMITTED:

ATTEST:

\_\_\_\_\_  
REGINA McEVOY  
BOARD CLERK

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

APPROVED:

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



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 7**

**TITLE:** Monthly Operations Report for October 2019 *(This is an Information Item)*

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

**Recommendation**

Information only.

**Previous Board Action**

None

**Background**

Attached are Monthly Operations Reports for October 2019. Staff is available to answer questions regarding information contained in the report.

**Work Group Managers**

General Manager/Administration	Paul Eldredge	GM
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:**

During the month of October 2019, there was two odor complaint received by the Collection System.

**SAFETY**

- Hazardous Materials training was provided to applicable District staff.
- The Fremont Fire Department inspected the Boyce Pump Station.

**STAFFING & PERSONNEL:****Completed Recruitments:**

- Accounting Technician I/II (replacement for Nina Narvaez – resignation effective 7/11/19) Hired Denice Blanco, October 7, 2019.

**Continuing Recruitments:**

- Administrative Support Specialist I – Collection Services (replacement for Paulette Roberson – retirement effective 12/27/19.)
- Assistant/Associate Engineer – Limited Duration (replacement for Curtis Bosick – promotion).
- Coach, Wastewater Plant Operations – Limited Duration (replacement for Ric Pipkin – promotion).

**Separations:**

- Janinne Ward – 10/24/19 – Retirement.
- Sharon West – 11/1/19 – Retirement.

**G.M. ACTIVITIES:** For the month of October, the General Manager was involved in the following:

- Attended Multiple East Bay Dischargers Authority (EBDA) JPA Discussions & Meetings
- Attended the EBDA Commission Meeting
- Attended the EBDA Manager’s Advisory Committee Meeting
- Attended the second of two General Manager Evaluation Closed Session Meetings
- Attended a Rebranding Board Workshop

**Attachments:** Odor Report and Map  
Hours Worked and Leave Time by Work Group  
Business Services  
Technical Services  
Collection Services  
Fabrication, Maintenance, and Construction  
Treatment and Disposal Services



## ODOR REPORT October 2019

During the recording period from October 01, 2019 through October 31, 2019, there was one odor related service request received by the District.

### **City: Fremont**

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

*Date:* 10/16/2019

*Location:* VIA VALPARAISO

*Wind (from):* N/A

*Temperature:* 68 Degrees F

*Time:* 12:09 pm

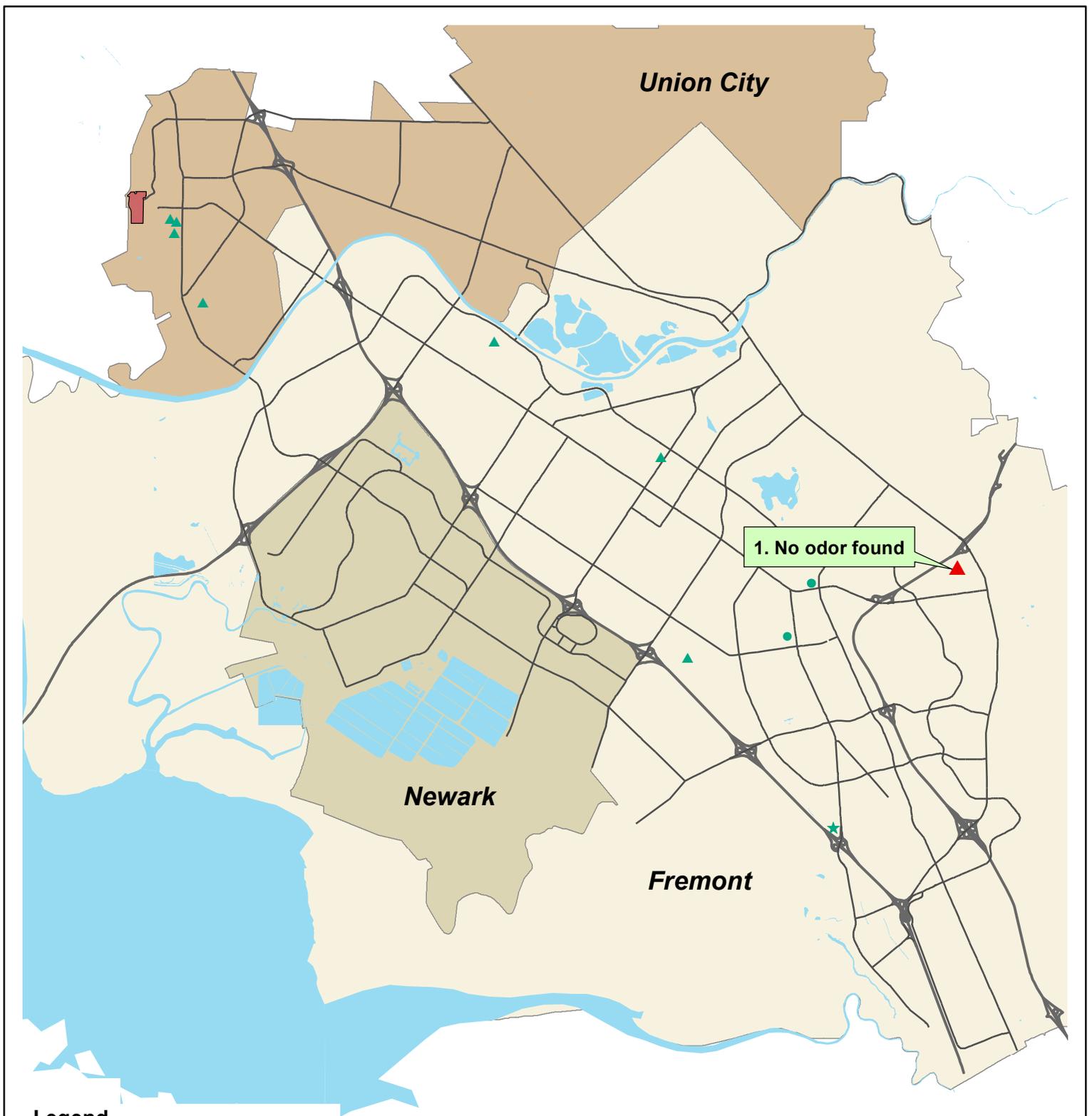
*Reported By:* Gary

*Wind Speed:* 5 mph

*Weather:* Clear

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

We inspected the sewer mains, manholes and storm drain inlets in the area. We detected no odor. The complainant relayed that there was an odor in a shower drain that is not used. We explained about the P-Trap issue with no water and suggested that they turn the shower water on to fill the P-Traps.



**Legend**

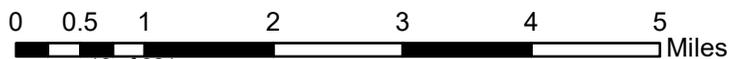
**Odor Complaints: October 2019**

- ★ Odor found, USD resolved (0)
- Odor found, not related to USD (0)
- ▲ No odor found (1)

**Odor Complaints: Nov. 2018 to Sep. 2019**

- ★ Odor found, USD resolved (2)
- Odor found, not related to USD (3)
- ▲ No odor found (7)

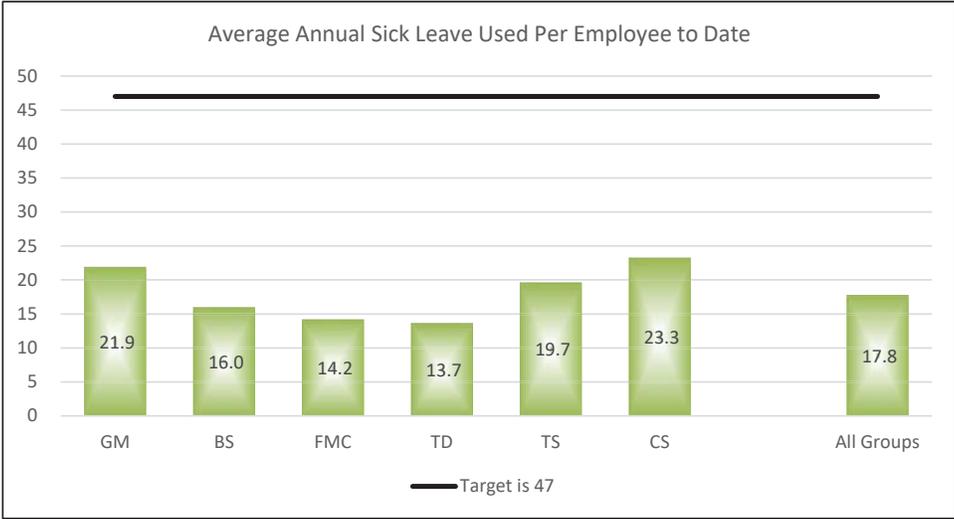
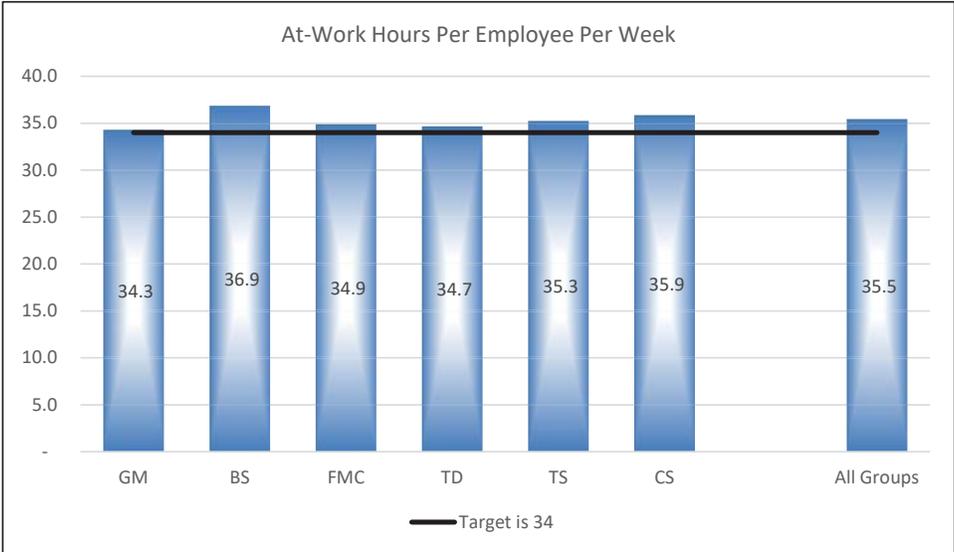
**Location of Odor Reports  
November 2018 to October 2019**



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

**June 27, 2019 through October 30,2019**

**Weeks to Date: 18 out of 52 (34.62%)**



**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.

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

**June 27, 2019 through October 30,2019**

**Weeks to Date: 18 out of 52 (34.62%)**

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	FY19		
		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	1,224.00	2.00	34.3	168.00	4.13	-	43.87	21.9	2	34.8	38.5
BS	17	11,021.68	168.58	36.9	1,185.79	-	-	272.53	16.0	16	35.5	41.1
FMC	28	17,255.85	195.08	34.9	2,313.17	192.39	-	398.59	14.2	28	34.5	39.3
TD	27	16,566.00	151.58	34.7	2,202.98	9.05	-	369.97	13.7	26	35.4	35.2
TS	33	20,668.92	112.25	35.3	1,966.62	136.19	-	649.04	19.7	32	34.6	46.2
CS	31	18,772.65	1,088.62	35.9	2,200.68	205.96	258.00	722.71	23.3	30	36.1	59.3
<b>All Groups</b>	<b>138</b>	<b>85,660.10</b>	<b>1,718.11</b>	<b>35.5</b>	<b>10,037.24</b>	<b>547.72</b>	<b>258.00</b>	<b>2,456.71</b>	<b>17.8</b>	<b>134</b>	<b>35.1</b>	<b>50.5</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 2020

**Year-to-date as of 10/31/2019**

33% of year elapsed

**Revenues**

	Budget	Actual	% of Budget Rec'd	Unaudited Last Year Actuals 6/30/19
Capacity Fees	\$ 13,567,000	\$ 4,162,424	31%	\$ 16,158,027
Sewer Service Charges	60,099,000	3,652,297	6%	54,522,310
Operating (Work Groups)	1,283,500	367,565	29%	1,221,357
Interest	1,350,000	1,079,232	80%	2,643,095
Misc. (LAVWMA, Forfeited Deposits)	512,000	6,978	1%	956,260
<b>Subtotal Revenues</b>	<b>\$ 76,811,500</b>	<b>9,268,496</b>	<b>12%</b>	<b>\$ 75,501,050</b>
SRF Loan Proceeds	-	-		-
<b>Total Revenues + SRF Proceeds</b>	<b>\$ 76,811,500</b>	<b>\$ 9,268,496</b>	<b>12%</b>	<b>\$ 75,501,050</b>

**Expenses**

	Budget	Actual	% of Budget Used	Last Year Actuals
Capital Improvement Program:				
Capacity Proj.	\$ 7,600,500	\$ 148,047	2%	\$ 1,736,483
Renewal & Repl. Proj.	12,132,000	280,213	2%	4,387,833
Operating (includes fund 85)	42,205,365	13,432,170	32%	36,053,824
Special Projects	4,354,600	254,478	6%	772,658
Retiree Medical (ADC)	1,375,000	341,844	25%	1,333,416
Vehicle & Equipment	153,050	6,396	4%	725,877
Information Systems	857,700	221,976	26%	629,584
Plant & Pump Stat. R&R	250,000	34,672	14%	302,969
Emerg. Fund	-	-	0%	-
Cty Fee for SSC Admin.	109,000	-	0%	108,344
Debt Servicing:				
SRF Loans	3,902,080	1,567,246	40%	3,902,110
<b>Total Expenses</b>	<b>\$ 72,939,295</b>	<b>\$ 16,287,042</b>	<b>22%</b>	<b>\$ 49,953,099</b>
<b>Total Revenue &amp; Proceeds less Expenses</b>	<b>\$ 3,872,205</b>	<b>\$ (7,018,546)</b>		<b>25,547,951</b>

**Operating (Work Group) Expenses**

	Budget	Actual	% of Budget Used	Unaudited Last Year Actuals
Board of Directors	\$ 179,176	\$ 41,281	23%	\$ 134,672
General Manager/Admin.	1,066,367	266,745	25%	765,753
Business Services	4,342,141	1,177,858	27%	3,257,883
Collection Services	7,316,485	2,186,470	30%	6,544,180
Technical Services	6,639,720	2,174,520	33%	6,031,713
Treatment & Disposal Services	12,913,507	4,598,079	36%	10,678,104
Fabrication, Maint. & Construction	8,837,463	2,654,503	30%	8,064,297
Non-Departmental	910,506	332,714	37%	577,223
<b>Total</b>	<b>\$ 42,205,365</b>	<b>\$ 13,432,170</b>	<b>32%</b>	<b>\$ 36,053,824</b>

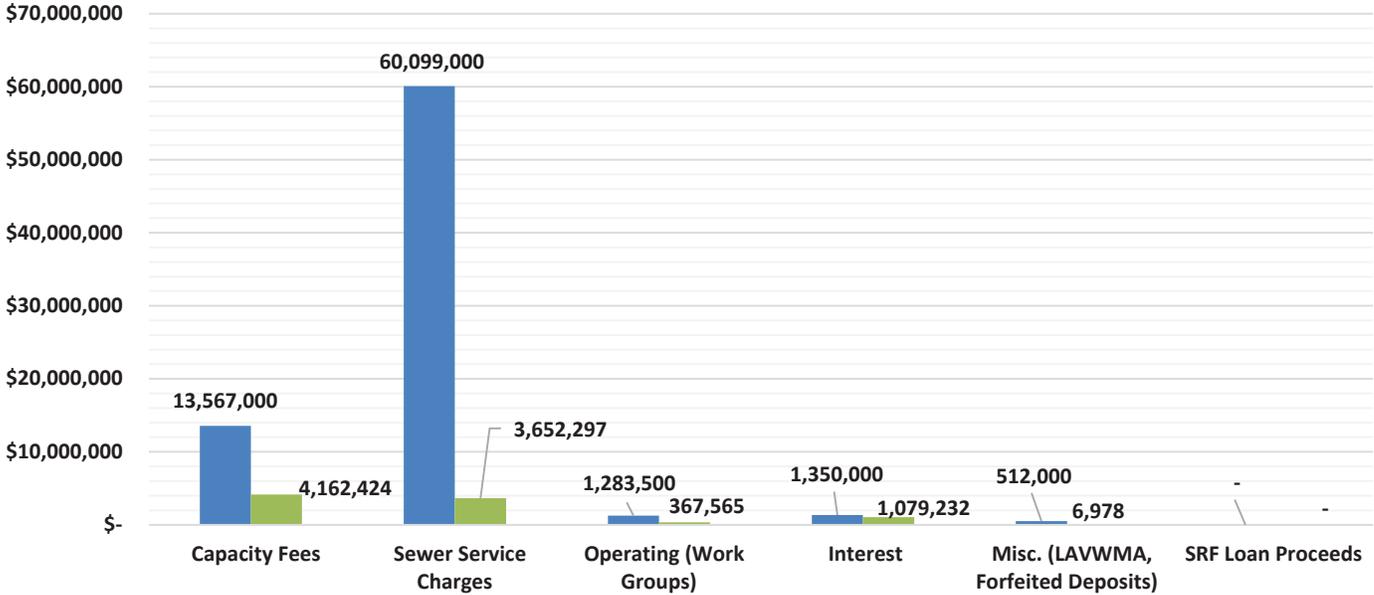
**Operating (Work Group) Expenses by Type**

	Budget	Actual	% of Budget Used	Last Year Actuals
Personnel (incl D&E)	\$ 28,878,209	\$ 9,246,890	32%	\$ 25,360,040
Repairs & Maintenance	2,256,400	619,438	27%	2,256,010
Supplies & Matls (chemicals, small tools)	3,351,150	778,018	23%	2,599,242
Outside Services (utilities, biosolids, legal)	7,489,606	2,774,831	37%	5,759,770
Fixed Assets	230,000	12,993	6%	78,762
<b>Total</b>	<b>\$ 42,205,365</b>	<b>\$ 13,432,170</b>	<b>32%</b>	<b>\$ 36,053,824</b>

**REVENUES AND EXPENSES REPORT**  
as of 10/31/19

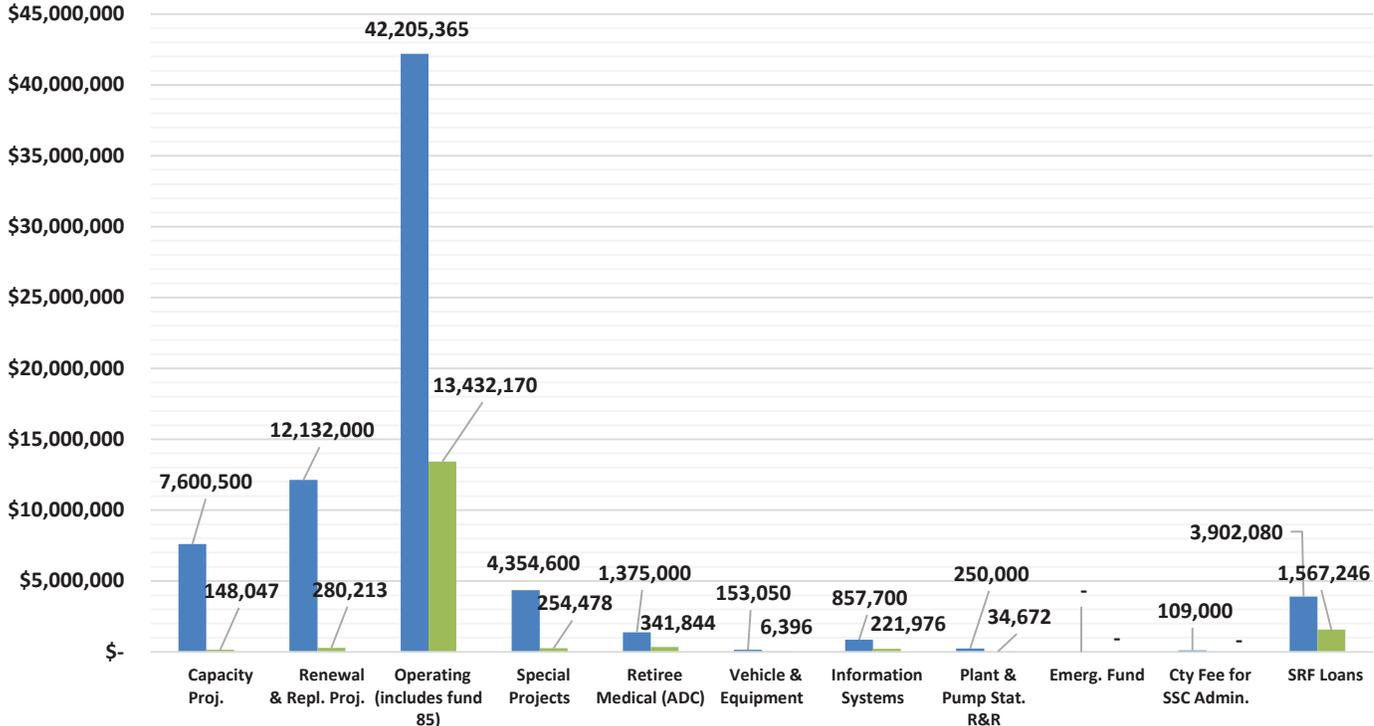
### Total Revenues

■ Budget ■ Actual



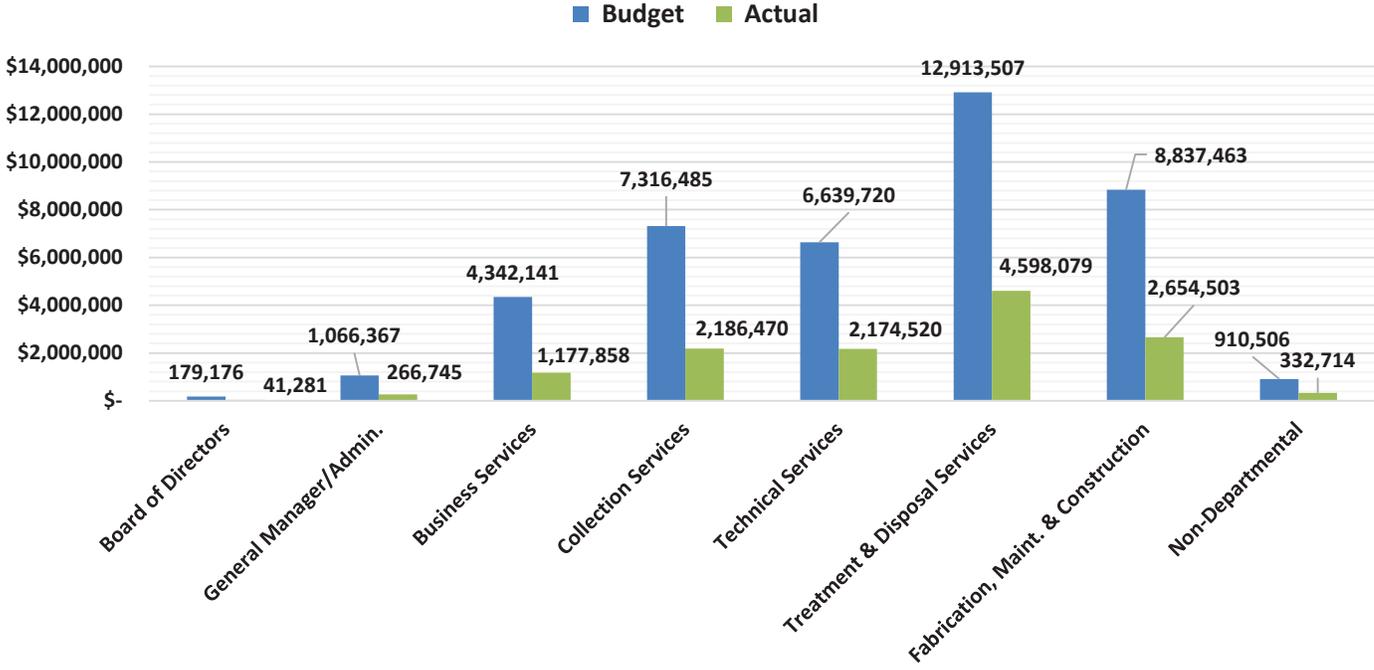
### Total Expenses

■ Budget ■ Actual

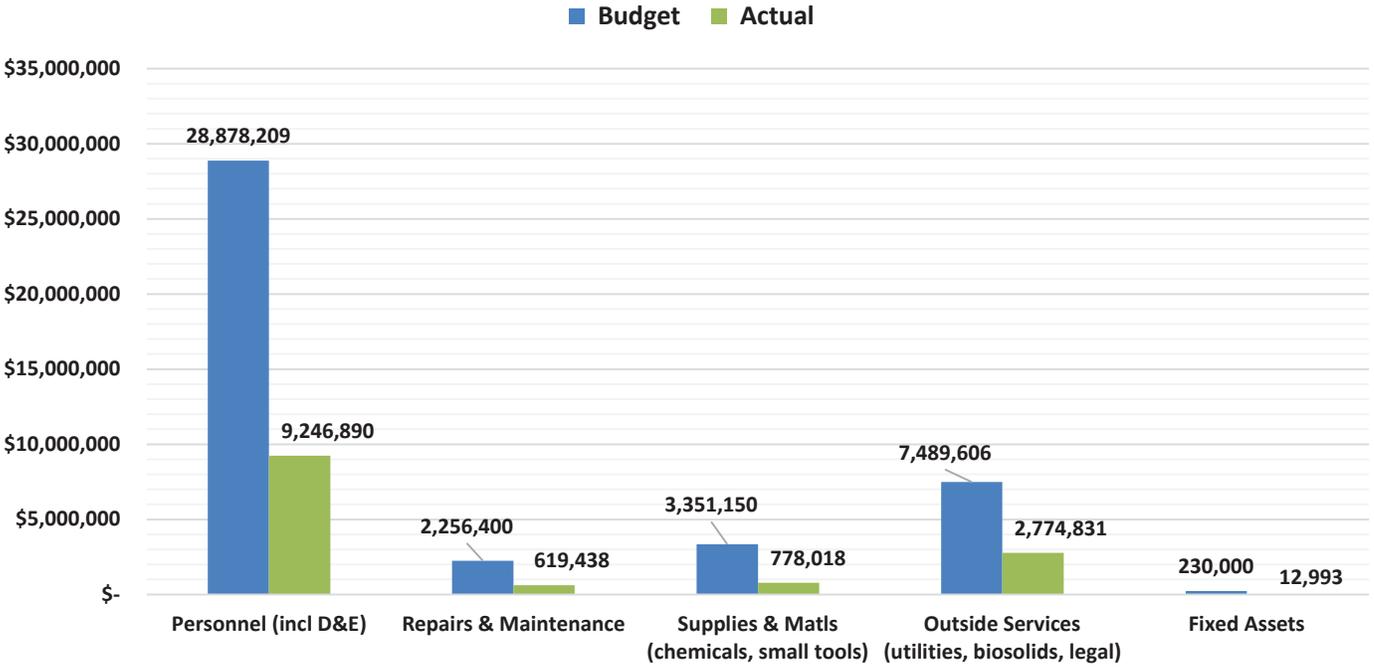


**REVENUES AND EXPENSES REPORT**  
as of 10/31/19

### Operating Expenses by Work Group



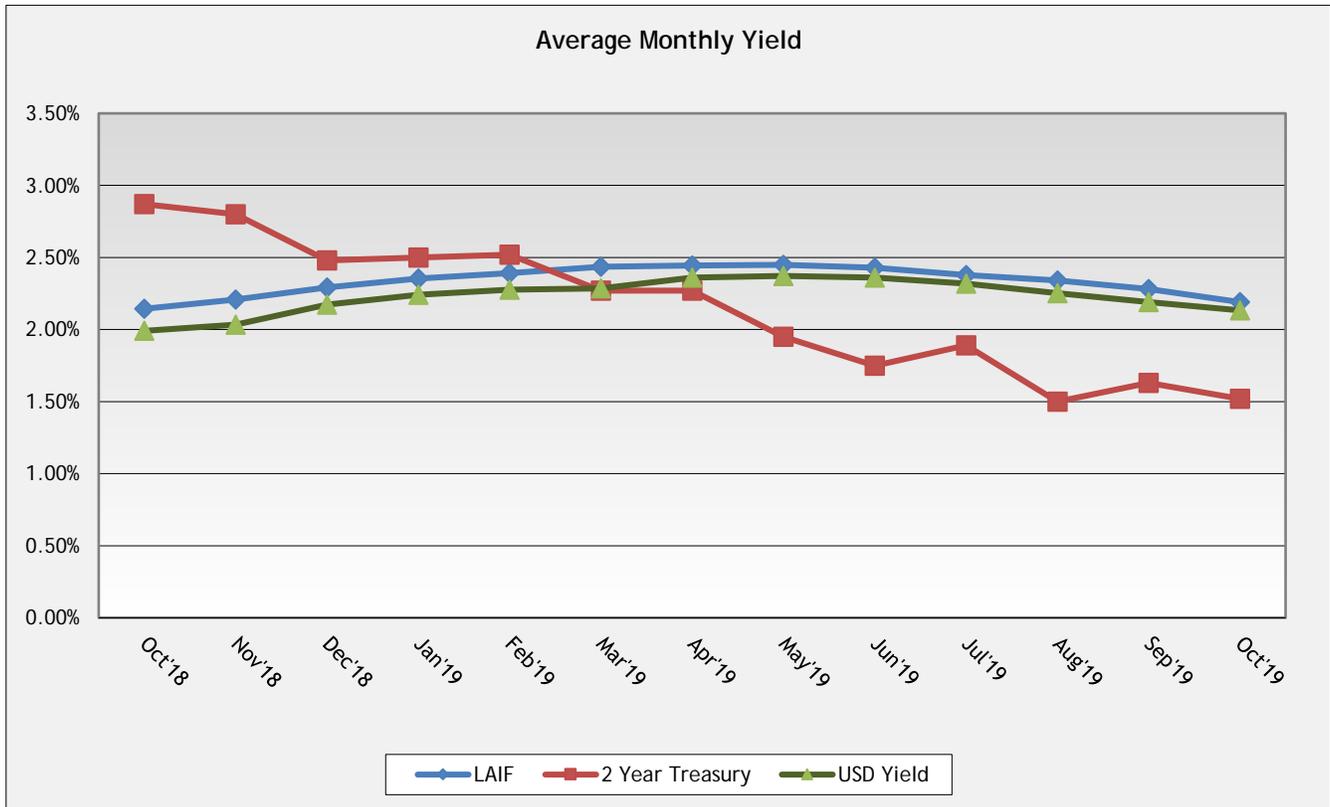
### Operating Expenses by Type



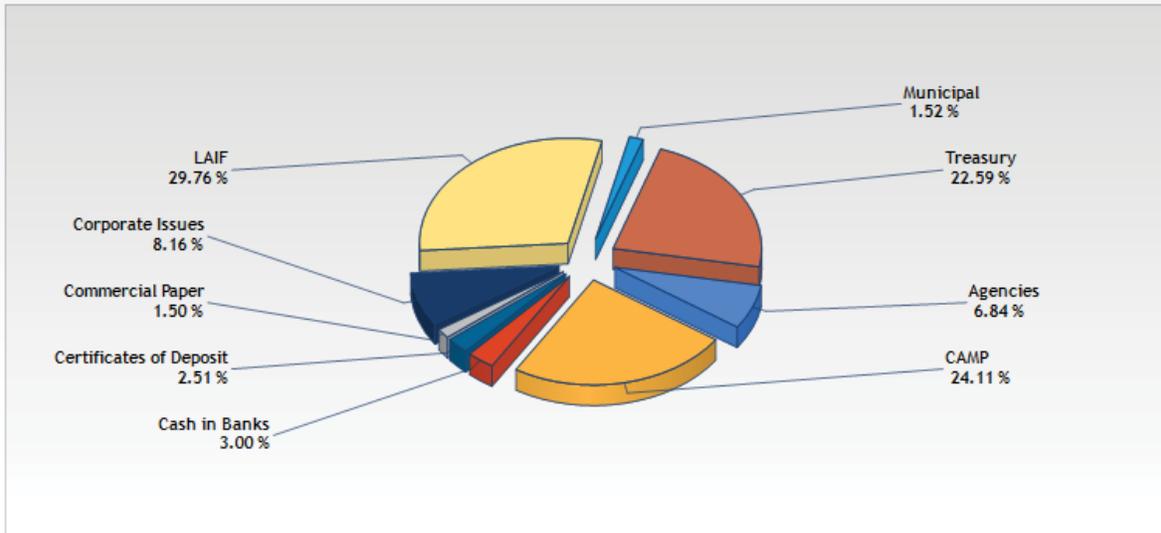
**Business Services Group  
October 2019**

- Recruitment for Accounting Technician was completed; Denise Blanco was hired on 10/17/2019.

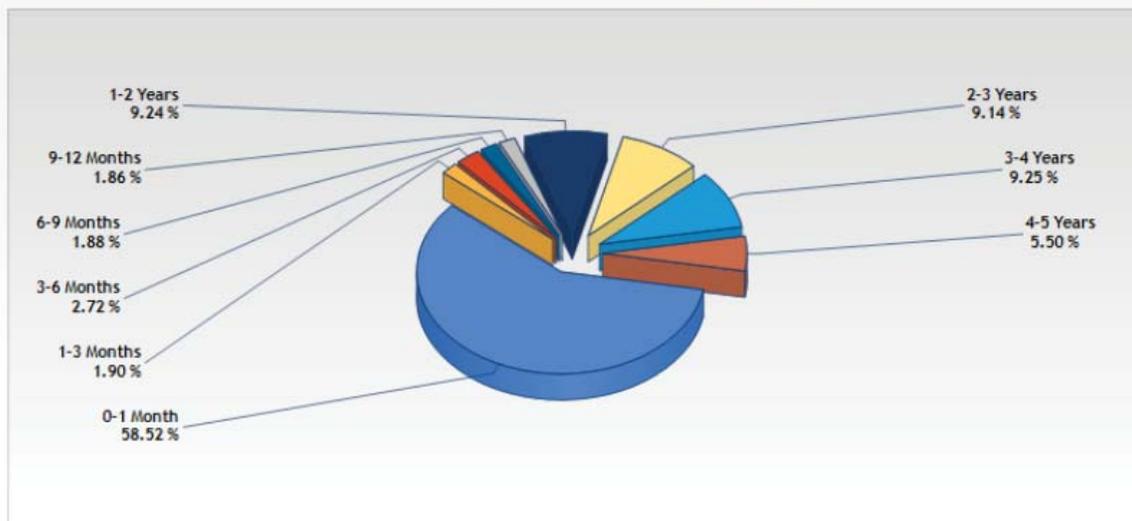
**Performance Measures for the USD Investment Portfolio**



### 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	76,878,272.12	2.080	76,884,028.69	2	58.52	76,878,111.72	76,878,318.28	0.00
1-3 Months	2,500,000.00	1.743	2,492,364.17	58	1.90	2,496,175.00	2,495,636.67	0.26
3-6 Months	3,580,000.00	1.698	3,574,048.27	119	2.72	3,576,987.35	3,575,911.10	0.33
6-9 Months	2,498,000.00	3.442	2,472,666.66	232	1.88	2,485,276.62	2,472,983.32	0.64
9-12 Months	2,248,000.00	2.398	2,439,145.28	304	1.86	2,293,004.59	2,284,513.65	0.82
1-2 Years	12,122,000.00	1.942	12,141,150.47	538	9.24	12,175,284.84	12,153,411.08	1.45
2-3 Years	12,058,000.00	2.268	12,009,482.43	912	9.14	12,186,513.60	12,010,464.04	2.43
3-4 Years	12,475,000.00	2.465	12,152,722.14	1,295	9.25	12,556,920.65	12,199,418.03	3.44
4-5 Years	7,205,000.00	2.061	7,220,095.11	1,624	5.50	7,379,680.60	7,223,463.18	4.25
<b>TOTAL / AVERAGE</b>	<b>131,564,272.12</b>	<b>2.134</b>	<b>131,385,703.22</b>	<b>357</b>	<b>100</b>	<b>132,027,954.97</b>	<b>131,294,119.35</b>	<b>0.95</b>

Union Sanitary District  
 Portfolio Holdings  
 Board Report - Holdings  
 Report Format: By Transaction  
 Group By: Asset Class  
 Average By: Cost Value  
 Portfolio / Report Group: All Portfolios  
 As of 10/31/2019

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 1.3 11/25/2019-16	3133EGBK0	Moodys-Aaa	5/25/2016	1,000,000.00	997,950.00	1.300	999,770.00	1.360		11/25/2019	0.76
FFCB 1.59 3/23/2020-17	3133EFR25	Moodys-Aaa	3/23/2016	1,000,000.00	1,000,000.00	1.590	1,000,010.00	1.590		3/23/2020	0.76
FFCB 1.7 5/3/2021-17	3133EF5T0	Moodys-Aaa	5/3/2016	1,000,000.00	1,000,000.00	1.700	997,400.00	1.700		5/3/2021	0.76
FHLB 1.93 12/21/2020-17	3130AADQ8	None	12/21/2016	1,000,000.00	1,000,000.00	1.930	999,370.00	1.930		12/21/2020	0.76
FHLB 2 10/26/2021-19	3130AB3D6	None	4/26/2017	1,000,000.00	1,000,000.00	2.000	1,007,140.00	2.000		10/26/2021	0.76
FHLB 2.05 12/29/2021-17	3130AAET1	Moodys-Aaa	12/29/2016	1,000,000.00	1,000,000.00	2.050	1,000,420.00	2.050	12/29/2019	12/29/2021	0.76
FHLMC 1.5 12/30/2019-17	3134GAYY4	S&P-AA+	12/30/2016	1,000,000.00	1,000,000.00	1.500	999,700.00	1.500		12/30/2019	0.76
FHLMC 2 12/30/2021-17	3134GAYV0	None	12/30/2016	1,000,000.00	1,000,000.00	2.000	1,000,160.00	2.000	12/30/2019	12/30/2021	0.76
FNMA 1.5 6/16/2021-16	3136G3QX6	Moodys-Aaa	6/16/2016	1,000,000.00	995,000.00	1.500	993,420.00	1.604		6/16/2021	0.76
<b>Sub Total / Average Agencies</b>				<b>9,000,000.00</b>	<b>8,992,950.00</b>	<b>1.730</b>	<b>8,997,390.00</b>	<b>1.748</b>			<b>6.84</b>
<b>CAMP</b>											
CAMP LGIP	LGIP4000	None	5/31/2011	31,680,289.21	31,680,289.21	2.050	31,680,289.21	2.050	N/A	N/A	24.11
<b>Sub Total / Average CAMP</b>				<b>31,680,289.21</b>	<b>31,680,289.21</b>	<b>2.050</b>	<b>31,680,289.21</b>	<b>2.050</b>			<b>24.11</b>
<b>Cash in Banks</b>											
Union Bank Cash	LGIPUNIONBANK	None	12/31/2016	3,937,372.78	3,937,372.78	1.430	3,937,372.78	1.430	N/A	N/A	3.00
<b>Sub Total / Average Cash in Banks</b>				<b>3,937,372.78</b>	<b>3,937,372.78</b>	<b>1.430</b>	<b>3,937,372.78</b>	<b>1.430</b>			<b>3.00</b>

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>Certificates of Deposit</b>											
American Expr Centurion 2.45 4/5/2022	02587DN38	None	4/5/2017	247,000.00	247,000.00	2.450	252,471.54	2.450		4/5/2022	0.19
Belmont Savings Bank 2.15 3/22/2022	080515BV0	None	3/20/2017	248,000.00	248,000.00	2.150	251,615.62	2.150		3/22/2022	0.19
BMW Bank 2.15 3/10/2022	05580AGR9	None	3/10/2017	247,000.00	247,000.00	2.150	250,555.86	2.150		3/10/2022	0.19
Capital One Bank 1.5 10/26/2020	140420L99	None	10/26/2016	248,000.00	248,000.00	1.500	246,984.59	1.500		10/26/2020	0.19
Credit Agricole CIB NY 2.83 4/2/2021	22535CDU2	None	4/4/2019	575,000.00	575,000.00	2.830	583,401.04	2.830		4/2/2021	0.44
Discover Bank 2.25 12/29/2021	254672Y36	None	12/29/2016	247,000.00	247,000.00	2.250	250,728.00	2.250		12/29/2021	0.19
Lakeside Bank 1.75 5/29/2020	51210SMU8	None	5/30/2017	249,000.00	249,000.00	1.750	248,840.42	1.750		5/29/2020	0.19
Landmark Bank 2.1 3/29/2021-17	51506VCA9	None	3/29/2017	248,000.00	248,000.00	2.100	248,973.55	2.100	12/27/2019	3/29/2021	0.19
Ponce De Leon Federal Bank 1.85 5/28/2021	732333AJ8	None	5/31/2017	249,000.00	249,000.00	1.850	249,380.10	1.850		5/28/2021	0.19
State Bank of India 2.25 1/26/2022	8562846A7	None	1/26/2017	247,000.00	247,000.00	2.250	250,879.55	2.250		1/26/2022	0.19
Summit Community Bank 1.65 5/29/2020	86604XLT1	None	5/31/2017	249,000.00	249,000.00	1.650	248,695.40	1.650		5/29/2020	0.19
Synchrony Bank 2.3 2/24/2022	87165ELT2	None	2/28/2017	247,000.00	247,000.00	2.300	251,328.03	2.300		2/24/2022	0.19
<b>Sub Total / Average Certificates of Deposit</b>				<b>3,301,000.00</b>	<b>3,301,000.00</b>	<b>2.174</b>	<b>3,333,853.70</b>	<b>2.174</b>			<b>2.51</b>
<b>Commercial Paper</b>											
BNP Paribas 1.87 6/24/2020	09659BFQ8	Fitch-F1	10/28/2019	1,000,000.00	987,533.33	1.870	999,985.80	3.819		6/24/2020	0.75
MUFG BANK LTD/NY 1.93 6/24/2020	62479LFQ3	Moodys-P1	10/28/2019	1,000,000.00	987,133.33	1.930	987,755.00	3.943		6/24/2020	0.75
<b>Sub Total / Average Commercial Paper</b>				<b>2,000,000.00</b>	<b>1,974,666.66</b>	<b>1.900</b>	<b>1,987,740.80</b>	<b>3.881</b>			<b>1.50</b>
<b>Corporate Issues</b>											
Amazon.com Inc. 2.4 2/22/2023	023135AW6	Fitch-A+	4/15/2019	675,000.00	668,499.75	2.400	687,629.25	2.664		2/22/2023	0.51
American Express Credit 2.7 3/3/2022	0258M0EG0	Moodys-A2	5/15/2017	1,000,000.00	1,013,279.67	2.700	1,017,280.00	2.406		3/3/2022	0.77
	06053FAA7	Fitch-A	3/22/2019	500,000.00	520,405.00	4.100	533,770.00	3.087		7/24/2023	0.40

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
Bank of America Corp 4.1 7/24/2023											
BB&T Corporation 3.05 6/20/2022-22	05531FBG7	Fitch-A+	3/22/2019	525,000.00	525,714.00	3.050	538,671.00	3.006	5/20/2022	6/20/2022	0.40
Chevron Corp 2.1 5/16/2021	166764BG4	Moodys-Aa2	5/10/2017	1,000,000.00	999,500.00	2.100	1,004,930.00	2.113		5/16/2021	0.76
Chevron Corp 2.193 11/15/2019	166764AN0	Moodys-Aa2	2/26/2016	1,160,000.00	1,167,806.57	2.193	1,160,069.60	2.004		11/15/2019	0.89
Exxon Mobil Corporation 2.726 3/1/2023	30231GAR3	Moodys-Aaa	6/14/2019	985,000.00	1,001,400.25	2.726	1,013,131.60	2.256		3/1/2023	0.76
GE Capital International 2.04 11/15/2020	36164QMS4	S&P-AA	3/10/2017	1,000,000.00	1,010,642.28	2.040	999,380.00	1.738		11/15/2020	0.77
HSBC 4.875 8/24/2020	4042Q1AE7	Moodys-A1	5/17/2016	2,000,000.00	2,191,145.28	4.875	2,046,020.00	2.500		8/24/2020	1.67
JPMorgan Chase & Co 2.7 5/18/2023-23	46625HRL6	Fitch-A+	3/22/2019	525,000.00	517,970.25	2.700	535,426.50	3.045	3/18/2023	5/18/2023	0.39
Paccar Financial Corp 2.65 5/10/2022	69371RP83	None	5/10/2019	580,000.00	579,686.80	2.650	591,559.40	2.669		5/10/2022	0.44
State Street Corp 1.95 5/19/2021	857477AV5	Fitch-AA-	3/22/2019	530,000.00	520,566.00	1.950	530,816.20	2.805		5/19/2021	0.40
<b>Sub Total / Average Corporate Issues</b>				<b>10,480,000.00</b>	<b>10,716,615.85</b>	<b>3.001</b>	<b>10,658,683.55</b>	<b>2.420</b>			<b>8.16</b>
<b>LAIF</b>											
LAIF LGIP	LGIP1002	None	4/30/2011	39,100,610.13	39,100,610.13	2.190	39,100,610.13	2.190	N/A	N/A	29.76
<b>Sub Total / Average LAIF</b>				<b>39,100,610.13</b>	<b>39,100,610.13</b>	<b>2.190</b>	<b>39,100,610.13</b>	<b>2.190</b>			<b>29.76</b>
<b>Municipal</b>											
City of Riverside CA 2.125 6/1/2021	769036BA1	S&P-AA-	6/1/2017	500,000.00	500,000.00	2.125	501,685.00	2.125		6/1/2021	0.38
State of California 2.152 4/1/2022	13063DAD0	Moodys-Aa3	4/27/2017	1,000,000.00	1,010,000.00	2.152	1,011,260.00	1.938		4/1/2022	0.77
Victor Valley College General Obligation Bond 2.35	92603PER9	Moodys-Aa2	12/28/2016	500,000.00	490,150.00	2.350	501,720.00	2.811		8/1/2021	0.37
<b>Sub Total / Average Municipal</b>				<b>2,000,000.00</b>	<b>2,000,150.00</b>	<b>2.194</b>	<b>2,014,665.00</b>	<b>2.199</b>			<b>1.52</b>
<b>Treasury</b>											
T-Bill 0 12/26/2019	912796SY6	None	9/19/2019	1,500,000.00	1,492,364.17	0.000	1,496,475.00	1.906		12/26/2019	1.14
T-Bill 0 2/6/2020	912796TE9	None	9/27/2019	335,000.00	332,795.14	0.000	333,619.80	1.832		2/6/2020	0.25

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
T-Bill 0 2/6/2020	912796TE9	None	10/3/2019	1,000,000.00	993,918.75	0.000	995,880.00	1.772		2/6/2020	0.76
T-Note 1.25 7/31/2023	912828S92	Fitch-AAA	4/2/2019	1,790,000.00	1,712,806.25	1.250	1,772,583.30	2.302		7/31/2023	1.30
T-Note 1.375 6/30/2023	912828S35	Fitch-AAA	3/20/2019	2,000,000.00	1,914,609.38	1.375	1,989,380.00	2.431		6/30/2023	1.46
T-Note 1.375 9/30/2023	912828T26	Fitch-AAA	3/20/2019	2,000,000.00	1,909,531.25	1.375	1,988,760.00	2.436		9/30/2023	1.45
T-Note 1.5 3/31/2023	912828Q29	Fitch-AAA	3/20/2019	2,000,000.00	1,929,140.63	1.500	1,998,900.00	2.428		3/31/2023	1.47
T-Note 1.75 7/15/2022	9128287C8	Fitch-AAA	7/31/2019	1,000,000.00	998,789.06	1.750	1,005,900.00	1.792		7/15/2022	0.76
T-Note 1.75 9/30/2022	912828L57	Fitch-AAA	3/20/2019	2,000,000.00	1,954,531.25	1.750	2,013,360.00	2.426		9/30/2022	1.49
T-Note 1.875 2/28/2022	912828W55	Fitch-AAA	4/2/2019	1,050,000.00	1,037,572.27	1.875	1,057,917.00	2.298		2/28/2022	0.79
T-Note 1.875 8/31/2024	9128282U3	Fitch-AAA	9/3/2019	780,000.00	797,732.81	1.875	792,246.00	1.402		8/31/2024	0.61
T-Note 2 4/30/2024	912828X70	Fitch-AAA	6/7/2019	960,000.00	964,875.00	2.000	979,238.40	1.891		4/30/2024	0.73
T-Note 2 6/30/2024	912828XX3	Fitch-AAA	7/3/2019	500,000.00	505,156.25	2.000	510,330.00	1.783		6/30/2024	0.38
T-Note 2.125 1/31/2021	912828B58	Fitch-AAA	10/28/2019	2,475,000.00	2,488,535.16	2.125	2,491,236.00	1.683		1/31/2021	1.89
T-Note 2.125 12/31/2022	912828N30	Fitch-AAA	3/20/2019	2,000,000.00	1,978,359.38	2.125	2,037,340.00	2.426		12/31/2022	1.51
T-Note 2.125 2/29/2024	912828W48	Fitch-AAA	3/20/2019	2,000,000.00	1,970,625.00	2.125	2,049,460.00	2.442		2/29/2024	1.50
T-Note 2.125 6/30/2022	912828XG0	Fitch-AAA	3/20/2019	1,420,000.00	1,406,909.38	2.125	1,442,407.60	2.418		6/30/2022	1.07
T-Note 2.125 7/31/2024	9128282N9	Fitch-AAA	8/29/2019	965,000.00	998,737.30	2.125	990,746.20	1.388		7/31/2024	0.76
T-Note 2.25 12/31/2023	912828V23	Fitch-AAA	3/20/2019	2,000,000.00	1,982,968.75	2.250	2,057,660.00	2.439		12/31/2023	1.51
T-Note 2.25 2/29/2020	9128283Y4	Fitch-AAA	10/28/2019	1,245,000.00	1,247,334.38	2.250	1,247,477.55	1.690		2/29/2020	0.95
T-Note 2.75 8/15/2021	9128284W7	Fitch-AAA	10/28/2019	1,045,000.00	1,064,757.03	2.750	1,066,432.95	1.678		8/15/2021	0.81
<b>Sub Total / Average Treasury</b>				<b>30,065,000.00</b>	<b>29,682,048.59</b>	<b>1.712</b>	<b>30,317,349.80</b>	<b>2.130</b>			<b>22.59</b>
<b>Total / Average</b>				<b>131,564,272.12</b>	<b>131,385,703.22</b>	<b>2.056</b>	<b>132,027,954.97</b>	<b>2.134</b>			<b>100</b>

All investment actions executed since the last report have been made in full compliance with the District's Investment Policy. The District will meet its expenditure obligations for the next six months. Market value sources are the LAIF, CAMP, and BNY Mellon monthly statements. Broker/Dealers utilized per USD Investment Policy and at the discretion of investment portfolio advisor.

Reviewer:

Approver:

Union Sanitary District  
Transactions Summary  
Board Report - Activity  
Group By: Action  
Portfolio / Report Group: All Portfolios  
Begin Date: 09/30/2019, End Date: 10/31/2019

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
<b>Buy</b>								
BNP Paribas 1.87 6/24/2020	09659BFQ8	1,000,000.00	987,533.33	0.00	1.870	3.819	10/28/2019	987,533.33
MUFG BANK LTD/NY 1.93 6/24/2020	62479LFQ3	1,000,000.00	987,133.33	0.00	1.930	3.943	10/28/2019	987,133.33
T-Bill 0 2/6/2020	912796TE9	1,000,000.00	993,918.75	0.00	0.000	1.772	10/3/2019	993,918.75
T-Note 2.125 1/31/2021	912828B58	2,475,000.00	2,488,535.16	12,719.68	2.125	1.683	10/28/2019	2,501,254.84
T-Note 2.25 2/29/2020	9128283Y4	1,245,000.00	1,247,334.38	4,463.53	2.250	1.690	10/28/2019	1,251,797.91
T-Note 2.75 8/15/2021	9128284W7	1,045,000.00	1,064,757.03	5,778.74	2.750	1.678	10/28/2019	1,070,535.77
<b>Sub Total / Average Buy</b>		<b>7,765,000.00</b>	<b>7,769,211.98</b>	<b>22,961.95</b>				<b>7,792,173.93</b>
<b>Called</b>								
FHLB Step 4/28/2021-16	3130A7QX6	1,000,000.00	1,000,000.00	0.00	1.250	0.000	10/28/2019	1,000,000.00
FHLB Step 4/28/2021-16	3130A7PR0	1,000,000.00	1,000,000.00	0.00	1.000	0.000	10/28/2019	1,000,000.00
FHLMC Step 4/28/2021-16	3134G8VZ9	2,500,000.00	2,500,000.00	0.00	1.250	0.000	10/28/2019	2,500,000.00
FHLMC Step 4/28/2021-16	3134G8Z28	1,000,000.00	1,000,000.00	0.00	1.125	0.000	10/28/2019	1,000,000.00
<b>Sub Total / Average Called</b>		<b>5,500,000.00</b>	<b>5,500,000.00</b>	<b>0.00</b>				<b>5,500,000.00</b>
<b>Deposit</b>								
CAMP LGIP	LGIP4000	55,114.64	55,114.64	0.00	N/A	0.000	10/31/2019	55,114.64
LAIF LGIP	LGIP1002	274,390.59	274,390.59	0.00	N/A	0.000	10/15/2019	274,390.59
Union Bank Cash	LGIPUNIONBANK	3,937,372.78	3,937,372.78	0.00	N/A	0.000	10/31/2019	3,937,372.78
<b>Sub Total / Average Deposit</b>		<b>4,266,878.01</b>	<b>4,266,878.01</b>	<b>0.00</b>				<b>4,266,878.01</b>
<b>Interest</b>								
Ally Bank 1.35 10/28/2019	02006LQ48	0.00	0.00	1,687.76	1.350	0.000	10/28/2019	1,687.76
American Expr Centurion 2.45 4/5/2022	02587DN38	0.00	0.00	3,034.04	2.450	0.000	10/7/2019	3,034.04
CAMP LGIP	LGIP4000	0.00	0.00	55,114.64	N/A	0.000	10/31/2019	55,114.64
Capital One Bank 1.5 10/26/2020	140420L99	0.00	0.00	1,865.10	1.500	0.000	10/28/2019	1,865.10
FHLB 2 10/26/2021-19	3130AB3D6	0.00	0.00	10,000.00	2.000	0.000	10/28/2019	10,000.00
FHLB Step 4/28/2021-16	3130A7QX6	0.00	0.00	8,750.00	1.250	0.000	10/28/2019	8,750.00

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
FHLB Step 4/28/2021-16	3130A7PR0	0.00	0.00	10,000.00	1.000	0.000	10/28/2019	10,000.00
FHLMC 1.25 10/28/2019-17	3134G8XQ7	0.00	0.00	6,250.00	1.250	0.000	10/28/2019	6,250.00
FHLMC Step 4/28/2021-16	3134G8VZ9	0.00	0.00	18,750.00	1.250	0.000	10/28/2019	18,750.00
FHLMC Step 4/28/2021-16	3134G8Z28	0.00	0.00	7,500.00	1.125	0.000	10/28/2019	7,500.00
LAIF LGIP	LGIP1002	0.00	0.00	274,390.59	N/A	0.000	10/15/2019	274,390.59
Lakeside Bank 1.75 5/29/2020	51210SMU8	0.00	0.00	358.15	1.750	0.000	10/31/2019	358.15
Ponce De Leon Federal Bank 1.85 5/28/2021	732333AJ8	0.00	0.00	391.24	1.850	0.000	10/31/2019	391.24
State of California 2.152 4/1/2022	13063DAD0	0.00	0.00	11,835.00	2.152	0.000	10/1/2019	11,835.00
Summit Community Bank 1.65 5/29/2020	86604XLT1	0.00	0.00	348.94	1.650	0.000	10/31/2019	348.94
T-Note 2 4/30/2024	912828X70	0.00	0.00	9,600.00	2.000	0.000	10/31/2019	9,600.00
<b>Sub Total / Average Interest</b>		<b>0.00</b>	<b>0.00</b>	<b>419,875.46</b>				<b>419,875.46</b>
<b>Matured</b>								
Ally Bank 1.35 10/28/2019	02006LQ48	248,000.00	248,000.00	0.00	1.350	0.000	10/28/2019	248,000.00
FHLMC 1.25 10/28/2019-17	3134G8XQ7	1,000,000.00	1,000,000.00	0.00	1.250	0.000	10/28/2019	1,000,000.00
T-Bill 0 10/3/2019	912796SL4	1,000,000.00	1,000,000.00	0.00	0.000	0.000	10/3/2019	1,000,000.00
<b>Sub Total / Average Matured</b>		<b>2,248,000.00</b>	<b>2,248,000.00</b>	<b>0.00</b>				<b>2,248,000.00</b>
<b>Withdraw</b>								
LAIF LGIP	LGIP1002	3,000,000.00	3,000,000.00	0.00	N/A	0.000	10/21/2019	3,000,000.00
Union Bank Cash	LGIPUNIONBANK	3,636,072.52	3,636,072.52	0.00	N/A	0.000	10/30/2019	3,636,072.52
<b>Sub Total / Average Withdraw</b>		<b>6,636,072.52</b>	<b>6,636,072.52</b>	<b>0.00</b>				<b>6,636,072.52</b>

**MONTHLY OPERATIONS REPORT FOR THE MONTH OF OCTOBER 2019**  
**TECHNICAL SUPPORT WORK GROUP SUMMARY**

**Capital Improvement Program**

**Alvarado Influent Pump Station Improvements Project** - Notice to Proceed was issued on October 31, 2019.

**Headworks Screens Replacement Project** - Notice to Proceed was issued on October 11, 2019.

**Primary Digester No. 3 Rehabilitation Project** – Project closeout in progress.

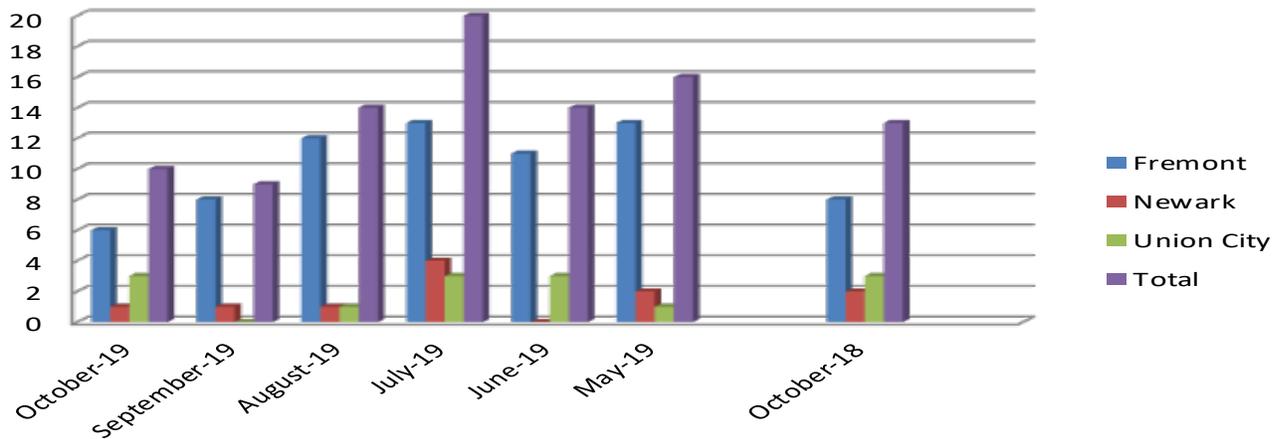
**Sludge Degritter System Project** – Performance testing and adjustment of the Degritter unit in progress.

**Wet Weather Flow Management - Calcium Thiosulfate Chemical Tank Project** –Construction contract was awarded on October 14, 2019.

**Customer Service**

Trouble Calls dispatched from the Front Desk during business hours:

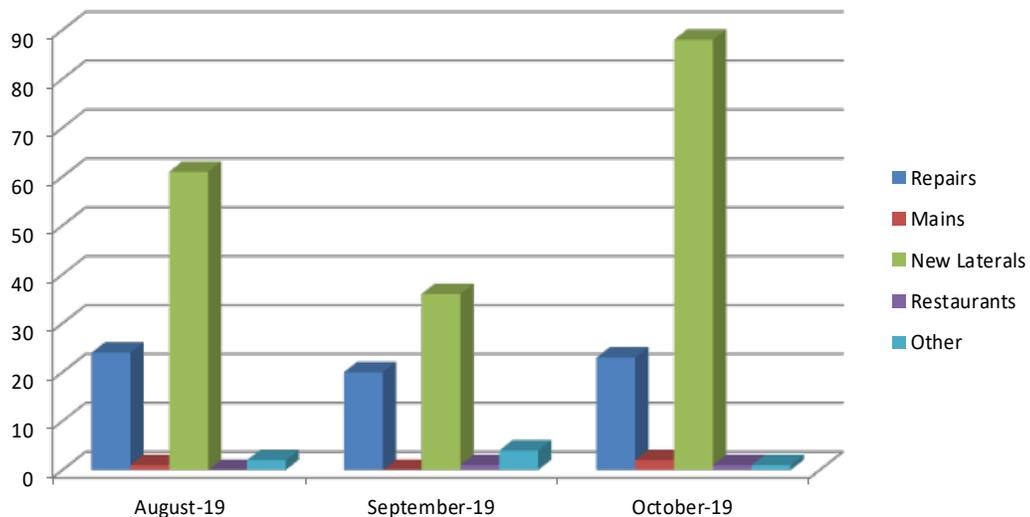
Month	Fremont	Newark	Union City	Total
October-19	6	1	3	10
September-19	8	1	0	9
August-19	12	1	1	14
July-19	13	4	3	20
June-19	11	0	3	14
May-19	13	2	1	16
October-18	8	2	3	13
6-Month Total				83



**Sewer Permits Issued**

Month	Repairs	Mains	New Laterals	Restaurants	Other
October-19	23	2	88	1	1
September-19	20	0	36	1	4
August-19	24	1	61	0	2

New Laterals - New residential lateral connections  
 Other - Non-residential construction (except restaurants)



**Communication**

- Social Media posts:
  - Water Professionals Appreciation Week
  - Plant Tour information
  - Classroom Outreach
  - Administrative Specialist I recruitment
  - USD Dental Program – Pollution Prevention Partners
  - Imagine a Day Without Water
  - A toilet is not a trashcan
- Updated website with FY 2020 rate comparison graphic
- Updated photos for District lobby slideshow display
- Presented Union City Chamber Best Green Business Award to Emerald Packaging at Spirit Awards Event
- Continued activities regarding District Branding initiative
- Participated in Chamber of Commerce Board activities as Director and Past-President

**Environmental Compliance**

**Pollution Prevention/Stormwater Programs**

USD’s Environmental Compliance (EC) team conducts pollution prevention inspections at restaurants, car wash businesses, and other commercial facilities. EC also conducts inspections and enforcement for the City of Fremont’s Environmental Services group. Over 600 Stormwater compliance inspections are conducted every year to ensure that commercial facilities, including restaurants and auto shops, comply with City Ordinance requirements, and do not discharge pollutants to the creeks and bay.

During the past month, the EC team conducted 77 Stormwater (Urban Runoff), and 63 FOG (restaurant) inspections. During this reporting period, Inspectors identified 12 Stormwater and eight (8) FOG enforcement actions. Two (2) of the Stormwater enforcements resulted in administrative fines ranging from \$200 to \$1,500. One (1) of the administrative fines was for an illicit discharge for repeated violations.

**Urban Runoff Inspections and Enforcements**

October 2019	No. of UR Inspections	VW	WL	NOV	AF	LA	Total Enforcements	No. of Illicit Discharge/s	
	77	6	0	4	2	0	12	% Enforcement	16%

**FOG Inspections and Enforcements**

October 2019	No. of FOG Inspections	VW	WL	NOV	AF	LA	Total Enforcements	% Enforcement	
	63	3	5	0	0	0	8		13%

*Enforcements:*

*VW – Verbal Warning*

*AF – Administrative Fine*

*AO – Administrative Order*

*WL – Warning Letter*

*LA – Legal Action*

*C&D – Cease & Desist Order*

*NOV – Notices of Violation*

*NOD – Notice of Deficiency*

*SNC – Significant Non-Compliance*

**Dental Inspections, School Outreach, and Plant Tours**

# of Dental Inspections	# of School Outreach Events	# of Plant Tours
12	8	None

**Industrial Pretreatment**

The Industrial Pretreatment program has pending permits as shown in the table below. USD inspectors are working with each of these companies to establish permitted industrial discharges.

**Pending Permits**

New Industrial/Groundwater Permits	Groundwater/Temporary
N7K Neuralink- Industrial	Pending- GW-0109 Preston Pipelines (Morton North)
Silicon Valley RO DI Services-Industrial	
Facebook Commissary- Industrial	

**Permits Issued**

Company Name	Date Permit Issued
None	

**Industrial Permit Closures**

Company Name	Date of Closure
None	

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

Report Name	Date Report Completed and Submitted
None	

**Enforcement Action**

IU Name & Nature of Business	Comments	City	Parameter Violated	Discharge concentration (mg/L)	USD/Fed Limit Violated(mg/L)	Enforcement (1)
Aryzta, LLC: Food Manufacturer	Notice of Violation N19-009	Newark	Oil & Grease A/V(Animal Vegetable)	578	Local Limit of 300	NOV

(1) WL – Warning Letter

C&D – Cease and Desist Order

NOV – Notices of Violation

SNC – Significant Non-Compliance

AO – Administrative Order

EM – Enforcement Meeting

**Other - Training, Special Meetings, Conferences, IAC (topics)**

Activity	Date of Event	Attendees
None		

## Engineering/Construction

No. of projects under construction: 5

	<b>Construction Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for October 2019 Activities</b>
1.	Alvarado Influent Pump Station Improvements Project – Thomas	\$8,890	10/21	0%	0%	Notice to Proceed was issued on October 31 <sup>st</sup> .
2.	Headworks Screens Replacement Project – Thomas	\$1,822	11/20	0%	5%	Notice to Proceed was issued on October 11 <sup>th</sup> . Contractor entered Headworks screen channels to take measurements.
3.	Primary Digester No. 3 Rehabilitation – Derek	\$2,410	03/19	100%	100%	Closeout and punch list work in progress.
4.	Sludge Degritter System Project – Kevin	\$1,436	10/19	95%	100%	Performance testing and adjustment of the Degritter unit in progress.
5.	Wet Weather Flow Management - Calcium Thiosulfate Chemical Tank Project - Kevin	\$257	01/20	0%	0%	Construction contract was awarded on October 14 <sup>th</sup> .

**Design/Study**

No. of projects in design/study phase: 16

	<b>Design/Study Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for October 2019 Activities</b>
1.	Centrifuge Building Improvements Project – Somporn	\$574	08/20	0%	0%	Preparation of 50% design documents in progress.
2.	Cogeneration Feasibility Study – Somporn	\$92	02/20	5%	15%	Consultant agreement and task order for study services were executed on October 10 <sup>th</sup> .
3.	Control Box No. 1 Improvements Project – Kevin	\$89	01/20	50%	50%	Preparation of 50% design documents completed and pre-purchase of valves and 90% design in progress.
4.	Emergency Outfall Improvements Project – Andrew	\$365	04/19	97%	100%	Permitting and easement acquisition in progress.
5.	Force Main Condition Assessment – Andrew	\$121	10/20	60%	73%	Next round of inspection will be scheduled with the next phase of Force Main Corrosion Repairs project.
6.	Force Main Corrosion Repairs Project Phase 3 – Andrew	\$60	02/19	75%	85%	Project construction is pending the completion of Force Main relocation project.
7.	Gravity Sewer Rehabilitation / Replacement Project – Phase VII – Andrew	\$176	03/20	0%	0%	Consultant agreement and task order for final design services were executed on October 30 <sup>th</sup> .
8.	Irvington and Newark Odor Control Study - Kevin	\$99	12/19	70%	70%	Air dispersion modeling completed. Evaluation of odor technologies in progress.
9.	Newark Basin Masterplan – Andrew	\$318	08/19	98%	100%	Draft final report is under staff review.
10.	Odor Control Alternatives Study – Kevin	\$465	07/19	99%	100%	Report will be finalized after the pilot testing project is completed.
11.	Odor Control Pilot Study - Somporn	\$99	12/20	0%	0%	Workplan and RFP development in progress.
12.	Plant Network Architecture Study – Somporn	\$100	12/19	20%	35%	Draft Study development in progress.
13.	Primary Digester No. 2 Rehabilitation Project – Derek	\$213	10/19	100%	100%	Project construction advertised on October 22 <sup>nd</sup> . Pre-bid conference held on October 29 <sup>th</sup> .

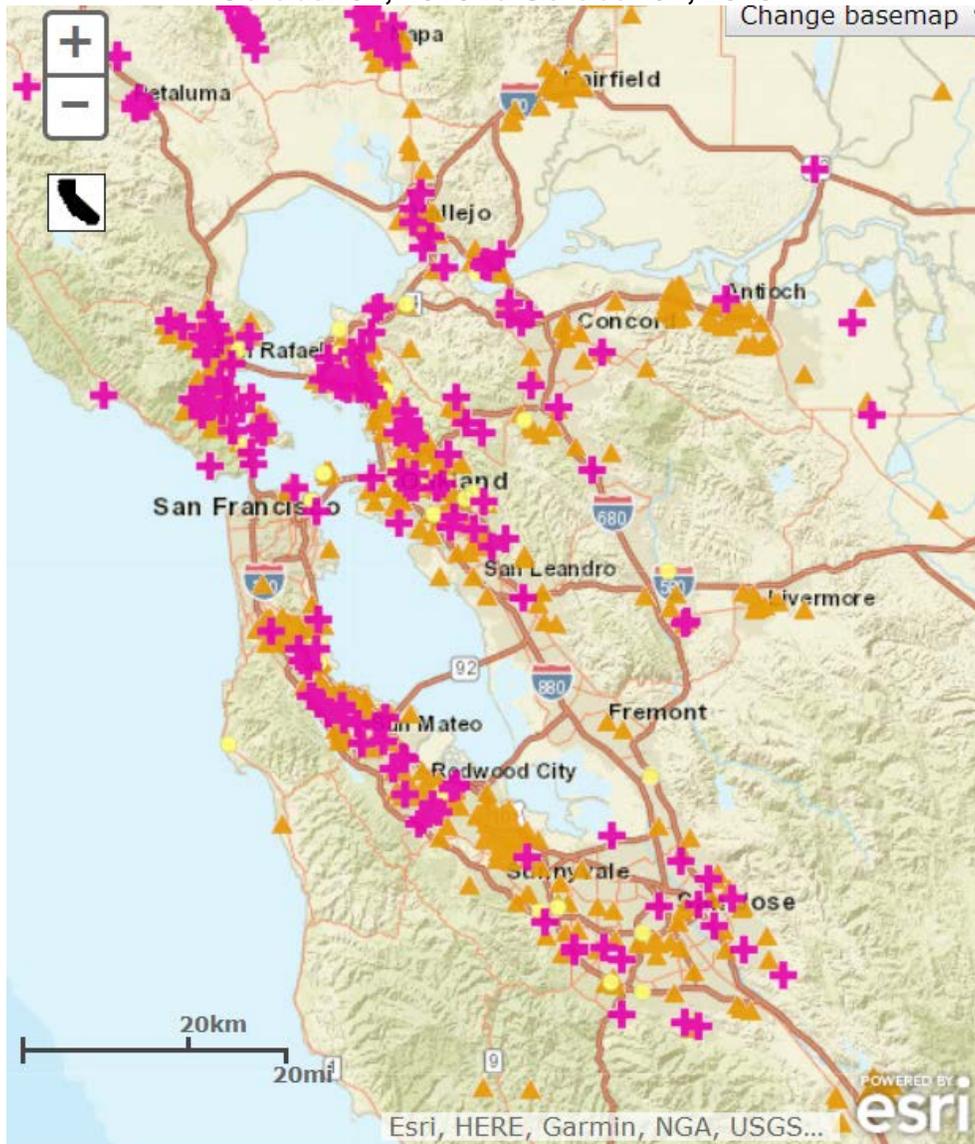
	<b>Design/Study Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for October 2019 Activities</b>
14.	Primary Digester No. 7 Project – Curtis	\$1,904	06/19	99%	100%	Bid opening was on October 29 <sup>th</sup> .
15.	Standby Power Generation System Upgrade Project – Kevin	\$2,019	01/20	50%	60%	Revised basis of design based on the final ETSU report completed. Development of alternative cost estimates in progress.
16.	WAS Thickener Replacement Project – Derek	\$284	05/19	40%	100%	Consultant and staff continued to work on thickening technology selection process.

**COLLECTION SERVICES  
ACTIVITIES REPORT  
October 2019**

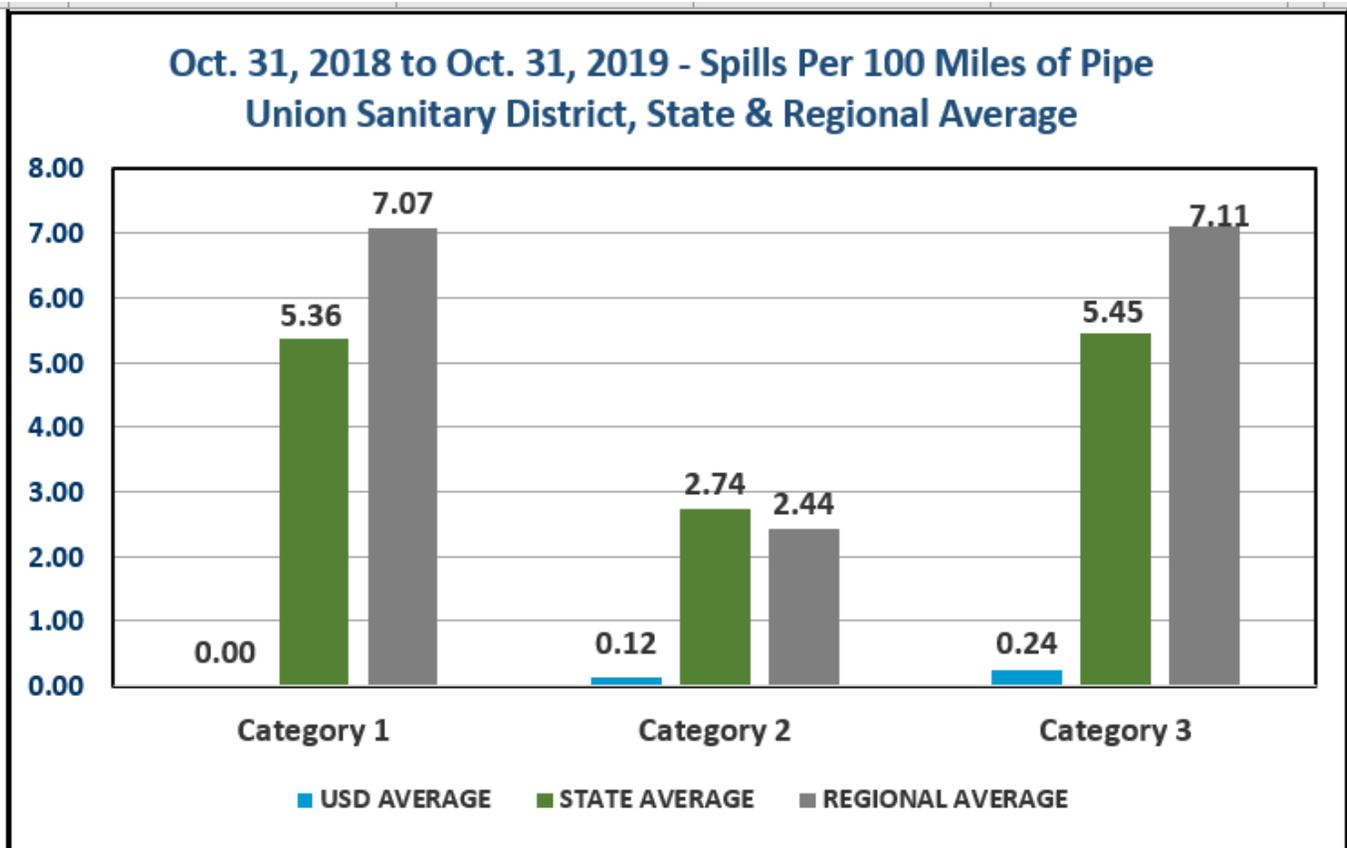
**Progress/Accomplishments**

- One Spill in October, 4 gallons recovered and returned to sewer system.
- Completed 15.8 miles of sewer main cleaning in October.
- Completed 8.2 miles of sewer main inspection in October.
- Responded to 12 service request calls in October.
- Completed a total of 20 sewer main repairs in October.
- Trainings
  - Traffic Control Refresher
  - SSO Sampling
  - Haz Mat Training

**Reported Bay Area Spills  
October 31, 2018 to October 31, 2019**



## October 31, 2018 to October 31, 2019 Spills Per 100 Miles of Pipe Union Sanitary District, State & Regional Average



### Spill Rate Statistics - October 31, 2018 to October 31, 2019

#### Spills per 100 Miles of Pipe

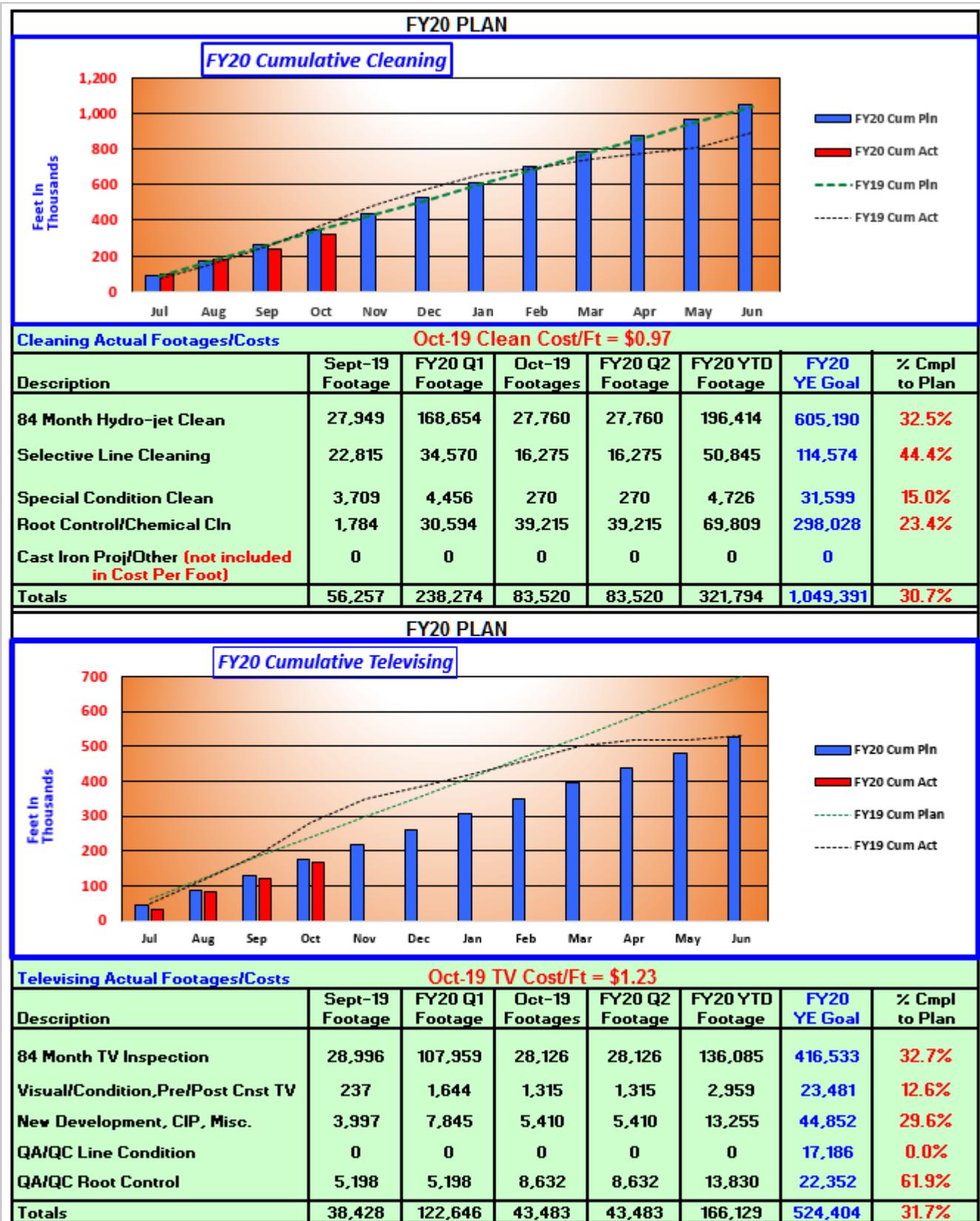
	Category 1	Category 2	Category 3
<b>USD AVERAGE</b>	<b>0.00</b>	<b>0.12</b>	<b>0.24</b>
<b>STATE AVERAGE</b>	<b>5.36</b>	<b>2.74</b>	<b>5.45</b>
<b>REGIONAL AVERAGE</b>	<b>7.07</b>	<b>2.44</b>	<b>7.11</b>

*Category 1 - 1,000 gallons or more. Discharges to surface water, not fully captured*

*Category 2 - 1,000 gallons or more. Does not reach surface waters, not fully captured*

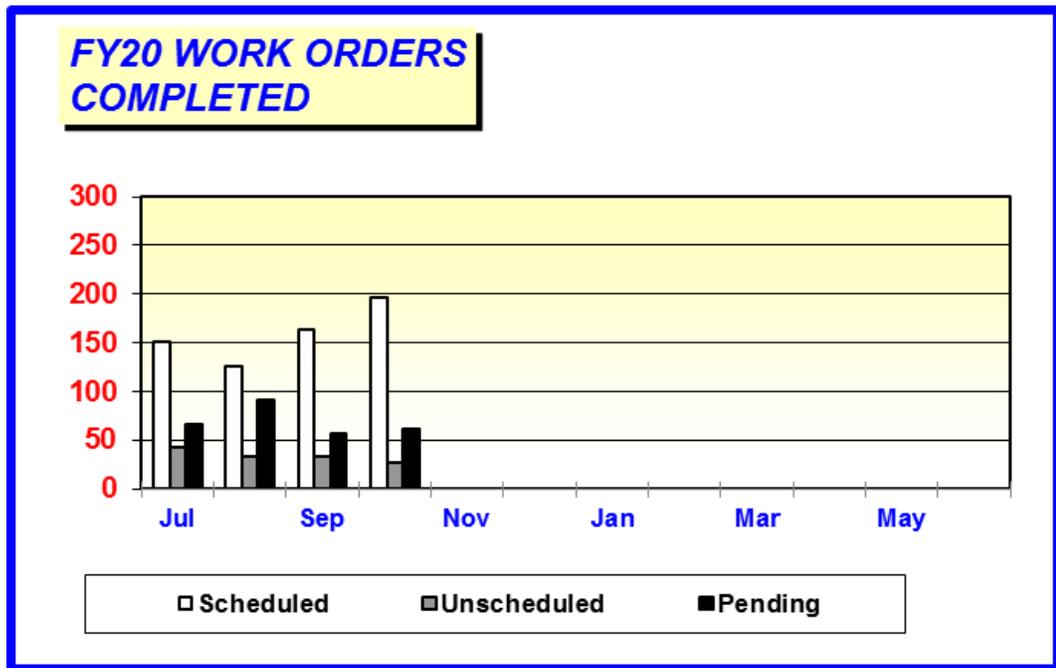
*Category 3 - 1,000 gallons or less, does not reach surface waters, full captured*

# Performance Measures

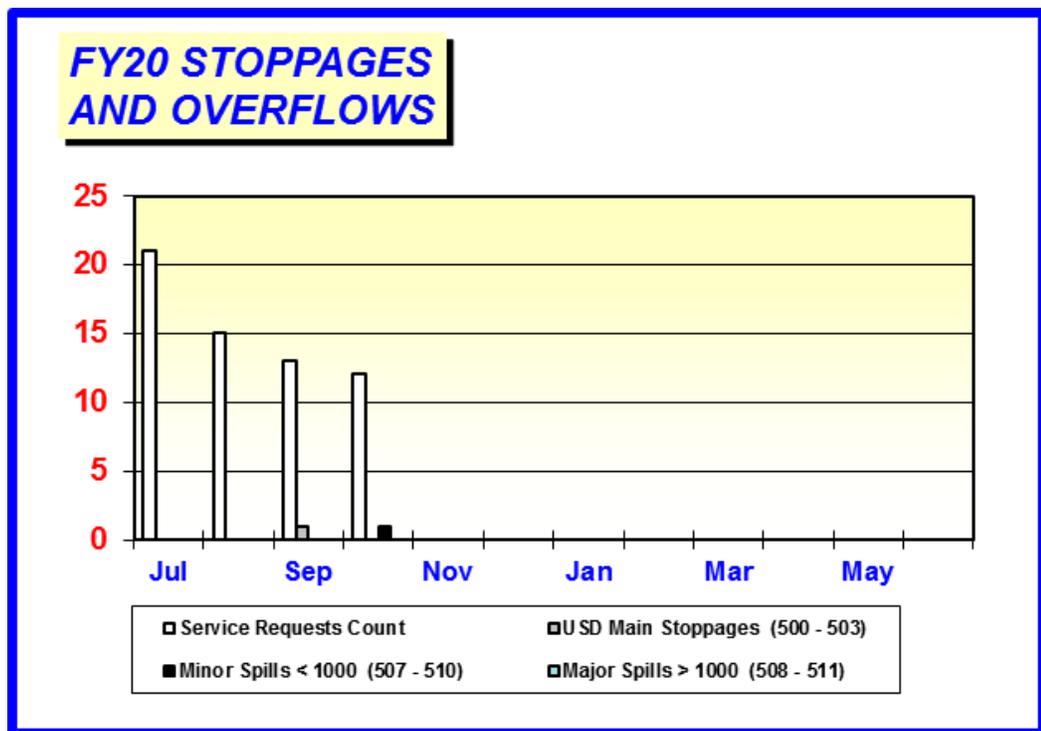


**Other Collection Services Status Data:**

**Support Team Work Order Status:**



**C/S Maintenance Status:**



## Fabrication, Maintenance and Construction Activities Report October 2019

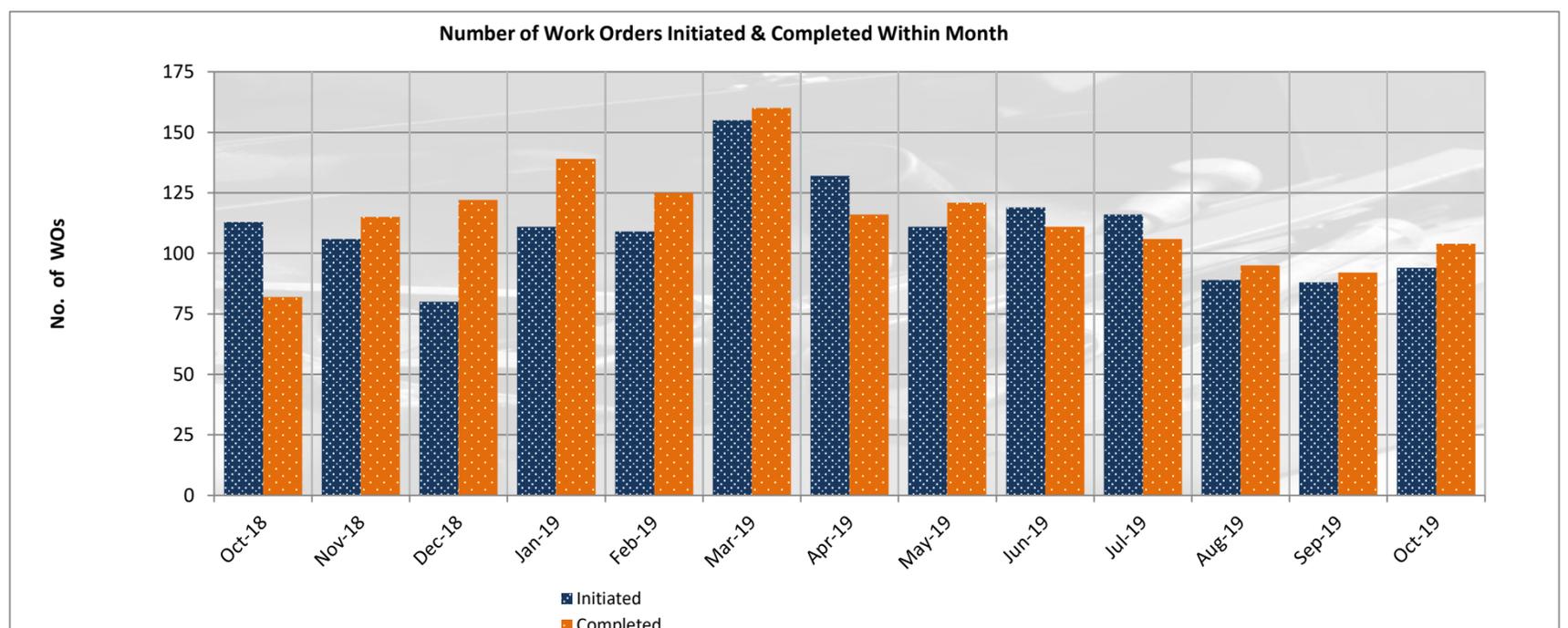
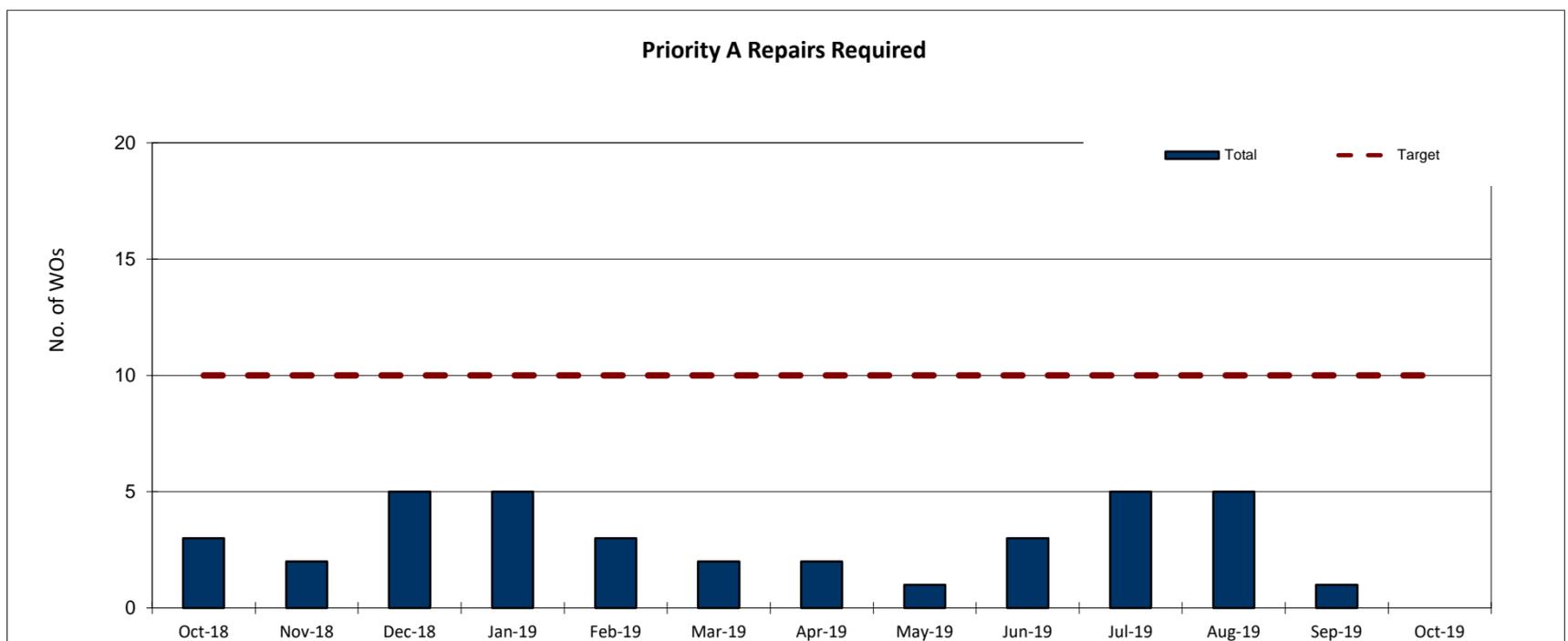
### Progress/Accomplishments

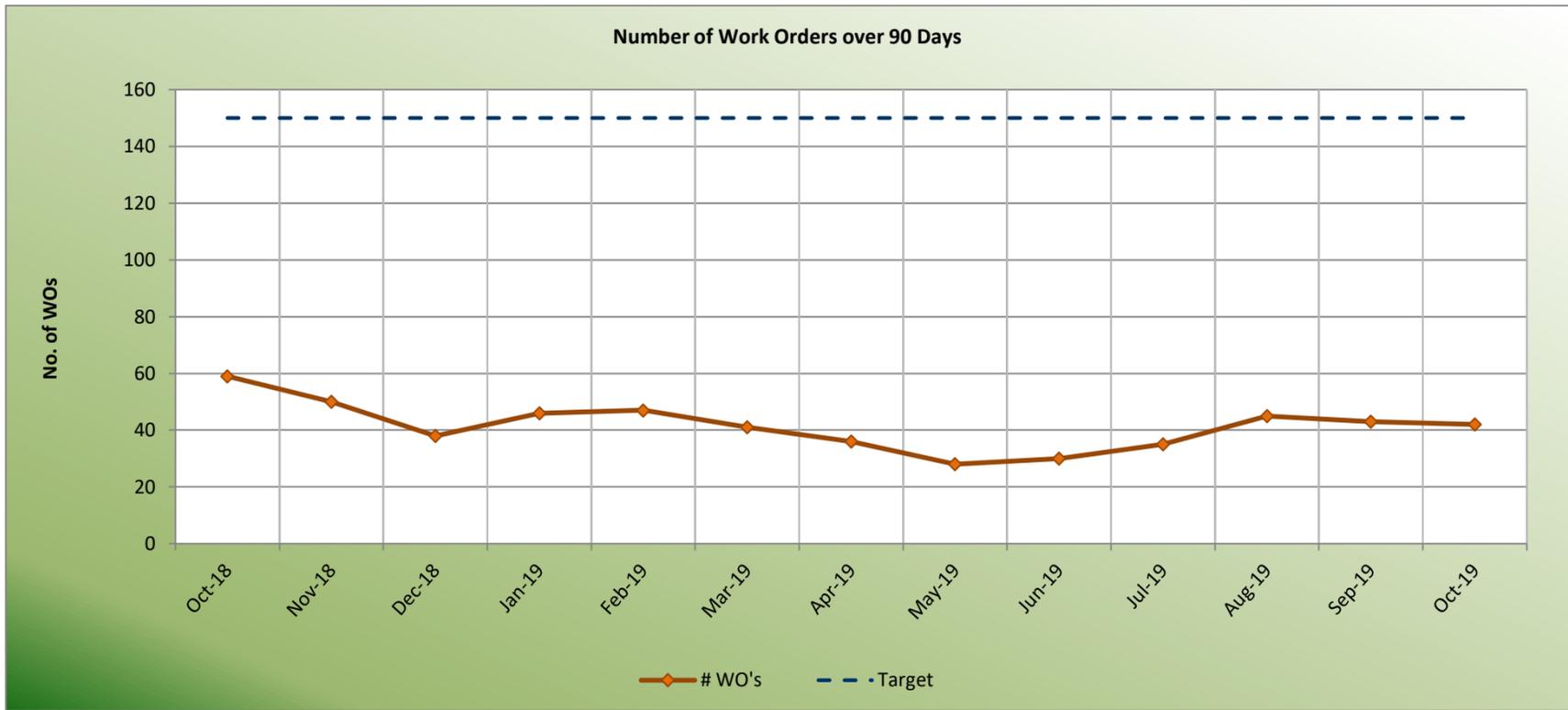
- Completed 93.83% of preventive maintenance activities for the month of October
- Completed 94 corrective maintenance work orders for the month of October
- Warehouse cleanup project
- Secondary 1 RAS flow meter installation
- Overhaul of East Degritter (with SME from Hydro International)
- CB1 rotork actuator installation

### Future Planning

- Site Waste Pump 1 discharge piping replacement
- IPS Surge Tower line repair
- IPS suction and discharge valve repairs and investigations
- EBDA Pump 6 overhaul and impeller repair

### Performance Measurements





**Treatment & Disposal  
Activities Report  
October 2019**

**Progress/Accomplishments**

- Maintained 100% compliance with NPDES permits
- Completed 100% preventive maintenance activities for the month of October
- Continued testing alternative strategies with Hazen & Sawyer for chlorination of activated sludge during settling problems to attempt to improve the efficacy of the dose
- Reviewed TPO Coach applications/exams and invited candidates to QAI
- Acquired a temporary tank for calcium thiosulfate storage
- Met with Carollo to assist them in their independent study of our degritter system in order for them to review the work of West Yost in their design of the third degritter and its associated piping
- Attended the Centrifuge Building Improvements Project kick-off meeting
- Attended the Cogeneration Feasibility Study kick-off meeting
- Reviewed 100% Emergency Outfall Improvements Project design drawings/specifications and provided comments
- Degritter analysis was completed and presented to T&D, FMC and CIP
- Draft of Union City Report was presented to the Board. Amendments were made and the report was submitted to the City of Union City
- Provided a report of PFAS testing internally
- Implemented IPACS to LIMS scheduling for EC samples as part of the LIMS Integration Project

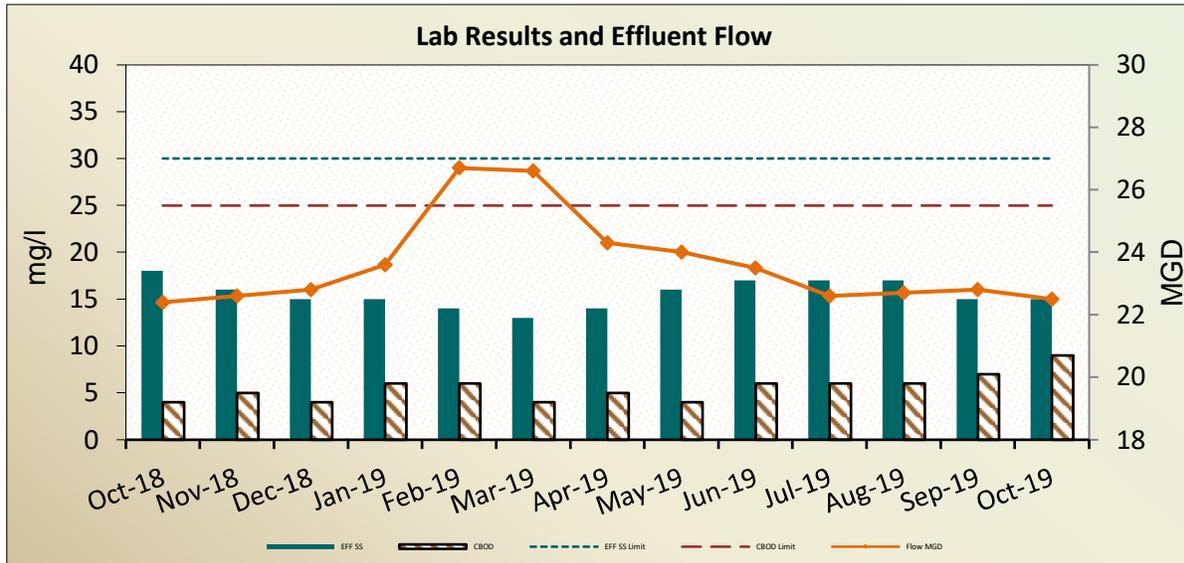
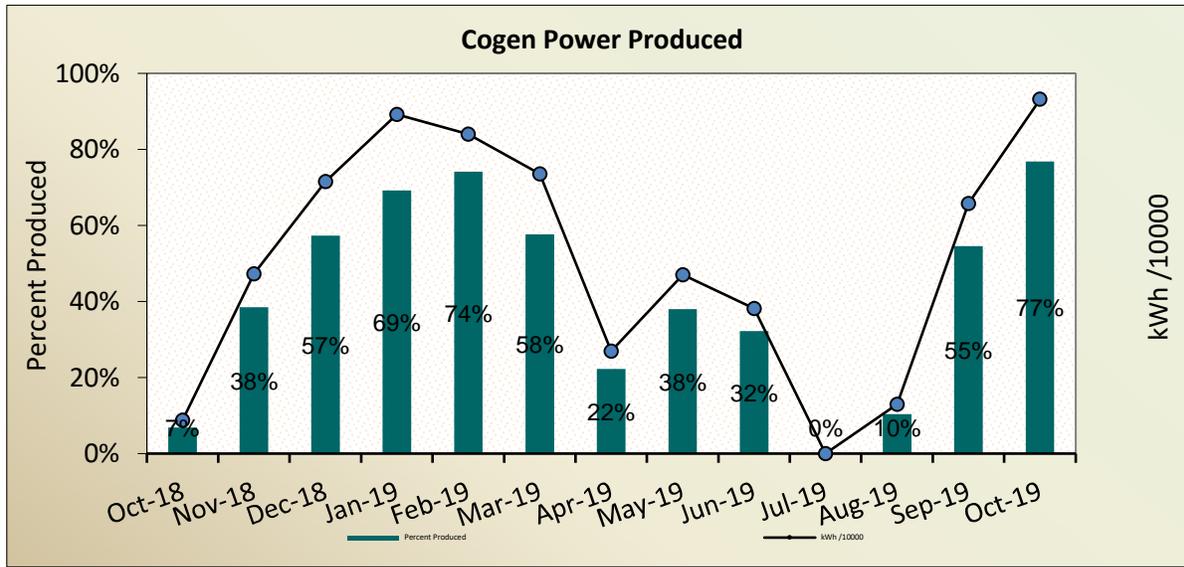
**Future Planning**

- Conduct economic analysis for the Aeration Membrane Cleaning Pilot Phase II
- Attend the Cogeneration Feasibility Study Technology Screening Workshop
- Continue testing of alternative strategies with Hazen & Sawyer for chlorination of activated sludge during settling problems to attempt to improve the efficacy of the dose
- Continue the review of air and water permitting for Mango Materials
- Complete TPO Coach recruitment
- Complete LIMS implementation

**Other**

- Cogen system produced 77% of power consumed for the month of October

## Performance Measurements



USD's Final Effluent Monthly Monitoring Results				
Parameter	EBDA Limit	Aug-19	Sep-19	Oct-19
Copper, µg/l	78	3.5	3.8	4.5
Mercury, µg/l	0.066	0.0018	0.0027	0.0022
Cyanide, µg/l	42	E 0.97	E 1.3	< 0.9
Ammonia- N, mg/L (Range)	130	35.4 - 40.4	36.6 - 51.2	41.6 - 45.9
Fecal Coliform, MPN/100ml (Range)				
• 5-Day Geometric Mean	500	23 - 40	17 - 41	12 - 17
• 11-Sample 90th Percentile	1100	60 - 70	60 - 68	38 - 60
Enterococci				
• Monthly Geometric Mean	240	10.0	11.9	13.3

E = Estimated value, concentration outside calibration range. For SIP, E = DNQ, estimated concentration.



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 8**

**TITLE:** Monthly Operations Report for November 2019 *(This is an Information Item)*

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

**Recommendation**

Information only.

**Previous Board Action**

None

**Background**

Attached are Monthly Operations Reports for November 2019. Staff is available to answer questions regarding information contained in the report.

**Work Group Managers**

General Manager/Administration	Paul Eldredge	GM
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:**

During the month of November 2019, there were two odor complaints received by the Collection System.

**SAFETY**

- The District's days without injury clock was reset due to an employee smashing their finger.
- SIT inspection of FMC and Collection's facilities; 100% of issues have been resolved.
- Looking into SDS (safety data sheet) management systems.

**STAFFING & PERSONNEL:****Completed Recruitments Resulting in Promotions:**

- Coach, Wastewater Plant Operations – Limited Duration (replacement for Ric Pipkin – promotion). Hired Marcus Lee effective 11/24/19.

**Other Completed Recruitments:**

- Administrative Support Specialist I – Collection Services (replacement for Paulette Roberson – retirement effective 1/30/2020.) Jessica Rodriguez to start 12/10/19.

**Continuing Recruitments:**

- Assistant/Associate Engineer – Limited Duration (replacement for Curtis Bosick – promotion). Offer pending results of pre-employment physical.

**G.M. ACTIVITIES:** For the month of November, the General Manager was involved in the following:

- Attended Multiple East Bay Dischargers Authority (EBDA) JPA Discussions & Meetings
- Attended the EBDA Commission Meeting
- Attended the EBDA Manager's Advisory Committee Meeting
- Attended a Special Closed Session Board Meeting

**Attachments:** Odor Report and Map  
Hours Worked and Leave Time by Work Group  
Business Services  
Technical Services  
Collection Services  
Fabrication, Maintenance, and Construction  
Treatment and Disposal Services



## ODOR REPORT November 2019

During the recording period from November 01, 2019 through November 30, 2019, there were two odor related service requests received by the District.

### **City: Fremont**

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

*Date:* 11/25/2019

*Location:* EDEN CT

*Wind (from):* North West

*Temperature:* 61 Degrees F

*Time:* 4:00 pm

*Reported By:* Michelle Shmoye

*Wind Speed:* 15 mph

*Weather:* Clear

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

We inspected USD main and storm drain inlets. No issues found. We reported our findings to Mr. Shmoye, the homeowner and provided USD pamphlets on Vents and Laterals. No follow up action needed.

### **City: Newark**

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

*Date:* 11/25/2019

*Location:* JARVIS AV

*Wind (from):* North West

*Temperature:* 63 Degrees F

*Time:* 2:15 pm

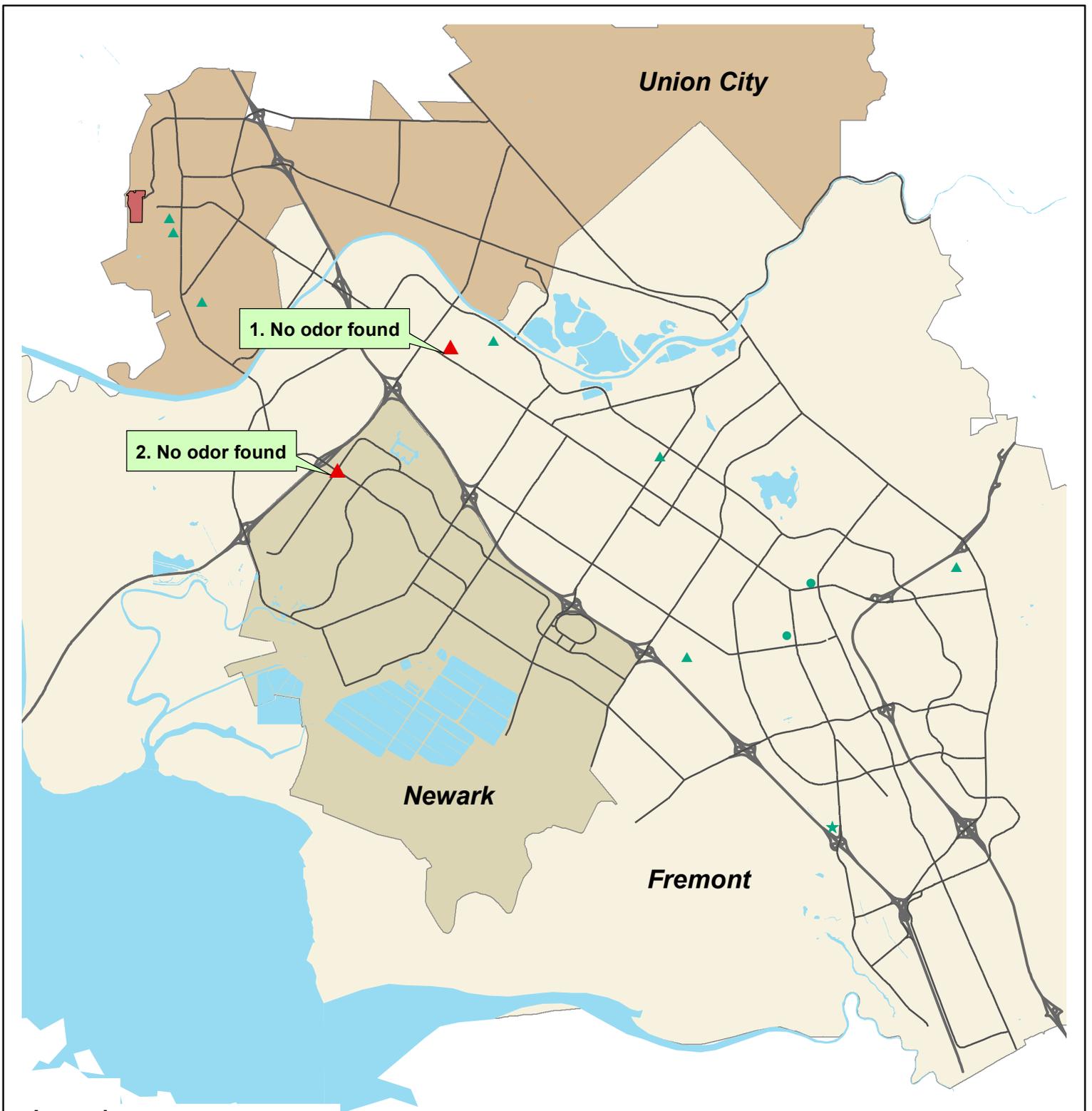
*Reported By:* Newark Fire Department

*Wind Speed:* 10-15 mph

*Weather:* Clear

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

We inspected USD main. No issues were found. Reported findings to Newark Fire Department, who responded to initial odor complaint. No follow up action required.



**Legend**

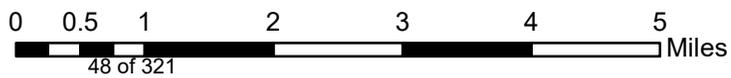
**Odor Complaints: November 2019**

- ★ Odor found, USD resolved (0)
- Odor found, not related to USD (0)
- ▲ No odor found (2)

**Odor Complaints: Dec. 2018 to Oct. 2019**

- ★ Odor found, USD resolved (2)
- Odor found, not related to USD (3)
- ▲ No odor found (7)

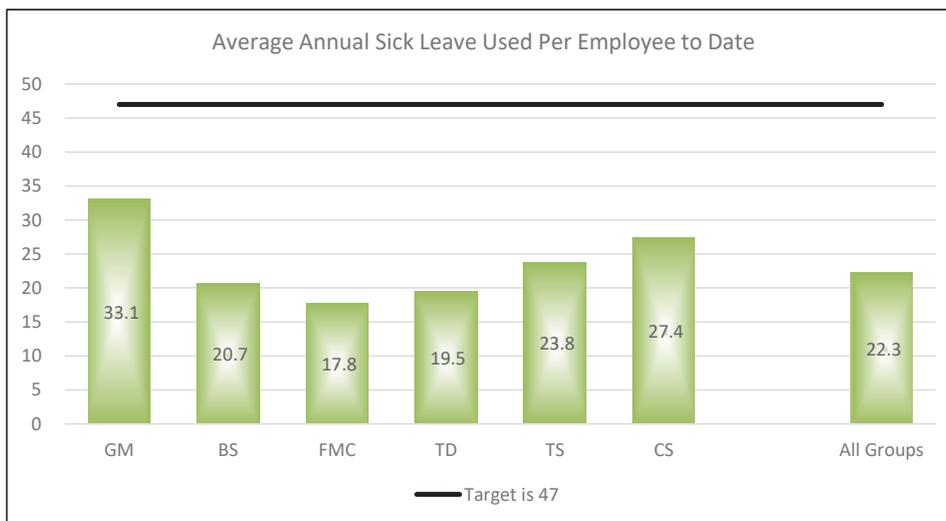
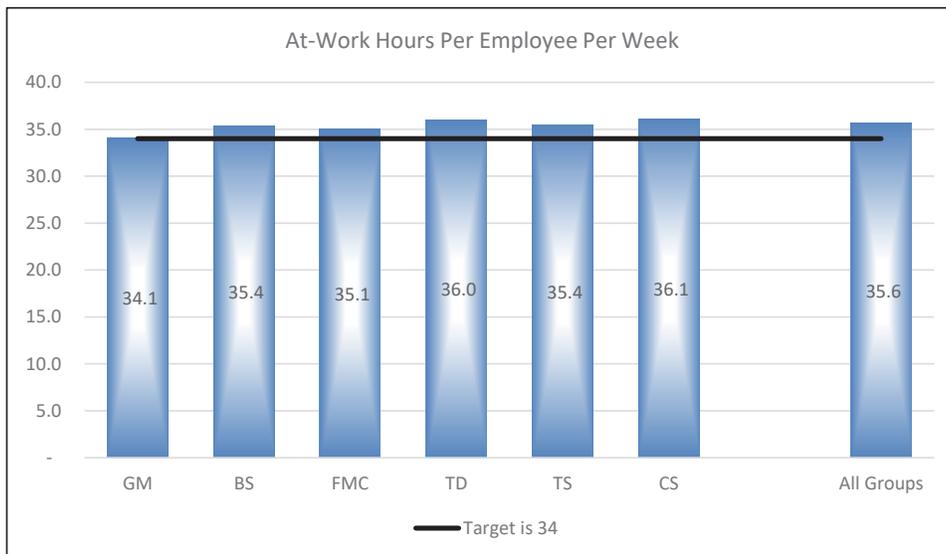
**Location of Odor Reports  
December 2018 to November 2019**



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

**June 27, 2019 through November 27, 2019**

**Weeks to Date: 22 out of 52 (42.31%)**



**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.

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

**June 27, 2019 through November 27, 2019**

**Weeks to Date: 22 out of 52 (42.31%)**

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	FY19		
		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	1,486.75	2.00	34.1	182.25	24.80	-	66.20	33.1	2	34.8	38.5
BS	18	13,721.93	206.50	35.4	1,305.79	-	-	372.28	20.7	16	35.5	41.1
FMC	28	21,230.05	224.74	35.1	2,665.47	247.39	-	497.09	17.8	28	34.5	39.3
TD	26	20,295.50	176.58	36.0	2,456.31	49.30	-	506.89	19.5	26	35.4	35.2
TS	33	25,426.30	122.50	35.4	2,330.21	159.19	-	785.07	23.8	32	34.6	46.2
CS	31	23,066.15	1,389.92	36.1	2,421.65	205.96	418.00	848.24	27.4	30	36.1	59.3
<b>All Groups</b>	<b>138</b>	<b>105,377.68</b>	<b>2,122.24</b>	<b>35.6</b>	<b>11,361.68</b>	<b>686.64</b>	<b>418.00</b>	<b>3,075.77</b>	<b>22.3</b>	<b>134</b>	<b>35.1</b>	<b>50.5</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 2020

**Year-to-date as of 11/30/2019**

42% of year elapsed

**Revenues**

	Budget	Actual	% of Budget Rec'd	Audited Last Year Actuals 6/30/19
Capacity Fees	\$ 13,567,000	\$ 8,095,425	60%	\$ 16,158,027
Sewer Service Charges	60,099,000	3,652,297	6%	57,330,651
Operating (Work Groups)	1,283,500	488,371	38%	1,321,729
Interest	1,350,000	1,263,786	94%	2,657,357
Misc. (LAVWMA, Forfeited Deposits)	512,000	7,478	1%	866,298
<b>Subtotal Revenues</b>	<b>\$ 76,811,500</b>	<b>13,507,357</b>	<b>18%</b>	<b>\$ 78,334,062</b>
SRF Loan Proceeds	-	-		-
<b>Total Revenues + SRF Proceeds</b>	<b>\$ 76,811,500</b>	<b>\$ 13,507,357</b>	<b>18%</b>	<b>\$ 78,334,062</b>

**Expenses**

	Budget	Actual	% of Budget Used	Last Year Actuals
Capital Improvement Program:				
Capacity Proj.	\$ 7,600,500	\$ 182,785	2%	\$ 1,973,416
Renewal & Repl. Proj.	12,132,000	341,209	3%	4,620,499
Operating (includes fund 85)	42,205,365	16,532,968	39%	40,313,960
Special Projects	4,354,600	314,997	7%	913,255
Retiree Medical (ADC)	1,375,000	341,844	25%	369,961
Vehicle & Equipment	153,050	6,396	4%	725,877
Information Systems	857,700	224,678	26%	690,885
Plant & Pump Stat. R&R	250,000	34,672	14%	321,343
Emerg. Fund	-	-	0%	-
Cty Fee for SSC Admin.	109,000	-	0%	108,344
Debt Servicing:				
SRF Loans	3,902,080	1,567,246	40%	3,862,731
<b>Total Expenses</b>	<b>\$ 72,939,295</b>	<b>\$ 19,546,795</b>	<b>27%</b>	<b>\$ 53,900,272</b>
<b>Total Revenue &amp; Proceeds less Expenses</b>	<b>\$ 3,872,205</b>	<b>\$ (6,039,438)</b>		<b>24,433,790</b>

**Operating (Work Group) Expenses**

	Budget	Actual	% of Budget Used	Audited Last Year Actuals
Board of Directors	\$ 179,176	\$ 53,297	30%	\$ 145,194
General Manager/Admin.	1,066,367	399,671	37%	875,354
Business Services	4,342,141	1,477,819	34%	3,667,607
Collection Services	7,316,485	2,767,983	38%	7,350,328
Technical Services	6,639,720	2,690,120	41%	6,886,241
Treatment & Disposal Services	12,913,507	5,406,642	42%	11,901,128
Fabrication, Maint. & Construction	8,837,463	3,391,015	38%	8,898,853
Non-Departmental	910,506	346,422	38%	589,255
<b>Total</b>	<b>\$ 42,205,365</b>	<b>\$ 16,532,968</b>	<b>39%</b>	<b>\$ 40,313,960</b>

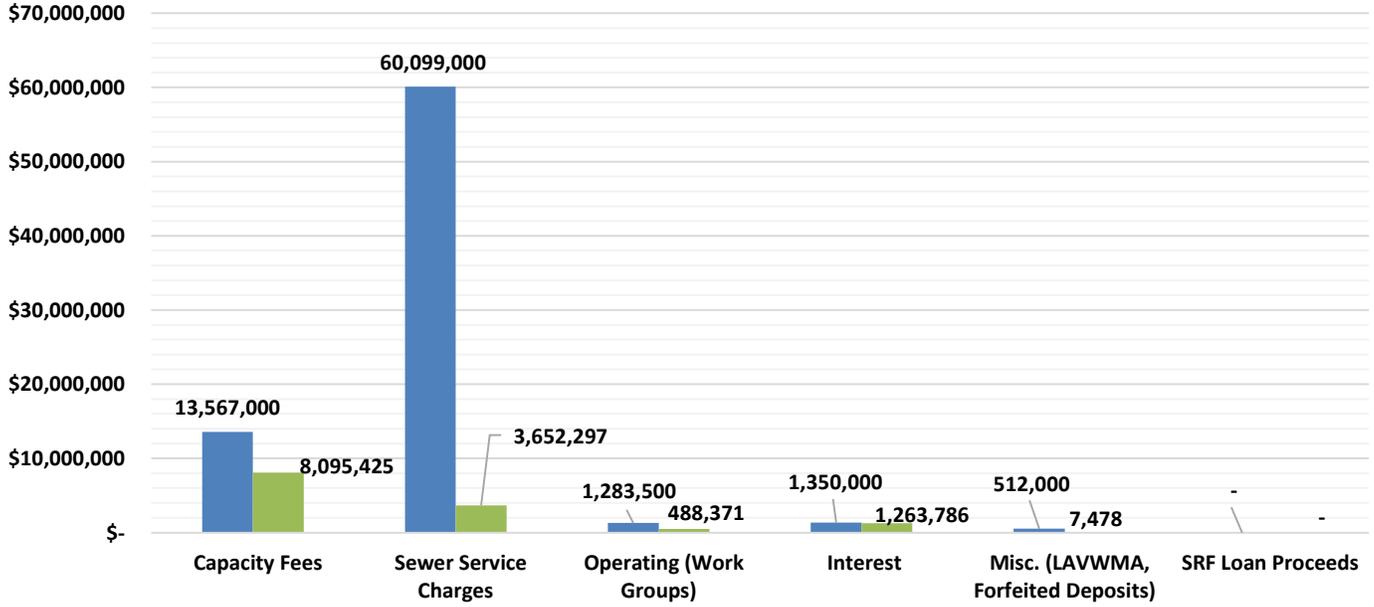
**Operating (Work Group) Expenses by Type**

	Budget	Actual	% of Budget Used	Last Year Actuals
Personnel (incl D&E)	\$ 28,878,209	\$ 11,458,852	40%	\$ 28,941,712
Repairs & Maintenance	2,256,400	895,898	40%	2,331,549
Supplies & Matls (chemicals, small tools)	3,351,150	996,097	30%	2,728,181
Outside Services (utilities, biosolids, legal)	7,489,606	3,169,127	42%	6,233,756
Fixed Assets	230,000	12,993	6%	78,762
<b>Total</b>	<b>\$ 42,205,365</b>	<b>\$ 16,532,968</b>	<b>39%</b>	<b>\$ 40,313,960</b>

**REVENUES AND EXPENSES REPORT**  
as of 11/30/19

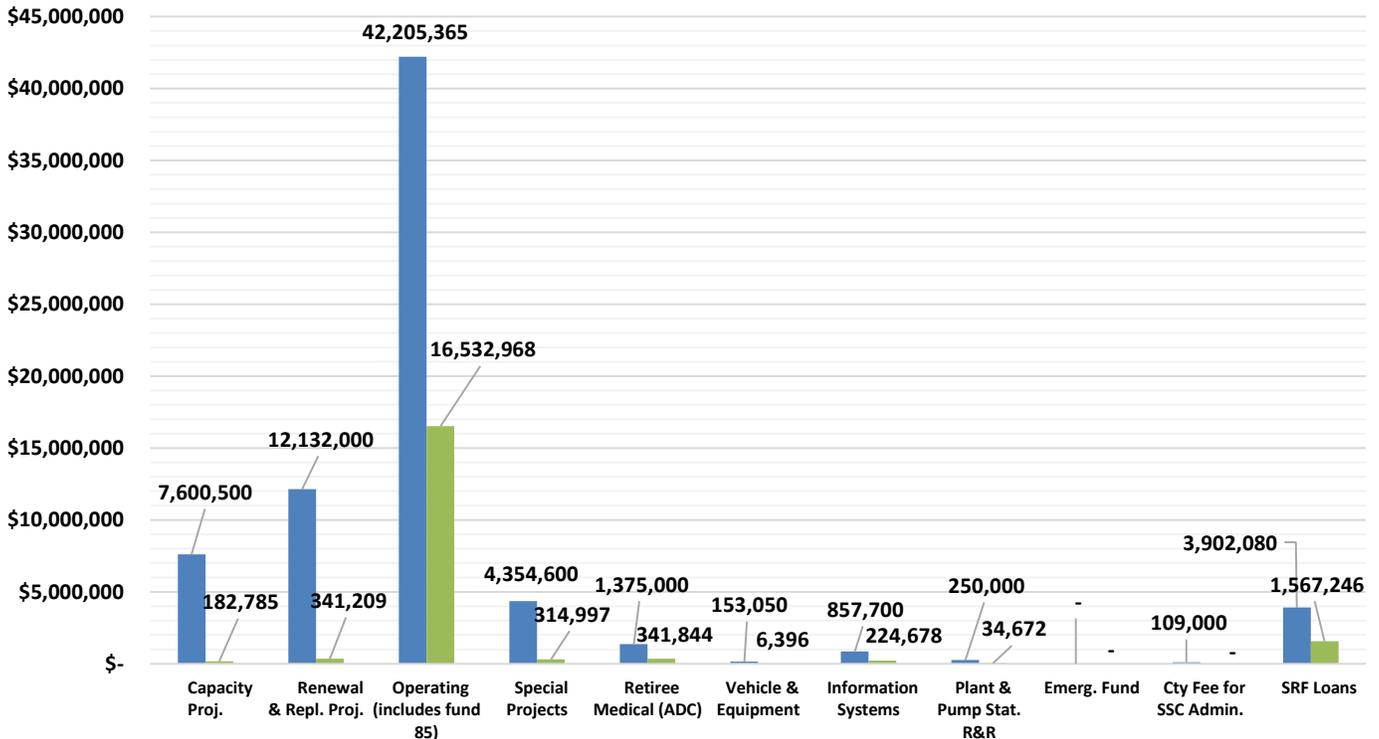
## Total Revenues

■ Budget ■ Actual



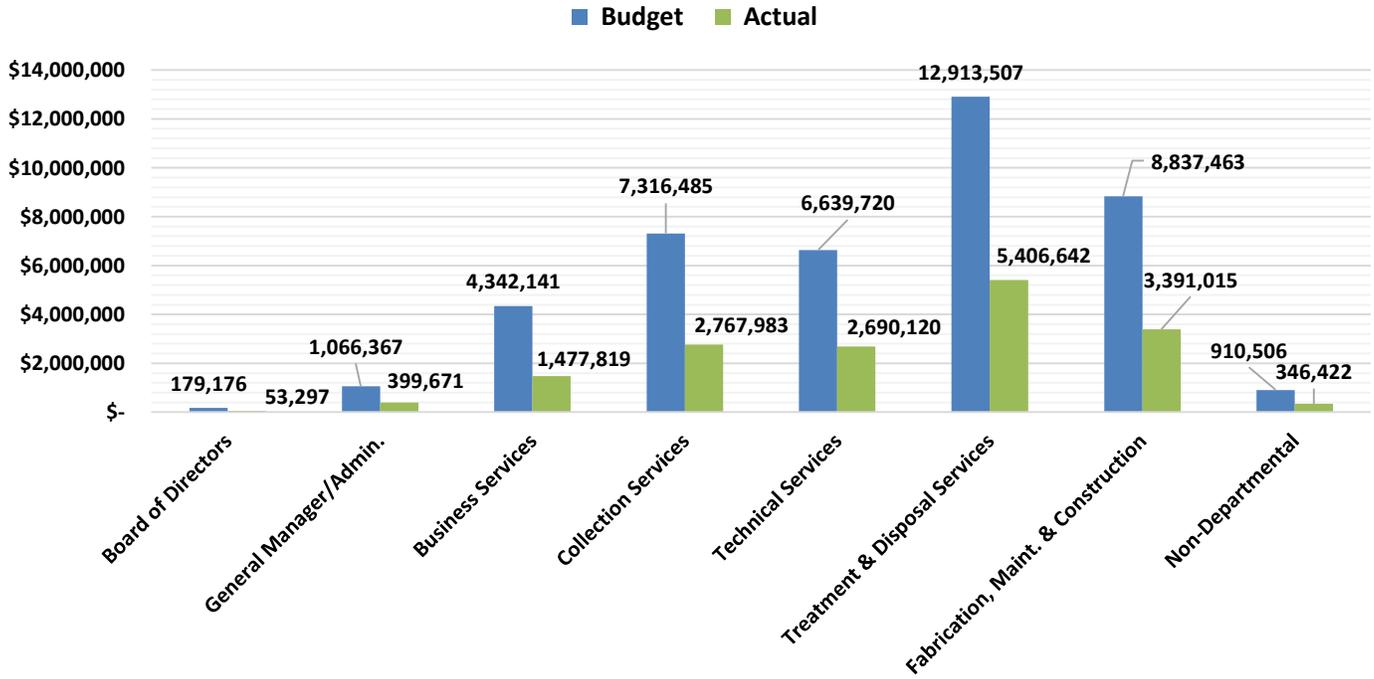
## Total Expenses

■ Budget ■ Actual

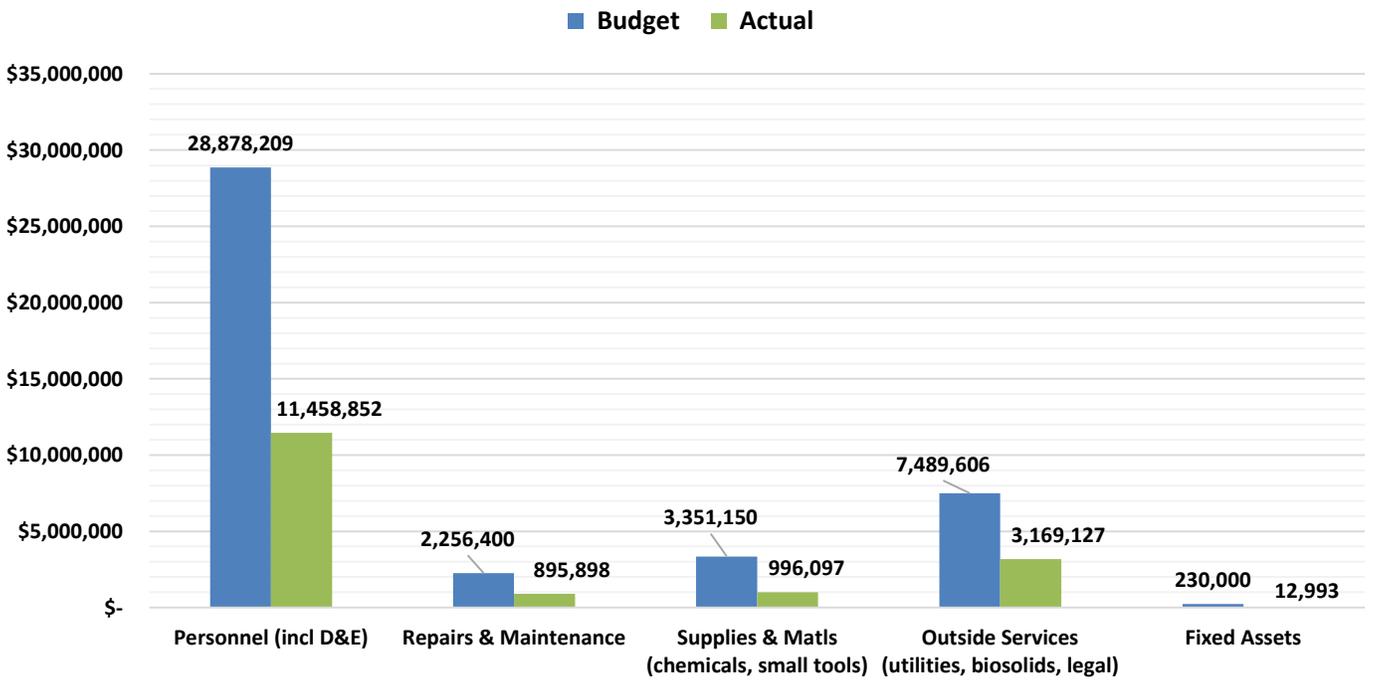


**REVENUES AND EXPENSES REPORT**  
as of 11/30/19

### Operating Expenses by Work Group

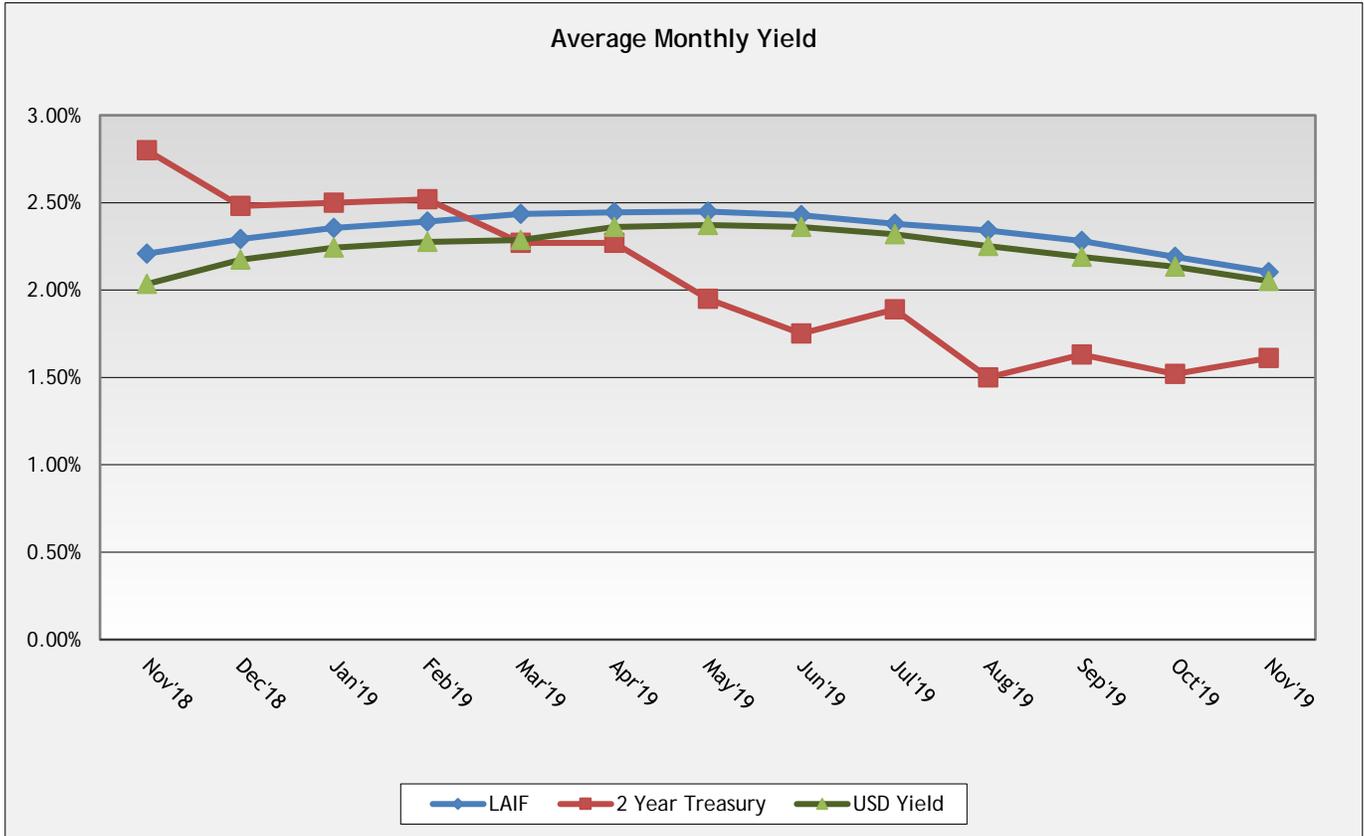


### Operating Expenses by Type

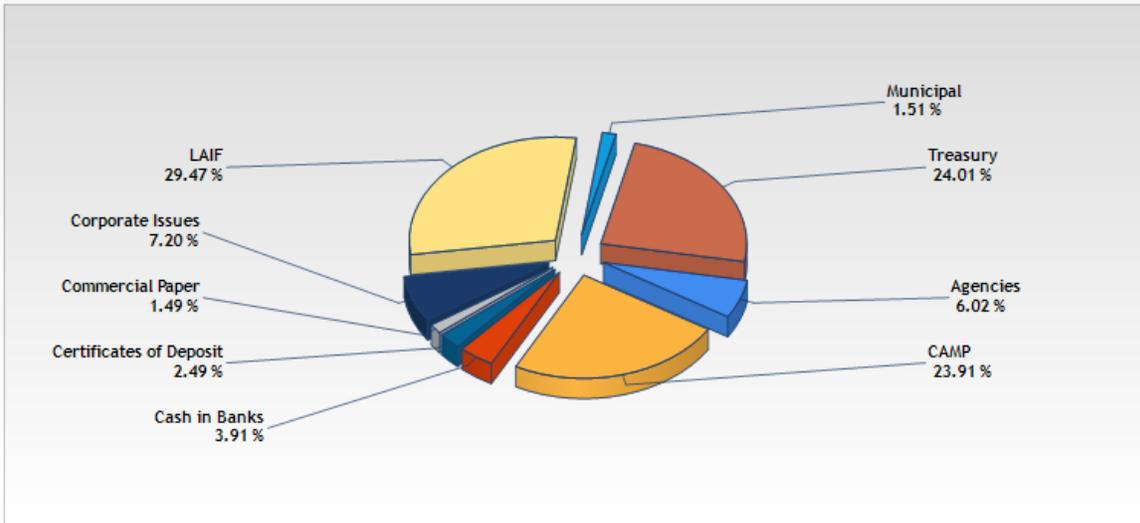


Business Services Group  
November 2019

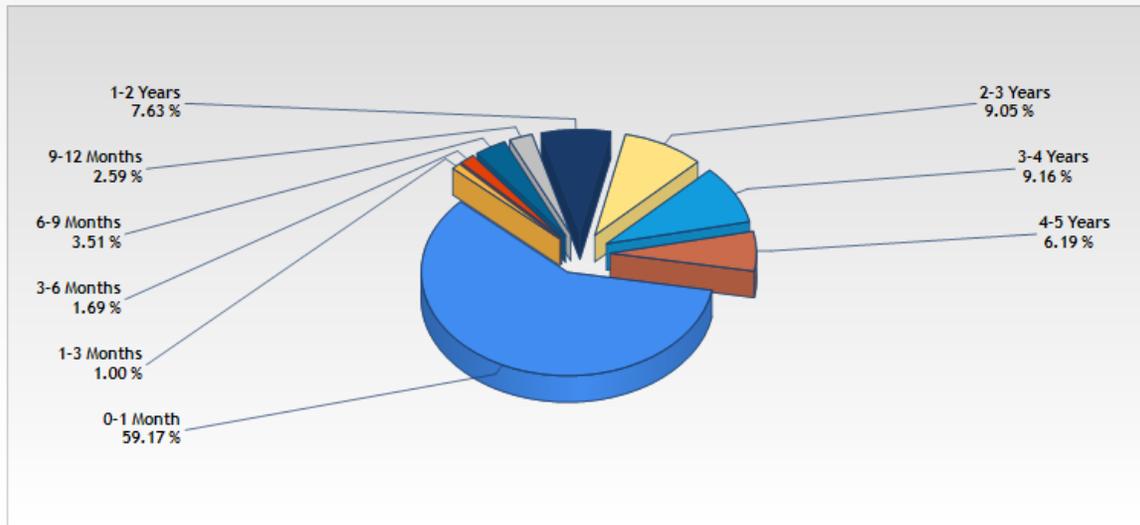
Performance Measures for the USD Investment Portfolio



### 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	78,515,366.39	1.946	78,507,730.56	2	59.17	78,513,671.39	78,513,340.56	0.01
1-3 Months	1,335,000.00	1.787	1,326,713.89	68	1.00	1,331,181.90	1,330,582.22	0.19
3-6 Months	2,245,000.00	1.646	2,247,334.38	101	1.69	2,246,556.25	2,246,713.13	0.28
6-9 Months	4,498,000.00	2.999	4,663,811.94	233	3.51	4,526,726.73	4,508,987.78	0.63
9-12 Months	3,398,000.00	1.670	3,430,434.86	354	2.59	3,416,323.99	3,429,940.09	0.96
1-2 Years	10,122,000.00	1.964	10,130,508.19	536	7.63	10,164,293.92	10,141,613.13	1.45
2-3 Years	12,058,000.00	2.268	12,009,482.43	882	9.05	12,165,790.93	12,011,830.24	2.35
3-4 Years	12,475,000.00	2.465	12,152,722.14	1,265	9.16	12,520,865.10	12,205,603.87	3.36
4-5 Years	8,205,000.00	2.013	8,217,955.11	1,616	6.19	8,344,720.55	8,221,088.21	4.23
<b>TOTAL / AVERAGE</b>	<b>132,851,366.39</b>	<b>2.051</b>	<b>132,686,693.50</b>	<b>358</b>	<b>100</b>	<b>133,230,130.76</b>	<b>132,609,699.23</b>	<b>0.95</b>

Union Sanitary District  
 Portfolio Holdings  
 Board Report - Holdings  
 Report Format: By Transaction  
 Group By: Asset Class  
 Average By: Cost Value  
 Portfolio / Report Group: All Portfolios  
 As of 11/30/2019

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 1.59 3/23/2020-17	3133EFR25	Moodys-Aaa	3/23/2016	1,000,000.00	1,000,000.00	1.590	1,000,000.00	1.590		3/23/2020	0.75
FFCB 1.7 5/3/2021-17	3133EF5T0	Moodys-Aaa	5/3/2016	1,000,000.00	1,000,000.00	1.700	999,020.00	1.700		5/3/2021	0.75
FHLB 2 10/26/2021-19	3130AB3D6	None	4/26/2017	1,000,000.00	1,000,000.00	2.000	1,005,590.00	2.000		10/26/2021	0.75
FHLB 2.05 12/29/2021-17	3130AAET1	Moodys-Aaa	12/29/2016	1,000,000.00	1,000,000.00	2.050	1,000,130.00	2.050	12/29/2019	12/29/2021	0.75
FHLMC 1.5 12/30/2019-17	3134GAYY4	S&P-AA+	12/30/2016	1,000,000.00	1,000,000.00	1.500	999,850.00	1.500		12/30/2019	0.75
FHLMC 2 12/30/2021-17	3134GAYV0	None	12/30/2016	1,000,000.00	1,000,000.00	2.000	999,370.00	2.000	12/30/2019	12/30/2021	0.75
FNMA 1.5 6/16/2021-16	3136G3QX6	Moodys-Aaa	6/16/2016	1,000,000.00	995,000.00	1.500	992,380.00	1.604		6/16/2021	0.75
FNMA 1.625 10/15/2024	3135G0W66	Fitch-AAA	11/25/2019	1,000,000.00	997,860.00	1.625	996,980.00	1.671		10/15/2024	0.75
<b>Sub Total / Average Agencies</b>				<b>8,000,000.00</b>	<b>7,992,860.00</b>	<b>1.746</b>	<b>7,993,320.00</b>	<b>1.765</b>			<b>6.02</b>
<b>CAMP</b>											
CAMP LGIP	LGIP4000	None	5/31/2011	31,729,326.16	31,729,326.16	1.880	31,729,326.16	1.880	N/A	N/A	23.91
<b>Sub Total / Average CAMP</b>				<b>31,729,326.16</b>	<b>31,729,326.16</b>	<b>1.880</b>	<b>31,729,326.16</b>	<b>1.880</b>			<b>23.91</b>
<b>Cash in Banks</b>											
Union Bank Cash	LGIPUNIONBANK	None	12/31/2016	5,185,430.10	5,185,430.10	1.260	5,185,430.10	1.260	N/A	N/A	3.91
<b>Sub Total / Average Cash in Banks</b>				<b>5,185,430.10</b>	<b>5,185,430.10</b>	<b>1.260</b>	<b>5,185,430.10</b>	<b>1.260</b>			<b>3.91</b>
<b>Certificates of Deposit</b>											
American Expr Centurion 2.45 4/5/2022	02587DN38	None	4/5/2017	247,000.00	247,000.00	2.450	251,845.03	2.450		4/5/2022	0.19

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
Belmont Savings Bank 2.15 3/22/2022	080515BV0	None	3/20/2017	248,000.00	248,000.00	2.150	251,060.82	2.150		3/22/2022	0.19
BMW Bank 2.15 3/10/2022	05580AGR9	None	3/10/2017	247,000.00	247,000.00	2.150	250,009.15	2.150		3/10/2022	0.19
Capital One Bank 1.5 10/26/2020	140420L99	None	10/26/2016	248,000.00	248,000.00	1.500	247,040.29	1.500		10/26/2020	0.19
Credit Agricole CIB NY 2.83 4/2/2021	22535CDU2	None	4/4/2019	575,000.00	575,000.00	2.830	582,517.55	2.830		4/2/2021	0.43
Discover Bank 2.25 12/29/2021	254672Y36	None	12/29/2016	247,000.00	247,000.00	2.250	250,238.61	2.250		12/29/2021	0.19
Lakeside Bank 1.75 5/29/2020	51210SMU8	None	5/30/2017	249,000.00	249,000.00	1.750	248,787.20	1.750		5/29/2020	0.19
Landmark Bank 2.1 3/29/2021-17	51506VCA9	None	3/29/2017	248,000.00	248,000.00	2.100	248,853.22	2.100	12/27/2019	3/29/2021	0.19
Ponce De Leon Federal Bank 1.85 5/28/2021	732333AJ8	None	5/31/2017	249,000.00	249,000.00	1.850	249,137.70	1.850		5/28/2021	0.19
State Bank of India 2.25 1/26/2022	8562846A7	None	1/26/2017	247,000.00	247,000.00	2.250	250,354.16	2.250		1/26/2022	0.19
Summit Community Bank 1.65 5/29/2020	86604XLT1	None	5/31/2017	249,000.00	249,000.00	1.650	248,662.03	1.650		5/29/2020	0.19
Synchrony Bank 2.3 2/24/2022	87165ELT2	None	2/28/2017	247,000.00	247,000.00	2.300	250,765.66	2.300		2/24/2022	0.19
<b>Sub Total / Average Certificates of Deposit</b>				<b>3,301,000.00</b>	<b>3,301,000.00</b>	<b>2.174</b>	<b>3,329,271.42</b>	<b>2.174</b>			<b>2.49</b>
<b>Commercial Paper</b>											
BNP Paribas 1.87 6/24/2020	09659BFQ8	Fitch-F1	10/28/2019	1,000,000.00	987,533.33	1.870	999,985.80	3.819		6/24/2020	0.74
MUFG BANK LTD/NY 1.93 6/24/2020	62479LFQ3	Moodys-P1	10/28/2019	1,000,000.00	987,133.33	1.930	989,191.70	3.943		6/24/2020	0.74
<b>Sub Total / Average Commercial Paper</b>				<b>2,000,000.00</b>	<b>1,974,666.66</b>	<b>1.900</b>	<b>1,989,177.50</b>	<b>3.881</b>			<b>1.49</b>
<b>Corporate Issues</b>											
Amazon.com Inc. 2.4 2/22/2023	023135AW6	Fitch-A+	4/15/2019	675,000.00	668,499.75	2.400	685,860.75	2.664		2/22/2023	0.50
American Express Credit 2.7 3/3/2022	0258M0EG0	Moodys-A2	5/15/2017	1,000,000.00	1,013,279.67	2.700	1,015,890.00	2.406		3/3/2022	0.76
Bank of America Corp 4.1 7/24/2023	06053FAA7	Fitch-A	3/22/2019	500,000.00	520,405.00	4.100	533,045.00	3.087		7/24/2023	0.39
BB&T Corporation 3.05 6/20/2022-22	05531FBG7	Fitch-A+	3/22/2019	525,000.00	525,714.00	3.050	537,390.00	3.006	5/20/2022	6/20/2022	0.40

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
Chevron Corp 2.1 5/16/2021	166764BG4	Moodys-Aa2	5/10/2017	1,000,000.00	999,500.00	2.100	1,003,310.00	2.113		5/16/2021	0.75
Exxon Mobil Corporation 2.726 3/1/2023	30231GAR3	Moodys-Aaa	6/14/2019	985,000.00	1,001,400.25	2.726	1,009,920.50	2.256		3/1/2023	0.75
GE Capital International 2.04 11/15/2020	36164QMS4	S&P-AA	3/10/2017	1,000,000.00	1,010,642.28	2.040	998,950.00	1.738		11/15/2020	0.76
HSBC 4.875 8/24/2020	4042Q1AE7	Moodys-A1	5/17/2016	2,000,000.00	2,191,145.28	4.875	2,040,100.00	2.500		8/24/2020	1.65
JPMorgan Chase & Co 2.7 5/18/2023-23	46625HRL6	Fitch-A+	3/22/2019	525,000.00	517,970.25	2.700	534,276.75	3.045	3/18/2023	5/18/2023	0.39
Paccar Financial Corp 2.65 5/10/2022	69371RP83	None	5/10/2019	580,000.00	579,686.80	2.650	590,144.20	2.669		5/10/2022	0.44
State Street Corp 1.95 5/19/2021	857477AV5	Fitch-AA-	3/22/2019	530,000.00	520,566.00	1.950	530,689.00	2.805		5/19/2021	0.39
<b>Sub Total / Average Corporate Issues</b>				<b>9,320,000.00</b>	<b>9,548,809.28</b>	<b>3.100</b>	<b>9,479,576.20</b>	<b>2.471</b>			<b>7.20</b>
<b>LAIF</b>											
LAIF LGIP	LGIP1002	None	4/30/2011	39,100,610.13	39,100,610.13	2.103	39,100,610.13	2.103	N/A	N/A	29.47
<b>Sub Total / Average LAIF</b>				<b>39,100,610.13</b>	<b>39,100,610.13</b>	<b>2.103</b>	<b>39,100,610.13</b>	<b>2.103</b>			<b>29.47</b>
<b>Municipal</b>											
City of Riverside CA 2.125 6/1/2021	769036BA1	S&P-AA-	6/1/2017	500,000.00	500,000.00	2.125	500,880.00	2.125		6/1/2021	0.38
State of California 2.152 4/1/2022	13063DAD0	Moodys-Aa3	4/27/2017	1,000,000.00	1,010,000.00	2.152	1,012,490.00	1.938		4/1/2022	0.76
Victor Valley College General Obligation Bond 2.35	92603PER9	Moodys-Aa2	12/28/2016	500,000.00	490,150.00	2.350	500,820.00	2.811		8/1/2021	0.37
<b>Sub Total / Average Municipal</b>				<b>2,000,000.00</b>	<b>2,000,150.00</b>	<b>2.194</b>	<b>2,014,190.00</b>	<b>2.199</b>			<b>1.51</b>
<b>Treasury</b>											
T-Bill 0 12/26/2019	912796SY6	None	9/19/2019	1,500,000.00	1,492,364.17	0.000	1,498,455.00	1.906		12/26/2019	1.12
T-Bill 0 2/6/2020	912796TE9	None	9/27/2019	335,000.00	332,795.14	0.000	334,041.90	1.832		2/6/2020	0.25
T-Bill 0 2/6/2020	912796TE9	None	10/3/2019	1,000,000.00	993,918.75	0.000	997,140.00	1.772		2/6/2020	0.75
T-Note 1.25 7/31/2023	912828S92	Fitch-AAA	4/2/2019	1,790,000.00	1,712,806.25	1.250	1,767,070.10	2.302		7/31/2023	1.29
T-Note 1.375 6/30/2023	912828S35	Fitch-AAA	3/20/2019	2,000,000.00	1,914,609.38	1.375	1,983,980.00	2.431		6/30/2023	1.44
T-Note 1.375 9/30/2023	912828T26	Fitch-AAA	3/20/2019	2,000,000.00	1,909,531.25	1.375	1,982,180.00	2.436		9/30/2023	1.44
T-Note 1.5 3/31/2023	912828Q29	Fitch-AAA	3/20/2019	2,000,000.00	1,929,140.63	1.500	1,993,204.00	2.428		3/31/2023	1.45

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
T-Note 1.75 7/15/2022	9128287C8	Fitch-AAA	7/31/2019	1,000,000.00	998,789.06	1.750	1,003,555.00	1.792		7/15/2022	0.75
T-Note 1.75 9/30/2022	912828L57	Fitch-AAA	3/20/2019	2,000,000.00	1,954,531.25	1.750	2,008,046.00	2.426		9/30/2022	1.47
T-Note 1.875 2/28/2022	912828W55	Fitch-AAA	4/2/2019	1,050,000.00	1,037,572.27	1.875	1,055,701.50	2.298		2/28/2022	0.78
T-Note 1.875 8/31/2024	9128282U3	Fitch-AAA	9/3/2019	780,000.00	797,732.81	1.875	788,626.80	1.402		8/31/2024	0.60
T-Note 2 4/30/2024	912828X70	Fitch-AAA	6/7/2019	960,000.00	964,875.00	2.000	975,072.00	1.891		4/30/2024	0.73
T-Note 2 6/30/2024	912828X3	Fitch-AAA	7/3/2019	500,000.00	505,156.25	2.000	508,008.00	1.783		6/30/2024	0.38
T-Note 2.125 1/31/2021	912828B58	Fitch-AAA	10/28/2019	2,475,000.00	2,488,535.16	2.125	2,487,276.00	1.683		1/31/2021	1.88
T-Note 2.125 12/31/2022	912828N30	Fitch-AAA	3/20/2019	2,000,000.00	1,978,359.38	2.125	2,031,328.00	2.426		12/31/2022	1.49
T-Note 2.125 2/29/2024	912828W48	Fitch-AAA	3/20/2019	2,000,000.00	1,970,625.00	2.125	2,040,312.00	2.442		2/29/2024	1.49
T-Note 2.125 6/30/2022	912828XG0	Fitch-AAA	3/20/2019	1,420,000.00	1,406,909.38	2.125	1,438,800.80	2.418		6/30/2022	1.06
T-Note 2.125 7/31/2024	9128282N9	Fitch-AAA	8/29/2019	965,000.00	998,737.30	2.125	986,181.75	1.388		7/31/2024	0.75
T-Note 2.25 12/31/2023	912828V23	Fitch-AAA	3/20/2019	2,000,000.00	1,982,968.75	2.250	2,049,540.00	2.439		12/31/2023	1.49
T-Note 2.25 2/29/2020	9128283Y4	Fitch-AAA	10/28/2019	1,245,000.00	1,247,334.38	2.250	1,246,556.25	1.690		2/29/2020	0.94
T-Note 2.625 11/15/2020	912828PC8	Fitch-AAA	11/15/2019	1,170,000.00	1,181,380.08	2.625	1,180,190.70	1.640		11/15/2020	0.89
T-Note 2.75 11/30/2020	9128285Q9	Fitch-AAA	11/29/2019	980,000.00	990,412.50	2.750	990,143.00	1.677		11/30/2020	0.75
T-Note 2.75 8/15/2021	9128284W7	Fitch-AAA	10/28/2019	1,045,000.00	1,064,757.03	2.750	1,063,820.45	1.678		8/15/2021	0.80
<b>Sub Total / Average Treasury</b>				<b>32,215,000.00</b>	<b>31,853,841.17</b>	<b>1.779</b>	<b>32,409,229.25</b>	<b>2.098</b>			<b>24.01</b>
<b>Total / Average</b>				<b>132,851,366.39</b>	<b>132,686,693.50</b>	<b>1.989</b>	<b>133,230,130.76</b>	<b>2.051</b>			<b>100</b>

All investment actions executed since the last report have been made in full compliance with the District's Investment Policy. The District will meet its expenditure obligations for the next six months. Market value sources are the LAIF, CAMP, and BNY Mellon monthly statements. Broker/Dealers utilized per USD Investment Policy and at the discretion of investment portfolio advisor.

Reviewer:

Approver:

Union Sanitary District  
 Transactions Summary  
 Board Report - Activity  
 Group By: Action  
 Portfolio / Report Group: All Portfolios  
 Begin Date: 10/31/2019, End Date: 11/30/2019

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
<b>Buy</b>								
FNMA 1.625 10/15/2024	3135G0W66	1,000,000.00	997,860.00	1,670.14	1.625	1.671	11/25/2019	999,530.14
T-Note 2.625 11/15/2020	912828PC8	1,170,000.00	1,181,380.08	0.00	2.625	1.640	11/15/2019	1,181,380.08
T-Note 2.75 11/30/2020	9128285Q9	980,000.00	990,412.50	13,401.37	2.750	1.677	11/29/2019	1,003,813.87
<b>Sub Total / Average Buy</b>		<b>3,150,000.00</b>	<b>3,169,652.58</b>	<b>15,071.51</b>				<b>3,184,724.09</b>
<b>Called</b>								
FHLB 1.93 12/21/2020-17	3130AADQ8	1,000,000.00	1,000,000.00	8,470.56	1.930	0.000	11/29/2019	1,008,470.56
<b>Sub Total / Average Called</b>		<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>8,470.56</b>				<b>1,008,470.56</b>
<b>Deposit</b>								
CAMP LGIP	LGIP4000	49,036.95	49,036.95	0.00	N/A	0.000	11/29/2019	49,036.95
Union Bank Cash	LGIPUNIONBANK	5,185,430.10	5,185,430.10	0.00	N/A	0.000	11/30/2019	5,185,430.10
<b>Sub Total / Average Deposit</b>		<b>5,234,467.05</b>	<b>5,234,467.05</b>	<b>0.00</b>				<b>5,234,467.05</b>
<b>Interest</b>								
CAMP LGIP	LGIP4000	0.00	0.00	49,036.95	N/A	0.000	11/29/2019	49,036.95
Chevron Corp 2.1 5/16/2021	166764BG4	0.00	0.00	10,500.00	2.100	0.000	11/18/2019	10,500.00
Chevron Corp 2.193 11/15/2019	166764AN0	0.00	0.00	12,719.40	2.193	0.000	11/15/2019	12,719.40
FFCB 1.3 11/25/2019-16	3133EGBK0	0.00	0.00	6,500.00	1.300	0.000	11/25/2019	6,500.00
FFCB 1.7 5/3/2021-17	3133EF5T0	0.00	0.00	8,500.00	1.700	0.000	11/4/2019	8,500.00
GE Capital International 2.04 11/15/2020	36164QMS4	0.00	0.00	11,710.00	2.040	0.000	11/15/2019	11,710.00
JPMorgan Chase & Co 2.7 5/18/2023-23	46625HRL6	0.00	0.00	7,087.50	2.700	0.000	11/18/2019	7,087.50
Paccar Financial Corp 2.65 5/10/2022	69371RP83	0.00	0.00	7,685.00	2.650	0.000	11/12/2019	7,685.00
State Street Corp 1.95 5/19/2021	857477AV5	0.00	0.00	5,167.50	1.950	0.000	11/19/2019	5,167.50
<b>Sub Total / Average Interest</b>		<b>0.00</b>	<b>0.00</b>	<b>118,906.35</b>				<b>118,906.35</b>
<b>Matured</b>								

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
Chevron Corp 2.193 11/15/2019	166764AN0	1,160,000.00	1,160,000.00	0.00	2.193	0.000	11/15/2019	1,160,000.00
FFCB 1.3 11/25/2019-16	3133EGBK0	1,000,000.00	1,000,000.00	0.00	1.300	0.000	11/25/2019	1,000,000.00
<b>Sub Total / Average Matured</b>		<b>2,160,000.00</b>	<b>2,160,000.00</b>	<b>0.00</b>				<b>2,160,000.00</b>
<b>Withdraw</b>								
Union Bank Cash	LGIPUNIONBANK	3,937,372.78	3,937,372.78	0.00	N/A	0.000	11/29/2019	3,937,372.78
<b>Sub Total / Average Withdraw</b>		<b>3,937,372.78</b>	<b>3,937,372.78</b>	<b>0.00</b>				<b>3,937,372.78</b>

**MONTHLY OPERATIONS REPORT FOR THE MONTH OF NOVEMBER 2019**  
**TECHNICAL SUPPORT WORK GROUP SUMMARY**

**Capital Improvement Program**

**Alvarado Influent Pump Station Improvements Project** – Submittals review in progress. Partnering workshop and preconstruction meeting were held on November 25<sup>th</sup>.

**Headworks Screens Replacement Project** - Submittals review in progress. Partnering workshop and preconstruction meeting were held on November 25<sup>th</sup>.

**Primary Digester No. 3 Rehabilitation Project** – Project closeout in progress.

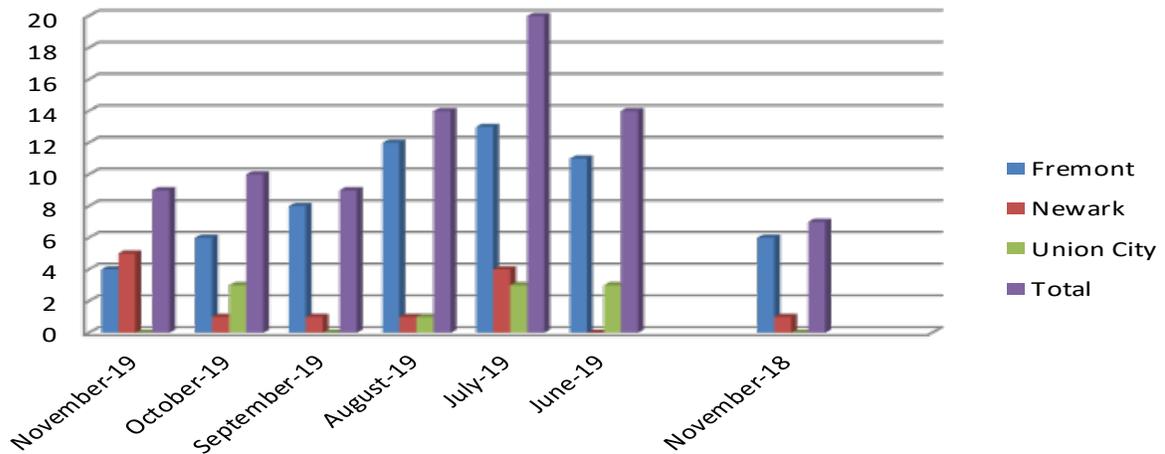
**Sludge Degritter System Project** – Evaluation of new Degritter performance in progress.

**Wet Weather Flow Management - Calcium Thiosulfate Chemical Tank Project** – Construction of concrete pad in progress.

**Customer Service**

Trouble Calls dispatched from the Front Desk during business hours:

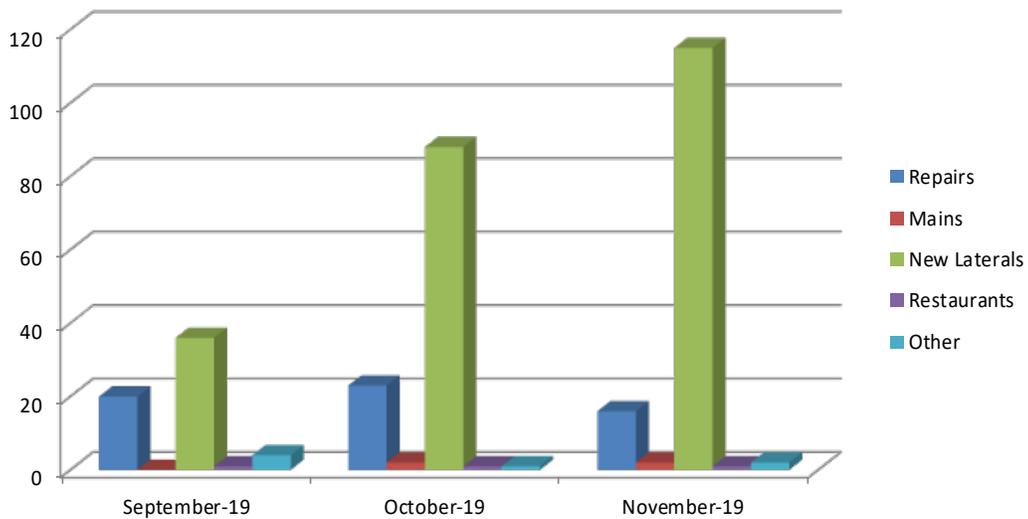
Month	Fremont	Newark	Union City	Total
November-19	4	5	0	9
October-19	6	1	3	10
September-19	8	1	0	9
August-19	12	1	1	14
July-19	13	4	3	20
June-19	11	0	3	14
November-18	6	1	0	7
6-Month Total				76



**Sewer Permits Issued**

Month	Repairs	Mains	New Laterals	Restaurants	Other
November-19	16	2	115	1	2
October-19	23	2	88	1	1
September-19	20	0	36	1	4

New Laterals - New residential lateral connections  
 Other - Non-residential construction (except restaurants)



**Communication**

- Social Media posts:
  - Environmental Compliance Team highlight
  - Sewer lateral video
  - Veterans’ Day message
  - Don’t Flush Medicines w/ drop-off locations
  - FOG message – Cool it, Can it, Trash it
  - Thanksgiving office closures
- Developed GM presentation to Alameda County Special Districts Association members
- Updated public website with ETSU information
- Continued activities regarding District Branding initiative
- Participated in Chamber of Commerce Board activities as Director and Past-President
  - Thanksgiving dinner for Union City First Responders

**Environmental Compliance**

**Pollution Prevention/Stormwater Programs**

USD’s Environmental Compliance (EC) team conducts pollution prevention inspections at restaurants, car wash businesses, and other commercial facilities. EC also conducts inspections and enforcement for the City of Fremont’s Environmental Services group. Over 600 Stormwater compliance inspections are conducted every year to ensure that commercial facilities, including restaurants and auto shops, comply with City Ordinance requirements, and do not discharge pollutants to the creeks and bay.

During the past month, the EC team conducted 75 Stormwater (Urban Runoff), and nine FOG (restaurant) inspections. During this reporting period, Inspectors identified six Stormwater and three FOG enforcement actions. Four (4) of the Stormwater enforcements resulted in administrative fines ranging from \$100 to \$200. Three (3) of the administrative fines were for illicit discharges or for repeated violations.

**Urban Runoff Inspections and Enforcements**

November 2019	No. of UR Inspections	VW	WL	NOV	AF	LA	NOD	Total Enforcements	No. of Illicit Discharges	3
	75	1	0	1	4	0	0	6		

**FOG Inspections and Enforcements**

November 2019	No. of FOG Inspections	VW	WL	NOV	AF	LA	NOD	Total Enforcements	% Enforcement	33%
	9	0	2	0	0	0	1	3		

*Enforcements:*

*VW – Verbal Warning*

*WL – Warning Letter*

*NOV – Notices of Violation*

*AF – Administrative Fine*

*LA – Legal Action*

*NOD – Notice of Deficiency*

*AO – Administrative Order*

*C&D – Cease & Desist Order*

*SNC – Significant Non-Compliance*

**Dental Inspections, School Outreach, and Plant Tours**

# of Dental Inspections	# of School Outreach Events	# of Plant Tours
10	12	1

**Industrial Pretreatment**

The Industrial Pretreatment program has pending permits as shown in the table below. USD inspectors are working with each of these companies to establish permitted industrial discharges.

**Pending Permits**

New Industrial/Groundwater Permits	Groundwater/Temporary
Union Pacific Railroad	Groundwater
N7K Neuralink-Industrial	
Silicon Valley RO/DI-Industrial	
Rigetti Computing	
Facebook Commissary- Industrial	

**Permits Issued**

Company Name	Date Permit Issued
GW-0109 – Preston Pipelines (Morton North)	11/14/19

**Industrial Permit Closures**

Company Name	Date of Closure
None	

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

Report Name	Date Report Completed and Submitted
None	

**Enforcement Action**

IU Name & Nature of Business	Comments	City	Parameter Violated	Discharge concentration (mg/L)	USD/Fed Limit Violated(mg/L)	Enforcement (1)
Mission Line Supply, Industrial Laundry	Permit #C1-0001	Newark	Oil & Grease	453 mg/L	300 mg/L Local Limit	NOV

(1) WL – Warning Letter

C&D – Cease and Desist Order

NOV – Notices of Violation

SNC – Significant Non-Compliance

AO – Administrative Order

EM – Enforcement Meeting

**Other - Training, Special Meetings, Conferences, IAC (topics)**

Activity	Date of Event	Attendees
Annual Alameda County Stormwater Training	11/16/2019	All EC Inspectors and Coach

**Engineering/Construction**

No. of projects under construction: 5

	<b>Construction Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for November 2019 Activities</b>
1.	Alvarado Influent Pump Station Improvements Project – Thomas	\$8,890	10/21	0%	4%	Submittals review in progress. Partnering workshop and preconstruction meeting were held on November 25 <sup>th</sup> .
2.	Headworks Screens Replacement Project – Thomas	\$1,822	11/20	0%	13%	Submittals review in progress. Partnering workshop and preconstruction meeting were held on November 25 <sup>th</sup> .
3.	Primary Digester No. 3 Rehabilitation – Derek	\$2,410	03/19	100%	100%	Closeout and punch list work in progress.
4.	Sludge Degritter System Project – Kevin	\$1,436	10/19	95%	100%	Evaluation of Degritter performance in progress.
5.	Wet Weather Flow Management - Calcium Thiosulfate Chemical Tank Project - Kevin	\$257	01/20	45%	45%	Construction is in progress.

## Design/Study

No. of projects in design/study phase: 17

	<b>Design/Study Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for November 2019 Activities</b>
1.	Aeration Blower No. 11 Project - Derek	\$123	06/20	5%	5%	Project kickoff meeting held on November 26 <sup>th</sup> .
2.	Alvarado Influent Valve Box Rehabilitation Project – Kevin	\$89	01/20	80%	80%	Review of 90% design documents completed. Pre-purchase of valves and preparation of final bid documents in progress.
3.	Centrifuge Building Improvements Project – Somporn	\$574	08/20	10%	10%	Preparation of 50% design documents in progress. 50% drawings due mid-January.
4.	Cogeneration Feasibility Study – Somporn	\$92	02/20	30%	40%	Technology Screening Workshop was held on November 20 <sup>th</sup> .
5.	Emergency Outfall Improvements Project – Andrew	\$365	04/19	97%	100%	Permitting and easement acquisition in progress.
6.	Force Main Condition Assessment – Andrew	\$121	10/20	60%	76%	Next round of inspection will be scheduled with the next phase of Force Main Corrosion Repairs project.
7.	Force Main Corrosion Repairs Project Phase 3 – Andrew	\$60	02/19	75%	85%	Project construction is pending the completion of Force Main relocation project.
8.	Gravity Sewer Rehabilitation / Replacement Project – Phase VII – Andrew	\$176	03/20	3%	20%	Project kickoff meeting held on November 7 <sup>th</sup> . Initial contact letters sent to affected property owners.
9.	Irvington and Newark Odor Control Study - Kevin	\$99	12/19	80%	80%	Air dispersion modeling completed. Evaluation of odor technologies in progress.
10.	Newark Basin Masterplan – Andrew	\$318	08/19	100%	100%	Final report completed and finalized.
11.	Odor Control Alternatives Study – Kevin	\$465	07/19	99%	100%	Report will be finalized after the pilot testing project is completed.
12.	Odor Control Pilot Study - Somporn	\$99	12/20	20%	10%	Pilot Selection Workshop was held on November 13 <sup>th</sup> .
13.	Plant Network Architecture Study – Somporn	\$100	12/19	75%	80%	Draft Study submitted for District review.

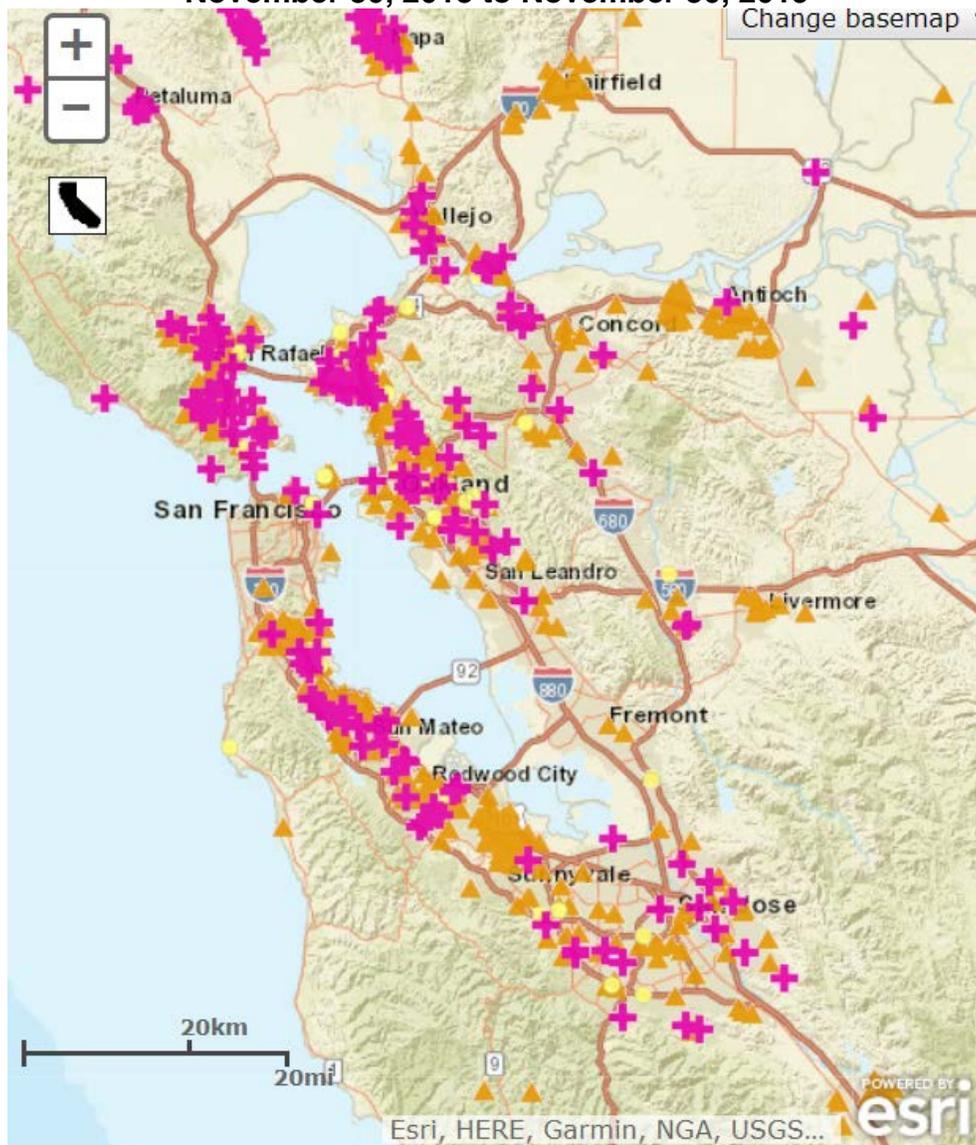
	<b>Design/Study Projects</b>	<b>Capital (\$1000)</b>	<b>Scheduled Completion</b>	<b>Completed Scope</b>	<b>Completed Time</b>	<b>Comments for November 2019 Activities</b>
14.	Primary Digester No. 2 Rehabilitation Project – Derek	\$213	10/19	100%	100%	Bids were opened on November 21 <sup>st</sup> .
15.	Primary Digester No. 7 Project – Curtis	\$1,904	06/19	99%	100%	Bid protest was received on November 5 <sup>th</sup> . Notice for rejecting protest was sent on November 19 <sup>th</sup> . Awaiting receipt of Authority to Construct from BAAQMD prior to award of construction contract.
16.	Standby Power Generation System Upgrade Project – Kevin	\$2,019	01/20	55%	60%	Selection of generator alternative and cost estimate completed.
17.	WAS Thickener Replacement Project – Derek	\$284	05/19	40%	100%	Consultant and staff continued to work on thickening technology selection process.

**COLLECTION SERVICES  
ACTIVITIES REPORT  
November 2019**

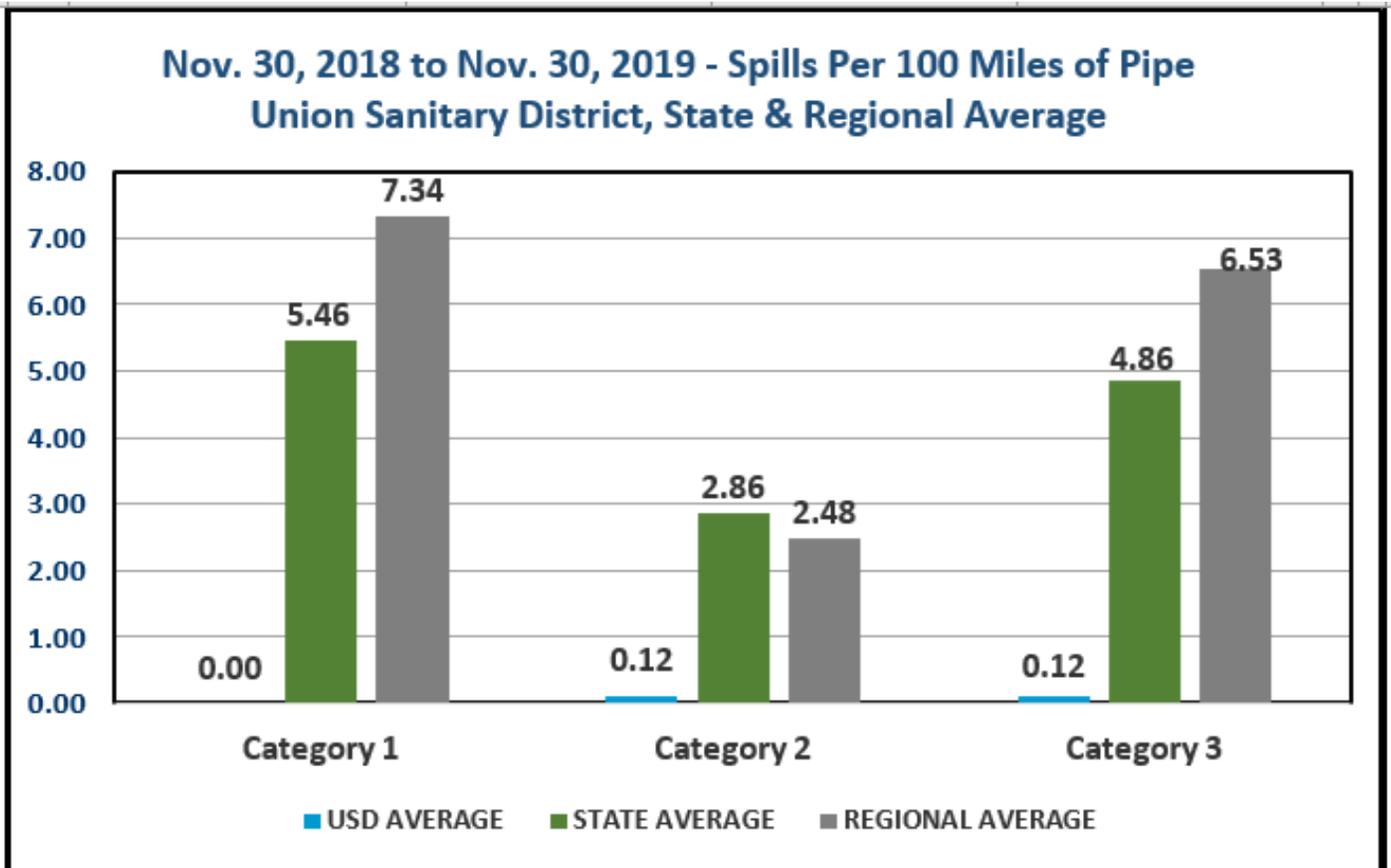
**Progress/Accomplishments**

- No Spills in November
- Completed 19.8 miles of sewer main cleaning in November.
- Completed 9.0 miles of sewer main inspection in November.
- Responded to 11 service request calls in November.
- Completed a total of 19 sewer main repairs in November.
- Trainings
  - Industrial Ergonomics
  - CMMS Training (new employees)
  - Excavation Refresher Training

**Reported Bay Area Spills  
November 30, 2018 to November 30, 2019**



## November 30, 2018 to November 30, 2019 Spills Per 100 Miles of Pipe Union Sanitary District, State & Regional Average



### Spill Rate Statistics - November 30, 2018 to November 30, 2019 Spills per 100 Miles of Pipe

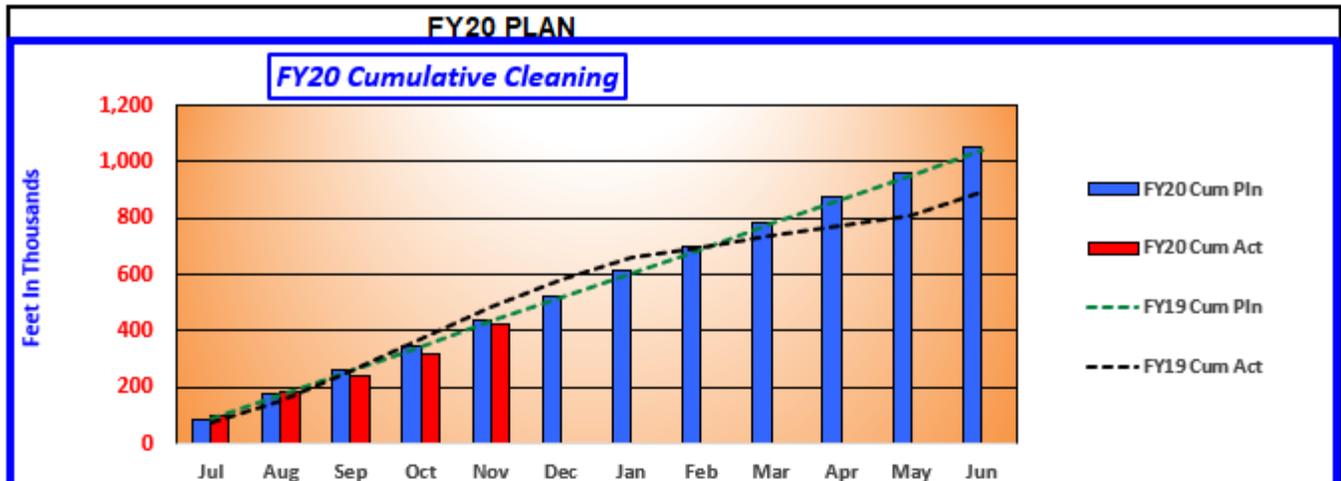
	Category 1	Category 2	Category 3
<b>USD AVERAGE</b>	0.00	0.12	0.12
<b>STATE AVERAGE</b>	5.46	2.86	4.86
<b>REGIONAL AVERAGE</b>	7.34	2.48	6.53

*Category 1 - 1,000 gallons or more. Discharges to surface water, not fully captured*

*Category 2 - 1,000 gallons or more. Does not reach surface waters, not fully captured*

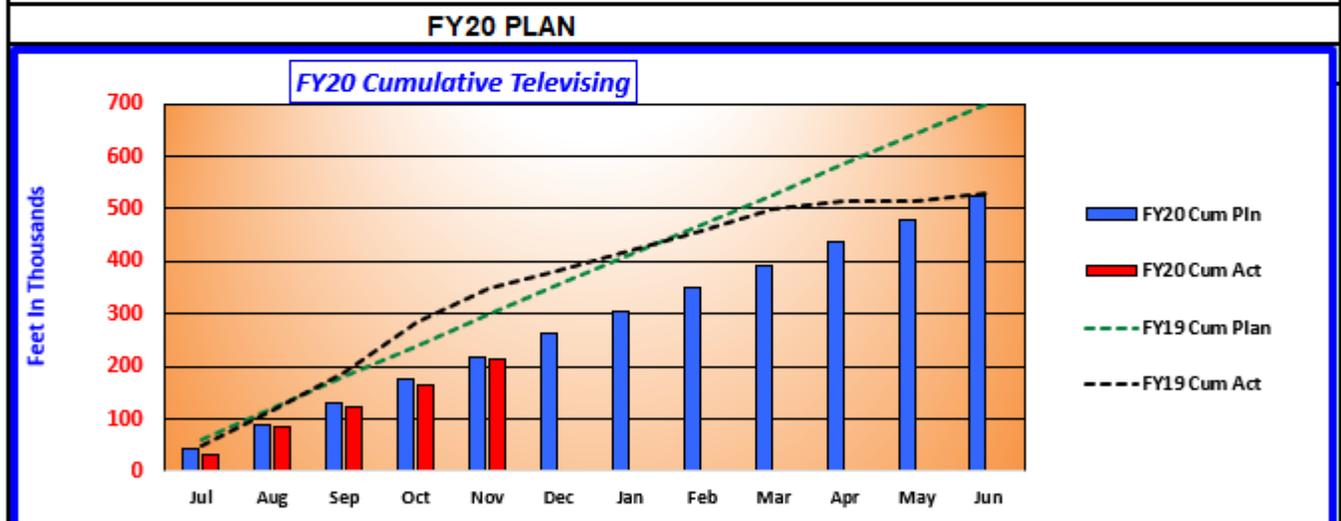
*Category 3 - 1,000 gallons or less, does not reach surface waters, full captured*

## Performance Measures



**Cleaning Actual Footages/Costs**      **Nov-19 Clean Cost/Ft = \$0.85**

Description	FY20 Q1 Footage	Oct-19 Footages	Nov-19 Footages	FY20 Q2 Footage	FY20 YTD Footage	FY20 YE Goal	% Cmpl to Plan
84 Month Hydro-jet Clean	168,654	27,760	54,092	81,852	250,506	605,190	41.4%
Selective Line Cleaning	34,570	16,275	2,572	18,847	53,417	114,574	46.6%
Special Condition Clean	4,456	270	0	270	4,726	31,599	15.0%
Root Control/Chemical Cln	30,594	39,215	47,927	87,142	117,736	298,028	39.5%
Cast Iron Proj/Other (not included in Cost Per Foot)	0	0	0	0	0	0	
<b>Totals</b>	<b>238,274</b>	<b>83,520</b>	<b>104,591</b>	<b>188,111</b>	<b>426,385</b>	<b>1,049,391</b>	<b>40.6%</b>

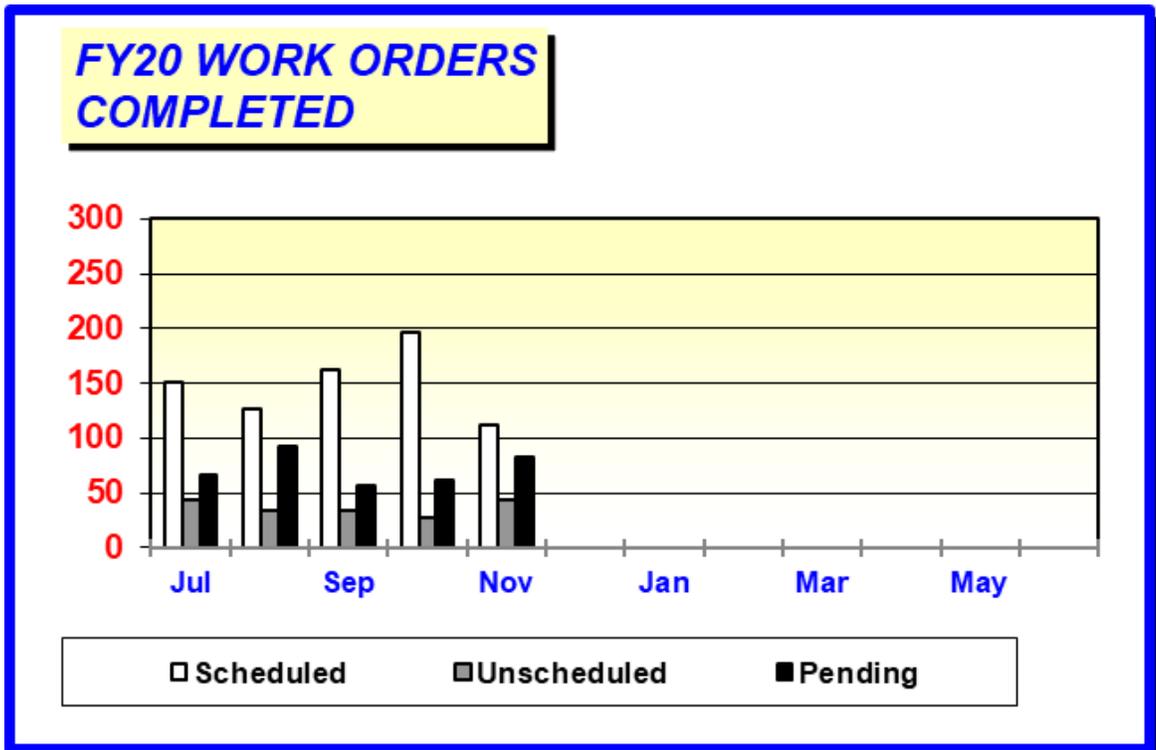


**Televising Actual Footages/Costs**      **Nov-19 TV Cost/Ft = \$1.46**

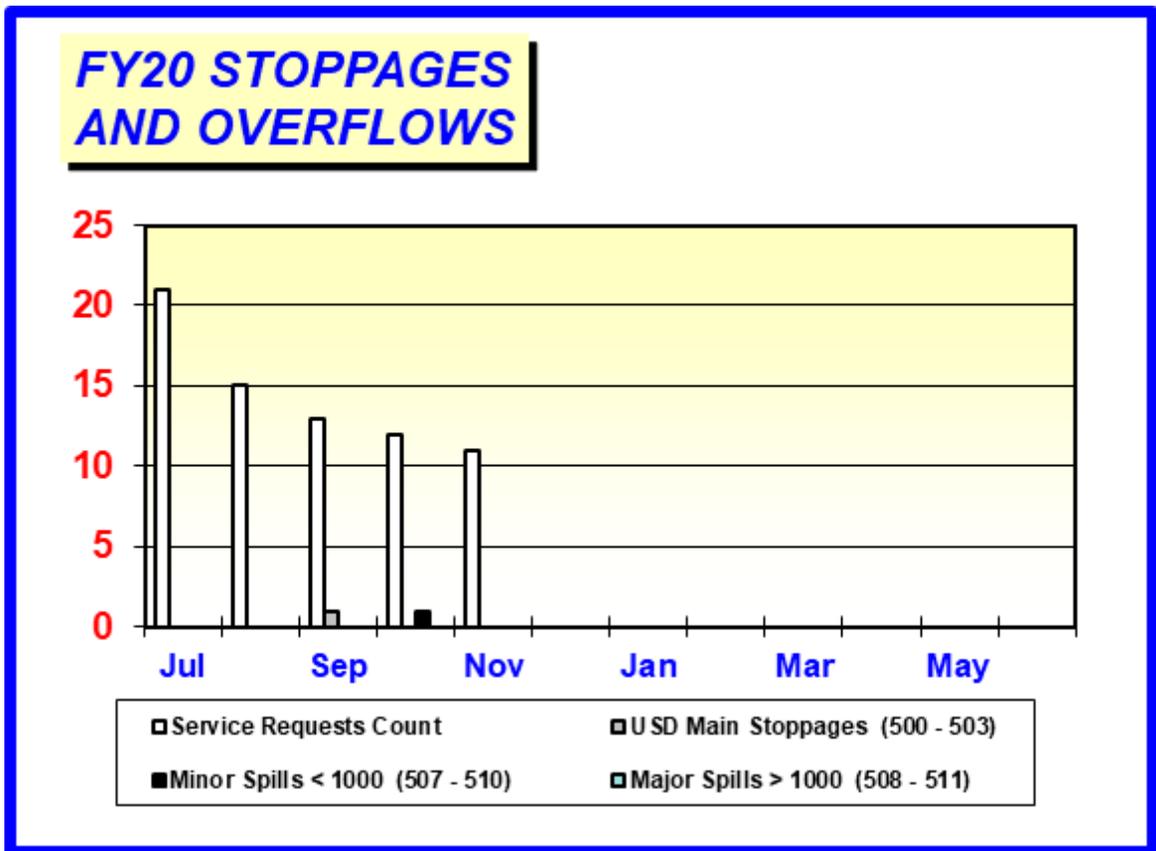
Description	FY20 Q1 Footage	Oct-19 Footages	Nov-19 Footages	FY20 Q2 Footage	FY20 YTD Footage	FY20 YE Goal	% Cmpl to Plan
84 Month TV Inspection	107,959	28,126	37,670	65,796	173,755	416,533	41.7%
Visual/Condition,Pre/Post Cnst TV	1,644	1,315	3,807	5,122	6,766	23,481	28.8%
New Development, CIP, Misc.	7,845	5,410	6,132	11,542	19,387	44,852	43.2%
QA/QC Line Condition	0	0	0	0	0	17,186	0.0%
QA/QC Root Control	5,198	8,632	0	8,632	13,830	22,352	61.9%
<b>Totals of 321</b>	<b>122,646</b>	<b>43,483</b>	<b>47,609</b>	<b>91,092</b>	<b>213,738</b>	<b>524,404</b>	<b>40.8%</b>

**Other Collection Services Status Data:**

**Support Team Work Order Status:**



**C/S Maintenance Status:**



## Fabrication, Maintenance and Construction Activities Report November 2019

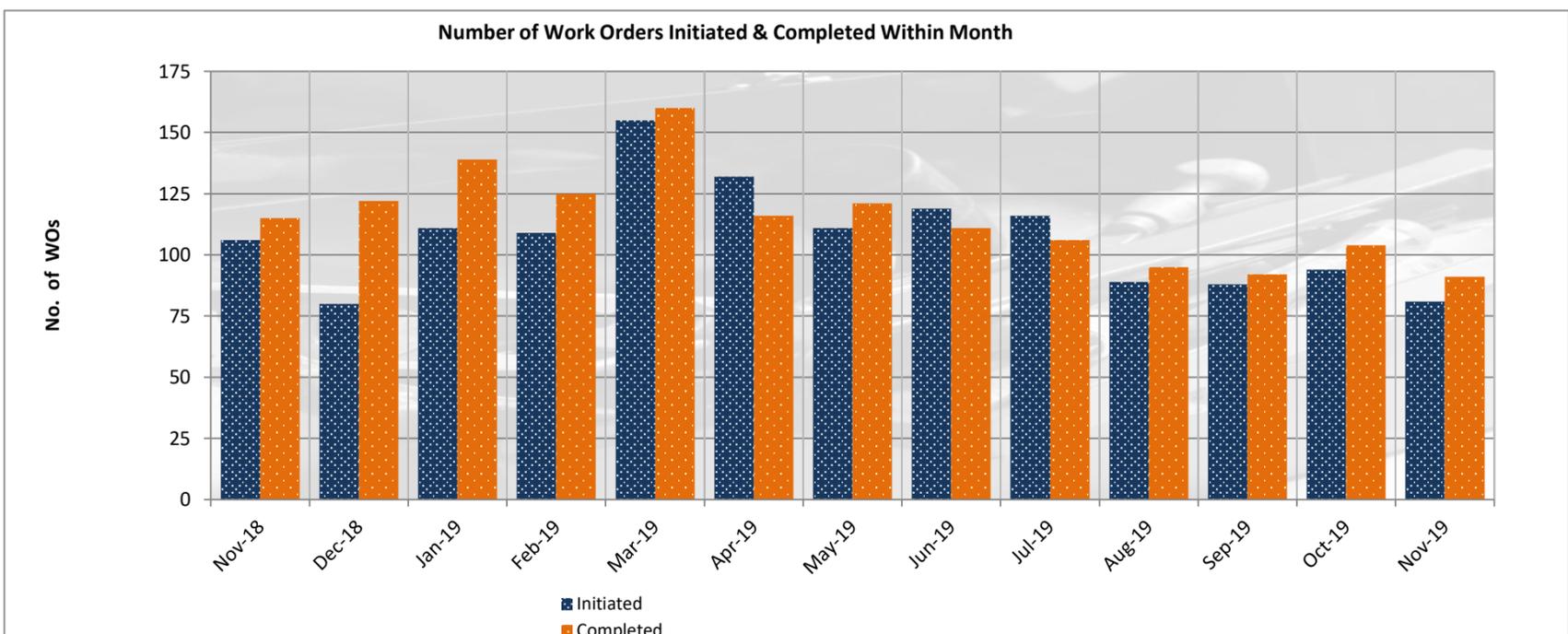
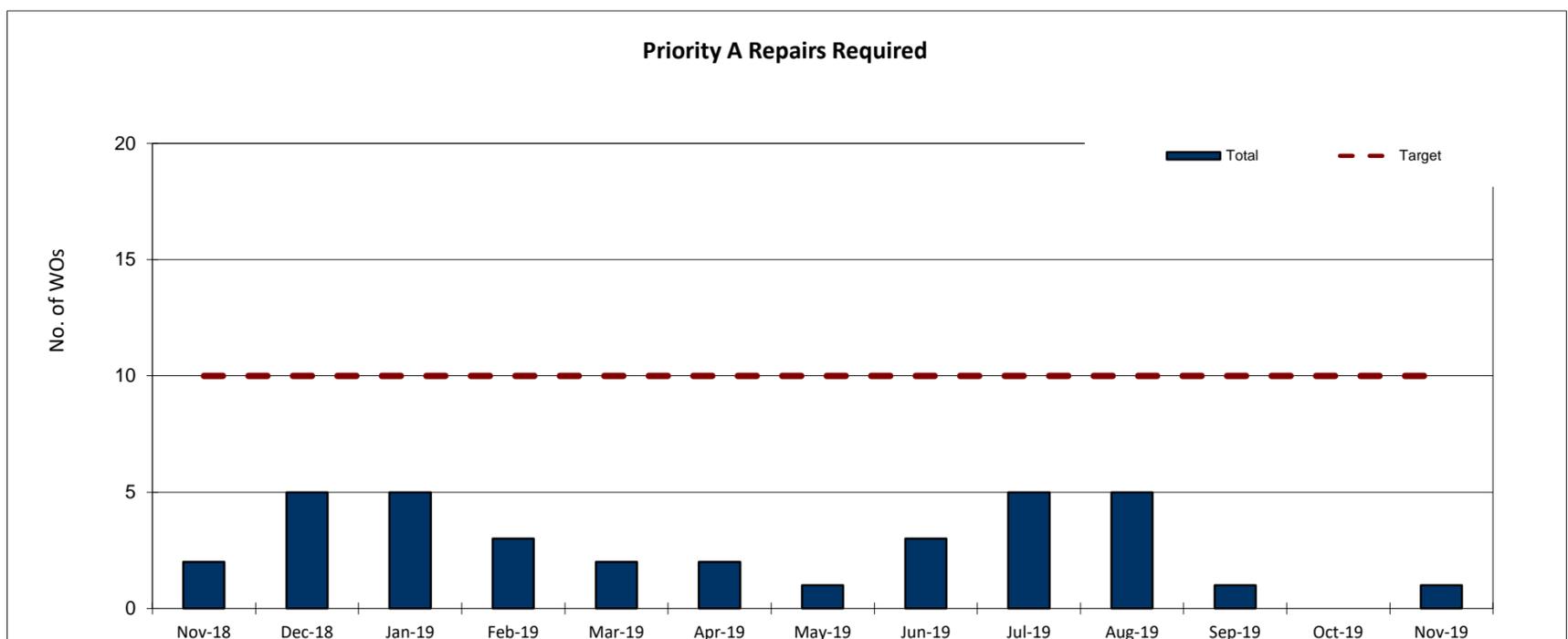
### Progress/Accomplishments

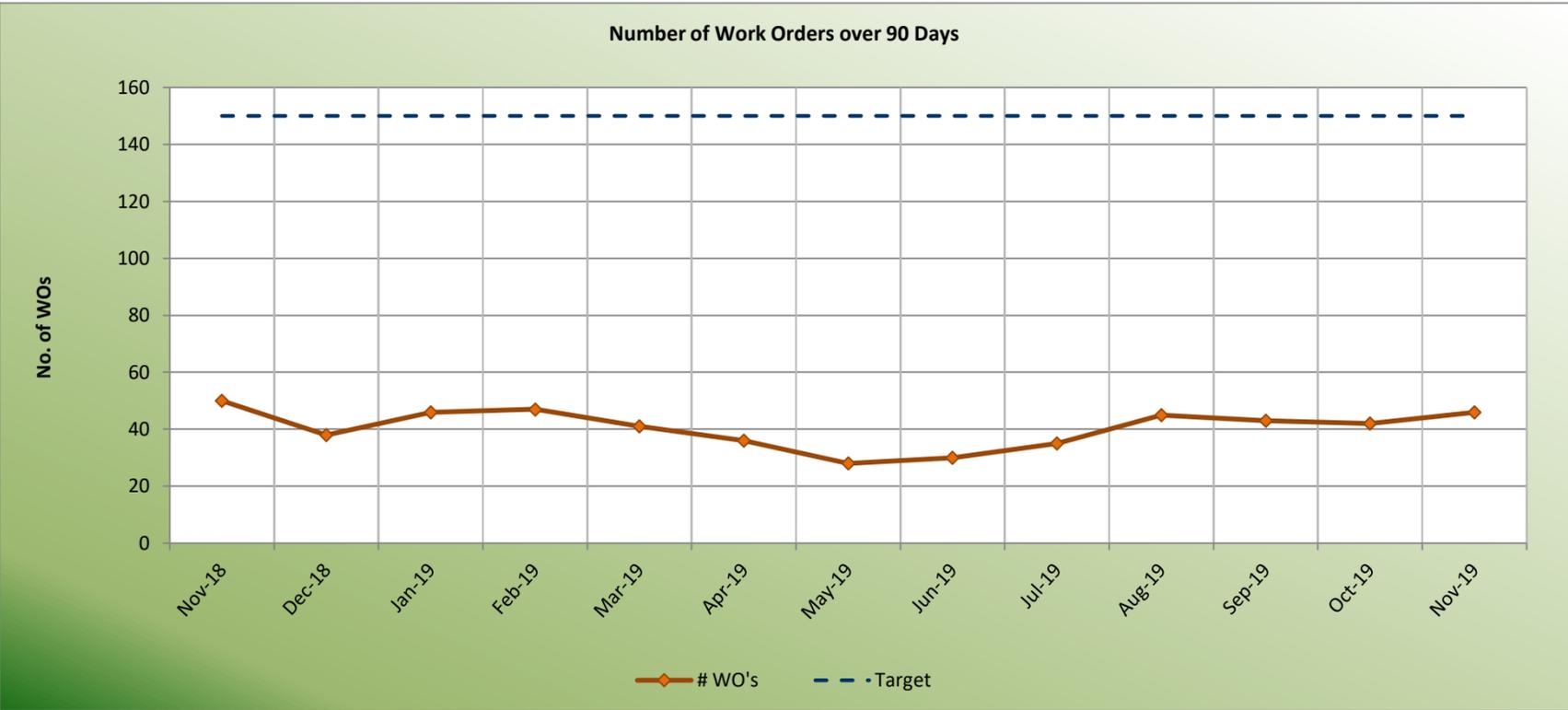
- Completed 98.83% of preventive maintenance activities for the month of November
- Completed 94 corrective maintenance work orders for the month of November
- Site Waste Pump 1 discharge piping replacement
- IPS Surge Tower line repair
- IPS suction and discharge valve repairs and investigation
- IPS Sewage Pump 4 replacement

### Future Planning

- EBDA Pump 6 overhaul and impeller repair
- Co-gen 2 XT4 auto blend issue
- Odor Scrubber 17 overhaul
- NPS Sewage Pump 6 overhaul

### Performance Measurements





**Treatment & Disposal  
Activities Report  
November 2019**

**Progress/Accomplishments**

- Maintained 100% compliance with NPDES permits
- Completed 99.7% preventive maintenance activities for the month of November
- Completed TPO Coach recruitment
- Attended the Cogeneration Feasibility Study Technology Screening Workshop
- Completed testing of alternative strategies with Hazen & Sawyer for chlorination of activated sludge during settling problems to attempt to improve the efficacy of the dose
- Attended the Control Box No. 1 90% Design Workshop
- Provided CIP with data related to the 1 and 2 water systems for the Centrifuge Building Improvements Project
- Provided CIP with data related to the Heat Loop for the Cogeneration Feasibility Study
- Reviewed USD Plant Network Architecture Study Draft Report and provided comments
- Reported 2nd quarter data on biosolids and grit/screenings to Cal Recycle
- Attended the Aeration Blower 11 kick-off meeting
- Conducted site visit at San Francisco Public Utilities Commission (SFPUC) Oceanside Wastewater Plant to view potential instrumentation for the WAS Thickening Project
- Completed review and submittal of nutrient data required by the Nutrient Watershed Permit
- Attended Odor Pilot Testing/Planning with CIP
- Evaluated natural gas usage and tested natural gas meter for Cogen 1
- Attended Pump Station Odor Control Workshop

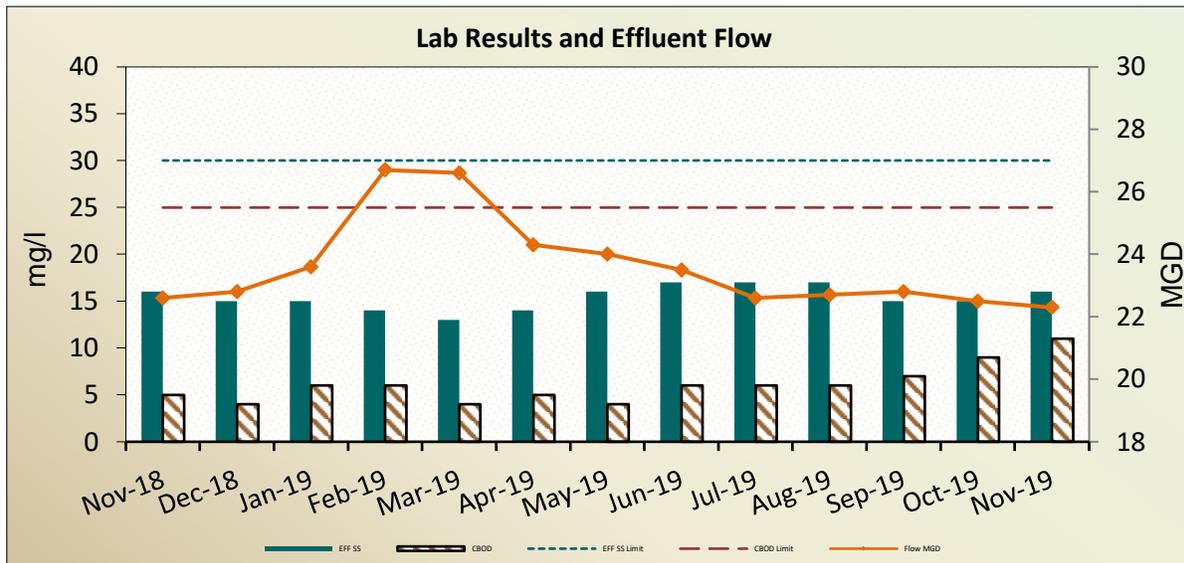
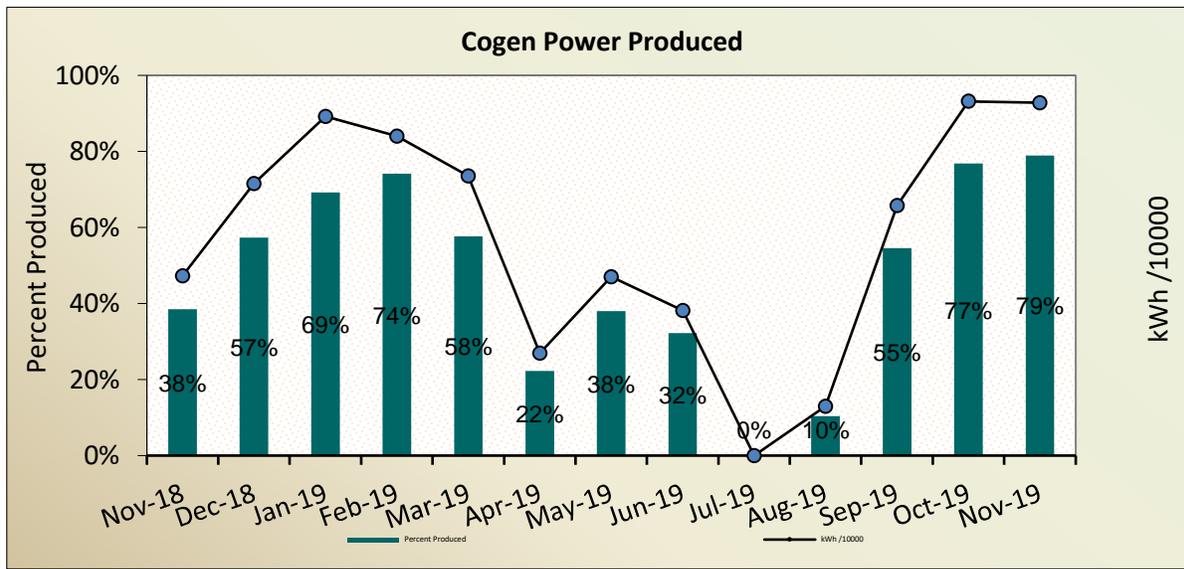
**Future Planning**

- Begin recruitment process for plant operators
- Complete economic analysis for the Aeration Membrane Cleaning Pilot Phase II
- Complete interview and selection of a consultant for ETSU 30% Design
- Complete LIMS communication of laboratory results to the EC IPACS system
- Attend BACWA quarterly Air Permits Committee meeting

**Other**

- Cogen system produced 79% of power consumed for the month of November

## Performance Measurements



USD's Final Effluent Monthly Monitoring Results				
Parameter	EBDA Limit	Sep-19	Oct-19	Nov-19
Copper, µg/l	78	3.8	4.5	4.6
Mercury, µg/l	0.066	0.0027	0.0022	0.0022
Cyanide, µg/l	42	E 1.3	< 0.9	< 0.9
Ammonia- N, mg/L (Range)	130	36.6 - 51.2	41.6 - 45.9	42 - 47.5
Fecal Coliform, MPN/100ml (Range)				
• 5-Day Geometric Mean	500	17 - 41	12 - 17	25 - 38
• 11-Sample 90th Percentile	1100	60 - 68	38 - 60	39
Enterococci				
• Monthly Geometric Mean	240	11.9	13.3	14.1

E = Estimated value, concentration outside calibration range. For SIP, E = DNQ, estimated concentration.



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 11**

**TITLE:** **Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer for the Enhanced Treatment and Site Upgrade Phase 1A Project (*This is a Motion Item*)**

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager  
Curtis Bosick, Enhanced Treatment and Site Upgrade Assistant PM  
ETSU Steering Committee (Armando Lopez, Sami Ghossain, Robert Simonich)

**Recommendation**

Staff recommends the Board Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer in the amount of \$6,752,860 for the Enhanced Treatment and Site Upgrade Phase 1A Project.

**Previous Board Action**

November 23, 2015, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Carollo Engineers in the amount of \$238,117 for the Plant Solids System/Capacity Assessment – Phase 1.

December 12, 2016, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Woodard & Curran (formerly RMC Water and Environment) in the amount of \$265,217 to study, review and assess the District's near- and long-term projects.

January 9, 2017, the Board authorized the General Manager to execute Task Order No. 2 with Carollo Engineers in the amount of \$279,698 for the Plant Solids System/Capacity Assessment – Phase 2.

March 27, 2017, the Board authorized the General Manager to execute Task Order No. 2 with Woodard & Curran in the amount of \$69,877 for the Effluent Management Study.

July 11, 2017, the Board held Workshop No. 1 on the background and analysis of the Administration and Control Buildings and cost comparison of the retrofit and new building alternatives.

January 22, 2018, the Board authorized the General Manager to execute Amendment No. 2 to Task Order No. 2 with Woodard & Curran in the amount of \$74,518 to evaluate strategies for early adoption of nutrient removal process at the Plant and at the Hayward Marsh during the Effluent Management Study.

March 19, 2018, the Board held Workshop No. 2 on the retrofit vs. new options for the Administration and Control Buildings, the options for secondary process improvements, and the need to vet the membrane bioreactor treatment technology.

May 8, 2019, the Board held Workshop No. 3 on results from the secondary process evaluation, the alternatives and phasing of the secondary treatment process improvements, the new campus building alternative, and the capital and O&M cost updates.

July 22, 2019 the Board approved the Enhanced Treatment & Site Upgrade Program Manager (Limited Duration) and Enhanced Treatment & Site Upgrade Assistant Program Manager (Limited Duration) Job Descriptions and Salary Ranges

August 26, 2019, the Board Adopted Resolution 2864 Approving the District's Final Report for the Enhanced Treatment & Site Upgrade Program

## **Background**

The Enhanced Treatment & Site Upgrade (ETSU) Program is the culmination of the District's planning efforts and is based on the outcomes and findings of the Plant Solids System/ Capacity Assessment – Phases 1 and 2, Administration/Control/FMC Buildings Evaluation, the Effluent Management Study and the Secondary Treatment Process Improvements evaluation. The program includes projects recommended for implementation that will be phased to address both immediate drivers (poor sludge settleability, treatment capacity, effluent disposal and aging infrastructure), while preparing for future requirements such as nutrient regulations for discharge in the Bay that are currently being considered by the Regional Water Quality Control Board.

Along with the recommended treatment process enhancements, the existing Administration and Control Buildings require significant upgrades to meet current building standards. Recommended improvements to the existing Administration and Control Buildings include

seismic upgrades; mechanical, electrical, and plumbing upgrades; and building envelope repairs to prevent water intrusion. Additionally, the existing maintenance building and paint shop are nearing the end of their useful lives and were previously identified for replacement. Consequently, an evaluation was completed that compared the costs of retrofitting the existing Administration and Control Buildings and constructing a new FMC Building to the cost of constructing all new buildings. In summary, the life cycle costs were estimated to be 20 percent less than retrofitting the existing buildings. Furthermore, a new Campus Building would also provide:

- A longer life span;
- A facility built to the latest building codes;
- A much smaller overall footprint;
- An opportunity for more efficient space planning;
- A construction sequence that significantly minimizes disruptions to staff, productivity, and customer service;
- Consolidation of shared functions;
- Valuable real estate that could be used to expand the existing secondary treatment process.

The Phase I and II projects included in this program were presented to the Board during the workshop held on May 8, 2019 and are summarized in the Final Report which was approved by the Board on August 26, 2019. A third phase of projects was briefly outlined that covered the timeframe from 2040 to 2058 and included potentially stricter nutrient limits in the more distant future. The projects identified in the ETSU Program to be implemented in the near-term (the next seven to ten years) are included in Phase I and are summarized in the table below.

Phase 1A	Aeration Basin Modifications	Retrofitting the existing Aeration Basins 1 through 7 with the flexibility to operate initially with an anaerobic selector during implementation phase of the ETSU Program and transitioning to a biological nutrient removal (BNR) process following completion.
Phase 1A	Campus Building (Admin, FMC, Ops)	Construction of a new combined Campus Building, including associated site and utility improvements and the demolition of existing buildings.
Phase 1B	Secondary Clarifiers	Construction of four new 155-foot diameter secondary clarifiers, mixed liquor control box, and centralized RAS pump station and relocation of existing effluent force main.
Phase 1B	Effluent Facilities	Construction of new chlorination/dechlorination contact basins and pump stations.

Phase 1C	Plant Equalization Storage	Retrofitting existing Secondary Clarifiers 1 through 4 to operate as a primary effluent/treated effluent equalization basin.
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The full version of the ETSU Program report, including appendices, can be found at the following link: <https://unionsanitary.ca.gov/ETSU>.

ETSU Phase 1A Project

Staff developed a Phase 1A Project (Project) scope which includes the Aeration Basin Modifications project and the Campus Building project. These two projects are being designed together for the initial construction because they are the first two concurrent projects that must both be completed before the remainder of Phase 1 can be accomplished, specifically the new secondary clarifiers, which are necessary for nutrient reduction.

The major scope items for the Aeration Basin Modifications Project are as follows:

- Retrofit Aeration Basins 1 through 7 to initially operate with an anaerobic selector to improve settling and then transition to a Biological Nutrient Removal (BNR) process to remove nutrients at the conclusion of Phase 1B. This work includes but is not limited to the following:
  - Installation of baffling and mechanical mixing to create deoxygenation, anoxic and flexible aeration zones.
  - Addition of nitrified recycle pumps and dedicated RAS piping for each basin, repurposing of existing channels to facilitate step feed operation and surface wasting and modifications to existing aeration air distribution and diffuser piping systems.
- Replace Roof Deck for Aeration Basins 1 through 4. The existing precast prestressed concrete tee-section beams to be replaced with a new cover.
- Replace Aeration Blowers 7 through 10 and Channel Blowers 1 through 4 with new high-speed turbo blowers. This work includes the replacement/upsizing of existing 480V electrical gear and demolition of existing centrifugal blowers and 4160 kV switchgear.
- Replace Odor Scrubbers 2 through 5. This work includes the demolition of the existing odor scrubber facilities.
- Expand and/or retrofit existing electrical, mechanical, communication, and conveyance systems/equipment as required to accomplish the above scope of work.

Other than yard piping, the replacement of Aeration Blowers 7 through 10 and Channel Blowers 1 through 4, and the replacement of Odor Scrubbers 2 through 5, all Aeration Basin Modifications work is anticipated to be located within the existing aeration basin footprints.

The major scope items for the Campus Building project are as follows:

- Construct a new Campus Building that consolidates the District's existing Administration, Control/Lab and Fabrication, and Maintenance and Construction (FMC) buildings and is constructed in accordance with current seismic and safety regulations. This work includes all associated site, landscaping and utility improvements, and new parking areas and driveways.
- Potentially construct a new storm water retention pond and covered parking with solar panels in portions of the new parking lots to be constructed around the new Campus Building.
- Install electrical and communication/network improvements as required to accomplish the above scope of work.
- Demolish the existing Administration and Control/Lab Buildings.

Other than the existing building demolition work and utility improvements, all Campus Building project work is anticipated to be located on or about the current approximately 4.5-acre vacant District owned land in the north-east corner of the Alvarado WWTP site.

The intent of the design phase of the Project is to fully develop a complete set of construction bidding documents for the Aeration Basin Modifications and Campus Building projects, while also developing a 30% design for the remainder of Phase 1 of the ETSU Program. The 30% design of the remaining phase 1 projects is necessary to ensure the proposed pumping and piping between the proposed facilities will provide the appropriate hydraulic capacity and to verify the footprint and layout of each proposed structure.

#### Consultant Selection Process – Lead Design Consultant

On September 30, 2019, staff issued a Request for Proposals (RFP) seeking an engineering design and consulting firm to serve as its Lead Design Consultant for the Project. Staff invited a total of six prequalified design consultants to participate in the Lead Design Consultant Selection Process. Three consultants submitted proposals for this project on November 6, 2019. Staff invited all three, AECOM, Carollo Engineers, and Hazen, to present their project team, related experience, and project approach during interviews held on December 9, 2019.

All proposals had viable, yet very different methods for achieving the District's goals for the Project. Staff expended considerable time reviewing the interview responses to further evaluate the various process improvements proposed in the proposals. From the information received and the follow-up research conducted, staff believes that the process improvements and the proposal from Hazen provides the most cost-efficient construction solution for meeting the District's goals. Due to the size and nature of the work, staff modified the RFP process and incorporated a seven-calendar day protest period. On December 17, 2019, a notice of staff's intention to recommend Hazen for the role of the Lead Design Consultant was posted at District offices and provided to each consultant interviewed. The protest period has elapsed without any protests received.

Consultant Selection Process – Campus Building Architect

A separate RFP was issued on October 14, 2019 to determine the architectural subconsultant (Campus Building Architect) who will serve as the architect of record for the Campus Building project. Staff separated these RFP processes in order to enable the District to select both the best suited architect to design the Campus Building and the best suited wastewater process engineer to design the Aeration Basin Modifications. Separating the selection process also simplified the proposal process for the consultants allowing for a faster timeline to get started with the design. It has also been staff’s intent to have the Lead Design Consultant participate in the selection of the architectural sub-consultant for the project. The Campus Building Architect Selection Process has not yet concluded. Staff scheduled interviews on January 21, 2020. Staff anticipates bringing a second task order to the Board for consideration to include the Campus Building design in the ETSU Phase 1A Project in February 2020 pending a successful selection of an architect.

Task Order No. 1

The purpose of Task Order No. 1 is for Hazen to provide the professional services required to complete the 30% design services for all projects in Phase 1 of the ETSU Program (excluding the Campus Building project) as well as the final design services associated with the Aeration Basin Modifications project. The following summary is the scope and fee for Task Order No. 1:

<b>Task ID</b>	<b>Task Order No. 1 Descriptions</b>	<b>Fee</b>
A	<i>Aeration Basin and Blower Evaluations – Verify Modifications, Develop Aeration Basin Layouts, Evaluate Energy Demands, New Blower Building &amp; Additional Aeration Basin Evaluations</i>	\$356,130
B	<i>Odor Control Facilities Assessment – Site Assessment, Biofilter vs. Activated Carbon Evaluation</i>	\$114,980
C	<i>Disinfection Facilities Evaluation – Retrofit/Expand Existing vs. Constructing New Facilities</i>	\$192,530
D	<i>Plant Equalization Storage Assessment – Primary Effluent vs. Secondary Effluent Equalization</i>	\$95,360
E	<i>Electrical and Communication Evaluation – System Upgrades, Integration of New &amp; Modified Facilities</i>	\$148,860
F	<i>Construction Sequencing Plan – Constructability, Contractor Staging, Temporary Systems, Cost/Schedule Impacts, Redundancy Requirements, Operational Risks</i>	\$159,300
G	<i>Environmental and Permitting Assessment – CEQA Assistance, Air Permitting Services</i>	\$275,170

H	Field Investigations – <i>Surveying and Potholing Services, Desktop Geotechnical Evaluation</i>	\$308,840
I	30% Design Report – <i>Basis of Design for Phase 1 (excludes Campus Building Sub-Project); Includes Preparation of Various Plan &amp; Section Views, Operational Control Strategies, and Cost Estimate</i>	\$952,140
J	50% Design Documents – <i>Preparation of Drawings, Specifications, Schedule, and Cost Estimate</i>	\$1,355,555
K	90% Design Documents – <i>Preparation of Drawings, Specifications, Schedule, and Cost Estimate</i>	\$1,221,560
L	Final Design Documents – <i>Preparation of Drawings, Specifications, Schedule, and Cost Estimate</i>	\$576,330
M	Front End Documents – <i>Incorporation of District’s Specifications and Design Standards</i>	\$64,820
N	Bid Period Services – <i>Attend Prebid Conference, Preparation of Addenda, Conformed Drawings</i>	\$212,685
O	Project Management – <i>Development of Project Management Plan, Kickoff Meeting, Weekly Coordination Meetings</i>	\$718,600
<b>Total Not-to-Exceed Fee for Task Order No. 1</b>		<b>\$6,752,860</b>

Task Order No. 2

Although the Board will consider Task Order No. 2 at a later date, the current estimate is being provided for informational purposes. The purpose of Task Order No. 2 is to provide the balance of the professional services required to complete the design of Phase 1A with the Lead Design Consultant providing management, oversight and civil engineering support to the architect. Staff anticipates completing the Campus Building Architect Selection Process in January 2020 and finalizing the architectural subconsultant’s scope and fee for consideration by the Board in February 2020. Currently, staff anticipates the scope and fee for the architectural services to range between \$2 to \$3 million.

It was always anticipated that the Lead Design Consultant would provide management, oversight and civil engineering support to the architect. Consequently, as a companion item to Task Order No. 1, staff has already negotiated Hazen’s portion of the scope and fee for Task Order No. 2 at \$962,745. Accordingly, when including the scope and fee for the architectural services, the total fee for Task Order No. 2 is estimated to range approximately between \$3 and \$4 million.

The scope and fee for Task Order No. 2 includes an optional task for additional environmental services at \$120,600. Utilization of this task will be dependent on whether the District needs separate environmental documents for each project and/or elects to pursue federal funding

through the Water Infrastructure Finance and Innovation Act (WIFIA) program which requires additional services to comply with the National Environmental Policy Act (NEPA).

The total amounts for the Project's agreement with Hazen are summarized in the table below:

Description	Fee
Task Order No. 1 – Aeration Basin Modifications Design Services	\$6,752,860
Task Order No. 2 – Campus Building Design Services (Estimated)	\$4.0 million
<b>Total Not-to-Exceed Fee for this Agreement (Estimated)</b>	<b>\$10.7 million</b>

Per the ETSU Program Report and the approved FY2020-2039 CIP budget, the combined construction cost of the Aeration Basin Modifications and Campus Building projects is currently estimated to be \$103.8 million with a combined total project cost of \$135 million. Based on a Task Order No. 2 fee ranging from \$3.0 to \$4.0 million, the total not-to-exceed fee for Task Order Nos. 1 and 2 is estimated to be approximately \$10.7 million, or 10.3% of the current engineer's construction estimate. Provided that roughly \$1.6 million or 15% of the consultant's fee can be attributed to the 30% design of the Secondary Clarifiers, Effluent Facilities and Plant Equalization Storage projects, staff estimates that the total design fee for the Aeration Basin Modifications and Campus Building projects is \$9.1 million, or 8.8% of the construction estimate. The typical range for design services is between 7% to 15% of construction costs depending upon the size and complexity of the project. Due to the complexity of the Project and the need to ensure that all Phase 1 improvements work as a complete integrated system, staff believes the design fees to be reasonable.

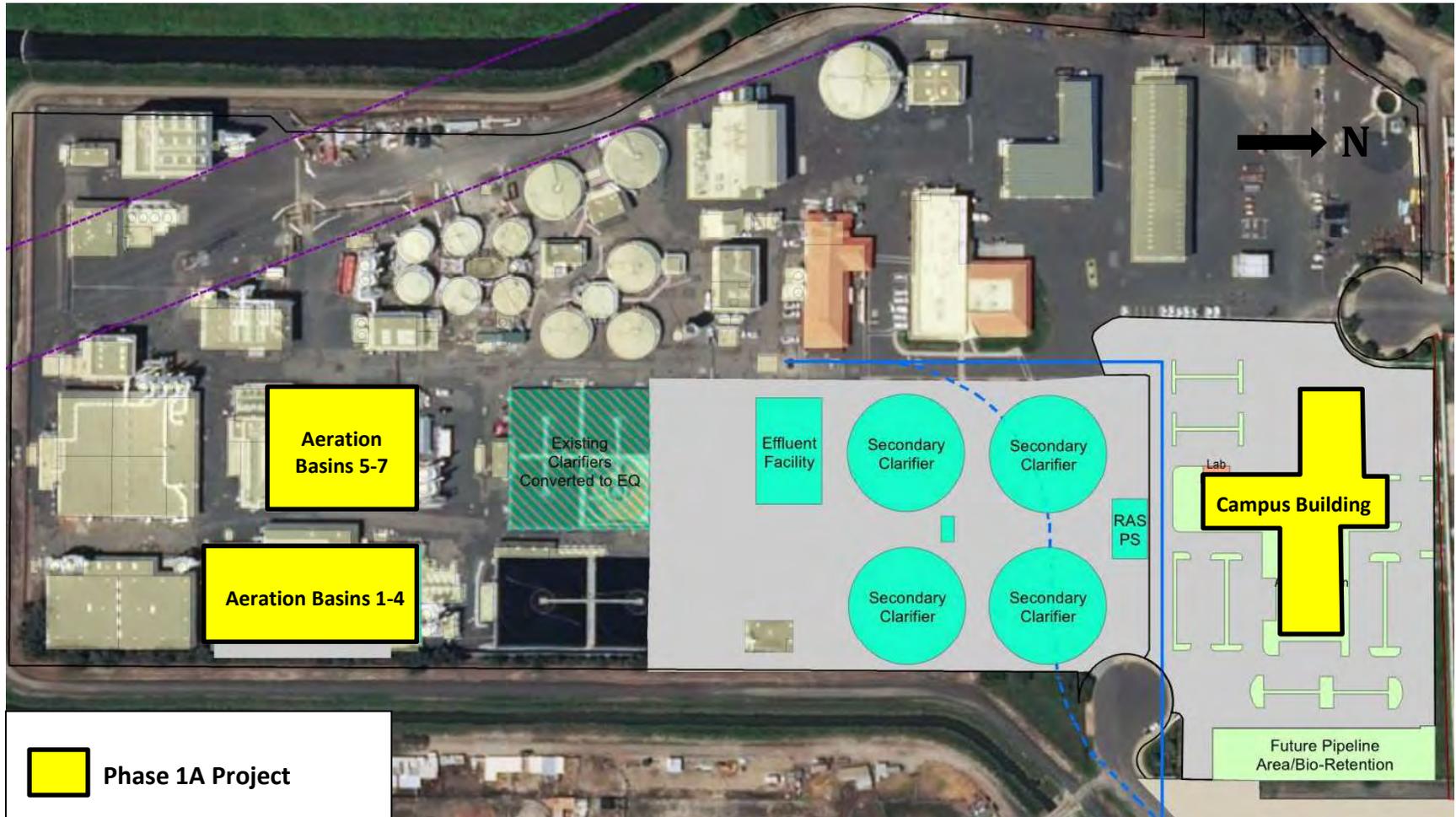
Staff anticipates Hazen will complete the design of the Project and required environmental review under the California Environmental Quality Act by July 2021 with a currently anticipated bid date of September 2021 with construction to begin in late 2021 or early 2022.

Staff recommends the Board Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Hazen and Sawyer in the amount of \$6,752,860 for the Enhanced Treatment and Site Upgrade Phase 1A Project, in the forms attached with minor revisions as may be approved by the General Manager in consultation with the General Counsel.

PRE/RP/CB

Attachments: Figure 1 – Site Plan  
Excerpts from the Hazen Proposal for Phase 1A  
Professional Services Agreement  
Task Order No. 1

Figure 1 – Phase 1 of the Enhanced Treatment & Site Upgrade Program



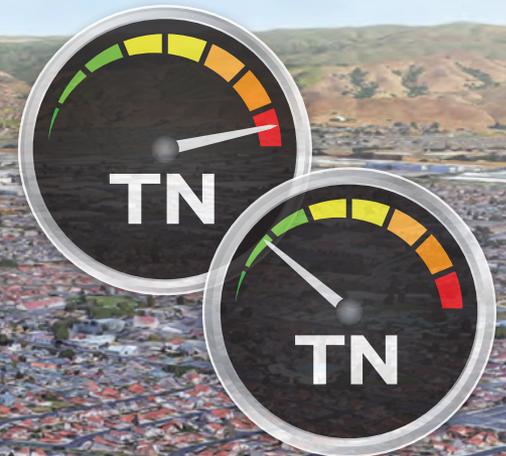
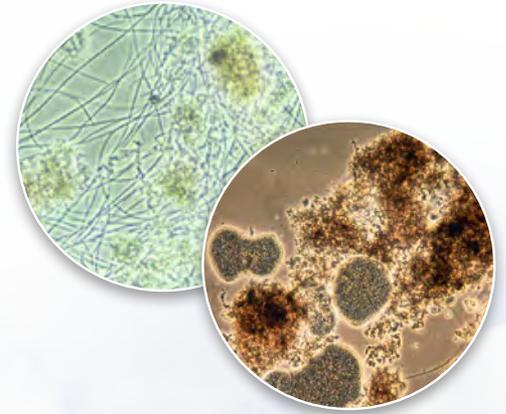


Proposal for

## Enhanced Treatment & Site Upgrade Program

**PHASE 1A PROJECT**

November 6, 2019



# Cover Letter



November 6, 2019

Mr. Richard Pipkin  
ETSU Program Manager  
Union Sanitary District  
5072 Benson Road  
Union City, CA 94587

**Re: Proposal for Enhanced Treatment & Site Upgrade Program – Phase 1A Project**

Dear Mr. Pipkin:

The District is embarking on the Enhanced Treatment and Site Upgrade Program that will result in increased plant capacity, replace aging infrastructure and provide flexibility for wet weather discharge and future nutrient removal. Delivering extraordinary results is what has made Hazen the trusted consultant to wastewater districts throughout the country. We did this during the recent Secondary Treatment Process Improvements Project predesign and we commit to doing it for Phase 1A with the same team members, enhanced by our senior wastewater design experts.

As the District's Phase 1A consultant, Hazen offers a compelling combination of the required design skill, intimate knowledge of the ETSU program, and proven leadership, delivered with an advantageous understanding of the District's standards, procedures, and existing operation and infrastructure. Among the many benefits to selecting our team, some of the most important are:

- **Protecting the Schedule.** Schedule is important to meeting your discharge requirements. As discussed in our proposal, we are passionate about helping the District make the right choices for the ETSU program and meet an aggressive but realistic timeline. During the predesign, **we met the District's aggressive schedule and we will do it again** for Phase 1A.
- **Continuity of Our Team from Inception to Completion.** Our process engineers are experienced design engineers and will remain on the team to ensure the design intent is realized. This unique approach has yielded **proven results** around the country.
- **Designs Result in Low Change Orders.** As demonstrated in our proposal, our wastewater treatment plant designs result in **change orders well below industry standard**.
- **Team with a History of Construction, Start-up, and Commissioning.** There are significant differences designing a new facility versus rehabilitation of an existing facility that must remain in operation during construction. Our understanding of the ETSU program design requirements is comprehensive. However, our extensive knowledge of construction sequencing, start-up, and operational reliability will help to maintain **safe reliable operation during construction**. Tied to this is an experienced, proven team to provide operational training, startup assistance and optimization for a seamless transition.
- **A Leadership Team Who See the Big Picture.** Our Principal and Project Managers have **been involved from Day One** and will remain involved for the duration of the program.
- **Strategic Delivery.** We've successfully delivered many significant programs, including several of the country's largest treatment facilities, and can help you select a strategy and begin building, using the delivery methods best suited to each aspect of the ETSU program.

We provide superior client service and top technical expertise in a collaborative process focused entirely on achieving your goals. We thank you for your consideration and we look forward to being part of this exciting and important project. This letter is signed by our Vice Presidents, who are authorized to bind the company.

Very truly yours,  
HAZEN AND SAWYER



Paul Pitt, PhD, PE, BCEE  
Principal in Charge and Vice President



Marc Solomon, PE, BCEE, D.WRE  
Project Manager and Vice President



William Crayon  
Chief Financial Officer

**Lead Consultant:**

Hazen and Sawyer, a privately held Corporation

**Contract/Negotiations Contact:**

Marc Solomon, Vice President  
msolomon@hazenandsawyer.com  
(707) 696-9318

**Proposal Clarifications Contact:**

Dr. Paul Pitt, Vice President  
ppitt@hazenandsawyer.com  
(925) 285-9810

# Proposal Authorization



**Section No. 2**

**Proposal Authorization**

**Appendix B**

**PROPOSAL AUTHORIZATION**

NAME OF PROPOSER Hazen and Sawyer

1. The above-named Proposer is a Proposer to the Request for Proposals of the Union Sanitary District for Enhanced Treatment & Site Upgrade Program – Phase 1A Project services (**RFP**) and possesses the legal authority to submit this Proposal.

2. The undersigned is authorized to conduct all negotiations for and legally bind the respondent in all matters relating to this proposal submittal.

3. The undersigned has reviewed, understands, is able to comply with and agrees to be bound by the all conditions, including but not limited to the General Conditions Governing this RFP described in Section 6, of the RFP.

4. The undersigned grants the District a right to District to conduct reference checks and reasonable investigation of all information provided by Proposer.

5. The undersigned certifies that this Proposal is irrevocable until 3/5/2020.

Signature: 

Print Name: Marc Solomon, PE

Title: Vice President

Date: 11/6/2019

# Project Team and Qualifications

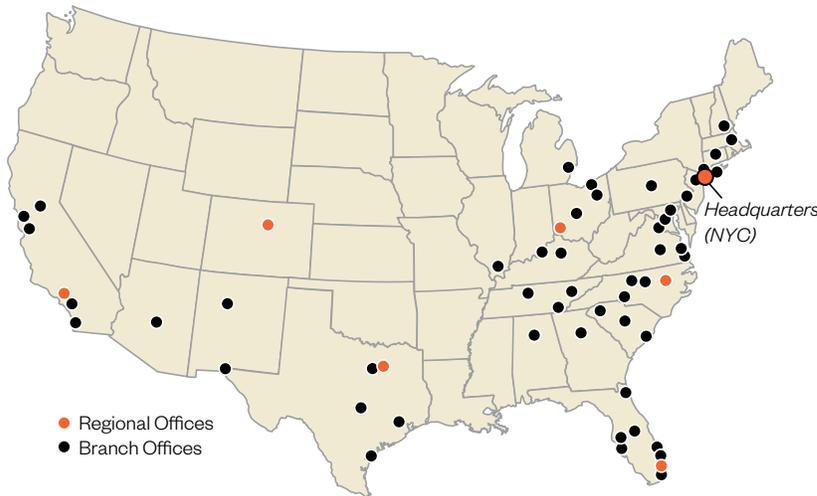


### Section No. 3

# Project Team and Qualifications

*Hazen offers Union Sanitary District proven resources that you know and trust, who are backed by nationally-recognized experts, to deliver this project efficiently, on schedule, and to the District’s high standards for quality.*

Since our founding in 1951, Hazen has provided comprehensive engineering services for hundreds of wastewater treatment facilities in the U.S. and worldwide, with capacities ranging from less than 1 million gallons per day (mgd) to more than 1 billion gallons per day (bgd). For almost 70 years, we have successfully designed wastewater treatment facilities similar in design scope and complexity to the Enhanced Treatment & Site Upgrade (ETSU) Program. Hazen has an unmatched national reputation for the successful design of nutrient removal upgrades as well as installation of selectors for SVI control. Our successful designs include equalization facilities, biological nutrient removal upgrades to aeration basins, selector installations, secondary clarifier designs, disinfection and effluent pumping facilities, and building structures. We have designed these elements separately and as part of large multiphase programs for our clients. These include some of the most prestigious nutrient removal programs in the county with many of them performing below the required permit limits.



Hazen is a privately held C corporation operating as a single profit center affording us the flexibility to share resources to best meet our client’s needs and deliver outstanding service. This ensures that we will continue to commit our best personnel to the ETSU program. Our low bureaucracy structure allows us to be dedicated to the District.

As Lead Design Consultant, we have carefully chosen to complement our services with subconsultants that will enhance our proposed team for the ETSU program. These subconsultants have been selected because of their unique knowledge of the District’s facilities, the ability to add value to the project, and the long-standing history of collaborating with the District and/or Hazen.

*Over the last 30 years we have pioneered selector implementation to improve settling and increase capacity*



Dr. Pitt implemented anaerobic selectors at both SFPUC Plants, At OSP SVIs dropped from greater than 400 ml/g to around 120 mL/g.



**DCM Consulting**  
**Archeo-Tech Associates**  
**Scheidegger and Associates**

Together the District and Hazen will form a collaborative partnership to deliver the ETSU Program. Our team members have been selected to guide the District through both 30% design of Phase I of the ETSU program and the detailed design of Phase IA. The team consists of local and national technical experts that have collaboratively and successfully worked together with district staff on the Secondary Treatment Process Improvements Project (STPIP) and on similar projects nationwide.



While resources are shown separately for clarity, they will operate as an integrated team



# Our Team Experience



## Section No. 4

# Our Team Experience

*Our proposed team is made up of nationally recognized industry experts and experienced local engineers that have worked together on many similar projects. We will utilize this combination to successfully satisfy the requirements of the ETSU Program and deliver a tailored design that best suits the District's needs.*



**Paul Pitt, PhD, PE, BCEE**  
**PRINCIPAL IN CHARGE**  
*35+ Years of Experience*  
PE CA No. 44576

With over 35 years of experience, Paul is Hazen's director of wastewater technology and is an internationally renowned expert in selector technology and nutrient removal. He has been involved in many of the country's largest and most prestigious programs including all of our highlighted projects. Through his work with the District, he has intimate knowledge of the District's ETSU Program and current operational issues at the Alvarado WWTP. As Principal in Charge, Paul is committed to the successful completion of the project and will ensure the right resources are always available and will continue to ensure that key personnel are fully committed to the program.



**Marc Solomon, PE, BCEE**  
**PROJECT MANAGER CAMPUS BUILDING SUB PROJECT**  
*35 Years of Experience*  
PE CA No. 44591

Marc has over 35 years of experience providing wastewater planning, design, and O&M consulting. He has a long relationship with the District and recently led the District's STPIP pre-design. In addition to the Wastewater industry, Marc also brings unique experience working in the Building and Transportation industries, where he has led the programming and design of dozens of structures. He has worked closely with many of the Bay Area's architects from small sole proprietors to some of the world's largest firms. More importantly, with his unique technical background and his interpersonal skills, Marc has the proven ability to work with architects to keep projects on schedule while maintaining quality.



**Allan Briggs, PE**  
**PROJECT MANAGER 30% DESIGN AND AERATION BASIN SUB PROJECT**  
*20+ Years of Experience*  
PE CA No. 74243

Allan has over 20 years of experience in wastewater treatment plant design and brings a wealth of knowledge regarding critical wastewater infrastructure. Allan recently provided process mechanical support for the District's STPIP and completed WWTP designs for the Napa Sanitation District, Town of Windsor and San Mateo. Allan will manage the development of the 30% design and detailed design of the ETSU Phase 1A aeration basin modifications.



**Irene Chu, PE**  
**DEPUTY PROJECT MANAGER**  
*10+ Years of Experience*  
PE CA No. 77624

Irene has over 10 years of experience in wastewater treatment process evaluation and design, including large BNR programs such as the NYC DEP Nitrogen Program. She has led a wide range of projects, from planning studies through design, construction and start up. For the USD STPIP she managed a multidisciplinary team through analysis and pre-design. As Deputy Project Manager, Irene will coordinate design and building resources to ensure the District goals for Phase 1A of the ETSU program are met.



**Ron Latimer, PE**  
**PROCESS ENGINEER**  
*24 years*

Ron is Hazen's corporate lead for wastewater BNR design and process modeling. As an expert in all aspects of wastewater treatment, he has worked on over 50 projects involving BNR plant optimization, upgrades and expansion designs throughout the country. He has served as technical lead or advisor on all of our highlighted BNR projects and recently did so for the District's STPIP. Ron will lead the process design effort and provide technical direction and oversight throughout the detailed design and startup.



**Paul Scheidegger**  
**ENVIRONMENTAL SPECIALIST**  
*34 Years of Experience*  
Scheidegger and Associates

Paul Scheidegger is the principal of Scheidegger and Associates and our proposed environmental specialist. Paul has a long history preparing CEQA documents for the District and will leverage his knowledge of the AWWTP to address environmental concerns associated with the ETSU program.



**Paul Saurer, PE**  
**DESIGN RESOURCES LEAD**  
*32 Years of Experience*

Paul has over 32 years of experience in process and detailed design for wastewater treatment facilities and pumping stations. He is Hazen’s Northeast Region Wastewater Practice Leader, responsible for projects throughout the New York and New England Area. As our proposed Design Resources Lead, Paul will support the local design team, ensuring Hazen’s best resources are committed to the District and incorporating lessons learned from his many wastewater plant upgrades.



**Jared Hartwig, PE**  
**DESIGN RESOURCES LEAD**  
*12 Years of Experience*

Jared has over 12 years of experience in pump station and wastewater treatment facility design, hydraulic analysis, and construction administration. He has led the process mechanical design for several plant upgrades including the Plum Island WPCP upgrade. Jared will be deputy design resources lead and will use his intimate knowledge of the ETSU Program to best support and guide the discipline leads. Through his work on the STPIP he is familiar with the infrastructure and hydraulic challenges at the Alvarado WWTP.



**Joe Rohrbacher, PE**  
**AERATION SYSTEM DESIGN LEAD**  
*20 Years of Experience*

Joe serves as Hazen’s corporate aeration practice lead and has led nearly 60 aeration evaluations and design projects including the STPIP aeration evaluation. He is one of Hazen’s most experienced BNR engineers and has worked on over 45 projects involving the evaluation, optimization or detailed design of BNR systems. Joe recently completed aeration/blower designs for Napa, SOCWA, EMWD and PWD. His extensive BNR, aeration basin, and blower design experience coupled with know ledge of USD’s facilities will ensure the successful delivery of the ESTU program.



**Chris Portner, PE, CPE**  
**PROJECT CONTROLS AND COST ESTIMATION**  
*10 Years of Experience*  
 PE CA No. 77893

Chris has over 10 years of experience in planning, design and construction management for large wastewater treatment designs including several NYC BNR projects. He is also an AACES certified professional cost estimator and lead cost estimator for the west region. He has estimated over \$1.5B worth of wastewater treatment capital projects including the District’s STPIP planning estimates. His detailed approach accounts for market conditions in today’s robust construction economy.



**Alonso Griborio, PhD, PE**  
**SECONDARY CLARIFIER DESIGN LEAD**  
*24 Years of Experience*

Alonso serves as Hazen’s director of clarifier technology and is an expert in wastewater treatment plant modeling and optimization. He has led clarifier evaluations and designs at more than 50 plants including USD, SFPUC, EBMUD and Henrico. As secondary clarifier design lead, Alonso will ensure that the new clarifier design is optimized to meet the District’s current and future goals.



**Tony Greiner, PE**  
**CONSTRUCTABILITY QA/QC**  
*29 Years of Experience*

Tony has over 29 years of experience in wastewater treatment design and construction and serves as Hazen’s construction management corporate leader. He also has extensive experience in alternative delivery and specializes in bringing designs into reality. His unique background in both design and construction management will allow him to be an excellent resource as constructability QA/QC lead for the ETSU program.

Our design resources and discipline leads have worked together on many projects similar in scope and complexity to Phase I of the ETSU program.

- **Al Goodwin**, our proposed BIM manager has coordinated many large treatment plant upgrades to BNR and expansions including Henrico WRF and Nansemond Treatment Plant.
- **Tom Zakrewski, PSP**, has led schedule control for several multi-million dollar upgrades in NYC
- **Mark Messere, PE**, has led process mechanical designs for Henrico WRF, Neuse River WWTP and Western Wake.
- **Todd Beecher, PE**, has years of institutional knowledge of the Alvarado WWTP and will provide electrical QA/QC
- **Gregg Cummings, PE**, has over 30 years of design experience in the Bay Area including improvement projects for the Alvarado WWTP.

Hazen’s wastewater treatment plant design experience includes all aspects of the District’s ETSU program and will ensure its success. We are industry leaders in design of anaerobic selectors, conversions to BNR, modern clarifiers, effluent facilities, and building structures.

**We have done this before**



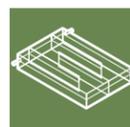
**40+** Successful Anaerobic Selector Installations



**50+** BNR Conversions



**500+** New and Modified Secondary Clarifiers



**60+** Disinfection and Effluent Facilities



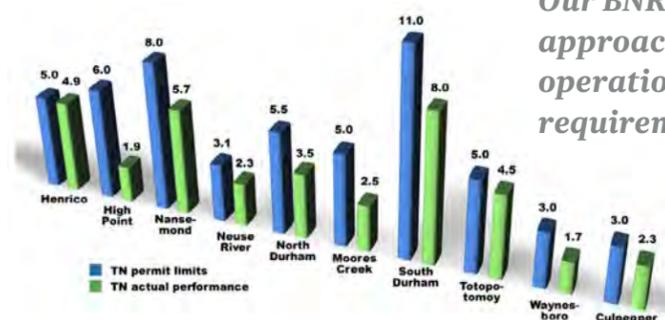
Over **100** Building Design



Over **25** Agencies with **20+** Year Working Relationship

**We have proven results**

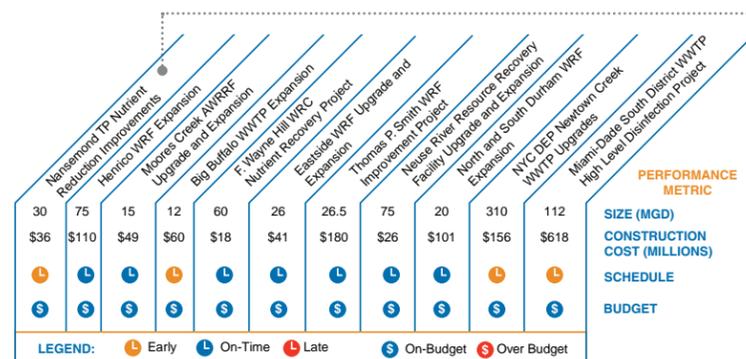
Hazen has guided utilities throughout the country through the same nutrient removal journey that the Bay Area is facing. We will leverage this design experience to provide a robust BNR design that **will exceed the District’s goals**.



*Our BNR designs are not just theoretical, as our approach has yielded proven results. The designs are in operation and have reduced nutrients well below permit requirements facing the District.*

“Hazen has worked with the City to keep the Neuse River RRF on the cutting edge of Nutrient Removal Technology. Just last month, the plant had an effluent TN of 0.63 mg/L.”  
*TJ Lynch, Wastewater Superintendent, City of Raleigh*

**We have done it on time and within budget**



“Hazen and Sawyer by far, exceeded our expectations on the design and engineering of our last two major upgrades. Each project was finished ahead of schedule and within the budget. Change orders on both projects were the lowest we have ever seen from consultant, which indicates that the design and engineering was complete the first time. The project team continues to follow the plants success and performance even after the project was finished. They have set a new standard for engineering excellence.”  
*William J. Balzer, PE, M.ASCE, HRSD Nansemond Plant Manager*

**We do it to a high standard**

Nearly \$2 billion in construction and less than 1.5% change orders on average confirms the quality and completeness of our designs.

“We have performed \$100s of millions of dollars of construction work that was designed by Hazen. The quality of the design documents gives us confidence during bidding and minimizes conflicts during construction.”  
*Carlos W. Norris, President, Crowder Construction Company*

PLANT LOCATION	CAPACITY MGD	CONSTRUCTION COST	CHANGE ORDERS	WORK PERFORMED
Bowery Bay WPCP, New York, NY	150	\$300M	3.5%	[Progress Bar]
Neuse River WRF, Raleigh, NC	75	\$222M	1.4%	[Progress Bar]
T.P. Smith WRF, Tallahassee, FL	26.5	\$174M	2.0%	[Progress Bar]
Crooked Creek WRF, Gwinnett County, GA	16	\$140M	1.8%	[Progress Bar]
Henrico County WRF, Richmond, VA	75	\$111M	6.8%*	[Progress Bar]
Broad Run WRF, Ashburn, VA	16.5	\$100M	1.0%	[Progress Bar]
East Central Regional WRF, West Palm Beach, FL	70	\$93M	0.6%	[Progress Bar]
26th Ward WPCP, New York, NY	85	\$90M	4.0%	[Progress Bar]
T. Z. Osborne WRF, Greensboro, NC	56	\$82M	1.3%	[Progress Bar]
North Durham WRF, Durham, NC	20	\$66M	0.3%	[Progress Bar]
Irwin Creek WWTP, Charlotte, NC	15	\$64M	1.7%	[Progress Bar]
Plum Island WWTP, Charleston, SC	36	\$61M	1.6%	[Progress Bar]
Roanoke WPCP, Roanoke, VA	55	\$47M	0.5%	[Progress Bar]
Rivanna WSA Moores Creek WWTP, Charlottesville, VA	15	\$44M	3.8%	[Progress Bar]
North Regional WWTP, Broward County, FL	95	\$43M	0.8%	[Progress Bar]
Eastside WWTP High Point, NC	26	\$41M	1.0%	[Progress Bar]
Valley Creek, Jefferson County, AL	60	\$39M	3.9%	[Progress Bar]
Nansemond Treatment Plant (HRSD), Suffolk, VA	30	\$37M	1.9%	[Progress Bar]
South Durham WRF, Durham, NC	20	\$35M	0.4%	[Progress Bar]
Waynesboro WWTP, Waynesboro, VA	6	\$33M	1.7%	[Progress Bar]
Culpeper WPCP, Culpeper, VA	6	\$27M	2.0%	[Progress Bar]
Westside WWTP High Point, NC	10	\$25M	1.8%	[Progress Bar]
Arlington East WWTP, Jacksonville, FL	25	\$22M	(-) 4.0%	[Progress Bar]
Plantation Regional WWTP, Plantation, FL	19	\$8.5M	0.7%	[Progress Bar]
East End WWTF, Portland, ME	19.6	\$8.1M	2.4%	[Progress Bar]
Napa Sanitation District, Napa, CA	10	\$1.2M	0%	[Progress Bar]
<b>Totals</b>	<b>1,038</b>	<b>\$1,914M</b>	<b>1.4% (avg)</b>	

\*Additional 5.8% in change orders to accommodate design changes due to more stringent regulations imposed during construction

## East End Aeration Upgrade, Portland Water District



PWD's East End WWTF aeration basin surface aerators were approaching the end of their useful life and contributed to chronically poor settling (SVI values regularly > 350 ml/g) and off-site odors. Hazen's design of the 19.8 mgd ADFW plant aeration basin upgrade included fine bubble diffusers, blowers and controls, incorporation of a flexible anaerobic/anoxic selector zone, and provisions to provide seasonal BNR. The \$8M phased construction of the aeration basin modifications was completed in July 2017, and SVIs at the plant have been reduced below 120 ml/g.

In addition to improved settling and decrease odors, the plant is able to operate the flexible selector in anoxic mode during the summer and reduce nitrogen discharge to Casco Bay by almost 80%.

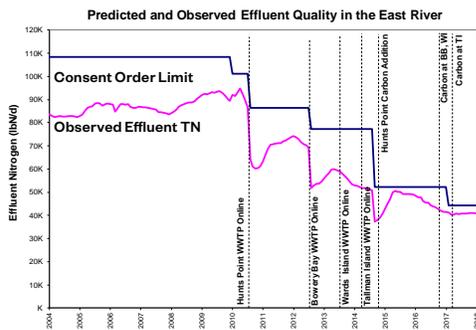
### Portland Press Herald

**With complaints down, Portland's upgraded sewage plant apparently passing the smell test**

The Portland Water District says its new \$12 million technology upgrade has reduced environmentally damaging nitrogen discharges.

During periods last summer, that system helped reduce the average discharge of nitrogen – a component of waste – into Casco Bay from an estimated 2,400 to 500 pounds per day.

## NYC DEP Nitrogen Program



As program managers, Hazen helped NYC meet 30 construction milestones, and 49 deliverable milestones, and all effluent quality standard

To address hypoxia conditions in the Long Island Sound, the State of New York mandated that the NYC DEP gradually reduce effluent TN load from its four upper East River plants totaling over 700 mgd. Hazen provided program management services for NYC DEP's \$1.6 Billion nitrogen program that targeted a 60% TN reduction over 20 years. This included developing design guidance for consultants to ensure BNR designs were robust and consistent. Hazen also provided planning, detailed design, design services during construction and start up services for the Bowery Bay Wastewater Treatment Plant. BNR upgrades included:

- Aeration tank upgrades
  - Anoxic selectors
  - Aeration systems
  - RAS/WAS systems
  - Wet weather mitigation
  - Separate centrate treatment
  - Foam control
  - Supplemental carbon
- Significant operator training, optimization and SOP development were also provided throughout the program

## Henrico County Department of Public Utilities – Henrico WRF



Hazen has partnered with Henrico County for the last 20 years, to achieve ever-more stringent nutrient standards for the Henrico WRF. Hazen started work on a 7-phase project approach to systematically increase the facility treatment capacity, and improve effluent water quality while meeting regulatory needs and keeping the facility in permit compliance throughout construction. The work included preliminary and detailed design, construction administration and training for upgraded and new flexible BNR basins, four new secondary clarifiers, new blowers, and new disinfection facilities.

Our accurate cost estimating ensured no surprises on bid day. The Engineers Estimate for all 7 Phases was \$112.4 M and the final price upon project completion was \$111.1 M. Since the expansion to 75 mgd, Hazen has also performed numerous projects under various engineering services contracts. These projects have provided the flexibility to meet effluent limits while continually improving process reliability.

## TP Smith Water Reclamation Facility, Tallahassee, Florida

As part of a settlement to reduce nutrient levels in the Wakulla Springs, the City of Tallahassee agreed to upgrade the TP Smith WRF from secondary treatment to meet effluent TN and TP limits less than 3mg/L and 1mg/L, respectively. Hazen partnered with the City to upgrade the facility including detailed design of:

- New headworks facility
- New primary clarifiers
- PE and primary sludge pump stations
- New 20 MG of wet weather PE equalization
- Conversion of six existing aeration basins to 5 stage BNR incorporating anaerobic selectors
- New blower building and blowers
- New MLSS channel and flow split structures
- One new secondary clarifier
- New RAS and WAS pumps stations
- New high-level disinfection facilities
- New dual media biofiltration odor control systems
- New solids processing facilities
- New electrical power distribution system and SCADA
- Surface/foam wasting

The settlement also mandated interim milestones for reducing effluent TN. Hazen worked closely with the City and Construction Manager-at-Risk to identify, design and release for bidding various “early work” and procurement packages to expedite construction to meet all deadlines ahead of time. Effluent quality goals were met ahead of schedule and significantly under the required limits.



QR Code for Video on T.P. Smith WRF Improvements Project.

“Hazen and Sawyer staff have performed very well and have assisted the City in meeting mandated compliance dates and effluent quality objectives. In addition, Hazen staff has been instrumental in working with City staff and the alternative delivery project team members to ensure a quality construction project. We do not hesitate to recommend the Hazen team on future projects based on the outstanding work performed for the City of Tallahassee.

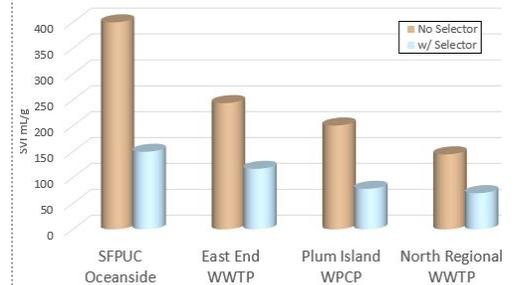
*James Oskowis, PE, Assistant General Manager, City of Tallahassee*

## Plum Island Water Pollution Control Plant Phase 3 Capital Improvements, Charleston, SC

Hazen provided design and construction services for the Phase 3 Capital Improvements Project as part of an ongoing phased improvements program outlined in the ongoing master planning effort. Facilities constructed under the Phase 3 Improvements include the following:

- 150 mgd headworks Facility
- Two (2) 110-foot primary clarifiers
- Anaerobic selector with mixed liquor distribution improvements
- One (1) final settling tank
- Site-wide NPW improvements
- New electrical distribution and emergency power generation facility

### Proven Results



### Our selector designs

*This Hazen team has worked together on recent California design projects and several large BNR upgrade projects*

Project	Paul	Marc	Irene	Allan	Ron	Joe	Alonso	Paul S.	Chris
Napa Sanitation District, CA - Design of aeration basin improvements including diffuser replacement and provisions for ammonia based DO control for nutrient removal.	♦	♦	♦	♦		♦			♦
SFPUC Clarifier Upgrade, CA - Planning and design, bidding, design services during construction and Start-up assistance of eight 120-ft secondary clarifiers.	♦	♦	♦		♦		♦	♦	♦
EBMUD Clarifier Upgrade, CA - Clarifier upgrade planning and pre-design of 140-ft secondary clarifier upgrades	♦	♦	♦				♦	♦	♦
EMWD - Moreno Valley WRF, San Jacinto WRF & Temecula WRF, CA - Conversion of engine driven blowers to electric blowers	♦			♦		♦			♦
SOCWA - JBL Treatment Plant, CA - Planning and 30% design of aeration system improvements including blowers and aeration basin modifications for TN removal	♦		♦	♦	♦	♦			♦
East End WWTF, Portland, ME	♦					♦	♦	♦	
NYC DEP Nitrogen Program	♦		♦		♦	♦	♦	♦	♦
T.P. Smith WRF, Tallahassee, FL	♦		♦		♦	♦	♦		
Henrico County Department of Public Utilities - Henrico WRF	♦				♦	♦	♦		
Plum Island WWTP, Charleston, SC	♦				♦	♦	♦		

# Approach



## Section No. 5

# Approach

*Hazen’s approach to wastewater treatment plant design incorporates several proven principles that ensure successful outcomes for our clients. These principles guide the “design machine” through the planning, detailed design, construction and startup and optimization of our projects.*

The continuity of the team ensures that the intent of the process design is executed, resulting in successful outcomes. This means that the dedicated engineers that have worked on the STPIP process design will play a significant role in the detailed design of Phase I of the ESTU Program. This also means our process engineers have extensive experience in detailed design.

Hazen proposes using a P90 risk loaded schedule to track and mitigate projects risks related to schedule. The risk loaded schedule computes probability of meeting goal milestone dates; estimates milestone dates; provides feedback/sensitivity analysis on the critical path; and helps determine the impacts of risks and risk mitigation efforts. Hazen plans to “hit the ground running” by developing a preliminary construction schedule to share with the District.

We communicate early and often with O&M staff to get buy in and to ensure that the design is simple to operate and maintain while achieving the desired effluent water quality.

The District is facing a major change in wastewater treatment and operations. This requires training to bring staff up to speed on the new technology, concepts, operations and controls. We couple design with extensive training and startup assistance and don’t “leave our clients hanging”. We are committed to the successful operation of the new BNR basins and the overall ETSU Program.

Coupling 30+ years of BNR design experience and lessons learned along with local expertise (seismic requirements, permitting, local conditions) leads to a customized solution that best serves the District

“Awesome to partner with Paul Pitt, Alonso Griborio and Irene W. Chu of Hazen and Sawyer in process engineering area for the Southeast Plant Secondary Clarifier project. Hazen worked diligently from design through construction and start up with Monterey Mechanical to make the project a huge success.  
*Jignesh Desai, Project Manager SFPUC*

A principle of our design approach is to work collaboratively with our clients (i.e. “design charrettes” held during the STPIP). For the ESTU program our design “task force” will meet on-site on a weekly basis to conduct workshops; provide design schedule updates, reviews, and 3D model walk throughs; review the safety aspects of the design; and provide information to maintain close communication with the District.

“Hazen was dedicated to working with us as a team during the design. Utilizing our knowledge of the existing infrastructure ... and the entire Hazen team’s expertise, the project was completed ahead of schedule, under budget, and produced effluent quality far beyond expectations. I cannot stress how impressed I was with Hazen’s professionalism, fortitude, and willingness to give the client exactly what was needed.  
*Jeff Mahagan, Town of Hillsborough*

“Hazen has continually supported the County through process optimizations and any process upsets we have experienced  
*James Grandstaff, Henrico County*



## Proactive Collaboration with Plant Staff

Hazen employs a proactive design approach:

- Identify risks early on
- Intense collaboration with District’s management, engineering, operations, and maintenance staff through the project
- Engagement of all stakeholders

*We understand that the ETSU Program is a complex program comprised of multiple simultaneous projects that will dramatically change the Alvarado WWTP. We have identified many of the challenges associated with this project and are prepared to work through potential solutions with the District.*

- Timeline**  
**Challenge:** Plant capacity decreasing daily  
**Solution:** “Fast-Track” design. Hazen has already developed preliminary 3D models and has familiarity with design requirements.
- Complex site work**  
**Challenge:** Coordination of civil design for multiple projects  
**Strategy:** Consistent civil design team to handle the entire Phase 1A project
- Stormwater Green Infrastructure**  
**Challenge:** The location of likely mandated green infrastructure will depend on the campus location and impermeable or permeable conditions at the plant.  
**Strategy:** Use the Alameda Design Criteria, and scout locations early in the design process.
- Staging Area**  
**Challenge:** Location of the new campus site is currently being used for construction staging.  
**Strategy:** Coordinate with existing construction and / or make provisions for offsite staging
- Building feedback**  
**Challenge:** Finding the right balance of campus building design input and project costs/schedule can be challenging given that the campus is a multi-use facility.  
**Strategy:** Engage stakeholders in design charrettes or regular updates to provide steady input from stakeholders and avoid costly changes later in the design.
- Permitting**  
**Challenge:** CEQA permitting for the individual phases of the ETSU program may impact the District’s schedule.  
**Strategy:** Mitigate permitting impacts to the ETSU program schedule by filing one CEQA document for the entire Phase 1 project (Aeration Basin Modifications, Campus Buildings Project, Secondary Clarifiers, Effluent Facilities, Primary Effluent Equalization).
- Maintenance of Plant Operations (MOPO)**  
**Challenge:** Complex management of construction activities while the plant remains operational.  
**Strategy:** We place careful consideration on MOPO to protect public health and maintain construction schedule by specifying detailed instructions for construction phasing and continuing process involvement through construction.



Hazen has a headstart on the 3D modeling effort including design provisions for leveraging existing assets. This model will assist with MOPO, minimize design conflicts and assist with risk mitigation.

## Early Risk Identification and Mitigation

Risk will be identified and potential mitigation strategies will be developed early in the project. This risk register will be continuously reviewed and updated throughout the design phase. Some of the risks that have already been identified include:

- Potential Risk: Impacts from High Groundwater**  
**Challenge:** Preventing flotation of tankage during construction.  
**Strategy:** Staging the construction plan appropriately will minimize uplift risk to facilities emptied for improvements.
- Potential Risk: Loss of Odor Control Efficiency During Basin Modifications**  
**Challenge:** Hazen’s preliminary sequencing plan includes provisions to maintain operation of the existing odor control facilities through construction while allowing the ability to stage replacement of the existing covers.  
**Strategy:** Temporary bulkheads or curtains can isolate in service tanks from areas being modified.
- Potential Risk: Hydraulic Limitations of Aeration Basin Channels**  
**Challenge:** The influent and effluent channels of the aeration basins can be hydraulically limited, a condition that may be worsened as additional flow is conveyed through each process train during construction.  
**Strategy:** Hazen has developed a hydraulic model to confirm the operational feasibility of the proposed construction sequence.
- Potential Risk: Difficult Constructibility of Future Yard Piping**  
**Challenge:** The existing corridor between the eastern and western process facilities makes large yard piping improvements difficult and risky to USD.  
**Strategy:** Hazen has developed plans to repurpose the 60-inch PE bypass piping for conveyance of secondary clarifier influent through this difficult corridor. Provisions will be considered now to simplify future construction phases.
- Potential Risk: Poor Settling Limits Plant Performance**  
**Challenge:** The key to the ETSU’s program success is contingent on the selector improving the settling of the MLSS plant  
**Strategy:** Hazen’s design of the flexible selector incorporates principles that will improve settling. Hazen’s operational support as basins are bought online will ensure the successful implementation of the selectors and ETSU program.

UNION SANITARY DISTRICT  
Professional Services Agreement  
with  
HAZEN AND SAWYER  
for  
DESIGN AND PROFESSIONAL SERVICES  
For the District's  
ENHANCED TREATMENT & SITE UPGRADE (ETSU) PROGRAM – PHASE 1A PROJECT

Union City, California

January 13, 2020

**PROFESSIONAL SERVICES AGREEMENT BETWEEN**

**UNION SANITARY DISTRICT AND**

**Hazen and Sawyer**

This Professional Services Agreement (the **Agreement**) is dated January \_\_\_\_, 2020 and is by and between the Union Sanitary District, a sanitary district formed under the laws of the State of California (**District**) and Hazen and Sawyer, a privately held C Corporation, licensed to do business in California, (**Designer** or **Consultant**) relating to design and professional Services (**Services**).

**Recitals**

WHEREAS, District wishes to retain Designer to provide design and professional services;

WHEREAS, Designer was selected by means of District's consultant selection process, and represents that it possesses all necessary training, licenses and permits to perform the services required by District as set forth in this Agreement, and that its performance of such services will conform to the standard of practice consistent with a professional engineering and professional services firm having experience and expertise in performing professional services of like nature and complexity working on similar, successfully completed projects;

WHEREAS, the California Government Code permits the District's Board of Directors to enter into agreements for professional design services; and

WHEREAS, the services proposed in this Agreement are professional and temporary in nature.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, stipulated and agreed, the parties agree as follows:

**AGREEMENT**

**1. Definitions**

1.1 Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this Agreement, it shall have the meaning herein set forth.

<b>Agreement</b>	This Agreement consists of this Agreement, together with documents incorporated herein by reference, and all Task Orders issued pursuant to Paragraph 3.1 below.
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<b>Designer or Consultant</b>	Hazen and Sawyer, privately held C Corporation, licensed to do business in California, 201 Mission Street, Suite 500 San Francisco, CA 94105, tel. (707) 696-9318, email msolomon@hazenandsawyer.com.
<b>District</b>	Union Sanitary District
<b>Project or Phase 1A Project</b>	The District's Enhanced Treatment & Site Upgrade (ETSU) Program – Phase 1A Project, including the <b>Aeration Basin Modifications Sub-Project</b> and <b>Campus Building Sub-Project</b> .
<b>Services</b>	All work, labor, materials and services required under the terms and conditions of this Agreement and all Task Orders issued pursuant to the terms of this Agreement, including without limitation architectural, engineering, building information modeling, coordination, and administrative services, for the Phase 1A Project.
<b>Subconsultants</b>	Designer's consultants, subconsultants, contractors and subcontractors, of any tier, including without limitation the Campus Building Architect.
<b>Campus Building Architect</b>	The lead design consultant, and its consultants, Subconsultants, contractors and subcontractors, of any tier, for the Campus Building Sub-Project, who will be a first-tier Subconsultant to Designer. See Paragraph 19.3 below.

## 2. Term of Agreement

- 2.1 This Agreement is for a period of approximately five years, beginning with the execution of the Agreement and concluding upon completion of the Services unless it is extended in accordance with paragraph 2.2 below.
- 2.2 This Agreement may be extended by mutual written agreement of the parties. Any extension shall be in written form, signed by both parties, and shall specify the length of the extension and compensation.

## 3. Services Designer Agrees to Perform

- 3.1 Specific Services and the associated scope of services, payment, schedule, and personnel will be defined in specific Task Orders as issued by District in consultation with Designer. All Task Orders will by reference incorporate the terms and conditions of this Agreement, and become formal amendments hereto.
- 3.2 Should the progress of the Services under this Agreement at any time fall behind schedule for any reason other than Excusable Delays, defined in Paragraph 3.3 below,

Designer shall apply such additional manpower and resources as necessary to bring progress of the Services under this Agreement back on schedule and consistent with the standard of professional skill and care required by this Agreement.

- 3.3 For purposes of this Agreement, **Excusable Delays** shall mean and include only (i) delays caused by neglect by District or District's agents, contractors or consultants when acting at District's direction, breaches of this Agreement by District, Acts of God such as fire, flood, earthquake, or epidemic, delay by a construction contractor during the construction phase of the Project, or any other circumstances beyond Designer's reasonable control, and (ii) for which Designer gives District written notice and requests a time extension within ten (10) days of the applicable circumstance. If the period of Excusable Delay occurs with a Designer-caused or other nonexcusable delay, District may (but shall not be required to) grant a time extension without compensation.
- 3.4 Designer may recover extra costs resulting from Excusable Delay upon showing that the costs claimed (i) resulted from time and/or expenses actually incurred in performing Services, (ii) were incurred by Designer as a direct result of the delay and not otherwise within Designer's scope of Services, and (iii) are documented to District satisfaction. (For example, and not by way of limitation, contract punchlist and final inspection Services, whenever performed, and Services related to correcting deficiencies in Designer's Services, shall be within Basic Services and not entitle Designer to extra costs or Additional Services.)
- 3.5 The Services hereunder may be amended to include additional services related to the ETSU Program beyond Phase 1A as determined by District to ensure the overall Program can be developed and constructed in a consistent and cost-efficient manner.
- 3.6 Time is of the essence in the performance of this Agreement.

#### **4. Compensation**

- 4.1 Compensation for services performed under this Agreement shall include:
- (a) Direct labor costs, multiplied by an agreed upon fixed factor (the **Multiplier**), which shall include compensation for all benefits, indirect costs, and profit.
- (i) Direct labor is defined as salaries and wages paid to personnel for time directly chargeable to the Project. Direct labor does not include the cost of Designer's statutory and customary benefits, such as sick leave, holidays, vacations, and medical and retirement benefits nor the cost of the time of executive and administrative personnel and others whose time is not identifiable to the Project. Direct labor also does not include indirect costs, which are allocations of costs that are not directly chargeable to a specific engagement and are commonly referred to as Designer's overhead. Indirect costs include provisions for such things as clerical support, office space, light and heat, insurance, statutory and customary employee benefits, and the time of executive and

administrative personnel and others whose time is not identifiable to the Project or to any other project. Under no circumstances shall the same labor costs be charged as direct labor and also appear at the same time as indirect costs, and vice versa.

(ii) The Multiplier is a multiplicative factor which is applied to direct labor costs, and compensates Designer for benefits and indirect costs (overhead) and profit.

(iii) Other non-labor direct project charges shall be included in the overhead and these charges include typical expenses as cost of transportation and subsistence, printing and reproduction, computer time and programming costs, identifiable supplies, outside consultant's charges, subcontracts, and charges by reviewing authorities."

(b) Non-labor direct Project charge not included in the fixed factor and acceptable, without any markup.

(c) Subconsultant costs, with a maximum markup of 5%.

4.2 As an alternate to Paragraph 4.1 above, the District and the Designer may mutually agree to utilize the fully-encumbered hourly rates and fees for Services performed by the Designer. These hourly rates and fees shall be based on the Designer's rate schedule published at the time this Agreement or Task Order is executed and shall be attached to each applicable Task Order.

4.3 Reimbursement for mileage shall not exceed the prevailing Internal Revenue Service's standard mileage rate.

4.4 District shall pay Designer in accordance with each Task Order.

4.5 Designer shall invoice District monthly in a form acceptable to District for the actual costs incurred, and a pro-rated portion of the Professional Fee for work performed during the previous month. All amounts paid by District to Designer shall be subject to audit by District. Payment shall be made by District to Designer at the address stated in this Agreement.

4.6 District will not withhold entire payment if a questioned amount is involved, but will issue payment in the amount of the total invoice less any questioned amount(s). District will make payment for questioned amount(s) upon District's receipt of any requested documentation verifying the claimed amount(s) and District's determination that the amount is due under the terms of this Agreement. District shall advise Designer, in writing, within 15 calendar days of receipt of the requested documentation. Final payment will be made when all Services required under this Agreement have been completed to the reasonable satisfaction of District as set forth in each Task Order.

4.7 Any Professional Fee noted in a Task Order will not be changed except in the case of a written amendment to the Agreement which alters the Scope of Services, as set forth in

each Task Order. District and Designer agree to negotiate an increase or decrease in Cost Ceiling and Professional Fee for any change in Scope of Services required at any time during the term of this Agreement. Designer will not commence work on the altered Scope of Services until authorized by District.

- 4.8 Direct labor rates are subject to revision to coincide with Designer's normal salary review schedule. Adjustments in direct labor rates shall not affect the firm ceiling without prior written authorization of the District.
- 4.9 District may set off against payments due Designer under this Agreement any sums that District determines that Designer owes to District because of its errors, omissions, breaches of this Agreement, delays or other acts that caused District monetary damages. Prior to exercising such right, District must demand and attend mediation pursuant to Paragraph 21.3 below of this Agreement, to be attended by District, Designer, and any applicable insurance carriers; such mediation to occur within 30 calendar days of demand. If the parties cannot agree upon the time, place, and mediator, within one week of the District's demand, then the Alameda District Superior Court may upon application by any party make such selection for the parties. If a party other than District refuses to mediate under this paragraph, then District shall have satisfied its obligations hereunder.

## 5. **Maximum Costs**

- 5.1 A Cost Ceiling will be established for each Task Order which is based upon estimated labor-hours and cost estimates. Costs as described above, comprising direct labor, overhead cost, and other direct costs, shall be payable up to a Cost Ceiling as specified in the Task Order. A Maximum Fee Ceiling, or Task Order Firm Ceiling, will also be established for each Task Order which includes the Cost Ceiling plus the Professional Fee.
- 5.2 If the Maximum Fee Ceiling is reached, the Designer will complete the agreed-upon work for the Maximum Fee Ceiling. With District staff approval, labor hours may be reallocated within the tasks without renegotiation in such a manner so as not to exceed the Maximum Fee Ceiling.
- 5.3 The Designer shall provide the District with a review of the budget amounts when 75 percent of the Cost Ceiling for any task has been expended. Designer may request a revision in the Cost Ceiling for performance of this Agreement, and will relate the rationale for the revision to the specific basis of estimate as defined in the Scope of Services. Such notification will be submitted to the District at the earliest possible date. The authorized Cost Ceiling shall not be exceeded without written approval of the District.
- 5.4 District's obligation hereunder shall not at any time exceed the amount approved by District's Board of Directors (**Board**) and approved by District for payment to the Designer pursuant to the terms of this Agreement or Task Order.

- 5.5 Except as may be provided by applicable law governing emergency conditions, District has not authorized its directors, employees, officers and agents to request Designer to perform Services or to provide materials, equipment and supplies that would result in Designer performing Services or providing materials, equipment and supplies that exceed the scope of the Services, materials, equipment and supplies agreed upon in the Agreement unless the District amends the Agreement in writing and approves the amendment as required by law to authorize the additional Services, materials, equipment or supplies.
- 5.6 District shall not reimburse Designer for Services, materials, equipment or supplies provided by Designer beyond the scope of the Services, materials, and office equipment and supplies agreed upon in the Agreement and unless approved by a written amendment to the Agreement having been executed and approved in the same manner as this Agreement.

## 6. Qualified Personnel

- 6.1 For purposes of this Agreement, except for notices specified under Paragraph 17 below, District and Designer shall direct all communications to each other as follows:

### District

*Ric Pipkin, ETSU Program Manager*

### Designer

*Paul Pitt, Principal in Charge*

- 6.2 Services under this Agreement shall be performed only by qualified, competent personnel under the supervision of and/or in the employment of Designer. Designer shall conform with District's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at District's request, shall be supervised by Designer.
- 6.3 Designer agrees that key professional personnel assigned to the Project will be those listed in each Task Order, and by this reference incorporated herein, and that the listed personnel will continue their assignments on the Project during the entire term of each Task Order (**Key Personnel**). It is recognized that the Key Personnel may in the future cease to be employed by Designer and because of the termination of such employment no longer able to provide Services. However, Designer agrees that replacement of any of the Key Personnel during the Agreement period shall only be with other professional personnel who have equivalent experience and pursuant to the process set forth in this Article 6. Designer shall not remove, reassign or make changes to any of the Key Personnel or their assignment durations without District's prior written approval. Any costs associated with replacement of Key Personnel shall be borne exclusively by Designer.
- 6.4 Added personnel (**Added Personnel**) shall be added to Designer's staff as necessary, but subject to approval by District. Prior to adding personnel, Designer will develop a

Staffing Plan, subject to District approval. The Staffing Plan will identify staff by position, name, responsibility, rate, and planned level of effort, projected hours, and his or her planned periods of involvement with the Project.

- 6.5 Unless directed to reduce staff by District, in the event that any Key Personnel or Added Personnel, for any reason thereafter ceases to fill that position, within ten days thereof, Designer shall propose a replacement person for District's approval pursuant to the following process:
- (a) Designer shall prepare and submit to District for its review, comment and approval, a proposal listing all personnel that Designer proposes to assign to the Project as replacement, and the proposed duration of each such assignment.
  - (b) Within 15 days following Designer's submittal of the proposal and resumes, District shall either give its written approval of such submission or provide comments. In the event District approval is withheld, Designer, in response to such comments, shall promptly, but no later than five business days after receipt of District's comment, make all necessary and appropriate changes to the proposal (including changes in proposed staff) and resubmit it to District for its approval, and such process shall continue until District approves Designer's proposed staffing. Such approvals shall not be unreasonably withheld.
- 6.6 For replacement of Key Personnel, Designer shall be subject to liquidated damages as described below, and also may not receive reimbursement for substitute personnel in amounts greater than would have been paid for the initial Key Personnel. Designer and District agree that the personal services of the Key Personnel is a material term of the Agreement, and substitution or removal or change in role or level of effort, of such Key Personnel would result in damages to the District, the measure of which would be impractical or extremely difficult to fix, and in lieu of which District and Designer have agreed to liquidated damages as described below.
- (a) District may assess and Designer shall accept liquidated damages in the amount of three times the gross monthly salary for unauthorized substitutions of any Key Personnel.
  - (b) No liquidated damages shall be due under this paragraph if the substitution is required due to death, incapacity, or resignation of Key Personnel.
  - (c) District in its sole discretion, may elect to waive, reduce or delay implementation of liquidated damages.
- 6.7 District may, in its sole discretion, direct Designer to add to or reduce Designer's staff to meet changing Project requirements. Designer's compensation shall be equitably adjusted based upon addition or reduction of Designer staff.
- 6.8 Designer shall remove any person employed by Designer or any Subconsultant whom District may deem incompetent, improper or a hindrance to the progress of any Services on the Project, and in the event of any such removal, Designer shall immediately replace

(or cause to be replaced) such person with a properly qualified and experienced replacement and, in the case of removal of any person holding any position described in the Staffing Plan, Designer shall propose properly experienced and qualified replacement personnel for District approval, pursuant to the same process as is described herein.

- 6.9 Designer agrees that should any personnel not continue their assignments on the Project during the entire term of this Agreement, then Designer shall not charge District for the cost of training or "bringing up to speed" replacement personnel. District may condition its reasonable approval of substitution personnel upon a reasonable transition period wherein new personnel will learn the Project and get up to speed at Designer's cost.

## **7. Representations**

- 7.1 Designer represents that it is qualified to perform the Services and it possesses, and will continue to possess at its sole cost and expense, the necessary licenses and/or permits required to perform the Services or will obtain such licenses and/or permits prior to time such licenses and/or permits are required. Designer also represents that it has knowledge of, and will comply with, all applicable building codes, laws, regulations and ordinances.
- 7.2 Designer represents that it possesses all necessary training, licenses and permits to perform the Services and that its performance of the Services will conform to the standards of practice of a professional having experience and expertise in performing professional services of like nature and complexity of the Services working on similar, successfully completed projects.
- 7.3 The granting of any progress payment by District, or the receipt thereof by Designer, or any inspection, review, approval or oral statement by any representative of District or any other governmental entity, shall in no way waive or limit the obligations in this Paragraph 7 or lessen the liability of Designer for unsatisfactory Services, including without limitation cases where the defective or below standard Services may not have been apparent or detected at the time of such payment, inspection, review or approval.

## **8. Indemnification and General Liability**

- 8.1 To the fullest extent allowed by law (including without limitation California Civil Code Sections 2782 and 2782.8), Designer shall defend, indemnify, and hold harmless District, its officers, directors, officials, agents employees, and volunteers (collectively **Indemnitees**) from and against any and all claims, suit, action, loss, cost, damage, injury (including, without limitation, economic harm, injury to or death of an employee of Designer or its Subconsultants) expense and liability of every kind, nature, and description, at law or equity, that arises out of, pertain to, or relate to (including without limitation, incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) any negligence, recklessness, or willful misconduct

of Designer, any Subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively **Liabilities**). Such obligations to defend, hold harmless and indemnify and Indemnitee shall not apply to the extent that such Liabilities are caused in whole or in part by the sole negligence, active negligence, or willful misconduct of such Indemnitee but shall apply to all other Liabilities. In no event shall the cost to defend charged to Designer exceed Designer's proportionate percentage of fault.

- 8.2 Designer shall defend, indemnify and hold harmless the Indemnitees from all loss, cost, damage, expense, suit, liability or claims, in law or in equity, including attorneys' fees, court costs, litigation expenses and fees of expert consultants or expert witnesses, that may at any time arise for any infringement of the patent rights, copyright, trade secret, trade name, trademark, service mark or any other proprietary right of any person or persons in consequence of the use by District, or any of the other Indemnitees, of articles or Services to be supplied in the performance of this Agreement.

## **9. Liability of District**

- 9.1 District's obligations under this Agreement shall be limited to the payment of the compensation provided for in this Agreement and any Task Order.
- 9.2 Notwithstanding any other provision of this Agreement, in no event shall District be liable, regardless of whether any claim is based on contract, tort or otherwise, for any special, consequential, indirect or incidental damages, lost profits or revenue, arising out of or in connection with this Agreement, the Services, or the Project.
- 9.3 District shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Designer, or by any of its employees, even though such equipment be furnished, rented or loaned to Designer by District. The acceptance or use of such equipment by Designer or any of its employees shall be construed to mean that Designer accepts full responsibility for and shall exonerate, indemnify, defend and save harmless District from and against any and all claims for any damage or injury of any type, including attorneys' fees, arising from the use, misuse or failure of such equipment, whether such damage be to the Designer, its employees, District employees or third parties, or to property belonging to any of the above.
- 9.4 Nothing in this Agreement shall constitute a waiver or limitation of any right or remedy, whether in equity or at law, which District or Designer may have under this Agreement or any applicable law. All rights and remedies of District or Designer, whether under this Agreement or other applicable law, shall be cumulative.

## **10. Independent Contractor; Payment of Taxes and Other Expenses**

- 10.1 Designer shall be deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which Designer perform the Services required by the terms of this Agreement. Designer shall be fully liable for the acts and omissions of it its Subconsultants, employees and agents.

- 10.2 Nothing contained herein shall be construed as creating an employment, agency or joint venture relationship between District and Designer. Designer acknowledges that neither it nor any of its employees or agents shall, for any purpose whatsoever, be deemed to be District employees, and shall not be entitled to receive any benefits conferred on District employees, including without limitation workers' compensation, pension, health, insurance or other benefits.
- 10.3 Designer shall be solely responsible for payment of any required taxes, including California sales and use taxes, city business taxes and United States income tax withholding and social security taxes, levied upon this Agreement, the transaction, or the Services delivered pursuant hereto.
- 10.4 Designer shall make its designated representative available as much as reasonably possible to District staff during the District's normal working hours or as otherwise requested by District. Terms in this Agreement referring to direction from District shall be construed as providing for direction as to policy and the result of Designer's Services only and not as to the means by which such a result is obtained.

## **11. Insurance**

- 11.1 Designer, in order to protect District and its directors, officials, agents, officers, and employees against any and all claims and liability for death, injury, loss and damage which may arise from or in connection with the performance of the obligations hereunder by Designer, its agents, representatives and employees, shall secure and maintain insurance as described below.
- 11.2 Prior to execution of this Agreement, Designer shall furnish to District original certificates of insurance including all required amendatory endorsements (or copies of the applicable policy language effecting required coverage) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements, and shall demonstrate satisfactory proof that it maintains the insurance required by this Agreement. Failure to obtain the required documents prior to execution of this Agreement shall not waive Designer's obligation to provide them. District reserves the right to require complete, certified copies of all required insurance policies, including endorsement, at any time. Designer shall maintain all required insurance throughout the term of this Agreement and as otherwise provided herein. Receipt of evidence of insurance that does not comply with all applicable insurance requirements shall not constitute a waiver of the insurance requirements set forth herein. The required documents must be signed by the authorized representative of the insurance company shown on the certificate. Upon request, Designer shall supply proof that such person is an authorized representative thereof, and is authorized to bind the named underwriter(s) and their company(s) to the coverage, limits and termination provisions shown thereon. Designer shall promptly deliver to District a certificate of insurance, and all required endorsements, with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the term specified herein. Such certificates and endorsements shall be delivered to District prior to the expiration date of any policy and bear a notation evidencing payment of the premium

thereof if so requested. Designer shall immediately pay any deductibles and self-insured retentions under all required insurance policies upon the submission of any claim by Designer or District as an additional insured.

11.3 Designer shall provide coverage at least as broad as set forth below. If the Designer maintains broader coverage and/or higher limits than set forth below, District requires and shall be entitled to the broader coverage and/or the higher limits maintained by Designer. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to District.

- (a) Commercial General Liability Insurance. Commercial General Liability Insurance Form CG 00 01 covering CGL on an “occurrence” basis, including, without limitation, contractual liability insurance (specifically concerning the indemnity provisions of this Agreement with the District), products and completed operations, personal and advertising injury (including bodily injury and death), and property damage for liability arising out of Designer's performance of services under this Agreement. The Commercial General Liability insurance shall contain no exclusions or limitation for independent contractors working on the behalf of the named insured. Designer shall maintain the Products-Completed Operations Hazard coverage for the longest period allowed by law following termination of this Agreement. The amount of said insurance coverage required by this Agreement shall be the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.
- (b) Automobile Liability Insurance. Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), or if Designer has no owned autos, Code 8 (hired) and 9 (non-owned), with coverage equal to the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence for bodily injury and property damage.
- (c) Workers' Compensation Insurance. Designer shall submit written proof that Designer is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code. Designer shall require any Subconsultants to provide workers' compensation for all of the Subconsultants' employees, unless the Subconsultants' employees are covered by the insurance afforded by Designer. If any class of employees engaged in work or services performed under this Agreement is not covered by California Labor Code section 3700, Designer shall provide and/or require each Subconsultant to provide adequate insurance for the coverage of employees not otherwise covered. Designer shall also maintain employer's liability insurance with limits of one million dollars (\$1,000,000) per accident for bodily injury or disease.
- (d) Professional Liability Insurance. Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, all negligent acts, errors or omissions in connection with services to be provided under this

Agreement, with no exclusion for claims of one insured against another insured, with coverage equal to the policy limits, which shall not be less than \$5,000,000 per occurrence and \$5,000,000 aggregate.

11.4 Designer shall comply with the following insurance requirements:

- (a) Notice of Cancellation. The above stated insurance coverages required to be maintained by Designer shall be maintained until the completion of all of Designer's obligations under this Agreement except as otherwise indicated herein. Each insurance policy supplied by Designer shall not be suspended, voided, cancelled or reduced in coverage or in limits except after ten days written notice by Designer in the case of non-payment of premiums, or 30 days written notice in all other cases. This notice requirement does not waive the insurance requirements stated herein. Designer shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.
- (b) Claims Made Policies. If any of the insurance coverages required under this Agreement is written on a claims-made basis, the retroactive date must be shown and must be before the date of the Agreement or the beginning of the Services. Designer must maintain the insurance and evidence of insurance must be provided for at least five years following the completion of the Services under the Agreement. If coverage is cancelled or non-renewed and not replaced with another claims-make policy form with a retroactive date prior to the effective date of this Agreement, the Designer must purchase "extended reporting" coverage for a minimum of five years after completion of Services under the Agreement.
- (c) Self-Insured Retentions. Any self-insured retentions must be declared on the Certificate of insurance or other documentation provided to District and must be approved by the District. District may require Designer to provide proof of ability to pay losses and related investigations, claims administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insurer or District.
- (d) Additional Insured Status. On Designer's Commercial General Liability and Automobile policies, the Union Sanitary District, its officers, directors, agents, employees, and volunteers, shall be named as additional insured's, but only with respect to liability arising out of the activities of the named insured. Any endorsement shall be provided using one of the following three options: (i) on ISO form CG 20 10 1 1 85; or (ii) on ISO form CG 20 37 10 01 plus either ISO form CG 20 10 10 01 or CG 20 33 10 01; or (iii) on such other forms which provide coverage at least equal to or better than form CG 20 10 1 1 85.

- (e) Acceptability of Insurers. All insurance shall be issued by a company or companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A:VII. Any exception to these requirements must be approved by the District Risk Manager.
- (f) Primary Coverage. All insurance afforded by Designer pursuant to this Agreement shall be primary to and not contributing to all insurance or self-insurance maintained by the District at least as broad as ISO CG 20 01 04 13 with respect to District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by District, its officers, officials, employees or volunteers shall be excess of the Designer's insurance and not contribute with it.
- (g) Waiver of Subrogation. Designer grants to District a waiver of any right of subrogation which any insurer of Designer may acquire against the District by virtue of the payment of any loss under such insurance. Designer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, however, this paragraph applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.
- (h) Maintenance of Insurance. Failure by Designer to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Designer. District, at its sole option, may terminate this Agreement and obtain damages from Designer resulting from said breach. Alternatively, District may purchase such required insurance coverage, and without further notice to Designer, District shall deduct from sums due to Designer any premiums and associated costs advanced or paid by District for such insurance. If the balance of monies obligated to Designer pursuant to this Agreement are insufficient to reimburse District for the premiums and any associated costs, Designer agrees to reimburse District for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by District to take this alternative action shall not relieve Designer of its obligation to obtain and maintain the insurance coverages required by this Agreement.
- (i) Subconsultants. Designer shall require and verify that all Subconsultants maintain insurance meeting the requirements of this Agreement and Designer shall ensure that District is an additional insured on insurance required from subcontractors.

11.5 District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

11.6 District may (but is under no obligation to) secure project-specific insurance, wrap-up insurance, or administer an owner controlled insurance program (**OCIP**), in which case Designer and its Subconsultants shall communicate this fact to their insurance carriers and request that the risk of this project be excluded from their practice policies. Designer's fees under this Agreement (and the fee of its Subconsultants under

Subconsultant agreements) shall be reduced by the amount of insurance premiums that may be avoided by Designer and its Subconsultants by virtue of the District's obtaining the project-specific insurance, wrap-up insurance or administering an OCIP, and the exclusion of this project from coverage of Designer's and Subconsultants policies. Designer and its Subconsultants shall afford District access to their books and records and cooperate with District in verifying the amount of savings realized.

## **12. Suspension of Services**

- 12.1 District may, without cause, order Designer to suspend, delay or interrupt Services pursuant to this Agreement, in whole or in part, for such periods of time as District may determine in its sole discretion. District shall deliver to Designer written notice of the extent of the suspension at least seven calendar days before the commencement thereof. Suspension shall be treated as an Excusable Delay and Designer shall be compensated for such delay to the extent provided under this Agreement.
- 12.2 Notwithstanding anything to the contrary contained in this Paragraph 12, no compensation shall be paid to the extent that performance is, was or would have been so suspended, delayed or interrupted by a cause for which Designer is responsible.

## **13. Termination of Agreement for Cause**

- 13.1 If at any time District believes Designer may not be adequately performing its obligations under this Agreement, that Designer may fail to complete the Services as required by this Agreement, or that District has provided written notice of observed deficiencies in Designer's performance, District may request from Designer prompt written assurances of performance and a written plan, acceptable to District, to correct the observed deficiencies in Designer's performance (**Cure Plan**). The Cure Plan must include, as applicable, evidence of necessary resources, correction plans, Subconsultant commitments, schedules and recovery schedules, and affirmative commitments to correct the asserted deficiencies, must meet all applicable requirements and show a realistic and achievable plan to cure the breach. Designer shall provide such written assurances and Cure Plan within ten calendar days of the date of notice of written request. Designer acknowledges and agrees that any failure to provide written assurances and Cure Plan to correct observed deficiencies, in the required time, is a material breach under this Agreement.
- 13.2 Designer shall be in default of this Agreement and District may, in addition to any other legal or equitable remedies available to District, terminate Designer's right to proceed under the Agreement, in whole or in part, for cause:
- (a) Should Designer make an assignment for the benefit of creditors, admit in writing its inability to pay its debts as they become due, file a voluntary petition in bankruptcy, be adjudged a bankrupt or insolvent, file a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, file any answer admitting or not contesting the material

allegations of a petition filed against Designer in any such proceeding, or seek, consent to, or acquiesce in, the appointment of any trustee, receiver, custodian or liquidator of Designer or of all or any substantial part of the properties of Designer, or if Designer, its directors or shareholders, take action to dissolve or liquidate Designer; or

- (b) Should Designer commit a material breach of this Agreement and not cure such breach within ten calendar days of the date of notice from District to Designer demanding such cure; or, if such failure is curable but not curable within such ten day period, within such period of time as is reasonably necessary to accomplish such cure. (In order for Designer to avail itself of this time period in excess of ten calendar days, Designer must provide District within the ten calendar day period a written Cure Plan acceptable to District to cure the breach, and then Designer must diligently commence and continue such cure according to the written Cure Plan); or
- (c) Should Designer violate or allow a violation of any valid law, statute, regulation, rule, ordinance, permit, license or order of any governmental agency in effect at the time of performance of the Services and applicable to the Project or Services and does not cure such violation within ten calendar days of the date of the notice from District to Designer demanding such cure; or, if such failure is curable but not curable within such ten calendar day period, within such period of time as is reasonably necessary to accomplish such cure. (In order for Designer to avail itself of this time period in excess of ten calendar days, Designer must provide District within the ten calendar day period a written Cure Plan acceptable to District to cure said breach, and then Designer must diligently commence and continue such cure according to the written Cure Plan.)

13.3 In the event of termination by District as provided herein for cause:

- (a) District shall compensate Designer for the value of the Services delivered to District upon termination as determined in accordance with the Agreement, subject to all rights of offset and backcharges, but District shall not compensate Designer for its costs in terminating the Services or any cancellation charges owed to third parties.
- (b) Designer shall deliver to District possession of all tangible aspects of the Services in their then condition including, without limitation, all copies (electronic, CAD, and PDF format, and hard copy) of designs, engineering, Project records, cost data of all types, drawings and specifications and contracts with vendors and Subconsultants, and all other documentation associated with the Project, and all supplies and aids dedicated solely to performing Services which, in the normal course of the Services, would be consumed or only have salvage value at the end of the Services period.
- (c) Designer shall remain fully liable for the failure of any Services completed and drawings and specifications provided through the date of such termination to

comply with the provisions of the Agreement. The provisions of this Paragraph shall not be interpreted to diminish any right that District may have to claim and recover damages for any breach of this Agreement, but rather, Designer shall compensate District for all loss, cost, damage, expense, and/or liability suffered by District as a result of such termination and failure to comply with the Agreement, including without limitation District's costs incurred in connection with finding a replacement.

- 13.4 In the event a termination for cause is determined to have been made wrongfully or without cause, then the termination shall be treated as a termination for convenience pursuant to Paragraph 14 below, and Designer shall have no greater rights than they would have had if a termination for convenience had been effected in the first instance. No other loss, cost, damage, expense or liability may be claimed, requested or recovered by Designer.

#### **14. Termination of Agreement for Convenience**

- 14.1 District may terminate performance of the Services under the Agreement in accordance with this Paragraph 14 in whole, or from time to time in part, whenever District shall determine that termination is in the District's best interests. Termination shall be effected by District delivering to Designer, at least seven calendar days prior to the effective date of the termination, a Notice of Termination (**Notice of Termination**) specifying the extent to which performance of the Services under the Agreement is terminated.
- 14.2 After receipt of a Notice of Termination, and except as otherwise directed by District, Designer shall:
- (a) Stop Services under the Agreement on the date and to the extent specified in the Notice of Termination;
  - (b) Place no further orders or subcontracts (including agreements with Subconsultants) for materials, Services, or facilities except as necessary to complete the portion of the Services under the Agreement which is not terminated;
  - (c) Terminate all orders and subcontracts to the extent that they relate to performance of Services terminated by the Notice of Termination;
  - (d) Assign to District in the manner, at times, and to the extent directed by District, all right, title, and interest of Designer under orders and subcontracts so terminated. District shall have the right, in its discretion, to settle or pay any or all claims arising out of termination of orders and subcontracts;
  - (e) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with approval or ratification of District to the extent District may require. District's approval or ratification shall be final for purposes of this clause;

- (f) Transfer title and possession of Designer's and its Subconsultants' work product to District, and execute all required documents and take all required actions to deliver in the manner, at times, and to the extent, if any, directed by District, completed and uncompleted designs and specifications, Services in process, completed Services, supplies, and other material produced or fabricated as part of, or acquired in connection with performance of, Services terminated by the Notice of Termination; District acknowledges that said documents were prepared for the purpose of the Project.
  - (g) Complete performance of any part of the Services that were not terminated by the Notice of Termination; and
  - (h) Take such action as may be necessary, or as District may direct, for the protection and preservation of property related to this Agreement which is in Designer's possession and in which District has or may acquire an interest.
- 14.3 After receiving a Notice of Termination, Designer shall submit to District a termination claim, in the form and with the certification District prescribes. The claim shall be submitted promptly, but in no event later than three months from the effective date of the termination, unless one or more extensions in writing are granted by District upon Designer's written request made within such three month period or authorized extension. However, if District determines that facts justify such action, it may receive and act upon any such termination claim at any time after such three month period or extension. If Designer fail to submit the termination claim within the time allowed, District may determine, on basis of information available to it, the amount, if any, due to Designer because of the termination. District shall then pay to Designer the amount so determined.
- 14.4 Subject to provisions of Paragraph 14.3 above, Designer and District may agree upon the whole or part of the amount or amounts to be paid to Designer because of any termination of Services under this Paragraph. The amount or amounts may include a reasonable allowance for profit on Services done. However, such agreed amount or amounts, exclusive of settlement costs, shall not exceed the total Agreement price as reduced by the amount of payments otherwise made and as further reduced by the Agreement price of Services terminated. The Agreement may be amended accordingly, and Designer shall be paid the agreed amount.
- 14.5 If Designer and District fail, under Paragraph 14.4 above, to agree on the whole amount to be paid to Designer because of termination of Services under this Paragraph 14.5, then Designer's entitlement to compensation for Services specified in the Agreement which are performed before the effective date of Notice of Termination, shall be the total (without duplication of any items) of:
- (a) Reasonable value of Designer's Services performed prior to Notice of Termination, based on Designer's entitlement to compensation under the applicable Task Order. Such amount or amounts shall not exceed the total Agreement price as reduced by the amount of payments otherwise made and as

further reduced by the Agreement value of Services terminated. Deductions against such amount or amounts shall be made for deficiently performed Services, rework caused by deficiently performed Services, cost of materials to be retained by Designer, amounts realized by sale of materials, and for other appropriate credits against cost of Services. Such amount or amounts may include profit, but not in excess of 10% of Designer's total costs of performing the Services.

- (b) When, in District's opinion, the cost of any Services item is excessively high due to costs incurred to remedy or replace defective or rejected Services (including having to re-perform Services), reasonable value of Designer's Services will be the estimated reasonable cost of performing Services in compliance with the requirements of this Agreement, and any excessive actual cost shall be disallowed.
- (c) Reasonable cost to Designer of handling material returned to vendors, delivered to District or otherwise disposed of as directed by District.
- (d) Except as provided in this Agreement, in no event shall District be liable for costs incurred by Designer (or Subconsultants) after receipt of a Notice of Termination. Such non-recoverable costs include, but are not limited to, anticipated profits on the Agreement or subcontracts, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, costs of preparing and submitting claims or proposals, attorney's fees or other costs relating to prosecution of the claim or a lawsuit, pre-judgment interest, or any other expense that is not reasonable or authorized under Paragraph 14.5 above.

14.6 This Paragraph shall not prohibit Designer from recovering costs necessary to discontinue further Services under the Agreement as provided for in Paragraph 14.2 above or costs authorized by District to settle claims from Subconsultants.

14.7 In arriving at amounts due Designer under this Paragraph 14, there shall be deducted:

- (a) All unliquidated advance or other payments on account theretofore made to Designer, applicable to the terminated portion of Agreement,
- (b) Any substantiated claim that District may have against Designer in connection with this Agreement, and
- (c) The agreed price for, or proceeds of sale of, any materials, supplies, or other things kept by Designer or sold under the provisions of this Paragraph 14, and not otherwise recovered by or credited to District.

14.8 If the termination for convenience hereunder is partial, before settlement of the terminated portion of this Agreement, Designer may file with District a request in writing for equitable adjustment of price or prices specified in the Agreement relating to the portion of this Agreement that is not terminated. District may, but shall not be

required to, agree on any such equitable adjustment. Nothing contained herein shall limit the right of District and Designer to agree upon amount or amounts to be paid to Designer for completing the continued portion of the Agreement when the Agreement does not contain an established price for the continued portion. Nothing contained herein shall limit District's rights and remedies pursuant to this Agreement or at law.

## **15. Conflicts of Interest/Other Agreements**

- 15.1 Designer represents that it is familiar with Section 1090 and Section 87100, et seq., of the Government Code of the State of California, and that it does not know of any facts that constitute a violation of those sections.
- 15.2 Designer represents that it has completely disclosed to District all facts bearing upon any possible interests, direct or indirect, which Designer believes any member of District, or other officer, agent or employee of District or any department presently has, or will have, in this Agreement, or in the performance thereof, or in any portion of the profits thereunder. Willful failure to make such disclosure, if any, shall constitute ground for termination of this Agreement by District for cause. Designer shall comply with the District's conflict of interest codes and their reporting requirements.
- 15.3 Designer covenants that it presently has no interest, and during the term of this Agreement shall not have any interest, direct or indirect, that would conflict in any manner with the performance of Services required under this Agreement. Without limitation, Designer represents to and agrees with District that Designer has no present, and in the future during the term of this Agreement will not have any, conflict of interest between providing District Services hereunder and any interest Designer may presently have, or will have in the future, with respect to any other person or entity that has any interest adverse or potentially adverse to the District, as determined in District's reasonable judgment.

## **16. Proprietary or Confidential Information of District; Ownership of Results; Publicity**

- 16.1 Designer acknowledges and agrees that, in the performance of the Services under this Agreement or in the contemplation thereof, Designer may have access to private or confidential information that may be owned or controlled by District and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to District. Designer agrees that all private, confidential, or proprietary information disclosed by District to or discovered by Designer in the performance of the Services shall be held in strict confidence and used only in performance of this Agreement. Designer shall exercise the same standard of care to protect such information as a reasonably prudent professional would use to protect its own proprietary data, and shall not accept employment adverse to District's interests where such confidential information could be used adversely to District's interests. Designer shall notify District immediately in writing if it is requested to disclose any information made known to or discovered by Designer during the performance of or in connection with the Services pursuant to this Agreement.

- 16.2 Any interest (including copyright interests) of Designer or its Subconsultants, in studies, reports, memoranda, computational sheets, drawings, plans or any other documents (including electronic media) prepared by Designer or its Subconsultants in connection with the Services, shall become the property of District. To the extent permitted by Title 17 of the United States Code, work product produced under this Agreement shall be deemed works for hire and all copyrights in such works shall be the property of District. In the event that it is ever determined that any works created by Designer or its Subconsultants under this Agreement are not works for hire under U.S. law, Designer hereby assigns to District all copyrights to such works. As respects Designers' standard details and proprietary design instruments of service (not specific to this Agreement), however, Designer shall have only a non-exclusive but otherwise unrestricted license to use the materials prepared in connection with this Agreement.
- 16.3 Any publicity or press releases with respect to the Project or Services shall be under District's sole discretion and control. Designer shall not discuss the Services, the Project, or matters pertaining thereto, with the public press, representatives of the public media, public bodies or representatives of public bodies, without District's prior written consent. Designer shall have the right, however, without District's further consent, to include representations of Services among Designer's promotional and professional material, and to communicate with persons or public bodies where necessary to perform under this Agreement.
- 16.4 The provisions of this Paragraph 16 shall remain fully effective indefinitely after termination of Services to the District hereunder.

## **17. Notices to the Parties**

- 17.1 All notices (including requests, demands, approvals or other communications other than ordinary course Project communications) under this Agreement shall be in writing and shall include the word "NOTICE" in the subject line.
- 17.2 Notice shall be sufficiently given for all purposes as follows:
- (a) When personally delivered to the recipient, notice is effective on delivery.
  - (b) When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.
  - (c) When delivered by reputable delivery service, with charges prepaid or charged to the sender's account, notice is effective on delivery if delivery is confirmed by the delivery service.
  - (d) Notice by facsimile or electronic mail shall not be allowed or constitute "Notice" under this Paragraph 17.
- 17.3 Any correctly-addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of

the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service,

- 17.4 Addresses for the purpose of giving notice are set forth in Paragraph 6.1 above. Either party may, by written notice given at any time or from time to time require subsequent notices to be given to another individual person, whether a party or an officer or a representative, or to a different address or fax number, or both, by giving the other party notice of the change in any manner permitted by this Paragraph 17.

## **18. Record Keeping and Audit Requirements**

- 18.1 Designer shall maintain adequate books, records, documents, and other evidence pertinent to Services under this Agreement or in connection with the Project in accordance with generally accepted accounting principles. Adequate supporting documentation shall be maintained in such detail so as to permit tracing transactions from the invoices, to the financial statement, to the accounting records, and to the supporting documentation. Designer shall make all such items to District, its designee or their designated representatives, during the course of performance of Services under this Agreement for a period of three years after the later of completion of all Services and final completion of the Project, and provide suitable facilities for access, monitoring, inspection, and copying thereof, and staff to answer questions and respond to inquiries. Further, Designer agrees to include similar Subconsultant obligations and District (and its designees) rights in all Subconsultant agreements relating to the Services or Project.

## **19. Subcontracting/Assignment/District Employees**

- 19.1 Designer and District agree that Designer's unique talents, knowledge and experience form a basis for this Agreement and that the Services to be performed by Designer under this Agreement are personal in character. Therefore, Designer shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder unless approved by District in a written instrument executed and approved by the District in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Paragraph 19.1 shall confer no rights on any party and shall be null and void.
- 19.2 Designer shall not employ or engage, or attempt to employ or engage, any person who is or was employed by District or any department thereof at any time that this Agreement is in effect, and for a period of two years after the termination of this Agreement or the completion of the Services, without the written consent of District.
- 19.3 As of the execution of this Agreement, the identity and team members of the Campus Building Architect, as well as their specific scope, cost, and terms of the subcontract between Designer and Campus Building Architect, have not been determined. Following the District's selection of the Campus Building Architect and agreement regarding the other items, District and Designer shall amend this Agreement accordingly, and Designer shall engage Campus Building Architect as a Subconsultant.

## 20. Other Obligations

- 20.1 Designer shall not discriminate against any employee or applicant for employment, nor against any Subconsultant or applicant for a subcontract, because of race, color, religious creed, age, gender, actual or perceived sexual orientation, national origin, disability as defined by the ADA (as defined below) or veteran's status. To the extent applicable, Designer shall comply with all federal, state and local laws (including, without limitation, District ordinances, rules and regulations) regarding non-discrimination, equal employment opportunity, affirmative action and occupational-safety-health concerns, shall comply with all applicable rules and regulations thereunder, and shall comply with same as each may be amended from time to time.
- 20.2 Designer acknowledges that, pursuant to the Americans with Disabilities Act (**ADA**), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Designer shall provide the Services specified in this Agreement in a manner that complies with the standard of care established under this Agreement regarding the ADA and any and all other applicable federal, state and local disability rights legislation. Designer agree not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Designer, its employees, agents or assigns shall constitute a material breach of this Agreement. Designer shall comply with §504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- 20.3 If required by District, the Designer shall obtain written approval from the District representative prior to accessing District internal systems through real-time computer connections. Upon approval, the Designer will use only in-bound connections to accomplish a legitimate business need and a previously defined and approved task. As a condition of approval, the Designer shall: (a) run a current operating system supported by the District with up-to-date security patches applied as defined in the District COE/Non-COE document; (b) have anti-virus software installed on his/her personal computer with up-to-date virus signatures; (c) have personal firewall software installed and enabled on their computers; and (d) understand and sign the District's Electronic Equipment Use Policy, number 2160. The District reserves the right to audit the security measures in effect on Designer's connected systems without prior notice. The District also reserves the right to terminate network connections immediately with all Designer's systems not meeting the above requirements.
- 20.4 Designer, at no additional expense to the District, shall conduct a background check for each of its employees, as well as for the employees of its Subconsultants (collectively "Consultant Employees") who will have access to District's computer systems, either through on-site or remote access, or whose contract work requires an extended presence on the District's premises. The minimum background check process for any District consultant shall include, but not be limited to: (a) for California residents:

Criminal Records (County and State Criminal Felony and Misdemeanor; and (b) for Out of State residents: Federal criminal search of the National Criminal Database. The background check shall be conducted and the results submitted to the District prior to initial access by Consultant Employees. If at any time, it is discovered that a Consultant Employee has a criminal record that includes a felony or misdemeanor, the Designer is required to inform the District immediately and the District will assess the circumstances surrounding the conviction, time frame, nature, gravity, and relevancy of the conviction to the job duties, to determine whether the Consultant Employee will be placed or remain on a District assignment. The District may withhold consent at its sole discretion. The District may also conduct its own criminal background check of the Consultant Employees. Failure of the Designer to comply with the terms of this paragraph may result in the termination of the Agreement with the District.

## **21. Disputes**

- 21.1 Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to District's ETSU Program Manager and a principal of the Designer who shall attempt, in good faith, to resolve the dispute. Such referral shall be initiated by written request from either party, and a meeting between the ETSU Program Manager and Designer principal shall then take place within five calendar days of the date of the request.
- 21.2 Provided that District continues to compensate Designer in accordance with this Agreement, Designer shall continue its Services throughout the course of any and all disputes. Nothing in this Agreement shall allow Designer to discontinue Services during the course of any dispute. Designer's failure to continue Services during any and all disputes shall be considered a material breach of this Agreement. Designer agrees that the existence or continued existence of a dispute does not excuse performance under any provision of this Agreement including, without limitation, the time to complete the Services. Designer also agrees that should Designer discontinue Services due to a dispute or disputes, District may terminate this Agreement for cause as provided herein.
- 21.3 In the event of claims exceeding \$50,000, as a precondition to commencing litigation, the parties shall first participate in non-binding mediation pursuant to the construction mediation procedures of JAMS, in Oakland, California, before a mediator mutually agreeable to the parties, and in the event the parties are unable to agree, selected by a judge of the Alameda District Superior Court from an approved list of JAMS qualified construction mediators. The parties may initially agree to engage in discovery prior to mediation. Should parties proceed with discovery, they shall follow the procedures prescribed in the California Code of Civil Procedure and discovery so conducted shall apply in any subsequent litigation as if conducted in that litigation.

## **22. Agreement Made in California; Venue**

- 22.1 This Agreement shall be deemed to have been executed in the City of Union City, County of Alameda. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, including its statutes of

limitation, excluding its conflict of laws rules. The exclusive venue for all disputes or litigation arising out of this Agreement shall be in the Superior Court of the District of Alameda unless the parties agree otherwise in a written amendment to this Agreement.

- 22.2 The parties shall execute two copies of this Agreement, each of which shall be deemed originals.

### **23. Compliance with Laws; Standard of Care**

23.1 Designer shall comply with all applicable, laws, rules, orders and regulations (collectively, **Laws**) in the performance of the Services, regardless of whether such laws are specifically stated in this Agreement and regardless of whether such laws are in effect on the date hereof. Designer shall comply with all security requirements imposed by authorities with jurisdiction over any Project, and will provide all information, work histories and/or verifications as requested by such authorities for security clearances or compliance.

23.2 Designer shall perform all Services with the care and skill, ordinarily exercised in like cases by reputable members of their professions practicing under similar circumstances (**Standard of Care**).

23.3 Designer represent that all plans, drawings, specifications, designs and any other product of the Services will comply with all applicable Laws and be consistent with the Standard of Care.

### **24. Miscellaneous**

24.1 All section and paragraph captions are for reference only and shall not be considered in construing this Agreement.

24.2 As between the parties to this Agreement: as to all acts or failures to act by either party to this Agreement, any applicable statute of limitations shall commence to run on the date of issuance by District of the final Certificate for Payment, or termination of this Agreement, whichever is earlier. This Paragraph 24.2 shall not apply to latent defects as defined by California law or negligence claims, as to which the statute of limitations shall commence to run on discovery of the defect and its cause. However, the applicable statutes of repose, California Code of Civil Procedure, Sections 337.1 and 337.15, shall continue to apply.

24.3 Any provisions or portion thereof of this Agreement that is prohibited by, unlawful or unenforceable under any applicable law of any jurisdiction, shall as to such jurisdiction be ineffective without affecting other provisions of this Agreement. If the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement may be deemed to be a valid and binding agreement enforceable in accordance with its terms. If any provisions or portion thereof of this Agreement are prohibited by, unlawful, or unenforceable under any applicable law and are therefore stricken or deemed waived, the remainder of such provisions and this Agreement shall be interpreted to achieve the goals or intent of the stricken or waived provisions or

portions thereof to the extent such interpretation is consistent with applicable law. In dispute resolution arising from this Agreement, the fact finder shall receive detailed instructions on the meaning and requirements of this Agreement.

- 24.4 Either party's waiver of any breach, or the omission or failure of either party, at any time, to enforce any right reserved to it, or to require performance of any of the terms, covenants, conditions or other provisions of this Agreement, including the timing of any such performance, shall not be a waiver of any other right to which any party is entitled, and shall not in any way affect, limit, modify or waive that party's right thereafter to in force or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade or oral representations notwithstanding.
- 24.5 Except as expressly provided in this Agreement, nothing in this Agreement shall operate to confer rights or benefits on persons or entities not party to this Agreement. Time is of the essence in the performance of this Agreement.
- 24.6 Designer acknowledges that Designer and all Subconsultants are aware of and understand the Immigration Reform and Control Act (**IRCA**). Designer is and shall remain in compliance with the IRCA and shall ensure that any Subconsultants hired by Designer to perform services under this Agreement are in compliance with the IRCA. In addition, Designer agrees to indemnify, defend and hold harmless the District, its agents, officers and employees, from any liability, damages or causes of action arising out of or relating to any claims that Designer's employees, or the employees of any Subconsultant hired by Designer, are not authorized to work in the United States for Designer or its Subconsultant and/or any other claims based upon alleged IRCA violations committed by Designer or Designer's Subconsultant(s).

## **25. Entire Agreement; Modifications**

- 25.1 This Agreement, and any written modification to the Agreement, shall represent the entire and integrated Agreement between the parties hereto regarding the subject matter of this Agreement and shall constitute the exclusive statement of the terms of the parties' Agreement. The Agreement, and any written modification to the Agreement, shall supersede any and all prior negotiations, representations or agreements, either written or oral, express or implied, that relate in any way to the subject matter of this Agreement or written modification, and the parties represent and agree that they are entering into this Agreement and any subsequent written modification in sole reliance upon the information set forth in the Agreement or written modification and the parties are not and will not rely on any other information. All prior negotiations, representations or agreements, either written or oral, express or implied, that relate in any way to the subject matter of this Agreement, shall not be admissible or referred to hereafter in the interpretation or enforcement of this Agreement.
- 25.2 To the extent this Agreement conflicts with the terms of any proposal, invoice, or other document submitted to or by either party, the terms of this Agreement shall control.

- 25.3 This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved by a fully authorized representative of District, Designer expressing such an intention in the case of a modification or by the party waiving in the case of a waiver.
- 25.4 Designer, in any price proposals for changes in the Services that increase the Agreement amount, or for any additional Services, shall break out and list its costs and use percentage markups. Designer shall require its Subconsultants (if any) to do the same, and the Subconsultants' price proposals shall accompany Designer's price proposals.
- 25.5 Designer and its Subconsultants shall, upon request by District, permit inspection of all original unaltered Agreement bid estimates, subcontract Agreements, purchase orders relating to any change, and documents substantiating all costs associated with all cost proposals.
- 25.6 Changes in the Services made pursuant to this Paragraph 25 and extensions of the Agreement time necessary by reason thereof shall not in any way release Designer's representations and agreements pursuant to this Agreement.
- 25.7 Whenever the words "**as directed**", "**as required**", "**as permitted**", or words of like effect are used, it shall be understood as the direction, requirement, or permission of District. The words "**approval**", "**acceptable**", "**satisfactory**", or words of like import, shall mean approved by, or acceptable to, or satisfactory to District, unless otherwise indicated by the context.

**[SIGNATURE LINES FOLLOW ON NEXT PAGE]**

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day first mentioned above.**

**District**

UNION SANITARY DISTRICT

By: \_\_\_\_\_

Name Paul R. Eldredge, P.E.

Its: General Manager/District Engineer

**Designer**

HAZEN AND SAWYER, a privately held C Corporation

By: \_\_\_\_\_

Name Marc Solomon, P.E.

Its: Vice President

By: \_\_\_\_\_

Name \_\_\_\_\_

Its: \_\_\_\_\_

**ENHANCED TREATMENT & SITE UPGRADE – PHASE 1A PROJECT**

TASK ORDER NO. 1

TO

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

HAZEN AND SAWYER

FOR

PROFESSIONAL SERVICES

Dated January \_\_\_\_, 2020

1. PURPOSE

The District has recently finalized the Enhanced Treatment & Site Upgrade (ETSU) Program for the Alvarado WWTP. The objective of this Program was to assess the District's near- and long-term projects and recommend the sequence of design and construction implementation based on capacity constraints as well as future regulatory changes. The ETSU Program also included determining priorities and schedules of improvements, evaluating existing and future space and capacity needs, assessing potential effluent management options, and summarizing what is intended to be a road map for the Alvarado WWTP for the next 20 to 40 years.

ETSU Programming efforts were performed in combination with several ongoing or recently completed studies and projects, which include:

- Secondary Treatment Process Improvements
- Effluent Management Study
- Administration/Control/FMC Building Evaluation
- Solids System Capacity Assessment

The District expects the Sub-Projects identified in the ETSU Program to address both immediate drivers (poor sludge settleability, capacity, effluent disposal, and aging infrastructure), while preparing for potential future nutrient regulations such as Bay Area Clean Water Association (BACWA) Level 2 standards. The Sub-Projects which the District expects to include in Phase 1 are summarized in the table below. The purpose of the Phase 1A Project is to construct the first two Sub-Projects in the table below.

<u>Aeration Basin Modifications</u>	Retrofit existing Aeration Basins 1 through 7 to initially operate with an anaerobic selector to improve settling and then transition to a biological nutrient removal (BNR) process to remove nutrients at the conclusion of Phase 1. Sub-Project includes constructing deoxygenation, anoxic and flexible aeration zones; internal recycle pumps; and modifications to facilitate step feed operation and surface wasting.
<u>Campus Building (Admin, FMC, Ops.)</u>	Construct new Campus Building, including associated site, landscaping and utility improvements, parking areas and driveways, and the demolition of existing buildings.
<u>Secondary Clarifiers</u>	Construct four new 155-foot diameter secondary clarifiers. Sub-Project includes the construction of mixed liquor control box and centralized RAS pump station.
<u>Effluent Facilities</u>	Construct new Effluent Facilities. Sub-Project includes the construction of chlorination/dechlorination contact basins, effluent pump station, and relocation of the existing effluent force main.
<u>Plant Equalization Storage</u>	Retrofit existing Secondary Clarifiers 1 through 4 to operate as a primary effluent/treated effluent equalization basin.

2. PROJECT COORDINATION

All work related to this task order shall be coordinated through the ETSU Program Manager, Ric Pipkin.

3. SCOPE OF SERVICES

The task numbers in this Scope of Services are associated with the cost and schedule data presented in Exhibits A and B, respectively.

**Task 1 Aeration Basin and Blower Evaluations**

**1.1 Verify Planned Aeration Basin Modifications**

Engineer shall conduct an analysis to verify the planned modifications to the existing aeration basins. This analysis shall include the evaluation of the District’s existing process data and pertinent information contained in the Secondary Treatment Process Improvements (Appendix B - ETSU Program Final Report).

**1.2 Develop Aeration Basin Layouts**

Engineer shall develop aeration basin layouts that maximize performance and encompasses design criteria developed in the Secondary Treatment Process Improvements report (Appendix B - ETSU Program Final Report). Layouts shall include the most efficient sizing of deoxygenation/flex zones, anoxic zones, and aerobic zones; nitrified recycle pumps; dedicated RAS piping for each basin; repurposing of existing channels to facilitate step feed operation and surface wasting; and aeration air diffuser layouts.

**1.3 Evaluate Aeration Air Piping Modifications**

Determine all required aeration air distribution and diffuser piping system modifications. Engineer shall evaluate to what extent existing facilities can be reused to minimize costs and/or facilitate the sequence of work. Verify the condition of any facilities and/or piping to be reused.

**1.4 Evaluate Aeration Energy Demands**

Engineer shall evaluate the energy demands associated with the replacement of the existing aeration basin and channel air centrifugal blowers. Determine all electrical improvements required to support this work.

**1.5 New Blower Building Evaluation**

Engineer shall evaluate the benefits of constructing a new blower building in conjunction with the other aeration basin modifications. Determine any avoided costs and sequencing benefits of constructing this building simultaneously versus the phased replacement of the existing centrifugal blowers.

**1.6 Additional Aeration Basin Evaluation**

Engineer shall evaluate the construction of an additional aeration basin in addition to and concurrent with the Project to improve the existing aeration basins to facilitate easier construction to the existing basins and/or provide for reliable ammonia removal while meeting overall total Nitrogen goals. Analysis shall consider input from Old Alameda Creek NPDES Permit discussions currently ongoing.

1.7 Draft Technical Memorandum

Engineer shall develop a draft technical memorandum (TM) to summarize the findings and recommendations from the Aeration Basin and Blower Evaluations.

1.8 Aeration Basin and Blower Evaluations Workshop

Engineer shall conduct a workshop to review analysis and discuss the District's comments associated with the draft TM.

1.9 Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

**Task 2      Odor Control Facilities Assessment**

2.1 Odor Control Facilities Assessment

Engineer shall assess the site for locating new odor control facilities. Assessment shall include impacts to existing underground utilities, site drainage, and plant access; new equipment layout; and impacts to existing mechanical, electrical, and chemical systems. Engineer shall evaluate the feasibility of constructing a biofilter or low inlet loading rate biological trickling filter in lieu of an activated carbon odor control system. Evaluation shall include review of operational data from the District's planned Odor Study Pilot scheduled for spring and summer of 2020.

2.2 Draft Technical Memorandum

Engineer shall develop a draft TM to summarize the findings and recommendations from the Odor Control Facilities Assessment.

2.3 Odor Control Facilities Assessment Workshop

Engineer shall conduct a workshop to review analysis and discuss the District's comments associated with the draft TM.

2.4 Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

**Task 3     Disinfection Facilities Evaluation**

3.1     Disinfection Facilities Evaluation

Engineer shall evaluate the benefits of reusing the existing chlorine contact facility and effluent pump station. Engineer shall determine the cost and scheduling impacts of constructing a new standalone facility in lieu of retrofitting/expanding the existing facility. Engineer shall also determine if there are any avoided costs by partially repurposing Secondary Clarifiers 2 and 4.

3.2     Draft Technical Memorandum

Engineer shall develop a draft TM to summarize the findings and recommendations from the Disinfection Facilities Evaluation.

3.3     Disinfection Facilities Evaluation Workshop

Engineer shall conduct a workshop to review analysis and discuss the District’s comments associated with the draft TM.

3.4     Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

**Task 4     Plant Equalization Storage Assessment**

4.1     Plant Equalization Storage Assessment

Engineer shall assess the benefits of converting the existing Secondary Clarifiers 1 through 4 into a Plant Equalization Facility. Engineer shall conduct a cost/benefit analysis for constructing primary effluent versus treated effluent equalization basins.

4.2     Draft Technical Memorandum

Engineer shall develop a draft TM to summarize the findings and recommendations from the Plant Equalization Storage Assessment.

4.3     Plant Equalization Storage Assessment Workshop

Engineer shall conduct a workshop to review analysis and discuss the District’s comments associated with the draft TM.

4.4     Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

**Task 5 Electrical and Communication Evaluation**

5.1 Electrical and Communication Evaluation

Evaluate the electrical and communication/network requirements for the Project and determine how the new and modified facilities will connect to the WWTP's existing systems.

5.2 Draft Technical Memorandum

Engineer shall develop a draft TM to summarize the findings and recommendations from the Electrical and Communication Evaluation.

5.3 Electrical and Communication Evaluation Workshop

Engineer shall conduct a workshop to review analysis and discuss the District's comments associated with the draft TM.

5.4 Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

**Task 6 Construction Sequencing Plan**

6.1 Construction Sequencing Plan

Engineer shall develop a detailed construction sequencing plan with the purpose of determining the most effective and efficient way to complete the Phase 1 Project. The proposed sequence shall identify any required temporary systems, as well as take into consideration all the cost impacts, schedule impacts, redundancy requirements, and operational risks associated with each alternative from before construction through startup and operational testing. Engineer shall consider constructability and contractor staging for each task when developing the construction sequencing plan.

6.2 Draft Technical Memorandum

Engineer shall develop a draft TM to summarize the findings and recommendations from the Construction Sequencing Plan.

6.3 Construction Sequencing Plan Workshop

Engineer shall conduct a workshop to review analysis and discuss the District's comments associated with the draft TM.

6.4 Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

**Task 7 Environmental and Permitting Assessment**

7.1 Environmental and Permitting Assessment

Engineer shall identify the environmental and/or applicable federal, state, and local regulations that will need to be addressed. Assessment shall include the determination of all permits that will be required to complete the Phase 1 Project.

7.2 Draft Technical Memorandum

Engineer shall develop a draft TM to summarize the findings and recommendations from the Environmental and Permitting Assessment.

7.3 Environmental and Permitting Assessment Workshop

Engineer shall conduct a workshop to review analysis and discuss the District's comments associated with the draft TM.

7.4 Final Technical Memorandum

Engineer shall incorporate comments and issue the final TM. All findings and recommendations shall be incorporated into the 30% Design Report as described under Task 9.

7.5 CEQA Plus Documentation

Engineer shall prepare documentation to assist the District complying with California Environmental Quality Act (CEQA) requirements. For the purposes of this task it is assumed CEQA compliance will include completion of an Initial Study/Mitigated Negative Declaration (IS/MND) process. This process will include preparation of a draft and final Initial Study for the Phase 1 Project, circulation of the proposed IS/MND for public and agency review, response to comments, and adoption of the IS/MND by the District's Board of Directors. Engineer shall complete required CEQA studies to support the District's Clean Water State Revolving Fund application. This includes the generation of a "CEQA-Plus" document, Phase 1 cultural resources study, and biological resource assessment.

7.6 Air Permitting Services

Engineer shall assist the District in preparing an air permit application for the Phase 1A Project with the Bay Area Air Quality Management District (BAAQMD). The air permit application package shall include at a minimum the following:

- a. An itemization of the necessary actions by the BAAQMD.
- b. A project description explaining each component and its relationships to other components and the existing plant.
- c. Emission estimates for the new and/or modified sources. Estimates will be included for criteria pollutants and Toxic Air Contaminants (TACs), especially H<sub>2</sub>S.
- d. BACT discussion describing how BACT was determined and how the project complies.
- e. Toxics discussion comparing emission estimates for TACs to the respective trigger levels contained in Regulation 2, Rule 5 to determine whether a risk assessment is required.
- f. BAAQMD-required application forms will be completed and incorporated.
- g. Manufacturer and design information will be included as appropriate.
- h. Required drawings will be included.
- i. Regulatory compliance discussion in which a listing of the applicable regulations will be compiled along with a discussion about how the project will comply with each.

## **Task 8     Field Investigations**

### **8.1     Surveying and Potholing Services**

Engineer shall conduct 3D laser (LiDAR) scans of the existing aeration basins, control boxes, blower buildings, and electrical rooms; subsurface utility investigations (potholing); and a topographical survey for the Phase 1 Project site. Survey information shall be used in conjunction with as-built documentation to create base mapping for the construction/engineering drawings and to confirm the existing hydraulic grade line.

### **8.2     Desktop Geotechnical Evaluation**

Engineer shall perform a desktop geotechnical engineering study for project sites based on existing soils information. Engineering study shall assess the characteristics of the existing soils and provide recommendations for foundation type(s) for all new structures or whether further sampling and/or analyses are required.

**Task 9 30% Design Report**

9.1 Hydraulics and Flow Distribution Technical Memorandum

Engineer shall develop a hydraulic model that represents the current hydraulics of the facility as well as the proposed hydraulics required for the new facilities associated with the ETSU Phase 1 Project. This model will be used to determine if there are any potential hydraulic bottlenecks as well as determine the required solutions.

The Hydraulics results will be presented in a review workshop and documented in a Technical Memorandum that will be summarized in the 30% Design Report.

9.2 Corrosion Protection Technical Memorandum

Engineer shall conduct a corrosion protection analysis to determine what modifications and/or improvements are required for the ETSU Phase 1 Project. This analysis shall include the Engineer familiarizing themselves with the plant's existing cathodic protection systems and understanding all deficiencies and constraints in the existing system. Recommendations will be included in the final design to modify the existing system to maintain protection of the existing utilities and provide protection for the new utilities.

The Corrosion results will be presented in a review workshop and documented in a Technical Memorandum that will be summarized in the 30% Design Report.

9.3 Seismic Improvements Technical Memorandum

Engineer shall review seismic codes and determine the required seismic design criteria for any new structures/buildings that are required for the ETSU Phase 1 Project. This task will also review existing structures impacted by Phase 1 to determine if any seismic retrofit is required to these structures to bring them up to current state and local seismic codes. The evaluation will use the as-builts to conduct the evaluation supplement by field observations. The evaluation will provide recommendations to upgrade any structures that are being re-used as part of the ETSU Phase 1 Project.

The Seismic results will be presented in a review workshop and documented in a Technical Memorandum that will be summarized in the 30% Design Report.

9.4 Hazardous Materials Technical Memorandum

Engineer shall review the site to determine if the improvements and demolition required as part of the ETSU Phase 1 Project will generate any hazardous materials such as asbestos containing material. Engineer shall quantify the amounts and types of materials to be expected and disposal methods required. These recommendations will be included in the final design specifications.

The Hazardous Materials results will be presented in a review workshop and documented in a Technical Memorandum that will be summarized in the 30% Design Report.

9.5 Draft 30% Design Report

Engineer shall prepare a draft 30% Design Report for review by District staff. The report shall cover all projects from Phase 1 of the ETSU Program, which include: Aeration Basin Modifications, Campus Building (Admin, FMC, Ops), Secondary Clarifiers, Effluent Facilities, and Plant Equalization Storage. The 30% design report will have separate a section (volume) for the Phase 1A and separate section (volume) for the additional Phase 1 components. At a minimum, the 30% design report shall include the following information in addition to the findings and recommendations from the TMs prepared under Tasks 1 through 9:

- a. Site plans and yard piping drawings for the entire WWTP. Routings and profile views for pipes with diameters greater than 12-inches and proposed routings only for smaller diameter pipes. This will be based on as-builts and existing CAD data except where potholing will be performed to enhance utility location.
- b. Site plans, detailed floor plans, and large-scale elevations for the Campus Building.
- c. Aeration basin plan and section views depicting control gate locations; aeration zone sizes; surface wasting facilities; and layouts for distribution air piping, diffuser piping, membranes, RAS piping, and mixers.
- d. Odor control facility plan and section views depicting vessel and duct sizes and ancillary equipment layouts.
- e. Secondary clarifier plan and section views depicting diameter; depth; mechanism style; and RAS, mixed liquor, and effluent piping sizes and routings.
- f. RAS pump station plan and section views depicting pump and wet well sizes, equipment layouts, and piping sizes and routings.
- g. Chlorination and de-chlorination contact channels plan and section views depicting mixing chamber and channel sizes, mixing equipment types and sizes, and control gate locations and sizes.
- h. Effluent/Old Alameda Creek pump station(s) plan and section views depicting pump and wet well sizes, equipment layouts, and piping sizes and routings.
- i. Locations and plan views of layouts for all new and modified support pumping and electrical rooms.
- j. EBDA Force Main relocation pipe size, route, and modified system curves.

- k. Electrical single-line diagrams and Piping and Instrumentation Diagrams (P&IDs) for all new and modified facilities.
- l. Hydraulic Grade Line drawings for the existing and modified WWTP from Headworks through Effluent pumping facilities.
- m. Draft operational control strategies for the entire secondary treatment system including anaerobic selector only operation and BNR modes of operation, and interim operation of the treatment plant with only a portion of modified aeration basins in service along with some unmodified basins in service and utilizing the existing secondary clarifiers.
- n. Recommendations from the desktop geotechnical evaluation performed under Task 8.2.
- o. Impacts, if any, from the results of the District's Sea Level Rise Study, dated June 2013.

9.6 30% Design Report Workshop

Engineer shall conduct a workshop to review the draft 30% Design Report and discuss the District's comments.

9.7 Final 30% Design Report

Engineer shall incorporate comments and issue the final 30% Design Report.

**Task 10 50% Design Documents**

Engineer shall prepare and submit 50% Design drawings, major specifications, estimate of probable construction cost, and schedules for the District's review. The deliverables to be submitted under this task shall only cover the Aeration Basin Sub-Project of the ETSU Program (Phase 1A). Engineer shall conduct a workshop to present the information contained in the 50% Design deliverables and to receive the District's comments. Engineer shall incorporate the District's comments from the workshop and subsequent written comments into the 90% Design Submittal.

**Task 11 90% Design Documents**

Engineer shall prepare and submit near bid-ready 90% Design drawings, specifications, estimate of probable construction cost, and schedules for the District's review. The deliverables to be submitted under this task shall only cover the Aeration Basin Sub-Project of the ETSU Program (Phase 1A). Engineer shall conduct a workshop to present the information contained in the 90% Design deliverables and to receive the District's comments. Engineer shall incorporate the District's comments from the workshop and subsequent written comments into the Final Design Submittal.

## **Task 12 Final Design Documents**

Engineer shall prepare and submit the Final Design drawings, specifications, estimate of probable construction cost, and schedules to be used bidding purposes. The deliverables to be submitted under this task shall only cover the Aeration Basin Sub-Project of the ETSU Program.

## **Task 13 Front End Documents**

District staff will provide Engineer with the District's front end (Divisions 0 and 1) specifications and design standards. Engineer shall incorporate and make revisions as appropriate to the front-end specifications for the Aeration Basin Sub-Project.

## **Task 14 Bid Period Services**

### **14.1 Attend Pre-Bid Meeting**

Engineer shall attend pre-bid meeting led by District staff. Engineer's role in the meeting will be to answer questions related to technical requirements of the contract where answers are known and present in the documents, and accept any questions that may require further clarification through issuance of addenda.

### **14.2 Prepare Addenda and Responses to Requests for Information**

Engineer shall support District's bidding efforts on an as-requested basis. Anticipated services include preparation of addenda and formally responding to contractor's submitted requests for information (RFIs).

### **14.3 Conformed Drawings**

Engineer shall prepare conformed documents, incorporating changes made in addenda to the original bid documents. Original specifications will be edited to include text from the issued addenda. Original drawings will be annotated with changes from issued addenda and not redrafted.

#### *Assumptions:*

- District will be the primary contact for the contractor's technical questions during the bid period.
- District will print and distribute bid documents and addenda.
- Up to five addenda will be required.

## **Task 15 Project Management**

### **15.1 Project Management**

Engineer shall provide general project management throughout the project to include oversight and coordination of the Engineer's efforts, including sub-consultants, in executing the work. General project management will include developing and maintaining the project scope, schedule, and budget. Engineer shall prepare a Project Management Plan (PMP) for the project, which will be submitted to the District for review and approval.

Engineer shall provide monthly reports to the District, including information on work performed the previous month, work expected for the next month, any outstanding issues or requests as well as budget information. Monthly reports will be submitted with monthly invoices. In addition, weekly email updates will be provided to the District to summarize current activities and identify any issues/concerns.

### **15.2 Meetings and Workshops**

Engineer shall prepare agendas in advance of scheduled meeting and workshops. Engineer shall prepare meeting/workshop materials (i.e. presentations or handouts as needed) for each meeting/workshop. Engineer shall prepare and submit draft meeting minutes following the meeting/workshop and shall finalize the meeting minutes within five working days of receipt of comments from the District. Anticipated meetings included in this scope include:

- **Kick-Off Meeting**: The Engineer shall prepare for and conduct a Kick-off Meeting with key District and Engineer staff. The kick-off meeting will address communication protocol and project execution planning.
- **Weekly Coordination Meetings/Calls**: The Engineer shall prepare for and conduct Weekly Coordination Meetings or Calls on a designated day/time at the District. Project progress, schedule, budget, variances, and action items will be discussed.
- **Technical Workshops**: The Engineer shall facilitate workshops to present project progress and technical findings.
- **Unscheduled Meetings**: The Engineer shall, upon direction from District, conduct additional meetings as needed to effectively complete the project.

### **15.3 Quality Management Plan**

Engineer shall prepare a Quality Management Plan (QMP) for the project. The QMP will provide for quality management reviews of key work products at appropriate times throughout the duration of the project. Quality management reviews will be conducted by Engineer's staff who are not directly involved in the project.

#### 4. DELIVERABLES

##### **Task 1: Aeration Basin and Blower Evaluations**

- Draft Aeration Basin and Blower Evaluations TM (PDF)
- Aeration Basin and Blower Evaluations Workshop agenda and minutes (PDF)
- Response to Aeration Basin and Blower Evaluations TM comments (PDF)
- Final Aeration Basin and Blower Evaluations TM (PDF, MS Word)

##### **Task 2: Odor Control Facilities Assessment**

- Draft Odor Control Facilities Assessment TM (PDF)
- Odor Control Facilities Assessment Workshop agenda and minutes (PDF)
- Response to Odor Control Facilities Assessment TM comments (PDF)
- Final Odor Control Facilities Assessment TM (PDF, MS Word)

##### **Task 3: Disinfection Facilities Evaluation**

- Draft Disinfection Facilities Evaluation TM (PDF)
- Disinfection Facilities Evaluation Workshop agenda and minutes (PDF)
- Response to Disinfection Facilities Evaluation TM comments (PDF)
- Final Disinfection Facilities Evaluation TM (PDF, MS Word)

##### **Task 4: Plant Equalization Storage Assessment**

- Draft Plant Equalization Storage Assessment TM (PDF)
- Plant Equalization Storage Assessment Workshop agenda and minutes (PDF)
- Response to Plant Equalization Storage Assessment TM comments (PDF)
- Final Plant Equalization Storage Assessment TM (PDF, MS Word)

##### **Task 5: Electrical and Communication Evaluation**

- Draft Electrical and Communication Evaluation TM (PDF)
- Electrical and Communication Evaluation Workshop agenda and minutes (PDF)
- Response to Electrical and Communication Evaluation TM comments (PDF)
- Final Electrical and Communication Evaluation TM (PDF, MS Word)

**Task 6: Construction Sequencing Plan**

- Draft Construction Sequencing Plan TM (PDF)
- Construction Sequencing Plan Workshop agenda and minutes (PDF)
- Response to Construction Sequencing Plan TM comments (PDF)
- Final Construction Sequencing Plan TM (PDF, MS Word)

**Task 7: Environmental and Permitting Assessment**

- Draft Environmental and Permitting Assessment TM (PDF)
- Environmental and Permitting Assessment Workshop agenda and minutes (PDF)
- Response to Environmental and Permitting Assessment TM comments (PDF)
- Final Environmental and Permitting Assessment TM (PDF, MS Word)
- Biological Resource Assessment Report (PDF, MS Word)
- Phase 1 Cultural Resources Report (PDF, MS Word)
- IS/MND “CEQA-Plus” Document (PDF, MS Word)

**Task 8: Field Investigations**

- LIDAR Scans (GIS, CAD)
- Raw Surveying Data (CAD)
- Potholing Photos (JPEG)

**Task 9: 30% Design Report**

- Draft Hydraulics and Flow Distribution TM (PDF)
- Response to Hydraulics and Flow Distribution TM comments (PDF)
- Final Hydraulics and Flow Distribution TM (PDF, MS Word)
- Draft Corrosion Protection TM (PDF)
- Response to Corrosion Protection TM comments (PDF)
- Final Corrosion Protection TM (PDF, MS Word)
- Draft Seismic Improvements TM (PDF)
- Response to Seismic Improvements TM comments (PDF)
- Final Seismic Improvements TM (PDF, MS Word)

- Draft Hazardous Materials TM (PDF)
- Response to Hazardous Materials TM comments (PDF)
- Final Hazardous Materials TM (PDF, MS Word)
- Draft 30% Design Report (PDF)
- 30% Design Report Workshop agenda and minutes (PDF)
- Response to 30% Design Report comments (PDF)
- Final 30% Design Report (PDF, MS Word)
- Updated BioWin Modeling Files

**Task 10: 50% Design Documents**

- 50% Design submittal (PDF)
- 50% Design Review Workshop agenda and minutes (PDF)
- Response to 50% Design comments (PDF)

**Task 11: 90% Design Documents**

- 90% Design submittal (PDF)
- 90% Design Review Workshop agenda and minutes (PDF)
- Response to 90% Design comments (PDF)

**Task 12: Final Design Documents**

- Final Design submittal (PDF, MS Word, CAD)

**Task 13: Front End Documents**

- Revised Front End Specifications (MS Word)

**Task 14: Bid Period Services**

- Addenda, as required (PDF)
- Response to bid period RFIs, as required (PDF)

**Task 15: Project Management**

- Project Management Plan (PDF)
- Monthly invoices and reports (PDF)

- Kick-off Meeting agenda and minutes (PDF)
- Weekly Coordination Meetings/Calls agenda and minutes (PDF)
- Unscheduled Meetings agenda and minutes (PDF)
- Quality Management Plan (PDF)

The Engineer shall submit the final reports and technical memoranda in both MS Word and PDF formats; presentations in both PowerPoint and PDF formats; drawings in the latest AutoCAD version; and other deliverables required for the project to the District electronically.

## 5. DIGITAL SUBMITTAL REQUIREMENTS

Engineer shall submit one electronic copy of the final base map that shows the project area in accordance with the following:

Digital files submitted shall be based on accurate coordinate geometry calculations and the California State Plane Coordinate System, Zone III in feet, NAD83. The digital file submitted shall be in AutoCAD “.dwg” or “.dxf” (digital exchange format) format and shall be in one (1) drawing file containing all layers, illustrating all existing and proposed improvements within the project area as well as any off-site work associated with the project. Descriptive information (i.e. text) may be included in the appropriate layer, or added as a separate layer. Submitted digital files shall be in accordance with these minimum requirements, or as otherwise approved by the District.

Each submittal shall be labeled with the project name, project number, company name, address and phone number.

All drawings shall use the California State Plane Coordinate System – Zone 3 in units of feet. The horizontal datum shall be the North American Datum of 1983 (NAD83) in units of feet and the vertical datum shall be the North American Vertical Datum of 1988 (NAVD88) in units of feet, or other datum as authorized by the District.

All files shall be uncompressed. Compressed files are acceptable only when using the WinZip utility or if the appropriate software to uncompress the data is provided.

All drawing files shall have a North orientation of vertical (i.e. toward the top of the page).

Layer colors, line types and line weights shall be left to the discretion of the Engineer.

Submitted AutoCAD files shall NOT contain external reference or nested external reference files. All external references shall be bound into the drawing.

6. EQUIPMENT AND PIPELINE SCHEDULES

The Engineer shall provide a schedule in the design plans or specifications that list the equipment to be demolished or replaced and new equipment to be installed in the Project. The schedule shall contain at a minimum the equipment number provided by the District, equipment name, location, horsepower/size, and other pertinent information associated with the equipment.

The Engineer shall provide a schedule in the design plans or specifications that list the 6-inch minimum diameter underground pipelines to be demolished or replaced and new 6-inch minimum diameter underground pipelines to be installed in the Project. The schedule shall contain at a minimum the start and end points of the pipeline, diameter, length, material, schedule/thickness, coating, lining, type of joints, service, and test method/pressure.

7. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Articles 4 and 5 of the Professional Services Agreement. The Multiplier for this work shall be 3.15, the profit shall be 10 percent, and the not-to-exceed amount shall be \$6,752,860. A summary of the anticipated distribution of cost and manpower between tasks is shown in Exhibit A.

The following table summarizes the previously-executed and proposed task orders and amendments under the Professional Services Agreement:

<b>Task Order / Amendment</b>	<b>Not to Exceed Amount</b>	<b>Board Authorization Required?</b>	<b>District Staff Approval</b>
Task Order No. 1 – Aeration Basin Sub-Project Design Services	\$6,752,860	Yes	Paul Eldredge
<b>Total</b>	<b>\$6,752,860</b>		

8. TIME OF COMPLETION

All work defined in this Task Order shall be complete in 630 calendar days after the execution of this Task Order and subject to the conditions of Article 2 of the Professional Services Agreement. A summary of the anticipated schedule of work is shown in Exhibit B.

9. KEY PERSONNEL

Engineering personnel assigned to this Task Order No. 1 are as follows:

<u>Role</u>	<u>Key Person to be Assigned</u>
Principal in Charge	Paul Pitt
Campus Building Project Manager	Marc Solomon
Aeration Basin Project Manager	Allan Briggs
Deputy Project Manager	Irene Chu
Process Engineer	Ron Latimer
Clarifier Lead	Alonso Griborio
Aeration Lead	Joe Rohrbacher
Hydraulics & Flow Distribution	Jared Hartwig

Key personnel shall not be changed except in accordance with Article 6 of the Professional Services Agreement. A Project Team Organization chart showing key team members is shown in Exhibit C.

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 1 as of January \_\_\_\_, 2020 and therewith incorporate it as part of the Professional Services Agreement.

DISTRICT

ENGINEER

Union Sanitary District

Hazen and Sawyer

By: \_\_\_\_\_  
Paul R. Eldredge, P.E.  
General Manager/District Engineer

By: \_\_\_\_\_  
Marc Solomon, P.E.  
Vice President

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

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



Exhibit A - Cost Breakdown

UNION SANITARY DISTRICT Enhanced Treatment & Site Upgrade - Phase 1A Project		H&S Labor Cost	Electrical Beecher	I&C/Civil/Permitting W&C	Architecture TBD	Landscape Architect RHAA	Geotech DCM Consulting	Surveying KSN	Potholing Exaro	CEQA Scheidegger & Associates	Air Quality & GHGE York Engineering	Haz Mat Vista	Subcontractor Fee (5%)	Other Direct Costs (ODCs)	Total Fee
Rate															
<b>TASK ORDER 1</b>															
1	Aeration Basin and Blower Evaluations	\$ 324,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000	\$ 356,130
1.1	Verify Planned Aeration Basin Modifications	\$ 41,180												\$ 6,000	
1.2	Develop Aeration Basin Layouts	\$ 30,880												\$ 6,000	
1.3	Evaluate Aeration Air Piping Modifications	\$ 30,880												\$ 6,000	
1.4	Evaluate Aeration Energy Demands	\$ 30,250												\$ 1,000	
1.5	New Blower Building Evaluation	\$ 62,100												\$ 6,000	
1.6	Additional Aeration Basin Evaluation	\$ 56,030												\$ 1,000	
1.7	Draft Technical Memorandum	\$ 43,490												\$ 500	
1.8	Aeration Basin and Blower Evaluations Review Workshop	\$ 11,420												\$ 5,000	
1.9	Final Technical Memorandum	\$ 17,900												\$ 500	
2	Odor Control Facilities Assessment	\$ 109,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 114,980
2.1	Odor Control Facilities Assessment	\$ 57,380												\$ 1,000	
2.2	Draft Technical Memorandum	\$ 30,580												\$ 500	
2.3	Odor Control Facilities Assessment Workshop	\$ 8,220												\$ 3,000	
2.4	Final Technical Memorandum	\$ 13,800												\$ 500	
3	Disinfection Facilities Evaluation	\$ 183,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000	\$ 192,530
3.1	Disinfection Facilities Evaluation	\$ 119,970												\$ 6,000	
3.2	Draft Technical Memorandum	\$ 45,110												\$ 500	
3.3	Disinfection Facilities Evaluation Workshop	\$ 4,040												\$ 2,000	
3.4	Final Technical Memorandum	\$ 14,410												\$ 500	
4	Plant Equalization Storage Assessment	\$ 83,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 95,360
4.1	Plant Equalization Storage Assessment	\$ 43,940												\$ 6,000	
4.2	Draft Technical Memorandum	\$ 25,050												\$ 500	
4.3	Plant Equalization Storage Assessment Workshop	\$ 4,820												\$ 5,000	
4.4	Final Technical Memorandum	\$ 9,550												\$ 500	
5	Electrical and Communication Evaluation	\$ 89,610	\$ 15,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250	\$ 12,000	\$ 148,860
5.1	Electrical and Communication Evaluation	\$ 52,360	\$ 10,000	\$ 30,000										\$ 6,000	
5.2	Draft Technical Memorandum	\$ 23,990	\$ 3,000											\$ 500	
5.3	Electrical and Communication Evaluation Workshop	\$ 5,340												\$ 5,000	
5.4	Final Technical Memorandum	\$ 7,920	\$ 2,000											\$ 500	
6	Construction Sequencing Plan	\$ 152,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$ 159,300
6.1	Construction Sequencing Plan	\$ 93,790												\$ 1,000	
6.2	Draft Technical Memorandum	\$ 32,660												\$ 500	
6.3	Construction Sequencing Plan Workshop	\$ 11,940												\$ 5,000	
6.4	Final Technical Memorandum	\$ 13,910												\$ 500	
7	Environmental and Permitting Assessment	\$ 67,020	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,000	\$ 25,000	\$ -	\$ 9,650	\$ 5,500	\$ 275,170
7.1	Environmental and Permitting Assessment	\$ 25,040		\$ 10,000										\$ 1,000	
7.2	Draft Technical Memorandum	\$ 10,540												\$ 500	
7.3	Environmental and Permitting Assessment Workshop	\$ 4,360												\$ 2,500	
7.4	Final Technical Memorandum	\$ 5,240												\$ 500	
7.5	CEQA Plus Documentation	\$ 9,660								\$ 158,000				\$ 500	
7.6	Air Permitting Services	\$ 12,180									\$ 25,000			\$ 500	
8	Field Investigations	\$ 65,340	\$ -	\$ 25,000	\$ -	\$ -	\$ 15,000	\$ 140,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 11,500	\$ 2,000	\$ 308,840
8.1	Surveying and Potholing Services	\$ 44,900		\$ 25,000				\$ 140,000	\$ 50,000					\$ 1,000	
8.2	Desktop Geotechnical Investigation	\$ 20,440					\$ 15,000							\$ 1,000	
9	30% Design Report	\$ 724,390	\$ 15,000	\$ 145,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 9,750	\$ 23,000	\$ 952,140
9.1	Hydraulics and Flow Distribution Technical Memorandum	\$ 58,940												\$ 6,000	
9.2	Corrosion Protection Technical Memorandum	\$ 32,140												\$ 1,000	
9.3	Seismic Improvements Technical Memorandum	\$ 48,300												\$ 6,000	
9.4	Hazardous Materials Technical Memorandum	\$ 27,360										\$ 35,000		\$ 1,000	
9.5	Draft 30% Design Report	\$ 422,130	\$ 10,000	\$ 131,500										\$ 2,000	
9.6	30% Design Report Workshop	\$ 13,940		\$ 3,500										\$ 5,000	
9.7	Final 30% Design Report	\$ 121,580	\$ 5,000	\$ 10,000										\$ 2,000	
10	50% Design Documents	\$ 1,099,880	\$ 10,000	\$ 213,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,175	\$ 21,000	\$ 1,355,555
10.1	Draft Drawings	\$ 1,010,960	\$ 10,000	\$ 205,000										\$ 14,000	
10.2	Draft Specifications	\$ 26,240												\$ 1,000	
10.3	Opinion of Probable Cost	\$ 48,740		\$ 5,500										\$ 1,000	
10.4	Review Meeting	\$ 13,940		\$ 3,000										\$ 5,000	
11	90% Design Documents	\$ 1,026,260	\$ 10,000	\$ 156,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,300	\$ 21,000	\$ 1,221,560
11.1	Draft Drawings	\$ 931,820	\$ 10,000	\$ 145,000										\$ 14,000	
11.2	Draft Specifications	\$ 32,700		\$ 4,000										\$ 1,000	
11.3	Opinion of Probable Cost	\$ 47,800		\$ 4,000										\$ 1,000	
11.4	Review Meeting	\$ 13,940		\$ 3,000										\$ 5,000	
12	Final Design Documents	\$ 445,880	\$ 10,000	\$ 99,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,450	\$ 16,000	\$ 576,330
12.1	Draft Drawings	\$ 394,740	\$ 10,000	\$ 95,000										\$ 14,000	
12.2	Draft Specifications	\$ 21,520		\$ 2,000										\$ 1,000	
12.3	Opinion of Probable Cost	\$ 29,620		\$ 2,000										\$ 1,000	
13	Front End Documents	\$ 62,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 64,820
13.1	Draft Front End Documents	\$ 41,420												\$ 1,000	
13.2	Final Front End Documents	\$ 21,400												\$ 1,000	
14	Bid Period Services	\$ 130,560	\$ -	\$ 72,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,625	\$ 6,000	\$ 212,685
14.1	Attend Pre-Bid Meeting	\$ 6,280												\$ 1,000	
14.2	Prepare Addenda and Responses to RFIs	\$ 85,760		\$ 42,500										\$ 2,000	
14.3	Conformed Drawings	\$ 38,520		\$ 30,000										\$ 3,000	
15	Project Management	\$ 614,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,000	\$ 718,600
15.1	Project Management	\$ 227,260												\$ 1,000	
15.2	Meetings and Workshops	\$ 349,640												\$ 101,000	
15.3	Quality Management Plan	\$ 37,700												\$ 2,000	
<b>TASK ORDER 1 TOTAL</b>		<b>\$5,179,660</b>	<b>\$60,000</b>	<b>\$751,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$140,000</b>	<b>\$50,000</b>	<b>\$158,000</b>	<b>\$25,000</b>	<b>\$35,000</b>	<b>\$61,700</b>	<b>\$277,500</b>	<b>6,752,860</b>



Exhibit C  
Project Team Organization Chart



**Principal in Charge**  
◉ Paul Pitt, PhD, PE, BCEE

**Project Executive**  
Kevin Alexander, PE

**Technical Advisory**  
Ron Taylor, PE - *QA/QC Lead*  
Paul Saurer, PE - *Constructability*  
Barry Bickerstaff, PE - *Operations*  
▲ *Todd Beecher, PE - Electrical QA/QC*  
Katie Hoek, PE - *CEQA QA/QC*

**Project Controls**  
◉ Chris Portner, PE, CPE - *Cost Control*  
◉ Tom Zakrzewski, PSP - *Schedule Control*

**Project Manager 30% Design & Aeration Basin Sub Project**  
◉ Allan Briggs, PE  
**Process Engineer**  
◉ Ron Latimer, PE  
**Technical Lead**  
◉ Joe Rohrbacher, PE

**Deputy Project Manager**  
◉ Irene Chu, PE

**Project Manager Campus Building Sub Project**  
◉ Maro Solomon, PE, BCEE, D.WRE  
**Environmental Specialist**  
◉ Paul Scheidegger

**Design Resources**

**Design Resources Leads**

- ◉ Paul Saurer, PE
- ◉ Jared Hartwig, PE

- |   |   |
|---|---|
| <p><b>Aeration System</b><br/>◉ Joe Rohrbacher, PE</p> <p><b>Effluent Management/ Disinfection</b><br/>Gregg Cummings, PE<br/>Melanie Mann, PE</p> <p><b>Process Mechanical</b><br/>Ian McKenzie, PE<br/>Mark Messere, PE</p> <p><b>Electrical</b><br/>Chris Thunhorst, PE<br/>Shishir Doctor, PE, LEED AP</p> <p><b>I&amp;C/SCADA</b><br/>● Kyle Tracy, PE<br/>Justin Irving, PE</p> <p><b>Hydraulics &amp; Flow Distribution</b><br/>Jared Hartwig, PE</p> <p><b>Structural</b><br/>Wyatt Dressler, PE</p> <p><b>BIM Manager</b><br/>Al Goodwin</p> <p><b>HVAC</b><br/>Swaid Alhajri, PE</p> <p><b>Odor Control</b><br/>Dick Pope, PE</p> | <p><b>Clarification</b><br/>◉ Alonso Griborio, PhD, PE</p> <p><b>EBDA Pump Station</b><br/>Bryan Atieh, PE</p> <p><b>Blower Building</b><br/>Selected Architect</p> <p><b>Site Civil</b><br/>● Michael Matson, PE<br/>Mike Santowasso, PE</p> <p><b>Cost Estimate</b><br/>◉ Chris Portner, PE, CPE</p> <p><b>P90</b><br/>Tom Zakrzewski, PSP</p> <p><b>P6 Analysis</b><br/>Matthew Manchisi, PE, PMP</p> <p><b>Geotechnical Desktop Study</b><br/>● Dave Mathy</p> <p><b>Surveying</b><br/>KSN</p> <p><b>Potholing</b><br/>Exaro</p> <p><b>Hazardous Materials</b><br/>Vista Environmental Consulting</p> |
|---|---|

**Campus Building Resources**

**Environmental**

- **CEQA Documents**  
Paul Scheidegger
- **Natural Resources Permitting**  
Mary Cousins
- **Air Quality**  
York Engineering
- **Greenhouse Gas Emissions**  
York Engineering
- **Biology**  
WRA
- **Cultural Resources**  
Archeo-Tec
- **Tribal Cultural Resources**  
Archeo-Tec
- **Transportation/Traffic**  
Abrams Associates
- **Noise**  
Charles M Salter Associates

**Architect**

- (Selected Via Separate RFP)
- **Building Engineering Disciplines**  
Selected Architect
  - **Site Civil**  
● Michael Matson, PE  
Mike Santowasso, PE
  - **Utilities**  
Gregg Cummings, PE
  - **Stormwater Green Infrastructure**  
Ali Gale
  - **Landscape Architect**  
RHAA

◉ Key Team Member   ● Woodard & Curran   ▲ Todd Beecher   ■ Scheidegger & Associates   ● DCM Consulting



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 12**

**TITLE:** **Reject the Bid Protest from Kiewit Infrastructure West Co. and Award the Construction Contract for the Primary Digester No. 7 Project to C. Overaa & Co. *(This is a Motion Item)***

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
Sami E. Ghossain, Technical Services Work Group Manager  
Raymond Chau, CIP Team Coach  
Curtis Bosick, ETSU Assistant Program Manager

**Recommendation**

Staff recommends the Board reject the bid protest from Kiewit Infrastructure West Co. (Kiewit) and award the construction contract for the Primary Digester No. 7 Project (Project) to C. Overaa & Co. (Overaa) in the amount of \$23,342,575.

**Previous Board Action**

November 14, 2016, the Board authorized the General Manager to execute an Agreement and Task Order No. 1 with Brown and Caldwell in the amount of \$127,577 to provide preliminary design services for the Project.

December 18, 2017, the Board authorized the General Manager to execute Task Order No. 2 with Brown and Caldwell in the amount of \$1,476,301 to provide final design services for the Project.

November 12, 2018, the Board held a public hearing to receive comments regarding the Initial Study and Mitigated Negative Declaration for the Project.

December 10, 2018, the Board adopted the Final Mitigated Negative Declaration of Environmental Impacts and Mitigation and Monitoring and Reporting Plan for the Project.

January 28, 2019, the Board authorized the General Manager to execute Amendment No. 1 to Task Order No. 2 with Brown and Caldwell in the amount of \$428,143 to provide additional design services for the Project.

August 26, 2019, the Board rejected the sole bid received for the Project and authorized staff to re-bid the Project.

### **Background**

The Primary Digester No. 7 Project (Project) was one of the outcomes of the Plant Solids System/ Capacity Assessment – Phase 1 that was completed in November 2016. The assessment concluded that the plant's anaerobic digestion process was at or nearing capacity and Primary Digester No. 6, the largest existing digester, could not reliably be taken out of service for cleaning and maintenance until additional digestion capacity is provided.

### **Scope of Work**

Brown and Caldwell completed the Project's final design in June 2019. The Project's major elements are as follows:

- Construction of a new 2.4-million-gallon anaerobic digester with submerged-fixed concrete cover and waffle bottom.
- Installation of new heating, mixing, and conveyance equipment and piping within or adjacent to existing Heating and Mixing Building No. 4.
- Integration of new digester equipment and piping with existing digester feed, withdrawal, transfer, heating and gas systems.
- Improvements to the existing sludge conveyance and transfer systems.
- Improvements to existing digester heat generation and conveyance systems.
- Installation of electrical and instrumentation equipment for interfacing with existing electrical systems and controls.
- Replacement of Boiler No. 6 and related plant hot water loop improvements.
- Installation of a new chemical storage and pump facility for the purposes of hydrogen sulfide and struvite management.

Bid Results

The Project was initially advertised for bids on June 25, 2019. Staff received and opened one bid on August 6, 2019. Kiewit Infrastructure West Co. (Kiewit) was the sole bidder with a total bid amount of \$27,926,329 or 23% above the Engineer’s Estimate. Since the sole bid received exceeded the Engineer’s Estimate by a large percentage, staff believed it was prudent to reject this bid and re-bid the project.

The Project was re-advertised for bids on September 10, 2019. Five bids were received and opened on October 29, 2019. The bid results were as follows:

<b>Contractor</b>	<b>Total Contract Price</b>
Anderson Pacific Engineering Construction Co. (Santa Clara, CA)	\$25,294,659
C. Overaa & Co. (Richmond, CA)	\$23,342,575
Flatiron West Inc. (Benicia, CA)	\$26,084,659
Kiewit Infrastructure West Co. (Fairfield, CA)	\$24,388,659
Shimmick Construction Co. (Oakland, CA)	\$25,039,000
Engineer’s Estimate	\$22,700,000

Overaa was the apparent low bidder with a total bid amount of \$23,342,575 or 2.8% above the Engineer’s Estimate. Although Overaa’s bid exceeded the Engineer’s Estimate, staff believes their bid to be representative of the construction market based on the number of bids that were received. Table 1 includes the bid tabulation sheet and shows detailed results from the five bids.

The Total Contract Price includes two bid alternates. Bid Alternate A is for providing Builder’s Risk Insurance, a special type of property insurance that indemnifies against the loss of or damage to a building and equipment under construction. Bid Alternate B is for providing “Acts of God” Insurance that indemnifies against the loss of or damage to a building and equipment under construction with the following conditions: earthquakes in excess of a magnitude 3.5 on the Richter Scale and tidal waves. Overaa’s bids for both bid alternates were reasonably priced, therefore, staff recommends including them in the construction contract.

Staff reviewed the bid documents submitted by Overaa and found them to be in order. Overaa has confirmed by letter dated November 1, 2019 that they will construct the Project as bid. Staff has checked Overaa's project references and is satisfied with their work performance.

### Bid Protest

On November 5, 2019, staff received a bid protest on behalf of the second low bidder, Kiewit. Kiewit requested the District to reject Overaa's bid as non-responsive due to Overaa omitting to list a subcontractor for the paving work associated with the Project. The California Public Contract Code requires the designation of subcontractors who will perform work in excess of one-half of one percent of the bid amount. Although staff estimates that the paving work does exceed one-half of one percent of the bid amount, Public Contract Code section 4106 also states:

"If a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of 1 percent of the prime contractor's total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself ..."

Overaa confirmed by letter dated November 7, 2019 that they will be self-performing the paving work for the Project. Further, staff has determined that Overaa possesses a General Engineering "A" license which allows them to self-perform this work.

Kiewit raised as its second basis for its bid protest the possibility that Overaa might not be a "responsible bidder" because it lacks the necessary resources and/or paving experience. In response, Overaa provided information by letter dated November 11, 2019 on a recent construction project at the Oakland Zoo, in which they self-performed the paving work. Staff spoke with the Oakland Zoo project's construction manager who confirmed that Overaa had successfully self-performed the paving on that project.

Staff notified Kiewit by letter dated November 19, 2019 of its proposed recommendation to the Board to reject Kiewit's bid protest and award the Project to Overaa at an upcoming board meeting. As of January 6, 2020, Kiewit has not responded to staff's letter.

### Air Permitting Process

The Bay Area Air Quality Management District (BAAQMD) requires air quality permits to be obtained whenever constructing potential sources of air contaminants or pollutants, such as anaerobic digesters and gas-fired boilers. Furthermore, BAAQMD requires the issuance of Authority to Construct documents before construction activities can begin in relation to any of these sources. Accordingly, on June 25, 2018, staff submitted an air permit application to BAAQMD for the construction of Primary Digester No. 7 and the replacement of Boiler No. 6.

Staff received the Authority to Construct documents required for the Project on December 11, 2019.

Issuance of the Authority to Construct documents was contingent on USD complying with various new and more stringent permit conditions, which have been summarized below:

- Total digester gas production is limited to 323.6 million standard cubic feet per year.
- The allowable sulfur content in untreated digester gas is reduced from 300 ppm to 200 ppm.
- Sulfur content in treated digester gas is limited to 50 ppm.
- Hourly sulfur emissions at the digesters are limited to 0.1 pounds per hour.
- Pressure sensors are required to be installed at each digester.

The above permit conditions were not originally specific and had to be negotiated. The permit conditions were finalized shortly before the Authority to Construct documents were issued.

#### Construction Contract

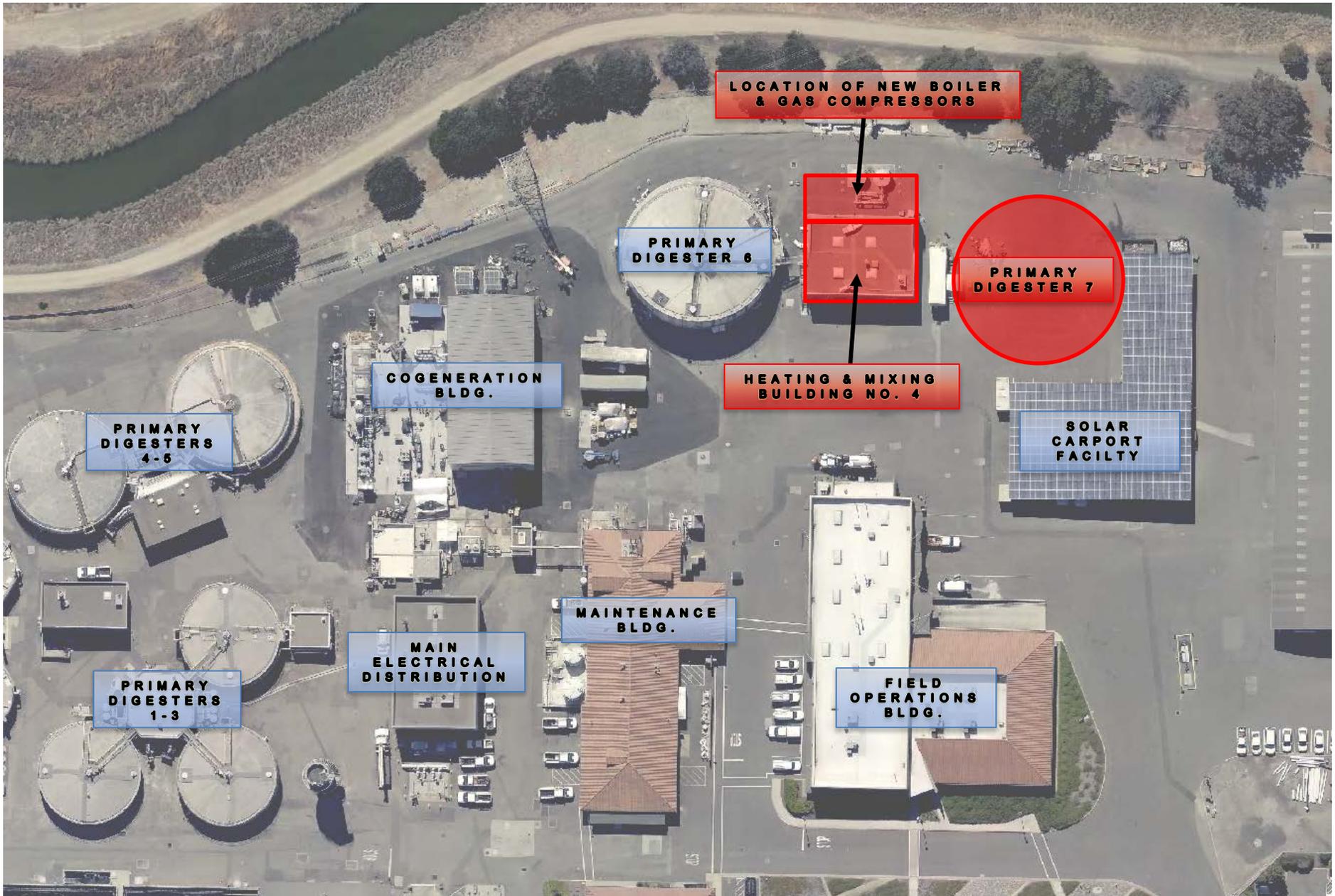
The contractor has 610 calendar days to complete the Project from the Notice to Proceed, which puts the estimated substantial completion date in September 2021. Carollo Engineers is anticipated to provide the construction management and inspection services for the Project.

Staff recommends the Board reject the bid protest from Kiewit Infrastructure West Co. and award the construction contract, including Bid Alternates A and B, for the Primary Digester No. 7 Project to C. Overaa & Co. in the amount of \$23,342,575.

PRE/SEG/RC/CB;mb

Attachment: Figure 1 – Site Plan  
Table 1 – Bid Tabulation Sheet  
Contractor's Agreement

FIGURE 1 – PRIMARY DIGESTER NO. 7 PROJECT



**Table 1  
Bid Tabulation**

Primary Digester No. 7 Project  
 Bid Opening: 2:00 pm, October 29, 2019  
 Engineer's Estimate: \$22.7 million

Bid Item No.	Bid Item	Unit	Estimated Quantity	Anderson Pacific Engineering Construction Co. (Santa Clara, CA)	C. Overaa & Co. (Richmond, CA)	Flatiron West Inc. (Benicia, CA)	Kiewit Infrastructure West Co. (Fairfield, CA)	Shimmick Construction Co. (Oakland, CA)
				Total Bid Price	Total Bid Price	Total Bid Price	Total Bid Price	Total Bid Price
1	Completion of all Work included as part of Contract Documents for Project No. 900-486, except as specified under items 2 through 4, for the amount of:	LS	1	\$24,170,000	\$22,080,341	\$24,670,000	\$22,848,000	\$21,784,341
2	Pre-negotiated amount for programming services	LS	1	\$99,659	\$99,659	\$99,659	\$99,659	\$99,659
3	Differing Site Conditions (Allowance)	T&M	1	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
4	Cost for providing all shoring and bracing on all Bid Items above including but not limited to that as required by Sections 6700-6708 of the Labor Code	LS	1	\$750,000	\$1,000,000	\$1,100,000	\$1,200,000	\$3,000,000
<b>Total Base Bid</b>				<b>\$25,079,659</b>	<b>\$23,240,000</b>	<b>\$25,929,659</b>	<b>\$24,207,659</b>	<b>\$24,944,000</b>
Bid Alternate A	Builder's Risk Insurance	LS	1	\$85,000	\$70,540	\$55,000	\$160,000	\$25,000
Bid Alternate B	"Acts of God" Insurance	LS	1	\$130,000	\$32,035	\$100,000	\$21,000	\$70,000
<b>Total Contract Price</b>				<b>\$25,294,659</b>	<b>\$23,342,575</b>	<b>\$26,084,659</b>	<b>\$24,388,659</b>	<b>\$25,039,000</b>
<b>Percent (Under)/Over Engineer's Estimate</b>				<b>11.4%</b>	<b>2.8%</b>	<b>14.9%</b>	<b>7.4%</b>	<b>10.3%</b>

## AGREEMENT FOR THE CONSTRUCTION OF

### Primary Digester No. 7 Project

#### Project No. 900-486

THIS AGREEMENT, made and concluded, in duplicate, this \_\_\_\_\_ day of January, 2020, between the UNION SANITARY DISTRICT ("District"), Union City, California, and C. OVERAA & CO. ("Contractor"), License No. 106793.

#### WITNESSETH:

1. That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the District, and under the conditions expressed in the two bonds, bearing even date with these presents, and hereunto annexed, the Contractor agrees with the District, at his/her own proper cost and expense, to do all the work and furnish all the materials necessary to construct and complete in good workmanlike and substantial manner the project entitled: **Primary Digester No. 7 Project (Project No. 900-486)** in strict conformity with the plans and specifications prepared therefor, which said plans and specifications are hereby specially referred to and by said reference made a part hereof.

2. Now, therefore, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to complete the work in accordance with the terms and conditions stipulated in the Contract Documents for the sum of Twenty Three Million Three Hundred Forty Two Thousand Five Hundred Seventy Five Dollars (\$23,342,575) (the "Contract Price") computed in accordance with Contractor's accepted proposal dated October 28, 2019, which accepted proposal is incorporated herein by reference thereto as if herein fully set forth. This sum includes the following bid alternates that have been accepted by the District and are hereby incorporated in the Agreement: A and B. Compensation shall be based upon the lump sum bid items plus the unit prices stated in the Bid Schedule times the actual quantities or units of work and materials performed or furnished. The further terms, conditions, and covenants of this Agreement are set forth in the Contract Documents, each of which is by this reference made a part hereof. Payments are to be made to the Contractor in accordance with the provisions of the Contract Documents and the Technical Specifications in legally executed and regularly issued warrants of the District, drawn on the appropriate fund or funds as required by law and order of the District thereof.

3. The District hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the Contract Price, and hereby contracts to pay the same at the time, in the manner and upon the conditions set forth in the Contract Documents; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

4. The Contractor and any subcontractor performing or contracting any work shall comply with all applicable provisions of the California Labor Code for all workers, laborers and mechanics of all crafts, classifications or types, including, but necessarily limited to the following:

(a) The Contractor shall comply with all applicable provisions of Section 1810 to 1815, inclusive, of the California Labor Code relating to working hours. The Contractor shall, as a penalty to the District, forfeit the sum of twenty-five dollars (\$25) for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than 1-1/2 times the basic rate of pay.

(b) Pursuant to the provision of California Labor Code, Sections 1770 et. seq., the Contractor and any subcontractor under him shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the office of the District, which copies shall be made available to any interested party on request. The Contractor shall post a copy of said prevailing rate of per diem wages at each job site.

(c) As required by Section 1773.1 of the California Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with this Section.

(d) To establish such travel and subsistence payments, the representative of any craft, classification, or type of workman needed to execute the contracts shall file with the Department of Industrial Relations fully executed copies of collective bargaining agreements for the particular craft, classification or type of work involved. Such agreements shall be filed within 10 days after their execution and thereafter shall establish such travel and subsistence payments whenever filed 30 days prior to the call for bids.

(e) The Contractor shall comply with the provisions of Section 1775 of the California Labor Code and shall, as a penalty to the District, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages for each craft, classification, or type of worker needed to execute the contract. The Contractor shall pay each worker an amount equal to the difference between the prevailing wage rates and the amount paid worker for each calendar day or portion thereof for which a worker was paid less than the prevailing wage rate.

(f) As required under the provisions of Section 1776 of the California Labor Code, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Said payroll shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available for inspection or furnished upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available upon request by the public for inspection or for copies thereof; provided, however, that a request by the public shall be made through the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to subparagraph 4(e) herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal offices of the Contractor.

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

Certified payroll records shall be submitted electronically as required under California Labor Code Section 1776 to the Labor Commissioner pursuant to California Code of Regulations Chapter 8, Section 16404.

Each Contractor shall file a certified copy of the records, enumerated in Paragraph 4(f) with the entity that requested the records within 10 days after receipt of a written request. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor awarded the contract or performing the contract shall not be marked or obliterated. The Contractor shall inform the District of the location of the records enumerated under Paragraph 4(f) including the street address, city and county, and shall, within 5 working days, provide a notice of change of location and address. The Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this Paragraph 4(f). In the event that the Contractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or the District, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Responsibility for compliance with Paragraph 4(f) lies with the Contractor.

(g) The Contractor and any subcontractors shall, when they employ any person in any apprenticeable craft or trade, apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the construction site for a certificate approving the Contractor or subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected; and shall comply with all other requirements of Section 1777.5 of the California Labor Code. The responsibility of compliance with California Labor Code Section 1777.5 during the performance of this contract rests with the Contractor. Pursuant to California Labor Code Section 1777.7, in the event the Contractor willfully fails to comply with the provisions of California Labor Code Section 1777.5, the Contractor shall be denied the right to bid on any public works contract for up to three (3) years from the date noncompliance is determined and be assessed civil penalties.

(h) In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860), and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the Contractor is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If the Contractor, in the sole discretion of the District satisfies the District of the responsibility and capacity under the applicable Workers' Compensation Laws, if any, to act as self-insurer, the Contractor may so act, and in such case, the insurance required by this paragraph need not be provided.

The Contractor is advised of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and shall comply with such provisions and have Employer's Liability limits of \$1,000,000 per accident before commencing the performance of the work of this Contract.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence work, until the Contractor submits written evidence that it has obtained full Workers' Compensation Insurance coverage for all persons whom it employs or may employ in carrying out the work under this Contract. This insurance shall be in accordance with the requirements of the most current and applicable state Workers' Compensation Insurance Laws. In accordance with the provisions of Section 1861 of the California Labor Code, the Contractor in signing this agreement certifies to the District as true the following statement: "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract."

A subcontractor is not allowed to commence work on the project until verification of Workers' Compensation Insurance coverage has been obtained and verified by the Contractor and submitted to the Construction Manager for the District's review and records.

(i) In accordance with the provisions of Section 1727 of the California Labor Code, the District, before making payment to the Contractor of money due under a contract for public works, shall withhold and retain therefrom all wages and penalties which have been forfeited pursuant to any stipulation in the contract, and the terms of Chapter 1, Part 7, Division 2 of the California Labor Code (commencing with Section 1720). But no sum shall be withheld, retained or forfeited, except from the final payment, without a full investigation by either the Division of Labor Standards Enforcement or by the District.

5. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this Agreement the instrument and the bid proposal of said Contractor, then this Agreement instrument shall control, and nothing herein contained shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

6. The Contractor agrees to provide and maintain insurance coverage, and to indemnify and save harmless the parties named and in the manner set forth in Section 00800-2.0, **LIABILITY AND INSURANCE**, of the Supplementary General Conditions of the Specifications.

The duty of Contractor to indemnify and save harmless, as set forth herein, shall include a duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require Contractor to indemnify against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

7. The Contractor shall diligently prosecute the work so that it shall be substantially completed within the time specified in Section 00800-1.1, **Time Allowed for Completion**.

8. Except as otherwise may be provided herein, Contractor hereby expressly guarantees for one (1) full year from the date of the substantial completion of the work under this agreement and acceptance thereof by the District, to repair or replace any part of the work performed hereunder which constitutes a defect resulting from the use of inferior or defective materials, equipment or workmanship. If, within said period, any repairs or replacements in connection with the work are, in the opinion of the District, rendered necessary as the result of the use of inferior or defective materials, equipment or workmanship, Contractor agrees, upon receipt of notice from District, and without expense to District, to promptly repair or replace such material or workmanship and/or correct any and all defects therein. If Contractor, after such notice, fails to proceed promptly to comply with the terms of this guarantee, District may perform the work necessary to effectuate such correction and recover the cost thereof from the Contractor and/or its sureties.

In special circumstances where a particular item of work or equipment is placed in continuous service before substantial completion of the Work, the correction period for that item may start to run from an earlier date. This date shall be agreed upon in writing by the Contractor and District on or before the item is placed in continuous service.

Any and all other special guarantees which may be applicable to definite parts of the work under this agreement shall be considered as an additional guarantee and shall not reduce or limit the guarantee as provided by Contractor pursuant to this paragraph during the first year of the life of such guarantee.

9. The Contractor shall provide, on the execution of this Agreement, a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of the Contract Price,

which bond shall be on the form provided by the District in Section 00610, **FORM OF PERFORMANCE BOND**, and be conditioned upon the faithful performance of all work required to be performed by the Contractor under this Agreement. Said bond shall be liable for any and all penalties and obligations which may be incurred by Contractor under this Agreement. The corporate surety bond shall be issued by a corporate surety that possesses a minimum rating from A. M. Best Company of A:VII and that is approved by the District. The corporate surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

10. In addition to the bond required under Paragraph 9, hereof, Contractor shall furnish a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of the Contract Price, which bond shall be on the form provided by the District in Section 00620, **PAYMENT BOND**, and conform strictly with the provisions of Sections 9550 et seq. of the Civil Code, and all amendments thereto. The corporate surety bond shall be issued by a corporate surety that possesses a minimum rating from A. M. Best Company of A:VII and that is approved by the District. The corporate surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

11. The Contractor may substitute securities for the amounts retained by the District to ensure performance of the work in accordance with the provisions of Section 22300 of the Public Contract Code.

12. The Contractor shall be provided the time period specified in Section 01340-2.0, **MATERIAL AND EQUIPMENT SUBSTITUTIONS**, for submission of data substantiating a request for a substitution of an "or equal" item.

13. As required by Section 6705 of the California Labor Code and in addition thereto, whenever work under the Contract involves the excavation of any trench or trenches five feet or more in depth, the Contractor shall submit in advance of excavations, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety in Title 8, Subchapter 4, Article 6, California Code of Regulations, the plan shall be prepared by a registered civil or structural engineer employed by the Contractor, and all costs therefore shall be included in the price named in the Contract for completion of the work as set forth in the Contract Documents. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this Section shall be construed to impose tort liability on the District, the Design Consultant, Construction Manager or any of their agents, consultants, or employees. The District's review of the Contractor's excavation plan is only for general conformance to the California Construction Safety Orders.

Prior to commencing any excavation, the Contractor shall designate in writing to the Construction Manager the “competent person(s)” with the authority and responsibilities designated in the Construction Safety Orders.

14. In accordance with Section 7104 of the Public Contract Code, whenever any work involves digging trenches or other excavations that extend deeper than four feet below the surface, the provisions of Section 00700-7.2, **Differing Site Conditions**, shall apply.

15. In accordance with Section 7103.5 of the Public Contract Code, the Contractor and subcontractors shall conform to the following requirements. In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchases of goods, materials or services pursuant to this Contract or the subcontract. Such assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the parties.

16. In accordance with Section 4552 of the Government Code, the Contractor shall conform to the following requirements. In submitting a bid to the District, the Contractor offers and agrees that if the bid is accepted, it will assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchase of goods, materials, or services by the Contractor for sale to the District pursuant to the bid. Such assignment shall be made and become effective at the time the District tenders final payment to the Contractor.

17. Pursuant to Public Contract Code Section 7100, the acceptance by the Contractor of an undisputed payment made under the terms of the Contract shall operate as, and shall be, a release to the District, and their duly authorized agents, from all claim of and/or liability to the Contractor arising by virtue of the contract related to those amounts. Disputed contract claims in stated amounts may be specifically excluded by the Contractor from the operation of the release.

18. In accordance with California Business and Professions Code Section 7030, the Contractor is required by law to be licensed and regulated by the Contractors’ State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning the Contractor may be referred to the Registrar, Contractors’ State License Board, P.O. Box 26000, Sacramento, California 95826.

19. **INDEMNIFICATION.** To the fullest extent permitted by law, Contractor shall indemnify and hold harmless the District from any claims, choses in action or lawsuits, whereby any subcontractor, material or equipment supplier, laborer or any person who supplies work or materials to said work of improvement may claim damages, losses and expenses thereto arising out of or resulting from any claim for performance of work, including the legal defense of any stop notice action as well as attorney fees and costs. District may be required to engage

separate legal counsel from that of the Contractor should District and Contractor be both named as defendants, cross-defendants or other parties to any such stop notice action in District's sole discretion. Contractor shall be fully liable for any judgment or damages resulting from any claim for stop notice relief or other liability regarding payment for materials, supplies, labor or equipment under this contract. In claims against any person or entity indemnified under this paragraph by an employee of Contractor, a subcontractor, anyone directly or indirectly employed by them for whose acts they may be liable, the indemnification obligation under this paragraph shall not be limited in amount or type of damages, compensation or benefits payable by or for the Contractor or a subcontractor. In all cases, indemnification shall include attorney fees and court costs.

Unless arising solely out of the active negligence, gross negligence or willful misconduct of the District or the Design Consultant, the Contractor shall indemnify, defend and hold harmless: (1) the District and its Board of Directors, officers, employees, agents and representative; (ii) the Design Consultant and its consultants for the Work and their respective agents and employees; and (iii) if one is designated by the District for the work, the Construction Manager and its agents and employees (collectively "the Indemnified Parties"). The Contractor's obligations hereunder include indemnity, defense and hold harmless of the Indemnified Parties from and against any and all damages, losses, claims, demands or liabilities whether for damages, losses or other relief, including, without limitation attorney's fees and costs which arise, in whole or in part, from the Work, the Contract Documents or the acts, omissions or other conduct of the Contractor or any subcontractor or any person or entity engaged by them for the Work. The Contractor's obligations under the foregoing include without limitation: (i) injuries to or death of persons; (ii) damage to property; or (iii) theft or loss of property; (iv) stop notice claims asserted by any person or entity in connection with the Work; and (v) other losses, liabilities, damages or costs resulting from, in whole or part, any acts, omissions or other conduct of Contractor, any of Contractor's Subcontractors, of any tier, or any other person or entity employed directly or indirectly by Contractor in connection with the Work and their respective agents, officers or employees. If any action or proceeding, whether judicial, administrative, arbitration or otherwise, shall be commenced on account of any claim, demand or liability subject to Contractor's obligations hereunder, and such action or proceeding names any of the Indemnified Parties as a party thereto, the Contractor, at its sole cost and expense, shall defend the District and the Design Consultant in such action or proceeding with counsel reasonably satisfactory to the Indemnified Parties named in such action or proceeding. In the event that there shall be any judgment, award, ruling, settlement, or other relief arising out of any such action or proceeding to which any of the Indemnified Parties are bound by, Contractor shall pay, satisfy or otherwise discharge any such judgment, award, ruling, settlement or relief. Contractor shall indemnify and hold harmless the Indemnified Parties from any and all liability or responsibility arising out of any such judgment, award, ruling, settlement or relief. The Contractor's obligations hereunder are binding upon Contractor's Performance Bond Surety and these obligations shall survive notwithstanding Contractor's completion of the Work or the termination of the Contract.

IN WITNESS WHEREOF, the parties hereto have executed this agreement this \_\_\_\_ day of January, 2020.

C. OVERAA & CO.

By: \_\_\_\_\_

Christopher Manning  
President

Address: 200 Parr Boulevard, Richmond, California 94801

UNION SANITARY DISTRICT

By: \_\_\_\_\_

Pat Kite  
Board Secretary

Address: 5072 Benson Road, Union City, California 94587

ATTEST:

\_\_\_\_\_

Karen W. Murphy  
Attorney for Union Sanitary District



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 13**

**TITLE: Consider a Board Resolution to Authorize the Execution and Delivery of a Joint Exercise of Powers by and between the Union Sanitary District and the California Municipal Finance Authority and the Master CMFA Agreement; Consider a Resolution of the Union Sanitary District Regarding its Intention to Reimburse Certain Project Costs from Proceeds of Tax-Exempt Obligations; and Consider Approval of Debt Management Policy No. 2060 (*This is a Motion Item*)**

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

**Recommendation**

Staff recommends the Board adopt the following separate yet companion action items:

1. A resolution authorizing execution and delivery of Joint Exercise of Powers Agreement by and between the Union Sanitary District and the California Municipal Finance Authority and the Master CMFA Agreement
2. A resolution of the Union Sanitary District stating its intention to reimburse certain project costs from proceeds of tax-exempt obligations
3. A motion approving the revised Debt Management Policy No. 2060

**Previous Board Action**

December 9, 2019, the Board adopted a resolution to authorize staff, legal counsel and municipal advisors to prepare documents for the issuance of Revenue Bonds and Refunding Revenue Bonds with Stradling Yocca Carlson & Rauth as Bond Counsel, Quint & Thimmig as Disclosure Counsel, Fieldman Rolapp & Associates as Municipal Advisor, and RBC as Underwriter for the transaction.

## **Background**

The Union Sanitary District (District) staff has identified approximately \$37 million in capital project funding needs that can be financed with tax-exempt debt. The items being presented at this meeting facilitate the issuance of such debt or are companion items to the issuance of this debt.

### Creation of USD Financing Authority.

Financing for District capital project costs may be obtained through the issuance of revenue bonds by a joint powers authority (JPA) or through the execution and delivery of certificates of participation (COPs) by the District. The source of repayment of the revenue bonds and COPs would ultimately be the District's net revenues (i.e. revenues after payment of operation expenses). The District's underwriter reports that issuing revenue bonds generally results in a lower interest cost than COPs. Thus, pursuing the creation of a JPA to issue revenue bonds is expected to provide savings benefits to the District's ratepayers.

In order to issue revenue bonds, a JPA must be formed pursuant to the California Joint Exercise of Powers Act. The formation of a JPA is accomplished by the execution of a Joint Exercise of Powers Agreement by the members of the JPA to be formed. District staff and bond counsel have prepared and negotiated a Joint Exercise of Powers Agreement with the California Municipal Finance Authority (CMFA) as presented at this meeting to create the Union Sanitary District Financing Authority (the USDFA). CMFA was created by its original members, in part, to assist its members to finance capital improvements. CMFA is assisting the District in the creation of the USDFA by serving as the counterparty to the District's joint exercise of powers agreement. As a condition to CMFA serving as counterparty to the District's joint exercise of powers agreement (USDFA), the District will become a member of CMFA. CMFA's existing master joint exercise of powers agreement with its current members is attached to this staff report for consideration and adoption in addition to the USDFA JPA.

Under the terms of the joint exercise of powers agreement, the USDFA's board is comprised of the District's board members and all USD Authority officers are District staff members. CMFA would have no ongoing involvement with the USDFA once it is created. CMFA charges a one-time fee for each issuance of revenue bonds by the USDFA and the JPA allows for an annual administrative fee to be charged for any outstanding debt of the USDFA. However, to date, CMFA has not charged any annual fees of any JPA counterpart. Such fees will be in amounts set forth in CMFA's then-current fee schedule.

At such time that the District desires to obtain financing for capital projects, the USDFA would issue revenue bonds and the District would be obligated to make installment payments (from District net revenues) to the USDFA to repay such revenue bonds.

Declaration of Intention to Reimburse Project Costs From Tax-Exempt Obligations.

Under certain circumstances, projects to be financed with tax-exempt bonds may need to proceed prior to the issuance of the bonds. The Internal Revenue Code allows the District to reimburse project costs from tax-exempt bonds. The District takes an action to declare its intention for such reimbursement prior to the sale of the bonds.

In order to provide for the ability for the District to reimburse for project costs from proceeds of proposed tax-exempt bonds to be issued, a resolution presented states the District's intention regarding such reimbursement. Under the Internal Revenue Code, costs incurred up to 60 days prior to the date of the adoption of such resolution may be reimbursed from tax-exempt obligations.

Approval of Debt Management Policy.

Attached to this staff report is the revised Debt Management Policy (Policy), which provides guidance for the issuance and management of District debt. The Policy identifies the purposes for which the District may issue debt, the types and structure of debt issuances and the planning, execution and management of debt. The Policy is a set of guidelines developed to improve the quality of decision making, provide justification for how debt issuances are structured, identify goals, and evidence the District's commitment to strategic long-term financial planning.

The Policy reflects certain changes to comply with updated state and federal regulations including but not limited to the following:

- Provisions relating to the reporting requirement of Rule 15c2-12, effective February 27, 2019, for all new debt which is subject to Rule 15c2-12, issued by the District. Rule 15c2-12 is a Securities and Exchange Commission Rule that requires issuers to enter into agreements to provide certain information to the Municipal Securities Rulemaking Board (MSRB) about the debt on an ongoing basis. Recent amendments added two new reportable events to the continuing disclosure agreements requiring issuers to report on the incurrence or event of default of a "financial obligation" ...further description of the definition of a financial obligation is included into the debt management policy.
- Internal control language to comply with California Debt and Investment Advisory Commission (CDIAC) rules and regulations promulgated pursuant to SB 1029, (which amended Section 8855(i) of the Government Code) to require local debt policies to include the following:
  - The purpose for which the debt proceeds may be used;
  - The types of debt that may be issued;
  - The relationship of the debt to, and integration with the issuer's capital improvement program or budget, if applicable;
  - Policy goals related to the issuer's planning goals and objectives; and,

- The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.
- Language to comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of certain types of debt.

The resolutions being presented at this meeting approve the execution and delivery of the joint exercise of powers agreement with CMFA to create the USD Authority, approves the District becoming a member of CMFA, and states the intention of the District to reimburse certain project costs from proceeds of the tax-exempt obligations. Additionally, the Board is asked to consider adoption of the revised Debt Management Policy.

Attachments:

Resolution Approving JPA  
Resolution Regarding Reimbursing Certain Costs  
USDFA JPA Agreement  
Master CMFA Agreement  
Debt Management Policy, Policy No. 2060 – Redline  
Debt Management Policy, Policy No. 2060 – Final

**UNION SANITARY DISTRICT**

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

**A RESOLUTION OF THE UNION SANITARY DISTRICT  
AUTHORIZING THE EXECUTION AND DELIVERY OF A JOINT  
EXERCISE OF POWERS AGREEMENT BY AND BETWEEN THE  
UNION SANITARY DISTRICT AND CALIFORNIA MUNICIPAL  
FINANCE AUTHORITY (“CMFA”) AND THE MASTER CMFA  
AGREEMENT**

WHEREAS, the Union Sanitary District (the “District”) is a sanitary district duly organized and existing under and by virtue of the laws of the State of California; and

WHEREAS, the District, acting pursuant to Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “JPA Law”), may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Government Code § 6588, exercise certain additional powers; and

WHEREAS, the California Municipal Finance Authority (“CMFA”) has been previously created pursuant to the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004, as amended (the “CMFA Agreement”), for the purpose of promoting economic, cultural and community development, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the District and CMFA desire to create and establish the Union Sanitary District Financing Authority (the “Authority”) pursuant to the JPA Law; and

WHEREAS, there has been presented to this meeting a proposed form of Joint Exercise of Powers Agreement, dated January 13, 2020 (the “Joint Powers Agreement”), by and between the District and CMFA, which Joint Powers Agreement creates and establishes the Authority; and

WHEREAS, under California law and the Joint Powers Agreement, the Authority will be a public entity separate and apart from the parties to the Joint Powers Agreement, and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the District or any representative of the District serving on the governing body of the Authority; and

WHEREAS, as a condition to CMFA’s execution of the Joint Powers Agreement, CMFA has requested that the District become a member of CMFA; and

WHEREAS, the District has determined that it is in the public interest and for the public benefit that the District become a member of CMFA in order to facilitate the promotion of

economic, cultural and community development activities in the area served by the District;  
and

WHEREAS, there has been presented to this meeting a proposed form of the CMFA Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UNION SANITARY DISTRICT AS FOLLOWS:

SECTION 1. The statements, findings, and determinations set forth above and in the preambles of the documents approved by this resolution are true and correct.

SECTION 2. The forms of the Joint Powers Agreement and CMFA Agreement on file with the Secretary of the Board of Directors of the District, are hereby approved. The President of the Board of Directors of the District, the Vice President of the Board of Directors of the District, the General Manager of the District (each, an "Authorized Officer") are each hereby authorized and directed, on behalf of the District, to execute and deliver the Joint Powers Agreement and the CMFA Agreement substantially in the approved form, with such changes as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel, said execution being conclusive evidence of such approval.

SECTION 3. Each Authorized Officer is hereby authorized and directed to take all necessary and appropriate actions and execute and deliver any documents to ensure that the District becomes a member of CMFA.

SECTION 4. The Secretary of the Board shall forward a certified copy of this Resolution and an originally executed copy of each of the CMFA Agreement and the Joint Powers Agreement to CMFA in care of its counsel:

Ronald E. Lee  
Jones Hall, A Professional Corporation  
475 Sansome Street, Suite 1700  
San Francisco, CA 94111

SECTION 5. This resolution shall take effect immediately upon its passage.

ON A MOTION by Director \_\_\_\_\_, and seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the Union Sanitary District this 13<sup>th</sup> day of January, 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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President of the Board of Directors

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Secretary of the Board of Directors

**UNION SANITARY DISTRICT**

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

**A RESOLUTION OF THE UNION SANITARY DISTRICT REGARDING  
ITS INTENTION TO REIMBURSE CERTAIN COSTS FROM PROCEEDS  
OF TAX-EXEMPT OBLIGATIONS**

WHEREAS, the Board of Directors of the Union Sanitary District (the "Issuer") desires to finance the acquisition of certain capital items, all as more fully described in Exhibit A attached hereto and incorporated herein (the "Project").

WHEREAS, the Issuer intends to finance the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes in one or more phases (the "Obligations").

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer, which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UNION SANITARY DISTRICT AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred by the Issuer or a public agency member of the Issuer prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$37,000,000. The amount of proceeds of the Obligations reasonably expected to be allocated to expenditures to reimburse expenditures incurred prior to the issuance of the Obligations is \$37,000,000.

SECTION 3. This resolution is being adopted not later than 60 days after the payment of the original expenditures (the "Expenditures Date or Dates").

SECTION 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, ..." is not applicable.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer or a public agency member of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer, a public agency member of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, or the public agency member of the Issuer receiving the reimbursement, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer, such public agency member or any related party pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Issuer is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

SECTION 9. All the recitals in this Resolution are true and correct and this Issuer so finds, determines and represents.

SECTION 10. This Resolution shall take effect immediately.

ON A MOTION by Director \_\_\_\_\_, and seconded by Director \_\_\_\_\_, the foregoing resolution was passed and adopted by the Board of Directors of the Union Sanitary District this 13<sup>th</sup> day of January, 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

President of the Board of Directors

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Secretary of the Board of Directors

## EXHIBIT A

### DESCRIPTION OF PROJECT

- Primary Digester No. 7
- Alvarado Influent Pump Station Improvements
- Headworks Bar Screen Replacement Project

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**JOINT EXERCISE OF POWERS AGREEMENT**

**by and between**

**UNION SANITARY DISTRICT**

**and**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

**creating the**

**UNION SANITARY DISTRICT FINANCING AUTHORITY**

**January 13, 2020**

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## JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated January 13, 2020, by and between the UNION SANITARY DISTRICT, a sanitary district that is duly organized and existing under and by virtue of the laws of the State of California, including but not limited to Division 6 of the Health and Safety Code (the “**Local Agency**”), and CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers authority that is organized and existing under and by virtue of the laws of the State of California (“**CMFA**”).

### DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the “**Act**”) authorizes the Local Agency and CMFA to create a joint exercise of powers entity which has the power to exercise any powers common to the Local Agency and CMFA and to exercise additional powers granted to it under the Act. This Agreement creates such an agency, which shall be known as the Union Sanitary District Financing Authority (the “**Authority**”) for the purposes and to exercise the powers described herein.

B. The Local Agency is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the California Health and Safety Code, the California Government Code and other laws of the State of California.

C. CMFA is authorized to buy, sell and lease property and to issue bonds, expend bond proceeds, and borrow and loan money for any of its corporate purposes pursuant to the Act and a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004, as amended, by and among the cities, counties, districts and other political subdivisions that are parties to that agreement.

D. Article 4 of the Act (known as the “**Marks-Roos Local Bond Pooling Act of 1985**”) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the Local Agency or CMFA for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the Local Agency or CMFA. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

### TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

“*Act*” shall mean Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

“*Agreement*” shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

“*Authority*” shall mean the Union Sanitary District Financing Authority created by this Agreement.

“Board” or “Board of Directors” shall mean the governing board of the Authority.

“Bonds” shall mean bonds and any other evidences of indebtedness of the Authority authorized and issued pursuant to the Act.

“CMFA” shall mean California Municipal Finance Authority, a joint exercise of powers authority that is duly organized and existing under and by virtue of the laws of the State.

“Indenture” shall mean each indenture, trust agreement, resolution or other such instrument pursuant to which Bonds are issued.

“Local Agency” shall mean the Union Sanitary District, a sanitary district that is duly organized and existing under and by virtue of the laws of the State, including but not limited to Division 6 of the Health and Safety Code.

“Member” or “Members” shall mean the Local Agency and/or CMFA, as appropriate.

“State” shall mean the State of California.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of assisting in the financing and refinancing of capital improvement projects of the Local Agency and to finance working capital for the Local Agency and financing other costs described in the Act by exercising the powers referred to in this agreement. This Agreement shall benefit no other entity. Any Bonds issued by the Authority shall be solely for projects benefiting the Local Agency.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by a supplemental agreement of CMFA and the Local Agency; *provided, however*, that in no event shall this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument pursuant to which such Bonds are issued or other obligations are incurred.

Section 4. The Authority.

(a) *Creation of the Authority*. There is hereby created pursuant to the Act an authority and public entity to be known as the “Union Sanitary District Financing Authority.” As provided in the Act, the Authority shall be a public entity separate from the Local Agency and CMFA. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Local Agency or CMFA. Notwithstanding any other provision of this Agreement, the Authority shall not have the power to incur any debt, liability or obligation that is not subject to the preceding sentence, including but not limited to any debt, liability or obligation to a public retirement system or otherwise for pension, health care or other retirement benefits.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner that is set forth in Section 6503.5 of the Act. Such notice shall also be filed with the office of the Finance Director of the State.

(b) *Governing Board.* The Authority shall be administered by the Board, which shall consist of the five members of the Board of Directors of the Local Agency. The term of office as a member of the Board shall terminate when such member of the Board shall cease to hold his or her respective office at the Local Agency, and the successor to such officer or director of the Local Agency shall become a member of the Board, upon assuming such office.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

(c) *Meetings of Board.*

(1) **Time and Place.** The Board shall hold regular meetings concurrently with regular meetings of the Local Agency. The Board may suspend the holding of regular meetings so long as there is no need for Authority business. The Board may hold special meetings at any time and from time to time in accordance with law, provided that, so long as required by the Act, any action taken regarding the sale of Bonds shall occur by resolution placed on a noticed and posted meeting agenda for a regular meeting of the Authority.

(2) **Legal Notice.** All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

(3) **Minutes.** The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Local Agency and CMFA.

(4) **Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(d) *Officers; Duties; Bonds.*

(1) The officers of the Authority shall be the Chair, Vice Chair, Executive Director, Secretary and Treasurer. Such officers may be directors or officers of the Local Agency serving *ex officio*.

(2) The Chair of the Authority shall be the Board member who is the President of the Board of Directors of the Local Agency. The term of office of the Chair shall be the same as the term of the President of the Board of Directors of the Local Agency. The Chair shall preside at all meetings of the Authority, and shall submit such information and recommendations to the Board as he or she may consider proper concerning the business, policies and affairs of the Authority. The Vice Chair shall perform the duties of the Chair of the Authority in the absence or incapacity of the Chair of the Authority.

(3) The Vice Chair shall be the Board member who is the Vice President of the Board of Directors of the Local Agency. The term of office of the Vice Chair shall be the same as the term of the Vice President of the Board of Directors of the Local Agency. The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the resignation or death of

the Chair, the Vice Chair shall perform such duties as are imposed on the Chair, until such time as a new Chair is selected or appointed.

(4) The General Manager of the Local Agency is hereby designated as the Executive Director of the Authority and shall be responsible for execution and supervision of the affairs of the Authority. Except as otherwise authorized by resolution of the Board, the Executive Director or the Executive Director's designee shall sign all contracts, deeds and other instruments executed by the Authority. In addition, subject to the applicable provisions of any trust agreement, indenture or resolution providing for a trustee or other fiscal agent, the Executive Director is designated as the public officer or person who has charge of, handles or has access to any property of the Authority, and shall file an official bond if so required by the Board and, as such, shall have the powers, duties and responsibilities that are specified in Section 6505.1 of the Act.

(5) The Board Clerk of the Local Agency is hereby designated as the Secretary of the Authority. The Secretary shall keep the records of the Authority, shall act as Secretary at the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the position.

(6) The Business Services Work Group Manager/Chief Financial Officer of the Local Agency, or designee as determined by the General Manager, is hereby designated as the Treasurer of the Authority. The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond if so required by the Board, and, as such, shall have the powers, duties and responsibilities that are specified in Section 6505.1 of the Act. The cost of the bond shall be paid by the Local Agency.

(7) So long as required by Sections 6505 and 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Act every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January and April of each year to the Board, the Local Agency and CMFA, which report shall describe the amount of money held by the Treasurer of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(8) The services of the officers shall be without compensation by the Authority. The Local Agency will provide such other administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services.

(9) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(10) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(11) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(12) The Members hereby confirm their intent and agree that, as provided in Section 4(a) hereof and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Local Agency or CMFA, and they do not intend by the following sentence to impair this provision. Notwithstanding Section 4(a) hereof and the Act, the Local Agency and the Authority shall indemnify, defend and hold harmless CMFA and each of CMFA's officers, directors, employees, attorneys and agents from and against any and all costs, expenses, losses, claims, damages and liabilities directly or indirectly arising out of or in connection with the activities of the Authority, including but not limited to any transaction or series of transactions undertaken by or for the benefit of the Local Agency. CMFA may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the Local Agency. The Authority and the Local Agency shall be jointly and severally liable for any indemnity obligation owed to CMFA or any other indemnified party under this paragraph. Notwithstanding the provisions of Section 895.6 of the Government Code of the State, the Local Agency shall not have any right to contribution from CMFA. This paragraph shall survive the termination of this Agreement.

(13) In any event, the Authority or the Local Agency shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

(14) Confirmation of officers shall be the first order of business at the first meeting of the Authority, regular or special, held in each calendar year.

(15) No Board member, officer, agent or employee of the Authority, without prior specific or general authority by a vote of the Board, shall have any power or authority to bind the Authority by any contract, to pledge its credit, or to render it liable for any purpose in any amount.

Section 5. Powers. The Authority shall have any and all powers which are common powers of the Local Agency and CMFA, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Members or separately conferred by law upon the Authority, are specified as powers of the Authority, except any such powers which are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the Local Agency.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

This section shall be subject to any limitations on the powers of the Authority set forth in Section 4(a).

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. The first fiscal year of the Authority shall be the period from the date of this Agreement to June 30, 2020. Each subsequent fiscal year of the Authority shall be the period from July 1 of each year through June 30 of the following year, unless changed by resolution of the Board.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by Section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the Local Agency, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Local Agency and CMFA for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the Local Agency or CMFA, as the case may be, and the Authority at the time of making such advance as provided by Section 6512.1 of the Act. It is mutually understood and agreed that neither the Local Agency nor CMFA has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The Local Agency or CMFA may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

Section 10. Bonds.

(a) *Authority to Issue Bonds.* When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Bonds shall have such terms and conditions as are authorized by the Board. **Notwithstanding the foregoing, the Authority shall not incur any form of indebtedness for the repayment of money borrowed, including (but not limited to) bonds, debentures, notes, loans, leases, installment purchase agreements or other securities, without compliance with any financial covenants contained in the Authority Bonds issued on behalf of the Local Agency.**

(b) *Bonds Limited Obligations.* The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets that are pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of

the Authority. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including CMFA and the Local Agency, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including CMFA and the Local Agency, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds, nor shall the State or any public agency or instrumentality thereof, including CMFA and the Local Agency, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, the Local Agency or CMFA, in his or her individual capacity, and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

(c) *Consent of CMFA.* Notwithstanding any provision herein, the Authority shall not incur any form of indebtedness for the repayment of money borrowed, including (but not limited to) bonds, debentures, notes, loans, leases, installment purchase agreements or other securities, without the prior written approval of the CMFA executive director, which approval shall not be unreasonably withheld or delayed; provided, however, that the Authority shall pay to CMFA (i) upon the incurrence of such Authority indebtedness, a closing fee in an amount equal to the issuance fee that a borrower would pay to CMFA for the same type of transaction issued by CMFA, in accordance with the CMFA fee schedule in effect on such date of incurrence, and (ii) annually in advance, on the date of incurrence of such Authority indebtedness and on each anniversary thereof until the Authority indebtedness is retired, an annual fee equal to the annual fee, if any, that a borrower would pay to CMFA for the same type of transaction issued by CMFA, in accordance with the CMFA fee schedule in effect on the date of such incurrence.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Local Agency and CMFA, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Bonds (to the extent that such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the Local Agency and CMFA and their representatives.

The Authority shall require that each Indenture provide that if a trustee is appointed thereunder, such trustee shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(a) *Audits.* The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(b) *Audit Reports.* The Treasurer of the Authority, as soon as practicable after the close of each fiscal year but in any event within the time necessary to comply with the requirements of the Act shall file a report of the audit performed pursuant to this Section 12(b) as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Adoption of Certain Codes and Policies. The Authority shall, by motion, adopt a Conflict of Interest Code, an investment policy and a debt management policy to the extent required by law. Such Conflict of Interest Code, investment policy and debt management policy may be those of the Local Agency.

Section 15. Breach. If default shall be made by the Local Agency or CMFA in any covenant contained in this Agreement, such default shall not excuse either the Local Agency or CMFA from fulfilling its obligations under this Agreement, and the Local Agency and CMFA shall continue to be liable for the performance of all conditions herein contained. The Local Agency and CMFA hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the Local Agency and CMFA hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 17. Withdrawal. Neither CMFA nor the Local Agency may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3.

Section 18. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of CMFA and the Local Agency when each party has executed a counterpart of this Agreement.

Section 19. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 20. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 21. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

Section 22. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of CMFA, by resolution duly adopted by the board of directors of CMFA, and, in the case of the Local Agency, by resolution duly adopted by the Board of Directors of the Local Agency, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 23. Waiver of Personal Liability. No member, officer or employee of the Authority, the Local Agency or CMFA shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the Local Agency shall defend such members, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 24. Notices. Notices to the Local Agency hereunder shall be sufficient if delivered to the General Manager of the Local Agency, and notices to CMFA hereunder shall be sufficient if delivered to the financial advisor of CMFA.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Miscellaneous. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by CMFA or the Local Agency, such action may be exercised

through the officers, staff or employees of CMFA or the Local Agency, as the case may be, in the manner provided by law.

THIS AGREEMENT IS MADE IN THE STATE, UNDER THE CONSTITUTION AND LAWS OF THE STATE AND IS TO BE CONSTRUED AS A CONTRACT MADE AND TO BE PERFORMED IN THE STATE.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers or officials thereunto duly authorized, as of the day and year first above written.

UNION SANITARY DISTRICT

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

By: \_\_\_\_\_  
Authorized Signatory

[Joint Exercise of Powers Agreement – Union Sanitary District Financing Authority]

**JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Municipal Finance Authority" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**Section 1. Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

**Section 2. Term.**

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority's debts, liabilities and obligations.

**Section 3. Authority.**

**A. CREATION AND POWERS OF AUTHORITY.**

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Municipal Finance Authority" (the "Authority"), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

**B. BOARD.**

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

**C. OFFICERS; DUTIES; OFFICIAL BONDS.**

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be

specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

**Section 4. Powers.**

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

**Section 5. Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

**Section 6. Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

**Section 7. Bonds.**

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

**Section 8. Bonds Only Limited and Special Obligations of Authority.**

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

**Section 9. Accounts and Reports.**

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

**Section 10. Funds.**

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

**Section 11. Notices.**

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

**Section 12. Additional Members/Withdrawal of Members.**

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

**Section 13. Indemnification.**

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**Section 14. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

**Section 15. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

**Section 16. Amendments.**

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

**Section 17. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

**Section 18. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 19. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

**Section 20. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.



State of California Secretary of State

FILE NO. 7458

FILED Secretary of State State of California

DEC 06 2019

(Office Use Only)

AMENDMENT OF A JOINT POWERS AGREEMENT (Government Code section 6503.5)

Instructions:

- 1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001.
2. Include filing fee of \$1.00.
3. Do not include attachments.
4. A copy of the full text of the joint powers agreement and amendments, if any, must be submitted to the State Controller's office.

Date of filing initial notice with the Secretary of State: August 12, 2004

File number of initial notice: 1910

Name of the agency or entity created under the agreement and responsible for the administration of the agreement: California Municipal Finance Authority

Agency's or Entity's Mailing Address: 2111 Palomar Airport Road, Suite 320, Carlsbad, CA 92011

Title of the agreement: Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority

Complete one or more boxes below. The agreement has been amended to:

- [X] Change the parties to the agreement as follows: All of the parties to the agreement are listed as follows: Cities of Cities of Redlands, San Mateo, Santa Clara, and the additional parties listed on "Exhibit A" attached hereto.
[ ] Change the name of the administering agency or entity as follows:
[ ] Change the purpose of the agreement or the powers to be exercised as follows:
[ ] Change the short title of the agreement as follows:
[ ] Make other changes to the agreement as follows:

RETURN ACKNOWLEDGMENT TO: (Type or Print)

NAME: Jones Hall, A Professional Law Corporation
ADDRESS: 475 Sansome Street, Suite 1700
CITY/STATE/ZIP: San Francisco, CA 94111

Date: 12/5/2019
Signature: [Handwritten Signature]

Typed Name and Title: Mlenya Donner

1110 - 2058

EXHIBIT "A"

SUPPLEMENTAL LIST OF PARTIES TO AGREEMENT

(ATTACHMENT TO AMENDMENT TO A JOINT POWERS AGREEMENT)

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

All of the parties to the agreement are listed as follows:

CITIES & TOWNS

- |                         |                          |                       |
|-------------------------|--------------------------|-----------------------|
| City of Adelanto        | Town of Danville         | City of La Puente     |
| City of Alameda         | City of Davis            | City of La Quinta     |
| City of Albany          | City of Dinuba           | City of Lathrop       |
| City of Aliso Viejo     | City of Duarte           | City of La Verne      |
| City of American Canyon | City of Dublin           | City of Lemoore       |
| City of Anaheim         | City of El Cajon         | City of Lincoln       |
| City of Anderson        | City of El Centro        | City of Live Oak      |
| Town of Apple Valley    | City of El Cerrito       | City of Long Beach    |
| City of Arvin           | City of El Monte         | City of Los Angeles   |
| City of Auburn          | City of El Segundo       | City of Lynwood       |
| City of Avenal          | City of Elk Grove        | City of Madera        |
| City of Azusa           | City of Encinitas        | City of Manteca       |
| City of Bakersfield     | City of Escondido        | City of Marina        |
| City of Beaumont        | City of Eureka           | City of Marysville    |
| City of Bell            | Town of Fairfax          | City of McFarland     |
| City of Bellflower      | City of Fairfield        | City of Menlo Park    |
| City of Bell Gardens    | City of Farmersville     | City of Mendota       |
| City of Berkeley        | City of Fillmore         | City of Menifee       |
| City of Big Bear Lake   | City of Firebaugh        | City of Merced        |
| City of Blythe          | City of Folsom           | City of Mill Valley   |
| City of Brea            | City of Fontana          | City of Milpitas      |
| City of Brentwood       | City of Fortuna          | City of Mission Viejo |
| City of Buena Park      | City of Fowler           | City of Modesto       |
| City of Burbank         | City of Fremont          | City of Montclair     |
| City of Calexico        | City of Fresno           | City of Moreno Valley |
| City of California City | City of Gardena          | City of Morgan Hill   |
| City of Calipatria      | City of Garden Grove     | City of Mountain View |
| City of Calistoga       | City of Gilroy           | City of Napa          |
| City of Camarillo       | City of Glendale         | City of National City |
| City of Campbell        | City of Glendora         | City of Nevada City   |
| City of Canyon Lake     | City of Goleta           | City of Newark        |
| City of Capitola        | City of Grass Valley     | City of Newport Beach |
| City of Carlsbad        | City of Greenfield       | City of Oakdale       |
| City of Carson          | City of Hanford          | City of Oakland       |
| City of Cathedral City  | City of Hawthorne        | City of Oakley        |
| City of Chico           | City of Hayward          | City of Oceanside     |
| City of Chino           | City of Huntington Beach | City of Orange Cove   |
| City of Chino Hills     | City of Huntington Park  | City of Orange        |
| City of Chula Vista     | City of Huron            | City of Oxnard        |
| City of Citrus Heights  | City of Imperial Beach   | City of Palm Desert   |
| City of Claremont       | City of Indian Wells     | City of Palm Springs  |
| City of Cloverdale      | City of Indio            | City of Palmdale      |
| City of Clovis          | City of Industry         | City of Palo Alto     |
| City of Coachella       | City of Inglewood        | Town of Paradise      |
| City of Coalinga        | City of Ione             | City of Parlier       |
| City of Colton          | City of Irvine           | City of Pasadena      |
| City of Commerce        | City of Jurupa Valley    | City of Patterson     |
| City of Corcoran        | City of Kerman           | City of Petaluma      |
| City of Corona          | City of Lake Forest      | City of Pismo         |
| City of Costa Mesa      | City of Lakeport         | City of Pittsburg     |
| City of Culver City     | City of La Mirada        | City of Pleasant Hill |
| City of Daly City       | City of La Mesa          | City of Pleasanton    |
|                         | City of Lancaster        | City of Plymouth      |

## CALIFORNIA MUNICIPAL FINANCE AUTHORITY PAGE 3 OF 3

CITIES & TOWNS (cont'd.)

City of Pomona  
 City of Porterville  
 City of Poway  
 City of Rancho Cordova  
 City of Rancho Cucamonga  
 City of Rancho Mirage  
 City of Rancho Santa Margarita  
 City of Red Bluff  
 City of Redding  
 City of Redwood City  
**City of Redlands**  
 City of Reedley  
 City of Rialto  
 City of Richmond  
 City of Riverbank  
 City of Riverside  
 City of Rocklin  
 City of Rohnert Park  
 City of Roseville  
 City of Sacramento  
 City of St. Helena  
 City of Salinas  
 City of San Bernardino  
 City of San Buenaventura  
 City of San Clemente  
 City of San Diego  
 City of San Francisco  
 City of Sanger  
 City of San Jacinto  
 City of San Joaquin  
 City of San Jose  
 City of San Leandro  
 City of San Luis Obispo  
 City of San Marcos  
**City of San Mateo**  
 City of San Rafael  
 City of San Ramon  
 City of Santa Ana  
 City of Santa Barbara  
**City of Santa Clara**  
 City of Santa Clarita  
 City of Santa Cruz  
 City of Santa Fe Springs  
 City of Santa Maria  
 City of Santa Monica  
 City of Santa Paula  
 City of Santa Rosa  
 City of Santee  
 City of Saratoga  
 City of Sausalito  
 City of Seaside  
 City of Selma  
 City of Shafter  
 City of Simi Valley  
 City of Solana Beach  
 City of South Gate  
 City of South Lake Tahoe  
 City of South San Francisco  
 City of Stanton  
 City of Stockton  
 City of Sunnyvale  
 City of Taft  
 City of Thousand Oaks  
 City of Torrance  
 City of Truckee  
 City of Tustin  
 City of Twentynine Palms  
 City of Ukiah  
 City of Union City  
 City of Upland  
 City of Vacaville  
 City of Vallejo

City of Vernon  
 City of Victorville  
 City of Vista  
 City of Walnut Creek  
 City of Walnut  
 City of Wasco  
 City of Watsonville  
 City of West Covina  
 City of West Hollywood  
 City of West Sacramento  
 City of Westlake Village  
 City of Whittier  
 City of Wildomar  
 City of Willows  
 Town of Windsor  
 City of Winters  
 City of Woodland  
 Town of Yountville  
 City of Yuba City  
 City of Yucaipa  
 City of Yucca Valley

COUNTIES

Alameda County  
 Contra Costa County  
 El Dorado County  
 Fresno County  
 Imperial County  
 Kern County  
 Kings County  
 Lake County  
 Mendocino County  
 Merced County  
 Monterey County  
 Marin County  
 Orange County  
 County of Placer  
 Riverside County  
 Sacramento County  
 San Bernardino County  
 Santa Cruz County  
 San Diego County  
 San Francisco County  
 San Joaquin County  
 San Luis Obispo County  
 San Mateo County  
 Santa Barbara County  
 Santa Clara County  
 Shasta County  
 Solano County  
 Sonoma County  
 Stanislaus County  
 Tulare County  
 Tuolumne County  
 Ventura County  
 Yolo County  
 Yuba County

SPECIAL DISTRICTS

**Adelanto Elementary School District**  
 Antelope Valley-East Kern Water Agency  
 Camrosa Water District  
 Cucamonga Valley Water District  
 East Valley Water District  
 Humboldt Community Services District  
 Jurupa Area Recreation and Parks District  
 Marin Municipal Water District  
 Mayers Memorial Hospital District  
 Nevada Irrigation District  
 Northern Inyo County Local Hospital District  
 Otay Water District  
 Palomar Health  
 Pittsburg Unified School District

**Roseville Joint Union High School District**  
 Sacramento Metropolitan Fire District  
**San Benito High School District**  
 San Diego County Water Authority  
 San Ramon Valley Unified School District  
 Sanitary District No. 5 of Marin County  
 Sierra Kings Health Care District  
 South Coast Water District  
 Tracy Joint Unified School District  
 Trinity Public Utilities District  
 Tulare Local Health Care District  
 Valley County Water District  
 Washington Township Health Care District  
 Yorba Linda Water District

Union Sanitary District Policy  
Policy and Procedure Manual

Effective: January 13, 2020	<b>Debt Management Policy</b>	Policy #2060
		Page 1 of 8

### Policy

This policy provides guidelines for the issuance of bonds and other forms of debt to finance capital improvements and other eligible expenditures. These guidelines will assist the District in determining if, when, how much, and what type of debt is appropriate. The guidelines are also designed to help the District issue debt in a cost-effective manner while preserving the District's credit quality and financial flexibility. This Policy should be periodically reviewed and amended to ensure it remains up-to-date and supports the District's financial objectives.

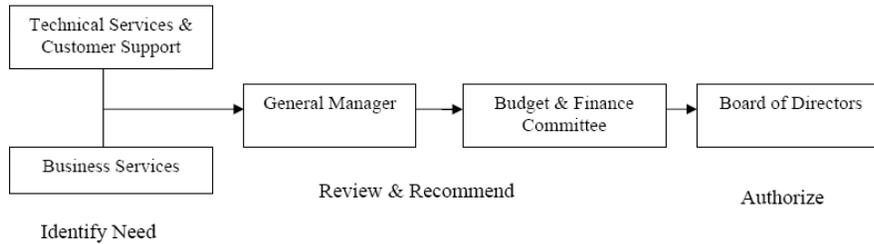
### Objectives

Key objectives of this policy are to ensure the District:

- Updates its financial plan and evaluates financing alternatives prior to issuing debt;
- Adopts adequate rates and charges to support debt;
- Issues debt only when needed or when the District deems beneficial;
- Issues the most appropriate type and amount of debt, when needed;
- Issues debt in a cost-effective [and prudent](#) manner with competitive interest rates;
- Secures debt with favorable legal covenants that will preserve the District's financial flexibility;
- [Understands the financial impacts, legal obligations, and potential benefits and risks of each proposed debt issue;](#)
- [Remains in compliance with California Government Code requiring issuers of debt to have an adopted debt policy;](#)
- [Remains in compliance with the Internal Revenue Service \("IRS"\), Securities Exchange Commission \("SEC"\) and the Municipal Securities Rulemaking Board \("MSRB"\) rules and regulations governing the issuance of debt.](#)

### Oversight & Authorization Process

The Board of Directors shall have the sole authority to authorize debt on behalf of the District. The following flow chart summarizes the general process for approving and authorizing debt.



**Purposes for Which Debt Proceeds May be Used – Eligible Projects**

The District can use debt to fund capital improvement projects, equipment purchases, land purchases, and other qualified expenditures, or to refund prior debt. Generally, a bond counsel or other legal counsel will need to verify that the anticipated expenditures can be funded by debt. Project costs may include the actual costs of construction labor and materials as well as related soft costs such as planning, engineering and design, environmental and/or legal review, permitting, project administration, and construction management. Debt can generally be issued for up to three years of anticipated project costs but must meet expected spend-down provisions governed by the IRS. Debt proceeds will not be used to finance operating costs or normal, ongoing maintenance costs.

**Reimbursement for Prior Expenditures**

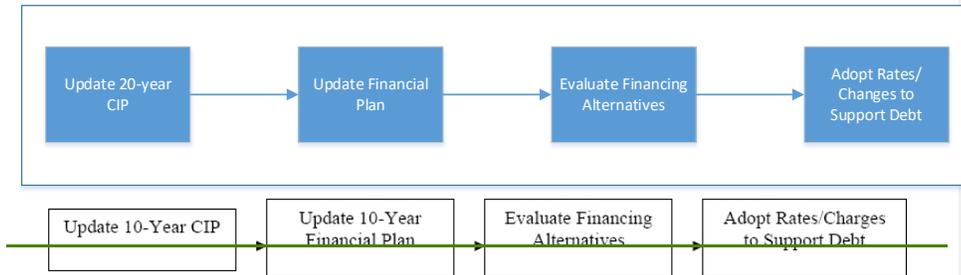
The District can use proceeds from debt to reimburse itself for project-related expenditures made prior to debt issuance, subject to certain limitations. Without adoption of a Reimbursement Resolution, an agency can generally reimburse itself for a) soft costs such as planning and design costs provided the amount does not exceed 20% of the debt size, and b) capital expenditures incurred within 60 days prior to debt issuance.

If the District anticipates the need for additional reimbursement, the Board should adopt a Reimbursement Resolution. A Reimbursement Resolution authorizes the District to reimburse itself for capital project expenditures incurred prior to a future issue of debt. The Resolution allows reimbursement for project expenditures made up to 60 days prior to the Resolution’s adoption. Debt must be issued within the later of a) 18 months after the date the expenditure is made, or b) 18 months after the date the project is placed in service, but in no case later than 3 years after the date of the expenditure.

**Key Steps to Take Prior to Issuing Debt**

Prior to issuing debt, the District should review and/or update its long-term Capital Improvement Plan and its ~~10-Year~~ Financial Plan to help determine if and how much debt is appropriate. The ~~10-Year~~ Financial Plan can be used to evaluate debt alternatives and potential impacts on rates and finances.

Subsequently, the District should evaluate financing alternatives and identify the revenue streams that will repay the debt. Generally, the District should adopt rates and charges necessary to support debt repayment prior to the issuance of debt. This can include adopting a multi-year rate increase, even if none or only part of the increase is actually in effect when debt is issued.



**Rates & Charges**

Rates and charges for wastewater service should be established at levels adequate to:

- Support the full cost (direct and indirect) of District operations, including preventive maintenance to keep infrastructure in good working condition and maximize its useful life
- Ensure the timely payment of outstanding debt and comply with outstanding debt covenants
- Fund a reasonable portion of the long-term Capital Improvement Plan on a pay-as-you-go basis
- Ensure adequate levels of liquidity and fund reserves to help maintain the District’s long-term financial health and bond credit ratings

Rates and charges should be reviewed at least annually.

**Independent Financial Advisor**

The District should retain the services of an independent financial advisor on all debt issues. An independent financial advisor can assist the District by developing a capital financing plan, evaluating financing alternatives, and coordinating the sale of debt. The advisor should also assist the District in ensuring debt is issued cost-effectively with favorable legal covenants that will protect the District’s financial flexibility. The advisor should have a fiduciary responsibility to solely represent the interests of the District throughout the debt issuance process. Retaining an independent financial advisor is not applicable to State and Federal Grants and Loans. In consultation with the General Manager, CIP and Finance will coordinate in evaluating and administering loans and grants with respect to compliance with debt targets,

meeting terms and conditions, tracking proceeds and participating in Single Audits. [The use of Bond Counsel may be advisable during the issuance of State or Federal Loans to ensure compliance with existing financial and legal covenants.](#)

#### **Debt Capacity Target**

The District's maximum annual debt service on all outstanding long-term debt should generally not exceed ~~4025~~% of combined annual operating, maintenance, and debt service costs, unless needed for a financial emergency.

**Commented [LC1]:** After further review, we propose removing this entire section to avoid any unnecessary limitations.

#### **Debt Service Coverage**

District should plan to achieve minimum debt service coverage ratio of ~~1530~~% of annual payments due on outstanding debt [unless specified otherwise in a bond indenture or loan agreement](#). This is higher than the standard 120% coverage requirement typically used to secure revenue bonds but is a prudent minimum target for financial planning.

### **Capital Funding Sources & Financing Options**

#### **Basic Capital Funding Sources**

The District has a number of options for funding its capital projects, including:

**Pay-As-You-Go Financing** - The District anticipates funding a substantial portion of its capital projects on a pay-as-you-go basis using annual revenues and reserves. This is the District's preferred approach for funding capital projects.

**Bonds and Other Types of Long-Term Debt** – Long-term debt may be issued if the District determines that is necessary or beneficial to finance capital improvements over time and not from current revenues or reserves. Long-term debt can enable the District to fund a project over its useful life and recover costs from future project beneficiaries. Long-term debt will not be used to finance operating costs or normal, ongoing maintenance costs.

**Short-Term Debt** – Short-term debt may be issued if the District determines that it is necessary or beneficial to a) provide interim financing for capital projects, such as in anticipation of a grant or debt, or b) to mitigate short-term cash flow emergencies. Prior to issuing any short-term debt, the District will develop a plan to repay the debt, including a plan to repay any long-term debt used to refinance the short-term debt.

**Inter-Fund Borrowing** – The Board of Directors may approve inter-fund loans between the Sewer Service Charge Fund and the Capacity Fund. These loans shall be structured to include a market rate of interest [and a defined principal repayment schedule for the term of the loan.](#)

**State and Federal Grants & Loans** – There are a number of state and federal financing programs that offer subsidized interest rate loans and/or grants for eligible projects. To the extent federal and state loans or grants are available, the District will appropriately evaluate and pursue such funding sources.

#### Types of Debt

If the District chooses to issue debt, the District should evaluate the full range of options and select the most appropriate and cost-effective type of financing mechanism. General types of financing available to help fund District projects include:

- [JPA Revenue Bonds](#) [or Refunding Revenue Bonds](#)
- Certificates of Participation (COPs)
- ~~State and Federal Grants and Loans~~
- [Water Infrastructure Finance and Innovation Act \(WIFIA\) Loans](#)
- [State Revolving Fund \(SRF\) Loans](#)
- Bank Loans, Leases, and Private Placements
- Lines of Credit
- Short-Term Notes
- General Obligation Bonds
- Assessment District Bonds
- [Community Facilities District \(Mello-Roos\) Bonds](#)
- [Commercial Paper](#)

#### Tax-Exempt & Taxable Debt

The District should issue tax-exempt debt, which provides the lowest interest rates, unless it determines that taxable debt is legally necessary to meet the District's financial needs or objectives. [Prior to approving the issuance of any debt, the District shall comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.](#)

#### Fixed & Variable Rate Debt

Debt can be issued with either fixed or variable interest rates. With fixed rate debt, interest rates are locked in for the duration of the borrowing, [which provides budget certainty that is](#) important for financial planning. Fixed rate debt does not have to be held through final maturity; it can be paid off early or refinanced according to its legal provisions to achieve savings. Unless the District has compelling reasons to issue variable rate debt, the District should generally ~~always~~ issue fixed rate debt.

[The District may consider variable rate debt in certain instances.](#) Variable rate debt, if any, should not exceed 25% of total outstanding debt. Additionally, the total amount of variable rate debt should generally never exceed 150% of the District's anticipated level of long-term fund reserves. Maintaining adequate fund reserves provides a hedge against variable rate debt

since the interest rate earned on investments generally moves in line with the interest rate of variable rate debt.

### Interest Rate Swaps

The District should not enter into any swap agreement without a) fully understanding all the risks and potential costs involved, b) determining that the financing method provides a substantial economic benefit that outweighs the risks, c) review by an independent financial advisor representing the District's interests, and d) commitment to monitor the debt instrument and related risks and be able to respond to changing market conditions. To the extent the District is considering entering into a swap agreement, the District will engage the services of a qualified independent swap advisor to provide advice on the terms of any potential swap agreement.

### Refinancing Debt

The District may refinance outstanding debt if deemed cost-effective and/or beneficial for other District objectives. The general rule of thumb is that a refunding debt issue should not be undertaken unless:

- a) Current refunding results in reasonable net overall present value savings of at least 3% of outstanding principal refunded by the new issue
- b) ~~The Advanced refunding results in net present value savings of at least 5% of outstanding principal refunded by the new issue~~
- c) District needs to terminate legal covenants securing outstanding debt or restructure debt.

**Commented [LC2]:** We propose to leave in this statement in the event taxable advance refundings are considered.

Tax-exempt advance refundings (i.e. refunding bonds prior to 90 days before the call date) are prohibited under current tax law and the District will not pursue tax-exempt advance refundings unless there is a change to current law.

### Bond Issuance

#### Method of Bond Issuance

District should generally issue debt via a competitive sale process to ensure it obtains the lowest cost financing. The debt issue should be marketed to a wide range of potential underwriters and lenders. Negotiated sales should only be used if, in the determination of the District in consultation with its independent financial advisor, the potential debt issue is too complicated or not conducive to a competitive sale process. The underwriter should a) have substantial experience with similar types of debt issues, b) have a substantial retail distribution network, c) have a history of obtaining market interest rates, and d) should indicate all costs and fees that may be charged.

#### Hiring Financial Service Providers

Financial service providers can be selected based on an RFP process. As an alternative to engaging in an RFP process, the District can solicit a proposal from a preferred provider and check with an independent financial advisor to ensure the cost for services is reasonable. An independent financial advisor can assist with selecting and/or negotiating with potential service providers in order to ensure the District receives high-quality services at a reasonable cost.

### Debt Structure & Term

Debt should be structured to meet the District's long-term financial needs and objectives. An independent financial advisor can assist the District in determining an appropriate debt structure and term. ~~The term should generally not exceed the estimated useful life of the project being funded.~~ Utility revenue bonds are typically issued for terms up to 30 years. The term of the debt should generally not exceed the estimated useful life of the project being funded – technically, the weighted average maturity of the debt ~~should not~~ exceed 120% of the expected life of the project. Unless expressly approved by the Board at the recommendation of Finance after consultation with the Financial Advisor and Bond Counsel the final maturity of fixed rate debt should be no longer than 40~~35~~ years and the final maturity of variable rate debt should be no longer than 40 years. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The District may not issue taxable debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the Chief Financial Officer after consultation with the Financial Advisor and Bond Counsel.

Debt issued to finance new projects is most-commonly structured to generate level annual debt service payments. In some cases, debt is structured around pre-existing debt obligations in order to provide ~~net-aggregate~~ level annual debt service accounting for all outstanding issues combined. Subject to federal tax code limitations, refunding debt generally cannot have a term or a weighted average maturity that exceeds the debt being refunded.

### Capitalized Interest

If needed or deemed beneficial, the District can set aside debt proceeds in a Capitalized Interest Fund to pay debt service interest payments for up to 3 years after the debt issuance date, or one year after the project is expected to be placed in service. Capitalizing interest requires the issuance of additional debt and results in a) lower debt service payments during the capitalized interest period, and b) higher debt service payments thereafter. In general, the District should not capitalize interest unless needed to meet cash flow requirements or legal covenants.

### Bond Insurance / Credit Enhancement

Bond insurance provides investors with additional repayment security and can result in higher credit ratings (the insurance provider's ratings) and lower interest rates. Bond insurance

should be used whenever the debt service savings from the bond insurance is greater than the cost of the bond insurance premium. In general, most investment grade utility revenue bonds are issued with bond insurance since the savings almost always outweighs the cost of bond insurance. Bond insurance is only available at the insurer's determination.

Bond insurance can be issued at bidder's option (the option of the underwriter on a competitive sale) or purchased directly by the District prior to a bond sale. If purchasing bond insurance directly, the District should solicit bids from highly rated bond insurers and only use insurance if such credit enhancement results in a lower total cost of borrowing for the District or otherwise furthers the District's financial objectives ~~bid out insurance to all of the AAA rated municipal bond insurance agencies.~~

#### Legal Covenants for Revenue-Secured Debt

The District is a self-supporting utility enterprise and relies predominantly on revenues from rates and fees to fund all operating and capital expenditures, including debt repayment. The most common type of debt issued by utility enterprises is revenue secured debt. Revenue secured debt should generally be issued with the following legal covenants:

- Debt service coverage pledge should generally be set at 1520% for legal purposes. (Total revenues less operating and maintenance expenses must equal at least 1520% of outstanding debt service due per fiscal year.)
- Allowance of a rate stabilization fund to meet the debt service coverage requirement.
- Additional debt test should account for adopted (but not yet necessarily effective) rate increases. This would enable the District to phase in future rate increases if ever needed to secure debt.
- Permit issuance of debt with or without a debt service reserve fund, as market conditions warrant, and in the case where a debt service reserve fund is deemed beneficial, allowance to use a reserve surety bond to satisfy the debt service reserve requirement.
- Special language may need to be incorporated to account for potential future SRF Loans and/or other state and federal financing programs.

#### Prepayment Options

The District should not enter into any long-term debt that does not include a reasonable and flexible prepayment option. Some general guidelines for prepayment options include:

- Long-term debt, such as 25 to 30-year bonds, should include a call-protection period not-to-exceed 10 years. Earlier call provisions provide more financial flexibility for refunding debt but may result in higher interest rates if the bonds are not redeemed on the call date. Shorter-term debt should have shorter call protection periods. For example, a 10-year loan should generally be able to be refunded after 5 years.
- The prepayment penalty or premium for refunding long-term debt should generally not exceed 2% of the outstanding principal amount on the first call date and should decline

to 0% within a few years thereafter. [It is typical in the current market to see 10-year calls with no premium on the first call date.](#)

- In some cases, the District should also consider including special prepayment provisions if it anticipates refunding debt within a shorter timeframe, such as if a potential grant may be awarded after the project is constructed.

#### Debt Service Reserve Fund

A debt service reserve fund ~~is may be required beneficial~~ to help [provide additional security for](#) revenue-supported debt such as revenue bonds. The reserve requirement cannot exceed the lesser of a) 10% of the principal amount of debt issued, b) 125% of average annual debt service, or c) maximum annual debt service on outstanding debt.

The District may satisfy the reserve requirement with cash, such as from bond proceeds. Alternatively, the District should retain the legal authority to satisfy the reserve requirement with a reserve surety bond instead of cash. An independent financial advisor can assist in determining [whether a reserve fund is necessary and](#) an appropriate method for meeting the reserve requirement.

#### Internal Control Procedures Relating to Bond Proceeds

[All debt transactions must be approved by the Board of Directors. The proceeds of bond sales will be invested until used for the intended project\(s\) in order to maximize utilization of the public funds.](#)

[Bond proceeds will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of District funds. The District's bond trustee will administer the disbursement of bond proceeds pursuant to provisions set forth in bond legal documents. To ensure proceeds from bond sales are used in accordance with legal requirements invoices are submitted by the appropriate Program or Work Group Manager ~~Engineering Department~~ and approved by the Business Services Work Group Manager ~~Finance Department~~ and/or General Manager for payment. Requisition for the disbursement of bonds funds will be approved by the District's ~~Chief Administrative~~ \[Chief Financial Officer \\(CFO\\), General Manager, or designated alternate.\]\(#\)](#)

- [In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the District, the District may rely upon certification by such other governmental entity that it has adopted the policies described in SB 1029.](#)

#### Investment of Debt Proceeds

The District can invest and earn money on its debt proceeds subject to certain legal limitations. The District should evaluate its investment options for each debt issue. The

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District can select the investment(s) based on recommendations by staff or a qualified investment advisor, or can use an investment agent to bid out the investment subject to pre-established limitations, such as those imposed by the District's Investment Policy or those imposed by the bond insurer.

The District is not generally allowed to earn arbitrage by investing debt proceeds at an interest rate that exceeds the interest rate of the debt. However, the District will not necessarily be penalized for doing so; if bond funds are invested at an interest rate that exceeds the Arbitrage Yield Limit of the bonds, the District is required to reimburse the federal government for amounts earned in excess of the allowed yield.

#### **Arbitrage Rebate Compliance**

The District shall establish a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This will include tracking investment earnings on bond proceeds, using outside experts to assist in calculating rebate payments and preparing necessary filings, and making payments in a timely manner in order to preserve the tax exempt status of the District's outstanding debt issues. Investment earnings in excess of the allowable Arbitrage Yield Limit must be refunded to the federal government within approximately five years of the date of debt issuance. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.

#### **State Reporting Requirements**

State reporting requirements Pursuant to Government Code 8855(k), the District will submit annual debt transparency reports for any debt issued on or after January 1, 2017 every year until the later date on which the debt is no longer outstanding ~~and~~ proceeds have been fully spent by no later than January 31 each year.

Pursuant to the Government Code Section 6599.1(b) of the Marks-Roos Local Bond Pooling Act of 1985, as amended (Section 6584 et seq.) the District will submit the Marks-Roos yearly fiscal status reports, if required, annually to California Debt and Investment Advisory Commission ("CDIAC") until the final maturity of the bonds by no later than October 30 each year.

#### **Continuing Disclosure**

The District will meet its continuing disclosure obligations for each debt issue by providing annual financial statements and other required information in a timely manner to the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and other parties as required. In addition, the District will provide financial and other information to the rating agencies, bond insurers, trustee, and others upon request. The Chief Administrative Officer shall be responsible for providing ongoing disclosure information, meeting disclosure requirements, and for maintaining compliance with disclosure standards dictated by state and national regulatory bodies. In the event a 'material event' occurs requiring immediate

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disclosure, the ~~Chief Administrative Officer~~ ~~Business Services Work Group Manager or General Manager~~ will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Effective February 27, 2019, Rule 15c2-12 was amended to add two events to the required disclosure by issuers with respect to any "financial obligation" as defined in Rule 15c2-12. For purposes of Rule 15c2-12, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

Under the first of the added events, the District must disclose any default, event of acceleration, termination event, modification of terms, or other similar events with respect to any "financial obligation" as defined in Rule 15c2-12. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff, or other executive positions within the District, will provide written notice to the Chief ~~Financial Administrative Officer~~ of receipt by the District of any default, event of acceleration, termination event, modification of terms or other similar events (collectively, a "Potentially Reportable Event") under any agreement or obligation to which the District is a party and which may be a "financial obligation" as defined above. Such written notice should be provided by General Counsel to the Chief ~~Financial Administrative Officer~~ as soon as the General Counsel is placed on written notice by District staff, consultants, or external parties of such event or receives written notice of such event so that the Chief ~~Financial Administrative Officer~~ can determine, with the assistance of disclosure counsel, whether notice of such Potentially Reportable Event is required to be filed on the ~~Electronic Municipal Market Access ("EMMA")~~ pursuant to the disclosure requirements of Rule 15c2-12. If filing on EMMA is required, the filing is due within 10 business days of such Potentially Reportable Event to comply with continuing disclosure undertakings for debt obligations of the District issued after February 27, 2019.

Under the second of the added events, the District must disclose the incurrence of a "financial obligation" of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff or other executive positions within the District, as applicable, will report to the Chief ~~Financial Administrative Officer~~ the execution by the District of any agreement or other obligation entered into after February 27, 2019 which might constitute a "financial obligation" for purposes of Rule 15c2-12 and any amendments to existing District agreements or obligations which might constitute a "financial obligation" for purposes of Rule 15c2-12 which relate to covenants, events of default, remedies, priority rights, or other similar terms. Such report to the Chief ~~Financial Administrative Officer~~ should be made as soon as the General Counsel, General Manager, or such other senior staff is placed on written notice by District staff, consultants, or external parties of such event or receives a written notice of such

**Commented [LC3]:** New language to comply with the recent amendments to the SEC Rule 15c2-12 (in connection with Continuing Disclosure Agreements executed by the District during a bond issuance).

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amendment requests. Notice to the Chief ~~Administrative~~Financial Officer is necessary so that the Chief ~~Administrative~~Financial Officer can determine, with the assistance of Disclosure Counsel, whether such agreement or other obligation constitutes a material “financial obligation” for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material “financial obligation” or a material amendment to a “financial obligation”, notice thereof would be required to be filed on EMMA within 10 business days of incurrence or amendment.

The types of agreements or other obligations which could constitute a “financial obligation” under the Rule and which may need to be reported on EMMA include:

- 1 Bank loans or other obligations which are privately placed;
- 2 State or federal loans;
- 3 Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
- 4 Letters of credit, surety policies or other credit enhancement with respect to the District’s publicly offered debt;
- 5 Letters of credit, including letters of credit which are provided to third parties to secure the District’s obligation to pay or perform (an example of this is a standby letter of credit delivered to secure the District’s obligations for performance under a mitigation agreement);
- 6 Capital leases for property, facilities, fleet or equipment; and
- 7 Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).
- 8 Payment agreements which obligate the District to pay a share of another public agency’s debt service (for example, an agreement with a joint powers agency whereby the District agrees to pay a share of the joint powers agency’s bonds, notes or other obligations);
- 9 Service contracts with a public agency or a private party pursuant to which the District is obligated to pay a share of such public agency or private party’s debt service obligation (for example, certain types of public/private partnership arrangements); and
- 10 Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money;

The Chief ~~Administrative~~Financial Officer will continue to work with the General Counsel and Disclosure Counsel to refine the definition of “financial obligation” going forward based on future SEC guidance.

Approved by: Board of Directors

Author/owner: Business Services Manager

Debt Management Policy

Policy Number 2060  
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Reviewers: Executive Team, Board of Directors

Notify Person: Business Services Manager

Revision frequency: Every 3 years

Next Review: January 13, 2023

Union Sanitary District Policy  
Policy and Procedure Manual

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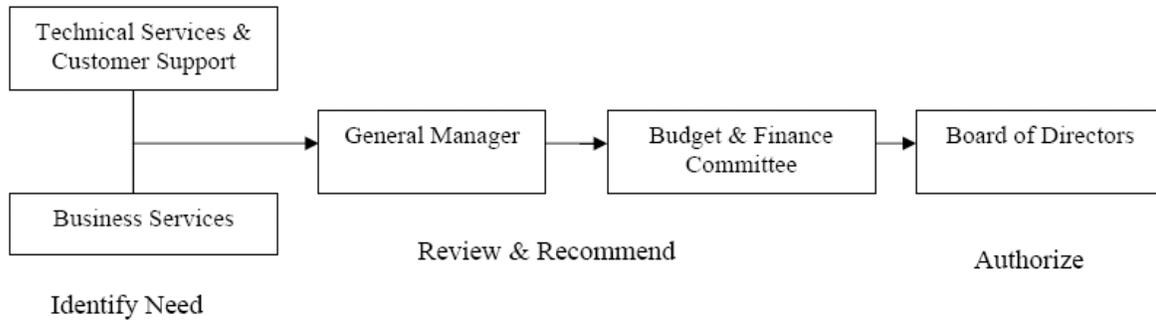
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- Secures debt with favorable legal covenants that will preserve the District’s financial flexibility;
- Understands the financial impacts, legal obligations, and potential benefits and risks of each proposed debt issue;
- Remains in compliance with California Government Code requiring issuers of debt to have an adopted debt policy;
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**Reimbursement for Prior Expenditures**

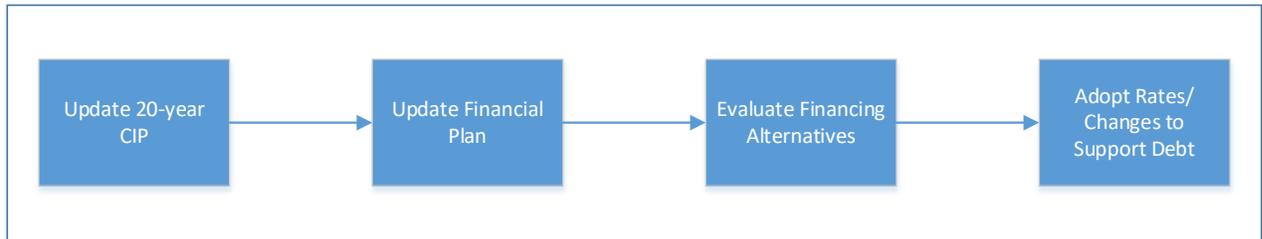
The District can use proceeds from debt to reimburse itself for project-related expenditures made prior to debt issuance, subject to certain limitations. Without adoption of a Reimbursement Resolution, an agency can generally reimburse itself for a) soft costs such as planning and design costs provided the amount does not exceed 20% of the debt size, and b) capital expenditures incurred within 60 days prior to debt issuance.

If the District anticipates the need for additional reimbursement, the Board should adopt a Reimbursement Resolution. A Reimbursement Resolution authorizes the District to reimburse itself for capital project expenditures incurred prior to a future issue of debt. The Resolution allows reimbursement for project expenditures made up to 60 days prior to the Resolution’s adoption. Debt must be issued within the later of a) 18 months after the date the expenditure is made, or b) 18 months after the date the project is placed in service, but in no case later than 3 years after the date of the expenditure.

**Key Steps to Take Prior to Issuing Debt**

Prior to issuing debt, the District should review and/or update its long-term Capital Improvement Plan and its Financial Plan to help determine if and how much debt is appropriate. The Financial Plan can be used to evaluate debt alternatives and potential impacts on rates and finances.

Subsequently, the District should evaluate financing alternatives and identify the revenue streams that will repay the debt. Generally, the District should adopt rates and charges necessary to support debt repayment prior to the issuance of debt. This can include adopting a multi-year rate increase, even if none or only part of the increase is in effect when debt is issued.



### Rates & Charges

Rates and charges for wastewater service should be established at levels adequate to:

- Support the full cost (direct and indirect) of District operations, including preventive maintenance to keep infrastructure in good working condition and maximize its useful life
- Ensure the timely payment of outstanding debt and comply with outstanding debt covenants
- Fund a reasonable portion of the long-term Capital Improvement Plan on a pay-as-you-go basis
- Ensure adequate levels of liquidity and fund reserves to help maintain the District's long-term financial health and bond credit ratings

Rates and charges should be reviewed at least annually.

### Independent Financial Advisor

The District should retain the services of an independent financial advisor on all debt issues. An independent financial advisor can assist the District by developing a capital financing plan, evaluating financing alternatives, and coordinating the sale of debt. The advisor should also assist the District in ensuring debt is issued cost-effectively with favorable legal covenants that will protect the District's financial flexibility. The advisor should have a fiduciary responsibility to solely represent the interests of the District throughout the debt issuance process. Retaining an independent financial advisor is not applicable to State and Federal Grants and Loans. In consultation with the General Manager, CIP and Finance will coordinate in evaluating and administering loans and grants with respect to compliance with debt targets, meeting terms and conditions, tracking proceeds and participating in Single Audits. The use of Bond Counsel may be advisable during the issuance of State or Federal Loans to ensure compliance with existing financial and legal covenants.

**Debt Capacity Target**

The District's maximum annual debt service on all outstanding long-term debt should generally not exceed 40% of combined annual operating, maintenance, and debt service costs, unless needed for a financial emergency.

**Debt Service Coverage**

District should plan to achieve minimum debt service coverage ratio of 150% of annual payments due on outstanding debt unless specified otherwise in a bond indenture or loan agreement. This is higher than the standard 120% coverage requirement typically used to secure revenue bonds but is a prudent minimum target for financial planning.

**Capital Funding Sources & Financing Options****Basic Capital Funding Sources**

The District has a number of options for funding its capital projects, including:

**Pay-As-You-Go Financing** - The District anticipates funding a substantial portion of its capital projects on a pay-as-you-go basis using annual revenues and reserves. This is the District's preferred approach for funding capital projects.

**Bonds and Other Types of Long-Term Debt** – Long-term debt may be issued if the District determines that is necessary or beneficial to finance capital improvements over time and not from current revenues or reserves. Long-term debt can enable the District to fund a project over its useful life and recover costs from future project beneficiaries. Long-term debt will not be used to finance operating costs or normal, ongoing maintenance costs.

**Short-Term Debt** – Short-term debt may be issued if the District determines that it is necessary or beneficial to a) provide interim financing for capital projects, such as in anticipation of a grant or debt, or b) to mitigate short-term cash flow emergencies. Prior to issuing any short-term debt, the District will develop a plan to repay the debt, including a plan to repay any long-term debt used to refinance the short-term debt.

**Inter-Fund Borrowing** – The Board of Directors may approve inter-fund loans between the Sewer Service Charge Fund and the Capacity Fund. These loans shall be structured to include a market rate of interest and a defined principal repayment schedule.

**State and Federal Grants & Loans** – There are a number of state and federal financing programs that offer subsidized interest rate loans and/or grants for eligible projects. To the extent federal and state loans or grants are available, the District will appropriately evaluate and pursue such funding sources.

**Types of Debt**

If the District chooses to issue debt, the District should evaluate the full range of options and select the most appropriate and cost-effective type of financing mechanism. General types of financing available to help fund District projects include:

- JPA Revenue Bonds or Refunding Revenue Bonds
- Certificates of Participation (COPs)
- State and Federal Grants
- Water Infrastructure Finance and Innovation Act (WIFIA) Loans
- State Revolving Fund (SRF) Loans
- Bank Loans, Leases, and Private Placements
- Lines of Credit
- Short-Term Notes
- General Obligation Bonds
- Assessment District Bonds
- Community Facilities District (Mello-Roos) Bonds
- Commercial Paper

**Tax-Exempt & Taxable Debt**

The District should issue tax-exempt debt, which provides the lowest interest rates, unless it determines that taxable debt is legally necessary to meet the District's financial needs or objectives. Prior to approving the issuance of any debt, the District shall comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

**Fixed & Variable Rate Debt**

Debt can be issued with either fixed or variable interest rates. With fixed rate debt, interest rates are locked in for the duration of the borrowing, which provides budget certainty that is important for financial planning. Fixed rate debt does not have to be held through final maturity; it can be paid off early or refinanced according to its legal provisions to achieve savings. Unless the District has compelling reasons to issue variable rate debt, the District should generally issue fixed rate debt.

The District may consider variable rate debt in certain instances. Variable rate debt, if any, should not exceed 25% of total outstanding debt. Additionally, the total amount of variable rate debt should generally never exceed 150% of the District's anticipated level of long-term fund reserves. Maintaining adequate fund reserves provides a hedge against variable rate debt since the interest rate earned on investments generally moves in line with the interest rate of variable rate debt.

**Interest Rate Swaps**

The District should not enter into any swap agreement without a) fully understanding all the

risks and potential costs involved, b) determining that the financing method provides a substantial economic benefit that outweighs the risks, c) review by an independent financial advisor representing the District's interests, and d) commitment to monitor the debt instrument and related risks and be able to respond to changing market conditions. To the extent the District is considering entering into a swap agreement, the District will engage the services of a qualified independent swap advisor to provide advice on the terms of any potential swap agreement.

### **Refinancing Debt**

The District may refinance outstanding debt if deemed cost-effective and/or beneficial for other District objectives. The general rule of thumb is that a refunding debt issue should not be undertaken unless:

- a) Current refunding results in reasonable net overall present value savings of outstanding principal refunded by the new issue
- b) The
- c) District needs to terminate legal covenants securing outstanding debt or restructure debt.

Tax-exempt advance refundings (i.e. refunding bonds prior to 90 days before the call date) are prohibited under current tax law and the District will not pursue tax-exempt advance refundings unless there is a change to current law.

## **Bond Issuance**

### **Method of Bond Issuance**

District should generally issue debt via a competitive sale process to ensure it obtains the lowest cost financing. The debt issue should be marketed to a wide range of potential underwriters and lenders. Negotiated sales should only be used if, in the determination of the District in consultation with its independent financial advisor, the potential debt issue is too complicated or not conducive to a competitive sale process. The underwriter should a) have substantial experience with similar types of debt issues, b) have a substantial retail distribution network, c) have a history of obtaining market interest rates, and d) should indicate all costs and fees that may be charged.

### **Hiring Financial Service Providers**

Financial service providers can be selected based on an RFP process. As an alternative to engaging in an RFP process, the District can solicit a proposal from a preferred provider and check with an independent financial advisor to ensure the cost for services is reasonable. An independent financial advisor can assist with selecting and/or negotiating with potential service providers in order to ensure the District receives high-quality services at a reasonable cost.

**Debt Structure & Term**

Debt should be structured to meet the District's long-term financial needs and objectives. An independent financial advisor can assist the District in determining an appropriate debt structure and term. Utility revenue bonds are typically issued for terms up to 30 years. The term of the debt should generally not exceed the estimated useful life of the project being funded – technically, the weighted average maturity of the debt should not exceed 120% of the expected life of the project. Unless expressly approved by the Board at the recommendation of Finance after consultation with the Financial Advisor and Bond Counsel the final maturity of fixed rate debt should be no longer than 40 years and the final maturity of variable rate debt should be no longer than 40 years. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The District may not issue taxable debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the Chief Financial Officer after consultation with the Financial Advisor and Bond Counsel.

Debt issued to finance new projects is most-commonly structured to generate level annual debt service payments. In some cases, debt is structured around pre-existing debt obligations in order to provide aggregate level annual debt service accounting for all outstanding issues combined. Subject to federal tax code limitations, refunding debt generally cannot have a term or a weighted average maturity that exceeds the debt being refunded.

**Capitalized Interest**

If needed or deemed beneficial, the District can set aside debt proceeds in a Capitalized Interest Fund to pay debt service interest payments for up to 3 years after the debt issuance date, or one year after the project is expected to be placed in service. Capitalizing interest requires the issuance of additional debt and results in a) lower debt service payments during the capitalized interest period, and b) higher debt service payments thereafter. In general, the District should not capitalize interest unless needed to meet cash flow requirements or legal covenants.

**Bond Insurance / Credit Enhancement**

Bond insurance provides investors with additional repayment security and can result in higher credit ratings (the insurance provider's ratings) and lower interest rates. Bond insurance should be used whenever the debt service savings from the bond insurance is greater than the cost of the bond insurance premium. In general, most investment grade utility revenue bonds are issued with bond insurance since the savings almost always outweighs the cost of bond insurance. Bond insurance is only available at the insurer's determination.

Bond insurance can be issued at bidder's option (the option of the underwriter on a competitive sale) or purchased directly by the District prior to a bond sale. If purchasing bond

insurance directly, the District should solicit bids from highly rated bond insurers and only use insurance if such credit enhancement results in a lower total cost of borrowing for the District or otherwise furthers the District's financial objectives.

### **Legal Covenants for Revenue-Secured Debt**

The District is a self-supporting utility enterprise and relies predominantly on revenues from rates and fees to fund all operating and capital expenditures, including debt repayment. The most common type of debt issued by utility enterprises is revenue secured debt. Revenue secured debt should generally be issued with the following legal covenants:

- Debt service coverage pledge should generally be set at 150% for legal purposes. (Total revenues less operating and maintenance expenses must equal at least 150% of outstanding debt service due per fiscal year.)
- Allowance of a rate stabilization fund to meet the debt service coverage requirement.
- Additional debt test should account for adopted (but not yet necessarily effective) rate increases. This would enable the District to phase in future rate increases if ever needed to secure debt.
- Permit issuance of debt with or without a debt service reserve fund, as market conditions warrant, and in the case where a debt service reserve fund is deemed beneficial, allowance to use a reserve surety bond to satisfy the debt service reserve requirement.
- Special language may need to be incorporated to account for potential future SRF Loans and/or other state and federal financing programs.

### **Prepayment Options**

The District should not enter any long-term debt that does not include a reasonable and flexible prepayment option. Some general guidelines for prepayment options include:

- Long-term debt, such as 25 to 30-year bonds, should include a call-protection period not-to-exceed 10 years. Earlier call provisions provide more financial flexibility for refunding debt but may result in higher interest rates if the bonds are not redeemed on the call date. Shorter-term debt should have shorter call protection periods. For example, a 10-year loan should generally be able to be refunded after 5 years.
- The prepayment penalty or premium for refunding long-term debt should generally not exceed 2% of the outstanding principal amount on the first call date and should decline to 0% within a few years thereafter. It is typical in the current market to see 10-year calls with no premium on the first call date.
- In some cases, the District should also consider including special prepayment provisions if it anticipates refunding debt within a shorter timeframe, such as if a potential grant may be awarded after the project is constructed.

**Debt Service Reserve Fund**

A debt service reserve fund may be beneficial to help provide additional security for revenue-supported debt such as revenue bonds. The reserve requirement cannot exceed the lesser of a) 10% of the principal amount of debt issued, b) 125% of average annual debt service, or c) maximum annual debt service on outstanding debt.

The District may satisfy the reserve requirement with cash, such as from bond proceeds. Alternatively, the District should retain the legal authority to satisfy the reserve requirement with a reserve surety bond instead of cash. An independent financial advisor can assist in determining whether a reserve fund is necessary and an appropriate method for meeting the reserve requirement.

**Internal Control Procedures Relating to Bond Proceeds**

All debt transactions must be approved by the Board of Directors. The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds.

Bond proceeds will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of District funds. The District's bond trustee will administer the disbursement of bond proceeds pursuant to provisions set forth in bond legal documents. To ensure proceeds from bond sales are used in accordance with legal requirements invoices are submitted by the appropriate Program or Work Group Manager and approved by the Business Services Work Group Manager or General Manager for payment. Requisition for the disbursement of bonds funds will be approved by the District's Chief Financial Officer (CFO), General Manager, or designated alternate.

- In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the District, the District may rely upon certification by such other governmental entity that it has adopted the policies described in SB 1029.

**Investment of Debt Proceeds**

The District can invest and earn money on its debt proceeds subject to certain legal limitations. The District should evaluate its investment options for each debt issue. The District can select the investment(s) based on recommendations by staff or a qualified investment advisor, or can use an investment agent to bid out the investment subject to pre-established limitations, such as those imposed by the District's Investment Policy or those imposed by the bond insurer.

The District is not generally allowed to earn arbitrage by investing debt proceeds at an interest rate that exceeds the interest rate of the debt. However, the District will not necessarily be penalized for doing so; if bond funds are invested at an interest rate that exceeds the Arbitrage Yield Limit of the bonds, the District is required to reimburse the federal

government for amounts earned in excess of the allowed yield.

### **Arbitrage Rebate Compliance**

The District shall establish a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This will include tracking investment earnings on bond proceeds, using outside experts to assist in calculating rebate payments and preparing necessary filings, and making payments in a timely manner in order to preserve the tax-exempt status of the District's outstanding debt issues. Investment earnings in excess of the allowable Arbitrage Yield Limit must be refunded to the federal government within approximately five years of the date of debt issuance. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.

### **State Reporting Requirements**

State reporting requirements Pursuant to Government Code 8855(k), the District will submit annual debt transparency reports for any debt issued on or after January 1, 2017 every year until the later date on which the debt is no longer outstanding or proceeds have been fully spent by no later than January 31 each year.

Pursuant to the Government Code Section 6599.1(b) of the Marks-Roos Local Bond Pooling Act of 1985, as amended (Section 6584 et seq.) the District will submit the Marks-Roos yearly fiscal status reports, if required, annually to California Debt and Investment Advisory Commission ("CDIAC") until the final maturity of the bonds by no later than October 30 each year.

### **Continuing Disclosure**

The District will meet its continuing disclosure obligations for each debt issue by providing annual financial statements and other required information in a timely manner to the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and other parties as required. In addition, the District will provide financial and other information to the rating agencies, bond insurers, trustee, and others upon request. The Chief Administrative Officer shall be responsible for providing ongoing disclosure information, meeting disclosure requirements, and for maintaining compliance with disclosure standards dictated by state and national regulatory bodies. In the event a 'material event' occurs requiring immediate disclosure, the Business Services Work Group Manager or General Manager will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Effective February 27, 2019, Rule 15c2-12 was amended to add two events to the required disclosure by issuers with respect to any "financial obligation" as defined in Rule 15c2-12. For purposes of Rule 15c2-12, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities (as defined in the Securities

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Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

Under the first of the added events, the District must disclose any default, event of acceleration, termination event, modification of terms, or other similar events with respect to any “financial obligation” as defined in Rule 15c2-12. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff, or other executive positions within the District, will provide written notice to the Chief Financial Officer of receipt by the District of any default, event of acceleration, termination event, modification of terms or other similar events (collectively, a “Potentially Reportable Event”) under any agreement or obligation to which the District is a party and which may be a “financial obligation” as defined above. Such written notice should be provided by General Counsel to the Chief Financial Officer as soon as the General Counsel is placed on written notice by District staff, consultants, or external parties of such event or receives written notice of such event so that the Chief Financial Officer can determine, with the assistance of disclosure counsel, whether notice of such Potentially Reportable Event is required to be filed on the Electronic Municipal Market Access (“EMMA”) pursuant to the disclosure requirements of Rule 15c2-12. If filing on EMMA is required, the filing is due within 10 business days of such Potentially Reportable Event to comply with continuing disclosure undertakings for debt obligations of the District issued after February 27, 2019.

Under the second of the added events, the District must disclose the incurrence of a “financial obligation” of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff or other executive positions within the District, as applicable, will report to the Chief Financial Officer the execution by the District of any agreement or other obligation entered into after February 27, 2019 which might constitute a “financial obligation” for purposes of Rule 15c2-12 and any amendments to existing District agreements or obligations which might constitute a “financial obligation” for purposes of Rule 15c2-12 which relate to covenants, events of default, remedies, priority rights, or other similar terms. Such report to the Chief Financial Officer should be made as soon as the General Counsel, General Manager, or such other senior staff is placed on written notice by District staff, consultants, or external parties of such event or receives a written notice of such amendment requests. Notice to the Chief Financial Officer is necessary so that the Chief Financial Officer can determine, with the assistance of Disclosure Counsel, whether such agreement or other obligation constitutes a material “financial obligation” for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material “financial obligation” or a material amendment to a “financial obligation”, notice thereof would be required to be filed on EMMA within 10 business days of incurrence or amendment.

The types of agreements or other obligations which could constitute a “financial obligation” under the Rule and which may need to be reported on EMMA include:

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- 1 Bank loans or other obligations which are privately placed;
- 2 State or federal loans;
- 3 Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
- 4 Letters of credit, surety policies or other credit enhancement with respect to the District's publicly offered debt;
- 5 Letters of credit, including letters of credit which are provided to third parties to secure the District's obligation to pay or perform (an example of this is a standby letter of credit delivered to secure the District's obligations for performance under a mitigation agreement);
- 6 Capital leases for property, facilities, fleet or equipment; and
- 7 Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).
- 8 Payment agreements which obligate the District to pay a share of another public agency's debt service (for example, an agreement with a joint powers agency whereby the District agrees to pay a share of the joint powers agency's bonds, notes or other obligations);
- 9 Service contracts with a public agency or a private party pursuant to which the District is obligated to pay a share of such public agency or private party's debt service obligation (for example, certain types of public/private partnership arrangements); and
- 10 Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money;

The Chief Financial Officer will continue to work with the General Counsel and Disclosure Counsel to refine the definition of "financial obligation" going forward based on future SEC guidance.

Approved by: Board of Directors

Author/owner: Business Services Manager

Reviewers: Executive Team, Board of Directors

Notify Person: Business Services Manager

Revision frequency: Every 3 years

Next Review: January 13, 2023



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 14**

**TITLE:** **Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Tanner Pacific, Inc. for the Primary Digester No. 2 Rehabilitation Project (*This is a Motion Item*)**

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
Sami E. Ghossain, Technical Services Work Group Manager  
Raymond Chau, CIP Team Coach  
Derek Chiu, Assistant Engineer

**Recommendation**

Staff recommends the Board authorize the General Manager to execute an agreement and Task Order No. 1 with Tanner Pacific, Inc. (TPI) in the amount of \$138,600 to provide construction management services for the Primary Digester No. 2 Rehabilitation Project (Project).

**Previous Board Action**

February 25, 2019, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Carollo Engineers, Inc. in the amount of \$212,749 for final design services for the Project.

July 22, 2019, the Board authorized the General Manager to execute Amendment No. 1 to Task Order No. 1 with Carollo Engineers, Inc. in the amount of \$38,929 to provide additional final design services for the Project.

December 9, 2019, the Board awarded the construction contract for the Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530.

## **Background**

On December 9, 2019, the Board awarded the construction contract for the Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530. Staff expects to issue the Notice to Proceed by January 2020 and anticipates construction to be completed by October 2020. The Project's major elements are as follows:

### Primary Digester No. 2

- Replace the foam insulation on the digester dome
- Recoat the interior and exterior appurtenances of Primary Digester No. 2 (i.e. steel dome cover, center column, mixing nozzles, piping, covers, center water seal, etc.)
- Modify the digester gas piping on top of the digester
- Relocate the existing digester gas flow meter and addition of new flow meter
- Replace the water piping and sludge overflow piping at the digester
- Replace the existing viewports with new circular viewports on the digester dome
- Improve the lighting on the digester dome
- Replace the various sludge valves and electric valve actuators within Heating and Mixing Building No. 1
- Install new knife gate valves for isolation of the digester
- Replace the heat exchanger and sludge recirculation pump for the digester

### Primary Clarifiers

- Repair the concrete roof beams at the Primary Clarifiers No. 1-4 Building
- Repair the deteriorated concrete walkways at Primary Clarifiers No. 5 and 6
- Replace the corroded guardrail and air duct supports at Primary Clarifiers No. 5 and 6
- Replace the scum collectors at Primary Clarifiers No. 5 and 6
- Recoat portions of the Primary Clarifiers No. 5 and 6 mechanisms

### Other Improvements

- Repair concrete on the tank wall and overflow box of Secondary Digester No. 2
- Repair the secondary effluent pipeline
- Replace the Effluent Screen bearings

### Task Order No. 1

Staff issued a Request for Proposal to five construction management consultants on the District's shortlist. Staff selected TPI because of the relevant experience of their staff.

Currently, TPI is the construction management consultant for the Alvarado Influent Pump Station Improvements Project and the Headworks Screens Replacement Project, both of which will be constructed concurrently with this Project. Additionally, Kiewit Infrastructure West Co. is the general contractor constructing all three projects. The Project has similar challenging construction constraints as the other two projects, while the existing facilities remain in operation. This will require the District to monitor the field activities at several locations at the

Plant, to communicate with the contractor on their schedules and plans, and to coordinate multiple system outage requests from the contractor. Staff believed it was more practical and efficient to have the same construction management team manage the three projects.

The scope and fee of Task Order No. 1 are as follows:

Description	Fee
Pre-Construction Phase	\$8,100
Construction Phase	\$115,200
Project Close Out Phase	\$15,300
<b>Task Order No. 1 Not to Exceed Fee</b>	<b>\$138,600</b>

The total not to exceed fee of \$138,600 is 4.5% of the construction contract amount of \$3,057,530. Staff has reviewed this price proposal and found it to be reasonable. As a comparison, the table below summarizes the final fees and percentages of construction management contracts of past rehabilitation and improvement projects.

Project	Construction Management and Inspection Cost (A)	Construction Cost (B)	Percentage of A to B
Alvarado Influent Pump Station Improvements Project and Headworks Screens Replacement Project	\$1,176,305	\$10,706,775	11.0%
Newark Pump Station Upgrade Project	\$1,166,925	\$10,051,210	11.6%
Cogeneration Project	\$1,111,918	\$11,807,167	9.4%
Thickener Control Building Improvements Project	\$1,298,475	\$10,538,535	12.3%

Staff recommends the Board authorize the General Manager to execute an agreement and Task Order No. 1 with Tanner Pacific, Inc. in the amount of \$138,600 to provide construction management services for the Primary Digester No. 2 Rehabilitation Project.

PRE/SEG/RC/DC;mb

Attachment: Agreement  
 Task Order No. 1

**PRIMARY DIGESTER NO. 2 REHABILITATION PROJECT**  
AGREEMENT  
BETWEEN  
UNION SANITARY DISTRICT  
AND  
TANNER PACIFIC, INC.  
FOR  
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT MADE AS OF JANUARY \_\_\_\_, 2020, BETWEEN UNION SANITARY DISTRICT (hereinafter referred to as District), and TANNER PACIFIC, INC. (hereinafter referred to as Engineer).

WITNESSETH:

WHEREAS, District intends to construct the Primary Digester No. 2 Rehabilitation Project (hereinafter referred to as Project), and,

WHEREAS, District requires certain professional services in connection with the Project (hereinafter referred as Services); and

WHEREAS, Engineer is qualified and prepared to provide such Services;

NOW, THEREFORE, in consideration of the promises contained herein, the parties agree as follows:

**ARTICLE 1 - SERVICES TO BE PERFORMED BY ENGINEER**

- 1.1 Specific Services and the associated scope of services, payment, schedule, and personnel will be defined in specific Task Order as mutually agreed by District and Engineer.
- 1.2 All Task Orders will by reference incorporate the terms and conditions of this Agreement and become formal amendments hereto.

**ARTICLE 2 - COMPENSATION**

- 2.1 Compensation for consulting services performed under this Agreement shall include:

- (1) Direct labor costs, multiplied by an agreed upon fixed factor (the Multiplier), to compensate for fringe benefits, indirect costs, and profit.
- (2) Non-labor direct project charge not included in the fixed factor and acceptable, without any markup.
- (3) Subconsultant costs, with a maximum markup of 5%.

Definitions are as follows:

- (a) Direct labor is salaries and wages paid to personnel for time directly chargeable to the project. Direct labor does not include the cost of Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, and medical and retirement benefits nor the cost of the time of executive and administrative personnel and others whose time is not identifiable to the project.
- (b) Fringe benefits include Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, medical and retirement benefits, incentive pay, tuition, and other costs classified as employee benefits.
- (c) Indirect costs are allocations of costs that are not directly chargeable to a specific engagement and are commonly referred to as Engineer's overhead. Indirect costs include provisions for such things as clerical support, office space, light and heat, insurance, statutory and customary employee benefits, and the time of executive and administrative personnel and others whose time is not identifiable to the Project or to any other project. Under no circumstances can the same labor costs be charged as direct labor and also appear at the same time as indirect costs, and vice versa.
- (d) The Multiplier is a multiplicative factor which is applied to direct labor costs and compensates Engineer for fringe benefits and indirect costs (overhead) and profit.
- (e) Other non-labor direct project charges shall be included in the overhead and these charges include typical expenses as cost of transportation and subsistence, printing and reproduction, computer time and programming costs, identifiable supplies, outside consultant's charges, subcontracts, and charges by reviewing authorities."

Alternatively, the District and the Engineer may agree to utilize the fully-encumbered hourly rates and fees for Services performed by the Engineer. These hourly rates and fees shall be based on the Engineer's rate schedule published at the time this Agreement or Task Order is executed and shall be attached to each applicable Task Order.

- 2.2 Reimbursement for mileage shall not exceed the prevailing Internal Revenue Service's standard mileage rate.
- 2.3 A *Cost Ceiling* will be established for each Task Order which is based upon estimated labor-hours and cost estimates. Costs as described above, comprising direct labor, overhead cost, and other direct costs, shall be payable up to a Cost Ceiling as specified in the Task Order. A *Maximum Fee Ceiling*, or *Task Order Firm Ceiling*, will also be established for each Task Order which includes the Cost Ceiling plus the Professional Fee.
- 2.4 Engineer shall invoice District monthly for the actual costs incurred, and a pro-rated portion of the Professional Fee for work performed during the previous month. If the Maximum Fee Ceiling is reached, the Engineer will complete the agreed-upon work for the Maximum Fee Ceiling. With District staff approval, labor hours may be reallocated within the tasks without renegotiation in such a manner so as not to exceed the Maximum Fee Ceiling.
- 2.5 The Engineer shall provide the District with a review of the budget amounts when 75 percent of the Cost Ceiling for any task has been expended. Engineer may request a revision in the Cost Ceiling for performance of this Agreement, and will relate the rationale for the revision to the specific basis of estimate as defined in the Scope of Services. Such notification will be submitted to the District at the earliest possible date. The authorized Cost Ceiling shall not be exceeded without written approval of the District.
- 2.6 The Professional Fee will not be changed except in the case of a written amendment to the Agreement which alters the Scope of Services. District and Engineer agree to negotiate an increase or decrease in Cost Ceiling and Professional Fee for any change in Scope of Services required at any time during the term of this Agreement. Engineer will not commence work on the altered Scope of Services until authorized by District.
- 2.7 Direct labor rates are subject to revision to coincide with Engineer's normal salary review schedule. Adjustments in direct labor rates shall not affect the firm ceiling without prior written authorization of the District.

- 2.8 District shall pay Engineer in accordance with each Task Order for Services.
- 2.9 Engineer shall submit monthly statements for Services rendered. District will make prompt monthly payments in response to Engineer's monthly statements.

### ARTICLE 3 - PERIOD OF SERVICE

- 3.1 Engineer's services will be performed and the specified services rendered and deliverables submitted within the time period or by the date stipulated in each Task Order.
- 3.2 Engineer's services under this Agreement will be considered complete when the services are rendered and/or final deliverable is submitted and accepted by District.
- 3.3 If any time period within or date by which any of the Engineer's services are to be completed is exceeded through no fault of Engineer, all rates, measures and amounts of compensation and the time for completion of performance shall be subject to equitable adjustment.

### ARTICLE 4 - DISTRICT'S RESPONSIBILITIES

District will do the following in a timely manner so as not to delay the services of Engineer.

- 4.1 Provide all criteria and full information as to District's requirements for the services assignment and designate in writing a person with authority to act on District's behalf on all matters concerning the Engineer's services.
- 4.2 Furnish to Engineer all existing studies, reports and other available data pertinent to the Engineer's services, obtain or authorize Engineer to obtain or provide additional reports and data as required, and furnish to Engineer services of others required for the performance of Engineer's services hereunder, and Engineer shall be entitled to use and rely upon all such information and services provided by District or others in performing Engineer's services under this Agreement.
- 4.3 Arrange for access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services hereunder.

- 4.4 Perform such other functions as are indicated in each Task Order related to duties of District.
- 4.5 Bear all costs incident to compliance with the requirements of this Section.

#### ARTICLE 5 - STANDARD OF CARE

- 5.1 Engineer shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional Engineer under similar circumstance and Engineer shall, at no cost to District, re-perform services which fail to satisfy the foregoing standard of care.

#### ARTICLE 6 - OPINIONS OF COST AND SCHEDULE

- 6.1 Since Engineer has no control over the cost of labor, materials, equipment or services furnished by others, or over contractors', subcontractors', or vendors' methods of determining prices, or over competitive bidding or market conditions or economic conditions, Engineer's cost estimate and economic analysis shall be made on the basis of qualification and experience as a professional engineer.
- 6.2 Since Engineer has no control over the resources provided by others to meet contract schedules, Engineer's forecast schedules shall be made on the basis of qualification and experience as a professional Engineer.
- 6.3 Engineer cannot and does not guarantee that proposals, bids or actual project costs will not vary from his cost estimates or that actual schedules will not vary from his forecast schedules.

#### ARTICLE 7 - SUBCONTRACTING

- 7.1 No subcontract shall be awarded by Engineer until prior written approval is obtained from the District.

#### ARTICLE 8 - ENGINEER-ASSIGNED PERSONNEL

- 8.1 Engineer shall designate in writing an individual to have immediate responsibility for the performance of the services and for all matters relating to performance under this Agreement. Key personnel to be

assigned by Engineer will be stipulated in each Task Order. Substitution of any assigned person shall require the prior written approval of the District, which shall not be unreasonably withheld. If the District determines that a proposed substitution is not responsible or qualified to perform the services then, at the request of the District, Engineer shall substitute a qualified and responsible person.

## ARTICLE 9 - OWNERSHIP OF DOCUMENTS

- 9.1 All work products, drawings, data, reports, files, estimate and other such information and materials (except proprietary computer programs, including source codes purchased or developed with Engineer monies) as may be accumulated by Engineer to complete services under this Agreement shall be owned by the District.
- 9.2 Engineer shall retain custody of all project data and documents other than deliverables specified in each Task Order, but shall make access thereto available to the District at all reasonable times the District may request. District may make and retain copies for information and reference.
- 9.3 All deliverables and other information prepared by Engineer pursuant to this Agreement are instruments of service in respect to this project. They are not intended or represented to be suitable for reuse by District or others on extensions of this Project or on any other project. Any reuse without written verification or adaptation by Engineer for the specific purpose intended will be at District's sole risk and without liability or legal exposure to Engineer; and District shall indemnify and hold harmless Engineer against all claims, damages, losses, and expenses including attorney's fees arising out of or resulting from such reuse. Any such verification or adaptation will entitle Engineer to further compensation at rates to be agreed upon by District and Engineer.

## ARTICLE 10 - RECORDS OF LABOR AND COSTS

- 10.1 Engineer shall maintain for all Task Orders, records of all labor and costs used in claims for compensation under this Agreement. Records shall mean a contemporaneous record of time for personnel; a methodology and calculation of the Multiplier for fringe benefits and indirect costs; and invoices, time sheets, or other factors used as a basis for determining other non-labor Project charges. These records must be made available to the District upon reasonable notice of no more than 48 hours during the period of the performance of this Agreement.

- 10.2 After delivery of Services (completion of Task Orders) under this Agreement, the Engineer's records of all costs used in claims for compensation under this Agreement shall be available to District's accountants and auditors for inspection and verification. These records will be maintained by Engineer and made reasonably accessible to the District for a period of three (3) years after completion of Task Orders under this Agreement.
- 10.3 Engineer agrees to cooperate and provide any and all information concerning the Project costs which are a factor in determining compensation under this Agreement as requested by the District or any public agency which has any part in providing financing for, or authority over, the Services which are provided under the Agreement.
- 10.4 Failure to provide documentation or substantiation of all Project costs used as a factor in compensation paid under Article 2 hereof will be grounds for District to refuse payment of any statement submitted by the Engineer and for a back charge for any District funds, including interest from payment; or grant, matching, or other funds from agencies assisting District in financing the Services specified in this Agreement.

#### ARTICLE 11 - INSURANCE

Engineer shall provide and maintain at all times during the performance of the Agreement the following insurances:

- 11.1 Workers' Compensation and Employer's Liability Insurance for protection of Engineer's employees as required by law and as will protect Engineer from loss or damage because of personal injuries, including death to any of his employees.
- 11.2 Comprehensive Automobile Liability Insurance. Engineer agrees to carry a Comprehensive Automobile Liability Policy providing bodily injury liability. This policy shall protect Engineer against all liability arising out of the use of owned or leased automobiles both passenger and commercial. Automobiles, trucks, and other vehicles and equipment (owned, not owned, or hired, licensed or unlicensed for road use) shall be covered under this policy. Limits of liability for Comprehensive Automobile Liability Insurance shall not be less than \$1,000,000 Combined Single Limit.
- 11.3 Comprehensive General Liability Insurance as will protect Engineer and District from any and all claims for damages or personal injuries, including death, which may be suffered by persons, or for damages to or

destruction to the property of others, which may arise from the Engineer's operations under this Agreement, which insurance shall name the District as additional insured. Said insurance shall provide a minimum of \$1,000,000 Combined Single Limit coverage for personal injury, bodily injury, and property damage for each occurrence and aggregate. Such insurance will insure Engineer and District from any and all claims arising from the following:

1. Personal injury;
2. Bodily injury;
3. Property damage;
4. Broad form property damage;
5. Independent contractors;
6. Blanket contractual liability.

11.4 Engineer shall maintain a policy of professional liability insurance, protecting it against claims arising out of negligent acts, errors, or omissions of Engineer pursuant to this Agreement, in an amount of not less than \$1,000,000. The said policy shall cover the indemnity provisions under this Agreement.

11.5 Engineer agrees to maintain such insurance at Engineer's expense in full force and effect in a company or companies satisfactory to the District. All coverage shall remain in effect until completion of the Project.

11.6 Engineer will furnish the District with certificates of insurance and endorsements issued by Engineer's insurance carrier and countersigned by an authorized agent or representative of the insurance company. The certificates shall show that the insurance will not be cancelled without at least thirty (30) days' prior written notice to the District. The certificates for liability insurance will show that liability assumed under this Agreement is included. The endorsements will show the District as an additional insured on Engineer's insurance policies for the coverage required in Article 11 for services performed under this Agreement, except for workers' compensation and professional liability insurance.

11.7 Waiver of Subrogation: Engineer hereby agrees to waive subrogation which any insurer of Engineer may acquire from Engineer by virtue of the payment of any loss. Engineer agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the District for all work performed by the Engineer, its employees, agents and subconsultants.

## ARTICLE 12 - LIABILITY AND INDEMNIFICATION

- 12.1 Having considered the risks and potential liabilities that may exist during the performance of the Services, and in consideration of the promises included herein, District and Engineer agree to allocate such liabilities in accordance with this Article 12. Words and phrases used in this Article shall be interpreted in accordance with customary insurance industry usage and practice.
- 12.2 Engineer shall indemnify and save harmless the District and all of their agents, officers, and employees from and against all claims, demands, or causes of action of every name or nature to the extent caused by the negligent error, omission, or act of Engineer, its agents, servants, or employees in the performance of its services under this Agreement. In no event shall Engineer's costs to defend the District exceed the Engineer's proportionate percentage of negligence or fault, based upon a final judicial determination, except that if one or more defendants in an action are unable to pay its share of defense costs due to bankruptcy or dissolution, Engineer shall meet and confer with the other defendant parties regarding defense costs.
- 12.3 In the event an action for damages is filed in which negligence is alleged on the part of District and Engineer, Engineer agrees to defend District. In the event District accepts Engineer's defense, District agrees to indemnify and reimburse Engineer on a pro rata basis for all expenses of defense and any judgment or amount paid by Engineer in resolution of such claim. Such pro rata share shall be based upon a final judicial determination of proportionate negligence or, in the absence of such determination, by mutual agreement.
- 12.4 Engineer shall indemnify District against legal liability for damages arising out of claims by Engineer's employees. District shall indemnify Engineer against legal liability for damages arising out of claims by District's employees.
- 12.5 Indemnity provisions will be incorporated into all Project contractual arrangements entered into by District and will protect District and Engineer to the same extent.
- 12.6 Upon completion of all services, obligations and duties provided for in the Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.
- 12.7 To the maximum extent permitted by law, Engineer's liability for District's damage will not exceed the aggregate compensation received by

Engineer under this Agreement or the maximum amount of professional liability insurance available at the time of any settlement or judgment, which ever is greater.

#### ARTICLE 13 - INDEPENDENT CONTRACTOR

Engineer undertakes performance of the Services as an independent contractor and shall be wholly responsible for the methods of performance. District will have no right to supervise the methods used, but District will have the right to observe such performance. Engineer shall work closely with District in performing Services under this Agreement.

#### ARTICLE 14 - COMPLIANCE WITH LAWS

In performance of the Services, Engineer will comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. Engineer shall procure the permits, certificates, and licenses necessary to allow Engineer to perform the Services. Engineer shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Engineer in Task Order.

#### ARTICLE 15 - NONDISCLOSURE OF PROPRIETARY INFORMATION

Engineer shall consider all information provided by District and all drawings, reports, studies, design calculations, specifications, and other documents resulting from the Engineer's performance of the Services to be proprietary unless such information is available from public sources. Engineer shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of District or in response to legal process.

#### ARTICLE 16 - TERMINATION OF CONTRACT

- 16.1 The obligation to continue Services under this Agreement may be terminated by either party upon seven days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.
- 16.2 District shall have the right to terminate this Agreement or suspend performance thereof for District's convenience upon written notice to Engineer, and Engineer shall terminate or suspend performance of Services on a schedule acceptable to District. In the event of

termination or suspension for District's convenience, District will pay Engineer for all services performed and costs incurred including termination or suspension expenses. Upon restart of a suspended project, equitable adjustment shall be made to Engineer's compensation.

#### ARTICLE 17 - UNCONTROLLABLE FORCES

- 17.1 Neither District nor Engineer shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either District or Engineer under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.
- 17.2 Neither party shall, however, be excused from performance if nonperformance is due to uncontrollable forces which are removable or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, removed or remedied with reasonable dispatch. The provisions of this Article shall not be interpreted or construed to require Engineer or District to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement. The Engineer will be allowed reasonable negotiated extension of time or adjustments for District initiated temporary stoppage of services.

#### ARTICLE 18 - MISCELLANEOUS

- 18.1 A waiver by either District or Engineer of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

- 18.2 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way effect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

#### ARTICLE 19 - INTEGRATION AND MODIFICATION

- 19.1 This Agreement (consisting of pages 1 to 14), together with all Task Orders executed by the undersigned, is adopted by District and Engineer as a complete and exclusive statement of the terms of the Agreement between District and Engineer. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the District and Engineer pertaining to the Services, whether written or oral.
- 19.2 The Agreement may not be modified unless such modifications are evidenced in writing signed by both District and Engineer.

#### ARTICLE 20 - SUCCESSORS AND ASSIGNS

- 20.1 District and Engineer each binds itself and its directors, officers, partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.
- 20.2 Neither District nor Engineer shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Engineer from employing such independent engineers, associates, and subcontractors as he may deem appropriate to assist him/her in the performance of the Services hereunder and in accordance with Article 7.

20.3 Nothing herein shall be construed to give any rights or benefits to anyone other than District and Engineer.

#### ARTICLE 21 – INFORMATION SYSTEM SECURITY

When the District determines this article is applicable, the Engineer shall obtain written approval from the District representative prior to accessing District internal systems through real-time computer connections. Upon approval, the Engineer will use only in-bound connections to accomplish a legitimate business need and a previously defined and approved task. As a condition of approval, the Engineer shall:

- a) Be running a current operating system supported by the District with up-to-date security patches applied as defined in the District COE/Non-COE document.
- b) Have anti-virus software installed on his/her personal computer with up-to-date virus signatures.
- c) Have personal firewall software installed and enabled on their computer.
- d) Understand and sign the District's Electronic Equipment Use Policy, number 2160.

The District reserves the right to audit the security measures in effect on Engineer's connected systems without prior notice. The District also reserves the right to terminate network connections immediately with all Engineer's systems not meeting the above requirements.

#### ARTICLE 22 – EMPLOYEE BACKGROUND CHECK

Engineer, at no additional expense to the District, shall conduct a background check for each of its employees, as well as for the employees of its subconsultants (collectively "Consultant Employees") who will have access to District's computer systems, either through on-site or remote access, or whose contract work requires an extended presence on the District's premises. The minimum background check process for any District consultant shall include, but not be limited to:

1. California residents: Criminal Records (County and State Criminal Felony and Misdemeanor
2. Out of State residents: Federal criminal search of the National Criminal Database,

The background check shall be conducted and the results submitted to the District prior to initial access by Consultant Employees. If at any time, it is discovered that a Consultant Employee has a criminal record that includes a felony or misdemeanor, the Engineer is required to inform the District immediately and the

District will assess the circumstances surrounding the conviction, time frame, nature, gravity, and relevancy of the conviction to the job duties, to determine whether the Consultant Employee will be placed or remain on a District assignment. The District may withhold consent at its sole discretion. The District may also conduct its own criminal background check of the Consultant Employees. Failure of the Engineer to comply with the terms of this paragraph may result in the termination of its contract with the District.

ARTICLE 23 - EXCEPTIONS

No exceptions.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

UNION SANITARY DISTRICT

TANNER PACIFIC, INC.

By: \_\_\_\_\_  
Paul R. Eldredge, P.E.  
General Manager/District Engineer

By: \_\_\_\_\_  
William Tanner, P.E.  
CEO

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

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

By: \_\_\_\_\_  
Michael K. Jaeger, P.E.  
C55691  
Principal/Chief Marketing Officer (CMO)

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

# Primary Digester No. 2 Rehabilitation Project

TASK ORDER NO. 1

to

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

TANNER PACIFIC, INC.

FOR

PROFESSIONAL SERVICES

Dated January \_\_, 2020

1. PURPOSE

The purpose of this Task Order is to provide Construction Management and Inspection services by Tanner Pacific, Inc. hereinafter referred to as "Engineer", for the Primary Digester No. 2 Rehabilitation Project owned by Union Sanitary District, hereinafter referred to as "District". The Project is further described in the contract documents prepared by Carollo Engineers.

2. PROJECT COORDINATION

All work related to this task order shall be coordinated through the District's Project Manager, Derek Chiu.

3. SCOPE OF SERVICES

The task numbers in this Scope of Services are associated with the detailed Scope of Services presented in Exhibit A.

4. DELIVERABLES

Engineer shall provide District with project record documents in electronic format from within the Procore Document Management System including, Daily Logs of work, Photos and videos of pre-construction conditions, photos of construction progress, submittals and RFI's provided to Engineer for review along with responses to these items, final record of any modifications to the contract drawings in red line form.

5. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement. Compensation shall be on an hourly basis with a not to exceed amount of \$138,600. The hourly distribution and rates for the duration of the project is shown in Exhibit B and consistent with the Engineer's rates.

The following table summarizes all previously-executed and proposed task orders and amendments under the Agreement:

<b>Task Order / Amendment</b>	<b>Not to Exceed Amount</b>	<b>Board Authorization Required?</b>	<b>District Staff Approval</b>
Task Order No. 1 – Construction Management and Inspection Services	<b>\$138,600</b>	Yes	Paul Eldredge
<b>Total</b>	<b>\$138,600</b>		

6. TIME OF COMPLETION

All work defined in this Task Order shall be complete in 300 calendar days after the execution of this Task Order and subject to the conditions of Article 3 of this Agreement and the overall project schedule. A summary of the anticipated schedule of work is shown in Exhibit B.

7. KEY PERSONNEL

Engineering personnel assigned to this Task Order No. 1 are as follows:

<u>Role</u>	<u>Key Person to be Assigned</u>
Principal In Charge	Michael K. Jaeger, P.E.
CM/Inspector	Masih Hamkar

Key personnel shall not be changed except in accordance with Article 8 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 1 as of January \_\_, 2020 and therewith incorporate it as part of the Agreement.

DISTRICT

ENGINEER

Union Sanitary District

Tanner Pacific, Inc.

By: \_\_\_\_\_  
Paul R. Eldredge, P.E.  
General Manager/District Engineer

By: \_\_\_\_\_  
William Tanner, P.E.  
CEO

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

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

By: \_\_\_\_\_  
Michael K. Jaeger, P.E.  
C55691  
Principal/Chief Marketing Officer  
(CMO)

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

## EXHIBIT A

### Union Sanitary District Primary Digester No. 2 Rehabilitation Project Tanner Pacific, Inc. Scope of Services

- I. **Construction Manager (CM)**
  - A. Project Responsibilities
    1. Construction Administration
      - a. Provide Full administrative services to manage all documentation and communications throughout the project duration.
      - b. Engineer shall manage routing all information from Procore into ProjectMates.
      - c. Project Coordination: Engineer shall act as the project coordinator and the point of contact for all communications with the Contractor. Engineer shall coordinate the activities of the District, Design Consultants (DC) and Contractor. The DC is Carollo Engineers, Inc.
      - d. Construction Administration Services: Engineer shall provide administrative and management services. Engineer shall receive all correspondence from the Contractor and shall address all inquiries from the Contractor and all construction related correspondence. The DC will be responsible for providing any design input.
      - e. Document Tracking: manage routing, track all correspondence and document from Procore into Projectmates.
      - f. Monitor the record documents being produced by the Contractor on a monthly basis to confirm they are being properly updated.
    2. Meetings
      - a. Prepare Agendas, facilitate and provide record of discussions for all project related meetings including the Pre-Construction meeting.
    3. Submittals
      - a. Receive all submittals from the Contractor, review for general conformity with the Contract requirements.
      - b. If obvious deficiencies are apparent in the submittal, Engineer shall return the submittal to the contractor for correction.
      - c. Manage routing through the online Procore and input into the Projectmates system and coordinate all comments to and from the DC and Union Sanitary District (District). Engineer shall review comments on submittals to determine if additional follow-up with the contractor is warranted and to identify prospective scope changes.
      - d. Engineer shall maintain a log and tracking system for submittals through Procore and input into ProjectMates. Engineer shall track the status of submittal review with the DC and the status of shop drawing resubmittals with the Contractor.
    4. Requests for Information (RFI)
      - a. Receive all requests for information (RFIs) from the Contractor and determine if the request is a valid RFI; if not, Engineer shall return the RFI to the Contractor.
      - b. Route all other RFIs to the DC and/or District, as applicable.
      - c. Provide response to Contractor for any administrative and general RFI's.
      - d. Review the response, verify acceptability of response and transmit the RFI response to the Contractor. If the response materially affects the design, it will be reviewed with the District and/or the DC, as necessary, to verify that it is required. If it is required, Engineer shall issue a change request.

## EXHIBIT A

### Union Sanitary District Primary Digester No. 2 Rehabilitation Project Tanner Pacific, Inc. Scope of Services

- e. Maintain logging and tracking of all RFI's through Procore and ProjectMates.
- f. If RFI response from the DC requires a Design Clarification, prepare Clarification Letter for transmittal to the Contractor with all appropriate details provided by the DC.
- 5. Clarification Letters (CL)
  - a. Review design clarification details provided by WC and/or CE.
  - b. After review with the District, transmit the Clarification Letter to the Contractor.
- 6. Change Order Preparation, Negotiation & Processing
  - a. Evaluate the merit, cost and time impact of all changes either requested by the contractor or the District.
  - b. Prepare any change requests by District. Work with all parties to negotiate an equitable resolution.
  - c. Prepare all documentation to adjust the original contract for any and all time and cost impacts.
  - d. Maintain logging and tracking of all change orders through Procore and ProjectMates
- 7. Field Orders (FO) and Field Directives (FD)
  - a. In the event that the Contractor encounters a time sensitive problem where it is not practical to take time to negotiate a settlement, the Engineer shall obtain approval from the District to issue a FO. All work done under a FO will be completed on a time and material basis. The Engineer and District will execute the FO.
- 8. Progress Payments
  - a. Administrate the preparation and processing of the monthly progress payments, to include, at a minimum, the following steps:
    - a. Initial review of quantities by field staff to confirm the quantities being requested for payment match those tracked by Engineer's field staff.
    - b. Verify that any and all stored materials requested for payment are properly stored on site per the manufacturers/supplier's requirements.
    - c. Prepare summary cover sheet to be executed by Contractor, Engineer and District.
- 9. Scheduling
  - a. Review and work with the Contractor in their development of the initial baseline schedule and preparation of the weekly 3-week look ahead schedules
  - b. Review monthly schedule updates for accuracy and conformance with the contract.
  - c. Provide written comments to the Contractor on the project schedule.

## II. Field Inspection

### A. Project Responsibilities

- 1. Field Observation (When in the field)
  - a. Provide field observation services to monitor compliance with Contract Documents.
  - b. Prepare a daily observation report documenting all field activities, field crews, Contractor equipment, and field problems.

## EXHIBIT A

### Union Sanitary District Primary Digester No. 2 Rehabilitation Project Tanner Pacific, Inc. Scope of Services

- c. Maintain the database, implemented by Engineer, for daily observation reports and photographs.
- d. Provide photographic documentation of the Project prior to construction and maintain photographs of field activities for status monitoring of the project.
- e. Engineer shall monitor the record documents on a monthly basis to determine if they are being maintained by the Contractor.
- f. Maintain a Corrective Work Item List to provide a current inventory of required corrections to aid in timely completion of such items.

#### III. **Safety**

- a. Engineer shall comply with appropriate regulatory, project and District regulations regarding necessary safety equipment or procedures used during performance of Engineer's work and shall take necessary precautions for safe operation of Covello's work, and the protection of Engineer's personnel from injury and damage from such work.

Neither the professional activities of Engineer, nor the presence of Engineer's employees or sub-consultants at the construction/project site, shall relieve the Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending, or coordinating their work in accordance with the Contract Documents, District regulations, and any health or safety precautions required by any regulatory agencies. Engineer and its personnel have no authority to exercise any control over any Contractor or other entity or their employees in connection with their work or any health or safety precautions. Engineer shall follow the District's confined space procedures for entry into any existing District confined spaces and shall follow these procedures at its own risk. Engineer's reliance on the District's fixed gas detection system shall be at its own risk.

#### IV. **Testing & Training**

- A. The scope and budget do not include Engineer's participation in factory witness testing.
- B. Engineer shall coordinate training requirements and activities.
- C. DC will provide design assistance during testing operations if determined necessary by the District.
- D. Engineer shall work with the Contractor, DC, and the District on the development of the Startup Plan.
- E. Engineer shall provide oversight and administration of training and testing.

#### V. **Special Inspections, Testing**

- A. Schedule and coordinate special inspections, materials testing, as needed. At a minimum:
  - a. Backfill sampling and compaction testing
  - b. Concrete quality, if needed
  - c. Coating inspections, including preparation of surfaces to be coated and application of coating systems.
- B. The District will contract for all other related special inspections, materials testing services that are not performed by the contractor as required by the contract. Engineer shall schedule and coordinate special inspections and material testing.

#### VI. **Project Closeout**

## EXHIBIT A

### Union Sanitary District Primary Digester No. 2 Rehabilitation Project Tanner Pacific, Inc. Scope of Services

- A. The Contractor will furnish record drawings, which Engineer shall review for accuracy and completeness
- B. Engineer shall forward accepted Record Drawings to the DC to prepare final Record Drawings in CAD.
- C. Final Inspection and Punch List.
  - 1. Engineer shall have primary responsibility for conducting the final inspection.
  - 2. District and DC (if necessary) will participate and provide input on final inspection.
  - 3. Engineer shall prepare and issue the punch list with input from District and DC.
  - 4. Engineer shall provide District with notification when all Punch List items are complete so District may formally accept the project for record purposes.
- D. Engineer shall provide District with project documentation electronically.

#### **VII. Warranty Coordination**

- A. District will coordinate warranty work after the start of the warranty period.

**EXHIBIT B**

## Cost Proposal for USD Digester No. 2 Rehabilitation Project

Personnel/Service	Hours and Hourly Rates			2020								
	Hours	Rate	Amount	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
<b>Pre Construction</b>												
Principal	4	\$ 225	\$ 900	4								
CM/Inspector	40	\$ 180	\$ 7,200	40								
<b>Construction</b>												
Principal	32	\$ 225	\$ 7,200		8	4	4	4	4	4	4	4
CM/Inspector	600	\$ 180	\$ 108,000	40	80	80	80	80	80	80	80	80
<b>Project Close Out</b>												
Principal	4	\$ 225	\$ 900									4
CM/Inspector	80	\$ 180	\$ 14,400									80
<b>PROJECT TOTAL</b>			\$138,600									

Monthly Hour Totals for Project	Principal	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Principal	4	8	4	4	4	4	4	4	4
CM/Inspector	80	80	80	80	80	80	80	80	80

**Notes and Assumptions:**

1. Start of Services: December 1, 2019.
2. Budget is based on 2019-20 Billing Rates that will remain constant for full period of Contract and a TPI NTP of December 1, 2019.
3. The proposed budget is based on a 10 month time frame. Should the contract run longer or more effort is required, TPI labor will be billed on a Time & Material basis in accordance with the current TPI rate sheet.
4. TPI rates include normal operating and office expenses such as telephone, computers, in-house reproduction and travel in the Bay Area in personal vehicles. We have not budgeted for a site trailer as that is usually provided by the contractor.



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 15**

**TITLE:** Authorize the General Manager to Execute Task Order No. 2 with Carollo Engineers, Inc. for the Primary Digester No. 2 Rehabilitation Project (*This is a Motion Item*)

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
Sami E. Ghossain, Technical Services Work Group Manager  
Raymond Chau, CIP Team Coach  
Derek Chiu, Assistant Engineer

**Recommendation**

Staff recommends the Board authorize the General Manager to execute Task Order No. 2 with Carollo Engineers, Inc. (Carollo) in the amount of \$112,714 to provide engineering services during construction of the Primary Digester No. 2 Rehabilitation Project (Project).

**Previous Board Action**

February 25, 2019, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Carollo Engineers, Inc. in the amount of \$212,749 for final design services for the Project.

July 22, 2019, the Board authorized the General Manager to execute Amendment No. 1 to Task Order No. 1 with Carollo Engineers, Inc. in the amount of \$38,929 to provide additional final design services for the Project.

December 9, 2019, the Board awarded the construction contract for the Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530.

## **Background**

Carollo completed the design in October 2019 and the Project's major elements are as follows:

### Primary Digester No. 2

- Replace the foam insulation on the digester dome
- Recoat the interior and exterior appurtenances of Primary Digester No. 2 (i.e. steel dome cover, center column, mixing nozzles, piping, covers, center water seal, etc.)
- Modify the digester gas piping on top of the digester
- Relocate the existing digester gas flow meter and addition of new flow meter
- Replace the water piping and sludge overflow piping at the digester
- Replace the existing viewports with new circular viewports on the digester dome
- Improve the lighting on the digester dome
- Replace the various sludge valves and electric valve actuators within Heating and Mixing Building No. 1
- Install new knife gate valves for isolation of the digester
- Replace the heat exchanger and sludge recirculation pump for the digester

### Primary Clarifiers

- Repair the concrete roof beams at the Primary Clarifiers No. 1-4 Building
- Repair the deteriorated concrete walkways at Primary Clarifiers No. 5 and 6
- Replace the corroded guardrail and air duct supports in the Primary Clarifiers No. 5 and 6 Building
- Replace the scum collectors at Primary Clarifiers No. 5 and 6
- Recoat portions of the Primary Clarifiers No. 5 and 6 mechanisms

### Other Improvements

- Repair concrete on the tank wall and overflow box of Secondary Digester No. 2
- Repair the secondary effluent pipeline
- Replace the Effluent Screen bearings

Staff expects to issue the Notice to Proceed to Kiewit Infrastructure West Co. in January 2020 and anticipates construction to be completed by October 2020.

Task Order No. 2

The scope of services and cost of Task Order No. 2 are summarized below:

<b>Task</b>	<b>Task Description</b>	<b>Amount</b>
1	Submittal Review	\$54,634
2	Request for information	\$18,704
3	Clarification Memoranda	\$4,214
4	Informal Requests for Information	\$13,766
5	Meetings	\$4,776
6	Periodic Site Visits	\$7,029
7	Additional Design Tasks	\$5,104
8	Project Management	\$4,487
<b>Task Order Not to Exceed Amount</b>		<b>\$112,714</b>

The task order's not-to-exceed amount of \$112,714 is about 3.7% of the construction contract amount of \$3,057,530. For a project of this size and scope, staff expects the fee to be in the range of 3% to 5%. As a comparison, the table below summarizes the final fees and percentages of engineering services during construction of past rehabilitation and improvements projects.

<b>Project</b>	<b>Engineering Services During Construction Cost (A)</b>	<b>Construction Cost (B)</b>	<b>Percentage of A to B</b>
Primary Digester No. 3 Rehabilitation	\$156,027	\$2,371,062	6.6%
Thickener Nos. 3 and 4 Rehabilitation	\$71,491	\$1,453,461	4.9%
Headwork Improvements	\$71,296	\$1,827,115	3.9%

The total amounts for the Project's agreement with Carollo are summarized in the table below:

<b>Description</b>	<b>Amount</b>
Task Order No. 1 – Design	\$212,749
Amendment No. 1 to Task Order No. 1 – Thickeners No. 1 & 2 and Primary Clarifiers No. 5 & 6 Additional Design Work	\$38,929
Task Order No. 2 – Engineering Services During construction	\$112,714
<b>Total for this Agreement</b>	<b>\$364,392</b>

Staff recommends the Board authorize the General Manager to execute Task Order No. 2 with Carollo Engineers, Inc. in the amount of \$112,714 to provide engineering services during construction of the Primary Digester No. 2 Rehabilitation Project.

PRE/SEG/RC/DC;mb

Attachment: Task Order No. 2

# PRIMARY DIGESTER NO. 2 REHABILITATION PROJECT

## TASK ORDER NO. 2

to

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

CAROLLO ENGINEERS, INC.

FOR

PROFESSIONAL SERVICES

This Task Order No. 2 is issued by the Union Sanitary District (District) and accepted by Carollo Engineers, Inc., (Engineer), pursuant to the mutual promises, covenants, and conditions contained in the Agreement between the above-named parties dated the 27th day of February 2019, associated with the Primary Digester No. 2 Rehabilitation Project, (Project).

### 1. PURPOSE

The purpose of this Task Order is to provide engineering services during construction associated with the Project. Engineering services to be provided during construction include engineering support, attendance at meetings, submittal reviews, responses to requests for information, design clarifications, and site visits. These services are to be performed by the same engineers who worked on the design and possess detailed knowledge about the Project. District staff will update record drawings based on markups provided by the Contractor and reviewed by the Construction Manager.

### 2. PROJECT COORDINATION

All work related to this Task Order shall be coordinated through the District's Project Manager, Derek Chiu.

### 3. ENGINEER'S SCOPE OF SERVICES

The task numbers in this Scope of Services are associated with the cost data presented in Exhibit A. Carollo Engineers, Inc. (Engineer) shall provide the following engineering support services during the construction of the project:

### **TASK 1.0 – SUBMITTAL REVIEW**

There will be the following division of submittal review responsibility between Construction Manager and Engineer.

Administrative Submittals: The Construction Manager will review and provide responses to all administrative submittals required by the Contract Document Specifications. Copies of these submittals to the Engineer are for informational purposes only.

Shop Drawing Submittals: Engineer shall review and provide response to shop drawing submittals as described in the technical specifications of the Contract Documents on an as requested basis.

Quality Control Submittals: The Construction Manager will review and provide response to all quality control submittals as described in the Contract Document Specifications, except Engineer shall review and provide response to mechanical and electrical testing procedures and testing results on an as requested basis. Copies of all other quality control submittals to the Engineer are for information purposes only. Construction Manager will also be responsible for all testing indicated in the Contract Documents to be performed by an entity other than the Contractor.

Temporary Construction Submittals: Engineer shall review and provide response to all temporary construction submittals including temporary piping, supports, electrical, and controls on an as requested basis. District will retain a third party programmer for review of temporary control related submittals.

#### Submittals

Engineer shall respond to requests for submittal review on an as requested basis. Engineer shall provide written review comments on a review comment sheet and return the review comment sheet to the Construction Manager. Engineer shall complete review of submittal, provide comments, and return review comment sheet within 21 calendar days for normal submittals, after Engineer's receipt of submittal. Review comments for critical path or expedited submittals shall be returned within 10 calendar days, after Engineer's receipt of submittal. If for any reason the review cannot be completed within this period, Engineer shall notify Construction Manager and provide reason for delay prior to the end of the specified period.

The Construction Manager will screen all submittals for form, completeness, and general content conforming to that specified in the Contract Documents before transmitting them to Engineer.

Engineer's submittal review is to determine compliance with the Contract Documents. Submittal review is not intended as acceptance of the work. The review is not intended to

relieve the Contractor of his or her full responsibility for performance as required by the Contract Documents.

Engineer's budget allowance for the project is based on reviewing 55 original submittals and resubmittals at an average review time of four hours per resubmittal. An additional four hours are included for the Engineer's Principal-in-Charge review. Engineer's Subconsultant, Beecher Engineering, has included 10 submittals at an average review time of four hours per submittal. Total hours budget is 264 hours for both Carollo and Beecher Engineering.

### **TASK 2.0 – REQUEST FOR INFORMATION**

Engineer shall respond to formal requests for information (RFIs) on an as requested basis. Engineer will provide a written response on a response sheet and return the response sheet to the Construction Manager. Engineer shall complete review of the RFI, provide response, and return response within seven calendar days after Engineer's receipt of RFI. If for any reason the response cannot be completed within this period, Engineer shall notify Construction Manager and provide reason for delay prior to the end of the specified period.

The Construction Manager will screen all RFIs for form, completeness, and general content conforming to that specified in the Contract Documents before transmitting them to Engineer.

Engineer's budget allowance for the Project is based on reviewing 16 RFIs at an average of four hours review per RFI and two additional hours for the Engineer's Principal-in-Charge review. Beecher Engineering has included six RFIs at an average review time of four hours per RFI. Total hours budget is 90 hours for both Carollo and Beecher Engineering.

### **TASK 3.0 – CLARIFICATION MEMORANDA**

Engineer shall issue Clarification Memoranda where deemed necessary by the Engineer and on an as requested basis. Engineer shall provide a written clarification on a Clarification Memorandum (including specifications, sketches, or other information as necessary) and issue the Clarification Memorandum to the Construction Manager.

Clarification Memoranda will be issued to 1) clarify Contract Documents when necessary, 2) in the event that modifications to the Contract Documents are desired by the District, or 3) to assist the Construction Manager with the preparation of contract change order requests.

Engineer's budget allowance for the project is based on preparing two Clarification Memoranda at an average of eight hours per Clarification Memorandum and two additional hours for the Engineer's Principal-in-Charge review. Total hours budget is 18 hours for Carollo. Beecher Engineer has no hours included for Clarification Memoranda.

#### **TASK 4.0 – INFORMAL REQUESTS FOR INFORMATION**

Engineer shall respond to Construction Manager's informal requests for information, including verbal, email, and telephone correspondence with Construction Manager.

Engineer's project budget allowance is based on a project duration of nine months at a rate of four hours per month of informal correspondence. Beecher Engineering's project budget allowance is based on the same project duration at a rate of three hours per month of informal correspondence time in the budget. Total hours budget is 63 hours for both Carollo and Beecher Engineering.

#### **TASK 5.0 – MEETINGS**

Engineer shall have personnel attend two regular construction meetings during the Project. The Construction Manager will facilitate all meetings and provide meeting minutes.

Budget allowance is based on Engineer's Project Engineer attending two construction meetings. Meetings are budgeted at four hours per person per meeting, which includes travel time. An additional eight hours of meeting time has been budgeted for the Principal-in-Charge, Project Manager, and Project Engineer to attend meetings if required or for phone meeting attendance as necessary. Beecher Engineer has allotted two hours of budget to attend meetings by phone as required. Total hours budget is 18 hours for both Carollo and Beecher Engineering.

#### **TASK 6.0 – PERIODIC SITE VISITS**

Engineer shall periodically visit the Project site to monitor the progress and quality of the Contractor's work effort, including specialty site visits (civil, structural, mechanical, electrical, and instrumentation) and for preparation of a final punchlist. Engineer shall not, during such site visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work. Engineer shall not have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor, or safety precautions and programs incident to the Work. Furthermore, Engineer shall not be held responsible for any failure of Contractor to comply with laws, rules, regulations, ordinances, codes, or orders applicable to Contractor furnishing and performing work. Engineer shall provide opinions and observations to the Construction Manager and/or District regarding general compliance with the Contract Documents for improvements that are observed by the Engineer at the time of Engineer's site visits.

Engineer's budget allowance is based on three site visits by the Engineer. Site visits are budgeted at six hours each, which includes travel time. Beecher Engineering has included a budget allowance of 12 hours based on two site visits. Total hours budget is 30 hours for both Carollo and Beecher Engineering.

### **TASK 7.0 – ADDITIONAL DESIGN TASKS**

This task includes hours spent by the Engineer to perform out of scope design tasks. The tasks were:

- Weld repair plate on Secondary Effluent Pipe
- Replacement of the Effluent Screen bearings

### **TASK 8.0 – PROJECT MANAGEMENT**

Engineer shall manage the efforts of the project team members, coordinate with representatives of the District and Construction Manager, delegate responsibilities, and review work progress. Engineer shall prepare and submit monthly invoices and progress summary reports.

Monthly invoices will be broken down by major tasks only. Monthly progress summary reports will be made as part of the report submitted for all on-going projects with District.

Engineer's budget allowance for the project is nine hours based on a nine-month project duration. Beecher Engineering has included nine hours for project management and invoicing. Total hours budget is 18 hours for both Carollo and Beecher Engineering.

## **4. DELIVERABLES**

All deliverables shall be provided electronically in Word document or PDF format.

Deliverables shall include:

- Responses to submittals
- Responses to RFIs
- Clarification Memoranda
- Upload information to the District's online project management system, Projectmates

## **5. PAYMENT TO THE ENGINEER**

Payment to the Engineer shall be as called for in Article 2 of the Agreement. The billing rate schedule is equivalent to an overall labor multiplier of 3.21, including profit. Subconsultants and outside services shall be billed at actual cost plus 5%; other direct costs will be billed at actual cost; and mileage will be billed at prevailing IRS standard rate.

Total charges to the DISTRICT not-to-exceed amount shall be \$112,714.

A summary of the anticipated distribution of cost and manpower between tasks is shown in Exhibit A.

The following table summarizes the previously-executed and proposed task orders and amendments under the Agreement:

<b>Task Order / Amendment</b>	<b>Not to Exceed Amount</b>	<b>Board Authorization Required?</b>	<b>District Staff Approval</b>
Task Order No. 1 – Design Services	\$212,749	Yes	Paul R. Eldredge
Amendment No. 1 to Task Order No. 1- Thickeners and Primary Clarifiers	\$38,929	Yes	Paul R. Eldredge
Task Order No. 2 – Engineering Services During Construction	\$112,714	Yes	Paul R. Eldredge
<b>Total</b>	<b>\$364,392</b>		

6. TIME OF COMPLETION

All work defined in this Task Order shall be complete in 300 calendar days after the execution of this Task Order and subject to the conditions of Article 3 of this Agreement. A summary of the anticipated construction schedule is as follows:

- Notice of Award (NOA) issued to Contractor: December 2019
- Notice to Proceed (NTP) issued to Contractor: January 2020
- Substantial Completion: October 2020
- Final Completion: November 2020

7. KEY PERSONNEL

Engineering personnel assigned to this Task Order No. 2 are as follows:

<u>Role</u>	<u>Key Person to be Assigned</u>
Principal-In-Charge	Scott Parker
Project Manager	Becky Gherini
Project Engineer	Inderpreet Chaggar

Key personnel shall not be changed except in accordance with Article 8 of the Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 2 as of January\_\_\_\_, 2020 and therewith incorporate it as part of the Agreement.

DISTRICT

ENGINEER

UNION SANITARY DISTRICT

CAROLLO ENGINEERS, INC

By: \_\_\_\_\_  
Paul R. Eldredge, P.E.  
General Manager/District Engineer

By: \_\_\_\_\_  
Scott Parker, P.E.  
Senior Vice President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Mike E Dadik, P.E.  
Associate Vice President

\_\_\_\_\_  
Date

**Primay Digester No. 2 Rehabilitation Project  
Task Order No. 2  
Union Sanitary District and Carollo Engineers  
Engineering Services During Construction  
Exhibit A**

Task No.	Task Description	PIC \$336	LPP \$284	P \$194	AP \$158	CAD \$152	Support \$137	Total Hours	Labor Cost	Other Direct Costs (ODC)					Total Cost	
										PECE \$13.00	Beecher Eng. (\$200/hr)	Subconsultant Mark up (5%)	Mileage Trips	Amount		ODC Cost
<b>1.0</b>	<b>Submittal Review</b>	4	20	134	60	0	6	224	\$43,322	\$2,912	\$8,000	\$400	0	\$0	\$11,312	\$54,634
	Task 1.0 Subtotal =	4	20	134	60	0	6	224	\$43,322	\$2,912	\$8,000	\$400	0	\$0	\$11,312	\$54,634
<b>2.0</b>	<b>Request For Information</b>	2	8	40	10	0	4	64	\$12,832	\$832	\$4,800	\$240	0	\$0	\$5,872	\$18,704
	Task 2.0 Subtotal =	2	8	40	10	0	4	64	\$12,832	\$832	\$4,800	\$240	0	\$0	\$5,872	\$18,704
<b>3.0</b>	<b>Clarification Memoranda</b>	2	4	8	2	2	0	18	\$3,980	\$234	\$0	\$0	0	\$0	\$234	\$4,214
	Task 3.0 Subtotal =	2	4	8	2	2	0	18	\$3,980	\$234	\$0	\$0	0	\$0	\$234	\$4,214
<b>4.0</b>	<b>Informal Requests for Information</b>	2	4	30	0	0	0	36	\$7,628	\$468	\$5,400	\$270	0	\$0	\$6,138	\$13,766
	Task 4.0 Subtotal =	2	4	30	0	0	0	36	\$7,628	\$468	\$5,400	\$270	0	\$0	\$6,138	\$13,766
<b>5.0</b>	<b>Meetings</b>	4	4	8	0	0	0	16	\$4,032	\$208	\$400	\$20	4	\$116	\$744	\$4,776
	Task 5.0 Subtotal =	4	4	8	0	0	0	16	\$4,032	\$208	\$400	\$20	4	\$116	\$744	\$4,776
<b>6.0</b>	<b>Periodic Site Visits</b>	3	3	12	0	0	0	18	\$4,188	\$234	\$2,400	\$120	3	\$87	\$2,841	\$7,029
	Task 6.0 Subtotal =	3	3	12	0	0	0	18	\$4,188	\$234	\$2,400	\$120	3	\$87	\$2,841	\$7,029
<b>7.0</b>	<b>Additional Design Tasks</b>	1	1	12	4	6	2	26	\$4,766	\$338	\$0	\$0	0	\$0	\$338	\$5,104
	Task 7.0 Subtotal =	1	1	12	4	6	2	26	\$4,766	\$338	\$0	\$0	0	\$0	\$338	\$5,104
<b>8.0</b>	<b>Project Management</b>	2	5	2	0	0	0	9	\$2,480	\$117	\$1,800	\$90	0	\$0	\$2,007	\$4,487
	Task 8.0 Subtotal =	2	5	2	0	0	0	9	\$2,480	\$117	\$1,800	\$90	0	\$0	\$2,007	\$4,487
<b>Totals</b>		<b>20</b>	<b>49</b>	<b>246</b>	<b>76</b>	<b>8</b>	<b>12</b>	<b>411</b>	<b>\$ 83,228</b>	<b>\$ 5,343</b>	<b>\$ 22,800</b>	<b>\$ 1,140</b>	<b>7</b>	<b>\$203</b>	<b>\$29,486</b>	<b>\$112,714</b>

Legend:  
PIC Principle In Charge  
LPP Lead Project Professional - Dadik, Gupta  
PE Professional - Gherini, Chaggar  
AP Assistant Professional - Eve, Hardy  
CAD CAD Technician  
Support Support Staff  
PECE: Project Equipment and Communication Expense

Notes:  
1. Mileage based on 50 miles per trip @ \$0.58/mile  
2. Multiplier = 3.21



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 16**

**TITLE:** Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8344 – Monarch at Soares Ranch, Located near the Intersection of Western Avenue and Alvarado-Niles Road, in the City of Union City (*This is a Motion Item*)

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
Sami E. Ghossain, Technical Services Work Group Manager  
Rollie Arbolante, Customer Service Team Coach  
Rod Schurman, Associate Engineer

**Recommendation**

Staff recommends the Board consider a resolution to accept a sanitary sewer easement for Tract 8344 – Monarch at Soares Ranch, located near the intersection of Western Avenue and Alvarado-Niles Road, in the city of Union City.

**Previous Board Action**

None.

**Background**

The developer, D.R. Horton BAY, Inc., is constructing a residential development consisting of 63 townhomes for Tract 8344, located near Western Avenue and Alvarado-Niles Road, in the city of Union City. A vicinity map is attached.

Sanitary sewer service to the residential development will be provided by new 8-inch mains in the development's roadways, that discharge to an existing 30-inch sewer in Alvarado-Niles Road. The roadways of the development do not meet the City of Union City's street dimensions and

structure setback requirements for public streets and were, therefore, designated as private. D.R. Horton BAY, Inc., has constructed the new 8-inch sewer mains and has granted the District sanitary sewer easements that provide for access and maintenance of the new sewer mains.

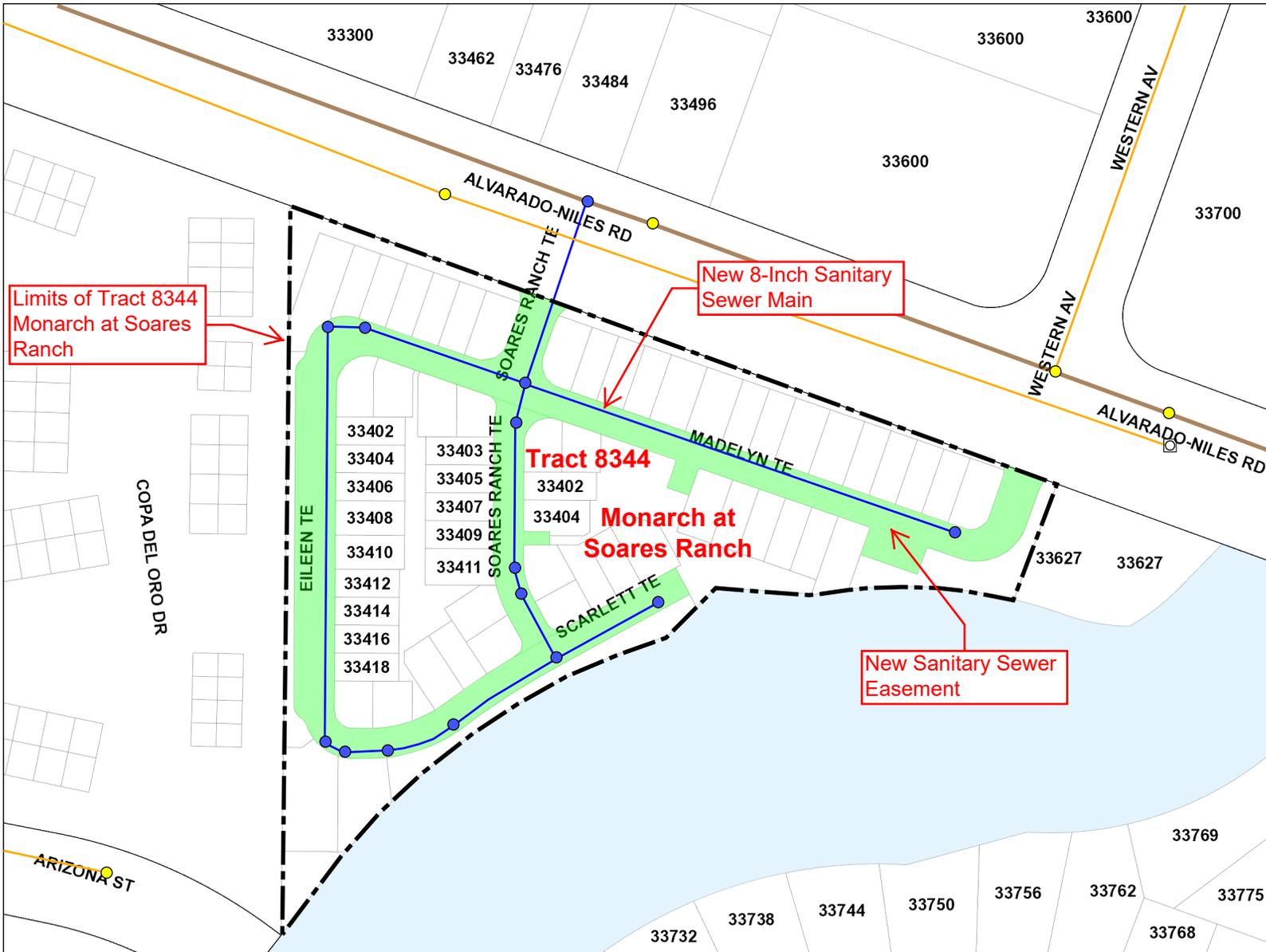
District staff has reviewed the legal description and plat map of the easement, as well as the Grant of Easement, and recommends approval.

PRE/SEG/RA/RS:mb

Attachments: Vicinity Map  
Resolution  
Recording Request with Certificate of Acceptance  
Grant of Easement with Exhibits A and B



# Vicinity Map: Grant of SSE, TR 8344 - Monarch At Soares Ranch, Union City



### Legend

- Sewer Manholes**
  - Drop manhole
  - End Cap
  - Junction structure
  - Lamp hole
  - Lift station
  - Manhole
  - New Manhole
  - Riser
- Sewer Mains**
  - New Gravity Main
  - EBDA outfall
  - Force main
  - Gravity main
  - Overflow main
  - Siphons
  - Trunk Main
- Railroad / BART**
  - <all other values>
  - BART
- Public Right of Way**
  - Public Right of Way
  - Private Right of Way
- Sewer Easements**
  - Sewer Easements
- Parcels**
  - <all other values>
  - Alameda Cnty Flood Cntrl

116.3 0 58.17 116.3 Feet

1: 1,396

Printed: 12/19/2022 10:32 AM

**For USD use only**

*The information on this map is provided by Union Sanitary District (USD) for internal use only. Such information is derived from multiple sources which may not be current, be outside the control of USD, and may be of indeterminate accuracy. The information provided hereon may be inaccurate or out of date and any person or entity who relies on said information for any purpose whatsoever does so solely at their own risk.*

Notes

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

**ACCEPT A SANITARY SEWER EASEMENT FOR  
TRACT 8344 – MONARCH AT SOARES RANCH,  
LOCATED NEAR THE INTERSECTION OF WESTERN AVENUE AND  
ALVARADO-NILES ROAD,  
IN THE CITY OF UNION CITY, CALIFORNIA**

RESOLVED by the Board of Directors of UNION SANITARY DISTRICT, that it hereby accepts the Grant of Easement from D.R. HORTON BAY, INC., executed on May 1, 2017, as described in the Grant of Easement for Sanitary Sewer Purposes and by the legal description and plat map, attached Exhibit A and Exhibit B, respectively.

FURTHER RESOLVED by the Board of Directors of UNION SANITARY DISTRICT that it hereby authorizes the General Manager/District Engineer, or his designee, to attend to the recordation thereof.

On motion duly made and seconded, this resolution was adopted by the following vote on January 13, 2020:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
JENNIFER TOY  
President, Board of Directors  
Union Sanitary District

Attest:

\_\_\_\_\_  
PAT KITE  
Secretary, Board of Directors  
Union Sanitary District

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:  
Union Sanitary District  
Attn: Regina McEvoy  
5072 Benson Road  
Union City, CA 94587

Record Without Fee  
*Pursuant to Government Code  
Section 27383*

*Space Above Reserved for Recorder's Use Only*

Documentary Transfer Tax \$0.00, consideration less than \$100 (R&T Code 11911)  
This instrument is exempt from recording fees (Govt. Code 27383)

## **GRANT OF EASEMENT**

**BY AND BETWEEN**

**D.R. HORTON BAY, INC.**

**AND**

**UNION SANITARY DISTRICT**

**Effective Date: January 13, 2020**



**GRANT OF EASEMENT**  
**FOR SANITARY SEWER PURPOSES**

THIS INDENTURE, made this 1<sup>st</sup> day of May 2017, by and between D.R. Horton BAY, Inc., the Party/~~Parties~~ of the First Part, and Union Sanitary District, the Party of the Second Part,

**WITNESSETH:**

That said Party/~~Parties~~ of the First Part does hereby grant to the Party of the Second Part and to its successors and assigns forever, for the use and purposes herein stated, the rights of way and easements hereinafter described, located in the city of Union City, county of Alameda, state of California:

**See Exhibit "A" and Exhibit "B"**

together with the right and privilege of constructing, reconstructing, cleaning, repairing and maintaining at any time, a sanitary sewer and appurtenances along, upon, over, in, through and across the above described property; together with free ingress and egress to and for the said Party of the Second Part, its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools, along, upon, over, in, through and across said right of way; together with the right of access by its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools to said right of way from the nearest public street, over and across the adjoining property, if such there be; otherwise by such route or routes across said adjoining property as shall occasion the least practicable damage and inconvenience to the Party/~~Parties~~ of the First Part, for constructing, cleaning, repairing and maintaining said sanitary sewer and appurtenances; together with free ingress and egress over the land immediately adjoining for maintenance, repair and replacement as well as the initial construction of said sewer.

IN WITNESS WHEREOF the said Party/~~Parties~~ of the First Part have executed this indenture the day and year first above written.

  
\_\_\_\_\_  
Signature

By: Dennis K. Mills Vice President  
\_\_\_\_\_  
(Print or type name and title of signatory)  
**D.R. Horton BAY, Inc.**

(Notarize)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California )SS  
COUNTY OF Alameda )

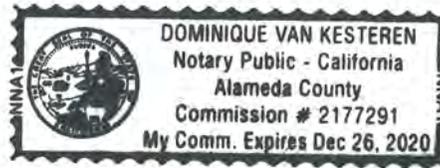
On May 1st 2017, before me, Dominique Van Kesteren, Notary Public, personally appeared Sean K. Mills

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature D. Van Kesteren



*This area for official notarial seal*

My Commission Expires: 12/26/20  
Notary Name: Dominique Van Kesteren  
Notary Registration Number: #2177291

Notary Phone: 925-225-7464  
County of Principal Place of Business: Alameda

EXHIBIT A  
LEGAL DESCRIPTION  
SANITARY SEWER EASEMENT CONVEYED TO UNION SANITARY DISTRICT  
TRACT 8344, "MONARCH AT SOARES RANCH"  
UNION CITY, CALIFORNIA

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF UNION CITY, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING ALL OF PARCEL A, AS SAID PARCEL A IS SHOWN AND SO DESIGNATED ON THE OFFICIAL MAP FOR TRACT 8344, "MONARCH AT SOARES RANCH", FILED FEBRUARY 16<sup>TH</sup>, 2018 IN BOOK 353 OF MAPS AT PAGES 1-12 ALAMEDA COUNTY RECORDS AND SHOWN ON EXHIBIT B - PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO UNION SANITARY DISTRICT.

CONTAINING 0.90 ACRES OF LAND, MORE OR LESS.

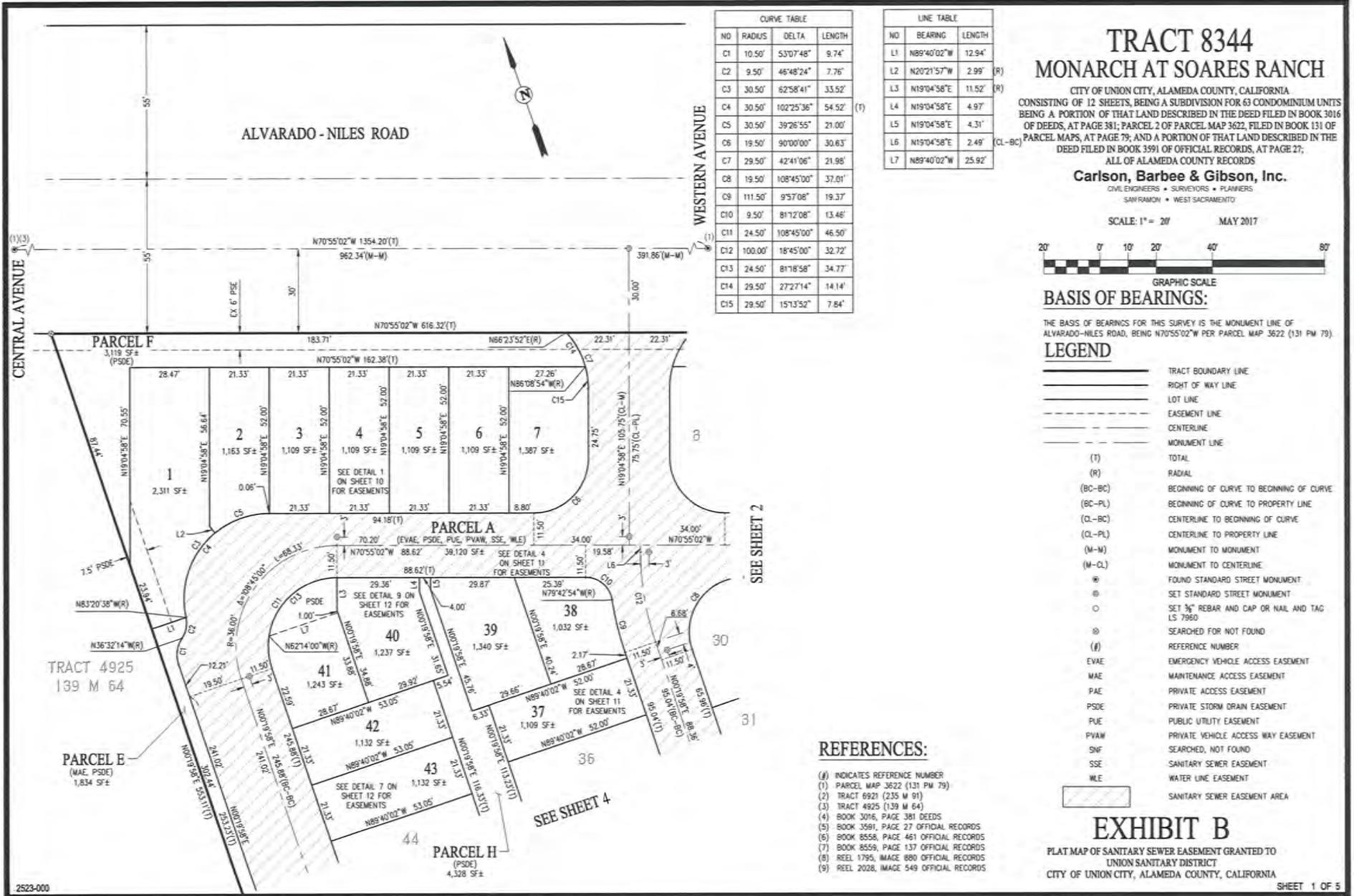
ATTACHED HERETO IS A PLAT TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION



MARK H. WEHBER, P.L.S.  
L.S. NO. 7960





Original map may be found at USD, 5072 Benson Road, Union City, CA 94587

# TRACT 8344 MONARCH AT SOARES RANCH

CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA  
CONSISTING OF 12 SHEETS, BEING A SUBDIVISION FOR 63 CONDOMINIUM UNITS  
BEING A PORTION OF THAT LAND DESCRIBED IN THE DEED FILED IN BOOK 3016  
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ALL OF ALAMEDA COUNTY RECORDS

**Carlson, Barbee & Gibson, Inc.**

CIVIL ENGINEERS • SURVEYORS • PLANNERS  
SAN RAMON • WEST SACRAMENTO

SCALE: 1" = 20' MAY 2017



## BASIS OF BEARINGS:

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE MONUMENT LINE OF  
ALVARADO-NILES ROAD, BEING N70°55'02"W PER PARCEL MAP 3622 (131 PM 79)

## LEGEND

	TRACT BOUNDARY LINE
	RIGHT OF WAY LINE
	LOT LINE
	EASEMENT LINE
	CENTERLINE
	MONUMENT LINE
	TOTAL
	RADIAL
	(BC-BC) BEGINNING OF CURVE TO BEGINNING OF CURVE
	(BC-PL) BEGINNING OF CURVE TO PROPERTY LINE
	(CL-BC) CENTERLINE TO BEGINNING OF CURVE
	(CL-PL) CENTERLINE TO PROPERTY LINE
	(M-M) MONUMENT TO MONUMENT
	(M-CL) MONUMENT TO CENTERLINE
	⊙ FOUND STANDARD STREET MONUMENT
	⊙ SET STANDARD STREET MONUMENT
	⊙ SET 3/8" REBAR AND CAP OR NAIL AND TAG LS 7960
	⊙ SEARCHED FOR NOT FOUND
	(#) REFERENCE NUMBER
	EVAE EMERGENCY VEHICLE ACCESS EASEMENT
	MAE MAINTENANCE ACCESS EASEMENT
	PAE PRIVATE ACCESS EASEMENT
	PSDE PRIVATE STORM DRAIN EASEMENT
	PUE PUBLIC UTILITY EASEMENT
	PVAW PRIVATE VEHICLE ACCESS WAY EASEMENT
	SNF SEARCHED, NOT FOUND
	SSE SANITARY SEWER EASEMENT
	WLE WATER LINE EASEMENT
	SANITARY SEWER EASEMENT AREA

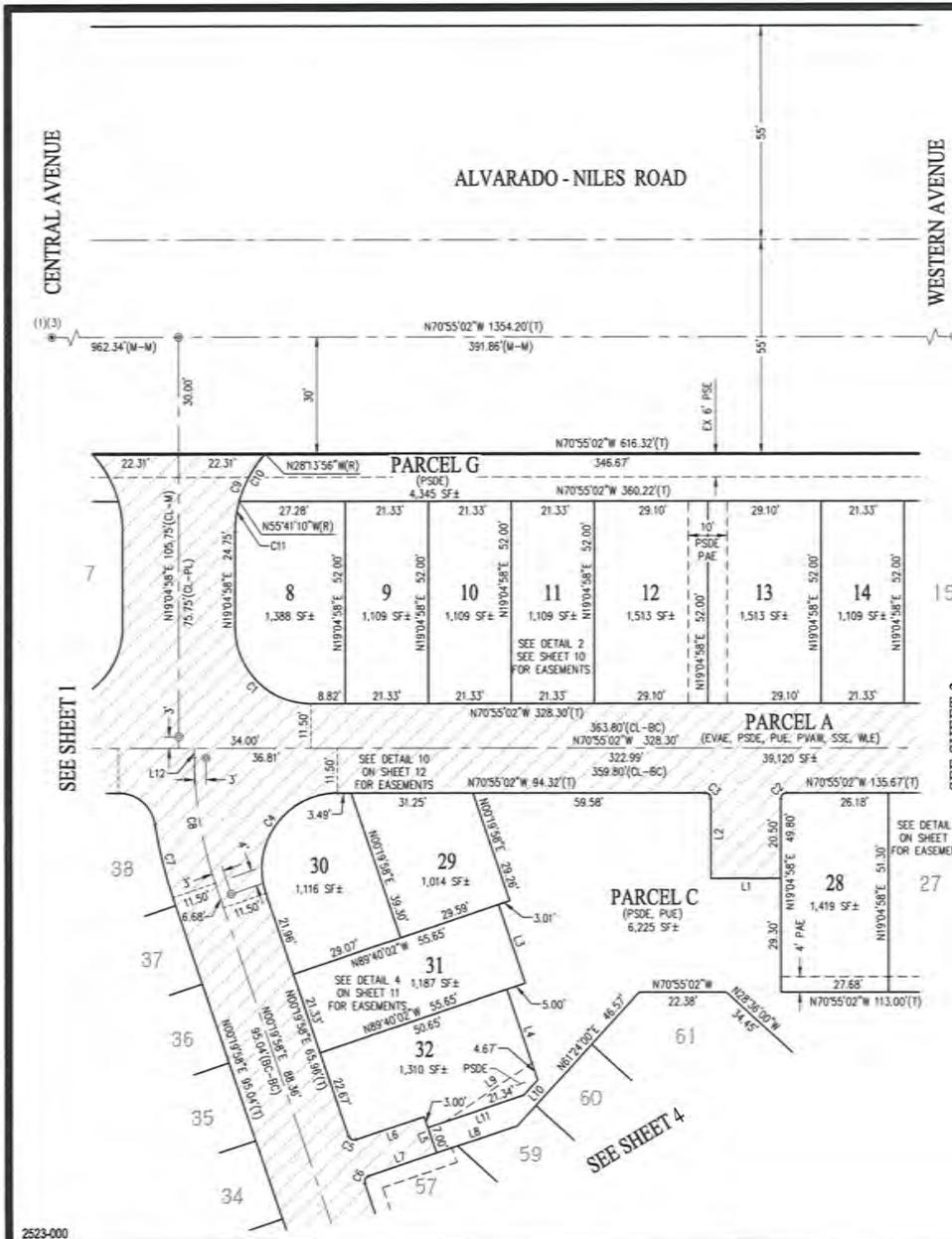
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- (7) BOOK 8559, PAGE 137 OFFICIAL RECORDS
- (8) REEL 1795, IMAGE 880 OFFICIAL RECORDS
- (9) REEL 2028, IMAGE 549 OFFICIAL RECORDS

## EXHIBIT B

PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO  
UNION SANITARY DISTRICT  
CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA

SHEET 2 OF 5



2523-000

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# TRACT 8344 MONARCH AT SOARES RANCH

CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA  
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CIVIL ENGINEERS • SURVEYORS • PLANNERS  
SAN RAMON • WEST SACRAMENTO

SCALE: 1" = 20'      MAY 2017



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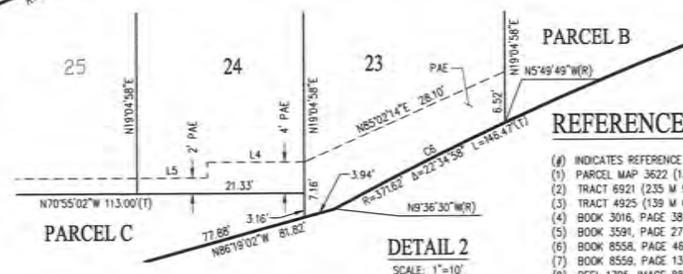
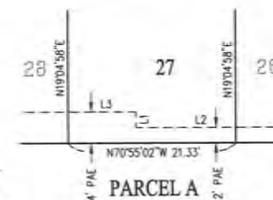
## LEGEND

	TRACT BOUNDARY LINE
	RIGHT OF WAY LINE
	LOT LINE
	EASEMENT LINE
	CENTERLINE
	MONUMENT LINE
(T)	TOTAL
(R)	RADIAL
(BC-BC)	BEGINNING OF CURVE TO BEGINNING OF CURVE
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(CL-PL)	CENTERLINE TO PROPERTY LINE
(M-M)	MONUMENT TO MONUMENT
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⊙	FOUND STANDARD STREET MONUMENT
⊙	SET STANDARD STREET MONUMENT
⊙	SET 3/8" REBAR AND CAP OR NAIL AND TAG LS 7960
⊙	SEARCHED, NOT FOUND
(#)	REFERENCE NUMBER
EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
MAE	MAINTENANCE ACCESS EASEMENT
PAE	PRIVATE ACCESS EASEMENT
PSOE	PRIVATE STORM DRAIN EASEMENT
PUE	PUBLIC UTILITY EASEMENT
PVAW	PRIVATE VEHICLE ACCESS WAY EASEMENT
SMF	SEARCHED, NOT FOUND
SSE	SANITARY SEWER EASEMENT
WLE	WATER LINE EASEMENT
	SANITARY SEWER EASEMENT AREA

CURVE TABLE			
NO	RADIUS	DELTA	LENGTH
C1	14.50'	90°00'00"	22.78'
C2	27.50'	90°00'00"	43.20'
C3	40.50'	90°00'00"	63.62'
C4	1.50'	90°00'00"	2.36'
C5	1.50'	90°00'00"	2.36'
C6	371.62'	3°46'41"	24.50'
C7	29.50'	42°41'06"	21.98'
C8	29.50'	27°27'14"	14.14'
C9	29.50'	15°13'52"	7.84'
C10	29.50'	32°03'50"	16.51'

LINE TABLE		
NO	BEARING	LENGTH
L1	N19°04'58"E	2.00'
L2	N70°55'02"W	12.67'
L3	N70°55'02"W	8.67'
L4	N70°55'02"W	12.38'
L5	N70°55'02"W	8.96'

SINGH  
DOC. NO. 2000-205813



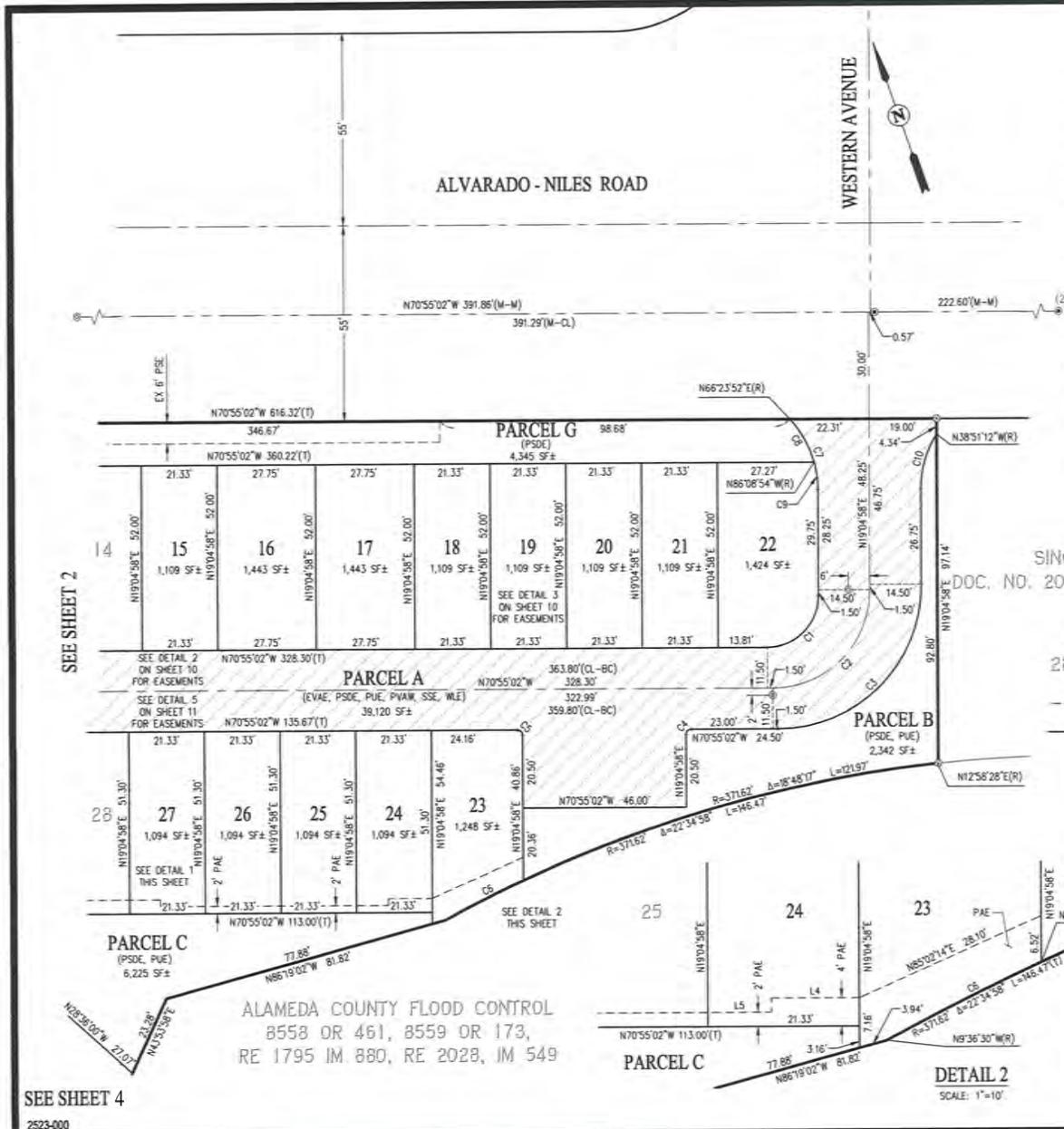
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## EXHIBIT B

PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO  
UNION SANITARY DISTRICT  
CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA

SHEET 3 OF 5



SEE SHEET 4

2523-000

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# TRACT 8344 MONARCH AT SOARES RANCH

CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA  
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SCALE: 1" = 20'      MAY 2017



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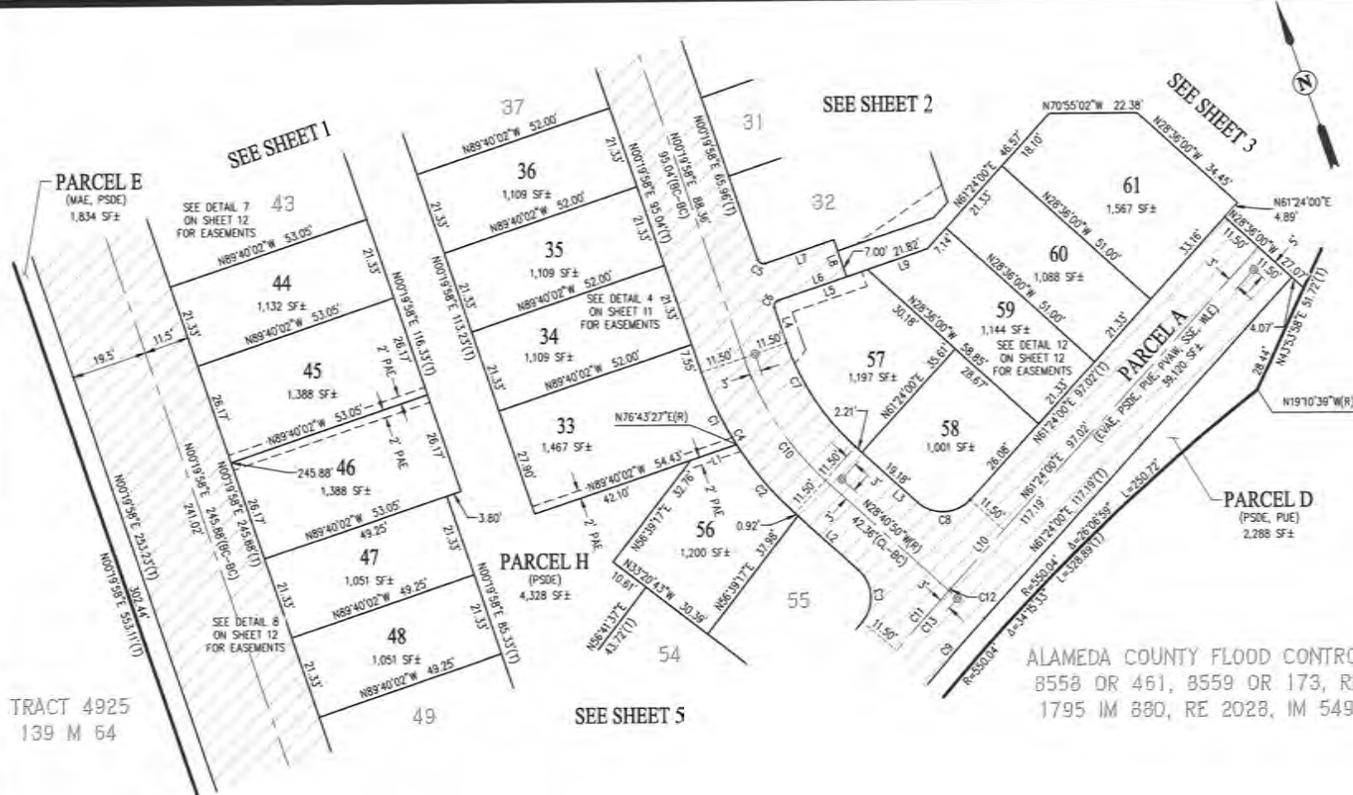
## LEGEND

	TRACT BOUNDARY LINE
	RIGHT OF WAY LINE
	LOT LINE
	EASEMENT LINE
	CENTERLINE
	MONUMENT LINE
(T)	TOTAL
(R)	RADIAL
(BC-BC)	BEGINNING OF CURVE TO BEGINNING OF CURVE
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(M-M)	MONUMENT TO MONUMENT
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⊕	FOUND STANDARD STREET MONUMENT
⊙	SET STANDARD STREET MONUMENT
○	SET 3/8" REBAR AND CAP OR NAIL AND TAG LS 7980
⊙	SEARCHED FOR NOT FOUND
(#)	REFERENCE NUMBER
EVAE	EMERGENCY VEHICLE ACCESS EASEMENT
MAE	MAINTENANCE ACCESS EASEMENT
PAE	PRIVATE ACCESS EASEMENT
PSDE	PRIVATE STORM DRAIN EASEMENT
PUE	PUBLIC UTILITY EASEMENT
PVAW	PRIVATE VEHICLE ACCESS WAY EASEMENT
SMF	SEARCHED, NOT FOUND
SSE	SANITARY SEWER EASEMENT
WLE	WATER LINE EASEMENT
	SANITARY SEWER EASEMENT AREA

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PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO  
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CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA

SHEET 4 OF 5



ALAMEDA COUNTY FLOOD CONTROL  
8558 OR 461, 8559 OR 173, RE  
1795 IM 880, RE 2028, IM 549

NO	RADIUS	DELTA	LENGTH
C1	86.50'	13°36'31"	20.55'
C2	86.50'	15°24'17"	23.26'
C3	9.50'	87°57'06"	14.58'
C4	86.50'	29°00'48"	43.80'
C5	1.50'	90°00'00"	2.36'
C6	1.50'	90°00'00"	2.36'
C7	63.50'	29°00'48"	32.15'
C8	9.50'	89°55'10"	14.91'
C9	555.00'	82°29'57"	82.33'

NO	RADIUS	DELTA	LENGTH
C10	75.00'	29°00'48"	37.98'
C11	566.50'	2°02'54"	20.25'
C12	566.50'	0°04'30"	0.80'
C13	566.50'	8°29'57"	84.03'

NO	BEARING	LENGTH
L1	N89°40'02"W	12.32'
L2	N28°40'50"W	21.74'
L3	N28°40'50"W	21.39'
L4	N00°19'58"E	9.40'
L5	N89°40'02"W	24.11'
L6	N89°40'02"W	18.50'
L7	N89°40'02"W	18.50'

NO	BEARING	LENGTH
L8	N00°19'58"E	10.00'
L9	N89°40'02"W	16.22'
L10	N61°24'00"E	20.17'

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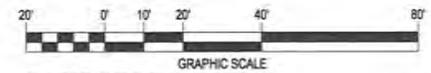
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SCALE: 1" = 20'      MAY 2017



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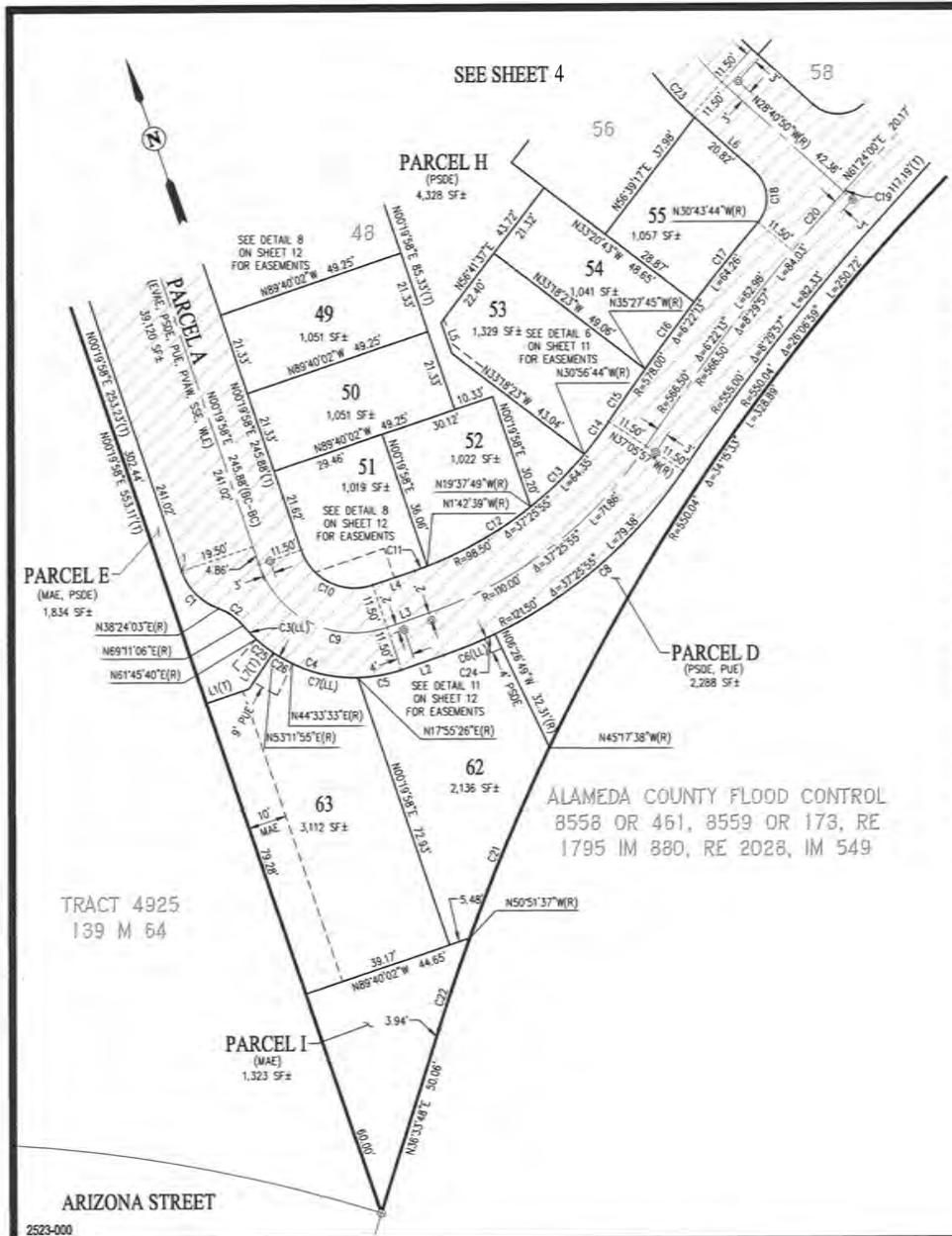
## LEGEND

	TRACT BOUNDARY LINE
	RIGHT OF WAY LINE
	LOT LINE
	EASEMENT LINE
	CENTERLINE
	MONUMENT LINE
	TOTAL
	RADIAL
	BEGINNING OF CURVE TO BEGINNING OF CURVE
	BEGINNING OF CURVE TO PROPERTY LINE
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	CENTERLINE TO PROPERTY LINE
	MONUMENT TO MONUMENT
	MONUMENT TO CENTERLINE
	FOUND STANDARD STREET MONUMENT
	SET STANDARD STREET MONUMENT
	SET 3/8" REBAR AND CAP OR NAIL AND TAG LS 7960
	SEARCHED FOR NOT FOUND
	REFERENCE NUMBER
	EMERGENCY VEHICLE ACCESS EASEMENT
	MAINTENANCE ACCESS EASEMENT
	PRIVATE ACCESS EASEMENT
	PRIVATE STORM DRAIN EASEMENT
	PUBLIC UTILITY EASEMENT
	PRIVATE VEHICLE ACCESS WAY EASEMENT
	SEARCHED, NOT FOUND
	SANITARY SEWER EASEMENT
	WATER LINE EASEMENT
	SANITARY SEWER EASEMENT AREA

## EXHIBIT B

PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO  
UNION SANITARY DISTRICT  
CITY OF UNION CITY, ALAMEDA COUNTY, CALIFORNIA

SHEET 5 OF 5



NO	RADIUS	DELTA	LENGTH
C1	15.50'	51°55'55"	14.05'
C2	14.50'	30°47'03"	7.79'
C3	37.50'	15°59'11"	10.46'
C4	37.50'	68°51'08"	45.06'
C5	37.50'	17°35'28"	11.51'
C6	121.50'	6°46'47"	14.38'
C7	37.50'	35°16'29"	23.09'
C8	121.50'	30°39'08"	65.00'
C9	26.00'	90°00'00"	40.84'
C10	14.50'	90°00'00"	22.78'
C11	98.50'	2°02'37"	3.51'
C12	98.50'	17°55'10"	30.81'
C13	98.50'	11°18'55"	19.45'
C14	98.50'	6°09'13"	10.58'
C15	578.00'	1°38'12"	16.51'
C16	578.00'	2°07'02"	21.36'

NO	RADIUS	DELTA	LENGTH
C17	578.00'	2°36'59"	26.39'
C18	9.50'	87°57'05"	14.58'
C19	566.50'	0°04'50"	0.80'
C20	566.50'	2°02'54"	20.25'
C21	550.04'	5°33'58"	53.44'
C22	550.04'	2°34'35"	24.73'
C23	86.50'	29°00'48"	43.80'
C24	121.50'	1°22'11"	2.90'
C25	37.50'	8°33'45"	5.60'
C26	37.50'	8°38'22"	5.65'

NO	BEARING	LENGTH
L1	N89°40'02"W	11.67'
L2	N89°40'02"W	11.45'
L3	N89°40'02"W	11.45'
L4	N89°40'02"W	11.45'
L5	N00°19'58"E	8.41'
L6	N28°40'50"W	21.74'
L7	N53°11'55"E	11.20'

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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 17**

**TITLE:** Consider and Adopt a Resolution to Certify Union Sanitary District’s Sewer System Management Plan (SSMP) *(This is a Motion Item)*

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
James Schofield, Collections Services Work Group Manager  
Jose Rodrigues, MTV Team Coach

**Recommendation**

Staff recommends the Board Adopt a Resolution to Certify Union Sanitary District’s Sewer System Management Plan as required by the California State Water Resources Control Board (SWRCB) every five years.

**Previous Board Action**

07/09/2012 Board Meeting – Approval of SSMP  
07/09/2012 Board Meeting – Adopted Resolution No.2682 to Certify Current SSMP

**Background**

The California State Water Resources Control Board (“SWRCB”) implemented a waste discharge requirement (“WDR”) permit on May 2, 2006 to regulate sanitary sewer systems. This permit is known as SWRCB Order No. 2006-0003, Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. On July 30, 2013, SWRCB adopted a new Monitoring and Reporting Program for Sanitary Sewer Systems. This was known as SWRCB Attachment A, Order No. WQO 2013-0058-EXEC effective on September 9, 2013.

This permit, among other things, requires local public sewer collection system agencies, referred to as “Enrollees,” to develop a Sewer System Management Plan (“SSMP”). SSMPs must be self-audited at least every two (2) years and updated every five (5) years from the previous adoption date.

The five-year SSMP update must also be approved by the governing body of the enrollee. The State or Regional Water Boards do not review or approve SSMP’s, but require enrollees to make it publicly available, and upload an electronic copy to the SSO database or provide a link to the Enrollees’ website where the SSMP is posted.

Since the last SSMP was Re-certified by the Board in 2012 there has been some major updates.

- In 2017 Our Standard Specification and Information Bulletin – Establishes design and construction standards
- In July of 2019 Ordinance 34.08 – Provides for Plan Review, Issuance of Construction Permits, Inspection of Sewerage Installation, and the Collection of Fees for these services – Address access, laterals, and enforcement
- In August of 2019 Ordinance 36.04 – Pretreatment Ordinance and Technically Based Local Limits – Addresses illicit discharges, prohibited discharges, and enforcement
- Fiscal Operating Budget for FY 2020
- Collections Services Division Preventative Maintenance Program schedule
  - Annual cleaning and inspection of all pipe except plastic pipe moved from a 72 to 84-month cycle. PVC pipe is on a 14-year cycle.
  - Creating an additional 7<sup>th</sup> area
  - Updating the root control program to include an additional area.
- Establish an annually Easement Maintenance Program
- The District completed 3 Sewer Master Plans, 1 for each Basin.

In short, an SSMP is an Operating Manual for the Districts Collection System.

Attachment: Resolution Approving the Union Sanitary District Sewer System Management Plan in Accordance with the California Water Resources Control Board Statewide General Waste Discharge Requirement

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

**APPROVING THE UNION SANITARY DISTRICT SEWER SYSTEM MANAGEMENT PLAN IN ACCORDANCE WITH THE CALIFORNIA WATER RESOURCES CONTROL BOARD STATEWIDE GENERAL WASTE DISCHARGE REQUIREMENT**

WHEREAS, the District owns, operates and maintains a system of over 834 miles of sanitary sewer pipelines; and

WHEREAS, as environmental stewards of the system for the Cities of Fremont, Newark and Union City it is USD's responsibility to effectively monitor, maintain and manage the capacity of the sewer system; and

WHEREAS, the State of California Water Resources Control Board has adopted Order No. 2006-0003, Statewide General Waste Discharge Requirement (WDR) for Wastewater Collection Agencies; and

WHEREAS, the WDR requires the preparation of a Sewer System Management Plan (SSMP) by every Wastewater Collection Agency; and

WHEREAS, the SSMP has been certified by staff to be in compliance with the requirements set forth by the Statewide General WDR; and

WHEREAS, the WDR requires that the Governing Board of each Wastewater Collection Agency must approve the SSMP at a public meeting; and

WHEREAS, the Board has reviewed the elements of the SSMP in a workshop held July 16, 2007.

NOW THEREFORE BE IT HEREBY CERTIFIED by the Board of Directors of Union Sanitary District, that the Board approves and adopts this Sewer System Management Plan dated January 9, 2020.

On motion duly made and seconded, this resolution was adopted by the following vote on January 13, 2020.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:



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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 18**

**TITLE:** Consider the Purchase of a Robotic Cutter System for Collection System Repairs  
*(This is a Motion Item)*

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
James Schofield, Work Group Manager  
Shawn Nesgis, Collection Services Coach

**Recommendation**

The Collections Workgroup is recommending the approval for the purchase of one Robotic Cutter System at an estimated purchase price of \$138,000.00.

**Background**

In 2005, the Collections Workgroup ventured into the trenchless sewer main repair process that allowed four-foot pipeline repairs to be made without conventional excavation techniques. The trenchless repair process made it possible to complete several repairs in one day compared to the traditional “open excavation” repair where a single repair could take up to several days to complete. The trenchless repair process is also much more cost effective than open excavation costing approximately one-quarter the cost. Currently, the average cost to perform a trenchless repair is \$4,324.67 verse a conventional repair cost of \$16,577.00.

Although this process expanded our capabilities, it had a downside, installations were done based on measurement. Camera equipment was not available at that time to simultaneously pinpoint the exact repair location during installation.

Starting in March of 2018, staff received training in a new but similar process for performing trenchless repairs, Inversion Lining Process (ILP). This process uses a camera to assist with the exact placement of the repair.

The ILP approach allowed for a much larger range of repair lengths but was limited to repairs between laterals. Staff looked at ways to preform repairs that included covering laterals and reinstating them once the repair was made. Since August, the Workgroup has considered three Sewer Rehab Robotics Systems to see which worked best with the ILP method. After putting all 3 robot systems through the paces and some experimental trials, staff is recommending the Schwalm Talpa 1330 Sewer Rehab Robotic System.

With the Schwalm Talpa 1330, staff has much more flexibility in correcting mainline structural defects and, reducing the need for open excavations. This robot system has more capabilities than just reinstating laterals. It has been proven to grind down mineral build-up in cast iron connections, remove stubborn roots, trim protruding laterals, smooth out moderate offsets.



The Collections Workgroup has rented the Schwalm Sewer Rehab Robotic System for approximately four months during the robotic system evaluation period at a cost of \$24,000 per month. The manufacturer is willing to credit two months of rental fees towards the purchase price for a cost of \$90,275.00, not including tax and freight.





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

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

Karen W. Murphy  
*Attorney*

**JANUARY 13, 2020  
BOARD OF DIRECTORS MEETING  
AGENDA ITEM # 19**

**TITLE:** Consider a Motion to Cancel the May 25, November 23, and December 28, 2020, Board of Directors Meetings, and to Provide Direction to Staff Regarding Canceling Board Meetings for One Month Out of the Year (*This is a Motion Item*)

**SUBMITTED:** Paul R. Eldredge, General Manager/District Engineer  
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

**Recommendation**

Consider a motion to cancel the May 25, November 23, and December 28, 2020, Board of Directors Meetings, and provide direction to staff regarding canceling Board Meetings for One Month Out of the Year.

**Previous Board Action**

None

**Background**

The second regularly scheduled meeting of the Board of Directors in May 2020 falls on Memorial Day, and District offices will be closed. Staff recommends the Board consider the following options:

1. Cancel the May 25, 2020, Board meeting.
2. Cancel the May 25, 2020, Board meeting and schedule a special meeting for Tuesday, May 26, 2020.
3. Cancel the May 25, 2020, Board meeting and schedule a special meeting for June 1, 2020.

If the Board decides to schedule a special meeting for June 1, 2020, Committee meetings would be scheduled during the week of Memorial Day.

The second regularly scheduled meeting of the Board of Directors in November falls on the week of Thanksgiving. Staff recommends the Board consider the following options:

1. Cancel the November 23, 2020, Board meeting.
2. Cancel the November 23, 2020, Board meeting and schedule a special meeting for November 16, 2020.
3. Keep the November 23, 2020, Board meeting as scheduled.

The second regularly schedule meeting of the Board of Directors in December falls on the week between the Christmas and New Year holidays. Due to the holidays, Board and staff availability will be limited. The Board has canceled the second meeting in December in the past. Staff recommends the Board consider the following options:

1. Cancel the December 28, 2020, Board meeting.
2. Cancel the December 28, 2020, Board meeting and schedule a special meeting for December 21, 2020.

Other agencies have recently begun discussing 'going dark' for one month out of every year. Staff have included this option for the Board's consideration and direction. Staff recommends the Board consider canceling Board meetings for one month out of the year.



**Summary of the EBDA Commission Meeting  
Thursday, November 21, 2019, at 9:30 a.m.**

Prepared by: P. Eldredge

- Commissioners Cutter, Handley, Johnson, and Walters were present.
- Commissioner Handley moved to approve the Commission Meeting Minutes of October 17, 2019, the Commission Minutes of October 29, 2019, List of Disbursements for October 2019, and the October 2019 Treasurer's Report. The motion was seconded by Commissioner Johnson and carried 4-0 (Walters, Handley, Johnson, Cutter; ayes, one absent).
- The Commission unanimously approved the reports from the Managers Advisory, Ad Hoc, Financial Management, Regulatory Affairs, and Operations & Maintenance. The following items were discussed:
- **General Managers Report** - The General Manager (GM) deferred her report to David Alvey of audit firm Maze and Associates, who gave a presentation on the financial statements (see below Motion to Accept the Audited Financial Statements for Fiscal Year Ending June 30, 2019).

The GM then gave an update on the progress of the JPA approval process, noting City of San Leandro and Oro Loma Sanitary District have both approved the extension and new agreement; the remaining agencies are scheduled to consider approval by the 17th of December. The GM discussed her role as facilitator for the upcoming CASA Annual Strategic Planning Retreat. Lastly, the GM noted she will be attending the Bay Area One Water Workshop on December 17th and 18th as they work to develop a regional vision for water reuse in the Bay Area. It was noted that getting water purveyors and wastewater agencies in the same room will be a critical component for success of recycled water projects in the future.

- **Financial Management Committee** The Financial Management Committee met with the GM on November 18, 2019, where they reviewed the Audited Financial Statements, List of Disbursements and Treasurer's Report for November, and First Quarter Expense Report. The GM sought direction from the Commission and each agency on whether to apply their 2018/19 fiscal year credit toward a lump sum payment funding the OPEB and Pension liabilities; if no agencies object in the coming month, the GM will bring forward a resolution for adoption next month. The Commission agreed with Committee recommendation to start taking disbursements for retirees from the CERBT. The Committee recommended approval of the resolution for Hanson Bridgett.
- **Regulatory Affairs Committee** met with the GM on November 20, 2019. The GM reviewed the NPDES Status Report, referencing graphs and tables showing compliance for CBOD, TSS, and bacteria limits. The GM noted one high fecal coliform sample in November, still within regulatory compliance. The GM noted the Quarterly Reporting Checklist in the packet, showing regulatory compliance for this quarter. The GM highlighted in the Nutrients Update that the recently adopted five-year watershed permit also has a five-year Science Plan, leaving no room for analysis on which to base the third permit. Water

Board staff has expressed support for extending the current permit for a year or more to maximize scientific findings. The GM recapped the Transforming Shorelines Project. The project is funded by a grant from USEPA, and EBDA expenses would be paid for by entering into a funding agreement with Association of Bay Area Governments (ABAG), the fiscal agent of the San Francisco Estuary Partnership who secured the grant. The GM reiterated the potential long-term benefits to the agencies of regional nature-based solutions to sea level rise and nutrient removal. The only cost to the agencies, given the grant, would be the GM’s time and involvement in the project. The Commission requested information on the time frame for reimbursement of funds; the GM will review the agreement and relay the information back to the Commission. The Committee recommended approval of Resolutions 16 (Pacific Eco Risk amendment) and 17 (Ayzura purchase order), which will be continued until next month’s Commission meeting.

- **Operations and Maintenance (O&M) Committee** – The Operations and Maintenance Committee met on November 19, 2019 and discussed the status of the EBDA facilities. The Operations and Maintenance Manager provided an update on current projects. At AEPS, pump number five’s motor bearing was replaced, and a damaged impeller is being repaired on pump number six. The impeller, however, will need to be replaced, and a resolution for the new impeller will be brought forth next month. At HEPS, the paving is complete, and additional storm drains were installed to avoid water pooling in large flat areas, which required a not to exceed change order for \$17k. At OLEPS, pump number one had a new seal installed on the input shaft. During that process, the motor was sent out and refurbished and is now operational. For the Electrical Improvements Project, the conduits and water lines are being installed. The Operations and Maintenance Manager summarized the Renewal and Replacement Fund Recap.

- **Motion to Accept the Audited Financial Statements for Fiscal Year Ending June 30, 2019**  
David Alvey of Maze and Associates presented the financial statements, including explanations of internal control testing. EBDA has a clean, unmodified audit opinion for the Fiscal Year ended June 30, 2019. Mr. Alvey also noted that there were no findings in the Memorandum on Internal Controls and praised EBDA for its separation of duties, particularly given the small size of the agency. This year marks EBDA’s fifth consecutive year with Maze & Associates; the GM will bring back to the Commission for recommendation whether to continue for an additional year or seek an alternative firm.

Ayes: Commissioners Walters, Handley, Johnson, and Chair Cutter  
Noes: None  
Absent: Mendall  
Abstain: None

- **Resolution Authorizing the General Manager to Amend the Agreement with Hanson Bridgett, LLP in the Amount of \$50,000, for a Total Contract Value of \$150,000**  
Commissioner Johnson moved to adopt the Resolution authorizing the GM to amend the agreement with Hanson Bridgett, LLP. The motion was seconded by Commissioner Walters and carried unanimously, 4-0 by roll call vote.

Ayes: Commissioners Walters, Handley, Johnson, Chair Cutter.  
Noes: None  
Absent: Commissioner Mendall  
Abstain: None

Following approval of the motion, Legal Counsel advised that approval of all five (5) Commissioners is required to take action approving a contract amendment. Furthermore, Legal Counsel advised that the

Commissioners consider a motion to rescind the prior motion approving the Hanson Bridgett, LLP contract amendment since only four (4) Commissioners were present. Commissioner Walters moved to rescind the prior motion approving the amendment to the agreement with Hanson Bridgett, LLP. The motion was seconded by Commissioner Handley and carried unanimously, 4-0 by roll call vote. The item will be brought back to the Commission for consideration next month.

Ayes: Commissioners Walters, Handley, Johnson, Chair Cutter.

Noes: None

Absent: Commissioner Mendall

Abstain: None

- **Resolution Authorizing the General Manager to Enter into a Funding Agreement with the Association of Bay Area Governments for the Transforming Shorelines Project**

It was determined that since reimbursements are on a reimburse as you accrue basis, the reimbursement time frame will not need to be a stipulation for resolution approval given the dollar amounts will be in smaller increments. Commissioner Johnson moved to adopt the Resolution authorizing the General Manager to enter into a funding agreement with the Association of Bay Area Governments. The motion was seconded by Chair Cutter and carried unanimously, 4-0 by roll call vote.

Ayes: Commissioners Walters, Handley, Johnson, Chair Cutter.

Noes: None

Absent: Commissioner Mendall

Abstain: None

- **Resolution Authorizing the General Manager to Amend the Professional Services Agreement with Pacific EcoRisk Laboratory in the Amount of \$13,500 for Acute Toxicity Testing Services through FY 21/22 for a Total Contract Value of \$61,500**

**Resolution Authorizing the General Manager to Issue a Purchase Order for the Period January 2020 through June 2021 to Azyura in the Amount of \$30,000 for Waterbits Licensing and Reporting Services**

Chair Cutter moved to continue these Resolution Items until next commission meeting which require a 5-0 roll call vote. The motion was seconded by Commissioner Handley and carried unanimously, 4-0 by roll call vote.

Ayes: Commissioners Walters, Handley, Johnson, Chair Cutter.

Noes: None

Absent: Commissioner Mendall

Abstain: None

- **Motion to Accept Amended Committee Calendar for FY 2019/2020**

Commissioner Handley moved to accept the amended Committee Calendar for FY 2019/2020. The motion was seconded by Commissioner Johnson and carried unanimously, 4-0 (Walters, Handley, Johnson, Cutter; ayes, one absent).

- **Items from the Commission and Staff**

Commissioner Walters and Chair Cutter commented on their agencies' smooth adoption of the JPA and are excited to move forward.

**UNION SANITARY DISTRICT  
CHECK REGISTER  
11/30/2019-01/03/2020**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
173287	1/2/2020		20191209	SWRCB - STATE WATER RESOURCES	SRF LOAN #C065219110 - PRIMARY CLARIFIER	\$589,782.72	\$589,782.72
173152	12/19/2019	170	8480095211	ANDRITZ SEPARATION INC	CENTRIFUGE 1 REBUILD BY ANDRITZ	\$73,039.59	\$73,039.59
173213	12/19/2019	110	892820191209	PACIFIC GAS AND ELECTRIC	SERV TO 12/02/19 HAYWARD MARSH	\$63.18	\$65,528.66
	12/19/2019	170	666720191209		SERV TO 12/02/19 PASEO PADRE PS	\$394.55	
	12/19/2019	170	013720191212		SERV TO 12/05/19 BOYCE RD PS	\$3,410.84	
	12/19/2019	110	170120191209		SERV TO 11/19/2019 PLANT	\$61,660.09	
173040	12/5/2019	143	181981	CAROLLO ENGINEERS	PRIMARY DIGESTER NO. 2 REHABILITATION	\$58,216.46	\$58,216.46
173214	12/19/2019	110	1408745	POLYDYNE INC	42,560 LBS CLARIFLOC WE-539	\$5,801.33	\$56,251.30
	12/19/2019	110	1411590		45,320 LBS CLARIFLOC C-6267	\$50,449.97	
173241	1/2/2020	143	2000297964	AECOM TECHNICAL SERVICES INC	CENTRIFUGE BUILDING IMPROVEMENTS	\$56,131.59	\$56,131.59
173215	12/19/2019	170	1900001	PSC INDUSTRIAL OUTSOURCING LP	CARBON MEDIA REPLACEMENT	\$18,600.03	\$54,288.74
	12/19/2019	170	1900045		REPLACE SULFA TREATED MEDIA	\$35,688.71	
173192	12/19/2019	173	5690	INFOR PUBLIC SECTOR, INC	HANSEN ANNUAL SOFTWARE MAINTENANCE	\$33,576.77	\$33,576.77
173266	1/2/2020	143	W8X99300004	JACOBS ENGINEERING GROUP, INC	PUMP STATIONS ODOR CONTROL STUDY	\$32,783.34	\$32,783.34
173228	12/19/2019	173	45284502	TYLER TECHNOLOGIES INC	EDEN SOFTWARE ANNUAL SUPPORT	\$32,505.97	\$32,505.97
173144	12/12/2019	122	67922	WEST-MARK	VACTOR TRUCK T3252 REPAIR	\$31,227.48	\$31,227.48

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173164	12/19/2019	173	VWF0713	CDW GOVERNMENT LLC	ANNUAL CISCO RENEWAL	\$30,545.00	\$30,911.02
	12/19/2019	111	VWK0381		3 RAP-TAB-KEY1-300U & 2 RAM UNIVERSAL TABLET	\$366.02	
173178	12/19/2019	110	904248454	EVOQUA WATER TECHNOLOGIES	3700 GALS HYDROGEN PEROXIDE	\$19,694.64	\$30,872.68
	12/19/2019	110	904248479		2100 GALS HYDROGEN PEROXIDE	\$11,178.04	
173254	1/2/2020		WBJ6551	CDW GOVERNMENT LLC	FY20 NETWORK HARDWARE REFRESH 2/2	\$20,393.14	\$30,321.86
	1/2/2020		WCB4692		1 ETSU PRINTER	\$5,960.88	
	1/2/2020		VZZ7692		FY20 NETWORK HARDWARE REFRESH 2/2	\$3,967.84	
173048	12/5/2019	173	17001100012443	GE DIGITAL LLC	ANNUAL SCADA SOFTWARE SUPPORT	\$29,845.50	\$29,845.50
173172	12/19/2019	110	1417469	DEPARTMENT OF GENERAL SERVICES	SERV: OCT 2019 PLANT	\$27,594.36	\$27,594.36
173294	1/2/2020	143	170542	WOODARD & CURRAN INC	CONTROL BOX NO. 1 IMPROVEMENTS	\$27,526.24	\$27,526.24
173271	1/2/2020	143	6550101	LEE & RO INC	PROJECT COST ESTIMATING PROJECT	\$22,910.74	\$22,910.74
173267	1/2/2020	143	W8Y02800001	JACOBS ENGINEERING GROUP, INC	PLANT ODOR CONTROL PILOT STUDY	\$21,408.05	\$21,408.05
173229	12/19/2019	110	975132	UNIVAR SOLUTIONS	4800.7 GALS SODIUM HYPOCHLORITE	\$3,467.90	\$20,668.95
	12/19/2019	110	974248		4907.7 GALS SODIUM HYPOCHLORITE	\$3,545.20	
	12/19/2019	110	975588		4802.0 GALS SODIUM HYPOCHLORITE	\$3,468.85	
	12/19/2019	110	974244		4803.6 GALS SODIUM HYPOCHLORITE	\$3,470.00	
	12/19/2019	110	975146		4798.5 GALS SODIUM HYPOCHLORITE	\$3,466.31	
	12/19/2019	110	975020		4500 GALS SODIUM HYPOCHLORITE	\$3,250.69	
173198	12/19/2019	122	674142	MANSFIELD OIL CO OF GAINSVILLE	5978 GALS CARB-DYED DIESEL	\$18,596.75	\$18,596.75

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173269	1/2/2020		7850	KB HOME SOUTH BAY INC	REFUND # 22583	\$13,300.00	\$18,550.00
	1/2/2020		8400		REFUND # 22584	\$5,250.00	
173238	12/19/2019	132	30447	WILEY PRICE & RADULOVICH LLP	LABOR & EMPLOYMENT LAW FEES	\$18,467.80	\$18,467.80
173064	12/5/2019	170	761520191125	PACIFIC GAS AND ELECTRIC	SERV TO 11/24/19 NEWARK PS	\$18,256.77	\$18,256.77
173209	12/19/2019	173	6667	OJO TECHNOLOGY INC	BOYCE PS KEYPAD LOCKS & VEHICLE GATE ACCESS UPGRADE	\$11,014.12	\$17,794.65
	12/19/2019	173	6668		UPGRADE KEYPAD LOCKS AT IPS & NPS	\$6,780.53	
173249	1/2/2020	143	247986	BURKE, WILLIAMS & SORENSON LLP	CIP - OCT 2019	\$1,277.64	\$17,213.36
	1/2/2020	150	247985		GENERAL LEGAL - OCT 2019	\$5,714.60	
	1/2/2020	150	247987		EBDA - OCT 2019	\$5,962.32	
	1/2/2020	150	247989		ETSU - OCT 2019	\$4,258.80	
173231	12/19/2019		533620191122	US BANK CORP PAYMENT SYSTEM	MONTHLY CAL-CARD REPORT - NOV 2019	\$17,055.42	\$17,055.42
173042	12/5/2019		3702665A	DELTA DENTAL SERVICE	NOVEMBER 2019 DENTAL	\$2,028.98	\$16,657.58
	12/5/2019		3702665C		NOVEMBER 2019 DENTAL	\$14,628.60	
173133	12/12/2019	110	3020311	SAN FRANCISCO ESTUARY INST	ANNUAL PARTICIPANT FEE FOR RMP 2020	\$16,636.00	\$16,636.00
173110	12/12/2019	136	9716761	HF&H CONSULTANTS, LLC	COMPREHENSIVE SEWER RATE STUDY	\$16,361.90	\$16,361.90
173053	12/5/2019	170	99985	JWC ENVIRONMENTAL INC	CHERRY ST GRINDER EXCHANGE	\$15,254.12	\$15,254.12
173190	12/19/2019	121	17913051527	ICONIX WATERWORKS INC	43 MANHOLE FRAMES AND COVERS	\$14,299.33	\$14,299.33

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173196	12/19/2019		45267	LMK TECHNOLOGIES LLC	1 LATERAL PACKER WITHOUT FLOW THRU	\$4,082.70	\$14,213.94
	12/19/2019	123	44768		ASTD PARTS & MATERIALS	\$7,670.64	
	12/19/2019		CM45267		CREDIT 1 LATERAL PACKER WITHOUT FLOW THRU	\$-4,082.70	
	12/19/2019	123	44769		22 ASTD LMK TRAILER PIPE KITS	\$6,543.30	
173195	12/19/2019	110	9017655905	KEMIRA WATER SOLUTIONS INC	44,900 LBS FERROUS CHLORIDE	\$6,969.00	\$14,193.07
	12/19/2019	110	9017656762		45,540 LBS FERROUS CHLORIDE	\$7,224.07	
173288	1/2/2020	110	976235	UNIVAR SOLUTIONS	4803.9 GALS SODIUM HYPOCHLORITE	\$3,470.22	\$14,102.85
	1/2/2020	110	976250		4901.3 GALS SODIUM HYPOCHLORITE	\$3,540.58	
	1/2/2020	110	977058		4897.8 GALS SODIUM HYPOCHLORITE	\$3,538.04	
	1/2/2020	110	976373		4919.9 GALS SODIUM HYPOCHLORITE	\$3,554.01	
173076	12/5/2019	110	971794	UNIVAR SOLUTIONS	4494.7 GALS SODIUM HYPOCHLORITE	\$3,246.85	\$13,758.77
	12/5/2019	110	972476		4802.3 GALS SODIUM HYPOCHLORITE	\$3,469.05	
	12/5/2019	110	971907		4848.8 GALS SODIUM HYPOCHLORITE	\$3,502.65	
	12/5/2019	110	972579		4900.8 GALS SODIUM HYPOCHLORITE	\$3,540.22	
173063	12/5/2019	120	47639	OWEN EQUIPMENT SALES	VACTOR 2100I COMBO SEWER TRUCK # 350	\$13,681.38	\$13,681.38
173275	1/2/2020	120	47919	OWEN EQUIPMENT SALES	VACTOR 2100I COMBO SEWER TRUCK # 350	\$13,681.38	\$13,681.38
173117	12/12/2019	110	9017655219	KEMIRA WATER SOLUTIONS INC	44,080 LBS FERROUS CHLORIDE	\$5,939.59	\$13,163.67
	12/12/2019	110	9017655289		45,100 LBS FERROUS CHLORIDE	\$7,224.08	

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173059	12/5/2019	110	579339	MILES CHEMICAL CO INC	CREDIT: PRICE CORRECTION INV 577601	\$-25.17	\$12,559.59
	12/5/2019	110	577601		4586.7 GALLONS OF CALCIUM THIOSULFATE	\$12,584.76	
173253	1/2/2020	143	182881	CAROLLO ENGINEERS	TREATMENT PLANT IT NETWORK MASTER PLAN	\$9,607.19	\$11,740.35
	1/2/2020	143	182756		PRIMARY DIGESTER NO. 7	\$2,133.16	
173145	12/19/2019		68906	3T EQUIPMENT COMPANY INC	9 PIPE PATCH KITS WINTER	\$4,305.67	\$11,543.13
	12/19/2019		68918		5 PIPE PATCH KITS WINTER	\$2,921.42	
	12/19/2019		68917		4 PIPE PATCH KITS WINTER	\$4,316.04	
173114	12/12/2019		17416	INBODY	570 BODY COMPOSITION ANALYZER	\$11,293.28	\$11,293.28
173138	12/12/2019	110	973120	UNIVAR SOLUTIONS	4855.3 GALS SODIUM HYPOCHLORITE	\$3,507.35	\$10,516.26
	12/12/2019	110	973606		4803.8 GALS SODIUM HYPOCHLORITE	\$3,470.14	
	12/12/2019	110	973904		4898.8 GALS SODIUM HYPOCHLORITE	\$3,538.77	
173239	12/19/2019	143	170085	WOODARD & CURRAN INC	OLD ALAMEDA CREEK ROWB	\$10,217.89	\$10,217.89
173027	12/5/2019	110	4071037120191120	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 11/15/19-BENSON ROAD	\$1,275.77	\$10,159.26
	12/5/2019	110	4071038120191120		SERV TO: 11/15/19-BENSON ROAD	\$122.62	
	12/5/2019	110	4071036120191120		SERV TO: 11/15/19-BENSON ROAD	\$8,760.87	
173085	12/5/2019		37432220191201	LINCOLN NATIONAL LIFE INS COMP	LIFE & DISABILITY INSURANCE - DEC 2019	\$8,813.74	\$8,813.74
173255	1/2/2020	143	689940CH007	CH2M HILL INC	ODOR CONTROL ALTERNATIVES STUDY	\$8,213.00	\$8,213.00
173211	12/19/2019	122	47787	OWEN EQUIPMENT SALES	VACTOR TRUCK T3343 REPAIR	\$7,879.67	\$7,879.67
173101	12/12/2019	150	20191001	CSDA CAL SPECIAL DIST ASSOC	2020 MEMBERSHIP DUES	\$7,615.00	\$7,615.00

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173025	12/5/2019	170	2000287325	AECOM TECHNICAL SERVICES INC	HAZMAT CONSULTING SERVICES	\$7,608.83	\$7,608.83
173270	1/2/2020	110	9017657247	KEMIRA WATER SOLUTIONS INC	47,760 LBS FERROUS CHLORIDE	\$7,570.24	\$7,570.24
173055	12/5/2019	110	9017654170	KEMIRA WATER SOLUTIONS INC	46,280 LBS FERROUS CHLORIDE	\$7,278.73	\$7,278.73

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173188	12/19/2019	170	9359193514	GRAINGER INC	3 DC POWER SUPPLY	\$837.91	\$7,139.30
	12/19/2019		9362014699		2 ROLL DOWN HIP WADERS	\$215.91	
	12/19/2019		9352199377		30 PACKS DISPOSABLE GLOVES	\$515.28	
	12/19/2019	122	9363362642		ASTD PARTS & MATERIALS	\$27.38	
	12/19/2019	170	9353234637		1 TOGGLE SWITCH	\$7.37	
	12/19/2019	170	9353911754		3 DC POWER SUPPLY	\$837.91	
	12/19/2019	170	9355944837		12 QUARTZ METAL LAMP	\$193.20	
	12/19/2019		9362003015		ASTD PARTS & MATERIALS	\$702.69	
	12/19/2019	170	9362014707		5 AIR FILTER	\$476.43	
	12/19/2019		9353579486		ASTD PARTS & MATERIALS	\$184.94	
	12/19/2019	170	9361773758		1 ENCLOSURE	\$272.95	
	12/19/2019		9356433640		ASTD PARTS & MATERIALS	\$1,538.40	
	12/19/2019		9357390740		40 PACKS DISPOSABLE GLOVES	\$273.06	
	12/19/2019	170	9359454379		3 MINI LED BULBS	\$129.07	
	12/19/2019	170	9361497101		ASTD PARTS & MATERIALS	\$43.32	
	12/19/2019	170	9358008457		2 DC POWER SUPPLY	\$558.60	
	12/19/2019	111	9360280474		2 SIGN KIT	\$39.02	
	12/19/2019	170	9360280466	3 AIR FILTER	\$285.86		
173259	1/2/2020	173	10355730753	DELL MARKETING LP C/O DELL USA	ETSU PHASE I COMPUTERS	\$7,065.29	\$7,065.29

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173233	12/19/2019	170	995149	VALLEY OIL COMPANY	1001 GALS DYED DIESEL	\$3,240.86	\$7,051.43
	12/19/2019	170	986877		T699904 DIESEL TANK POLISHING	\$2,195.00	
	12/19/2019	170	995148		499 GALS DYED DIESEL	\$1,615.57	
173097	12/12/2019	143	11356308	BROWN & CALDWELL CONSULTANTS	GROUNDWATER MONITORING ALVARADO PLANT	\$6,724.09	\$6,724.09
173293	1/2/2020	143	2039717	WEST YOST ASSOCIATES	GRAVITY SEWER REHAB/REPLACEMENT	\$6,691.00	\$6,691.00
173052	12/5/2019	143	1200229534	HDR ENGINEERING INC	COGENERATION FEASIBILITY STUDY	\$6,390.73	\$6,390.73
173174	12/19/2019	170	13351	DW NICHOLSON CORP	IPS EAST FORCE MAIN REPAIR	\$6,378.68	\$6,378.68
173154	12/19/2019		1917317	ATKINS NORTH AMERICA INC	ENTERPRISE ARCGIS IMPLEMENTATION	\$6,000.00	\$6,000.00
173075	12/5/2019	170	4411	CITY OF UNION CITY	2020 HAZ MAT FEES, PERMIT FEES	\$5,923.00	\$5,923.00
173210	12/19/2019	143	37238	ORGMETRICS LLC	ALVARADO INFLUENT PUMP STATION IMPROVEMENTS WORKSHOP	\$5,650.00	\$5,650.00
173181	12/19/2019	170	243933	FRANK A OLSEN COMPANY	MIX PUMP 4 SUCTION VALVE REPLACEMENT	\$5,491.50	\$5,491.50
173088	12/12/2019	120	4107393520191202	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 11/27/19-MTR HYD B16320037	\$676.58	\$5,187.25
	12/12/2019	120	4107393420191202		SERV TO: 11/27/19-MTR HYD B17490620	\$526.33	
	12/12/2019	120	4107361320191202		SERV TO: 11/27/19-MTR HYD B32896061	\$535.17	
	12/12/2019	120	4107393120191202		SERV TO: 11/27/19-MTR HYD B18077921	\$526.33	
	12/12/2019	120	4107393020191202		SERV TO: 11/27/19-MTR HYD B32896056	\$526.33	
	12/12/2019	120	4109778420191202		SERV TO: 11/27/19-MTR HYD B15141194	\$1,158.25	
	12/12/2019	120	4109778620191202		SERV TO: 11/27/19-MTR HYD B15064018	\$574.94	
	12/12/2019	120	4107361120191202		SERV TO: 11/27/19-MTR HYD B19866540	\$663.32	

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173082	12/5/2019	143	2039443	WEST YOST ASSOCIATES	GRAVITY SEWER REHAB/REPLACEMENT	\$5,107.00	\$5,107.00
173104	12/12/2019	170	243908	FRANK A OLSEN COMPANY	8 INCH PLUG VALVE STOCK	\$5,040.94	\$5,040.94
173041	12/5/2019		94769	D & L SUPPLY	MANHOLE & RISER FRAME & COVERS	\$4,315.48	\$4,597.97
	12/5/2019		94569		MANHOLE & RISER FRAME & COVERS	\$282.49	
173061	12/5/2019	173	11278	NEOGOV	NEOGOV ANNUAL SUBSCRIPTION	\$4,315.19	\$4,315.19
173148	12/19/2019	170	2000295191	AECOM TECHNICAL SERVICES INC	HAZMAT CONSULTING SERVICES	\$4,238.41	\$4,238.41
173179	12/19/2019	173	2019228	FARALLON GEOGRAPHICS INC	PLANT GIS GEOCORTEX ENHANCEMENTS	\$4,005.00	\$4,005.00
173093	12/12/2019		13933766	AT&T	SERV: 10/20/19 - 11/19/19	\$3,749.79	\$3,992.17
	12/12/2019		13933788		SERV: 10/20/19 - 11/19/19	\$220.90	
	12/12/2019		13933764		SERV: 10/20/19 - 11/19/19	\$21.48	
173163	12/19/2019	143	182624	CAROLLO ENGINEERS	NEWARK EQUALIZATION STORAGE FACILITIES	\$1,801.99	\$3,903.79
	12/19/2019	143	182558		WAS THICKENERS	\$2,101.80	
173124	12/12/2019	173	92781	OPTIMUM SOLUTIONS INC	OPTIMUM ANNUAL SUPPORT FEE	\$3,738.13	\$3,738.13
173131	12/12/2019	110	19111515	S&S TRUCKING	GRIT BIN RENTAL 11/01/2019	\$750.00	\$3,326.14
	12/12/2019	110	19112107		GRIT HAULING 11/07 & 11/12/2019	\$1,743.05	
	12/12/2019	110	19111505		GRIT HAULING 11/04/2019	\$833.09	
173079	12/5/2019		807949646	VISION SERVICE PLAN - CA	DEC 2019 VISION STMT	\$43.78	\$3,174.05
	12/5/2019		807949649		DEC 2019 VISION STMT	\$3,130.27	
173090	12/12/2019	170	8480094820	ANDRITZ SEPARATION INC	CENTRIFUGE 4 REBUILD PARTS	\$2,960.22	\$2,960.22

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173050	12/5/2019	170	9318093144	GRAINGER INC	16 ANGLE BRACKET	\$606.87	\$2,761.10
	12/5/2019		9339032121		ASTD PARTS & MATERIALS	\$649.58	
	12/5/2019	170	9334972859		ASTD PARTS & MATERIALS	\$201.39	
	12/5/2019	111	9338796148		1 SIGN KIT	\$19.52	
	12/5/2019	170	9337435060		ASTD PARTS & MATERIALS	\$53.21	
	12/5/2019	170	9331762154		1 FLEX COUPLING	\$247.39	
	12/5/2019	170	9339939317		1 PREMIUM PUMP	\$153.18	
	12/5/2019		9341402601		ASTD PARTS & MATERIALS	\$301.15	
	12/5/2019	170	9337307830		12 INSULATED CONNECTORS	\$438.04	
	12/5/2019	170	9338776835		1 POWER DIST BLOCK	\$90.77	
173128	12/12/2019	120	916004031034	REPUBLIC SERVICES #916	RECYCLE & ROLL OFF - DEC 2019	\$2,690.21	\$2,690.21
173283	1/2/2020	110	19121222	S&S TRUCKING	GRIT HAULING 12/04/2019	\$790.65	\$2,600.12
	1/2/2020	110	19121223		GRIT HAULING 12/10/2019	\$915.50	
	1/2/2020	110	19121311		GRIT HAULING 11/27/2019	\$893.97	
173159	12/19/2019	130	20191209	CA MUNICIPAL FINANCE AUTHORITY	CMFA APPLICATION FEE	\$2,500.00	\$2,500.00
173232	12/19/2019	170	18926	V&A CONSULTING ENGINEERS	FORCE MAIN IMPROVEMENT	\$2,497.50	\$2,497.50
173290	1/2/2020	170	46676	VALLEY OIL COMPANY	OIL 15/40 ALLIANCE XLD SUPREME SUPREME,	\$2,492.09	\$2,492.09
173122	12/12/2019		8009556	NEOPOST USA INC	UPGRADE FEE ANNUAL METER RENTAL	\$2,471.40	\$2,471.40

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173202	12/19/2019		23262800	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$447.69	\$2,409.97
	12/19/2019		22654233		ASTD PARTS & MATERIALS	\$335.53	
	12/19/2019	122	22752761		3 ABRASION RESISTANT LOW PRESSURE WATER HOSE	\$40.67	
	12/19/2019		24536317		ASTD PARTS & MATERIALS	\$425.36	
	12/19/2019	170	24187002		ASTD PARTS & MATERIALS	\$29.16	
	12/19/2019	122	24632191		ASTD PARTS & MATERIALS	\$296.74	
	12/19/2019	122	23049539		2 WIRE ROPE	\$287.94	
	12/19/2019	170	23826507		CREDIT: 1 SURFACE MOUNT STROBE LIGHT INV 22804725	\$-302.19	
	12/19/2019	121	22627397		ASTD PARTS & MATERIALS	\$388.51	
	12/19/2019	122	22675108		ASTD PARTS & MATERIALS	\$343.37	
	12/19/2019	122	24462810		16 STRUT MOUNT METAL CLAMP	\$117.19	
173141	12/12/2019		9842597841	VERIZON WIRELESS	WIRELESS SERV 10/21/19-11/20/19 & (6) IPADS	\$2,334.06	\$2,334.06
173250	1/2/2020	170	45771	CALCON SYSTEMS	PLANT FLOW METER CALIBRATIONS	\$2,280.00	\$2,280.00
173135	12/12/2019		730162250801	STAPLES CONTRACT & COMMERCIAL	JANITORIAL SUPPLIES	\$91.16	\$2,268.21
	12/12/2019		730188870801		JANITORIAL SUPPLIES	\$447.25	
	12/12/2019		730227764601		JANITORIAL & BREAKROOM SUPPLIES	\$573.51	
	12/12/2019		730233780301		JANITORIAL & BREAKROOM SUPPLIES	\$865.36	
	12/12/2019		730212951401		JANITORIAL & BREAKROOM SUPPLIES	\$290.93	

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173272	1/2/2020	143	107026	MCINERNEY & DILLON, P.C.	LEGAL SVS - DIGESTER NO. 3 INSP & REHAB	\$462.00	\$2,235.00
	1/2/2020	143	107027		LEGAL SVS - DIGESTER NO. 7 BID PROTEST	\$1,773.00	
173220	12/19/2019	110	19120413	S&S TRUCKING	GRIT HAULING 11/21/2019	\$1,501.97	\$2,233.58
	12/19/2019	110	19112711		GRIT HAULING 11/15/2019	\$731.61	
173096	12/12/2019	121	2405	BRENNTAG PACIFIC INC	2564 LBS SODIUM HYDROXIDE	\$678.13	\$2,137.69
	12/12/2019	121	2406		5128 LBS SODIUM HYDROXIDE	\$1,459.56	
173123	12/12/2019	173	9001500352	OPEN TEXT	ALCHEMY GOLD MAINTENANCE AND SUPPORT RENEWAL	\$2,101.00	\$2,101.00
173120	12/12/2019	122	23261905	MCMASTER SUPPLY INC	4 SAMSON CASTERS	\$200.69	\$2,087.79
	12/12/2019	170	22130772		2 PACKS NO SLIP CLIP ON BARREL NUT	\$26.55	
	12/12/2019	170	23508479		ASTD PARTS & MATERIALS	\$65.98	
	12/12/2019	170	22085594		1 SEALED LARGE-CELL BATTERIES	\$35.16	
	12/12/2019	122	22213921		30 SANDING DISCS	\$91.31	
	12/12/2019	121	21517058		1 OPEN END S HOOK	\$11.02	
	12/12/2019	121	21255710		5 HIGH PRESSURE DISCHARGE WATER HOSE	\$976.68	
	12/12/2019	170	23558272		ASTD PARTS & MATERIALS	\$79.06	
	12/12/2019	122	23226382		4 HIGH CAPACITY KINGSTON CASTER	\$339.64	
	12/12/2019		23691949		ASTD PARTS & MATERIALS	\$261.70	

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173157	12/19/2019	121	6358	BRENNTAG PACIFIC INC	3846 LBS SODIUM HYDROXIDE	\$1,032.00	\$2,065.58
	12/19/2019	121	6132		1282 LBS SODIUM HYDROXIDE	\$345.57	
	12/19/2019	121	6131		2564 LBS SODIUM HYDROXIDE	\$688.01	
173207	12/19/2019		20191126	NAPA AUTO PARTS	MONTHLY AUTO PARTS STMT - NOV 2019	\$2,031.67	\$2,031.67
173168	12/19/2019	173	92448743	COLORADO WASHINGTON INC COMCAST OF	FIBER INTERNET BACKUP - DEC 2019	\$2,004.87	\$2,004.87
173251	1/2/2020	143	B0220	STATE OF CALIFORNIA	EMERGENCY OUTFALL OUTLET IMPROVEMENTS	\$2,004.48	\$2,004.48
173212	12/19/2019	122	1782	PACIFIC CRANE INSPECTION	ANNUAL CRANE INSPECTIONS	\$2,000.00	\$2,000.00
173031	12/5/2019	150	5188620190909	APWA AMERICAN PUBLIC WORKS	MEMBERSHIP RENEWAL: 12/1/19 - 11/30/20	\$1,955.00	\$1,955.00
173045	12/5/2019	113	1198665	ENTHALPY ANALYTICAL LLC	3 LAB SAMPLE ANALYSIS	\$60.00	\$1,940.00
	12/5/2019	113	1198960		2 LAB SAMPLE ANALYSIS	\$60.00	
	12/5/2019	113	1198375		27 LAB SAMPLE ANALYSIS	\$1,820.00	
173246	1/2/2020		14029051	AT&T	SERV: 11/13/19 - 12/12/19	\$747.80	\$1,922.25
	1/2/2020		14029054		SERV: 11/13/19 - 12/12/19	\$65.87	
	1/2/2020		14013857		SERV: 11/10/19 - 12/09/19	\$978.40	
	1/2/2020		14029055		SERV: 11/13/19 - 12/12/19	\$87.36	
	1/2/2020		14029053		SERV: 11/13/19 - 12/12/19	\$42.82	

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173032	12/5/2019		13905217	AT&T	SERV: 10/13/19 - 11/12/19	\$42.82	\$1,920.50
	12/5/2019		13905218		SERV: 10/13/19 - 11/12/19	\$65.87	
	12/5/2019		13905215		SERV: 10/13/19 - 11/12/19	\$747.80	
	12/5/2019		13905219		SERV: 10/13/19 - 11/12/19	\$87.36	
	12/5/2019		13871965		SERV: 10/10/19 - 11/09/19	\$976.65	
173194	12/19/2019	173	202016150	IRON MOUNTAIN	DATA/MEDIA OFF-SITE STORAGE - NOV 2019	\$300.00	\$1,877.16
	12/19/2019	141	CDML963		OFF-SITE STORAGE AND SERVICE - DEC 2019	\$1,169.23	
	12/19/2019	141	CDGL247		OFF-SITE STORAGE AND SERVICE - DEC 2019	\$407.93	
173187	12/19/2019	122	1841089481	GOODYEAR COMM TIRE & SERV CTRS	4 TIRES~	\$408.37	\$1,843.26
	12/19/2019	122	1841089470		2 TIRES	\$1,434.89	
173125	12/12/2019	173	100132579	OPTIV SECURITY INC	KNOWBE4 RENEWAL	\$1,791.00	\$1,791.00
173234	12/19/2019	123	11000	VON EUW TRUCKING	3/4" CL II AB	\$1,733.50	\$1,733.50
173147	12/19/2019	111	4456314	ADLER TANK RENTALS	TANK RENTAL	\$1,679.18	\$1,679.18
173078	12/5/2019		20191202	THERESA VASQUEZ	COMPUTER NOTE	\$1,624.16	\$1,624.16
173171	12/19/2019		20191125	DALE HARDWARE INC	11/19 - ASTD PARTS & MATERIALS	\$1,252.84	\$1,614.33
	12/19/2019		349927		36 PURDY ROLLER	\$361.49	
173162	12/19/2019	113	605183	CALTEST ANALYTICAL LABORATORY	4 LAB SAMPLE ANALYSIS	\$185.24	\$1,610.69
	12/19/2019	113	604993		20 LAB SAMPLE ANALYSIS	\$1,425.45	

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173099	12/12/2019	173	4030534052	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	\$634.89	\$1,578.09
	12/12/2019	173	4030841194		MTHLY MAINTENANCE BASED ON USE	\$314.40	
	12/12/2019		4030283597		CREDIT: MTHLY MAINTENANCE INVOICE 4030236430	\$-1,502.50	
	12/12/2019	173	4030535125		MTHLY MAINTENANCE BASED ON USE	\$314.40	
	12/12/2019	173	4030293592		MTHLY MAINTENANCE BASED ON USE	\$314.40	
	12/12/2019		4030236430		MTHLY MAINTENANCE BASED ON USE	\$1,502.50	
173136	12/12/2019	2657		TRUGRIT TRACTION INC	CAMERA PARTS	\$1,576.80	\$1,576.80
173080	12/5/2019		8088305852	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$1,124.21	\$1,565.91
	12/5/2019		8088276439		LAB SUPPLIES	\$259.08	
	12/5/2019	113	8088294114		LAB SUPPLIES	\$79.76	
	12/5/2019	113	8088290927		LAB SUPPLIES	\$102.86	
173167	12/19/2019	150	79858	CITYLEAF INC	2019 HOLIDAY DECOR FOR DISTRICT LOBBY	\$1,552.90	\$1,552.90
173208	12/19/2019	122	209658	NAYLOR STEEL INC	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$7.66	\$1,516.59
	12/19/2019	122	209631		ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$72.74	
	12/19/2019	170	209519		ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$1,436.19	
173185	12/19/2019	143	191278	GEOSPAGO INC	PERMIT INSPECTION APP IMPLEMENTATION	\$1,500.00	\$1,500.00
173150	12/19/2019	120	12934	AMERICAN DISCOUNT SECURITY	11/01/19 - 11/30/19 GUARD AT DISTRICT GATE	\$1,482.00	\$1,482.00
173191	12/19/2019	132	200613830	IEDA INC	LABOR RELATIONS CONSULTING DEC 2019	\$1,334.00	\$1,334.00
173047	12/5/2019	132	171931751	FREMONT URGENT CARE CENTER	50 FLU SHOTS	\$1,250.00	\$1,250.00

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173151	12/19/2019	122	1102274000	AMERIPRIDE SERVICES INC	ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$47.58	\$1,248.57
	12/19/2019		1102277962		UNIFORM LAUNDERING SERVICE	\$331.10	
	12/19/2019		1102273995		UNIFORM LAUNDERING SERVICE	\$354.35	
	12/19/2019		1102277957		UNIFORM LAUNDERING & RUGS	\$271.53	
	12/19/2019		1102273994		UNIFORM LAUNDERING & RUGS	\$244.01	
173140	12/12/2019		46383	VALLEY OIL COMPANY	BULK OIL	\$1,246.04	\$1,246.04
173204	12/19/2019	170	2001306	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - DEC 2019	\$1,245.43	\$1,245.43
173177	12/19/2019	113	1200588	ENTHALPY ANALYTICAL LLC	26 LAB SAMPLE ANALYSIS	\$830.00	\$1,245.00
	12/19/2019	113	1200564		11 LAB SAMPLE ANALYSIS	\$175.00	
	12/19/2019	113	1201890		24 LAB SAMPLE ANALYSIS	\$240.00	
173197	12/19/2019	173	19548	LOOKINGPOINT INC	ANNUAL SUPPORT FOR PBX AND NETWORK	\$1,225.00	\$1,225.00
173062	12/5/2019	120	20191202	SHAWN NESGIS	EXP REIMB: CS SAFETY AWARDS	\$1,221.66	\$1,221.66
173058	12/5/2019	170	20613979	MCMASTER SUPPLY INC	8 LONG LIFE SANDING BELT	\$46.28	\$1,125.32
	12/5/2019	170	22804725		1 SURFACE MOUNT STROBE LIGHT	\$302.19	
	12/5/2019		21270111		ASTD PARTS & MATERIALS	\$756.63	
	12/5/2019	122	21255712		5 VIBRATION DAMPING MOUNT WITH STUD & INSERT	\$20.22	

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173262	1/2/2020	122	9368408986	GRAINGER INC	ASTD PARTS & MATERIALS	\$8.60	\$1,090.11
	1/2/2020		9368070620		ASTD PARTS & MATERIALS	\$483.70	
	1/2/2020	122	9368408994		ASTD PARTS & MATERIALS	\$246.68	
	1/2/2020	122	9369287165		ASTD PARTS & MATERIALS	\$207.70	
	1/2/2020		9369834537		10 QUICK CHANGE DISC	\$143.43	
173156	12/19/2019	144	14503330	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$30.40	\$1,078.34
	12/19/2019	130	14489660		1 DAILY DIARY	\$27.99	
	12/19/2019	120	14508900		ASTD OFFICE SUPPLIES	\$263.53	
	12/19/2019	130	14511320		1 TONER	\$123.70	
	12/19/2019	141	14491330		ASTD OFFICE SUPPLIES	\$157.36	
	12/19/2019	110	14504740		ASTD OFFICE SUPPLIES	\$182.38	
	12/19/2019	110	14507020		5 BOX STAPLES	\$13.12	
	12/19/2019	120	14511850		10 DAILY DIARY	\$279.86	
173143	12/12/2019		44575		WECO INDUSTRIES LLC	CAMERA PARTS	
173169	12/19/2019	170	20191128	COMMUNICATION & CONTROL INC	UTILITY FEE/ANTENNA RENTAL	\$1,052.73	\$1,052.73
173092	12/12/2019	170	697213	A-PRO PEST CONTROL INC	NOV PEST CONTROL	\$1,005.00	\$1,005.00
173153	12/19/2019		701527	A-PRO PEST CONTROL INC	DEC PEST CONTROL	\$1,005.00	\$1,005.00
173108	12/12/2019	123	2070980	HANSON AGGREGATES INC	3.95 TONS 1/2 MED TYPE A AC-R	\$331.85	\$1,002.92
	12/12/2019	123	2075623		8.09 TONS 1/2 MAX HMA TYPE A-R	\$671.07	

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173116	12/12/2019	143	6502	KBL ASSOCIATES	PORTABLE VFD	\$1,000.00	\$1,000.00
173029	12/5/2019		20191110	AMAZON.COM LLC	11/19 - ASTD OFFICE SUPPLIES	\$999.43	\$999.43
173291	1/2/2020		9843223660	VERIZON WIRELESS	WIRELESS SERV 11/02/19-12/01/19 & (6) IPADS	\$983.48	\$983.48
173149	12/19/2019	170	9966984345	AIRGAS NCN	CYLINDER RENTAL	\$919.45	\$972.65
	12/19/2019	170	9095579118		ASTD PARTS & MATERIALS	\$53.20	
173109	12/12/2019		3O1844	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$148.84	\$961.57
	12/12/2019		3O2001		ASTD PVC PARTS & MATERIALS	\$812.73	
173268	1/2/2020	170	5640	KAMAN INDUSTRIAL TECHNOLOGIES	1 COUPLING SLEEVE	\$58.87	\$953.33
	1/2/2020	170	140646		4 BALL BEARING	\$894.46	
173277	1/2/2020	170	20955	PRIME MECHANICAL SERVICE INC	MONTHLY MAINTENANCE - NOV 19	\$915.00	\$915.00
173098	12/12/2019	113	604043	CALTEST ANALYTICAL LABORATORY	12 LAB SAMPLE ANALYSIS	\$850.65	\$896.96
	12/12/2019	113	604722		7 LAB SAMPLE ANALYSIS	\$46.31	
173033	12/5/2019	173	6702650507	AT&T	SERV: 10/11/19 - 11/10/19	\$882.85	\$882.85
173235	12/19/2019	113	8088531389	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$827.37	\$855.19
	12/19/2019	113	8088531388		LAB SUPPLIES	\$27.82	
173243	1/2/2020		20191210	AMAZON.COM LLC	12/19 - ASTD OFFICE SUPPLIES	\$845.69	\$845.69

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173247	1/2/2020	120	14548880	BLAISDELL'S	1 TALL USER EXTENSION	\$75.18	\$807.55
	1/2/2020	143	14550010		1 TONER	\$418.74	
	1/2/2020	143	14550680		1 TONER	\$208.51	
	1/2/2020	110	14549280		7 LABEL TAPE	\$105.12	
173107	12/12/2019	170	9348247421	GRAINGER INC	CREDIT: 1 FILTER INV 9343191129	\$-95.78	\$787.21
	12/12/2019	171	9348247413		3 BIFOCAL SAFETY GLASSES	\$38.56	
	12/12/2019	170	9343191129		ASTD PARTS & MATERIALS	\$199.59	
	12/12/2019		9348204505		4 INSOLES	\$81.91	
	12/12/2019		9348782419		ASTD PARTS & MATERIALS	\$331.01	
	12/12/2019	122	9349087693		6 CONNECTOR, WIRE/CABLE	\$70.76	
	12/12/2019	170	9348838591		1 FILTER	\$66.65	
	12/12/2019	111	9342738185		2 PACKS INSECT KILLER	\$33.72	
	12/12/2019	170	9347705585		1 HOOKUP WIRE	\$60.79	
173242	1/2/2020	170	33236	ALLIED FLUID PRODUCTS CORP	4 GASKETS	\$310.72	\$786.17
	1/2/2020	170	33079		ASTD PARTS & MATERIALS	\$475.45	
173060	12/5/2019		24071193	MOTION INDUSTRIES INC	8 AIR FILTERS	\$762.75	\$762.75
173173	12/19/2019	173	457287	DLT SOLUTIONS, LLC	AWS CLOUD STORAGE - OCT 2019	\$738.55	\$738.55
173070	12/5/2019	110	19111106	S&S TRUCKING	GRIT HAULING 10/31/2019	\$702.09	\$702.09
173295	1/2/2020	110	20191219	WQI	GRADE V REVIEW - M. FULKERSON	\$700.00	\$700.00

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173245	1/2/2020	170	8480095541	ANDRITZ SEPARATION INC	CENTRIFUGE 4 REBUILD PARTS	\$692.84	\$692.84
173129	12/12/2019	170	156820	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$690.75	\$690.75
173158	12/19/2019	170	171689000	BUCKLES SMITH ELECTRIC	ASTD PARTS & MATERIALS	\$676.96	\$676.96
173244	1/2/2020	122	1102281991	AMERIPRIDE SERVICES INC	ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$47.58	\$662.84
	1/2/2020		1102281970		UNIFORM LAUNDERING SERVICE	\$349.10	
	1/2/2020		1102281961		UNIFORM LAUNDERING & RUGS	\$266.16	
173030	12/5/2019		1102266985	AMERIPRIDE SERVICES INC	UNIFORM LAUNDERING SERVICE	\$358.18	\$658.62
	12/5/2019		1102266978		UNIFORM LAUNDERING & RUGS	\$252.86	
	12/5/2019	122	1102267001		ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$47.58	
173065	12/5/2019	120	09K0036018380	NESTLE WATERS NO. AMERICA READYREFR	WATER SERVICE 10/07/19 - 11/06/19	\$655.35	\$655.35
173035	12/5/2019	130	20191204	LURIE BRENNER	EXP REIMB: BS WORKGRP HOLIDAY LUNCH	\$637.81	\$637.81
173038	12/5/2019	150	246642	BURKE, WILLIAMS & SORENSON LLP	CIP - SEP 2019	\$622.44	\$622.44
173217	12/19/2019	120	09L0036018380	NESTLE WATERS NO. AMERICA READYREFR	WATER SERVICE 11/07/19 - 12/06/19	\$614.60	\$614.60
173203	12/19/2019	170	191251	METROMOBILE COMMUNICATIONS INC	RADIO SERVICE - DEC 2019	\$599.08	\$599.08
173111	12/12/2019		603665198	HILLYARD/SAN FRANCISCO	ASST JANITORIAL SUPPLIES	\$592.98	\$592.98
173089	12/12/2019		1102270644	AMERIPRIDE SERVICES INC	UNIFORM LAUNDERING & RUGS	\$248.46	\$581.31
	12/12/2019		1102270649		UNIFORM LAUNDERING SERVICE	\$332.85	

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173066	12/5/2019	136	820172363	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: R. LEBON	\$208.00	\$560.84
	12/5/2019	111	820171122		SAFETY SHOES: M. LEE	\$204.27	
	12/5/2019	136	820172349		SAFETY SHOES: E. KULL	\$148.57	
173091	12/12/2019		7017687912	APPLIED INDUSTRIAL TECHNOLOGIE	10 BELTS	\$554.02	\$554.02
173257	1/2/2020	171	1900963413	CINTAS CORPORATION	1 WINTER JACKET FOR SCOTT MARTIN	\$183.70	\$551.10
	1/2/2020	171	1900963403		1 WINTER JACKET FOR CHRIS GABRIEL	\$192.48	
	1/2/2020	172	1900963422		1 WINTER JACKET FOR RICA BERCASIO	\$174.92	
173180	12/19/2019	113	4482069	FISHER SCIENTIFIC	1 EMT DUO TORCH	\$545.87	\$545.87
173084	12/5/2019		10420	XIUHUI ZHENG	REFUND # 22326	\$500.00	\$500.00
173100	12/12/2019		10546	KOTESWARARAO CHAKRALA	REFUND # 22553	\$500.00	\$500.00
173121	12/12/2019		10448	MONARCH PLUMBING & ROOTER INC	REFUND # 22559	\$500.00	\$500.00
173127	12/12/2019		10541	PH CONSTRUCTION	REFUND # 22552	\$500.00	\$500.00
173146	12/19/2019		10467	ABOVE ALL PLUMBING, INC.	REFUND # 22574	\$500.00	\$500.00
173175	12/19/2019		10559	ELITE ROOTER INC	REFUND # 22575	\$500.00	\$500.00
173205	12/19/2019		10556	MONARCH PLUMBING & ROOTER INC	REFUND # 22576	\$500.00	\$500.00
173218	12/19/2019		10478	RESCUE ROOTER	REFUND # 22573	\$500.00	\$500.00
173221	12/19/2019		10503	KRISHNA SHAILESHKUMAR	REFUND # 22572	\$500.00	\$500.00
173282	1/2/2020		10551	ROOTER HERO	REFUND # 22586	\$500.00	\$500.00
173278	1/2/2020	123	1903800001	R&B COMPANY	ASTD PARTS & MATERIALS	\$481.89	\$481.89

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173072	12/5/2019		1944598001	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$473.68	\$473.68
173039	12/5/2019	113	604407	CALTEST ANALYTICAL LABORATORY	5 LAB SAMPLE ANALYSIS	\$231.55	\$463.10
	12/5/2019	113	604411		5 LAB SAMPLE ANALYSIS	\$231.55	
173106	12/12/2019	130	20191210	GFOA-GOV FIN OFFICERS ASSOC	CAFR SUBMISSION FEE	\$460.00	\$460.00
173086	12/12/2019	170	9095378803	AIRGAS NCN	2 CYL ARGON	\$458.50	\$458.50
173083	12/5/2019	170	16810	WESTERN MACHINE & FAB INC	1 HEX DRIVE MANDREL	\$455.46	\$455.46
173236	12/19/2019	170	16842	WESTERN MACHINE & FAB INC	1 HEX DRIVE MANDREL	\$455.46	\$455.46
173044	12/5/2019		61051	ENERGY CHOICE INC	ASTD COGEN PARTS	\$447.68	\$447.68
173067	12/5/2019	132	88871	RICHARD, THORSON, GRAVES & ROYER	LEGAL CONSULTATION	\$440.00	\$440.00
173049	12/5/2019	122	1841089267	GOODYEAR COMM TIRE & SERV CTRS	4 TIRES	\$436.17	\$436.17
173258	1/2/2020	150	80113	CITYLEAF INC	PLANT MAINTENANCE - DEC 2019	\$431.86	\$431.86
173132	12/12/2019	122	1818643905	SAFELITE GLASS CORPORATION	REPLACE WINDSHIELD T1367	\$429.17	\$429.17
173279	1/2/2020	121	820173910	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: T. PORTEOUS	\$208.00	\$402.99
	1/2/2020	171	820173257		SAFETY SHOES: L. RIVERA	\$194.99	
173105	12/12/2019	150	17933	FREMONT CHAMBER OF COMMERCE	MEMBERSHIP DUES	\$375.00	\$375.00
173119	12/12/2019		4748069	MALLORY SAFETY AND SUPPLY LLC	ASTD CAL GAS	\$371.46	\$371.46
173118	12/12/2019	170	351236	KLEEN BLAST ABRASIVES	BLASTING MATERIALS	\$370.41	\$370.41
173176	12/19/2019	113	90121404921	ENTERPRISE GOV 43-1514861	RENTAL: D. JACKSON, CHICAGO, IL	\$229.89	\$369.25
	12/19/2019	120	90121710200		RENTAL: J. RODRIGUES, ONTARIO, CA	\$139.36	

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173199	12/19/2019	170	20191217	SCOTT MARTIN	EXP REIMB: FMC GROUP RECOGNITION MEAL	\$369.25	\$369.25
173095	12/12/2019	120	14446430	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$252.88	\$366.70
	12/12/2019	130	14450570		ASTD OFFICE SUPPLIES	\$30.51	
	12/12/2019	120	14446440		ASTD OFFICE SUPPLIES	\$83.31	
173286	1/2/2020	111	20191219	SWRCB - STATE WATER RESOURCES	WASTEWATER PLANT OPERATOR GRADE V EXAM - M. FULKERSON	\$365.00	\$365.00
173036	12/5/2019	170	317510200	BUCKLES SMITH ELECTRIC	1 COMPACT LOGIX DIGITAL OUTPUT	\$363.49	\$363.49
173102	12/12/2019	113	1199471	ENTHALPY ANALYTICAL LLC	13 LAB SAMPLE ANALYSIS	\$240.00	\$355.00
	12/12/2019	113	1199629		8 LAB SAMPLE ANALYSIS	\$115.00	
173285	1/2/2020		92278	STARLINE SUPPLY COMPANY	7 CS COMPOSTABLE UTENSILS	\$343.48	\$343.48
173126	12/12/2019	170	380420191203	PACIFIC GAS AND ELECTRIC	SERV TO 12/02/19 CHERRY ST PS	\$258.57	\$337.47
	12/12/2019	170	096020191203		SERV TO 12/02/19 CATHODIC PROJECT	\$53.08	
	12/12/2019	110	224720191127		SERV TO 11/20/19 CS TRAINING TRAILER	\$25.82	
173073	12/5/2019	123	92298761	SUBSITE ELECTRONICS	RST CAMERA REPAIR	\$310.21	\$310.21
173224	12/19/2019		20191216	ARIEL TEIXEIRA	TUITION REIMB - FALL 2019	\$305.72	\$305.72
173263	1/2/2020		603687872	HILLYARD/SAN FRANCISCO	ASTD JANITORIAL SUPPLIES	\$297.53	\$297.53
173281	1/2/2020	170	392119	RKI INSTRUMENTS INC	3 OXYGEN SENSORS	\$296.33	\$296.33
173186	12/19/2019	144	20191218	MARIAN GONZALEZ	EXP REIMB: EC TEAM RECOGNITION	\$287.22	\$287.22
173206	12/19/2019	170	24072169	MOTION INDUSTRIES INC	ASTD PARTS & MATERIALS	\$282.30	\$282.30
173160	12/19/2019		20191218	STATE OF CALIFORNIA	SALES & USE TAX 11/01/19 - 11/30/19	\$277.17	\$277.17

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173081	12/5/2019	110	20191202	WEF-WATER ENVIRONMENT FED	WEF MEMBERSHIP-R. PIPKIN	\$267.00	\$267.00
173292	1/2/2020	113	8088601524	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$264.44	\$264.44
173284	1/2/2020	170	85340220191220	SAN FRANCISCO WATER DEPT	SERVICE 11/18/2019 - 12/18/2019	\$262.48	\$262.48
173113	12/12/2019	150	27948	ICE SAFETY SOLUTIONS INC	FIRST AID KIT & AED SERVICING	\$205.00	\$250.05
	12/12/2019	150	27949		FIRST AID & AED SUPPLIES	\$45.05	
173115	12/12/2019	122	219909	JACK JAMES TOWING INC	TOW SERVICE: P35 NEWARK TO PLANT	\$125.00	\$250.00
	12/12/2019	122	214503		TOW SERVICE: P35 FREMONT TO PLANT	\$125.00	
173193	12/19/2019	173	6032940	INTRADO LIFE & SAFETY INC	E911 CLOUD SERVICE	\$250.00	\$250.00
173265	1/2/2020	173	6033948	INTRADO LIFE & SAFETY INC	E911 CLOUD SERVICE	\$250.00	\$250.00
173189	12/19/2019	170	3O2146	HARRINGTON INDUSTRIAL PLASTICS	1 1" VALVE	\$221.23	\$248.99
	12/19/2019	111	3O0601		1 3" ADAPTER~	\$27.76	
173223	12/19/2019	123	92308964	SUBSITE ELECTRONICS	RST CAMERA REPAIR	\$237.36	\$237.36
173166	12/19/2019	143	20191219	RAYMOND CHAU	EXP REIMB: CIP TEAM RECOGNITION LUNCH	\$237.18	\$237.18
173240	1/2/2020	121	68944	3T EQUIPMENT COMPANY INC	2 INCH TIGER TAIL	\$237.00	\$237.00
173071	12/5/2019	170	85340220191120	SAN FRANCISCO WATER DEPT	SERVICE 10/23/2019 - 11/18/2019	\$230.75	\$230.75
173274	1/2/2020		24073714	MOTION INDUSTRIES INC	1 GREASE	\$227.67	\$227.67
173184	12/19/2019		20191218	MICHAEL FULKERSON	TUITION REIMB - FALL 2019	\$224.75	\$224.75
173276	1/2/2020	170	898220191209	PACIFIC GAS AND ELECTRIC	SERV TO 12/02/19 FREMONT PS	\$224.00	\$224.00
173054	12/5/2019	170	210359	KAMAN INDUSTRIAL TECHNOLOGIES	4 V BELTS	\$223.44	\$223.44

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173261	1/2/2020	144	2805934506	GLACIER ICE COMPANY INC	126 7-LB BAGS OF ICE	\$215.72	\$215.72
173260	1/2/2020	113	1202897	ENTHALPY ANALYTICAL LLC	4 LAB SAMPLE ANALYSIS	\$210.00	\$210.00
173155	12/19/2019	111	23023600	BECK'S SHOES	SAFETY SHOES: K. VONG	\$208.00	\$208.00
173134	12/12/2019	150	20191206	JAMES SCHOFIELD	EXP REIMB: DISTRICT HOLIDAY POTLUCK LUNCH	\$200.35	\$200.35
173056	12/5/2019	132	1488571	LIEBERT CASSIDY WHITMORE	LEGAL SVS - CALPERS UNIFORM APPEAL	\$196.00	\$196.00
173225	12/19/2019	130	20191216	KAROLINE TERRAZAS	EXP REIMB: RETIREMENT CELEBRATION	\$195.00	\$195.00
173026	12/5/2019	170	9094935417	AIRGAS NCN	1 CYL ARGON	\$193.72	\$193.72
173170	12/19/2019	111	20191205	CWEA	MEMBERSHIP RENEWAL - VONG, K.	\$192.00	\$192.00
173130	12/12/2019		7823308100	RS HUGHES CO INC	ASTD SAFETY SUPPLIES	\$174.57	\$174.57
173237	12/19/2019	170	9210456	WESTERN TOOL & SUPPLY CO	ASTD PARTS & MATERIALS	\$165.02	\$165.02
173161	12/19/2019	132	421965	STATE OF CALIFORNIA	5 NEW HIRE FINGERPRINTS	\$160.00	\$160.00
173182	12/19/2019	123	22923	FREMONT RECYCLING & TRANSFER	.79 TON GREEN WASTE	\$153.00	\$153.00
173248	1/2/2020	130	20191220	GENE BOUCHER	EXP REIMB: TEAM RECOGNITION	\$151.62	\$151.62
173074	12/5/2019	111	20191202	SWRCB - CERTIFICATIONS	GRADE III CERTIFICATE RENEWAL - S. SOTH	\$150.00	\$150.00
173094	12/12/2019		8615	BAY AREA BARRICADE SERVICE INC	3 MARKING PAINT	\$148.00	\$148.00
173046	12/5/2019	143	683992872	FEDERAL EXPRESS CORPORATION	SHIPPING SERVICE - CIP PRIMARY DIGESTER NO. 7	\$147.74	\$147.74
173222	12/19/2019	141	20191130	SPOK INC	DECEMBER 2019 PAGER SERVICE	\$133.34	\$133.34
173227	12/19/2019	122	133926	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - MONTHLY CHARGE MONITORING AGREE	\$133.34	\$133.34
173216	12/19/2019	123	1900380001	R&B COMPANY	ASTD PARTS & MATERIALS	\$128.84	\$128.84

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173037	12/5/2019	121	20191203	STUART BULLIS	EXP REIMB: CWEA TCP PREP CLASS	\$120.00	\$120.00
173057	12/5/2019	143	106882	MCINERNEY & DILLON, P.C.	LEGAL SVS - DIGESTER NO. 3 INSP & REHAB	\$115.50	\$115.50
173201	12/19/2019	136	106881	MCINERNEY & DILLON, P.C.	PREPARE FY 18-19 AUDIT RESPONSE LETTER	\$115.50	\$115.50
173256	1/2/2020	143	20191230	RAYMOND CHAU	EXP REIMB: PE LICENSE RENEWAL	\$115.00	\$115.00
173280	1/2/2020		104245	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE JANUARY 2020	\$112.00	\$112.00
173103	12/12/2019	113	3664119	FISHER SCIENTIFIC	LAB SUPPLIES	\$100.58	\$100.58
173200	12/19/2019	170	77953421	MATHESON TRI-GAS INC	MONTHLY CYLINDER RENTAL - NOV 2019	\$95.52	\$95.52
173112	12/12/2019	170	768520191127	HOME DEPOT CREDIT SERVICES	MONTHLY HARDWARE STMT - NOV 2019	\$81.91	\$81.91
173226	12/19/2019	123	329156	TRI-CITY ROCK INC	2 BULK DELIVERY CHARGE	\$80.00	\$80.00
173219	12/19/2019	171	20191216	LOUIS RIVERA III	EXP REIMB: MILEAGE FOR CALL OUT	\$78.59	\$78.59
173230	12/19/2019	136	98XW53479	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 11/23/19	\$70.01	\$70.01
173051	12/5/2019	110	1667838	HAYWARD WATER SYSTEM	WATER SERV 09/09/19 - 11/12/19	\$68.78	\$68.78
173183	12/19/2019	132	116531877	FREMONT URGENT CARE CENTER	1 DOT PHYSICAL	\$63.00	\$63.00
173264	1/2/2020	170	5901676	HOSE & FITTINGS ETC	ASTD PARTS & MATERIALS	\$57.18	\$57.18
173087	12/12/2019	170	4047286120191205	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 12/03/19 - PASEO PADRE	\$54.43	\$54.43
173068	12/5/2019	170	390296	RKI INSTRUMENTS INC	ASTD PARTS & MATERIALS	\$51.30	\$51.30
173028	12/5/2019	171	20191112	ALAMEDA COUNTY WATER DISTRICT	ANNUAL BACKFLOW TESTER APPROVAL E. SEPULVEDA	\$25.00	\$50.00
	12/5/2019	171	20191111		ANNUAL BACKFLOW TESTER APPROVAL P. CHAPARRO	\$25.00	
173252	1/2/2020	113	605403	CALTEST ANALYTICAL LABORATORY	7 LAB SAMPLE ANALYSIS	\$46.31	\$46.31

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173137	12/12/2019	141	419671	ULTRAEX LLC	COURIER SVCS: 1 BOARDMEMBER DELIVERY - 11/06/19	\$45.45	\$45.45
173273	1/2/2020	170	23768458	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$45.06	\$45.06
173142	12/12/2019	113	8088387033	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$40.28	\$40.28
173165	12/19/2019	122	314095	CENTERVILLE LOCKSMITH	ASTD KEYS & TAGS	\$34.82	\$34.82
173139	12/12/2019	136	98XW53469	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 11/16/19	\$26.95	\$26.95
173043	12/5/2019	132	20191202	BLAKE EHLERS	REIMB LIVESCAN PRE-EMPLOYMENT	\$25.00	\$25.00
173069	12/5/2019	132	20191202	JESSICA RODRIGUEZ	REIMB LIVESCAN PRE-EMPLOYMENT	\$25.00	\$25.00
173077	12/5/2019	136	98XW53459	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 11/9/19	\$14.48	\$14.48
173289	1/2/2020	136	98XW53499	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 12/07/19	\$10.74	\$10.74
173034	12/5/2019	130	14435840	BLAISDELL'S	1 BOX WALL CLIPS	\$10.20	\$10.20

**Invoices:**

<b>Credit Memos :</b>	<b>5</b>	<b>-6,008.34</b>
<b>\$0 - \$1,000 :</b>	<b>305</b>	<b>93,896.51</b>
<b>\$1,000 - \$10,000 :</b>	<b>119</b>	<b>426,599.69</b>
<b>\$10,000 - \$100,000 :</b>	<b>36</b>	<b>930,305.21</b>
<b>Over \$100,000 :</b>	<b>1</b>	<b>589,782.72</b>
<b>Total:</b>	<b>466</b>	<b>2,034,575.79</b>

**Checks:**

<b>\$0 - \$1,000 :</b>	<b>138</b>	<b>51,221.79</b>
<b>\$1,000 - \$10,000 :</b>	<b>87</b>	<b>277,993.48</b>
<b>\$10,000 - \$100,000 :</b>	<b>45</b>	<b>1,115,577.80</b>
<b>Over \$100,000 :</b>	<b>1</b>	<b>589,782.72</b>
<b>Total:</b>	<b>271</b>	<b>2,034,575.79</b>

Union Sanitary District Policy  
Policy and Procedure Manual

Effective: January 13, 2020	<b>Debt Management Policy</b>	Policy #2060
		Page 1 of 8

### Policy

This policy provides guidelines for the issuance of bonds and other forms of debt to finance capital improvements and other eligible expenditures. These guidelines will assist the District in determining if, when, how much, and what type of debt is appropriate. The guidelines are also designed to help the District issue debt in a cost-effective manner while preserving the District's credit quality and financial flexibility. This Policy should be periodically reviewed and amended to ensure it remains up-to-date and supports the District's financial objectives.

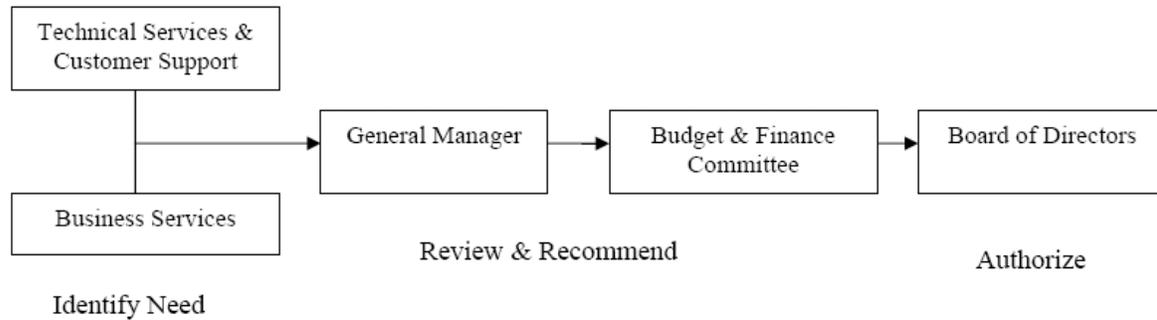
### Objectives

Key objectives of this policy are to ensure the District:

- Updates its financial plan and evaluates financing alternatives prior to issuing debt;
- Adopts adequate rates and charges to support debt;
- Issues debt only when needed or when the District deems beneficial;
- Issues the most appropriate type and amount of debt, when needed;
- Issues debt in a cost-effective and prudent manner with competitive interest rates;
- Secures debt with favorable legal covenants that will preserve the District's financial flexibility;
- Understands the financial impacts, legal obligations, and potential benefits and risks of each proposed debt issue;
- Remains in compliance with California Government Code requiring issuers of debt to have an adopted debt policy;
- Remains in compliance with the Internal Revenue Service ("IRS"), Securities Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB") rules and regulations governing the issuance of debt.

### Oversight & Authorization Process

The Board of Directors shall have the sole authority to authorize debt on behalf of the District. The following flow chart summarizes the general process for approving and authorizing debt.



### Purposes for Which Debt Proceeds May be Used – Eligible Projects

The District can use debt to fund capital improvement projects, equipment purchases, land purchases, and other qualified expenditures, or to refund prior debt. Generally, a bond counsel or other legal counsel will need to verify that the anticipated expenditures can be funded by debt. Project costs may include the actual costs of construction labor and materials as well as related soft costs such as planning, engineering and design, environmental and/or legal review, permitting, project administration, and construction management. Debt can generally be issued for up to three years of anticipated project costs but must meet expected spend-down provisions governed by the IRS. Debt proceeds will not be used to finance operating costs or normal, ongoing maintenance costs.

### **Reimbursement for Prior Expenditures**

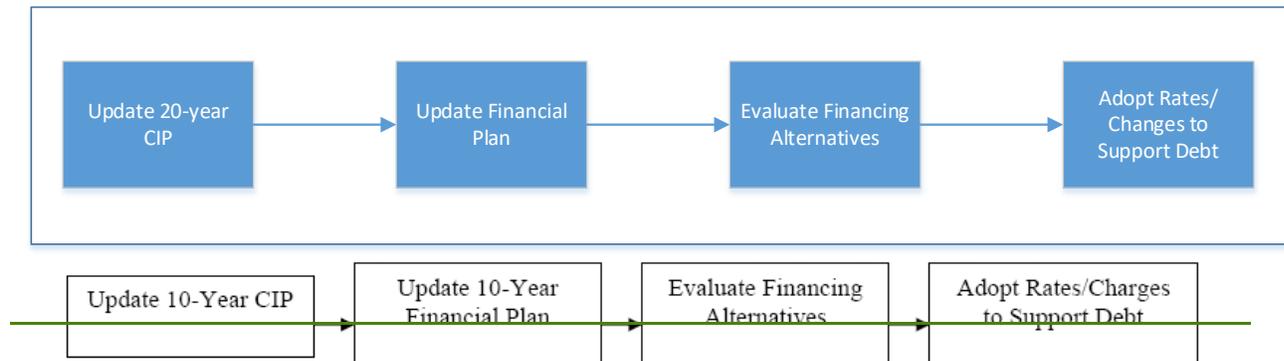
The District can use proceeds from debt to reimburse itself for project-related expenditures made prior to debt issuance, subject to certain limitations. Without adoption of a Reimbursement Resolution, an agency can generally reimburse itself for a) soft costs such as planning and design costs provided the amount does not exceed 20% of the debt size, and b) capital expenditures incurred within 60 days prior to debt issuance.

If the District anticipates the need for additional reimbursement, the Board should adopt a Reimbursement Resolution. A Reimbursement Resolution authorizes the District to reimburse itself for capital project expenditures incurred prior to a future issue of debt. The Resolution allows reimbursement for project expenditures made up to 60 days prior to the Resolution's adoption. Debt must be issued within the later of a) 18 months after the date the expenditure is made, or b) 18 months after the date the project is placed in service, but in no case later than 3 years after the date of the expenditure.

### **Key Steps to Take Prior to Issuing Debt**

Prior to issuing debt, the District should review and/or update its long-term Capital Improvement Plan and its ~~10-Year~~ Financial Plan to help determine if and how much debt is appropriate. The ~~10-Year~~ Financial Plan can be used to evaluate debt alternatives and potential impacts on rates and finances.

Subsequently, the District should evaluate financing alternatives and identify the revenue streams that will repay the debt. Generally, the District should adopt rates and charges necessary to support debt repayment prior to the issuance of debt. This can include adopting a multi-year rate increase, even if none or only part of the increase is actually in effect when debt is issued.



### Rates & Charges

Rates and charges for wastewater service should be established at levels adequate to:

- Support the full cost (direct and indirect) of District operations, including preventive maintenance to keep infrastructure in good working condition and maximize its useful life
- Ensure the timely payment of outstanding debt and comply with outstanding debt covenants
- Fund a reasonable portion of the long-term Capital Improvement Plan on a pay-as-you-go basis
- Ensure adequate levels of liquidity and fund reserves to help maintain the District's long-term financial health [and bond credit ratings](#)

Rates and charges should be reviewed at least annually.

### Independent Financial Advisor

The District should retain the services of an independent financial advisor on all debt issues. An independent financial advisor can assist the District by developing a capital financing plan, evaluating financing alternatives, and coordinating the sale of debt. The advisor should also assist the District in ensuring debt is issued cost-effectively with favorable legal covenants that will protect the District's financial flexibility. The advisor should have a fiduciary responsibility to solely represent the interests of the District throughout the debt issuance process. Retaining an independent financial advisor is not applicable to State and Federal Grants and Loans. [In consultation with the General Manager,](#) CIP and Finance will coordinate in evaluating and administering loans and grants with respect to compliance with debt targets,

meeting terms and conditions, tracking proceeds and participating in Single Audits. The use of Bond Counsel may be advisable during the issuance of State or Federal Loans to ensure compliance with existing financial and legal covenants.

### **Debt Capacity Target**

~~The District's maximum annual debt service on all outstanding long-term debt should generally not exceed 25% of combined annual operating, maintenance, and debt service costs, unless needed for a financial emergency.~~

### **Debt Service Coverage**

District should plan to achieve minimum debt service coverage ratio of ~~153~~130% of annual payments due on outstanding debt unless specified otherwise in a bond indenture or loan agreement. This is higher than the standard 120% coverage requirement typically used to secure revenue bonds but is a prudent minimum target for financial planning.

## **Capital Funding Sources & Financing Options**

### **Basic Capital Funding Sources**

The District has a number of options for funding its capital projects, including:

**Pay-As-You-Go Financing** - The District anticipates funding a substantial portion of its capital projects on a pay-as-you-go basis using annual revenues and reserves. This is the District's preferred approach for funding capital projects.

**Bonds and Other Types of Long-Term Debt** – Long-term debt may be issued if the District determines that is necessary or beneficial to finance capital improvements over time and not from current revenues or reserves. Long-term debt can enable the District to fund a project over its useful life and recover costs from future project beneficiaries. Long-term debt will not be used to finance operating costs or normal, ongoing maintenance costs.

**Short-Term Debt** – Short-term debt may be issued if the District determines that it is necessary or beneficial to a) provide interim financing for capital projects, such as in anticipation of a grant or debt, or b) to mitigate short-term cash flow emergencies. Prior to issuing any short-term debt, the District will develop a plan to repay the debt, including a plan to repay any long-term debt used to refinance the short-term debt.

**Inter-Fund Borrowing** – The Board of Directors may approve inter-fund loans between the Sewer Service Charge Fund and the Capacity Fund. These loans shall be structured to include a market rate of interest and a defined principal repayment schedule for the term of the loan.

**State and Federal Grants & Loans** – There are a number of state and federal financing programs that offer subsidized interest rate loans and/or grants for eligible projects. To the extent federal and state loans or grants are available, the District will appropriately evaluate and pursue such funding sources.

### Types of Debt

If the District chooses to issue debt, the District should evaluate the full range of options and select the most appropriate and cost-effective type of financing mechanism. General types of financing available to help fund District projects include:

- [JPA Revenue Bonds](#) [or Refunding Revenue Bonds](#)
- Certificates of Participation (COPs)
- [State and Federal Grants](#) ~~and Loans~~
- [Water Infrastructure Finance and Innovation Act \(WIFIA\) Loans](#)
- [State Revolving Fund \(SRF\) Loans](#)
- Bank Loans, Leases, and Private Placements
- Lines of Credit
- Short-Term Notes
- General Obligation Bonds
- Assessment District Bonds
- [Community Facilities District \(Mello-Roos\) Bonds](#)
- [Commercial Paper](#)

### Tax-Exempt & Taxable Debt

The District should issue tax-exempt debt, which provides the lowest interest rates, unless it determines that taxable debt is legally necessary to meet the District's financial needs or objectives. [Prior to approving the issuance of any debt, the District shall comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.](#)

### Fixed & Variable Rate Debt

Debt can be issued with either fixed or variable interest rates. With fixed rate debt, interest rates are locked in for the duration of the borrowing, [which provides budget certainty that is important for financial planning](#). Fixed rate debt does not have to be held through final maturity; it can be paid off early or refinanced according to its legal provisions to achieve savings. Unless the District has compelling reasons to issue variable rate debt, the District should generally ~~always~~ issue fixed rate debt.

[The District may consider variable rate debt in certain instances.](#) Variable rate debt, if any, should not exceed 25% of total outstanding debt. Additionally, the total amount of variable rate debt should generally never exceed 150% of the District's anticipated level of long-term fund reserves. Maintaining adequate fund reserves provides a hedge against variable rate debt

since the interest rate earned on investments generally moves in line with the interest rate of variable rate debt.

### Interest Rate Swaps

The District should not enter into any swap agreement without a) fully understanding all the risks and potential costs involved, b) determining that the financing method provides a substantial economic benefit that outweighs the risks, c) review by an independent financial advisor representing the District's interests, and d) commitment to monitor the debt instrument and related risks and be able to respond to changing market conditions. To the extent the District is considering entering into a swap agreement, the District will engage the services of a qualified independent swap advisor to provide advice on the terms of any potential swap agreement.

### Refinancing Debt

The District may refinance outstanding debt if deemed cost-effective and/or beneficial for other District objectives. The general rule of thumb is that a refunding debt issue should not be undertaken unless:

- a) Current refunding results in reasonable net overall present value savings ~~of at least 3%~~ of outstanding principal refunded by the new issue
- ~~b) The Advanced refunding results in net present value savings of at least 5% of outstanding principal refunded by the new issue~~
- e)b) District needs to terminate legal covenants securing outstanding debt or restructure debt.

Tax-exempt advance refundings (i.e. refunding bonds prior to 90 days before the call date) are prohibited under current tax law and the District will not pursue tax-exempt advance refundings unless there is a change to current law.

## Bond Issuance

### Method of Bond Issuance

District should generally issue debt via a competitive sale process to ensure it obtains the lowest cost financing. The debt issue should be marketed to a wide range of potential underwriters and lenders. Negotiated sales should only be used if, in the determination of the District in consultation with its independent financial advisor, the potential debt issue is too complicated or not conducive to a competitive sale process. The underwriter should a) have substantial experience with similar types of debt issues, b) have a substantial retail distribution network, c) have a history of obtaining market interest rates, and d) should indicate all costs and fees that may be charged.

### Hiring Financial Service Providers

Financial service providers can be selected based on an RFP process. As an alternative to engaging in an RFP process, the District can solicit a proposal from a preferred provider and check with an independent financial advisor to ensure the cost for services is reasonable. An independent financial advisor can assist with selecting and/or negotiating with potential service providers in order to ensure the District receives high-quality services at a reasonable cost.

### Debt Structure & Term

Debt should be structured to meet the District's long-term financial needs and objectives. An independent financial advisor can assist the District in determining an appropriate debt structure and term. ~~The term should generally not exceed the estimated useful life of the project being funded.~~ Utility revenue bonds are typically issued for terms up to 30 years. The term of the debt should generally not exceed the estimated useful life of the project being funded – technically, the weighted average maturity of the debt ~~should not~~ exceed 120% of the expected life of the project. Unless expressly approved by the Board at the recommendation of Finance after consultation with the Financial Advisor and Bond Counsel the final maturity of fixed rate debt should be no longer than 40~~35~~ years and the final maturity of variable rate debt should be no longer than 40 years. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The District may not issue taxable debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the Business Services Manager/Chief Financial Officer ("CFO") after consultation with the Financial Advisor and Bond Counsel.

Debt issued to finance new projects is most-commonly structured to generate level annual debt service payments. In some cases, debt is structured around pre-existing debt obligations in order to provide ~~net aggregate~~ level annual debt service accounting for all outstanding issues combined. Subject to federal tax code limitations, refunding debt generally cannot have a term or a weighted average maturity that exceeds the debt being refunded.

### Capitalized Interest

If needed or deemed beneficial, the District can set aside debt proceeds in a Capitalized Interest Fund to pay debt service interest payments for up to 3 years after the debt issuance date, or one year after the project is expected to be placed in service. Capitalizing interest requires the issuance of additional debt and results in a) lower debt service payments during the capitalized interest period, and b) higher debt service payments thereafter. In general, the District should not capitalize interest unless needed to meet cash flow requirements or legal covenants.

### Bond Insurance / Credit Enhancement

Bond insurance provides investors with additional repayment security and can result in higher

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credit ratings (the insurance provider's ratings) and lower interest rates. Bond insurance should be used whenever the debt service savings from the bond insurance is greater than the cost of the bond insurance premium. In general, most investment grade utility revenue bonds are issued with bond insurance since the savings almost always outweighs the cost of bond insurance. Bond insurance is only available at the insurer's determination.

Bond insurance can be issued at bidder's option (the option of the underwriter on a competitive sale) or purchased directly by the District prior to a bond sale. If purchasing bond insurance directly, the District should solicit bids from highly rated bond insurers and only use insurance if such credit enhancement results in a lower total cost of borrowing for the District or otherwise furthers the District's financial objectives~~bid out insurance to all of the AAA-rated municipal bond insurance agencies.~~

### Legal Covenants for Revenue-Secured Debt

The District is a self-supporting utility enterprise and relies predominantly on revenues from rates and fees to fund all operating and capital expenditures, including debt repayment. The most common type of debt issued by utility enterprises is revenue secured debt. Revenue secured debt should generally be issued with the following legal covenants:

- Debt service coverage pledge should generally be set at 1220% for legal purposes. (Total revenues less operating and maintenance expenses must equal at least 1220% of outstanding debt service due per fiscal year.)
- Allowance of a rate stabilization fund to meet the debt service coverage requirement.
- Additional debt test should account for adopted (but not yet necessarily effective) rate increases. This would enable the District to phase in future rate increases if ever needed to secure debt.
- Permit issuance of debt with or without a debt service reserve fund, as market conditions warrant, and in the case where a debt service reserve fund is deemed beneficial, allowance to use a reserve surety bond to satisfy the debt service reserve requirement.
- Special language may need to be incorporated to account for potential future SRF Loans and/or other state and federal financing programs.

### Prepayment Options

The District should not enter into any long-term debt that does not include a reasonable and flexible prepayment option. Some general guidelines for prepayment options include:

- Long-term debt, such as 25 to 30-year bonds, should include a call-protection period not-to-exceed 10 years. Earlier call provisions provide more financial flexibility for refunding debt but may result in higher interest rates if the bonds are not redeemed on the call date. Shorter-term debt should have shorter call protection periods. For example, a 10-year loan should generally be able to be refunded after 5 years.
- The prepayment penalty or premium for refunding long-term debt should generally not

exceed 2% of the outstanding principal amount on the first call date and should decline to 0% within a few years thereafter. It is typical in the current market to see 10-year calls with no premium on the first call date.

- In some cases, the District should also consider including special prepayment provisions if it anticipates refunding debt within a shorter timeframe, such as if a potential grant may be awarded after the project is constructed.

### Debt Service Reserve Fund

A debt service reserve fund ~~is may be required~~ beneficial to help provide additional security for revenue-supported debt such as revenue bonds. The reserve requirement cannot exceed the lesser of a) 10% of the principal amount of debt issued, b) 125% of average annual debt service, or c) maximum annual debt service on outstanding debt.

The District may satisfy the reserve requirement with cash, such as from bond proceeds. Alternatively, the District should retain the legal authority to satisfy the reserve requirement with a reserve surety bond instead of cash. An independent financial advisor can assist in determining whether a reserve fund is necessary and an appropriate method for meeting the reserve requirement.

### Internal Control Procedures Relating to Bond Proceeds

All debt transactions must be approved by the Board of Directors. The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds.

Bond proceeds will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of District funds. The District's bond trustee will administer the disbursement of bond proceeds pursuant to provisions set forth in bond legal documents. To ensure proceeds from bond sales are used in accordance with legal requirements invoices are submitted by the appropriate Program or Work Group Manager ~~Engineering Department~~ and approved by the Business Services Work Group Manager ~~Finance Department~~ and/or General Manager for payment. Requisition for the disbursement of bonds funds will be approved by the District's ~~CFO~~ ~~Chief Administrative~~ ~~Chief Financial Officer (CFO)~~, General Manager, or designated alternate.

- In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the District, the District may rely upon certification by such other governmental entity that it has adopted the policies described in SB 1029.

### Investment of Debt Proceeds

The District can invest and earn money on its debt proceeds subject to certain legal limitations. The District should evaluate its investment options for each debt issue. The

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District can select the investment(s) based on recommendations by staff or a qualified investment advisor, or can use an investment agent to bid out the investment subject to pre-established limitations, such as those imposed by the District's Investment Policy or those imposed by the bond insurer.

The District is not generally allowed to earn arbitrage by investing debt proceeds at an interest rate that exceeds the interest rate of the debt. However, the District will not necessarily be penalized for doing so; if bond funds are invested at an interest rate that exceeds the Arbitrage Yield Limit of the bonds, the District is required to reimburse the federal government for amounts earned in excess of the allowed yield.

### **Arbitrage Rebate Compliance**

The District shall establish a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This will include tracking investment earnings on bond proceeds, using outside experts to assist in calculating rebate payments and preparing necessary filings, and making payments in a timely manner in order to preserve the tax exempt status of the District's outstanding debt issues. Investment earnings in excess of the allowable Arbitrage Yield Limit must be refunded to the federal government within approximately five years of the date of debt issuance. [Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.](#)

### **State Reporting Requirements**

[State reporting requirements Pursuant to Government Code 8855\(k\), the District will submit annual debt transparency reports for any debt issued on or after January 1, 2017 every year until the later date on which the debt is no longer outstanding and proceeds have been fully spent by no later than January 31 each year.](#)

[Pursuant to the Government Code Section 6599.1\(b\) of the Marks-Roos Local Bond Pooling Act of 1985, as amended \(Section 6584 et seq.\) the District will submit the Marks-Roos yearly fiscal status reports, if required, annually to California Debt and Investment Advisory Commission \("CDIAC"\) until the final maturity of the bonds by no later than October 30 each year.](#)

### **Continuing Disclosure**

The District will meet its continuing disclosure obligations for each debt issue by providing annual financial statements and other required information in a timely manner to the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and other parties as required. In addition, the District will provide financial and other information to the rating agencies, bond insurers, trustee, and others upon request. The ~~Chief Administrative Financial Officer~~[CFO](#) shall be responsible for providing ongoing disclosure information, meeting disclosure requirements, and for maintaining compliance with disclosure standards dictated by state and national regulatory bodies. [In the event a 'material event' occurs](#)

requiring immediate disclosure, the ~~Chief Administrative Officer~~ ~~Business Services Work Group Manager~~ or ~~General Manager~~ will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Effective February 27, 2019, Rule 15c2-12 was amended to add two events to the required disclosure by issuers with respect to any “financial obligation” as defined in Rule 15c2-12. For purposes of Rule 15c2-12, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

Under the first of the added events, the District must disclose any default, event of acceleration, termination event, modification of terms, or other similar events with respect to any “financial obligation” as defined in Rule 15c2-12. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff, or other executive positions within the District, will provide written notice to the ~~Chief Financial Administrative Officer~~ CFO of receipt by the District of any default, event of acceleration, termination event, modification of terms or other similar events (collectively, a “Potentially Reportable Event”) under any agreement or obligation to which the District is a party and which may be a “financial obligation” as defined above. Such written notice should be provided by General Counsel to the ~~Chief Financial Administrative Officer~~ CFO as soon as the General Counsel is placed on written notice by District staff, consultants, or external parties of such event or receives written notice of such event so that the ~~Chief Financial Administrative Officer~~ CFO can determine, with the assistance of disclosure counsel, whether notice of such Potentially Reportable Event is required to be filed on the Electronic Municipal Market Access (“EMMA”) pursuant to the disclosure requirements of Rule 15c2-12. If filing on EMMA is required, the filing is due within 10 business days of such Potentially Reportable Event to comply with continuing disclosure undertakings for debt obligations of the District issued after February 27, 2019.

Under the second of the added events, the District must disclose the incurrence of a “financial obligation” of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff or other executive positions within the District, as applicable, will report to the ~~Chief Financial Administrative Officer~~ CFO the execution by the District of any agreement or other obligation entered into after February 27, 2019 which might constitute a “financial obligation” for purposes of Rule 15c2-12 and any amendments to existing District agreements or obligations which might constitute a “financial obligation” for purposes of Rule 15c2-12 which relate to covenants, events of default, remedies, priority rights, or other similar terms. Such report to the ~~Chief Financial Administrative Officer~~ CFO should be made as soon as the General Counsel, General Manager, or such other senior staff is placed on written notice

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by District staff, consultants, or external parties of such event or receives a written notice of such amendment requests. Notice to the ~~Chief Administrative Financial Officer~~ CFO is necessary so that the ~~Chief Administrative Financial Officer~~ CFO can determine, with the assistance of Disclosure Counsel, whether such agreement or other obligation constitutes a material “financial obligation” for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material “financial obligation” or a material amendment to a “financial obligation”, notice thereof would be required to be filed on EMMA within 10 business days of incurrence or amendment.

The types of agreements or other obligations which could constitute a “financial obligation” under the Rule and which may need to be reported on EMMA include:

- 1 Bank loans or other obligations which are privately placed;
- 2 State or federal loans;
- 3 Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
- 4 Letters of credit, surety policies or other credit enhancement with respect to the District’s publicly offered debt;
- 5 Letters of credit, including letters of credit which are provided to third parties to secure the District’s obligation to pay or perform (an example of this is a standby letter of credit delivered to secure the District’s obligations for performance under a mitigation agreement);
- 6 Capital leases for property, facilities, fleet or equipment; and
- 7 Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).
- 8 Payment agreements which obligate the District to pay a share of another public agency’s debt service (for example, an agreement with a joint powers agency whereby the District agrees to pay a share of the joint powers agency’s bonds, notes or other obligations);
- 9 Service contracts with a public agency or a private party pursuant to which the District is obligated to pay a share of such public agency or private party’s debt service obligation (for example, certain types of public/private partnership arrangements); and
- 10 Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money;

The ~~Chief Administrative Financial Officer~~ CFO will continue to work with the General Counsel and Disclosure Counsel to refine the definition of “financial obligation” going forward based on future SEC guidance.

Approved by: Board of Directors

**DESK ITEM**  
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**1/13/2020**

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Author/owner: Business Services Manager  
Reviewers: Executive Team, Board of Directors  
Notify Person: Business Services Manager  
Revision frequency: Every 3 years  
Next Review: January 13, 2023

Union Sanitary District Policy  
Policy and Procedure Manual

Effective: January 13, 2020	<b>Debt Management Policy</b>	Policy #2060
		Page 1 of 8

**Policy**

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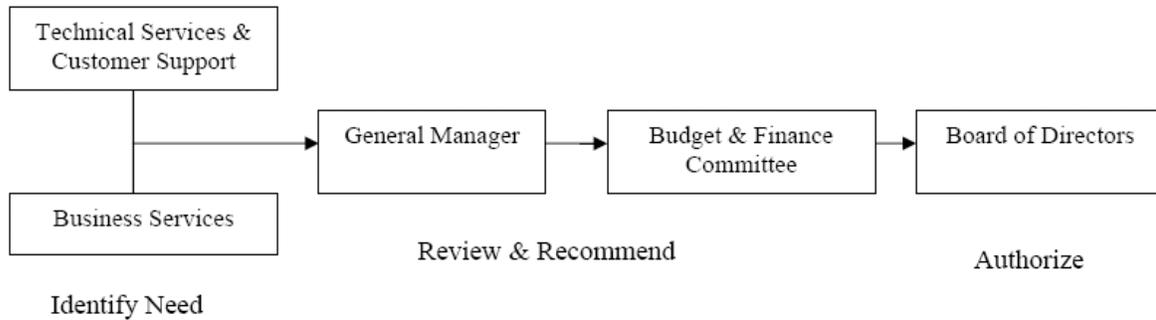
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- Understands the financial impacts, legal obligations, and potential benefits and risks of each proposed debt issue;
- Remains in compliance with California Government Code requiring issuers of debt to have an adopted debt policy;
- Remains in compliance with the Internal Revenue Service (“IRS”), Securities Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”) rules and regulations governing the issuance of debt.

**Oversight & Authorization Process**

The Board of Directors shall have the sole authority to authorize debt on behalf of the District. The following flow chart summarizes the general process for approving and authorizing debt.



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The District can use debt to fund capital improvement projects, equipment purchases, land purchases, and other qualified expenditures, or to refund prior debt. Generally, a bond counsel or other legal counsel will need to verify that the anticipated expenditures can be funded by debt. Project costs may include the actual costs of construction labor and materials as well as related soft costs such as planning, engineering and design, environmental and/or legal review, permitting, project administration, and construction management. Debt can generally be issued for up to three years of anticipated project costs but must meet expected spend-down provisions governed by the IRS. Debt proceeds will not be used to finance operating costs or normal, ongoing maintenance costs.

**Reimbursement for Prior Expenditures**

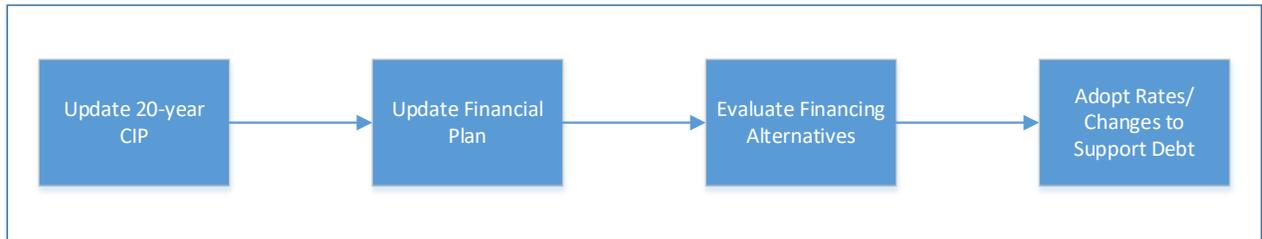
The District can use proceeds from debt to reimburse itself for project-related expenditures made prior to debt issuance, subject to certain limitations. Without adoption of a Reimbursement Resolution, an agency can generally reimburse itself for a) soft costs such as planning and design costs provided the amount does not exceed 20% of the debt size, and b) capital expenditures incurred within 60 days prior to debt issuance.

If the District anticipates the need for additional reimbursement, the Board should adopt a Reimbursement Resolution. A Reimbursement Resolution authorizes the District to reimburse itself for capital project expenditures incurred prior to a future issue of debt. The Resolution allows reimbursement for project expenditures made up to 60 days prior to the Resolution’s adoption. Debt must be issued within the later of a) 18 months after the date the expenditure is made, or b) 18 months after the date the project is placed in service, but in no case later than 3 years after the date of the expenditure.

**Key Steps to Take Prior to Issuing Debt**

Prior to issuing debt, the District should review and/or update its long-term Capital Improvement Plan and its Financial Plan to help determine if and how much debt is appropriate. The Financial Plan can be used to evaluate debt alternatives and potential impacts on rates and finances.

Subsequently, the District should evaluate financing alternatives and identify the revenue streams that will repay the debt. Generally, the District should adopt rates and charges necessary to support debt repayment prior to the issuance of debt. This can include adopting a multi-year rate increase, even if none or only part of the increase is actually in effect when debt is issued.



### Rates & Charges

Rates and charges for wastewater service should be established at levels adequate to:

- Support the full cost (direct and indirect) of District operations, including preventive maintenance to keep infrastructure in good working condition and maximize its useful life
- Ensure the timely payment of outstanding debt and comply with outstanding debt covenants
- Fund a reasonable portion of the long-term Capital Improvement Plan on a pay-as-you-go basis
- Ensure adequate levels of liquidity and fund reserves to help maintain the District's long-term financial health and bond credit ratings

Rates and charges should be reviewed at least annually.

### Independent Financial Advisor

The District should retain the services of an independent financial advisor on all debt issues. An independent financial advisor can assist the District by developing a capital financing plan, evaluating financing alternatives, and coordinating the sale of debt. The advisor should also assist the District in ensuring debt is issued cost-effectively with favorable legal covenants that will protect the District's financial flexibility. The advisor should have a fiduciary responsibility to solely represent the interests of the District throughout the debt issuance process. Retaining an independent financial advisor is not applicable to State and Federal Grants and Loans. In consultation with the General Manager, CIP and Finance will coordinate in evaluating and administering loans and grants with respect to compliance with debt targets, meeting terms and conditions, tracking proceeds and participating in Single Audits. The use of Bond Counsel may be advisable during the issuance of State or Federal Loans to ensure compliance with existing financial and legal covenants.

**Debt Service Coverage**

District should plan to achieve minimum debt service coverage ratio of 150% of annual payments due on outstanding debt unless specified otherwise in a bond indenture or loan agreement. This is higher than the standard 120% coverage requirement typically used to secure revenue bonds but is a prudent minimum target for financial planning.

**Capital Funding Sources & Financing Options****Basic Capital Funding Sources**

The District has a number of options for funding its capital projects, including:

**Pay-As-You-Go Financing** - The District anticipates funding a substantial portion of its capital projects on a pay-as-you-go basis using annual revenues and reserves. This is the District's preferred approach for funding capital projects.

**Bonds and Other Types of Long-Term Debt** – Long-term debt may be issued if the District determines that is necessary or beneficial to finance capital improvements over time and not from current revenues or reserves. Long-term debt can enable the District to fund a project over its useful life and recover costs from future project beneficiaries. Long-term debt will not be used to finance operating costs or normal, ongoing maintenance costs.

**Short-Term Debt** – Short-term debt may be issued if the District determines that it is necessary or beneficial to a) provide interim financing for capital projects, such as in anticipation of a grant or debt, or b) to mitigate short-term cash flow emergencies. Prior to issuing any short-term debt, the District will develop a plan to repay the debt, including a plan to repay any long-term debt used to refinance the short-term debt.

**Inter-Fund Borrowing** – The Board of Directors may approve inter-fund loans between the Sewer Service Charge Fund and the Capacity Fund. These loans shall be structured to include a market rate of interest and a defined principal repayment schedule.

**State and Federal Grants & Loans** – There are a number of state and federal financing programs that offer subsidized interest rate loans and/or grants for eligible projects. To the extent federal and state loans or grants are available, the District will appropriately evaluate and pursue such funding sources.

**Types of Debt**

If the District chooses to issue debt, the District should evaluate the full range of options and select the most appropriate and cost-effective type of financing mechanism. General types of financing available to help fund District projects include:

- JPA Revenue Bonds or Refunding Revenue Bonds
- Certificates of Participation (COPs)
- State and Federal Grants
- Water Infrastructure Finance and Innovation Act (WIFIA) Loans

- State Revolving Fund (SRF) Loans
- Bank Loans, Leases, and Private Placements
- Lines of Credit
- Short-Term Notes
- General Obligation Bonds
- Assessment District Bonds
- Community Facilities District (Mello-Roos) Bonds
- Commercial Paper

**Tax-Exempt & Taxable Debt**

The District should issue tax-exempt debt, which provides the lowest interest rates, unless it determines that taxable debt is legally necessary to meet the District's financial needs or objectives. Prior to approving the issuance of any debt, the District shall comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

**Fixed & Variable Rate Debt**

Debt can be issued with either fixed or variable interest rates. With fixed rate debt, interest rates are locked in for the duration of the borrowing, which provides budget certainty that is important for financial planning. Fixed rate debt does not have to be held through final maturity; it can be paid off early or refinanced according to its legal provisions to achieve savings. Unless the District has compelling reasons to issue variable rate debt, the District should generally issue fixed rate debt.

The District may consider variable rate debt in certain instances. Variable rate debt, if any, should not exceed 25% of total outstanding debt. Additionally, the total amount of variable rate debt should generally never exceed 150% of the District's anticipated level of long-term fund reserves. Maintaining adequate fund reserves provides a hedge against variable rate debt since the interest rate earned on investments generally moves in line with the interest rate of variable rate debt.

**Interest Rate Swaps**

The District should not enter into any swap agreement without a) fully understanding all the risks and potential costs involved, b) determining that the financing method provides a substantial economic benefit that outweighs the risks, c) review by an independent financial advisor representing the District's interests, and d) commitment to monitor the debt instrument and related risks and be able to respond to changing market conditions. To the extent the District is considering entering into a swap agreement, the District will engage the services of a qualified independent swap advisor to provide advice on the terms of any potential swap agreement.

**Refinancing Debt**

The District may refinance outstanding debt if deemed cost-effective and/or beneficial for other District objectives. The general rule of thumb is that a refunding debt issue should not be undertaken unless:

- a) Current refunding results in reasonable net overall present value savings of outstanding principal refunded by the new issue
- b) District needs to terminate legal covenants securing outstanding debt or restructure debt.

Tax-exempt advance refundings (i.e. refunding bonds prior to 90 days before the call date) are prohibited under current tax law and the District will not pursue tax-exempt advance refundings unless there is a change to current law.

**Bond Issuance****Method of Bond Issuance**

District should generally issue debt via a competitive sale process to ensure it obtains the lowest cost financing. The debt issue should be marketed to a wide range of potential underwriters and lenders. Negotiated sales should only be used if, in the determination of the District in consultation with its independent financial advisor, the potential debt issue is too complicated or not conducive to a competitive sale process. The underwriter should a) have substantial experience with similar types of debt issues, b) have a substantial retail distribution network, c) have a history of obtaining market interest rates, and d) should indicate all costs and fees that may be charged.

**Hiring Financial Service Providers**

Financial service providers can be selected based on an RFP process. As an alternative to engaging in an RFP process, the District can solicit a proposal from a preferred provider and check with an independent financial advisor to ensure the cost for services is reasonable. An independent financial advisor can assist with selecting and/or negotiating with potential service providers in order to ensure the District receives high-quality services at a reasonable cost.

**Debt Structure & Term**

Debt should be structured to meet the District's long-term financial needs and objectives. An independent financial advisor can assist the District in determining an appropriate debt structure and term. Utility revenue bonds are typically issued for terms up to 30 years. The term of the debt should generally not exceed the estimated useful life of the project being funded – technically, the weighted average maturity of the debt should not exceed 120% of the expected life of the project. Unless expressly approved by the Board at the recommendation of Finance after consultation with the Financial Advisor and Bond Counsel the final maturity of fixed rate debt should be no longer than 40 years and the final maturity of variable rate debt should be no longer than 40 years. Factors to be considered to

determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The District may not issue taxable debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the Business Services Manager/Chief Financial Officer (“CFO”) after consultation with the Financial Advisor and Bond Counsel.

Debt issued to finance new projects is most-commonly structured to generate level annual debt service payments. In some cases, debt is structured around pre-existing debt obligations in order to provide aggregate level annual debt service accounting for all outstanding issues combined. Subject to federal tax code limitations, refunding debt generally cannot have a term or a weighted average maturity that exceeds the debt being refunded.

### **Capitalized Interest**

If needed or deemed beneficial, the District can set aside debt proceeds in a Capitalized Interest Fund to pay debt service interest payments for up to 3 years after the debt issuance date, or one year after the project is expected to be placed in service. Capitalizing interest requires the issuance of additional debt and results in a) lower debt service payments during the capitalized interest period, and b) higher debt service payments thereafter. In general, the District should not capitalize interest unless needed to meet cash flow requirements or legal covenants.

### **Bond Insurance / Credit Enhancement**

Bond insurance provides investors with additional repayment security and can result in higher credit ratings (the insurance provider’s ratings) and lower interest rates. Bond insurance should be used whenever the debt service savings from the bond insurance is greater than the cost of the bond insurance premium. In general, most investment grade utility revenue bonds are issued with bond insurance since the savings almost always outweighs the cost of bond insurance. Bond insurance is only available at the insurer’s determination.

Bond insurance can be issued at bidder’s option (the option of the underwriter on a competitive sale) or purchased directly by the District prior to a bond sale. If purchasing bond insurance directly, the District should solicit bids from highly rated bond insurers and only use insurance if such credit enhancement results in a lower total cost of borrowing for the District or otherwise furthers the District’s financial objectives.

### **Legal Covenants for Revenue-Secured Debt**

The District is a self-supporting utility enterprise and relies predominantly on revenues from rates and fees to fund all operating and capital expenditures, including debt repayment. The most common type of debt issued by utility enterprises is revenue secured debt. Revenue secured debt should generally be issued with the following legal covenants:

- Debt service coverage pledge should generally be set at 120% for legal purposes. (Total

revenues less operating and maintenance expenses must equal at least 120% of outstanding debt service due per fiscal year.)

- Allowance of a rate stabilization fund to meet the debt service coverage requirement.
- Additional debt test should account for adopted (but not yet necessarily effective) rate increases. This would enable the District to phase in future rate increases if ever needed to secure debt.
- Permit issuance of debt with or without a debt service reserve fund, as market conditions warrant, and in the case where a debt service reserve fund is deemed beneficial, allowance to use a reserve surety bond to satisfy the debt service reserve requirement.
- Special language may need to be incorporated to account for potential future SRF Loans and/or other state and federal financing programs.

### **Prepayment Options**

The District should not enter into any long-term debt that does not include a reasonable and flexible prepayment option. Some general guidelines for prepayment options include:

- Long-term debt, such as 25 to 30-year bonds, should include a call-protection period not-to-exceed 10 years. Earlier call provisions provide more financial flexibility for refunding debt but may result in higher interest rates if the bonds are not redeemed on the call date. Shorter-term debt should have shorter call protection periods. For example, a 10-year loan should generally be able to be refunded after 5 years.
- The prepayment penalty or premium for refunding long-term debt should generally not exceed 2% of the outstanding principal amount on the first call date and should decline to 0% within a few years thereafter. It is typical in the current market to see 10-year calls with no premium on the first call date.
- In some cases, the District should also consider including special prepayment provisions if it anticipates refunding debt within a shorter timeframe, such as if a potential grant may be awarded after the project is constructed.

### **Debt Service Reserve Fund**

A debt service reserve fund may be beneficial to help provide additional security for revenue-supported debt such as revenue bonds. The reserve requirement cannot exceed the lesser of a) 10% of the principal amount of debt issued, b) 125% of average annual debt service, or c) maximum annual debt service on outstanding debt.

The District may satisfy the reserve requirement with cash, such as from bond proceeds. Alternatively, the District should retain the legal authority to satisfy the reserve requirement with a reserve surety bond instead of cash. An independent financial advisor can assist in determining whether a reserve fund is necessary and an appropriate method for meeting the reserve requirement.

**Internal Control Procedures Relating to Bond Proceeds**

All debt transactions must be approved by the Board of Directors. The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds.

Bond proceeds will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of District funds. The District's bond trustee will administer the disbursement of bond proceeds pursuant to provisions set forth in bond legal documents. To ensure proceeds from bond sales are used in accordance with legal requirements invoices are submitted by the appropriate Program or Work Group Manager and approved by the Business Services Work Group Manager or General Manager for payment. Requisition for the disbursement of bond funds will be approved by the District's CFO, General Manager, or designated alternate.

- In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the District, the District may rely upon certification by such other governmental entity that it has adopted the policies described in SB 1029.

**Investment of Debt Proceeds**

The District can invest and earn money on its debt proceeds subject to certain legal limitations. The District should evaluate its investment options for each debt issue. The District can select the investment(s) based on recommendations by staff or a qualified investment advisor, or can use an investment agent to bid out the investment subject to pre-established limitations, such as those imposed by the District's Investment Policy or those imposed by the bond insurer.

The District is not generally allowed to earn arbitrage by investing debt proceeds at an interest rate that exceeds the interest rate of the debt. However, the District will not necessarily be penalized for doing so; if bond funds are invested at an interest rate that exceeds the Arbitrage Yield Limit of the bonds, the District is required to reimburse the federal government for amounts earned in excess of the allowed yield.

**Arbitrage Rebate Compliance**

The District shall establish a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This will include tracking investment earnings on bond proceeds, using outside experts to assist in calculating rebate payments and preparing necessary filings, and making payments in a timely manner in order to preserve the tax exempt status of the District's outstanding debt issues. Investment earnings in excess of the allowable Arbitrage Yield Limit must be refunded to the federal government within approximately five years of the date of debt issuance. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be

expected to be expended within the three-year temporary period.

### **State Reporting Requirements**

State reporting requirements Pursuant to Government Code 8855(k), the District will submit annual debt transparency reports for any debt issued on or after January 1, 2017 every year until the later date on which the debt is no longer outstanding or proceeds have been fully spent by no later than January 31 each year.

Pursuant to the Government Code Section 6599.1(b) of the Marks-Roos Local Bond Pooling Act of 1985, as amended (Section 6584 et seq.) the District will submit the Marks-Roos yearly fiscal status reports, if required, annually to California Debt and Investment Advisory Commission (“CDIAC”) until the final maturity of the bonds by no later than October 30 each year.

### **Continuing Disclosure**

The District will meet its continuing disclosure obligations for each debt issue by providing annual financial statements and other required information in a timely manner to the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and other parties as required. In addition, the District will provide financial and other information to the rating agencies, bond insurers, trustee, and others upon request. The CFO shall be responsible for providing ongoing disclosure information, meeting disclosure requirements, and for maintaining compliance with disclosure standards dictated by state and national regulatory bodies. In the event a ‘material event’ occurs requiring immediate disclosure, the Business Services Work Group Manager or General Manager will ensure information flows to the appropriate disclosure notification parties in a timely manner.

Effective February 27, 2019, Rule 15c2-12 was amended to add two events to the required disclosure by issuers with respect to any “financial obligation” as defined in Rule 15c2-12. For purposes of Rule 15c2-12, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

Under the first of the added events, the District must disclose any default, event of acceleration, termination event, modification of terms, or other similar events with respect to any “financial obligation” as defined in Rule 15c2-12. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff, or other executive positions within the District, will provide written notice to the CFO of receipt by the District of any default, event of acceleration, termination event, modification of terms or other similar events (collectively, a “Potentially Reportable Event”) under any agreement or obligation to which the District is a party and which may be a “financial obligation” as defined above. Such written notice should be provided by General Counsel to the CFO as soon as the General Counsel is placed on written notice by District staff, consultants, or external parties of such

event or receives written notice of such event so that the CFO can determine, with the assistance of disclosure counsel, whether notice of such Potentially Reportable Event is required to be filed on the Electronic Municipal Market Access (“EMMA”) pursuant to the disclosure requirements of Rule 15c2-12. If filing on EMMA is required, the filing is due within 10 business days of such Potentially Reportable Event to comply with continuing disclosure undertakings for debt obligations of the District issued after February 27, 2019.

Under the second of the added events, the District must disclose the incurrence of a “financial obligation” of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders. To assist in complying with this added event, the General Counsel, General Manager, or other senior staff or other executive positions within the District, as applicable, will report to the CFO the execution by the District of any agreement or other obligation entered into after February 27, 2019 which might constitute a “financial obligation” for purposes of Rule 15c2-12 and any amendments to existing District agreements or obligations which might constitute a “financial obligation” for purposes of Rule 15c2-12 which relate to covenants, events of default, remedies, priority rights, or other similar terms. Such report to the CFO should be made as soon as the General Counsel, General Manager, or such other senior staff is placed on written notice by District staff, consultants, or external parties of such event or receives a written notice of such amendment requests. Notice to the CFO is necessary so that the CFO can determine, with the assistance of Disclosure Counsel, whether such agreement or other obligation constitutes a material “financial obligation” for purposes of Rule 15c2-12. If such agreement or other obligation is determined to be a material “financial obligation” or a material amendment to a “financial obligation”, notice thereof would be required to be filed on EMMA within 10 business days of incurrence or amendment.

The types of agreements or other obligations which could constitute a “financial obligation” under the Rule and which may need to be reported on EMMA include:

- 1 Bank loans or other obligations which are privately placed;
- 2 State or federal loans;
- 3 Commercial paper or other short-term indebtedness for which no offering document has been filed on EMMA;
- 4 Letters of credit, surety policies or other credit enhancement with respect to the District’s publicly offered debt;
- 5 Letters of credit, including letters of credit which are provided to third parties to secure the District’s obligation to pay or perform (an example of this is a standby letter of credit delivered to secure the District’s obligations for performance under a mitigation agreement);
- 6 Capital leases for property, facilities, fleet or equipment; and
- 7 Agreements which guarantee the payment or performance obligations of a third party (regardless of whether the agreements constitute guarantees under California law).

- 8 Payment agreements which obligate the District to pay a share of another public agency's debt service (for example, an agreement with a joint powers agency whereby the District agrees to pay a share of the joint powers agency's bonds, notes or other obligations);
- 9 Service contracts with a public agency or a private party pursuant to which the District is obligated to pay a share of such public agency or private party's debt service obligation (for example, certain types of public/private partnership arrangements); and
- 10 Any agreement the payments under which are not characterized as an operation and maintenance expenses for accounting purposes if such agreement could be characterized as the borrowing of money.

The CFO will continue to work with the General Counsel and Disclosure Counsel to refine the definition of "financial obligation" going forward based on future SEC guidance.

Approved by: Board of Directors  
Author/owner: General Manager / Business Services Manager  
Reviewers: Executive Team, Board of Directors  
Notify Person: Business Services Manager  
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