



BOARD MEETING AGENDA
Monday, June 12, 2017
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.
2. Pledge of Allegiance.
3. Roll Call.
- Motion 4. Approve Minutes of the Special Meeting of May 16, 2017.
- Motion 5. Approve Minutes of the Meeting of May 22, 2017.
6. Written Communications.
7. Oral Communications.
The public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District office at least one working day prior to the meeting). This portion of the agenda is where a member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction that is not on the agenda. If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. Oral comments are limited to three minutes per individuals, with a maximum of 30 minutes per subject. Speaker's cards will be available in the Boardroom and are to be completed prior to discussion.
- Motion 8. Award the Construction Contract for the Force Main Corrosion Repairs Project, Phase 1 to Cratus, Inc *(to be reviewed by the Engineering and Information Technology Committee)*.
- Motion 9. Consider a Contract with Comcast Business Fiber Division to Provide Reliable Backup Internet Service to the Alvarado Treatment Plant Facility *(to be reviewed by the Budget & Finance Committee)*.
- Information 10. Proposed Operating and CIP Budget for Fiscal Year 2018 *(to be reviewed by the Budget & Finance Committee)*.
- Information 11. Report on the East Bay Dischargers Authority (EBDA) Meeting of May 18, 2017.
- Information 12. Check Register.
- Information 13. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*
 - a. Budget & Finance Committee – Thursday, June 8, 2017, at 11:30 a.m.
 - Director Handley and Director Lathi

- b. Engineering and Information Technology Committee – Friday, June 9, 2017, at 9:00 a.m.
 - Director Kite and Director Toy
- c. Audit Committee – will not meet.
- d. Legislative Committee – will not meet.
- e. Personnel Committee – will not meet.
- f. Legal/Community Affairs Committee – will not meet.

Information

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- 14. General Manager's Report. *(Information on recent issues of interest to the Board).*
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- 15. 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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- 16. Adjournment – The Board will adjourn to a Special Meeting in the Alvarado Conference Room on Tuesday, June 20, 2017, at 6:00 p.m.
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- 17. Adjournment – The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, June 26, 2017, at 7:00 p.m.

<p>The Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting).</p> <p>If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. If the subject is within the Board's jurisdiction but not on the agenda, the speaker will be heard at the time "Oral Communications" is calendared. Oral comments are limited to three minutes per individual, with a maximum of 30 minutes per subject. Speaker's cards will be available in the Boardroom and are to be completed prior to discussion of the agenda item.</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. THE PUBLIC IS INVITED TO ATTEND



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

BUDGET & FINANCE COMMITTEE MEETING
Committee Members: Director Handley and Director Lathi

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

AGENDA
Thursday, June 8, 2017
11:30 A.M.

Karen W. Murphy
Attorney

Mission Conference Room
5072 Benson Road
Union City, CA 94587

1. Call to Order
2. Roll Call
3. Public Comment
4. Items to be reviewed for the Board meeting of June 12, 2017:
 - Consider a Contract with Comcast Business Fiber Division to Provide Reliable Backup Internet Service to the Alvarado Treatment Plant Facility.
 - Preliminary Operating and CIP Budgets for Fiscal Year 2018.
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 Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting).

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

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THE PUBLIC IS INVITED TO ATTEND



REVISED

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

**ENGINEERING & INFORMATION TECHNOLOGY
COMMITTEE MEETING**
Committee Members: Director Kite and Director Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

AGENDA

Friday, June 9, 2017

~~**9:30 A.M.**~~

9:00 A.M.

Karen W. Murphy
Attorney

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

**THIS MEETING WILL BE TELECONFERENCED WITH DIRECTOR KITE FROM THE EXTERIOR OF
35040 NEWARK BOULEVARD, NEWARK, CALIFORNIA.
THE TELECONFERENCE LOCATION SHALL BE ACCESSIBLE TO THE PUBLIC.**

1. Call to Order
2. Roll Call
3. Public Comment
4. Items to be reviewed for the Board meeting of June 12, 2017:
 - Award the Construction Contract for the Force Main Corrosion Repairs Project, Phase 1 to Cratus, Inc.
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 Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting). If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. If the subject is within the Board's jurisdiction but not on the agenda, the speaker will be heard at the time "Public Comment" is calendared. Oral comments are limited to three minutes per individual, with a maximum of 30 minutes per subject. Speaker's cards will be available and are to be completed prior to discussion of the agenda item.

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

THE PUBLIC IS INVITED TO ATTEND

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
May 16, 2017**

CALL TO ORDER

President Handley called the special meeting to order at 5:30 p.m.

ROLL CALL

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

ABSENT: Tom Handley, President

STAFF: Paul Eldredge, General Manager/District Engineer
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Pamela Arends-King, Business Services Manager/CFO
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Armando Lopez, Treatment and Disposal Service Manager
Laurie Brenner, Finance and Acquisition Services Team Coach
Harriet Commons, Interim Employee

PUBLIC COMMENT

There was no public comment.

BOARD WORKSHOP

General Manager Eldredge provided an overview of District activities covering the past six months.

ADJOURNMENT:

The special meeting was adjourned at approximately 7:00 p.m. to the next Regular Board Meeting in the Boardroom on Monday, May 22, 2017, at 7:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

ANJALI LATHI
SECRETARY

APPROVED:

TOM HANDLEY
PRESIDENT

Adopted this 12th day of June, 2017

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
May 22, 2017**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

ABSENT: Tom Handley, President

STAFF: Paul Eldredge, General Manager
Karen Murphy, District Counsel
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Pamela Arends-King, Business Services Manager/CFO
Robert Simonich, Fabrication, Maintenance, and Construction Manager
Armando Lopez, Treatment and Disposal Service Manager
Laurie Brenner, Finance and Acquisition Services Team Coach
Michelle Powell, Communications and Intergovernmental Relations Coordinator
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

GUEST: Alice Johnson, League of Women Voters
Paul Sethy, Alameda County Water District (ACWD) Director
Laura Hidas, ACWD Special Assistant to the General Manager
Aryaa Chanchani and family
Mira Ramachandran and family
Twisha Kurlagunda and family
Sandhya Sharma, American High School
Lindsay Milligan, Irvington High School

APPROVAL OF THE MINUTES OF THE MEETING OF MAY 8, 2017

It was moved by Director Toy, seconded by Secretary Lathi, to approve the Minutes of the Meeting of May 8, 2017. Motion carried with the following vote:

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

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

PRESENTATION OF ALAMEDA COUNTY SCIENCE AND ENGINEERING FAIR EXCELLENCE IN WATER RESEARCH AWARDS TO SENIOR DIVISION WINNERS

Communications and Intergovernmental Relations Coordinator Powell stated the District is one of ten Alameda County water and wastewater agencies that collaborated to create and fund the Excellence in Water Research Awards for the Annual Alameda County Science and Engineering Fair. The awards include cash prizes and are given to students whose projects are related to water or wastewater issues. A member of the District's laboratory staff has served as a judge for these awards since their inception five years ago. The Board presented senior division awards to the following students and teachers:

<u>Student</u>	<u>School</u>	<u>Teacher</u>	<u>Project Title</u>
Aryaa Chanchani & Mira Ramachandran	American High School	Sandhya Sharma	Biodegradable Materials: Retaining Every Drop
Twisha Kurlagunda	Irvington High School	Lindsay Milligan	Innovative Design and Analysis of Solar Water Distiller

Vice President Kite recessed the meeting at 7:10 for a reception honoring the science fair winners and their projects.

Vice President Kite reconvened the meeting at 7:35 p.m.

BALANCED SCORECARD AND MONTHLY OPERATIONS REPORT

This item was reviewed by the Budget & Finance and Legal and Community Affairs Committees.

- a. April 2017 Monthly Odor Report and Financial Reports – General Manager Eldredge presented the following:
 - Odor Complaints: There were no odor complaints in April 2017.

Business Services Manager/CFO Arends-King reported the following:

- Revenues:
 - The District Received \$630,456 in Capacity Fees during April 2017 including:
 - \$282,000 from KB Homes
 - \$198,000 from William Lyon Homes
 - \$143,000 from Habitat for Humanity

- Expenses:
 - Expenses for all Work Groups were at or below budget.
- b. Third Quarter FY 17 District-wide Balanced Scorecard Measures – Finance and Acquisition Services Team Coach/Acting Operational Performance Program Manager Brenner reported the following:
 - Safety
 - There were no new injuries in the third quarter of FY 17 (Q3).
 - Trainings offered during Q3 included CPR/First Aid/AED, Defensive Driving, and Confined Space Entry.
 - There was one Category 3 spill during the third quarter of FY 17, which will result in the District missing the target of zero for adverse impacts on the environment. A Category 3 spill is the lowest level on the sanitary sewer overflow (SSO) chart as defined by the California State Water Resources Control Board. The Board requested staff include the SSO categories table in future reports.
- c. Balanced Scorecard Report for the Technical Services Work Group – Technical Services Manager Ghossain presented the following:
 - Capital Improvements Projects (CIP) Team measures focus on internal and external customer satisfaction, management of District funds, and successful quality control of capital projects.
 - Customer perspective surveys regarding communication and responsiveness of project managers exceeded the target of 90%.
 - The Pine Street Easement Improvements Project was the only project to exceed the 20% target for percent of design and construction management costs to construction cost. The higher percentage was due to the higher level of effort needed during the design phase to account for difficult site terrain and the constraints of improvements along a creek that is considered environmentally sensitive. The Legal and Community Affairs Committee requested staff include the construction cost on the chart which shows the percent of design and construction management cost; staff will incorporate this change into future reports.
 - Customer Service Team measures focus on timely return of plan reviews, dispatching trouble calls, collection of fees, providing quality construction inspection of sewer facilities, and providing high-quality customer service to both external and internal customers.
 - The goal of less than five refunds issued per year was attained with three refunds issued in the past year.
 - The team missed the goal of 90% of plans checked within 10 working days during the third quarter of Fiscal Year 2017 when 85% of plans were checked within 10 working days. The longest plan review was 13 working days.
 - 100% of trouble calls were dispatched within 10 minutes, exceeding the target of 90%.
 - Environmental Compliance (EC) Team measures are related to the protection of District workers, facilities, and the Plant from potentially harmful discharges; compliance with Local, State, and Federal regulations

and requirements; and developing constructive and professional relationships with our Industrial and Commercial Users.

- All Public Outreach surveys returned indicated 100% positive feedback.
- EC staff were successful in meeting the target of 90%-100% expenditures for the City of Fremont Clean Water Program Contract.
- EC inspectors exceeded all quarterly targets for number of samples taken.

SCHEDULING PUBLIC HEARING TO CONSIDER COLLECTION OF SEWER SERVICE CHARGES ON THE TAX ROLL FOR FISCAL YEAR 2018

This item was reviewed by the Budget & Finance Committee. Finance and Acquisition Services Team Coach Brenner stated the Board approved sewer service charge rates for fiscal years 2017 through 2021 on January 25, 2016. The collection of sewer service charges on the tax rolls requires an annual hearing and consideration by the Board. The Board would need to set a date for a public hearing to consider authorization for collection of sewer service charges for fiscal year 2018 on the tax rolls. After the hearing is set by the Board, staff will prepare the report to be considered at the public hearing and will publish the Public Hearing Notice in the Argus Newspaper on June 2, 2017 and June 9, 2017, and in the Tri-City Voice on May 30, 2017 and June 6, 2017. Staff recommended the Board set the time for holding the public hearing to consider collection of sewer service charges on the tax roll for fiscal year 2018 for 7:00 p.m., or as soon thereafter as the matter may be heard, on June 26, 2017, in the Boardroom at 5072 Benson Road, Union City, California.

It was moved by Director Toy, seconded by Director Fernandez, to Set the Time for Holding the Public Hearing to Consider Collection of Sewer Service Charges on the Tax Roll for Fiscal Year 2018 at 7:00 p.m. on June 26, 2017, in the Boardroom at 5072 Benson Road, Union City, California. Motion carried with the following vote:

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

REVIEW AND CONSIDER APPROVAL OF PUBLICLY AVAILABLE PAY SCHEDULES

This item was reviewed by the Personnel Committee. Business Services Manager/CFO Arends-King stated CalPERS conducts random reviews of agencies to ensure compliance with laws, rules, and regulations. Union Sanitary District underwent a review by CalPERS which resulted in a finding that some of the District's Publicly Available Pay Schedules (PAPS) did not include all required information. The District submitted revised PAPS to the Board for approval at the regular meeting held January 9, 2017. The District was then informed by CalPERS that five additional PAPS needed to be revised. Staff recommended the Board approve the five revised PAPS, and that the Board President sign the revised PAPS enabling staff to post and retain the records in accordance with CalPERS requirements.

It was moved by Director Toy, seconded by Director Fernandez, to Approve the Five Revised Publicly Available Pay Schedules (PAPS) to be Signed by the Board President,

Posted, and Retained in Accordance with CalPERS Requirements. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO ACCEPT A SANITARY SEWER EASEMENT FOR TRACT 8166 – CEDAR TOWNHOMES, LOCATED AT THE NORTHEAST CORNER OF CEDAR BOULEVARD AND MOWRY SCHOOL ROAD IN THE CITY OF NEWARK

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated CDCG 3 HOV LP will construct 85 townhome units for Tract 8166 in the City of Newark. Sanitary sewer service to the residential development will be provided by new 8-inch mains in the development's private roadways. CDCG 3 HOV LP constructed the new sewer mains and granted the District a sanitary sewer easement that provides for access, maintenance, and service of the new mains in the private roadways of the development. Staff recommended the Board consider a resolution to accept a sanitary sewer easement for Tract 8166 – Cedar Townhomes, located at the northeast corner of Cedar Boulevard and Mowry School Road in the City of Newark.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Adopt Resolution No. 2811 Accepting a Sanitary Sewer Easement for Tract 8166 – Cedar Townhomes, Located at the Northeast Corner of Cedar Boulevard and Mowry School Road in the City of Newark, California. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO ACCEPT A SANITARY SEWER EASEMENT FOR TRACT 8193 – SAN MARINO, LOCATED ALONG FREMONT BOULEVARD WEST OF FERRY LANE IN THE CITY OF FREMONT

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated Van Daele Development of Northern California, Inc. will construct 18 townhome units for Tract 8193 in the City of Fremont. Sanitary sewer service to the residential development will be provided by new 8-inch sewer mains in the development's private roadways connected to an existing main in Fremont Boulevard. Val Daele Development of Northern California, Inc. has constructed the new sewer mains and granted the District a sanitary sewer easement that provides for access, maintenance, and service of the new mains in the private roadways of the development. Staff recommended the Board consider a resolution to accept a sanitary sewer easement for Tract 8193 – San Marino, located along Fremont Boulevard west of Ferry Lane in the City of Fremont.

It was moved by Director Fernandez, seconded by Director Toy, to Adopt Resolution No. 2812 Accepting a Sanitary Sewer Easement for Tract 8193 – San Marino, Located along Fremont Boulevard West of Ferry Lane in the City of Fremont, California. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO ACCEPT A SANITARY SEWER EASEMENT FOR TRACT 8212 – CLASSICS AT RUSCHIN, LOCATED ALONG RUSCHIN DRIVE BETWEEN ROSEWOOD DRIVE AND MCDONALD AVENUE IN THE CITY OF NEWARK

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated Classic 36120 Ruschin LP, will construct 77 single family residential units for Tract 8212 in the City of Newark. Sanitary sewer service to the development will be provided by new 8-inch mains in the development's private roadways that will be connected to an existing 8-inch main in Ruschin Drive. Classic 36120 Ruschin LP has constructed the new mains and granted the District a sanitary sewer easement that provides for access, maintenance, and service of the new sewer mains in the private roadways of the development. Staff recommended the Board consider a resolution to accept a sanitary sewer easement for Tract 8212 – Classics at Ruschin, located along Ruschin Drive between Rosewood Drive and McDonald Avenue in the City of Newark.

It was moved by Director Toy, seconded by Director Fernandez, to Adopt Resolution No. 2813 Accepting a Sanitary Sewer Easement for Tract 8212 – Classics at Ruschin, Located along Ruschin Drive Between Rosewood Drive and McDonald Avenue in the City of Newark, California. Motion carried with the following vote:

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

INFORMATION ITEMS:

Informational Update on the Force Main Relocation at the Torian Property Development in Newark

This item was removed from consideration.

Check Register

All questions were answered to the Board's satisfaction.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- General Manager Eldredge will be out of the office through June 6, 2017.

OTHER BUSINESS

Director Fernandez stated he attended the annual Southern Alameda County Geographic Information System Authority meeting on May 18, 2017.

Vice President Kite asked if it would be possible to schedule a special meeting with availability of four of the five Boardmembers. District Counsel Murray stated a quorum would be necessary to conduct a Board workshop or closed session. The Board agreed by consensus to discuss the process for scheduling Board workshops and closed sessions at a future meeting.

ADJOURNMENT:

The meeting was adjourned at 8:10 p.m. to the next Regular Board Meeting in the Boardroom on Monday, June 12, 2017, at 7:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

ANJALI LATHI
SECRETARY

APPROVED:

TOM HANDLEY
PRESIDENT

Adopted this 12th day of June, 2017



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

DATE: June 5, 2017

MEMO TO: Board of Directors - Union Sanitary District

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

SUBJECT: Agenda Item No. 8 – Meeting of June 12, 2017
**Award the Construction Contract for the Force Main Corrosion Repairs Project,
Phase 1 to Cratus, Inc.**

Recommendation

Staff recommends the Board award the construction contract for the Force Main Corrosion Repairs Project, Phase 1 to Cratus, Inc. in the amount of \$821,000 and authorize staff to issue the Notice of Award for the Project. Funds for the project have been budgeted in the Renewal and Replacement Fund.

Background

The District operates and maintains the transport system that consists of three pump stations and three lift stations and approximately 12½ miles of twin force main pipelines. The transport system conveys wastewater from the Irvington and Newark drainage basins to the Alvarado Wastewater Treatment Plant.

Force main facilities include 78 manholes along the pipeline alignment; please see attached Figures 1 and 2. Of the 78 manholes, 46 of them provide access into the force main pipelines via a manway inside the manholes, and each manway is sealed with a blind flange. At the other 32 manholes, appurtenances such as air release valves or blow off valves are connected to the blind flanges.

The air release valves are located at the higher elevations of the force main pipelines to allow air from the pipelines to vent in order to maintain the full hydraulic capacity of the pipelines. The blow off valves are located at the lower elevations of the force main pipelines to allow staff to drain the wastewater from the pipelines when there is a need to remove as much wastewater as possible, typically for a long-term outage for maintenance or construction activities. This doesn't happen very often but if there is a need to do so, staff will need to set up pumps and hoses to connect the blow off valves to the closest sanitary sewer manhole.

These facilities were installed almost 40 years ago, as part of the original force main construction. Over time, the presence of groundwater, moisture, and the buildup of hydrogen sulfide gas in these force main manholes have caused many of the manways, blind flanges, and appurtenances to become corroded. This corrosion is of primary concern, as failure of any single element could precipitate a leak from the force main pipeline.

In 2011, the District conducted a condition assessment of the force main equipment located in the Irvington Valve Box, Newark Influent and Effluent Valve Boxes, and Alvarado Influent Valve Box. These valve boxes are part of the transport system that delivers wastewater to the Plant and primarily house large diameter cement mortar coated steel piping, knife gate valves, and flanged coupling adaptors (FCAs). The assessment found the existing FCAs were experiencing corrosion and recommended them for replacement. The assessment also recommended refurbishment or replacement of the valves. In 2012, the District completed two phases of the Force Main Improvements Project to replace corroded FCAs and rehabilitated and replaced knife gate valves on the force main pipelines located within the valves boxes.

In 2004, the District's Force Main Study included a condition assessment of the interior and exterior of the buried force main piping that was constructed of reinforced concrete pipelines. The study found the piping to be in good condition and recommended an internal inspection every 10 years and an external inspection every 20 years. In 2016, the District hired Woodard & Curran (formerly RMC Water and Environment) to conduct the internal inspection of the force main piping as the force main piping is taken out of service for the District's Force Main Corrosion Repairs Project and the developer's Force Main Relocation Project this year and next.

Force Main Manhole Inspection

During the summer of 2015, staff performed visual inspection inside all 78 force main manholes, and conducted non-destructive testing on elements with the worst corrosion conditions. In the fall of 2015 through the spring of 2016, staff hired Carollo Engineers to review the data collected during the inspections and testing; as a result they recommended that any and all corroded elements within the 78 manholes be rehabilitated or replaced. Please see Figures 3 through 7. In the fall of 2016, staff hired West Yost Associates to complete preliminary design services for the Project, including further data compilation and review, repair prioritization, evaluation of

anticipated construction phasing, and preparation of preliminary cost estimates. In the winter of 2017, West Yost completed final design for the Project while outlining a plan to accomplish the repairs in phases. Phase 1 will address corrosion repairs for manholes on the eastern force main between Newark Pump Station and the Alvarado Wastewater Treatment Plant, with the flexibility to address additional repairs on the western force main, weather permitting.

Bid Results

The project was advertised for bids on April 25, 2017, and bids were opened on May 25, 2017. Staff received three (3) bids. The results are as follows:

Contractor	Total Base Bid Amount
Cratus, Inc.	\$821,000
TNT Industrial Contractors, Inc.	\$859,301
D. W. Nicholson Corp.	\$1,528,900

Cratus, Inc. is the lowest responsive and responsible bidder with a total base bid amount of \$821,000, approximately 46% above the Engineer's Estimate of \$560,000. Staff inquired with West Yost about why the Engineer's Estimate was low. West Yost advised that they have noticed a trend of higher than expected bid results from recent bid openings, and that there has been as much as a 20 to 25 percent increase in bid prices within the last couple months. This trend is likely a reflection of the recent wet winter which effectually created a large backlog of construction work and decreased demand for new work this spring. The higher bids also reflect a strong local economy with many public and private construction projects that depend on a limited pool of skilled workers. This results in fewer qualified contractors bidding on new projects, which drives up the construction costs for those projects. In addition, the construction projects put a high demand on construction materials such as steel and concrete, which results in material shortages and higher material costs for new projects.

Staff also inquired with D. W. Nicholson about why their bid was high, and found that they had a more elaborate and costly force main dewatering plan which exceeded the requirements of the technical specifications.

West Yost had difficulty developing the Engineer's Estimate for the project as the scope of work is vastly different than other piping and mechanical projects which provided very few historical bid costs for comparison purposes. The volume of groundwater and wastewater to be pumped from the manholes and force main is largely unknown so the project scope had to account for potentially high dewatering volumes of both.

Both West Yost and staff believe that re-bidding the project will not necessarily result in lower bids due to the reasons stated above. A benefit of proceeding with the project is the experience gained from the construction methods and the level of effort required to complete the scope of work can be applied to subsequent phases of the Force Main Corrosion Repairs Project.

No bid protests were received by the District. Cratus, Inc. has confirmed that they will construct the project as bid.

Contractor's Background

Cratus, Inc. is a General Engineering Class A licensed contractor who has constructed numerous similar repair projects, including the San Joaquin Pipeline No. 1 Replacement for the San Francisco Public Utilities Commission, the 2014 Water System Improvement Project for the City of Pittsburg, the Ralston Ave. / Pepper Ave. Hydraulic Sewer Capacity Improvements for the Town of Hillsborough, the East-West Transmission Pipeline Segment 5C for the City of Fairfield, and the Lincoln Ave. Sewer Improvement Project for San Rafael Sanitation District. Staff has checked references and received satisfactory responses. Cratus, Inc. also successfully constructed the District's Miscellaneous Spot Repairs Project, Phase VI in 2015.

Notice to Proceed for construction of the project is anticipated to be issued in early July 2017, and construction completion is expected by early November 2017. Construction management of the project will be provided by staff.

Staff recommends the Board award the construction contract for the Force Main Corrosion Repairs Project, Phase 1 to Cratus, Inc. in the amount of \$821,000 and authorize staff to issue the Notice of Award for the Project.

PRE/SEG/RC/CE:ks

Attachments: Figures 1-2 – Location Maps
Figures 3-7 – Photos
Bid Tabulation Sheet
Agreement



Legend

- ⊕ Access Manhole
- ⊕ Access/Blow Off Combination
- △ ARV
- Blow Off
- Rating 1
- Rating 2
- Rating 3
- Not Inspected
- LS Lift Station
- PS Pump Station
- Twin 33" Force Mains
- Twin 39" Force Mains

Notes:
1. Rating 1 requires immediate attention.
2. Rating 2 requires repair in 2-3 years.
3. Rating 3 requires repair after 3 years or place on PM schedule.

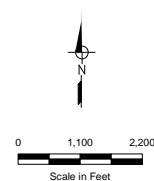


Figure 1
Irvington Pump Station to Newark Pump Station
Manhole Condition Ratings
Union Sanitary District
Force Main Manhole Corrosion Repairs



Notes:
 1. Rating 1 requires immediate attention.
 2. Rating 2 requires repair in 2-3 years.
 3. Rating 3 requires repair after 3 years or place on PM schedule.

Legend

- | | | |
|-------------------------------|-----------------|-------------------------------|
| ⊕ Access Manhole | ● Rating 1 | LS Lift Station |
| ⊕ Access/Blow Off Combination | ● Rating 2 | PS Pump Station |
| △ ARV | ● Rating 3 | WWTP Alvarado Treatment Plant |
| ○ Blow Off | ● Not Inspected | |
| | | — Twin 33" Force Mains |
| | | — Twin 39" Force Mains |

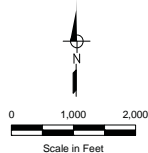


Figure 2

Newark Pump Station to Alvarado Treatment Plant Manhole Condition Ratings

Union Sanitary District
Force Main Manhole Corrosion Repairs

FIGURES 3-7 (PHOTOS)

Figure 3: Manway



Figure 4: Blind Flange



FIGURES 3-7 (PHOTOS)

Figure 5: Valve



Figure 6: ARV Piping



FIGURES 3-7 (PHOTOS)

Figure 7: Blowoff Tube



Item	Description	Bid Schedule		EE		CRATUS INC.			TNT INDUSTRIAL CONTRACTORS, INC.			D. W. NICHOLSON CORP.			Statistics of Unit Prices		
		Quantity	UOM	Unit Price	Total	Unit Price	Total	Check Total	Unit Price	Total	Check Total	Unit Price	Total	Check Total	High	Low	Average
1	Mobilization/Demobilization	1	LS	\$ 19,800.00	\$ 19,800.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 50,229.00	\$ 50,229.00	\$ 50,229.00	\$ 75,400.00	\$ 75,400.00	\$ 75,400.00	\$ 75,400.00	\$ 35,000.00	\$ 53,543.00
2	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	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 199.00	\$ 199.00	\$ 199.00	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 399.67
3	Repair Option A1 for Access Manways	6	EA	\$ 10,500.00	\$ 63,000.00	\$ 37,500.00	\$ 225,000.00	\$ 225,000.00	\$ 19,116.00	\$ 114,696.00	\$ 114,696.00	\$ 30,900.00	\$ 185,400.00	\$ 185,400.00	\$ 37,500.00	\$ 19,116.00	\$ 29,172.00
4	Repair Option A2 for Access Manways	1	EA	\$ 15,000.00	\$ 15,000.00	\$ 42,500.00	\$ 42,500.00	\$ 42,500.00	\$ 24,785.00	\$ 24,785.00	\$ 24,785.00	\$ 50,100.00	\$ 50,100.00	\$ 50,100.00	\$ 50,100.00	\$ 24,785.00	\$ 39,128.33
5	Repair Option B1 for ARV Manholes	4	EA	\$ 17,400.00	\$ 69,600.00	\$ 43,500.00	\$ 174,000.00	\$ 174,000.00	\$ 28,528.00	\$ 114,112.00	\$ 114,112.00	\$ 42,500.00	\$ 170,000.00	\$ 170,000.00	\$ 43,500.00	\$ 28,528.00	\$ 38,176.00
6	Repair Option B2 for ARV Manholes	2	EA	\$ 18,600.00	\$ 37,200.00	\$ 47,500.00	\$ 95,000.00	\$ 95,000.00	\$ 35,187.00	\$ 70,374.00	\$ 70,374.00	\$ 59,300.00	\$ 118,600.00	\$ 118,600.00	\$ 59,300.00	\$ 35,187.00	\$ 47,329.00
7	Repair Option C for Blow Off Manholes	2	EA	\$ 16,300.00	\$ 32,600.00	\$ 27,500.00	\$ 55,000.00	\$ 55,000.00	\$ 21,873.00	\$ 43,746.00	\$ 43,746.00	\$ 38,400.00	\$ 76,800.00	\$ 76,800.00	\$ 38,400.00	\$ 21,873.00	\$ 29,257.67
8	Repair Option D for Blow Off Manholes	2	EA	\$ 16,300.00	\$ 32,600.00	\$ 27,500.00	\$ 55,000.00	\$ 55,000.00	\$ 22,636.00	\$ 45,272.00	\$ 45,272.00	\$ 37,800.00	\$ 75,600.00	\$ 75,600.00	\$ 37,800.00	\$ 22,636.00	\$ 29,312.00
9	Repair Option E for Access Manway/Blow Off Manholes	2	EA	\$ 27,300.00	\$ 54,600.00	\$ 42,500.00	\$ 85,000.00	\$ 85,000.00	\$ 34,759.00	\$ 69,518.00	\$ 69,518.00	\$ 79,200.00	\$ 158,400.00	\$ 158,400.00	\$ 79,200.00	\$ 34,759.00	\$ 52,153.00
10	Apply Chemical Injection Groat Inside Manholes (NOT USED)	0	EA	\$ 7,500.00	\$ -			\$ -			\$ -			\$ -			
11	Abandon Existing Force Main Manhole (NOT USED)	0	EA	\$ 12,000.00	\$ -			\$ -			\$ -			\$ -			
12	Clean-up Oil Substance Inside Manhole (NOT USED)	0	EA	\$ 1,000.00	\$ -			\$ -			\$ -			\$ -			
13	Implement Biological Control Measures/BMPs and Site Restoration	1	LS	\$ 9,000.00	\$ 9,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 19,670.00	\$ 19,670.00	\$ 19,670.00	\$ 104,600.00	\$ 104,600.00	\$ 104,600.00	\$ 104,600.00	\$ 19,670.00	\$ 48,090.00
14	Groundwater Dewatering Inside Manholes	150000	GAL	\$ 0.20	\$ 30,000.00	\$ 0.05	\$ 7,500.00	\$ 7,500.00	\$ 0.45	\$ 67,500.00	\$ 67,500.00	\$ 1.00	\$ 150,000.00	\$ 150,000.00	\$ 1.00	\$ 0.05	\$ 0.50
15	Sewage Force Main Dewatering	520,000	GAL	\$ 0.10	\$ 52,000.00	\$ 0.05	\$ 26,000.00	\$ 26,000.00	\$ 0.46	\$ 239,200.00	\$ 239,200.00	\$ 0.70	\$ 364,000.00	\$ 364,000.00	\$ 0.70	\$ 0.05	\$ 0.40
	Contingency	10%			\$ 41,640.00												
	General Contractor Overhead, Profit, & Risk	20%			\$ 83,280.00												
	Escalation	0%			\$ -												
	Sales Tax	9.25%			\$ 19,258.50												
	Bid Market Allowance	0%			\$ -												
	Base Bid Adjustment - Add / Deduct							\$ -			\$ -			\$ -			
	Excel Totals:				\$ 560,578.50		\$ 821,000.00	\$ 821,000.00		\$ 859,301.00	\$ 859,301.00		\$ 1,528,900.00	\$ 1,528,900.00			
	Submitted Total:			(EE Rounded Up):	\$ 561,000.00		\$ 821,000.00	\$ 821,000.00		\$ 859,301.00	\$ 859,301.00		\$ 1,528,900.00	\$ 1,528,900.00			
	Submitted Variance:							\$ -			\$ -			\$ -			

BLUE = LOW UNIT PRICE

**AGREEMENT FOR THE CONSTRUCTION OF
FORCE MAIN CORROSION REPAIRS PROJECT, PHASE 1
PROJECT NO. 800-491**

THIS AGREEMENT, made and concluded, in duplicate, this _____ day of June, 2017, between the UNION SANITARY DISTRICT ("District"), Union City, California, and **Cratus, Inc.**, ("Contractor"), License No. 987888.

W I T N E S S E T H :

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: **Force Main Corrosion Repairs Project – Phase 1 (Project No. 800-491)** 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 **Eight Hundred Twenty One Thousand Dollars and Zero Cents (\$821,000.00)** (the "Contract Price") computed in accordance with Contractor's accepted proposal dated May 25, 2017, which accepted proposal is incorporated herein by reference thereto as if herein fully set forth. 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.

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 June, 2017.

CRATUS, INC.

By: _____

Name: Michael Kirwan

Title: Treasurer / CFO

Address: 945 Taraval St. #302

San Francisco, CA 94116

UNION SANITARY DISTRICT

By: _____

Anjali Lathi
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

DATE: May 30, 2017

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer
Mike Gill, Network Administrator

SUBJECT: Agenda Item No. 9 – Meeting of June 12, 2017
Consider a Contract with Comcast Business Fiber Division to Provide Reliable Backup Internet Service to the Alvarado Treatment Plant Facility at 5072 Benson Road Union City, California

Recommendation

Approve 5-year cost of \$148,000 for backup Internet connection

Background

USD currently utilizes AT&T as primary Internet Services Provider (ISP) and Covad wireless as backup ISP. Covad was recently acquired by Telepacific, who uses AT&T as their tier 1 provider. This is not desirable from a business continuity perspective as a major AT&T outage would take down both primary and backup internet services.

With increased dependency on Internet due to “cloud” services, it is important for USD to have reliable backup internet.

USD does not have neighboring businesses making it financially viable for Comcast to run fiber to USD facilities. However, Comcast has offered to pay $\frac{3}{4}$ construction costs to trench & run fiber to the 5072 Benson Road facilities if the District will go into a 5-year contract totaling \$145,500, plus approximately \$25/month for fees, totaling \$148,000 over five years. This cost covers construction and 200mbps internet connection.

COMCAST ENTERPRISE SERVICES MASTER SERVICES AGREEMENT (MSA)

MSA ID#: CA-11626054-RDe G	MSA Term: 60 months	Customer Name: USD - Union Sanitary District
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CUSTOMER INFORMATION

Primary Contact: Michael Gill	<u>Primary Contact Address Information</u>
Title: Network Administrator	Address 1: 5072 Benson Rd,
Phone: (510) 477-7522	Address 2:
Cell:	City: Union City
Fax:	State: CA
Email: mikeg@unionsanitary.ca.gov	Zip Code: 94587

This Master Service Agreement ("Agreement") sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates ("Comcast") will provide communications and other services ("Services") to the above Customer. The Agreement consists of this fully executed Master Service Agreement Cover Page ("Cover Page"), the Enterprise Services General Terms and Conditions ("General Terms and Conditions"), any written amendments to the Agreement executed by both parties ("Amendments"), the Product-Specific Attachment for the applicable Services ("PSA(s)") and each Sales Order accepted hereunder ("Sales Orders"). In the event of any inconsistency among these documents, precedence will be as follows: (1) this Cover Page (2) General Terms and Conditions, (3) PSA(s), and (4) Sales Orders. This Agreement shall be legally binding when signed by both parties and shall continue in effect until the expiration date of any Service Term specified in a Sales Order referencing the Agreement, unless terminated earlier in accordance with the Agreement.

The Customer referenced above may submit Sales Orders to Comcast during the Term of this Agreement ("MSA Term"). After the expiration of the initial MSA Term, Comcast may continue to accept Sales Orders from Customer under the Agreement, or require the parties to execute a new MSA.

The Agreement shall terminate in accordance with the General Terms and Conditions. The General Terms and Conditions and PSAs are located at <http://business.comcast.com/enterprise-terms-of-service/index.aspx> (or any successor URL). Use of the Services is also subject to the High-Speed Internet for Business Acceptable Use Policy ("AUP") located at <http://business.comcast.com/customer-notifications/acceptable-use-policy> (or any successor URL), and the High-Speed Internet for Business Privacy Policy (Privacy Policy) located at <http://business.comcast.com/customer-notifications/customer-privacy-statement> (or any successor URL). Comcast may update the General Terms and Conditions, PSAs, AUP and Privacy Policy from time to time upon posting to the Comcast website.

Services are only available to commercial customers in wired and serviceable areas in participating Comcast systems (and may not be transferred). Minimum Service Terms are required for most Services and early termination fees may apply. Service Terms are identified in each Sales Orders, and early termination fees are identified in the applicable Product Specific Attachments.

BY SIGNING BELOW, CUSTOMER AGREES TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

CUSTOMER SIGNATURE (by authorized representative)

Signature:

Name:

Title:

Date:

COMCAST USE ONLY (by authorized representative)

Signature:

Sales Rep: Ray De Guzman

Name:

Sales Rep Email: raymond_deguzman@comcast.com

Title:

Region: California (Bay / NC)

Date:

Division: West

Account Name: USD - Union Sanitary District

MSA ID#: CA-11626054-RDe G

SO ID#: CA-11626054-RDe G-8795931

CUSTOMER INFORMATION (for notices)

Primary Contact: Michael Gill

City: Union City

Phone: (510) 477-7522

Title:

State: CA

Cell:

Address 1: 5072 Benson Rd.

Zip: 94587

Fax:

Address 2:

Allowable Contract Date:

Email: mikeg@unionsanitary.ca.gov

Contract Generated Date: 05/25/2017

SUMMARY OF CHARGES (Details on following pages)

Service Term (Months): 60

SUMMARY OF SERVICE CHARGES*

Total Ethernet Monthly Recurring Charges:	\$ 1,972.00
Total Trunk Services Monthly Recurring Charges:	\$ 0.00
Total Off-Net Monthly Recurring Charges:	\$ 0.00
Total Monthly Recurring Charges (all Services):	\$ 1,972.00

SUMMARY OF STANDARD INSTALLATION FEES

Total Ethernet Standard Installation Fees*:	\$ 1,000.00
Total Trunk Services Standard Installation Fees:	\$ 0.00
Total Off-Net Standard Installation Fees:	\$ 0.00
Total Standard Installation Fees (all Services):	\$ 1,000.00

SUMMARY OF CUSTOM INSTALLATION FEES

Total Custom Installation Fee:	\$ 27,000.00
Amortized Custom Installation Fee	\$ 0.00

SUMMARY OF EQUIPMENT FEES

Total Monthly Recurring Ethernet Equipment Fees:	\$ 24.95
Total Monthly Recurring Trunk Services Equipment Fees:	\$ 0.00
Total Monthly Recurring Equipment Fees (all Services):	\$ 24.95

*Note: Charges identified in the Service Order are exclusive of maintenance and repair charges, and applicable federal, state, and local taxes, USF fees, surcharges and recoupments (however designated). Please refer to your Comcast Enterprise Services Master Services Agreement (MSA) for specific detail regarding such charges. Customer shall pay Comcast one hundred percent (100%) of the non-amortized Custom Installation Fee prior to the installation of Service.

GENERAL COMMENTS

AGREEMENT

This Comcast Enterprise Services Sales Order Form ("Sales Order") shall be effective upon acceptance by Comcast. This Sales Order is made a part of the Comcast Enterprise Services Master Services Agreement, entered between Comcast and the undersigned and is subject to the Product Specific Attachment for the Service(s) ordered herein, located at <http://business.comcast.com/enterprise-terms-of-service/index.aspx>, (the "Agreement"). Unless otherwise indicated herein, capitalized words shall have the same meaning as in the Agreement.

E911 NOTICE

Comcast Business Class Trunking Service may have the E911 limitations specified below:

- The National Emergency Number Association (NENA), a 911 industry organization that makes recommendations for standardized services relating to E911, has issued guidelines that state "The PBX owner is responsible for creating customer records, preferably in NENA standard format, that identify caller locations." To facilitate Customer's compliance with these guidelines and with associated state and local requirements related to provision of Automatic Location Information (ALI) for E911 services, Comcast offers two options:
 - a. Comcast will send to the ALI database or Subscriber Location Database (SLDB) the main billing telephone number and the main address provided by Customer; or
 - b. Customer may choose to sign up for up to 10 Emergency Location Information Numbers (ELINs) that Customer could assign to zones within Customer's premises that would be separately identified to the E911 call taker. The location information, such as a specific floor, side of a building, or other identifying information, could assist emergency responders to more quickly reach the appropriate location. Customer is solely responsible for programming its PBX system to map each station to one of these numbers, and for updating the system as necessary to reflect moves or additions of stations within the premises. Comcast will send the assigned ELINs to the ALI or SLDB database, as is appropriate.
- Many jurisdictions require businesses using multi-line telephone systems to program their systems to transmit specific location information for 911 calls. Customer bears sole responsibility to ensure that it identifies and complies with all such requirements. In any event, if Customer does not maintain E911 records in a timely and accurate manner, the E911 call taker may not receive proper location information, and emergency responders may be delayed or even prevented from timely reaching the caller's location.
- Battery Back Up - The Integrated Access Device (IAD) provided by Comcast is not equipped with battery backup. It is Customer's responsibility to ensure adequate back-up power is provided to ensure service continuity during a power outage, as employees would otherwise be unable to use the Services, including dialing 9-1-1, when power is unavailable.
- Calls using the Service, including calls to 911, may not be completed if there is a problem with network facilities, including network congestion, network/equipment/power failure, or another technical problem.
- All questions should be directed to 1-800-391-3000, E911 Service, Private Branch Exchange, and Direct Inward Dial Service.

By signing below, Customer acknowledges, agrees to and accepts the terms and conditions of this Sales Order.

CUSTOMER USE ONLY (by authorized representative)

Signature:
Name:
Title:
Date:

COMCAST USE ONLY (by authorized representative)

Sales Rep:	Ray De Guzman
Sales Rep E-Mail:	raymond_deguzman@comcast.com
Region:	California (Bay / NC)
Division:	West

COMCAST ENTERPRISE SERVICES SALES ORDER FORM

ETHERNET SERVICES AND PRICING

Account Name: USD - Union Sanitary District

Date: May 25, 2017

MSA ID#: CA-11626054-RDe G

SO ID#: CA-11626054-RDe G-8795931

Short Description of
Service:

Service Term (Months):

60

Solution Charges

Line	Request	Action	Service(s)	Description	Service Location A*	Service Location Z*	Comcast Metro	Performance Tier**	Tax Jurisdiction	Monthly	One-Time
1	New	Add	EDI-ENI-GIGE	Port	5072 Benson Rd-USD - Union Sanitary District 5072 Benson Rd					\$ 0.00	\$ 1,000.00
2	New	Add	EDI-200	200 Mbps	5072 Benson Rd-USD - Union Sanitary District 5072 Benson Rd				Interstate	\$ 1,972.00	\$ 0.00
3	New	Add	EQP FEE	Equipment Fee	5072 Benson Rd-USD - Union Sanitary District 5072 Benson Rd					\$ 24.95	\$ 0.00
* Services Location Details attached						Total				<u>Service Charges:</u> \$ 1,972.00	\$ 1,000.00
**Performance Tier Matrix Attached (For On-Net to On-Net or On-Net to Off-Net)										<u>Equipment Fees:</u> \$ 24.95	

COMCAST ENTERPRISE SERVICES SALES ORDER FORM

SERVICE LOCATION DETAIL INFORMATION

Account Name: USD - Union Sanitary District

MSA ID#: CA-11626054-RDe G

SO ID#: CA-11626054-RDe G-8795931

Date: May 25, 2017

Line	Location Name / Site ID	Address 1	Address 2	City	State	Zip Code	DeMarc Location	Extend to DeMarc (Yes/No)	Inside Wiring (Yes/No)	Technical / Local Contact Name	Technical / Local Contact Phone #	Technical / Local Contact Email Address	Technical Contact On Site (Yes/No)	Satellite Location (Y/N)
1	5072 Benson Rd-USD - Union Sanitary District	5072 Benson Rd		Union City	CA	94587				Michael Gill	(510) 477-7522	mikeg@unionsanitary.ca.gov	Yes	No

Comcast Enterprise Services Sales Order Form
Ethernet Transport Services
Performance Tier (PT) Matrix

Market	PA	CA	CO	GA	IL	IN	MD	MI	MO	MT	NE	NC	ND	OH	OK	OR	SC	SD	TX	UT	VA	WA	WI	WV
Central & Western PA (PA)	PT1	PT3	PT4	PT3	PT3	PT3	PT2	PT2	PT2	PT2	PT3	PT3	PT2	PT3	PT2	PT2	PT3	PT3	PT4	PT4	PT3	PT3	PT4	PT2
Central Arkansas (CAR)	PT3	PT1	PT3	PT2	PT2	PT3	PT3	PT2	PT3	PT3	PT2	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3
Central New Mexico (CNM)	PT4	PT3	PT1	PT3	PT2	PT4	PT3	PT4	PT4	PT3	PT4	PT3	PT3	PT3	PT3	PT3	PT4	PT4	PT3	PT3	PT3	PT3	PT4	PT4
Coastal Georgia (CGA)	PT3	PT2	PT3	PT1	PT3	PT1	PT2	PT2	PT3	PT3	PT3	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT4	PT4	PT2	PT2	PT2	PT3
Colorado (CO)	PT3	PT2	PT2	PT3	PT1	PT4	PT3	PT3	PT3	PT2	PT3	PT2	PT2	PT2	PT3	PT2	PT3	PT3	PT2	PT3	PT3	PT2	PT3	PT3
Eastern Tennessee (ETN)	PT3	PT3	PT4	PT3	PT4	PT1	PT3	PT2	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT2	PT4	PT4	PT3	PT4	PT4	PT4
Florida Panhandle (FPA)	PT3	PT3	PT3	PT2	PT3	PT3	PT1	PT2	PT3	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT3	PT4	PT2	PT2	PT3	PT3
Greater Atlanta (ATL)	PT2	PT2	PT4	PT2	PT3	PT2	PT2	PT3	PT2	PT2	PT2	PT3	PT2	PT2	PT2	PT2	PT2	PT3	PT2	PT3	PT3	PT2	PT2	PT3
Greater Boston (BOS)	PT2	PT3	PT4	PT3	PT3	PT4	PT3	PT3	PT3	PT3	PT2	PT2	PT3	PT2	PT3	PT2	PT2	PT3	PT3	PT4	PT4	PT3	PT4	PT4
Greater Chicago (CHI)	PT2	PT3	PT3	PT3	PT2	PT3	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT3	PT3	PT3	PT3	PT3	PT3	PT3
Greater Phil. & New Jersey (PHL)	PT2	PT3	PT4	PT3	PT3	PT3	PT3	PT2	PT2	PT2	PT1	PT3	PT3	PT2	PT3	PT2	PT2	PT3	PT4	PT4	PT3	PT4	PT3	PT4
Houston (HOU)	PT3	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT3	PT2	PT3	PT1	PT3	PT2	PT2	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT3	PT3
Independence (INDP)	PT3	PT3	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT1	PT2	PT3	PT2	PT3	PT2	PT2	PT3	PT3	PT3	PT3	PT3	PT3
Indiana (IND)	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT2	PT2	PT2	PT2	PT2	PT1	PT2	PT2	PT2	PT2	PT3	PT3	PT3	PT3	PT3	PT2
Jacksonville (JAC)	PT3	PT3	PT4	PT2	PT3	PT3	PT2	PT2	PT3	PT2	PT3	PT2	PT3	PT2	PT1	PT3	PT3	PT2	PT3	PT2	PT4	PT2	PT3	PT3
Michigan (MI)	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT2	PT2	PT2	PT3	PT2	PT2	PT3	PT1	PT2	PT2	PT2	PT3	PT3	PT3	PT3	PT2
Mid-Atlantic (MAT)	PT2	PT3	PT4	PT3	PT3	PT3	PT2	PT2	PT2	PT2	PT2	PT4	PT3	PT2	PT3	PT2	PT1	PT2	PT3	PT3	PT4	PT4	PT3	PT4
Middle Tennessee (MTN)	PT2	PT2	PT4	PT3	PT3	PT2	PT2	PT2	PT3	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT2	PT1	PT2	PT2	PT3	PT3	PT2	PT3
Minnesota (MN)	PT3	PT3	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT2	PT3	PT2	PT3	PT2	PT1	PT3	PT3	PT3	PT3	PT3	PT3
Northern AL (NAL)	PT3	PT2	PT3	PT2	PT3	PT2	PT2	PT2	PT3	PT3	PT3	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT1	PT4	PT4	PT3	PT4	PT3
Northern CA (NCA)	PT4	PT3	PT3	PT4	PT2	PT4	PT3	PT3	PT4	PT3	PT4	PT3	PT3	PT3	PT4	PT1	PT4	PT3	PT3	PT4	PT1	PT2	PT4	PT4
Oregon & SW Washington (OR)	PT4	PT3	PT4	PT4	PT3	PT4	PT4	PT3	PT4	PT3	PT4	PT3	PT3	PT3	PT4	PT3	PT4	PT3	PT3	PT4	PT2	PT1	PT4	PT4
South Florida (SFL)	PT3	PT3	PT4	PT2	PT3	PT2	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT3	PT3	PT2	PT3	PT3	PT4	PT4	PT1	PT4	PT3
Southern California (SCA)	PT4	PT3	PT3	PT4	PT2	PT4	PT4	PT3	PT4	PT3	PT4	PT3	PT3	PT3	PT4	PT3	PT3	PT4	PT2	PT2	PT4	PT1	PT4	PT4
Southern TN & North GA (STN)	PT2	PT2	PT3	PT2	PT3	PT2	PT2	PT2	PT3	PT2	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT2	PT3	PT2	PT4	PT4	PT1	PT2
Southwest Florida (SWF)	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT2	PT3	PT3	PT3	PT3	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT4	PT4	PT2	PT4	PT3
SW TN & Northern MS (SWT)	PT3	PT2	PT3	PT2	PT3	PT3	PT2	PT3	PT3	PT3	PT2	PT3	PT3	PT2	PT3	PT3	PT3	PT3	PT2	PT3	PT1	PT3	PT3	PT3
Utah (UT)	PT3	PT3	PT3	PT3	PT2	PT4	PT3	PT3	PT4	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT3	PT2	PT2	PT3	PT3	PT4
Washington (WA)	PT4	PT3	PT4	PT4	PT3	PT4	PT3	PT4	PT3	PT4	PT3	PT4	PT3	PT3	PT4	PT3	PT4	PT3	PT3	PT4	PT2	PT2	PT4	PT4
Western New England (WNE)	PT2	PT3	PT4	PT3	PT3	PT4	PT3	PT3	PT2	PT2	PT2	PT3	PT3	PT2	PT3	PT2	PT2	PT3	PT3	PT3	PT4	PT4	PT3	PT3

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

DATE: June 6, 2017

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer
Laurie Brenner, Finance & Acquisition Services Team Coach
Harriet Commons, Business Services Advisor

SUBJECT: Agenda Item No. 10 - Meeting of June 12, 2017
Proposed Operating and CIP Budget for Fiscal Year 2018

Recommendation

Review the Proposed Operating and CIP Budget for FY 2018, and direct staff to present the final version at the June 26, 2017, Board meeting.

Background

Attached for your review is the Proposed Operating and CIP budget for FY 2018. This budget reflects the Board's input and information presented at the Budget Workshop held May 16, 2017.

The presentation of the FY18 Budget has been modified for improved flow; information previously included is still available. Changes made are intended to ensure greater clarity and make the document more user friendly. The FY18 Budget Summary reflects:

- 1) An increase in Total Revenues of 1.0%
- 2) A reduction of Total Expenditures of 3.3%
- 3) An increase in the Operating Budget of 6.5%

This document also reflects the following significant changes since the May 16th Budget workshop:

- 1) Addition of one non-permanent full-time equivalent (FTE) in Customer Service to cover excessive workload and ensure that the District meets published customer service performance measures
- 2) Clarifications and greater detail in the Special Projects section
- 3) Removal of the \$400,000 for a planned ERP software upgrade in FY18

Attachment

Union Sanitary District

Union City, California

Proposed Operating & CIP Budget FY 2018



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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

DATE: June 12, 2017

MEMO TO: Board of Directors - Union Sanitary District

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

SUBJECT: Fiscal Year 2018 Proposed Operating and CIP Budget

Union Sanitary District (USD) staff is pleased to present the proposed comprehensive annual budget for Fiscal Year (FY) 2018 to the Board of Directors. This budget covers the period from July 1, 2017 through June 30, 2018. The District continues to focus on the operation and maintenance of its infrastructure and assets, capital project construction, planning, and effective use of technology.

Outstanding Performance and Cost Effective Service for the District's Customers

In keeping with our Mission, the District continues to provide a high level of award-winning service to its customers at very competitive rates. During FY 2016, USD conducted a major Cost of Service Analysis (COSA) to determine a five-year rate plan that met all requirements related to charges for services under Proposition 218. The COSA took into consideration current and future operational and capital costs, and reserve requirements for the next five years. The study provided the District with a baseline against which we can analyze future USD needs. The Sewer Service Charge for FY 2018 incorporates the second rate increase of the five-year rate increase plan. The annual single family rate will increase from \$380 to \$393 in FY 2018, and to \$436 by the fifth year (FY 2021). This increased rate is still below the national average annual sewer service charge of \$479, as reflected in the 2016 National Association of Clean Water Agencies price index. The average rate of the 26 Bay Area agencies the District surveys is \$542. On a monthly basis, at just under \$33, wastewater treatment by the District is by far the least expensive household utility when compared to other major household expenses such as power, water, garbage, and cable TV.

We continue the District's record of outstanding stewardship and service. Once again, USD received the Platinum Award from the National Association of Clean Water Agencies for Peak Performance for operating for seven consecutive years without exceeding the limits or conditions of the District's permit, and we have submitted our application for this year's award. This is a tribute to the outstanding work by District Operations and Maintenance teams. We continue to average less than one spill per hundred

miles of pipeline per year, ranking us among the best in the State. The District Collections Services and Environmental Compliance groups have successfully implemented measures to control roots and grease to help minimize spills and back-ups. We are responding to 100% of all customer call outs within one hour, up from 97.5% the previous year. The District's quality performance is also reflected in awards recently received for our procurement program, overall agency management, and financial reporting.

Financial State of the District

The current (general) improvement in the economy as a whole has had modest positive effects on the District. Revenues are increasing over the prior fiscal year and there has also been increased development activity in our service area. While economic improvements have proven beneficial, the District continues to exercise fiscal prudence in light of our ever-increasing expenses. It is because of this cautionary approach that the District has continued to remain financially healthy.

The local economy continues to show signs of improvement in increased development. USD has seen increases in permit applications in the past twelve months, although that is expected to level off a bit in FY 2018. A portion of USD capital projects is funded by capacity fees; however, the majority are funded through Sewer Service Charges. The District continues to be vigilant in its efforts to contain expenses. Similar to other agencies, USD faces significant pressures associated with the costs of health care and pensions, as well as costs for treatment plant utilities (primarily PG&E) and other capital expenditures.

Revenues

Sewer Service Charges are expected to increase from \$50.4 million in FY 2017 to \$54.9 million in FY 2018 due to previously approved rate increases and the addition of new users. With approximately 73% of the District's revenue based on residential customers, USD's income remains relatively stable despite the slight volatility in non-residential revenues.

Capacity Fee revenues incorporate increased Capacity Fees approved by the Board, effective July 1, 2016. As previously stated, the Tri-City area has experienced an increase in construction development, although we are expecting that to begin to slow a bit. As a result, total Capacity Fee revenues are expected to decrease 11.5% as compared to the FY 2017 budget. In addition, anticipated expenditures associated with capacity fees over the next five years indicate that there will be an overall declining balance in this fund.

Expenditures

Total expenditures in the Sewer Service Fund for the coming fiscal year are projected to decrease by 2.3%. Operating expenses are anticipated to increase by 6.5%, primarily due to salary and pension contribution rate increases, as well as the addition of three positions for succession planning purposes and to deal with increased inspection workloads. Chemical costs have been relatively stable and slightly lower due to the District's participation in the Bay Area Chemical Consortium.

No significant changes to the number of District employees are being proposed during this fiscal year, with the exception of the addition of one non-permanent Operator for Treatment and Disposal Services and one limited-term Construction Inspector in Technical Services, as well as a part-time Engineering Intern. The first requisition addresses succession planning due to one anticipated Operator retirement in FY 2018. In addition, in Technical Services, the Customer Service Team's workload continues to be

affected by the continued positive trend in the economy and construction activities, and it is in need of support, such as a limited-term Construction Inspector. A possible opportunity exists for this limited-term employee to be an internal candidate through attrition and succession planning. The District filled many vacancies during FY 2017, mostly attributable to planned retirements. Retirements during FY 2018 are expected to taper off as compared to the two prior fiscal years; however, balancing the District's ability to attract and retain a qualified workforce against the bottom line will continue to be a challenge.

Although the Capital Improvement Program will be decreasing this year from FY 2017 levels, this is a one-year anomaly, and spending will ramp up aggressively beginning in FY 2020. Staff conducted a thorough study of the infrastructure needs of the District and developed a 20-year Capital Improvement Plan (CIP) that totals approximately \$646 million. The total CIP budgeted for FY 2018 is \$10.1 million. USD continues to keep its CIP costs as low as possible by taking advantage of available low interest loans through the State and federally funded Clean Water State Revolving Fund (SRF) program administered by the State Water Resources Control Board.

Capital project spending will continue to focus on rehabilitation of the wastewater treatment plant and collections system pipeline. Many of the District's buildings and treatment processes are approaching 35 years in operation. Replacing and upgrading these facilities and equipment will ensure that we can efficiently operate the plant in the long-term. Projects for FY 2018 include plant facilities improvements, standby power generation system upgrades, and pump station improvements. The Information Systems Renewal and Replacement (R&R) Program will continue to fund new projects, such as a Lab/Plant Operations Data Management System (ODMS), and disaster recovery.

Special Projects Fund expenditures will decrease from \$2.1 million in FY 2017 to \$2.0 million in FY 2018. Of the \$2.0 million, \$289,000 is for special projects that will carry forward to FY 2018. Some of the studies planned for this year include the Force Main Condition Assessment, the Plant Master Plan, the Plant Solids System/Capacity Master Plan, and the Treatment Plant Information Technology Network Master Plan. Other expenditures include those for the Odor Control Study Update, and outreach programs including the USD newsletter, the 2018 Centennial, the Fats, Oils, and Grease (FOG) brochure, and anticipated election costs in Fremont.

Balanced Budget, Reserves and Rates

USD has long operated with a balanced budget and we anticipate continuing to do so. In some years, USD takes money from reserves for capital projects and in some years funds are added to the District's reserves. However, it is anticipated that reserves will be significantly reduced over the next few fiscal years due to the District's infrastructure needs. For FY 2018, we anticipate adding \$9.7 million to reserves, resulting in reserves that total \$47.4 million in the Sewer Service Fund and \$30.5 million in the Capacity Fund.

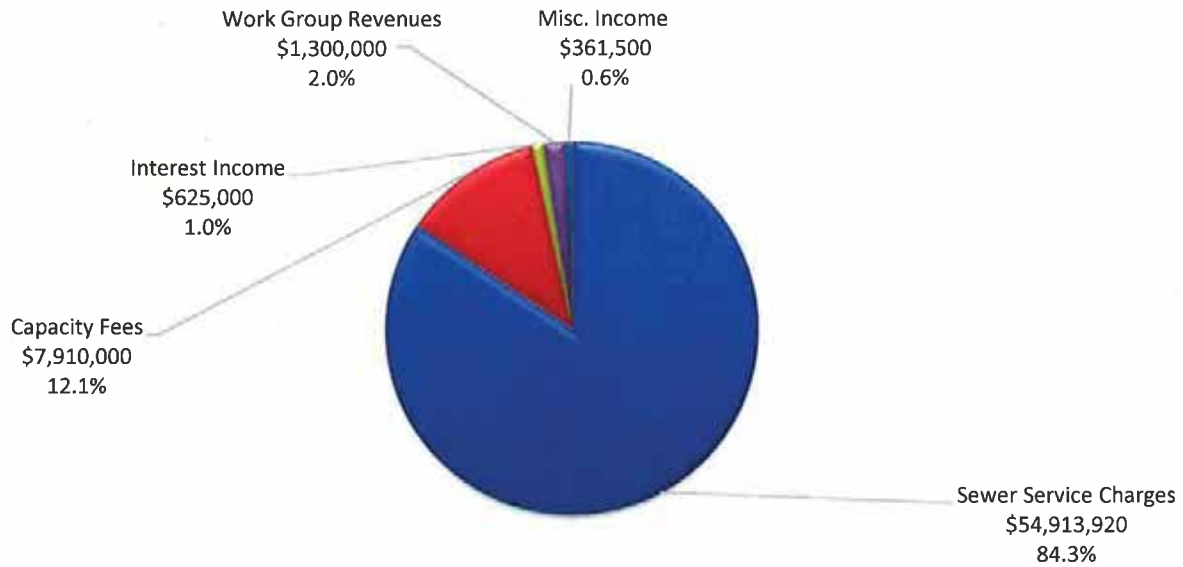
These reserves all exist in accordance with State law, debt covenants, and District policy. District reserves continue to be stable, although as the District operating budget increases, more of the District's reserves are dedicated to ensuring operating cash flow for the eight-month period in which we receive very limited Sewer Service Charge revenues. During FY 2018, a financial model will be completed that will allow the District to determine different rate models and financing plan scenarios to assist the

District in making sound financial decisions on future infrastructure needs and the long-term sustainability of prospective policies and programs.

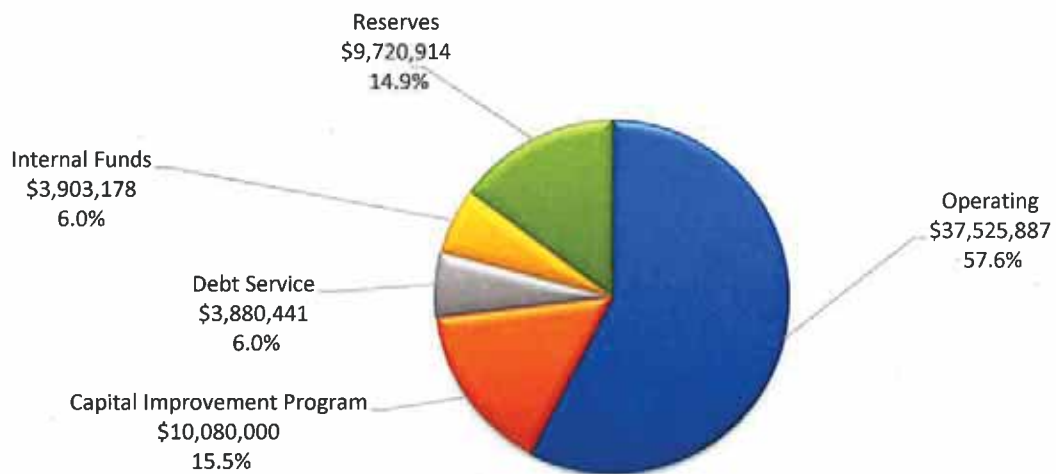
Conclusion

The District's high level of service and very competitive rates reflect our highly efficient and customer-oriented staff. The District is fortunate to have a very talented and dedicated workforce and we want to continue to make the District an employer of choice in the region. I would like to express my appreciation to all the employees of the District whose hard work is not taken for granted and whose dedication is reflected in the daily delivery of services to our customers. The District is firmly committed to meeting each and every challenge brought forth while building a premier organization. This budget enables us to continue to move forward in meeting those challenges. By continuing to follow the budget policy set forth by the District, we will continue to deliver the highest level of service.

FY 2018 Total Revenues \$65,110,420



FY 2018 Total Expenditures \$65,110,420



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**SUMMARY AND COMMENTS
FISCAL YEAR 2018 BUDGET**

Budget Summary – All Funds (Sewer Service and Capacity Funds)

	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Total Revenues				
Sewer Service Charges	\$50,404,690	\$52,395,633	\$54,913,920	8.9
Capacity Fees	8,935,000	9,686,000	7,910,000	(11.5)
Work Group Revenues	1,355,000	1,452,800	1,300,000	(4.1)
Interest	475,500	605,000	625,000	31.4
Other	505,000	718,395	361,500	(28.4)
SRF Loan Proceeds	2,800,000	2,938,300	0	(100.0)
Total Revenues	\$64,475,190	\$67,796,128	\$65,110,420	1.0
Total Expenditures				
Operating	\$35,224,203	\$35,013,094	\$37,525,887	6.5
Capital Projects (90%)	14,670,000	14,550,353	10,080,000	(31.3)
Debt Service	3,127,110	3,127,110	3,880,441	24.1
Special Projects	2,132,098	1,459,382	1,908,523	(10.5)
Other Internal Funds	2,151,320	977,473	1,994,655	(7.3)
Total Expenditures	\$57,304,731	\$55,127,412	\$55,389,506	(3.3)
Revenues in Excess of Expenditures – To Reserves	\$ 7,170,459	\$12,668,716	\$ 9,720,914	35.6

Proposed Combined Budget – Sewer Service and Capacity Funds

	Sewer Service Fund (Incl Fund 80)	Capacity Fund (Fund 90)	Total
Total Revenues			
Sewer Service Charges	\$54,913,920	\$ 0	\$54,913,920
Capacity Fees	0	7,910,000	7,910,000
Work Group Revenues	1,300,000	0	1,300,000
Interest	425,000	200,000	625,000
Other	261,500	100,000	361,500
SRF Loan Proceeds	0	0	0
Total Revenues	\$56,900,420	\$8,210,000	\$65,110,420
Total Expenditures			
Operating	\$37,525,887	\$ 0	\$37,525,887
Capital Projects (90%)	6,660,000	3,420,000	10,080,000
Debt Service	2,769,387	1,111,054	3,880,441
Special Projects	1,908,523	0	1,908,523
Other Internal Funds	1,994,655	0	1,994,655
Total Expenditures	\$50,858,452	\$4,531,054	\$55,389,506
Revenues in Excess of Expenditures – To Reserves	\$ 6,041,968	\$3,678,946	\$ 9,720,914

SEWER SERVICE FUND

The FY 2018 proposed budget for the Sewer Service Fund is presented below:

	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Total Revenues				
Sewer Service Charges	\$50,404,690	\$52,395,633	\$54,913,920	8.9
Work Group Revenues	1,355,000	1,452,800	1,300,000	(4.1)
Interest	350,000	400,000	425,000	21.4
Other	405,000	618,395	261,500	(35.4)
SRF Loan Proceeds	2,100,000	2,203,300	0	(100.0)
Total Revenues	\$54,614,690	\$57,070,128	\$56,900,420	4.2
Total District Expenditures				
Operating	\$35,224,203	\$35,013,094	\$37,525,887	6.5
Capital Projects (90%)	10,327,500	10,348,617	6,660,000	(35.5)
Debt Service	2,204,389	2,204,389	2,769,387	25.6
Special Projects	2,132,098	1,459,382	1,908,523	(10.5)
Other Internal Funds	2,151,320	977,473	1,994,655	(7.3)
Total Expenditures	\$52,039,510	\$50,002,955	\$50,858,452	(2.3)
Revenues in Excess of Expenditures – To Reserves	\$ 2,575,180	\$ 7,067,173	\$ 6,041,968	134.6

REVENUES: Revenues in the Sewer Service Fund are anticipated to increase 4.2% in comparison to the FY 2017 budget. With respect to the estimated actual amounts for FY 2017, the FY 2018 proposed budget is 0.3% less. Each of the individual revenue elements is discussed below:

Sewer Service Charges: The principal revenue source for the Sewer Service Fund is the annual Sewer Service Charges, estimated to be \$54.9 million in FY 2018. This is 8.9% more than the prior year's budget amount. Last year's budget estimate was based on a new wastewater rate and cost of service study, resulting in the adoption of a five-year rate plan in January 2016, pursuant to the requirements of Proposition 218. Because of the change in methodology, the FY 2017 budget estimate was tempered for conservatism. However, actual sewer service charge revenues estimated to be collected in FY 2017 are \$52.4 million. As a result, the FY 2018 revenue estimate is 4.8% greater than the estimated actual amount for FY 2017. The existing annual sewer service charge for Single Family Dwellings (SFD) will increase from \$380.05 in FY 2017 to \$393.35 in FY 2018 (an increase of 3.5%), and the annual Multi-family Dwelling rate will increase from \$329.50 in FY 2017 to \$341.03 in FY 2018 (also an increase of 3.5%). Residential rates account for 73.3% of total sewer service charge revenues. For non-residential customers, rates are calculated annually using flow based on water usage and sewage strength.

Work Group Revenues: These revenues consist of things like field inspection fees, plan check fees, permits, external work orders, and services provided to the City of Fremont's Urban Runoff program. Because these items tend to vary based on external demands, anticipated revenues are estimated in a conservative manner. As a result, even though the estimated actual amount to be collected in FY 2017 exceeds the FY 2017 budget, the FY 2018 budget estimate is \$55,000 (4.1%) lower than the prior year's budget amount, based in part on a tempering of anticipated development activity in FY 2018.

Interest: Interest income is expected to increase 21.4% from the FY 2017 budget amount, and 6.3% from the FY 2017 estimated actual amount. This increase is based both on a higher average daily cash balance and increased interest rates. All indications are that the Federal Reserve will continue on its course of gradually raising interest rates as the overall economy continues to strengthen.

Other: Other revenues consist of rebates from the Self-Generation Incentive Program (SGIP) administered by the California Public Utilities Commission (CPUC) related to cogeneration, PG&E solar rebates for carports and Irvington solar panels (for which FY 2017 was the last year), and other miscellaneous income, including the sale of surplus equipment. This item is expected to decrease by 35.4% from the FY 2017 budget amount, primarily as a result of the end of the PG&E solar rebate program.

SRF Loan Proceeds: Although the State Revolving Fund (SRF) has been, and will likely continue to be, an ongoing source of funding for District capital needs, no SRF loan proceeds are anticipated to be received in FY 2018.

EXPENDITURES: Expenditures in the Sewer Service Fund are anticipated to decrease 2.3% in comparison to the FY 2017 budget. With respect to the estimated actual amounts for FY 2017, the FY 2018 proposed budget is 1.7% higher. Each of the individual expenditure elements is discussed below:

Operating: Operating expenditures are those required for the day-to-day operations of the District, including maintenance, regulatory activities, engineering, and administration. Operating expenditures are estimated to increase 6.5% in FY 2018. Of that increase, 6.2% is due primarily to salaries and benefits adjustments in accordance with the District's Memorandum of Understanding (MOU) with its classified employees, the addition of one overfill Operator position in Treatment & Disposal Services for succession planning purposes, the addition of a limited term Construction Inspector in Technical Services, the addition of an Engineering Intern, and increased California Public Employees' Retirement System (CalPERS) contributions.

The total cost of the three new positions, without incorporating the 2% vacancy factor (discussed below), is as follows:

Plant Operator 3 (overfill in anticipation of retirement)	\$143,134
Construction Inspector 1 (limited term)	160,845
Engineering Intern	<u>22,446</u>
Total, New Positions	<u>\$326,425</u>

Below is additional information about the components of salaries and benefits:

	Budget FY 2017	Proposed Budget FY 2018	Dollar Change	% Change
Wages	\$15,823,903	\$16,540,650	\$ 716,747	4.5
CalPERS Contributions	3,351,694	3,822,623	470,929	14.1
Workers' Compensation	263,362	299,232	35,870	13.6
Other (Medical, Medicare)	3,447,332	3,653,059	205,727	6.0
Vacancy Factor (2%)	(457,726)	(486,311)	(28,585)	6.2
Total Salaries and Benefits	\$22,428,565	\$23,829,253	\$1,400,688	6.2

Increased CalPERS contributions are the result of both increased wages and a 9.5% increase in the CalPERS contribution rate, from 20.362% in FY 2017 to 22.299% in FY 2018. The District has opted to take advantage of a CalPERS' program that allows prepayment of the unfunded actuarial liability in July 2018, rather than making a payment of a portion of the unfunded actuarial liability each pay period over the course of the fiscal year, which will result in savings to the District of \$76,000. Workers' compensation costs have increased because of increased wages (upon which workers' compensation premiums are based) and an anticipated 5% rate increase. Medical amounts are increasing in accordance with the MOU. Consistent with prior years, salaries and benefits include a 2% vacancy factor, in recognition of the fact that vacancies occur throughout the year and are not immediately refilled.

Below is information about the components of Operating expenditures, which include salaries and benefits:

Work Group	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Board of Directors	\$ 178,500	\$ 167,730	\$ 176,093	(1.3)
General Manager/Admin.	957,577	936,696	1,082,884	13.1
Business Services	4,753,045	4,767,045	5,023,943	5.7
Collection Services	6,116,287	6,111,118	6,551,768	7.1
Technical Services	5,511,940	5,429,261	5,995,655	8.8
Treatment & Disposal Services	10,631,833	10,670,933	11,122,285	4.6
Fabrication, Maintenance, and Construction	5,862,650	5,745,397	6,277,170	7.1
Non-Departmental	1,212,371	1,184,914	1,296,089	6.9
Total Operating Expenditures	\$35,224,203	\$35,013,094	\$37,525,887	6.5

Salaries and benefits account for 63.5% of total operating expenditures in FY 2018 (down slightly from 63.7% in FY 2017). In addition to salary and benefit increases discussed above, some of the other reasons for the 6.5% increase in operating expenditures are as follows:

- The budget increase for General Manager/Administration is related to an anticipated increase in legal fees.
- Collection Services is projecting increased costs for the root control program, and increased office supplies and small equipment purchases.
- Technical Services is adding a limited term Construction Inspector 1, resulting in increased personnel costs.
- Fabrication, Maintenance, and Construction expects to incur additional costs due to increased maintenance needs of aging infrastructure, additional media replacements at new contracted amounts for gas conditioning, the purchase of standby pumps as a contingency plan for a force main or pump station outage, and utility rate increases from Alameda County Water District (ACWD) and PG&E.

New this year is a line item called Non-Departmental. There are some things, such as District-wide training, property insurance, and telephones, that benefit the entire District, not just one or two individual work groups. The FY 2017 budget has been reallocated to reflect this change. In addition, two items that had been accounted for in separate sub-funds are now included in Non-Departmental. These are the Alameda County Sewer Service Collection fee and the District's contribution to the

California Employers' Retiree Benefit Trust (CERBT) Fund, an Internal Revenue Code Section 115 trust fund dedicated to prefunding other post-employment benefits (OPEB) and administered by CalPERS.

Below is additional information about the components of the Non-Departmental line item:

	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Retiree Medical (OPEB) Trust	\$ 583,771	\$ 583,771	\$ 602,009	3.1
Insurance Premiums	267,600	263,500	277,050	3.5
Telephones, Lease Lines, ETC	100,000	112,000	115,000	15.0
County Sewer Service Collection Fee	106,000	106,643	107,000	1.0
CalPERS Retirement Replacement	65,000	60,000	65,000	0.0
Districtwide Training	37,000	20,000	55,000	48.6
Team Safety - Clothing	35,000	35,000	35,000	0.0
Engineering Intern	0	0	22,030	N/A
Tuition Reimbursement	18,000	4,000	18,000	0.0
Total Non-Departmental	\$1,212,371	\$1,184,914	\$1,296,089	6.9

The District established its retiree medical (OPEB) trust with CalPERS (CERBT) in FY 2009. The budgeted amount for the District's contribution to the trust is based on an actuarial valuation dated June 2016. CalPERS requires the District to obtain a new actuarial valuation every two years.

The line item for insurance premiums includes all premiums except those for workers' compensation, which are included with salaries and benefits. A relatively modest increase of 3.5% is anticipated in FY 2018.

As for other line-item changes, the FY 2018 budget amount for telephones is increasing to more closely match actual expenditures in FY 2017. Districtwide training is anticipated to increase because there is now a full-time Training and Emergency Response Programs Manager to oversee these activities. Finally, an Engineering Intern is proposed for FY 2018 to assist with updating documentation for things like lockout tag out procedures. Because this position will likely assist several departments, it is included in the non-departmental budget line item.

Capital Projects: This line item is discussed separately later in this document.

Debt Service: This line item is discussed separately later in this document.

Special Projects: This line item is discussed separately later in this document.

Other Internal Funds: These are separate components of the Sewer Services Fund that account for renewals and replacements of equipment and technology, as well as the pretreatment program. Below is detailed information about this line item:

	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Renewal & Replacement – Vehicles and Equipment (Fund 50)	\$ 662,220	\$111,187	\$1,139,555	72.1
Renewal & Replacement – Information Systems (Fund 60)	1,232,100	650,286	600,100	(51.3)
Renewal & Replacement – Plant and Pump Station (Fund 70)	250,000	210,000	250,000	0.0
Pretreatment Program (Fund 85)	7,000	6,000	5,000	(28.6)
Total Other Funds	\$2,151,320	\$977,473	\$1,994,655	(7.3)

- **Renewal & Replacement – Vehicles and Equipment:** Vehicles and equipment that are scheduled to be replaced due to age or obsolescence are purchased through this fund. The provision is based on a 10-year replacement schedule and expenditure projection. The vehicles and equipment scheduled for replacement in FY 2018 are as follows:

Vehicles:	
Hydro Jetter (encumbered from FY 2017)	\$ 273,584
Truck Mounted Jetter (encumbered from FY 2017)	186,935
Hydro Jet Vacuum Unit	492,036
Total Vehicles	952,555
Equipment:	
4" Trailer Mounted Trash Pump	68,000
Portable Gas Detector (28)	96,000
Issco Sampler (6)	23,000
Total Equipment	187,000
Total Vehicles and Equipment	\$1,139,555

As noted in the table above, two pieces of equipment were approved for purchase in FY 2017 and the purchase orders were issued. However, it is anticipated payment for these vehicles will not be made until FY 2018. As a result, \$460,519 (\$273,584 + \$186,935) for these two vehicles is included in the FY 2018 budget so that the invoices can be paid. This is why the estimated actual expenditures in FY 2017 are significantly less than the FY 2017 budget amount, and there is a corresponding increase in the FY 2018 budget as compared to FY 2017.

- **Renewal & Replacement – Information Systems:** The FY 2018 budget for Information Systems renewal and replacement consists of the following:

Computer Workstations and Other Hardware	\$215,100
Lab/Plant Operations Data Management System (ODMS)	100,000
Disaster Recovery	100,000
Collection Services GIS	75,000
GIS – Plant Vertical	60,000
IT Security Upgrades	50,000
Total Information Systems	\$600,100

This budget also initially included \$400,000 for Finance Enterprise Resource Planning (ERP) software. Because of staff turnover, this item will be deferred to a future fiscal year.

- **Renewal & Replacement – Plant and Pump Station:** Plant and pump station renewals and replacements anticipated in FY 2018 consist of the following:

Replace Site Waste Pumps	\$130,000
Replace Onsite Reclaim Pumps	45,000
New Polymer Blend Unit	45,000
Unplanned Maintenance	30,000
Total Plant and Pump Station	\$250,000

- **Pretreatment Program:** The Pretreatment Program budget consists of supplies, equipment and training that support the Pretreatment Program, as required by Ordinance 36.

Special Projects: This line item includes non-routine expenditures for things like one-time studies, hiring consultants, and new programs where the long-term financial impact, if any, is not known. Major FY 2018 expenditures by category include Administrative and Regulatory projects (\$808,523) and Studies and Other projects (\$1,100,000). A detailed listing of Special Projects is included later in this document.

Sewer Service Fund Reserves: In accordance with debt covenants and District Policy No. 2090, “Reserve Funds,” the District maintains a number of reserves in the Sewer Service Fund. In FY 2018, approximately \$6.0 million is anticipated to be transferred to reserves. A summary of the various reserves is shown in the following table:

Reserve Description	Proposed Budget FY 2018
Cash Flow	\$18,762,944
Structural Renewal & Replacement	16,137,500
Emergency	5,000,000
SRF Loan Contingency	3,880,441
Liquidity	1,160,200
Liability Insurance	1,000,000
Information Systems Renewal & Replacement	800,000
Vehicle & Equipment Renewal & Replacement	662,000
Total Reserves – Sewer Service Fund	\$47,403,085

A description of each reserve and its target funding level is as follows:

- **Cash Flow** – Sewer Service Charge revenues are collected by the Alameda County Tax Collector's Office and remitted to the District in two major installments in April and December of each year. In order for the District to pay its ongoing expenditures throughout the year, it reserves six months (50%) of gross operating expenditures at the start of each fiscal year.
- **Structural Renewal & Replacement** – To maintain the ability to renew and replace infrastructure, this reserve is funded at the average annual renewal/replacement capital costs based on the 10-year CIP, with a minimum 10-year target of \$5 million.
- **Emergency** – In order to help mitigate the financial impacts of an emergency or catastrophic event, the District has an Emergency Reserve. The target for FY 2018 is \$5 million.
- **SRF Loan Contingency** – The District is able to utilize low interest rate loans through the State of California to finance capital projects. A requirement of these loans is the establishment and maintenance of a contingency reserve that is defined in the loan documents. The reserve balance is set at the amount required in the loan documents, typically one annual payment per loan.
- **Liquidity** – The District maintains a minimum amount of immediately available funds, 125% of biweekly payroll, held in a local bank account, in cash deposits.
- **Liability Insurance** – The District is a member of and purchases liability insurance from the California Sanitation Risk Management Association (CSRMA). The deductible of \$500,000 reduces the amount of premiums charged to the District. In order to account for an event that is either not covered by insurance or under the deductible amount, the District reserves two times the annual deductible amount, based on claims history.
- **Information Systems Renewal & Replacement** – To maintain the ability to replace computer hardware and software, this reserve is funded at the average annual information systems renewal/replacement costs projected over the next 5 years, with a minimum of \$250,000.
- **Vehicle & Equipment Renewal & Replacement** – To maintain the ability to replace the District's fleet and major equipment, this reserve is funded at the average annual equipment renewal/replacement costs projected over the next 5 years, with a minimum of \$500,000.

CAPACITY FUND

The FY 2018 proposed budget for the Capacity Fund is presented below:

	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Total Revenues				
Capacity Fees	\$8,935,000	\$ 9,686,000	\$7,910,000	(11.5)
Interest	125,500	205,000	200,000	59.4
Other	100,000	100,000	100,000	0.0
SRF Loan Proceeds	700,000	735,000	0	(100.0)
Total Revenues	\$9,860,500	\$10,726,000	\$8,210,000	(16.7)
Total Expenditures				
Capital Projects (90%)	4,342,500	4,201,736	3,420,000	(21.2)
Debt Service	922,721	922,721	1,111,054	20.4
Total Expenditures	\$5,265,221	\$ 5,124,457	\$4,531,054	(14.0)
Revenues in Excess of Expenditures – To Reserves	\$4,595,279	\$ 5,601,543	\$3,678,946	(19.9)

REVENUES: Revenues in the Capacity Fund are anticipated to decrease 16.7% in comparison to the FY 2017 budget. Each of the individual revenue elements is discussed below:

Capacity Fees: The principal revenue source for the Capacity Fund is Capacity Fees, estimated to be \$7.9 million in FY 2018. These fees are collected in accordance with the provisions of California Assembly Bill (AB) 1600 and are intended to mitigate the impacts of new development. In the case of the District, these fees are collected from new development as a requirement of connecting to the sewer system. As such, they can only be used for capital projects that increase the system's capacity to serve that new development. The past two years have seen significant new development in the Tri-Cities area of Fremont, Newark, and Union City. The pace of that development is expected to slow down a bit in FY 2018, resulting in a lower revenue estimate. Pursuant to Ordinance No. 35.22, based on a capacity fee study and adopted by the Board in April 2016, capacity fees will increase annually through FY 2020. Capacity fees for Single Family Dwellings (SFD) will increase from \$6,421 in FY 2017 to \$7,247 in FY 2018 (an increase of 12.9%), and capacity fees for Multi-family Dwellings will increase from \$5,504 in FY 2017 to \$6,211 in FY 2018 (also an increase of 12.9%).

Interest: Interest income is expected to increase 59.4% from the FY 2017 budget amount, and decrease 2.4% from the FY 2017 estimated actual amount. This increase is based both on a higher average daily cash balance and increased interest rates. All indications are that the Federal Reserve will continue on its course of gradually raising interest rates as the overall economy continues to strengthen.

Other: Other revenues consist of rebates from the Self-Generation Incentive Program (SGIP) administered by the California Public Utilities Commission (CPUC) related to cogeneration.

SRF Loan Proceeds: Although the State Revolving Fund (SRF) has been, and will likely continue to be, an ongoing source of funding for District capital needs, no SRF loan proceeds are anticipated to be received in FY 2018.

EXPENDITURES: Expenditures in the Capacity Fund are anticipated to decrease 14.0% in comparison to the FY 2017 budget. This is attributable to decreased spending on capital projects, partially offset by increased debt service costs. Both of these items are discussed in more detail later in this document.

Capacity Fund Reserves: In FY 2018, approximately \$3.7 million is anticipated to be transferred to reserves. Because Capacity Fees are collected in accordance with AB 1600, they are subject to regulatory restriction. As a result, \$30,534,587 is restricted for use on capital projects that increase the District's capacity to serve new development.

CAPITAL PROJECTS

Capital projects are accounted for in the Sewer Service Fund (Structural Renewal and Replacement [Fund 80]) and the Capacity Fund (Fund 90). The District adopts a 20-year Capital Improvement Plan (CIP) each year in conjunction with the adoption of the annual operating budget. Actual appropriations are established at 90% of the CIP amount for that year. Although spending for capital projects is anticipated to be lower in FY 2018 than in the prior year, it is expected to increase substantially in later years. Through FY 2027, the CIP includes projects totaling \$349 million. By FY 2037, this amount will grow to \$646 million.

Below is information about capital projects spending for FY 2017 and FY 2018:

	Budget FY 2017	Estimated Actual FY 2017	Proposed Budget FY 2018	% Change
Sewer Service Fund – Structural Renewal and Replacement	\$10,327,500	\$10,348,617	\$ 6,660,000	(35.5)
Capacity Fund	4,342,500	4,201,736	3,420,000	(21.2)
Total Capital Projects	\$14,670,000	\$14,550,353	\$10,080,000	(31.3)

Key elements of the FY 2018 capital improvement program include *design* of the following projects:

- **Digester No. 7** – The Plant Solids Capacity/Assessment Study identified a need for reliable solids capacity in the primary digester system and recommended the District construct new Primary Digester No. 7.
- **Standby Power Generation System Upgrade** – The plant's standby diesel generators are at the end of their useful lives, and the generator controls are obsolete and complicated to update and maintain. This project will replace the existing equipment with new generators and updated controls.
- **Wet Weather Flow Management** – This project will study the options available to the District for managing the capacity of the effluent disposal system during high wet weather flow events.
- **Aeration System Improvements** – This project will replace the roof of the east aeration tanks and install interior baffles to extend the life of the structure and to improve the aeration process.
- **Alvarado Pump Station Pumps and VFD Replacement** – This project will replace the station's wastewater pumps, variable frequency drives (VFDs), and electrical switchboard because they are at the end of their useful lives, and replacement parts are difficult to obtain because of lack of availability of original equipment and manufacturers' support.

- **Headworks 3rd Bar Screen** – This project will install a new mechanical bar screen at the Headworks Building to improve removal of debris from the wastewater prior to the plant’s downstream processes, and to restore capacity and redundancy of the system.

Key elements of the FY 2018 capital improvement program include **construction** of the following projects:

- **Force Main Corrosion Repairs, Phase 1** – This project will make repairs and replace corroded steel pipe fittings located within the manholes on the east force main between the Newark Pump Station and the plant.
- **Newark Pump Station Valve and Wetwell Modifications** – This project will improve the transport system reliability and operation by installing a new actuator on the force main boost pipeline, extending the boost pipeline below the wetwell water level, and replacing the wetwell exhaust fan.
- **Third Degritter System** – This project will install a new sludge degritter in the plant’s Degritter Building to improve removal of grit from the primary sludge prior to the sludge thickening process, and to restore capacity and redundancy of the system.
- **Digester No. 3 Rehabilitation** – This project will make structural repairs to the digester and modify the digested sludge and digester gas systems serving the digester and the Heating and Mixing Building No. 2. These improvements will extend the useful life of the digester and improve the reliability and operation of the digester process.
- **Hypochlorite Tanks and PVC Pipe Replacements** – This project will replace the hypochlorite tanks, chemical metering pumps, and chemical piping at the Odor Control Building and replace the chemical metering pumps and piping at the Maintenance Shop Building. The tanks, pumps, and piping are at the end of their useful lives and are difficult to maintain.
- **Cast Iron/Pipe Lining at Various Locations throughout the Tri-Cities** – Phase 6 of the project will install full-length cured-in-place pipe (CIPP) lining of damaged sewer mains at several locations in Fremont and Union City.

DEBT SERVICE

Debt service is related to capital projects and is accounted for in the Sewer Service Fund (Structural Renewal and Replacement [Fund 80]) and the Capacity Fund (Fund 90). The District has nine outstanding loans from the State Water Resources Control Board's Clean Water State Revolving Fund (SRF). Details about debt service payments are presented below:

Related Project	Sewer Service Fund – Structural Renewal and Replacement		Capacity Fund		Total Debt Service – FY 2018	Maturity Date
	FY 2017	FY 2018	FY 2017	FY 2018		
Irvington Equalization	\$ 681,123	\$ 681,123	\$227,041	\$ 227,041	\$ 908,164	8/30/2021
Willow/Central Avenue	108,385	108,385	0	0	108,385	11/16/2027
Lower Hetch Hetchy	139,634	139,634	0	0	139,634	11/17/2028
Newark Pump Station	342,702	342,703	342,702	342,702	685,405	1/26/2030
Cedar Blvd. Corridor Rehab.	127,349	127,349	0	0	127,349	2/26/2030
Primary Clarifier Rehab.	442,337	442,337	147,446	147,446	589,783	1/15/2033
Substation 1	157,327	157,327	0	0	157,327	2/28/2032
Boyce Road Lift Station	205,532	205,532	205,532	205,532	411,064	8/31/2032
Thickener Control Building	0	564,997	0	188,333	753,330	3/31/2036
Total Debt Service	\$2,204,389	\$2,769,387	\$922,721	\$1,111,054	\$3,880,441	

SPECIAL PROJECT EXPENDITURES

DESCRIPTION	Adopted Budget FY17	Estimated Actual FY17	Estimated Carryover	New \$ (Provision)	Proposed Budget FY18
Administrative & Regulatory					
GIS JPA	\$22,000	\$22,000	\$0	\$22,000	\$22,000
Public Outreach (e.g., 2018 Centennial, FOG, Rebranding)	60,000	50,000	10,000	130,000	140,000
Public Information Program (USD newsletter)	105,000	85,000	20,000	80,000	100,000
Recruiter Services	0	0	0	20,000	20,000
IBB Labor Negotiations Facilitation	0	0	0	83,200	83,200
Anticipated Election Costs (Fremont Only - 102,384 registered voters at \$4.33 per voter)	0	0	0	443,323	443,323
Sub-Total Administrative & Regulatory	187,000	157,000	30,000	778,523	808,523
Studies & Other					
Alvarado Basin Master Plan/PACP Update	225,000	166,864	0	0	0
Alvarado Sub-Surface Investigation	10,000	2,706	7,294	2,706	10,000
Anticipated Biosolids Coalition Membership Dues	25,000	17,500	7,500	17,500	25,000
Evaluation of CS Preventive Maintenance Program	30,066	1,000			0
Financial Master Plan	100,000	33,070	66,930	3,070	70,000
Forcemain Condition Assessment	25,000	15,000	10,000	90,000	100,000
Influent Chemical Dosing Trial (Calcium Nitrate)	40,000				0
Lateral Pilot Program - Condition Assessment	47,932	0	25,000	0	25,000
Local Limits Study	70,000	50,000	20,000	60,000	80,000
NPDES Permit Support Services	10,000				0
Odor Control Study Update	70,000	55,000	15,000	40,000	55,000
Plant Hydraulic Capacity Assessment	100,000	95,000			0
Plant Master Plan	350,000	175,000	175,000	45,000	220,000
Plant Solids System/Capacity Master Plan	50,000	265,000	(215,000)	315,000	100,000
Project Implementation Master Plan	100,000	135,000			0
Reclaimed Water Feasibility Study	110,000	21,142			0
Seismic Evaluation	100,000	100,000	0	20,000	20,000
Standard Specs Update	25,000	75,000			0
Toilet Rebate Program (Funded by Capacity)	70,000	70,000	0	70,000	70,000
Treatment Plant IT Network Master Plan	150,000	0	150,000	0	150,000
Treatment Plant Master Plan	50,000	0	0	0	0
Water Reclamation Pilot Program (Fill Station)	125,000	0	0	0	0
Air Permitting Consultant Assistance	0	0	0	50,000	50,000
Newark Basin Master Plan/PACP Update	0	0	0	75,000	75,000
Plant Asset Condition Assessment Update	0	0	0	50,000	50,000
Sub-Total Studies & Other	1,882,998	1,277,282	261,724	838,276	1,100,000
<i>Hayward Marsh (Moved to Treatment & Disposal Services operating budget in FY18)</i>					
NPDES Permit Annual Fee	2,100	2,100	0	0	0
NPDES Permit Support Services	40,000	0	0	0	0
Regional Monitoring Plan (RMP) Annual Participant Fee	20,000	23,000	(3,000)	3,000	0
Sub-Total Hayward Marsh	62,100	25,100	(3,000)	3,000	0
Total Special Projects	\$2,132,098	\$1,459,382	\$288,724	\$1,619,799	\$1,908,523

68.4%

89.5%

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Annual Contract Purchases of Supplies, Services, and Vehicle and Equipment Renewal /Replacement Over \$100,000 for Fiscal Year 2018	
Supplies:	Estimated Expenditure
Sodium Hypochlorite, one-year contract with successful bidder	\$427,000
Hydrogen Peroxide, one-year contract with Evoqua	408,000
Ferrous Chloride, one-year contract with successful bidder	381,000
Biogas Treatment, two-year contract with Prominent Systems, Inc.	322,000
Polymer, emulsion, one-year contract with successful bidder	281,000
Total Supplies	\$1,819,000
Services:	
State Water Resources Control Board - Debt payments for nine SRF loans	\$3,880,441
CalPERS Retirement contribution payments for employees	3,799,732
CalPERS Medical - payments for employee coverage	3,309,035
EBDA Operations & Maintenance payments	1,489,000
PG&E, electrical service - Alvarado site (\$1,250,000) and Newark P.S. (\$213,000)	1,463,000
Biosolids, year two of five with Synagro	836,000
PERS Retiree Medical Trust payments (ARC)	602,009
Insurance (Property & Contents, Fleet, General Liability)	273,050
Tiger natural gas service, billed through PG&E	160,000
Total Services	\$15,812,267
Vehicle and Equipment Renewal/Replacement:	
Hydro Jet Vacuum Unit	\$492,036
Replace Site Waste Pumps	130,000
Total Vehicle and Equipment Renewal/Replacement	\$622,036

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Line Item		Project Name	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	10-Year Total	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	30-Year Total
ADMINISTRATIVE FACILITIES																								
800	1	Admin Bldg. Seismic Upgrade and Leak Repairs		200	200				3,500	3,600			7,500											7,500
900	1	Admin Bldg. Seismic Upgrade and Leak Repairs											0											0
800	1	Field Ops Bldg. Seismic Upgrade and Leak Repairs						200			1,400	1,500	3,100											3,100
900	1	Field Ops Bldg. Seismic Upgrade and Leak Repairs											0											0
800	1	Control Bldg. Seismic Upgrade						200					200	1,300	1,300									2,800
900	1	Control Bldg. Seismic Upgrade											0											0
800	3	Additional CS (Vehicle) Storage						250					250											250
800	2	FMC Bldg. - New		300	300	4,000	4,100						8,700											8,700
900	2	FMC Bldg. - New											0											0
800	2	FMC Bldgs Renovation and Seismic		100	100			2,000					2,200											2,200
900	2	FMC Bldgs Renovation and Seismic											0											0
800	3	FMC Storage						250					250											250
800	0.75	Lab Remodel and Expansion											0		300	1,300	1,300							2,900
900	0.25	Lab Remodel and Expansion											0		100	350	350							800
800	3	Plant Paving	50	150			250				300		750	200		200		200		200		200		1,750
800	2	Radio Repeater Antenna Replacement											0		150									150
800	0.50	Solar Panels at Alvarado - Phase II											0						100					100
900	0.50	Solar Panels at Alvarado - Phase II					150	1,500					1,650					100						1,750
800	0.50	Solar Panel Replacement at Carport					50						50				300							350
900	0.50	Solar Panel Replacement at Carport					50						50				300							350
800	0.50	Solar Panel Replacement at Irvington					150						150					900						1,050
900	0.50	Solar Panel Replacement at Irvington					150						150					900						1,050
Total for ADMINISTRATIVE FACILITIES			50	750	600	4,250	6,000	2,500	3,900	3,600	1,700	1,500	24,850	1,500	1,850	1,850	2,250	1,300	0	200	0	200	0	34,000
Total Priority 1 Administrative Projects			0	200	200	0	0	0	3,900	3,600	1,400	1,500	10,800	1,300	1,300	0	0	0	0	0	0	0	0	13,400
Total Priority 2 Administrative Projects			0	400	400	4,100	4,250	2,000	0	0	0	0	11,150	0	550	1,650	2,250	900	0	0	0	0	0	16,500
Total Priority 3 Administrative Projects			50	150	0	150	1,750	500	0	0	300	0	2,900	200	0	200	0	400	0	200	0	200	0	4,100
Total Fund 800 - Administrative Facilities			50	750	600	4,050	4,500	2,500	3,900	3,600	1,700	1,500	23,150	1,500	1,750	1,500	1,600	1,200	0	200	0	200	0	31,100
Total Fund 900 - Administrative Facilities			0	0	0	200	1,500	0	0	0	0	0	1,700	0	100	350	650	100	0	0	0	0	0	2,900
COLLECTION SYSTEM																								
800	2	Cast Iron/Pipe Lining	500	500		500		500		500		500	3,000		500		500		500		500			5,500
800	2	Gravity Sewer Rehab/Replacement			1,500		1,500		1,500		1,500		6,000	1,500		1,500		1,500		1,500		1,500		13,500
800	1	RCP Sewer Rehab (Alvarado Basin)						300	3,000				3,300											3,300
900	1	RCP Sewer Rehab (Alvarado Basin)											0											0
800	1	RCP Sewer Rehab (Irvington Basin)					300	3,000					3,300											3,300
900	1	RCP Sewer Rehab (Irvington Basin)											0											0
800	1	RCP Sewer Rehab (Newark Basin)			300	3,000							3,300											3,300
900	1	RCP Sewer Rehab (Newark Basin)											0											0
900	2	Stevenson at Davis St			150	1,000							1,150											1,150
Total for COLLECTION SYSTEM			500	500	1,950	4,500	1,800	3,800	4,500	500	1,500	500	20,050	1,500	500	1,500	500	1,500	500	1,500	500	1,500	500	30,050
Total Priority 1 Collection Projects			0	0	300	3,000	300	3,300	3,000	0	0	0	9,900	0	0	0	0	0	0	0	0	0	0	9,900
Total Priority 2 Collection Projects			500	500	1,650	1,500	1,500	500	1,500	500	1,500	500	10,150	1,500	500	1,500	500	1,500	500	1,500	500	1,500	500	20,150
Total Priority 3 Collection Projects			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund 800 - Collection System			500	500	1,800	3,500	1,800	3,800	4,500	500	1,500	500	18,900	1,500	500	1,500	500	1,500	500	1,500	500	1,500	500	28,900
Total Fund 900 - Collection System			0	0	150	1,000	0	0	0	0	0	0	1,150	0	0	0	0	0	0	0	0	0	0	1,150

Fund	%	Rank	Project Name	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	10-Year Total	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	10-Year Total
TRANSPORT SYSTEM PROJECTS																									
800	0.50	2	Alameda Creek Crossing Lift Station											0		250		2,500	1,500						4,250
900	0.50	2	Alameda Creek Crossing Lift Station											0		250		2,500	1,500						4,250
800		2	Cathodic Protection Improvements - Transport		150			150			150			450	150			150					150		1,050
900		2	Cathodic Protection Improvements - Transport											0											0
900		2	Equalization Storage @ Alvarado	50	1,500	4,000								5,550											5,550
900		3	Equalization Storage @ Irvington						300	3,000				3,300											3,300
900		3	Equalization Storage @ Newark			600		2,500	2,500					5,600											5,600
800	0.50	2	Ferrous Tank at Newark PS					25	300					325											325
900	0.50	2	Ferrous Tank at Newark PS					25	300					325											325
800		1	Forcemain Corrosion Repairs - Phase 1	500										500											500
800		1	Forcemain Corrosion Repairs - Phase 2	50	450									500											500
800		1	Forcemain Corrosion Repairs - Phase 3		50	300								350											350
800		3	Forcemain Lining											0			1,000	13,000		13,000	13,000	13,000			53,000
800	0.50	1	Fremont & PP LSI Internal Lift Pumps	75										75											75
900	0.50	1	Fremont & PP LSI Internal Lift Pumps	75										75											75
800	0.50	2	Hayward Marsh Equipment Removal		50	500								550											550
900	0.50	2	Hayward Marsh Equipment Removal		50	500								550											550
800	0.50	2	Irvington PS Pumps and VFDs						200	1,200	1,200			2,600											2,600
900	0.50	2	Irvington PS Pumps and VFDs						200	1,200	1,200			2,600											2,600
800	0.50	2	New Cherry St. PS					400						400											400
900	0.50	2	New Cherry St. PS					400						400											400
800	0.50	1	Newark PS Mod Valve & Boost Line Mods	275										275											275
900	0.50	1	Newark PS Mod Valve & Boost Line Mods	275										275											275
800	0.50	2	Newark PS Pumps and VFDs							300	675	2,025		3,000											3,000
900	0.50	2	Newark PS Pumps and VFDs							300	675	2,025		3,000											3,000
800		2	Newark PS Wetwell Exhaust Fan Replacement	150										150											150
900		2	Newark PS Wetwell Exhaust Fan Replacement											0											0
800		2	Old Newark Plant Demolition		200	1,800								2,000											2,000
900		2	Old Newark Plant Demolition											0											0
800		3	Pump Station Master Plan Equipment R&R		60	400			2,300		6,800	800	175	10,535		5,000					100	8,000	8,200		31,835
900		3	Pump Station Master Plan Equipment R&R											0											0
800		3	Stevenson Communication Tower											0											0
900		3	Stevenson Communication Tower											0											0
800		3	Transport System Misc. Projects		100	1,000	100	100	1,000	100	100	1,000	100	3,600	100	1,000	100	100	1,000		100	100	1,000	100	7,300
900		3	Transport System Misc. Projects											0											0
800	0.50	1	Wet Weather Flow Management	1,175	500	300	2,500	2,075						6,550											6,550
900	0.50	1	Wet Weather Flow Management	1,175	500	300	2,500	2,075						6,550											6,550
Total for TRANSPORT SYSTEM PROJECTS				3,800	3,610	9,700	5,100	7,750	7,100	5,500	10,050	3,150	4,325	60,085	250	1,500	5,100	6,250	17,000	13,100	13,250	14,100	8,100	8,450	147,185
Total Priority 1 Transport Projects				3,600	1,500	900	5,000	4,150	0	0	0	0	0	15,150	0	0	0	0	0	0	0	0	0	0	15,150
Total Priority 2 Transport Projects				200	1,950	6,800	0	1,000	1,000	2,400	3,150	1,350	4,050	21,900	150	500	0	5,150	3,000	0	150	0	0	150	31,000
Total Priority 3 Transport Projects				0	160	2,000	100	2,600	6,100	3,100	6,900	1,800	275	23,035	100	1,000	5,100	1,100	14,000	13,100	13,100	14,100	8,100	8,300	101,035
Total Fund 800 - Transport System				2,225	1,560	4,300	2,600	2,750	3,800	1,300	8,550	2,475	2,300	31,860	250	1,250	5,100	3,750	15,500	13,100	13,250	14,100	8,100	8,450	114,710
Total Fund 900 - Transport System				1,575	2,050	5,400	2,500	5,000	3,300	4,200	1,500	675	2,025	28,225	0	250	0	2,500	1,500	0	0	0	0	0	32,475

Line Item	Year	Phase	Project Name	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	20-Year Total
TREATMENT PROJECTS																								
900	2		3rd Degritter System	500									500											500
800	2		30" ML Pipe Lining					100	550				650											650
800	0.50	1	Aeration Blowers Replacement		50	1,000	1,150						2,200											2,200
900	0.50	1	Aeration Blowers Replacement		50	1,000	1,150						2,200											2,200
800	0.50	2	Aeration Internal Lift Pumps					100	1,500				1,600											1,600
900	0.50	2	Aeration Internal Lift Pumps					100	1,500				1,600											1,600
900	2		Aeration Tank (East) Baffling and Improver	100	250	2,250	2,600	800					6,000											6,000
800	2		Aeration Tank (East) Roof		150	1,050	1,600	500					3,300											3,300
800	0.50	2	Alvarado Influent PS Pumps and VFDs	125	500	500							1,125											1,125
900	0.50	2	Alvarado Influent PS Pumps and VFDs	125	500	500							1,125											1,125
800	2		Alvarado Influent PS Roof Replacement	100									100											100
900	2		Alvarado Influent PS Roof Replacement										0											0
800	2		Alvarado Influent PS Switchboard 5 Replacem	50	200								250											250
900	2		Alvarado Influent PS Switchboard 5 Replacement										0											0
800	2		Alvarado Influent Valve Box Gate Valves 1-2			300							300											300
800	3		Blower Bldg Channel Blower Demo & Repl		50	250							300											300
900	3		Blower Bldg Channel Blower Demo & Repl		50	250							300											300
800	2		Blower Bldg (East) Ventilation Improvements										0											0
800	2		Cathodic Protection Improvements - Plant	100	200	100		100		100			700	100		100		100		100		100		1,200
900	2		Cathodic Protection Improvements - Plant										0											0
800	2		Centrifuge Building Water Lines Replacement				200						200											200
900	2		Centrifuge Building Water Lines Replacement										0											0
800	0.50	2	Centrifuge Conveyance		250		1,100	1,100	550				3,000											3,000
900	0.50	2	Centrifuge Conveyance		250		1,100	1,100	550				3,000											3,000
800	0.50	2	Centrifuge Replacement					300		1,550	1,600	850	4,300											4,300
900	0.50	2	Centrifuge Replacement					300		1,550	1,600	850	4,300											4,300
800	3		Co-Digestion										0											0
900	3		Co-Digestion										0											0
800	0.50	1	Cogen Project	250									250											250
900	0.50	1	Cogen Project	250									250											250
800	1		Cogen Engine Rebuild	150				250	250				650			300	325							1,275
900	1		Cogen Engine Rebuild	150				250	250				650			300	325							1,275
800	2		Cogen Retrofit								50	650	700											700
900	2		Cogen Retrofit								50	650	700											700
800	2		Condition Assessment of Structures		200	200	200	200	200	200	200	200	1,800	200	200	200	200	200	200	200	200	200	200	3,800
800	3		Contact Tank Retrofit										0				3,250							3,250
900	3		Contact Tank Retrofit										0				3,250							3,250
800	2		Contact Tank Valve Replacement			150	1,500						1,650											1,650
800	2		Control Box No. 1 Improvements		150	1,500	1,500						3,150											3,150
800	0.50	2	Degritters 1 and 2 Replacement										0											0
900	0.50	2	Degritters 1 and 2 Replacement										0											0
900	2		Degritter No. 4							175	500	1,150	1,825											1,825
800	3		Diffuser Replacement						600				600		950	750						1,200	950	4,450

Year	Item	Description	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	30-Year Total
900	3	Digester Additional Capacity										1,000	1,000	1,000	3,950	12,250	4,250		850	850	3,650	11,300	3,500			43,050
800	2	Digester Inspection and Rehab	150	100	100	100	100		100	200	150	150	150	1,300	150	150	250	200	200	200	200	200	200	200	250	3,400
800	1	Digester No. 3 Insp & Rehab	1,500											1,500												1,500
900	1	Digester No. 7	800	5,200	4,000									10,000												10,000
800	2	Emergency Outfall Outlet Improvements	100	250	850									1,200												1,200
900	2	Ferrous Tank at Degritter Building		100	800									900												900
800	2	Gravity Bell Thickener	100	300	3,000	4,400	500							8,300												8,300
900	2	Headworks 3rd Bar Screen	150	1,350										1,500												1,500
800	2	Headworks Gates and Actuators		100	1,500									1,600												1,600
800	2	Headworks Bar Screens 1-2 Replacement			300	2,000	1,000							3,300												3,300
800	2	Headworks Valve Box Gate Valves 1-3	200											200												200
800	1	Hypo Tank and PVC pipe replacement at OCI	650											650												650
800	1	MCC Replacement			150	150	100	1,000						1,400	150	500										2,050
800	2	Misc. Electrical Equipment Upgrade			500	500			500		1,000			2,500	500		500	500		500		500		500		5,000
800	2	Misc. Projects		250	250	300	300	300	300	300	300	300		2,600	300	300	300	300	300	300	300	300	300	300	300	5,600
800	0.50	3	Nutrient Removal								2,000	4,500	17,000	23,500	16,000	14,000										53,500
900	0.50	3	Nutrient Removal								2,000	4,500	17,000	23,500	16,000	14,000										53,500
900	2	Nutrient Sidestream Removal			850	1,600	5,000	1,700						9,150												9,150
800	2	Odor Scrubber System Improvements	50				550	5,500		600	6,000			12,700				500	6,000	8,500		9,100	9,400			46,300
900	2	Odor Scrubber System Improvements												0												0
800	2	Plant Asset Condition Assessment R&R		600	700	1,200	2,900	850	5,600	1,700	6,100			19,650			1,050	2,400		2,500		2,750				28,350
900	2	Plant Asset Condition Assessment R&R												0												0
800	2	Plant 12kV Switchgear							700	3,500				4,200												4,200
900	2	Plant 12kV Switchgear												0												0
800	2	Plant 5kV Switchgear							700	2,800				3,500												3,500
900	2	Plant 5kV Switchgear												0												0
800	0.50	2	Plant Fiber Optic Network		50	150			50	400				650												650
900	0.50	2	Plant Fiber Optic Network		50	150			50	400				650												650
800	2	Plant Grating Replacement	50	100										150												150
900	2	Plant Grating Replacement												0												0
800	2	PLC Replacement				200				250				450		300			350				400			1,500
800	1	Primary Clarifier (1 - 4) Seismic Upgrade			350	2,100		2,200						4,650												4,650
900	1	Primary Clarifier (1 - 4) Seismic Upgrade												0												0
800	0.75	2	Primary Clarifier Rehab (5-6)				600	4,600	4,700					9,900												9,900
900	0.25	2	Primary Clarifier Rehab (5-6)				200	1,500	1,590					3,290												3,290
800	2	RAS Control Interim Improvements	100											100												100
900	2	RAS Control Interim Improvements	100											100												100
800	0.50	2	RAS PS Pumps Replacement			75	475	250						800												800
900	0.50	2	RAS PS Pumps Replacement			75	475	250						800												800
800	3	Reclaimed Water Plant												0												0
900	3	Reclaimed Water Plant												0												0
800	0.75	2	Sec. Clarifiers No. 5 and 6 Rehabilitation			300	1,650	1,650						3,600												3,600
900	0.25	2	Sec. Clarifiers No. 5 and 6 Rehabilitation			100	550	550						1,200												1,200

Fund	Rank	Project Name	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	10-Year Total	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	20-Year Total	
900	3	Secondary Clarifiers No. 7,8											0						700	3,000	3,000	1,300		8,000
800	2	Seismic Retrofit of Conc. Structures					200	2,000	300	3,000	300	3,000	8,800	300	3,000	300	3,000	300	3,000	300	300		22,600	
900	2	Seismic Retrofit of Conc. Structures											0										0	
800	0.50	2	Site Waste Pump Station Improvements			200	2,300						2,500										2,500	
900	0.50	2	Site Waste Pump Station Improvements			200	2,300						2,500										2,500	
800	0.50	2	Sludge Recirculation Pump Replacement				100	75					175					100					275	
900	0.50	2	Sludge Recirculation Pump Replacement				100	75					175					100					275	
800	2	Standby Power Generation System Upgrade	800	4,000	5,000	1,700							11,500										11,500	
800	2	Switchboard 3 Replacement					50	300					350										350	
900	2	Switchboard 3 Replacement											0										0	
800	2	Switchboard 4 Replacement						50	325				375										375	
900	2	Switchboard 4 Replacement											0										0	
800	0.75	1	Thickener Control Bldg Improvements	150									150										150	
900	0.25	1	Thickener Control Bldg Improvements	50									50										50	
800	2	Thickener Mechanisms 1-2		200	2,000								2,200										2,200	
900	2	Thickener Mechanisms 1-2											0										0	
800	2	Truck Scales Improvements		100									100										100	
800	2	Water Storage Tank											0	50	1,200								1,250	
900	2	Waste Recycling and Alternative Energy					500	5,000					5,500										5,500	
Total for TREATMENT			6,850	15,600	30,300	32,050	22,650	31,150	19,290	20,300	27,300	38,650	244,140	34,750	37,400	24,000	11,000	2,400	14,100	13,950	13,100	24,600	15,700	435,141
		Total Priority 1 Treatment Projects	3,950	5,300	6,150	2,800	2,700	3,700	0	0	0	0	24,600	150	500	600	650	0	0	0	0	0	0	26,500
		Total Priority 2 Treatment Projects	2,900	10,200	23,650	29,250	19,950	26,850	19,290	16,300	18,300	3,650	170,340	1,550	4,000	3,900	6,100	2,400	12,550	10,100	6,450	10,800	10,850	239,041
		Total Priority 3 Treatment Projects	0	100	500	0	0	600	0	4,000	9,000	35,000	49,200	33,050	32,900	19,500	4,250	0	1,550	3,850	6,650	13,800	4,850	169,600
		Total Fund 800 - Treatment Plant	4,625	7,800	20,125	22,175	13,525	20,600	15,575	16,150	20,150	20,650	161,375	17,700	19,450	8,200	6,425	2,300	12,550	10,100	6,450	12,000	11,800	268,351
		Total Fund 900 - Treatment Plant	2,225	7,800	10,175	9,875	9,125	10,550	3,715	4,150	7,150	18,000	82,765	17,050	17,950	15,800	4,575	100	1,550	3,850	6,650	12,600	3,900	166,790
GRAND TOTAL			11,200	20,460	42,550	45,900	38,200	44,550	33,190	34,450	33,650	44,975	349,125	38,000	41,250	32,450	20,000	22,200	27,700	28,900	27,700	34,400	24,650	646,376
TOTAL PRIORITY 1 PROJECTS			7,550	7,000	7,550	10,800	7,150	7,000	6,900	3,600	1,400	1,500	60,450	1,450	1,800	600	650	0	0	0	0	0	0	64,950
TOTAL PRIORITY 2 PROJECTS			3,600	13,050	32,500	34,850	26,700	30,350	23,190	19,950	21,150	8,200	213,540	3,200	5,550	7,050	14,000	7,800	13,050	11,750	6,950	12,300	11,500	306,691
TOTAL PRIORITY 3 PROJECTS			50	410	2,500	250	4,350	7,200	3,100	10,900	11,100	35,275	75,135	33,350	33,900	24,800	5,350	14,400	14,650	17,150	20,750	22,100	13,150	274,735
FUND 800 - Structural Renewal & Replacement			7,400	10,610	26,825	32,325	22,575	30,700	25,275	28,800	25,825	24,950	235,285	20,950	22,950	16,300	12,275	20,500	26,150	25,050	21,050	21,800	20,750	443,061
FUND 900 - Capacity			3,800	9,850	15,725	13,575	15,625	13,850	7,915	5,650	7,825	20,025	113,840	17,050	18,300	16,150	7,725	1,700	1,550	3,850	6,650	12,600	3,900	203,315

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Summary of the EBDA Commission Meeting

Thursday, May 18, 2017, at 9:30 a.m.

Prepared by: P. Eldredge

- Commissioners Becker, Peixoto, Johnson, Cutter, and Toy were present.
- The Consent Calendar was approved unanimously and included the Commission Meeting Minutes, List of Disbursements, and Treasurer's Report.
- Guest Speaker - The General Manager introduced Bruce Wolfe, Executive Director of the San Francisco Bay Regional Water Board. Mr. Wolfe provided an overview of the history of wastewater treatment in the SF Bay region and discussed future objectives. The wastewater community must continue coordinating with water purveyors to develop a water supply portfolio. In the future, the wastewater community's strategic planning should be consistent with other drivers as it is with nutrients. Wastewater agencies should communicate with local municipal staff to show steps that are being taken that meet local climate action plans.
- The Commission unanimously approved the reports from the Managers Advisory, Financial Management, Regulatory Affairs, Operations & Maintenance, and Ad Hoc committees. The following items were discussed:
 - **General Managers Report** - The General Manager advised the Commission of agenda item updates to the RRF Resolution, FY 2017/18 Budget proposal, and meeting schedule; these items will be discussed in the corresponding Committee reports. During this budget process an additional JPA topic has been identified. RRF funding allocations will be added to the four JPA topics the MAC has been discussing. The Commission requested staff organize another Strategic Plan workshop for summer/fall 2017.
 - **Managers Advisory Committee (MAC)** – Erik Zalkin of Brown and Caldwell presented a summer schedule for the Transport System Inspection to the MAC. The MAC requested the Carollo Engineers, Inc. contract include member agency maximum flow rates. Staff will have the request added to the task order and a revised scope of work will be provided to the MAC for review. The MAC expressed support of the various agenda items and resolutions.
 - **Financial Management Committee** met with the General Manager on May 16, 2017, and approved the April list of disbursements and Treasurer's Reports. The Committee reviewed year to date FY 2016/17 third quarter expenses, which are about \$126K (3%) over budget. Contributing factors are the heavy rainfall this past winter, Enterococcus in the transport system, and the hiring of an O&M Manager. The Committee recommended full Commission approval of resolutions

adopting the Fiscal Year 2017/18 Budget, a FY 2016/17 contribution to the CERBT, and Amendment No. 6 to the Meyers Nave agreement.

- **Regulatory Affairs Committee** met with the General Manager on May 16, 2017, and discussed permit compliance. The General Manager advised the Committee that the BAAQMD has agreed to move POTW facilities to Priority 2 implementation of Proposed Rule 11-18. EBDA's NPDES permit was approved at the Water Board's May meeting.

The Water Board has agreed to amend the San Francisco Bay Basin Plan's Total Residual Chlorine (TRC) limit to 1.5 ppm. BACWA, including EBDA, agreed to provide funding for the additional staff time the Water Board may incur. Chair Johnson complimented General Manager Connor on the successful negotiation of the EBDA NPDES permit.

- **Operations and Maintenance (O&M) Committee** met with the General Manager on May 15, 2017, and discussed the status of EBDA facilities. The Committee was updated on the status of the AEPS No. 1 and No. 6 effluent pumps, Hayward MCC replacement project, OLEPS fuel tank replacement, and Skywest No. 1 Pump. The MAC also discussed the Enterococcus issue in the transport system. The Committee was advised of a State Water Board inspection of the underground storage tanks at OLEPS. The Committee reviewed the proposed R&R Fund spending for FY 2017/18. The R&R schedule includes expenses totaling \$931,000 with a contingency of \$100,000.

The Committee expressed its support of the funding resolutions for 1) R&R Fund schedule for FY 2017/18, 2) Pump Repair Service Company, Inc. contracts for AEPS No. 1 and 6 pumps, 3) Purchase order to Univar, 4) Agreement with Calcon, 5) Carollo Engineers contract, and 6) Purchase order for Donlee Pump.

- **Personnel Committee** - met with the General Manager on May 15, 2017, and considered a resolution approving the FY 2017/18 Compensation Plan that provides for a 3.5% cost-of-living adjustment based on the Bay Area Consumer Price Index. The Committee recessed to closed session to discuss renewal of the General Manager's employment agreement.

The General Manager advised that the Commission will review his employment agreement at the next Commission meeting.

- **Ad Hoc Committee** - met with the General Manager on May 18, 2017, and discussed the Special MAC meeting of May 12. Commissioner Peixoto expressed appreciation to the MAC for their continued work.
- **Items from the Commission and Staff** - Commission Becker advised that the Boards of Directors for the Oro Loma Sanitary District and Castro Valley Sanitary District are being honored by the Bay Institute for the horizontal levee project. Commissioner Becker recognized Jason Warner for his vision and work on the project.

Jason Warner complimented EBDA's General Manager for not only successfully negotiating the NPDES permit renewal but for also having all of EBDA's goals included in the permit.

The Commission cancelled the June 15, 2017 Commission. The next Commission meeting will be held on July 20, 2017. Committee meetings may be scheduled in June if needed.

- **Motion to Accept Committee Appointments and Meeting Schedule for FY 2017/18** - The incoming Chair advised the Commissioners of their Committee assignments. The Personnel and O&M Committees were adjusted to 9:00a and 10:00a respectively to accommodate Commissioners schedules.

Commissioner Becker moved to accept the Fiscal Year 2017/18 Committee appointments and revised meeting schedule. The motion was seconded by Commissioner Cutter and carried unanimously, 5-0 (Becker, Peixoto, Cutter, Toy, Johnson; ayes).

- **Resolution Adopting the Fiscal Year 2017/18 Budget**

The General Manager reviewed the proposed Fiscal Year 2017/18 Budget with the Commission. The budget proposal was revised to adjust the member agencies 2017/18 Renewal and Replacement Fund (RRF) contribution to \$450,000.

Commissioner Peixoto introduced the resolution adopting the Fiscal Year 2017/18 Budget with the noted adjustment to the RRF contribution. The motion was seconded by Commissioner Cutter and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

- **Resolution Approving the FY 2017 California Employers' Retiree Benefit Trust (CERBT) Fund Contribution**

Commissioner Cutter requested staff research the option of a separate PARS (Public Agency Retirement Services) account for future OPEB contributions.

Commissioner Cutter introduced the resolution approving the FY 2017 CERBT fund contribution of \$13,389. The motion was seconded by Commissioner Toy and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

- **Resolution Authorizing Amendment No. 6 to the Fee Contract by and Between East Bay Dischargers Authority and Meyers Nave, a Professional Law Corporation**

Commissioner Cutter introduced the resolution authorizing Amendment No. 6 to the Meyers Nave fee contract. The motion was seconded by Commissioner Toy and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
 Noes: None
 Absent: None
 Abstain: None

- **Resolution Approving Asset Management Plan/Renewal and Replacement Fund Schedule for Fiscal Year 2017/2018**

Commissioner Peixoto introduced the resolution approving the Renewal and Replacement Fund schedule for FY 2017/18. The motion was seconded by Commissioner Becker and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
 Noes: None
 Absent: None
 Abstain: None

- **Resolution Authorizing the General Manager to Enter into a Contract with Pump Repair Service Company Inc. in the Amount of \$98,278 for the Replacement of the No. 1 Effluent Pump at the Alvarado Effluent Pump Station**

Commissioner Becker introduced the resolution authorizing the contract with Pump Repair Service Company Inc. in the amount of \$98,278. The motion was seconded by Commissioner Toy and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
 Noes: None
 Absent: None
 Abstain: None

- **Resolution Authorizing the General Manager to Enter into a Contract with Pump Repair Service Company Inc. in the Amount of \$21,885 for the Overhaul of the No. 6 Effluent Pump at the Alvarado Effluent Pump Station**

Commissioner Becker introduced the resolution authorizing the contract with Pump Repair Service Company Inc. in the amount of \$21,885. The motion was seconded by Commissioner Peixoto and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

- **Resolution Authorizing the General Manager to Issue a Purchase Order to Univar USA, Inc. for Sodium Bisulfite 25% Solution in FY 2017/2018 in the Amount of \$250,000**

Commissioner Cutter introduced the resolution authorizing a purchase order to Univar USA, Inc.. The motion was seconded by Commissioner Becker and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

- **Resolution Authorizing the General Manager to Enter into a Professional Services Agreement with Calcon Systems, Inc. in the Amount of \$150,000 per year for Electrical, Instrumentation, and Emergency Services in Fiscal Years 2017/2018 and 2018/2019**

Commissioner Peixoto introduced the resolution authorizing a professional services agreement with Calcon Systems, Inc. in the amount of \$150,000 per year. The motion was seconded by Commissioner Toy and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

- **Resolution Authorizing the General Manager to Enter into a Contract with Carollo Engineers, Inc. in the Amount of \$81,800 for an update of the System Flow Master Plan Modeling**

David Stoops advised the Commission that the previous flow model will be calibrated with current wet weather data. The draft Scope of Work will be revised and presented to the MAC for approval. Commissioner Toy introduced the resolution authorizing the contract with Carollo Engineers, Inc. for \$81,800. The motion was seconded by Commissioner Peixoto and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

- **Resolution Authorizing the General Manager to Issue a Purchase Order to Donlee Pump Company for the Purchase of One (1) 8,000 Gallon Above Ground Fuel Storage Tank in the**

Amount of \$49,930 for the Oro Loma Pump Station Underground Fuel Tank Replacement Project No. EBDA-OLEPS 2017-2

The Superintendent of Operations & Maintenance advised the Commission that the pre-purchase of the fuel storage tank is needed to coordinate with the Alameda County Department of Environmental Health permit process. Commissioner Becker introduced the resolution authorizing a purchase order to Donlee Pump Company for the above ground fuel storage tank in the amount of \$49,930. The motion was seconded by Commissioner Cutter and carried unanimously, 5-0.

Ayes: Commissioners Becker, Peixoto, Cutter, Toy, and Chair Johnson
Noes: None
Absent: None
Abstain: None

**UNION SANITARY DISTRICT
CHECK REGISTER
5/13/2017-06/02/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164454	5/18/2017	800394.32	GSE CONSTRUCTION CO INC	THICKENER CONTROL BLDG IMPROV PHASE II	\$72,182.90	\$72,182.90
164557	6/1/2017	157553	CAROLLO ENGINEERS	NEWARK PS MOD VALVE & BOOST LINE MODS	\$14,317.38	\$68,365.30
	6/1/2017	157552		PLANT SOLIDS SYSTEM/CAPACITY ASSESSMENT	\$54,047.92	
164578	6/1/2017	6843	LENNAR HOMES - BAY AREA	REFUND # 19985	\$67,180.00	\$67,180.00
164466	5/18/2017	170120170509	PACIFIC GAS AND ELECTRIC	SERV TO 4/24/17 PLANT	\$44,587.65	\$44,587.65
164480	5/18/2017	533620170424	US BANK CORP PAYMENT SYSTEM	MONTHLY CAL-CARD STMT - APR 2017	\$39,717.04	\$39,717.04
164469	5/18/2017	141306	RESC-Q SERVICES LLC	SULFA TREAT SWAP OUT T909902	\$38,100.00	\$38,100.00
164611	6/1/2017	38647	WECO INDUSTRIES LLC	1 SANAFOAM VAPOROOTER APPLICATOR UNIT	\$36,491.50	\$36,491.50
164588	6/1/2017	1139089	POLYDYNE INC	44,940 LBS CLARIFLOC C-6267	\$31,516.53	\$31,516.53
164472	5/18/2017	23859	RMC WATER AND ENVIRONMENT	PROJECT IMPLEMENTATION MASTER PLAN	\$30,346.77	\$30,346.77
164440	5/18/2017	11287651	BROWN & CALDWELL CONSULTANTS	PRIMARY DIGESTER NO. 7	\$13,911.80	\$27,698.33
	5/18/2017	11290305		PRIMARY DIGESTER NO. 7	\$10,043.03	
	5/18/2017	11290143		EMERGENCY OUTFALL OUTLET IMPROVEMENTS	\$3,743.50	
164444	5/18/2017	156659	CAROLLO ENGINEERS	PLANT SOLIDS SYSTEM/CAPACITY ASSESSMENT	\$26,949.81	\$26,949.81
164504	5/25/2017	201303536	COVELLO GROUP INC	THICKENER CONROL BUILDING IMPROVEMENTS PHASE II	\$21,551.02	\$21,551.02
164448	5/18/2017	95365	DEGENKOLB ENGINEERS	SEISMIC STUDY	\$19,807.08	\$19,807.08

**UNION SANITARY DISTRICT
CHECK REGISTER
5/13/2017-06/02/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164498	5/25/2017	FW8062	CDW GOVERNMENT LLC	CREDIT RSA AUTH MGR BASE	\$-820.00	\$18,432.29
	5/25/2017	HSL3733		MTV TRUCK RUGGED HARD DRIVES	\$2,107.79	
	5/25/2017	HSH5954		SCADA SAN EXPANSION	\$16,324.50	
	5/25/2017	DJZ5961		RSA AUTH MGR BASE	\$1,550.30	
	5/25/2017	GSB8640		CREDIT RSA AUTH MGR BASE	\$-730.30	
164604	6/1/2017	7151	TIMBER STREET LLC	REFUND # 19988	\$14,470.00	\$16,970.00
	6/1/2017	7732		REFUND # 19763	\$2,500.00	
164560	6/1/2017	381104581	CH2M HILL INC	ODOR CONTROL ALTERNATIVES STUDY	\$15,133.61	\$15,133.61
164441	5/18/2017	213023	BURKE, WILLIAMS & SORENSON LLP	CLAIM - MARCH 2017	\$65.52	\$14,130.27
	5/18/2017	213022		RECORDS RETENTION POLICY - MARCH 2017	\$3,031.60	
	5/18/2017	213020		GENERAL LEGAL - MARCH 2017	\$4,518.80	
	5/18/2017	213114		COGEN - MARCH 2017	\$2,173.60	
	5/18/2017	213021		GENERAL LEGAL/CIP - MARCH 2017	\$4,340.75	
164531	5/25/2017	117459	R-2 ENGINEERING INC	MOYNO PUMP REBUILD	\$11,797.35	\$11,797.35
164546	5/25/2017	38736	WECO INDUSTRIES LLC	TRUCK T2355 REPAIRS	\$814.88	\$10,519.00
	5/25/2017	38739		CAMERA TRUCK REPAIRS - T2372	\$1,725.88	
	5/25/2017	38735		120 GAL SANAFOAM	\$7,978.24	

**UNION SANITARY DISTRICT
CHECK REGISTER
5/13/2017-06/02/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164553	6/1/2017	7975701	AT&T	SERV: 03/20/16 - 4/19/2016	\$6,157.46	\$9,618.45
	6/1/2017	9659060		SERV: 04/10/17 - 05/09/17	\$596.36	
	6/1/2017	8368075		SERV: 06/20/16 - 07/19/2016	\$2,266.49	
	6/1/2017	7846291		SERV: 02/20/16 - 3/19/2016	\$598.14	
164551	6/1/2017	4071038120170518	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 05/18/17-BENSON ROAD	\$73.84	\$9,331.48
	6/1/2017	4071036120170518		SERV TO: 05/18/17-BENSON ROAD	\$9,257.64	
164435	5/18/2017	21631	BAY COUNTIES DIESEL SERVICE	REPAIR OIL LEAK TRUCK T3050	\$7,727.33	\$7,727.33
164496	5/25/2017	30901	CALIFORNIA WATER TECHNOLOGIES	44,040 LBS FERROUS CHLORIDE	\$3,906.37	\$7,589.58
	5/25/2017	30865		43,180 LBS FERROUS CHLORIDE	\$3,683.21	
164609	6/1/2017	7902	VCC, LLC	REFUND # 19990	\$7,302.50	\$7,302.50
164541	5/25/2017	812946	UNIVAR USA INC	5055 GALS SODIUM HYPOCHLORITE	\$2,227.46	\$6,545.80
	5/25/2017	813930		4799 GALS SODIUM HYPOCHLORITE	\$2,114.67	
	5/25/2017	813221		5001 GALS SODIUM HYPOCHLORITE	\$2,203.67	
164558	6/1/2017	HTM4698	CDW GOVERNMENT LLC	FY2017 RANDR	\$5,646.01	\$6,423.13
	6/1/2017	HTT8110		FY2017 RANDR	\$777.12	
164605	6/1/2017	814564	UNIVAR USA INC	4799 GALS SODIUM HYPOCHLORITE	\$2,114.67	\$6,366.03
	6/1/2017	814817		4849 GALS SODIUM HYPOCHLORITE	\$2,136.69	
	6/1/2017	814681		4799 GALS SODIUM HYPOCHLORITE	\$2,114.67	
164571	6/1/2017	9714712	HF&H CONSULTANTS, LLC	FINANCIAL PLANNING MODEL	\$6,100.00	\$6,100.00

**UNION SANITARY DISTRICT
CHECK REGISTER
5/13/2017-06/02/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164465	5/18/2017	8471103	OVIVO USA LLC	SECONDARY CLAIRIFYER 5 & 6 UP TUBE	\$6,028.87	\$6,028.87
164478	5/18/2017	394986	TABLETMEDIA INC	EMAIL TO RADIO GATEWAY	\$5,500.00	\$5,500.00
164486	5/25/2017	139471	ADVANCED CHEMICAL TRANSPORT	HAZARDOUS MATERIAL MANAGEMENT	\$4,815.03	\$4,815.03
164431	5/18/2017	4017274120170503	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 05/03/17 - FREMONT BLVD	\$4,579.74	\$4,778.01
	5/18/2017	4017275220170508		SERV TO: 05/03/17 - FREMONT BLVD	\$144.38	
	5/18/2017	4017420220170504		SERV TO: 05/03/17 - FREMONT BLVD	\$53.89	
164576	6/1/2017	7547	K HOVNANIAN HOMES	REFUND # 19986	\$4,550.00	\$4,550.00
164539	5/25/2017	3003197438	THYSSENKRUPP ELEVATOR CORP	GOLD - FULL MAINTENANCE MAY 2017-APRIL 2018	\$4,429.81	\$4,429.81
164511	5/25/2017	3898	CITY OF FREMONT	SACGISA	\$4,366.16	\$4,366.16
164574	6/1/2017	527966	INSTRUMART	1 DIGESTER 6 LEVEL TRANSMITTER	\$4,282.31	\$4,282.31
164550	6/1/2017	170501218	AIRTECH MECHANICAL INC	RESET HVAC REGISTER CFM IN ADMIN BUILDING	\$3,683.00	\$4,223.00
	6/1/2017	170401202		HVAC MAINTENANCE - FMC BUILDINGS AND BOYCE	\$540.00	
164543	5/25/2017	6978	VON EUW TRUCKING	144.59 TONS 3/4 CLASS II AB	\$3,970.82	\$3,970.82
164528	5/25/2017	1136178	POLYDYNE INC	41,360 LBS CLARIFLOC WE-539	\$3,903.76	\$3,903.76
164455	5/18/2017	800394.32E	GSE CONSTRUCTION CO INC	THICKENER CONTROL BLDG IMPROV PHASE II - ESCROW PYMT	\$3,799.10	\$3,799.10
164442	5/18/2017	30827	CALIFORNIA WATER TECHNOLOGIES	42,720 LBS FERROUS CHLORIDE	\$3,677.51	\$3,677.51
164587	6/1/2017	103710	PIIAN SYSTEMS LLC	PIIAN ODOR NEUTRALIZER	\$3,639.21	\$3,639.21
164607	6/1/2017	33404	VALLEY WINDOW CLEANING	WINDOW CLEANING SERVICES	\$3,490.00	\$3,490.00
164545	5/25/2017	8860	W.L. BUTLER CONSTRUCTION INC	REFUND # 19958	\$3,300.00	\$3,300.00

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164561	6/1/2017	276713	CURTIS & TOMPKINS, LTD	7 LAB SAMPLE ANALYSIS	\$450.00	\$3,200.00
	6/1/2017	276784		15 LAB SAMPLE ANALYSIS	\$1,240.00	
	6/1/2017	276744		23 LAB SAMPLE ANALYSIS	\$1,510.00	
164433	5/18/2017	145741	BABBITT BEARING CO INC	CENTRIFUGE INCLINED CONVEYOR BEARING	\$3,018.13	\$3,018.13
164513	5/25/2017	20170522	MOHAMMAD GHOURY	COMPUTER NOTE	\$2,980.04	\$2,980.04
164484	5/18/2017	3743410	WESTERN ENERGY SYSTEMS	4 FILTERS - COGEN	\$2,979.80	\$2,979.80
164581	6/1/2017	1008456	MISSION COMMUNICATIONS LLC	MANHOLE MONITORING SERVICE RENEWAL	\$2,956.20	\$2,956.20
164450	5/18/2017	330362	EXPONENT INC.	COGEN ENGINE REBUILD	\$2,922.50	\$2,922.50
164453	5/18/2017	9412433295	GRAINGER INC	2 DOOR LOUVERS	\$357.30	\$2,731.20
	5/18/2017	9415121384		ASTD PARTS & MATERIALS	\$1,457.92	
	5/18/2017	9410281696		2 LED LAMPS	\$15.11	
	5/18/2017	9415919712		1 PIPE THREADING OILER	\$528.45	
	5/18/2017	9411989834		2 HIGH PRESSURE SODIUM LAMPS	\$36.71	
	5/18/2017	9413396095		1 OPEN POWER RELAY	\$40.11	
	5/18/2017	9415869636		ASTD PARTS & MATERIALS	\$295.60	

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164461	5/18/2017	30040441	MCMASTER SUPPLY INC	HIGH PRESSURE TUBING & FITTING	\$508.63	\$2,555.62
	5/18/2017	28452652		7 STEEL FIRE EXTINGUISHER CABINETS	\$523.96	
	5/18/2017	28507480		1 OUTDOOR HIGH-CURRENT TIME & DAY ACTIVATED SWITCH	\$372.49	
	5/18/2017	29243365		1 STAINLESS STEEL WASHDOWN ENCLOSURE & ACCESSORIES	\$902.51	
	5/18/2017	28942398		4 PIPE FITTINGS	\$10.97	
	5/18/2017	28847544		1 HIGH-AMP RELAY	\$237.06	
164547	5/25/2017	9025	WEST VALLEY CONSTRUCTION	REFUND # 19963	\$2,500.00	\$2,500.00
164549	6/1/2017	8409	24 HOUR FITNESS	REFUND # 19989	\$2,500.00	\$2,500.00
164602	6/1/2017	8077	STANDARD PACIFIC OF N CA, INC	REFUND # 19860	\$2,500.00	\$2,500.00
164608	6/1/2017	8714	VALUE PLUMBING COMPANY	REFUND # 19850	\$2,500.00	\$2,500.00
164464	5/18/2017	476061100	NEW PIG CORPORATION	DRAINBLOCKER AND SPILLBLOCKER	\$507.74	\$2,413.52
	5/18/2017	2218947900		3 DRAINBLOCKER AND SPILLBLOCKER	\$1,905.78	
164492	5/25/2017	21706	BAY COUNTIES DIESEL SERVICE	REPAIR FUEL IN COOLANT TRUCK T3252	\$2,247.31	\$2,247.31
164479	5/18/2017	812071	UNIVAR USA INC	4798 GALS SODIUM HYPOCHLORITE	\$2,114.22	\$2,114.22
164500	5/25/2017	87187	CHAIN LINK FENCE & SUPPLY INC	STEVENSON FENCE MODIFICATION	\$2,100.00	\$2,100.00
164438	5/18/2017	724111	BRENNTAG PACIFIC, INC.	2564 LBS SODIUM HYDROXIDE	\$1,329.50	\$1,994.24
	5/18/2017	724112		1282 LBS SODIUM HYDROXIDE	\$664.74	
164495	5/25/2017	726069	BRENNTAG PACIFIC, INC.	3846 LBS SODIUM HYDROXIDE	\$1,994.23	\$1,994.23

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164522	5/25/2017	30312967	MCMaster SUPPLY INC	100 FEET HIGH-PRESSURE PVC TUBING	\$202.27	\$1,803.79
	5/25/2017	27710523		10 PACKS PLASTIC BAGS	\$118.43	
	5/25/2017	27834993		2 LARGE-CELL BATTERIES	\$104.70	
	5/25/2017	30737755		ASTD PARTS & MATERIALS	\$1,196.24	
	5/25/2017	30203154		6 JOBBERS' DRILL BITS	\$182.15	
164505	5/25/2017	276620	CURTIS & TOMPKINS, LTD	23 LAB SAMPLE ANALYSIS	\$1,800.00	\$1,800.00
164516	5/25/2017	NTN5441	IRON MOUNTAIN	OFF-SITE STORAGE AND SERVICE - APR 2017	\$325.94	\$1,781.68
	5/25/2017	201303978		DATA/MEDIA OFF-SITE STORAGE - APR 2017	\$268.33	
	5/25/2017	NTV8482		OFF-SITE STORAGE AND SERVICE - APR 2017	\$1,187.41	
164523	5/25/2017	39158	METROMOBILE COMMUNICATIONS INC	1 REPLACEMENT RADIO	\$1,056.90	\$1,639.65
	5/25/2017	170547		ANNUAL RADIO SERVICE - MAY 2017	\$582.75	
164514	5/25/2017	1786642	HANSON AGGREGATES INC	6.27 TONS 1/2 MED TYPE A AC-R	\$473.99	\$1,401.89
	5/25/2017	1786134		12.38 TONS 1/2 MED TYPE A AC-R	\$927.90	
164447	5/18/2017	20170425	DALE HARDWARE INC	04/17 - ASTD PARTS & MATERIALS	\$1,385.54	\$1,385.54
164432	5/18/2017	9395	AMERICAN DISCOUNT SECURITY	04/03/17 - 04/28/17 GUARD AT DISTRICT GATE	\$1,380.00	\$1,380.00
164525	5/25/2017	XCTZ01Y	PACHECO BROTHERS GARDENING INC	LANDSCAPE MAINTENANCE SERVICES MAY 2017	\$1,365.00	\$1,365.00
164534	5/25/2017	7671273500	RS HUGHES CO INC	PPE/SAFETY SUPPLIES	\$1,342.76	\$1,342.76
164463	5/18/2017	118546	MUNICIPAL MAINT EQUIPMENT INC	ASTD NOZZLE PARTS	\$1,337.61	\$1,337.61
164489	5/25/2017	20170410	AMAZON.COM LLC	04/17 - ASTD OFFICE SUPPLIES	\$1,334.47	\$1,334.47

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164481	5/18/2017	38578	VALLEY OIL COMPANY	1 CASE CHEV MULTIFAK AND 2 DRUMS XLD	\$1,276.42	\$1,276.42
164517	5/25/2017	14409	LOOKINGPOINT INC	ANNUAL SUPPORT FOR PHONE AND NETWORK - MAY 2017	\$1,225.00	\$1,225.00
164434	5/18/2017	7536	BARNETT MEDICAL SERVICES LLC	135 LBS PHARMACEUTICAL WASTE REMOVAL	\$322.00	\$1,172.00
	5/18/2017	7932		460 LBS PHARMACEUTICAL WASTE REMOVAL	\$850.00	
164568	6/1/2017	9427795969	GRAINGER INC	2 EA REGULATOR & PRESSURE GAUGES	\$103.15	\$1,106.65
	6/1/2017	9426536711		6 PACKS PH STRIPS	\$97.19	
	6/1/2017	9427933883		ASTD PARTS & MATERIALS	\$906.31	
164565	6/1/2017	1111026	FLUID COMPONENTS INTERNATIONAL	AERATION AIR FLOW METER CALIBRATION	\$1,090.50	\$1,090.50
164570	6/1/2017	29269797001	HERC RENTALS INC	SKIDSTEER ATTACHMENT ROTARY BRUSH MOWER RENTAL	\$1,071.37	\$1,071.37
164456	5/18/2017	93208999	H & E EQUIPMENT SERVICES INC	EQUIP. RENTAL, REACH LIFT, 04/24 - 04/25/17	\$1,037.19	\$1,037.19
164485	5/25/2017	8929112	ABC IMAGING, INC.	FORCE MAIN CORROSION REPAIRS - WEST	\$1,029.73	\$1,029.73
164520	5/25/2017	201705018	MCGUIRE & HESTER	EMERGENCY STANDBY RETAINER, 2017	\$1,000.00	\$1,000.00
164538	5/25/2017	8997	STREAMLINE PLUMBING & DRAIN	REFUND # 19968	\$500.00	\$1,000.00
	5/25/2017	9018		REFUND # 19969	\$500.00	
164524	5/25/2017	24007713	MOTION INDUSTRIES INC	4 SHEAVES & BUSHINGS	\$370.97	\$964.50
	5/25/2017	24007803		1 MOTOR	\$284.96	
	5/25/2017	24007899		ASTD PARTS & MATERIALS	\$308.57	
164446	5/18/2017	276372	CURTIS & TOMPKINS, LTD	6 LAB SAMPLE ANALYSIS	\$565.00	\$960.00
	5/18/2017	276368		4 LAB SAMPLE ANALYSIS	\$395.00	

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164526	5/25/2017	XCTZ01Z	PACHECO BROTHERS GARDENING INC	WEED ABATEMENT WORK MAY 2017	\$915.00	\$915.00
164586	6/1/2017	20170530	ALEXANDER PAREDES	TRAVEL REIMB: NACWA CONF - LODGING/PER DIEM/TRANSPORTATIOI	\$907.02	\$907.02
164529	5/25/2017	20170512	MICHELLE POWELL	TRAVEL REIMB: CASA CONF LODGING/PER DIEM/MILEAGE/TRANS	\$898.08	\$898.08
164583	6/1/2017	103816	MUNIQUEP, LLC	1 MSB HYPO TANK LEVEL TRANSMITTER	\$843.06	\$843.06
164596	6/1/2017	7902	ROUSE PROPERTIES GROUP	REFUND # 19991	\$824.00	\$824.00
164467	5/18/2017	249555	PRESTIGE LENS LAB	SAFETY GLASSES - MOSLEY	\$317.92	\$800.80
	5/18/2017	249598		SAFETY GLASSES - HOVEY	\$267.66	
	5/18/2017	249434		SAFETY GLASSES - SEPULVEDA	\$215.22	
164491	5/25/2017	9026	BARNETT MEDICAL SERVICES LLC	454 LBS PHARMACEUTICAL WASTE REMOVAL	\$765.00	\$765.00
164509	5/25/2017	9991	FREMONT EXPRESS COURIER SVC	COURIER SERVICES: APR 2017 DAILY MAIL/2 BOARDMEMBER DELIVER	\$760.00	\$760.00
164592	6/1/2017	12820	RED WING SHOE STORE	SAFETY SHOES: CHAPARRO/STRASBURG/TEALE/PORTEOUS	\$758.65	\$758.65
164521	5/25/2017	102376	MCINERNEY & DILLON, P.C.	FREMONT & PASEO PADRE LS IMPROVEMENTS	\$750.00	\$750.00
164601	6/1/2017	8122768051817	SIERRA SPRING WATER COMPANY	BOTTLESS COOLERS RENTAL	\$239.00	\$747.38
	6/1/2017	4868173051817		WATER SERVICE 04/21/17 - 05/08/17	\$508.38	
164579	6/1/2017	29081386	MCMASTER SUPPLY INC	2 STAINLESS STEEL PIPE FITTINGS	\$105.49	\$694.14
	6/1/2017	31772593		10 ALUMINUM CAUTION SIGNS	\$155.92	
	6/1/2017	31527043		ASTD PARTS & MATERIALS	\$384.25	
	6/1/2017	23191434		8 PACKS GATORADE POWDER	\$48.48	
164532	5/25/2017	1334476	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$687.46	\$687.46

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164535	5/25/2017	1783785001	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$674.08	\$674.08
164512	5/25/2017	6083899979	G&K SERVICES CO	UNIFORM LAUNDERING & RUGS	\$272.49	\$663.67
	5/25/2017	6083899981		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$16.27	
	5/25/2017	6083899980		UNIFORM LAUNDERING SERVICE	\$374.91	
164475	5/18/2017	48765	STARLINE SUPPLY COMPANY	JANITORIAL SUPPLIES	\$638.03	\$638.03
164457	5/18/2017	20170504.1	THOMAS HERLIHY	EXP REIMB: CWEA CONF-REGIS & LODGING FEES	\$627.90	\$627.90
164487	5/25/2017	9944843136	AIRGAS NCN	CYLINDER RENTAL	\$626.18	\$626.18
164503	5/25/2017	39852	CLAREMONT BEHAVIORAL SERVICES	JUN 2017 EAP PREMIUM	\$625.60	\$625.60
164515	5/25/2017	3015784677	IDEXX DISTRIBUTION INC	ASTD ENTEROLERT & COLILERT-18	\$616.51	\$616.51
164598	6/1/2017	338400	SAFARI BOOKS ONLINE LLC	SAFARI BOOKS ONLINE SUBSCRIPTION RENEWAL	\$598.00	\$598.00
164468	5/18/2017	11820	RED WING SHOE STORE	SAFETY SHOES: M. FULKERSON/F. COUTO/G. GINOCHIO	\$593.33	\$593.33
164527	5/25/2017	20170523	PETTY CASH	PETTY CASH REPLENISHMENT	\$509.49	\$509.49
164566	6/1/2017	6083102679	G&K SERVICES CO	ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$16.27	\$506.68
	6/1/2017	6083102678		UNIFORM LAUNDERING SERVICE	\$202.95	
	6/1/2017	6083102677		UNIFORM LAUNDERING & RUGS	\$287.46	
164439	5/18/2017	9058	KIRSTEN BRICE	REFUND # 19951	\$500.00	\$500.00
164449	5/18/2017	8820	EVENFLOW PLUMBING CO. INC.	REFUND # 19949	\$500.00	\$500.00
164460	5/18/2017	9059	KING TRENCHLESS	REFUND # 19950	\$500.00	\$500.00
164470	5/18/2017	8683	RESCUE RESPONSE GROUP INC	REFUND # 19941	\$500.00	\$500.00

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164476	5/18/2017	9035	STREAMLINE PLUMBING & DRAIN	REFUND # 19948	\$500.00	\$500.00
164533	5/25/2017	8902	ROOTER HERO	REFUND # 19964	\$500.00	\$500.00
164536	5/25/2017	8886	SANACT INC DBA ROTO-ROOTER	REFUND # 19965	\$500.00	\$500.00
164452	5/18/2017	6083897269	G&K SERVICES CO	UNIFORM LAUNDERING SERVICE	\$236.74	\$496.51
	5/18/2017	6083897268		UNIFORM LAUNDERING & RUGS	\$243.50	
	5/18/2017	6083897270		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$16.27	
164540	5/25/2017	905310070	TPX COMMUNICATIONS	WIRELESS INTERNET BACKUP - MAY	\$487.22	\$487.22
164443	5/18/2017	4022054661	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	\$469.52	\$469.52
164569	6/1/2017	266203	HANIGAN COMPANY INC	5000 SHEETS LETTERHEAD	\$466.96	\$466.96
164490	5/25/2017	1454	AUTOMATED NETWORK CONTROLS	MIGRATE MBE DRIVER TO IGS AND CLEANUP BAD TAGS	\$437.50	\$437.50
164502	5/25/2017	59835	CITYLEAF INC	PLANT MAINTENANCE - MAY 2017	\$431.86	\$431.86
164508	5/25/2017	1260442	FERGUSON ENTERPRISES, INC.	ASTD PARTS & MATERIALS	\$428.03	\$428.03
164610	6/1/2017	8048509273	VWR INTERNATIONAL LLC	1 MERCURIC NITRATE	\$27.99	\$425.28
	6/1/2017	8048531060		1 SULFATE STANDARD	\$21.06	
	6/1/2017	8048484203		14 ASTD BUFFER SOLUTIONS	\$376.23	
164590	6/1/2017	171986	R.S. TECHNICAL SERVICES INC	TRACTOR CAMERA REPAIR PARTS	\$420.03	\$420.03
164548	5/25/2017	2141022	WHAT'S HAPPENING INC	AD NAME: CERTIFICATE OF MERIT RECIPIENTS	\$415.00	\$415.00
164575	6/1/2017	200071	INTERNATIONAL PAINT LLC	ASTD PAINT SUPPLIES	\$410.29	\$410.29
164506	5/25/2017	3001980	DAILY JOURNAL CORPORATION	AD NAME: FORCE MAIN CORROSION REPAIRS - WEST	\$407.50	\$407.50

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164488	5/25/2017	7051295	ALPHA ANALYTICAL LABORATORIES	2 LAB SAMPLE ANALYSIS	\$55.00	\$400.00
	5/25/2017	7051322		21 LAB SAMPLE ANALYSIS	\$345.00	
164483	5/18/2017	8048410332	VWR INTERNATIONAL LLC	ASTD LABORATORY SUPPLIES	\$303.26	\$386.49
	5/18/2017	8048405078		4 BUFFER PH 4.01 32OZ	\$83.23	
164564	6/1/2017	903097972	EVOQUA WATER TECHNOLOGIES	DI WATER SYSTEM	\$382.96	\$382.96
164594	6/1/2017	321285	RKI INSTRUMENTS INC	ASTD PARTS & MATERIALS	\$365.62	\$365.62
164595	6/1/2017	12061	ROTO-JET OF AMERICA CO INC	ROTO-JET PARTS WASHER CHEMICAL	\$362.56	\$362.56
164580	6/1/2017	4572391	MIELE PROFESSIONAL PRODUCTS	MIELE GLASSWARE WASHER REPAIR	\$360.00	\$360.00
164477	5/18/2017	20170510	SWRCB - STATE WATER RESOURCES	GRADE V OPERATOR CERTIFICATE RENEWAL - M. COSTELLO	\$340.00	\$340.00
164471	5/18/2017	322116	RKI INSTRUMENTS INC	ASTD PARTS & MATERIALS	\$329.25	\$329.25
164494	5/25/2017	11899711	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$20.71	\$301.91
	5/25/2017	11899710		ASTD OFFICE SUPPLIES	\$13.81	
	5/25/2017	11904260		ASTD OFFICE SUPPLIES	\$6.14	
	5/25/2017	11915300		ASTD OFFICE SUPPLIES	\$23.14	
	5/25/2017	11910110		ASTD OFFICE SUPPLIES	\$238.11	
164518	5/25/2017	356	MAKAI SOLUTIONS	VEHICLE LIFT SERVICE	\$301.64	\$301.64
164603	6/1/2017	20170530	SWRCB - CERTIFICATIONS	GRADE III CERTIFICATE FEE - K. LANDBOROUGH	\$300.00	\$300.00
164458	5/18/2017	602514549	HILLYARD/SAN FRANCISCO	ASTD JANITORIAL SUPPLIES	\$286.66	\$286.66
164589	6/1/2017	129841	PREFERRED ALLIANCE INC	APRIL 2017 SERVICE FEE	\$277.20	\$277.20

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164507	5/25/2017	90089572482	ENTERPRISE GOV 43-1514861	RENTAL: J. SALDANA, ONTARIO, CA	\$97.73	\$265.76
	5/25/2017	90089632534		RENTAL: G. MOY, ONTARIO, CA	\$168.03	
164462	5/18/2017	20170515.1	BRODERICK MOY	EXP REIMB: CWEA MEMBERSHIP	\$265.00	\$265.00
164591	6/1/2017	117465	R-2 ENGINEERING INC	MOYNO PUMP REBUILD	\$264.08	\$264.08
164584	6/1/2017	15123892	NEOPOST INC	1 INK CARTRIDGE - POSTAGE MACHINE	\$260.99	\$260.99
164451	5/18/2017	10952	CITY OF FOSTER CITY	1 JOB POSTINGS	\$250.00	\$250.00
164563	6/1/2017	828865	ENVIRONMENTAL RESOURCE ASSOC	2 METALS QCS	\$246.93	\$246.93
164474	5/18/2017	20170430	SPOK INC	MAY 2017 PAGER SERVICE	\$237.06	\$237.06
164552	6/1/2017	4071037120170519	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 05/18/17-BENSON ROAD	\$225.40	\$225.40
164530	5/25/2017	249702	PRESTIGE LENS LAB	SAFETY GLASSES - PORTEOUS	\$215.22	\$215.22
164554	6/1/2017	20226600	BECK'S SHOES	SAFETY SHOES: M. TATAKAMOTONGA	\$208.00	\$208.00
164597	6/1/2017	7671273502	RS HUGHES CO INC	PPE/SAFETY SUPPLIES	\$122.15	\$206.26
	6/1/2017	7671273501		PPE/SAFETY SUPPLIES	\$84.11	
164436	5/18/2017	20182900	BECK'S SHOES	SAFETY SHOES: B. MEDEIROS	\$199.64	\$199.64
164582	6/1/2017	24008513	MOTION INDUSTRIES INC	ASTD PARTS & MATERIALS	\$182.94	\$182.94
164482	5/18/2017	20170515	AUDREY VILLANUEVA	EXP REIMB: REFRESHMENTS FOR CERTIFICATE OF MERIT EVENT	\$177.43	\$177.43
164567	6/1/2017	83320	GORILLA METALS	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$176.96	\$176.96

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164573	6/1/2017	534705	HULBERT LUMBER SUPPLY	ASTD NUTS, BOLTS, AND WASHERS	\$4.15	\$173.54
	6/1/2017	534347		ASTD LUMBER SUPPLIES	\$67.04	
	6/1/2017	534691		ASTD LUMBER SUPPLIES	\$70.80	
	6/1/2017	534356		ASTD LUMBER SUPPLIES	\$31.55	
164493	5/25/2017	20204100	BECK'S SHOES	SAFETY SHOES: J. ARROYO	\$171.78	\$171.78
164437	5/18/2017	11898570	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$90.76	\$169.36
	5/18/2017	11902740		ASTD OFFICE SUPPLIES	\$78.60	
164544	5/25/2017	8048413713	VWR INTERNATIONAL LLC	2 EA IONIC STRENGTH ADJUSTOR	\$71.67	\$155.49
	5/25/2017	8048424649		1 PACK EA NIT/NIT TEST STRIP & BUFFER BOD POWDER	\$83.82	
164606	6/1/2017	9853197.1	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 05/13/17	\$148.36	\$148.36
164600	6/1/2017	1783785002	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$145.53	\$145.53
164459	5/18/2017	5685690	HOSE & FITTINGS ETC	ASTD PARTS & MATERIALS	\$123.45	\$123.45
164556	6/1/2017	20170530	STATE OF CALIFORNIA	PE LICENSE RENEWAL - R. PIPKIN	\$115.00	\$115.00
164537	5/25/2017	20170523	JENNIFER SIO-KWOK	EXP REIMB: HRM QAI PANEL LUNCH	\$114.52	\$114.52
164599	6/1/2017	85340220170519	SAN FRANCISCO WATER DEPT	SERVICE 04/19/17 TO 05/19/17	\$100.49	\$100.49
164593	6/1/2017	88117	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE JUNE 2017	\$97.90	\$97.90
164510	5/25/2017	116526800	FREMONT URGENT CARE CENTER	3 HEARING TESTS	\$90.00	\$90.00
164473	5/18/2017	20170517	KRISTINA SILVA	EXP REIMB: MEALS FOR D7 MIXING, COVER & BOTTOM MEETING	\$88.62	\$88.62
164519	5/25/2017	77852332	MATHESON TRI-GAS INC	MONTHLY CYLINDER RENTAL - APRIL 2017	\$82.92	\$82.92

**UNION SANITARY DISTRICT
CHECK REGISTER
5/13/2017-06/02/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164577	6/1/2017	20170601	KATHLEEN KING	EXP REIMB: QAI SNACKS & BART FARE/PARKING FOR TRNG	\$69.11	\$69.11
164499	5/25/2017	458832	CENTERVILLE SAW AND TOOL	ASTD PARTS & MATERIALS	\$16.54	\$58.93
	5/25/2017	458912		ASTD PARTS & MATERIALS	\$42.39	
164562	6/1/2017	615320170518	DISH NETWORK	JUN 2017 - SERVICE FEE	\$55.90	\$55.90
164430	5/18/2017	20170515	ALAMEDA COUNTY TREASURER	NEWARK PS MOD VALVE & BOOST LINE MODS	\$50.00	\$50.00
164445	5/18/2017	296772	CENTERVILLE LOCKSMITH	ASTD KEYS	\$49.55	\$49.55
164501	5/25/2017	434928	CHEMETRICS INC	FORMALDEHYDE AMPOULES	\$42.17	\$42.17
164559	6/1/2017	459030	CENTERVILLE SAW AND TOOL	ASTD PARTS & MATERIALS	\$35.38	\$35.38
164555	6/1/2017	11925150	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$34.45	\$34.45
164572	6/1/2017	602527486	HILLYARD/SAN FRANCISCO	1 CS LINERS	\$33.39	\$33.39
164542	5/25/2017	9853187.1	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 03/31/17	\$33.02	\$33.02
164497	5/25/2017	232695	STATE OF CALIFORNIA	1 NEW HIRE FINGERPRINTS	\$32.00	\$32.00
164585	6/1/2017	224720170523	PACIFIC GAS AND ELECTRIC	SERV TO 05/22/17 CS TRAINING TRAILER	\$28.22	\$28.22

Invoices:

Credit Memos :	2	-1,550.30
\$0 - \$1,000 :	171	54,405.92
\$1,000 - \$10,000 :	75	227,516.39
\$10,000 - \$100,000 :	19	578,475.89
Over \$100,000 :	0	
Total:	267	858,847.90

Checks:

\$0 - \$1,000 :	101	39,825.30
\$1,000 - \$10,000 :	62	207,546.15
\$10,000 - \$100,000 :	19	611,476.45
Over \$100,000 :		
Total:	182	858,847.90



Wastewater-To-Agriculture Project Is First Of Its Kind

By *Sara Jerome*

May 11, 2017

Water recycling for agricultural use is about to get a major boost through a massive reuse project in California that marks some first-ers.

“Starting as early as December, [Modesto] will sell its highly treated wastewater to struggling nearby farmers. When it’s up and running, Modesto’s experiment should be California’s largest wastewater-to-agriculture reuse project, and it will mark the first time recycled water flows through a federal canal,” Grist recently reported.

“The project will take tertiary-treated sewage from the cities of Modesto, Turlock and Ceres and route it through new pipelines into the Delta Mendota Canal, owned by the U.S. Bureau of Reclamation. From there, it will be purchased by Del Puerto Water District to irrigate crops on some 200 family farms along the west side of the San Joaquin Valley,” News Deeply explained.

The project, known as the North Valley Regional Recycled Water Program, is the “single largest recycled water conveyance project in the country and the first water project for the U.S. Bureau of Reclamation, the owner and operator of the Delta-Mendota Canal,” the *Turlock Journal* reported. The effort will bring waste-to-farm techniques to some of the nation’s most productive farmland.

“The \$90 million project broke ground [last] August. When completed, it could deliver more than 50,000 acre-feet (62m cubic meters) of recycled water annually to farms and wildlife habitat in a notoriously dry region,” News Deeply reported.

A combination of city politics and water politics have made it difficult to get this project off the ground.

“Nearby water suppliers criticized and challenged the proposal to reroute water, fearing it might affect their own supplies. Documents obtained via a Freedom of Information Act request show that the water district pushing the plan had to delicately negotiate compromises to coax the project forward, in some cases offering other districts a cut of their water,” Grist reported.

The project ultimately required extensive deal making between officials in various cities.

“To quiet the complaints from nearby water districts, Modesto agreed not to use any water from the Turlock Irrigation District or the Turlock Subbasin to irrigate its ranchlands. And the Del Puerto Water District brokered a deal to deliver 500 acre-feet per year to Westlands after the North Valley project kicks off,” the report said.

Anthea Hansen, head of the Del Puerto Water District, pulled the project together.

“We figure out how to work through the complicated system in California to get the water moved from point A to point B,” she said. “It’s very difficult, it’s fraught with heavy levels of environmental documentation and a lot of cost to make it work, but it helps us to survive.”

Tuesday, May 16, 2017

Major sewer pipeline rehabilitation set to begin next month

DSRSD board authorizes \$6.7 million for project

by Julia Reis

A major sewer pipeline project set to begin next month is expected to impact traffic in parts of Dublin and Pleasanton through October.

This summer, Dublin San Ramon Services District will rehabilitate 8,000 feet of the Dublin trunk sewer, a reinforced concrete pipe 33 to 42 inches in diameter that carries sewage from smaller sanitary sewer mains in west Dublin and south San Ramon to the wastewater treatment plant in Pleasanton.

Sulfides in wastewater have caused significant corrosion to the interior of the 57-year-old pipe, exposing reinforcing steel in some spots, according to DSRSD officials.

A smaller, shorter pipeline used to process wastewater at the plant will also be rehabilitated.

"(The trunk sewer) has been a vital piece of our community's infrastructure for more than 50 years," DSRSD board president Richard Halket stated. "By investing in a well-planned, efficient rehabilitation project now, we extend its life by another 50 years and minimize the risk of a pipe failure down the road."

Because the pipe runs through a busy commercial area, the agency opted to fix it rather than replace it.

DSRSD's board last week awarded a \$5.5 million construction contract to Insituform Technologies to do the work. The board also approved a \$376,000 agreement with The Covello Group to manage construction, conduct inspections, and review materials and equipment for conformance with project specifications.

The project's total cost is \$6.7 million, paid for with sewer charges.

Construction on the southbound side of Village Parkway between Tamarack Drive and Interstate 580 in Dublin will start in June and finish by mid-August, DSRSD officials say. Work south of I-580, which will affect one commercial parking lot on the north side of Commerce Circle in Pleasanton, is scheduled to start in August and be completed in October.

As part of the work, the contractor will first install a temporary bypass line that will be pressurized by pumps to keep sewage flowing to the treatment plant.

Then they will insert a flexible liner into the old pipe through existing manholes one section at a time. The liner, known as a cured-in-place pipe, will harden to form a smooth surface that will restore the trunk sewer's interior to near-new condition. After that, the contractor will remove the temporary line and repair the affected pavement.

The contractor will work during the daytime in residential areas to minimize nighttime noise. In commercial areas, they will work around the clock. Work that blocks driveways and major intersections will be done at night to minimize traffic impacts.

Whenever the bypass line is operating, a person will be on-site to monitor it, according to DSRSD.

Once construction starts, DSRSD will post updates on its [website](#), as well as on Twitter and Nextdoor.

For more information visit the agency's website or direct specific questions to the project manager by calling 875-2258.



This summer, Dublin San Ramon Services District will rehabilitate the Dublin trunk sewer, a reinforced concrete pipe that carries sewage from smaller sanitary sewer mains in west Dublin and south San Ramon to the wastewater treatment plant in Pleasanton. (DSRSD)

EAST BAY TIMES

Castro Valley residents could get hit with sewer fee hike

Homeowners, businesses would see 5 percent increases annually over two years

By Darin Moriki | dmoriki@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: May 30, 2017 at 8:14 pm | UPDATED: May 31, 2017 at 6:07 am

CASTRO VALLEY — Castro Valley Sanitary District customers, already paying some of the highest sewer fees in the area, could see those go up by more than 10 percent over the next two years.

The district says the increases are needed to offset projected hikes in maintenance costs, pay for more capital improvements and comply with federal wastewater regulations.

The higher charge would go into effect July 1 and raise the annual \$380 sewer service charge for all residential customers by \$19, or \$1.58 a month, until June 30, 2018. Those charges would then increase by \$20 from \$399 to \$419 until June 30, 2019. That is an overall 10.2 percent increase for the two fiscal years.

Those rates would apply to all houses, mobile homes, townhomes, condominiums, apartments and granny units, according to an April notice sent to the 57,000 home and business owners served by the sanitary district.

Commercial users, such as restaurants, bakeries, auto repair shops, dentists and gas stations, along with institutional users, including churches and community service organizations, would pay varying rates that also show an annual 5 percent hikes over two years.

Nearby Oro Loma Sanitary District, which covers San Lorenzo, Fairview and part of San Leandro and Hayward, charges \$221 annually for a house or apartment and \$181 for a mobile home. That will increase in July to \$238 for a house or apartment and \$194 for a mobile home.

Hayward residents living in houses are charged based on water usage, from \$8.72 to \$29.80 a month for sewer service, or \$104.64 to \$357.60 annually. Apartment dwellers

pay \$26.52 a month, or \$318.24 annually, and mobile homes are assessed \$20.86 a month, or \$250.32. They are billed every other month.

San Leandro charges \$34.03 a month, or \$408.36 annually, for house sewer service and \$24.15 a month, or \$289.80 annually, for apartments.

A final hearing on the proposed Castro Valley sewer rate hikes will be held at 6:30 p.m. May 23 in the CVSan board room, 21040 Marshall St. in Castro Valley.

CVSan administrators say the increases are necessary to fund about \$7.8 million in planned or budgeted improvement projects over the next two fiscal years, according to sanitary district documents.

More than \$6.8 million has been set aside for wastewater collection system upgrades, such as renovating gravity sewers, increasing sewer line capacity and buying new cleaning equipment.

The district also plans to pay \$457,714 for capital improvement projects at the Castro Valley/Oro Loma Sanitary District treatment plant, which it owns 25 percent of.

Some of those upgrades arise from a possible federal requirement that the treatment plant remove more nitrates from treated wastewater before discharging it into the San Francisco Bay, sanitary district director Dave Sadoff said in a Friday interview.

Raising sewer service charges on all businesses and home owners is necessary to pay for the projects and offset potential service cuts that may happen if the increases are not approved, Sadoff said.

"We're always trying to look at ways to keep the costs down, but if it came to the point where the rates were not approved for whatever reason, we'd have to take stock then and perhaps cut programs, many of which are popular with our ratepayers," Sadoff said.

"We'd have to prioritize our spending at that point," he said.

Castro Valley resident Ken Owen disagrees. He has previously objected to raising CVSan sewer or solid waste rates, since revenues from the rate increases are not restricted to certain projects and can be spent by the district elsewhere.

He also worries that any possible surplus revenues collected by the district will not be used to stave off future rate hikes.

Contact Darin Moriki at 510-293-2480 or follow him at [Twitter.com/darinmoriki](https://twitter.com/darinmoriki).