



**UNION SANITARY DISTRICT BOARD MEETING/
UNION SANITARY DISTRICT FINANCING AUTHORITY
AGENDA**

**Monday, March 14, 2022
Regular Meeting - 4:00 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

CORONAVIRUS (COVID-19) ADVISORY NOTICE

This meeting will be held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting. **To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting by following the steps listed below, and may provide public comment by sending comments to the Board Clerk by email at assistanttogm@unionsanitary.ca.gov before or during the meeting or via voicemail by calling 510-477-7599 before 3:00 p.m. on the date of the meeting.** Comments will then be read into the record, with a maximum allowance of 3 minutes per individual comment, subject to the Board President's discretion. All comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time. If a comment is received after the agenda item is heard but before the close of the meeting, the comment will still be included as a part of the record of the meeting but will not be read into the record.

Any member of the public who needs accommodations should email or call the Board Clerk, assistanttogm@unionsanitary.ca.gov or 510-477-7503, who will use their best efforts to provide reasonable accommodations to provide as much accessibility as possible while also maintaining public safety in accordance with the Union Sanitary District procedure for resolving reasonable accommodation requests.

To listen to this Regular Board Meeting:

Call: 1-888-788-0099 or 1-877-853-5247

Meeting ID: 832 2801 6541 #

Participant ID: #

Click the Zoom link below to watch and listen:

<https://us02web.zoom.us/j/83228016541>

	1.	Call to Order.
	2.	Salute to the Flag. (This item has been suspended due to the COVID-19 pandemic.)
	3.	Roll Call.
Motion	4.	Approve Minutes of the Union Sanitary District Board Meeting of February 28, 2022.
Motion	5.	Approve Minutes of the Union Sanitary District Special Board Meeting of March 7, 2022.
Information	6.	Operations Report: a) Fiscal Year 2022 2 nd Quarter Managed Investment Portfolio Report <i>(to be reviewed by the Budget & Finance Committee)</i> . b) Second Quarter Fiscal Year 2022 District-Wide Balanced Scorecard Measures <i>(to be reviewed by the Legal/Community Affairs Committee)</i> .
	7.	Written Communications.
	8.	Public Comment. Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available in the Boardroom and are requested to be completed prior to the start of the meeting.
Motion	9.	Review and Consider Approval of Policy No. 3060, Communication by Members of the Board of Directors <i>(to be reviewed by the Legal/Community Affairs Committee)</i> .
Motion	10.	Review and Consider Approval of Policy No. 2030, Investment Policy <i>(to be reviewed by the Budget & Finance Committee)</i> .
Motion	11.	Consider a Motion to Cancel the November 28 and December 26, 2022, Board of Directors Meetings.
Motion	12.	Review and Consider Approval of Publicly Available Pay Schedule Effective March 1, 2022 <i>(to be reviewed by the Personnel Committee)</i> .
Motion	13.	Authorize the General Manager to Execute First Amendment to Encroachment Agreement with Turk Island Ventures, LLC for Tract 7728 – Turk Island in the City of Union City <i>(to be reviewed by the Engineering and Information Technology Committee)</i> .
Motion	14.	Authorize the General Manager to Execute Task Order No. 3 with Woodard & Curran, Inc. for the Irvington Basin Reinforced Concrete Pipe Rehabilitation Project <i>(to be reviewed by the Engineering and Information Technology Committee)</i> .

Motion	15. Consider Adoption of a Resolution Authorizing the Use of Teleconference Meetings in Compliance with AB 361 and Informational Update on the State of Emergency and Brown Act Requirements.
Information	16. Report on the East Bay Dischargers Authority Meeting of February 17, 2022.
Information	17. COVID-19 Update.
Information	18. Check Register.
Information	19. Committee Meeting Reports. <i>(No Board action is taken at Committee meetings):</i> <ol style="list-style-type: none"> Personnel Committee – Wednesday, March 9, 2022, at 10:00 a.m. <ul style="list-style-type: none"> Director Kite and Director Toy Budget & Finance Committee – Wednesday, March 9, 2022, at 10:30 a.m. <ul style="list-style-type: none"> Director Lathi and Director Toy Engineering and Information Technology Committee – Friday, March 11, 2022, at 10:00 a.m. <ul style="list-style-type: none"> Director Kite and Director Fernandez Legal/Community Affairs Committee – Friday, March 11, 2022, at 11:00 a.m. <ul style="list-style-type: none"> Director Lathi and Director Handley Legislative Committee – will not meet.
Information	20. General Manager’s Report. <i>(Information on recent issues of interest to the Board).</i>
	21. Other Business: <ol style="list-style-type: none"> Comments and questions. <i>Directors can share information relating to District business and are welcome to request information from staff.</i> Scheduling matters for future consideration.
	22. Adjournment – The Board will adjourn to the next Regular Board Meeting to be held virtually on Monday, March 28, 2022, at 4:00 p.m.

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.



PERSONNEL COMMITTEE MEETING

Committee Members: Director Kite and Director Toy

AGENDA

Wednesday, March 9, 2022

10:00 A.M.

Alvarado Conference Room

5072 Benson Road

Union City, CA 94587

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

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1. Call to Order

2. Roll Call

3. Public Comment

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

4. Items to be reviewed for the Regular Board meeting of March 14, 2022:

- Review and Consider of Publicly Available Pay Schedule Effective March 1, 2022

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.

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

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA
Wednesday, March 9, 2022
10:30 A.M.

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

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

Karen W. Murphy
Attorney

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1. Call to Order

2. Roll Call

3. Public Comment

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4. Items to be reviewed for the Regular Board meeting of March 14, 2022:

- Fiscal Year 2022 2nd Quarter Managed Investment Portfolio Report
- Review and Consider Approval of Policy No. 2030, Investment Policy

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.

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**ENGINEERING AND INFORMATION TECHNOLOGY
COMMITTEE MEETING**

Committee Members: Director Kite and Director Fernandez

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA

Friday, March 11, 2022

10:00 A.M.

Alvarado Conference Room

5072 Benson Road

Union City, CA 94587

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

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1. Call to Order

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4. Items to be reviewed for the Regular Board meeting of March 14, 2022:

- Authorize the General Manager to Execute First Amendment to Encroachment Agreement with Turk Island Ventures, LLC for Tract 7728 – Turk Island in the City of Union City
- Authorize the General Manager to Execute Task Order No. 3 with Woodard & Curran, Inc. for the Irvington Basin Reinforced Concrete Pipe Rehabilitation Project

5. Adjournment

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

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**LEGAL/COMMUNITY AFFAIRS
COMMITTEE MEETING**

Committee Members: Director Handley and Director Lathi

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA

Friday, March 11, 2022

11:00 A.M.

Alvarado Conference Room

5072 Benson Road

Union City, CA 94587

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

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1. Call to Order

2. Roll Call

3. Public Comment

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

4. Items to be reviewed for the Regular Board meeting of March 14, 2022:

- Second Quarter Fiscal Year 2022 District-Wide Balanced Scorecard Measures
 - Review and Consider Approval of Policy No. 3060, Communication by Members of the Board of Directors
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5. Adjournment

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

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

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING
AUTHORITY
February 28, 2022**

This meeting was held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to observe the Board Meeting and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Kite called the meeting to order at 4:00 p.m. The regular meeting time was modified due to the COVID-19 emergency.

SALUTE TO THE FLAG

ROLL CALL

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

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Mark Carlson, Business Services Manager/CFO
Armando Lopez, Treatment and Disposal Services Manager
Jose Rodrigues, Collection Services Manager
Raymond Chau, Interim Technical Services Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Marcus Lee, Treatment and Disposal Services Coach
Chris Pachmayer, Fabrication, Maintenance, and Construction Coach
Allan Briggs, Interim Capital Improvements Projects Team Coach
May Bautista, Administrative Specialist
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF FEBRUARY 14, 2022

It was moved by Secretary Fernandez, seconded by Vice President Lathi, to Approve the Minutes of the Board Meeting of February 14, 2022. Motion carried with the following vote:

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

APPROVE MINUTES OF THE UNION SANITARY DISTRICT SPECIAL BOARD MEETING OF FEBRUARY 16, 2022

It was moved by Director Handley, seconded by Vice President Lathi, to Approve the Minutes of the Special Board Meeting of February 16, 2022. Motion carried with the following vote:

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

JANUARY 2022 MONTHLY OPERATIONS REPORT

General Manager Eldredge provided an overview of the Monthly Report, and Business Services Manager/CFO Carlson provided an overview of the financial reports.

WRITTEN COMMUNICATIONS

There were no written communications.

PUBLIC COMMENT

There was no public comment.

CONSIDER AUTHORIZING PAYMENT FOR CITY OF NEWARK OVERLAY PROJECT 1250

This item was reviewed by the Budget & Finance Committee. Collection Services Manager Rodrigues stated District staff meet with City representatives annually to review paving projects for the upcoming year. The paving projects include an option for the contractor to adjust the District's manholes to meet the new street grade. District staff compare the contractors bid to the cost of having USD staff complete the work and proceed with the most cost-effective option. The City of Newark postponed the 2020 overlay projected and combined with the 2021 project due to the COVID pandemic. The project included adjustment of 58 District sewer manholes. While these costs were included in the Fiscal Year 2022 budget, the purchasing policy requires Board approval due to the dollar amount. Staff recommended the Board authorize payment to the City of Newark for the 2020 and 2021 Asphalt Concrete Street Overlay Program, City Project #1250, in the amount of \$120,890.

It was moved by Director Toy, seconded by Secretary Fernandez, to Authorize Payment to the City of Newark for the 2020 and 2021 Asphalt Concrete Street Overlay Program, City Project #1250, in the Amount of \$120,890. Motion carried with the following vote:

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

CONSIDER A RESOLUTION APPROVING AN EASEMENT ACQUISITION AGREEMENT WITH ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR THE PURCHASE OF A SANITARY SEWER EASEMENT AND AN ACCESS EASEMENT LOCATED ADJACENT TO THE ALVARADO WASTEWATER TREATMENT PLANT IN THE CITY OF UNION CITY

This item was reviewed by the Legal/Community Affairs Committee. Interim Technical Services Manager Chau stated staff approached the Alameda County Flood Control and Water Conservation District (Flood Control) to acquire a new sanitary sewer easement and access easement for the existing outfall pipeline and the new appurtenances to be installed as part of the Emergency Outfall Improvements Project. The sanitary sewer easement will contain the Emergency Outfall's existing relocated outfall pipeline, newly constructed redundant pipe, and new concrete structure installed as part of the Project. Staff recommended the Board consider and adopt a resolution approving an Easement Acquisition Agreement with Alameda County Flood Control and Water Conservation District for the purchase of a sanitary sewer easement and an access easement located adjacent to the Alvarado Wastewater Treatment Plant in the City of Union City.

It was moved by Vice President Lathi, seconded by Director Handley, to Adopt Resolution No. 2955 Approving an Easement Acquisition Agreement with Alameda County Flood Control and Water Conservation District for the Purchase of a Sanitary Sewer Easement and an Access Easement Located Adjacent to the Alvarado Wastewater Treatment Plant in the City of Union City. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO QUITCLAIM AN EXISTING SEWER EASEMENT TO BERTELSON PRE CAST STEPS, INC. AND ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT LOCATED ADJACENT TO THE ALVARADO WASTEWATER TREATMENT PLANT IN THE CITY OF UNION CITY

This item was reviewed by the Legal/Community Affairs Committee. Interim Technical Services Manager Chau stated the District has an easement behind the treatment plant that crosses a private parcel owned by Bertelson Pre Cast Steps, Incl. and the Old Alameda Creek levee owned by Flood Control. As part of the Emergency Outfall Improvements Project, a new Sanitary Sewer Easement has been acquired from Flood Control in which the existing Emergency Outfall pipeline, new redundant pipe, and new concrete structure will be located. Staff recommended the Board consider and adopt a

resolution to quitclaim a sanitary sewer easement to Bertelson Pre Cast Steps, Inc. and Alameda County Flood Control and Water Conservation District Located Adjacent to the Alvarado Wastewater Treatment Plant in the City of Union City.

It was moved by Vice President Lathi, seconded by Secretary Fernandez, to Adopt Resolution No. 2956 Authorizing the Quitclaim of an Existing Sanitary Sewer Easement to Bertelson Pre Cast Steps, Inc. and Alameda County Flood Control and Water Conservation District Located Adjacent to the Alvarado Wastewater Treatment Plant in the City of Union City. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 3 WITH HAZEN AND SAWYER TO PROVIDE ENGINEERING SERVICES DURING CONSTRUCTION OF THE ENHANCED TREATMENT AND SITE UPGRADE PROGRAM PHASE 1A AERATION BASIN MODIFICATIONS PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Enhanced Treatment and Site Upgrade Program Manager Pipkin stated Phase 1A of the Enhanced Treatment and Site Upgrade Program consists of the Aeration Basin Modification Project (AB Mods Project) and the Campus Building. The AB Mods Project was bid separately from the Campus due to the timing of the projects and the different type of work required for each. Staff negotiated the scope and fee for engineering services during construction of the AB Mods Project with Hazen as the Design engineer. Staff anticipates an additional task order will be negotiated in the future for engineering services for construction off the Campus Project. Staff recommended the Board authorize the General Manager to execute Task Order No. 3 with Hazen and Sawyer in the amount of \$3,924,756 to provide engineering services during construction of the Enhanced Treatment and Site Upgrade Program Phase 1A Project.

It was moved by Directory Toy, seconded by Vice President Lathi, to Authorize the General Manager to Execute Task Order No. 3 with Hazen and Sawyer in the Amount of \$3,924,756 to Provide Engineering Services During Construction of the Enhanced Treatment and Site Upgrade Program Phase 1A Project. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 3 WITH BROWN AND CALDWELL FOR THE STANDBY POWER GENERATION SYSTEM UPGRADE PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Interim Technical Services Manager Chau stated the purpose of Task Order No. 3 is to

authorize Brown and Caldwell to provide engineering services during construction, including submittal review, responding to requests for information, startup support, and air permitting support. The scope of services and fees for Task Order No. 3 were summarized in the Board meeting packet. Staff recommended the Board authorize the General Manager to execute Task Order No. 3 with Brown and Caldwell in the amount of \$894,447 to provide engineering services during construction of the Standby Power Generation System Upgrade Project.

It was moved by Secretary Fernandez, seconded by Director Toy, to Authorize the General Manager to Execute Task Order No. 3 with Brown and Caldwell in the Amount of \$894,447 to Provide Engineering Services During Construction of the Standby Power Generation System Upgrade Project. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT AND TASK ORDER NO. 1 WITH PSOMAS FOR THE STANDBY POWER GENERATION SYSTEM UPGRADE PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Interim Technical Services Manager Chau stated the purpose of Task Order No. 1 will be to authorize Psomas to provide construction management services for the Project. The scope of services for Task Order No. 1 will include construction administration, facilitation of progress meetings with the contractor, Clean Water State Revolving Fund loan reporting, processing of construction documents, field quality assurance, coordination of field testing and training, and project closeout inspection and documentation. The scope of services was summarized in the Board meeting packet. All work under the Task Order is expected to be completed by June 2024. Staff recommended the Board authorize the General Manager to execute an Agreement and Task Order No. 1 with Psomas in the amount of \$2,323,949 to provide construction management services for the Standby Power Generation System Upgrade Project.

It was moved by Director Handley, seconded by Director Toy, to Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Psomas in the Amount of \$2,323,949 to Provide Construction Management Services for the Standby Power Generation System Upgrade Project. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO TASK ORDER NO. 1 WITH TANNER PACIFIC, INC. FOR THE AERATION BLOWER NO. 11 PROJECT AND CENTRIFUGE BUILDING IMPROVEMENTS PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Interim Technical Services Manager Chau stated the purpose of the amendment is to authorize additional construction management and inspection services for the Blower Project and Centrifuge Project through early April 2022. The scope of services was summarized in the Board meeting packet. Both projects experienced delays due to COVID, fabrication issues with equipment and material suppliers, weather conditions, and unforeseen site conditions. Staff recommended the Board authorize the General Manager to execute Amendment No. 1 to Task Order No. 1 with Tanner Pacific, Inc. in the amount of \$84,870 to provide additional construction management services for the Aeration Blower No. 11 Project and Centrifuge Building Improvements Project.

It was moved by Director Toy, seconded by Secretary Fernandez, to Authorize the General Manager to Execute Amendment No. 1 to Task Order No. 1 with Tanner Pacific, Inc. in the Amount of \$84,870 to provide additional construction management services for the Aeration Blower No. 11 Project and Centrifuge Building Improvements Project. Motion carried with the following vote:

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

CONSIDER ADOPTION OF A RESOLUTION AUTHORIZING THE USE OF TELECONFERENCE MEETINGS IN COMPLIANCE WITH AB 361

District Counsel Murphy stated AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. The District is continuing to hold teleconferenced meetings as allowed under AB 361 due to the ongoing public health threat of COVID-19. The proposed resolution includes findings required by AB 361 to allow the District to hold teleconferenced meetings. Staff recommended the Board adopt a resolution authorizing the use of teleconference meetings in compliance with AB 361.

It was moved by Director Handley, seconded by Vice President Lathi, to Adopt Resolution No. 2957 Authorizing the Use of Teleconference Meetings in Compliance with AB 361. Motion carried with the following vote:

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

INFORMATION ITEMS:

Bay Area Air Quality Management District Permitting Process Update for the Enhanced Treatment and Site Upgrade Phase 1A Project

This item was reviewed by the Legal/Community Affairs Committee. Enhanced Treatment and Site Upgrade Program Manager Pipkin stated the District is required to obtain a permit from the Bay Area Air Quality Management District (BAAQMD) whenever constructing new or making alterations or modifications to potential sources of air contaminants or pollutants. BAAQMD considers aeration basins and nearly every other facility within the treatment plant as potential sources. The BAAQMD must issue an Authority to Construct (ATC) prior to commencement of any work. Staff submitted an ATC application to BAAQMD for the Phase 1A Aeration Basin Modifications Project on February 11, 2021, and received the ATC documents required for the Project on November 8, 2021. Staff and the District's air permitting consultants expended considerable effort demonstrating the Project will not increase air pollutant emissions from the aeration basins. Issuance of the ATC document, included in the Board meeting packet, was contingent upon the District complying with various new and more stringent operating permit conditions that will be achievable due to the new scrubber devices provided in the Project. Long term management of the air permit to operate the Plant is anticipated to increase the workload for the District requiring the equivalent of 0.50 to 0.75 employees to facilitate and manage. Staff will evaluate the best way to accommodate the new workload. In the event staff believe the new responsibilities should be added to an existing job description, a modified job description will be presented at a future meeting for the Board's consideration. Staff and consultants will begin the process of applying for the necessary BAAQMD ATC for the ETSU Phase 1B Project in the coming months, and it is likely the District may see a new set of BAAQMD requirements as part of the Phase 1B permitting process.

Report on the East Bay Dischargers Authority Meeting of January 26, 2022

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

COVID-19 Update

General Manager Eldredge provided an update regarding COVID-19 impacts on District operations and coordination efforts.

Check Register

There were no questions regarding the check register.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

- The Alameda County Water District sent a save the date email for a ribbon cutting event in honor of the completion of the Lower Alameda Creek Fish Passage Improvements Program. The event will be held from 10:00 a.m. to 12:00 p.m. on Monday, April 25, 2022. Staff will forward the email to the Board.

- Final renderings of the Campus building have been completed and will be shared with the Board via email. The current Campus building schedule is to advertise the project for bids March 22, open bids May 10, and award the contract at the June 13 Board meeting if the bids received were acceptable.
- The Mid-Year Budget and 115 Trust Investment Strategy Discussion Combined Board Workshop will be held virtually at 4:00 p.m. on Monday, March 7, 2022.
- General Manager Eldredge shared photos of the new “Powered by USD Renewable Bioenergy” decals on District electric vehicles.

OTHER BUSINESS:

There was no other business

ADJOURNMENT:

The Board adjourned the meeting at 4:42 p.m. to a Board Workshop to be held virtually on Monday, March 7, 2022, at 4:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

MANNY FERNANDEZ
SECRETARY

APPROVED:

PAT KITE
PRESIDENT

Adopted this 14th day of March 2022

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
March 7, 2022**

This meeting was held pursuant to Government Code Section 54953 (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act during a proclaimed state of emergency. The Governor of California proclaimed a State of Emergency related to COVID-19 on March 4, 2020. Consistent with Government Code Section 54953, this meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to observe the Board Meeting and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

President Kite called the special meeting to order at 4:00 p.m.

ROLL CALL

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

STAFF: Paul Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Manager/CFO
Armando Lopez, Treatment and Disposal Services Manager
Jose Rodrigues, Collection Services Manager
Raymond Chau, Interim Technical Services Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Chris Pachmayer, Fabrication, Maintenance, and Construction Coach
Rollie Arbolante, Customer Service Coach
Curtis Bosick, Enhanced Treatment and Site Upgrade Program Coordinator
Virginia Holslag, Accounting and Financial Analyst
Lily Moreno, Accountant and Financial Analyst
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

PUBLIC COMMENT

There was no public comment.

COMBINED BOARD WORKSHOP

General Manager Eldredge and Business Services Manager/CFO Carlson presented the Fiscal Year 2022 Mid-Year Budget and 115 Trust Investment Options.

ADJOURNMENT:

The special meeting was adjourned at approximately 4:51 p.m. to the next Regular Board Meeting to be held Monday, March 14, 2022, at 4:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

MANNY FERNANDEZ
SECRETARY

APPROVED:

PAT KITE
PRESIDENT

Adopted this 14th day of March, 2022

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 6a**

TITLE: Fiscal Year 2022 Second Quarter Managed Investment Portfolio Report (*This is an Information Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO/Business Services Work Group Manager

Recommendation

Information only.

Discussion

The attached report from PFM shows the District's investment positions for the 2nd Quarter of Fiscal Year 2022 (ending Dec 31, 2021)

This reporting format is intended to supplement the existing Monthly Operations Report provided by Staff for the months of Oct, Nov and Dec of 2022 and includes the following sections, which will be presented in detail:

- Market Update
- Investment Performance Review
- Portfolio Transactions and Holdings
- Disclosures
- Glossary

Representatives from PFM and Staff will be available to answer questions.

Background

In October of 2018, the Board authorized the General Manager to sign the Portfolio Management Services Contract with PFM Asset Management LLC (PFM) for investment management services. The strategy behind this decision was to maximize investment returns to

the extent practicable, while maintaining compliance with all policy, legal and regulatory requirements for government agency investments. The provision of comprehensive portfolio reporting and current economic analyses were both deliverables in the contract negotiated with PFM.

Previous Board Action

None

Attachment:

Investment Performance Review for the Quarter Ended December 31, 2022.

UNION SANITARY DISTRICT

Investment Performance Review For the Quarter Ended December 31, 2021

Client Management Team

Monique Spyke, Managing Director
Joseph Creason, Portfolio Manager
Jeremy King, Key Account Manager
Rachael Miller, Client Consultant

PFM Asset Management LLC

1 California Street, 10th Floor
San Francisco, CA 94111
415-393-7270

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

Agenda

- Market Update
- Account Summary

Market Update

Current Market Themes



- COVID-19 caseloads reach record highs as the Omicron variant emerges as the dominant strain



- The U.S. economy is characterized by:
 - Rapidly increasing inflation
 - Improved labor market conditions
 - Depressed consumer confidence



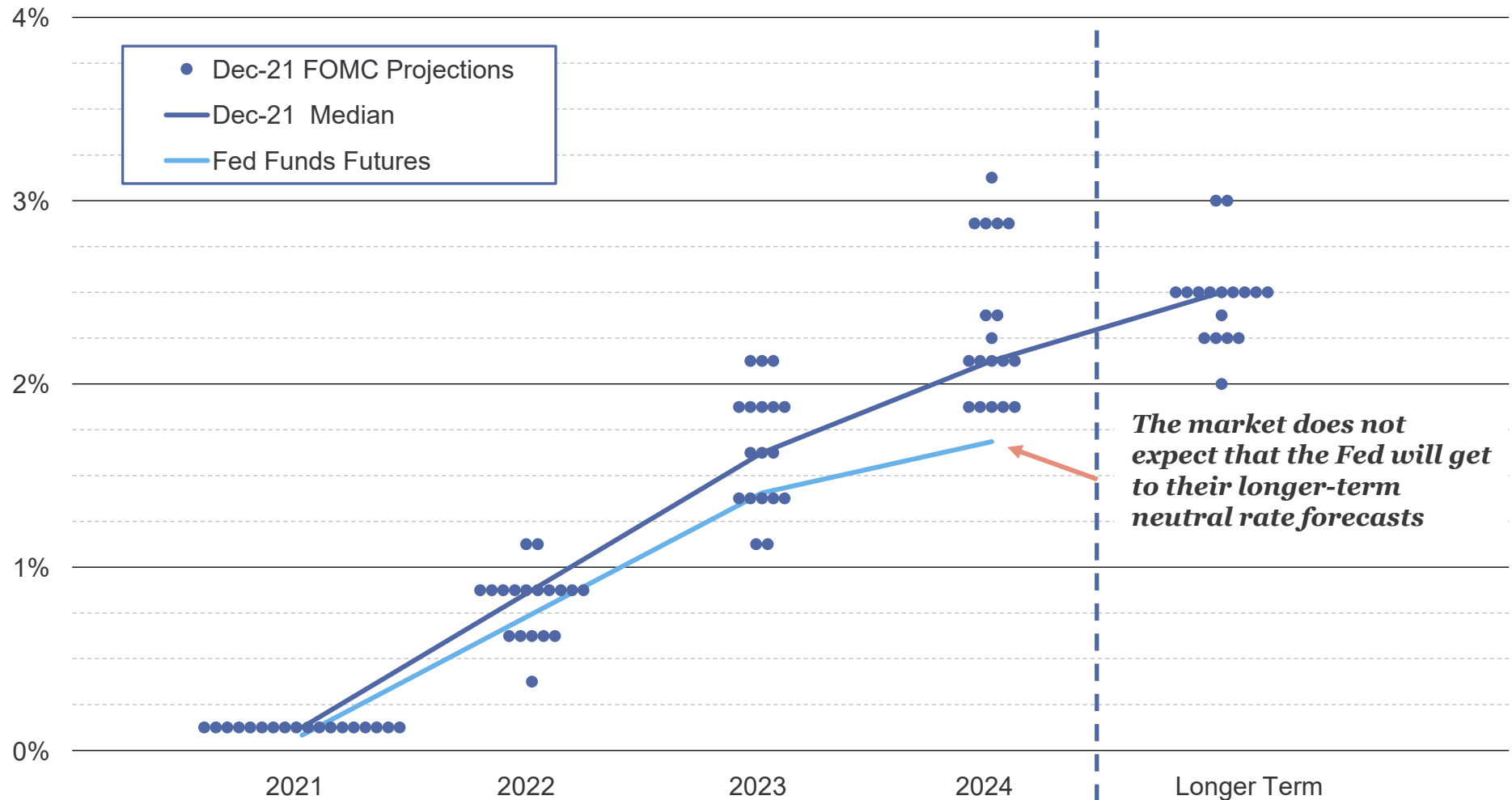
- The Federal Reserve is reducing monetary policy accommodation
 - Accelerated pace of asset purchase tapering
 - Fed expects three rate hikes in 2022
 - Changing composition of FOMC leadership



- The U.S. Treasury yield curve experiences “bear-flattening”
 - Short-term yields shift higher amid rate hike expectations
 - Longer-term yields adjust to evolving inflation and economic growth uncertainties

FOMC Accelerates Asset Purchase Tapering and Prepares for Rate Lift-off

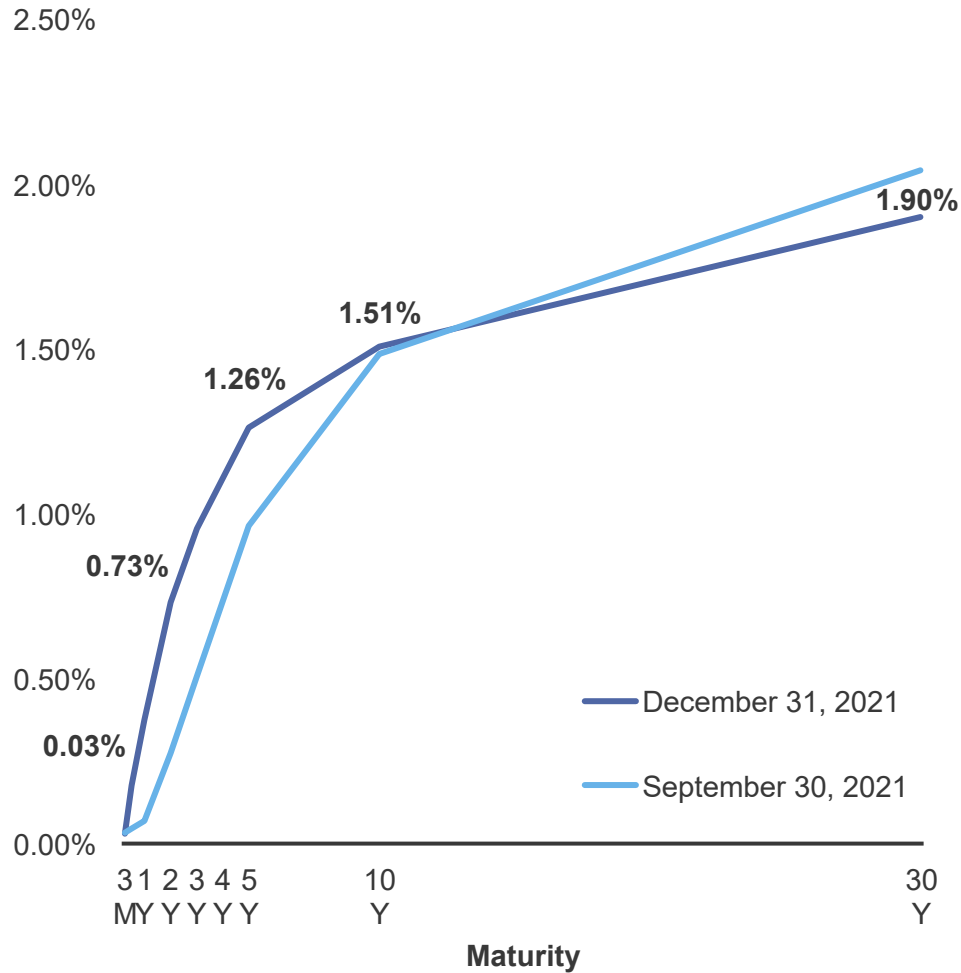
Fed Participants' Assessments of 'Appropriate' Monetary Policy



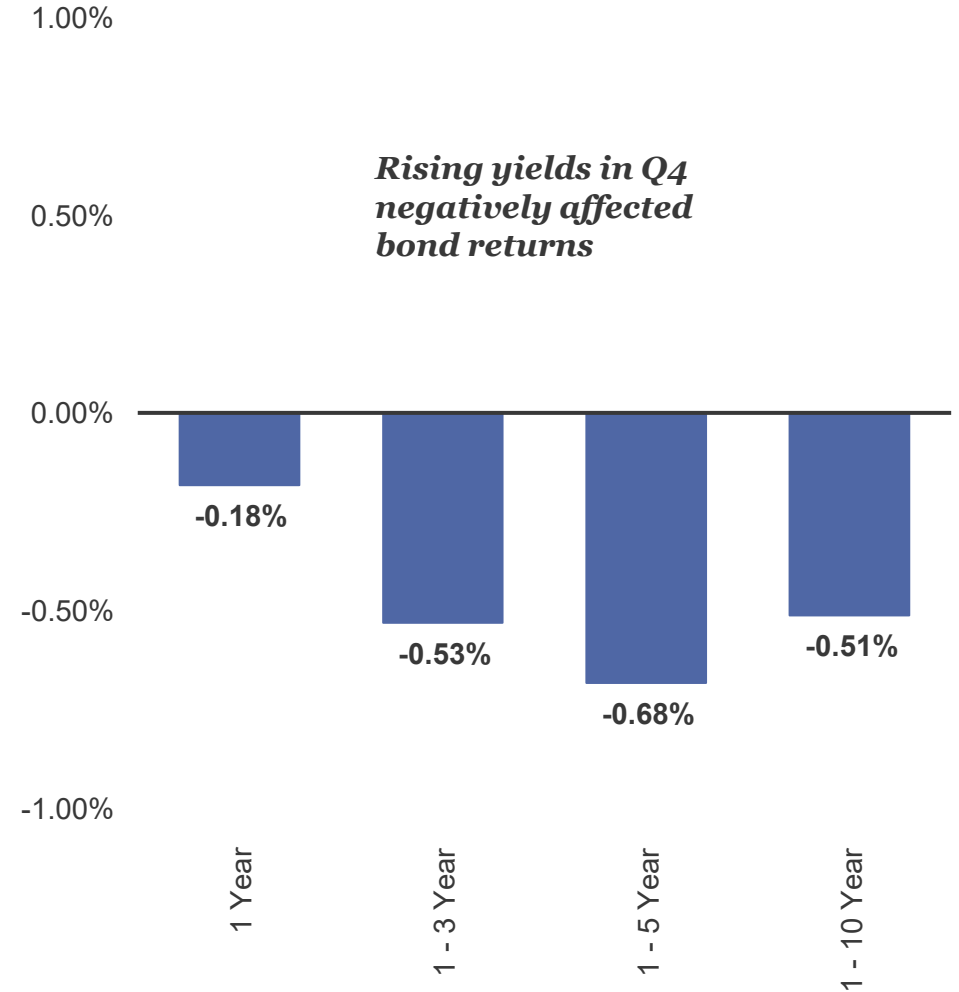
Source: Federal Reserve and Bloomberg, as of 12/31/2021. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

Impact of Curve Flattening on Performance

U.S. Treasury Yield Curve



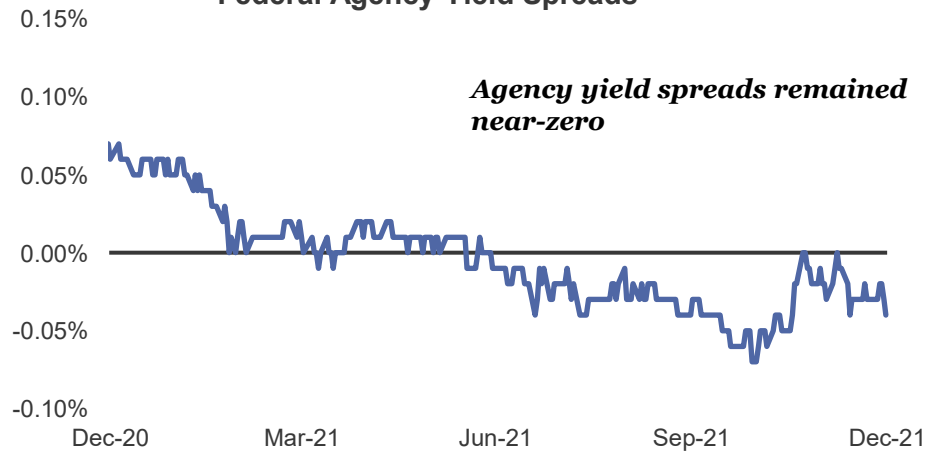
U.S. Treasury Returns - Q4 2021



Source: Bloomberg, as of 12/31/2021.

Sector Yield Spreads Widened in Q4

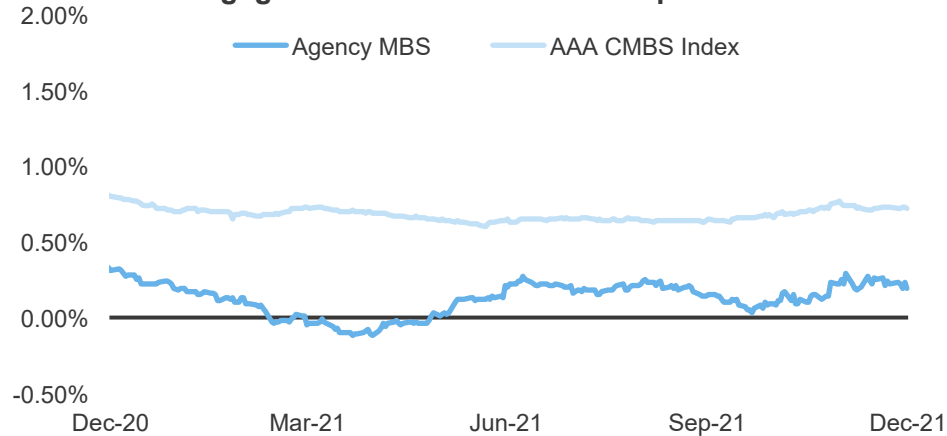
Federal Agency Yield Spreads



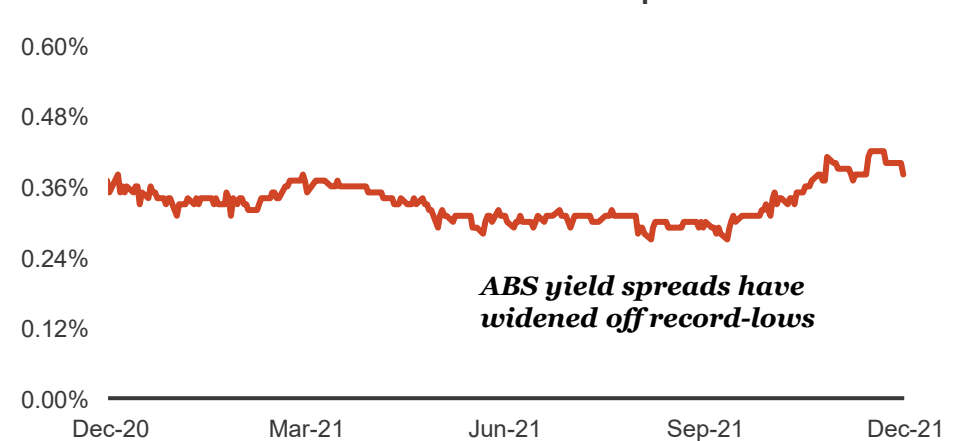
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads



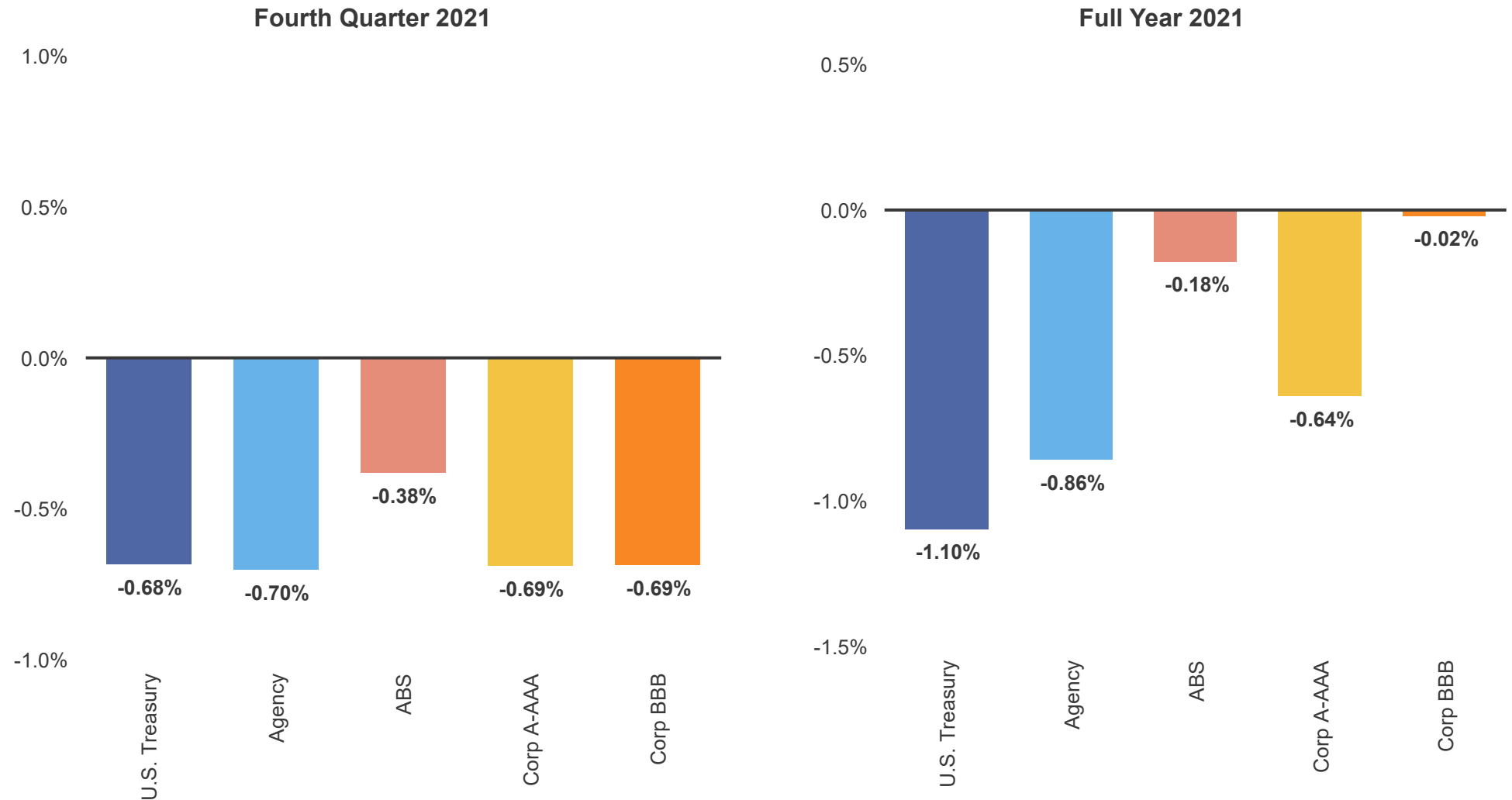
Asset-Backed Securities AAA Yield Spreads



Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess, and PFMAM as of 12/31/2021. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Rising Rates and Wider Spreads Hampered Fixed-Income Returns in Q4

1-5 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 12/31/2021.

Account Summary

Account Summary

UNION SANITARY DISTRICT			
Portfolio Values	December 31, 2021	Analytics ¹	December 31, 2021
PFM Managed Account	\$75,068,138	Yield at Market	0.85%
Amortized Cost	\$75,021,293	Yield on Cost	1.17%
Market Value	\$75,068,138	Portfolio Duration	2.21
Accrued Interest	\$161,518		

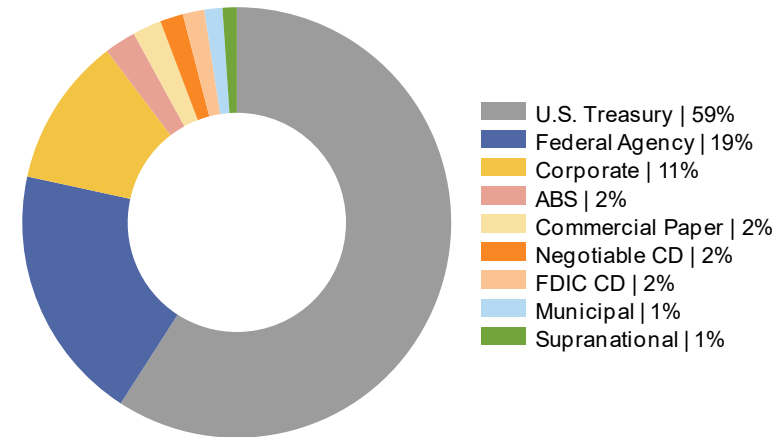
1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s).

Consolidated Summary

Account Summary¹

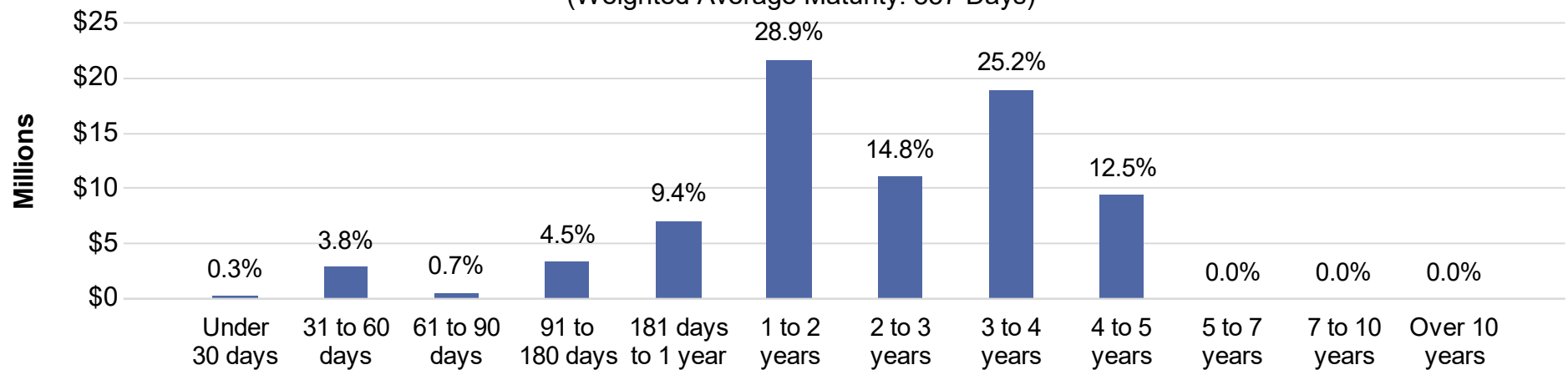
PFM Managed Account	\$75,068,138
Total Program	\$75,068,138

Sector Allocation



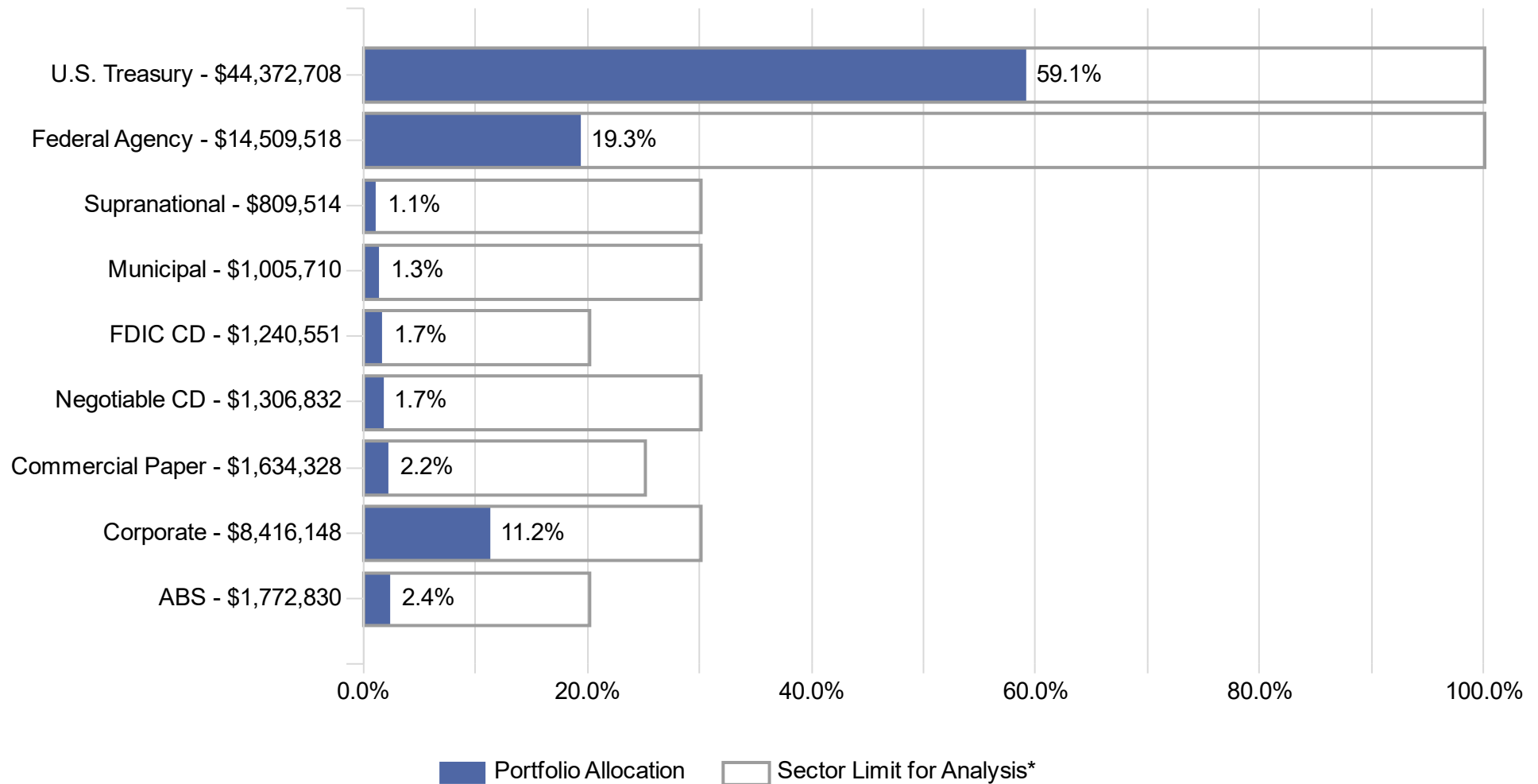
Maturity Distribution

(Weighted Average Maturity: 857 Days)



1. Market values exclude accrued interest, as of December 31, 2021.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	59.1%	
UNITED STATES TREASURY	59.1%	AA / Aaa / AAA
Federal Agency	19.3%	
FANNIE MAE	10.3%	AA / Aaa / AAA
FEDERAL FARM CREDIT BANKS	2.1%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	1.8%	AA / Aaa / NR
FREDDIE MAC	5.1%	AA / Aaa / AAA
Supranational	1.1%	
INTER-AMERICAN DEVELOPMENT BANK	1.1%	AAA / Aaa / AAA
Municipal	1.3%	
STATE OF CALIFORNIA	1.3%	AA / Aa / AA
FDIC CD	1.7%	
AMERICAN EXPRESS CO	0.3%	NR / NR / NR
BELMONT SAVINGS BANK	0.3%	NR / NR / NR
BMW FINANCIAL SERVICES NA LLC	0.3%	NR / NR / NR
STATE BANK OF INDIA	0.3%	NR / NR / NR
SYNCHRONY BANK	0.3%	NR / NR / NR
Negotiable CD	1.7%	
CREDIT SUISSE GROUP RK	0.6%	A / A / A
DNB ASA	0.6%	AA / Aa / NR
SUMITOMO MITSUI FINANCIAL GROUP INC	0.6%	A / Aa / A
Commercial Paper	2.2%	
COLLAT COMM PAPER V CO	2.2%	A / Aa / AA
Corporate	11.2%	
AMAZON.COM INC	0.9%	AA / A / AA
AMERICAN EXPRESS CO	1.3%	A / A / A
AMERICAN HONDA FINANCE	0.6%	A / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	11.2%	
APPLE INC	0.4%	AA / Aaa / NR
BANK OF AMERICA CO	0.7%	A / A / AA
BRISTOL-MYERS SQUIBB CO	0.3%	A / A / NR
CITIGROUP INC	0.4%	BBB / A / A
EXXON MOBIL CORP	1.3%	AA / Aa / NR
GOLDMAN SACHS GROUP INC	0.5%	BBB / A / A
JP MORGAN CHASE & CO	1.0%	A / A / AA
MORGAN STANLEY	0.4%	BBB / A / A
PACCAR FINANCIAL CORP	0.8%	A / A / NR
TOYOTA MOTOR CORP	0.6%	A / A / A
TRUIST FIN CORP	0.7%	A / A / A
WAL-MART STORES INC	1.3%	AA / Aa / AA
ABS	2.4%	
CARMAX AUTO OWNER TRUST	0.6%	AAA / NR / AAA
DISCOVER FINANCIAL SERVICES	0.2%	AAA / Aaa / NR
HONDA AUTO RECEIVABLES	0.6%	NR / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.3%	AAA / NR / AAA
TOYOTA MOTOR CORP	0.7%	AAA / Aaa / NR
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

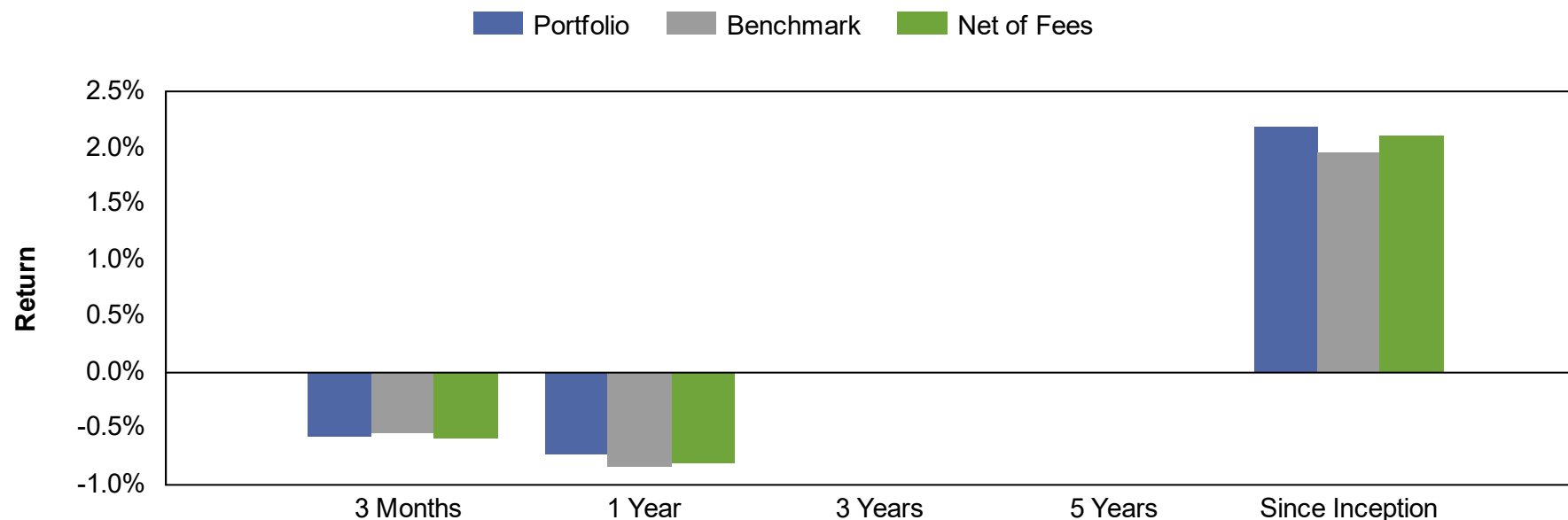
Certificate of Compliance

During the reporting period for the quarter ended December 31, 2021, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$179,379	\$765,786	-	-	\$2,587,988
Change in Market Value	(\$520,272)	(\$1,196,040)	-	-	\$862,743
Total Dollar Return	(\$340,893)	(\$430,254)	-	-	\$3,450,731
Total Return³					
Portfolio	-0.57%	-0.72%	-	-	2.19%
Benchmark ⁴	-0.55%	-0.85%	-	-	1.96%
Basis Point Fee	0.02%	0.09%	-	-	0.09%
Net of Fee Return	-0.59%	-0.81%	-	-	2.10%

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2019.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

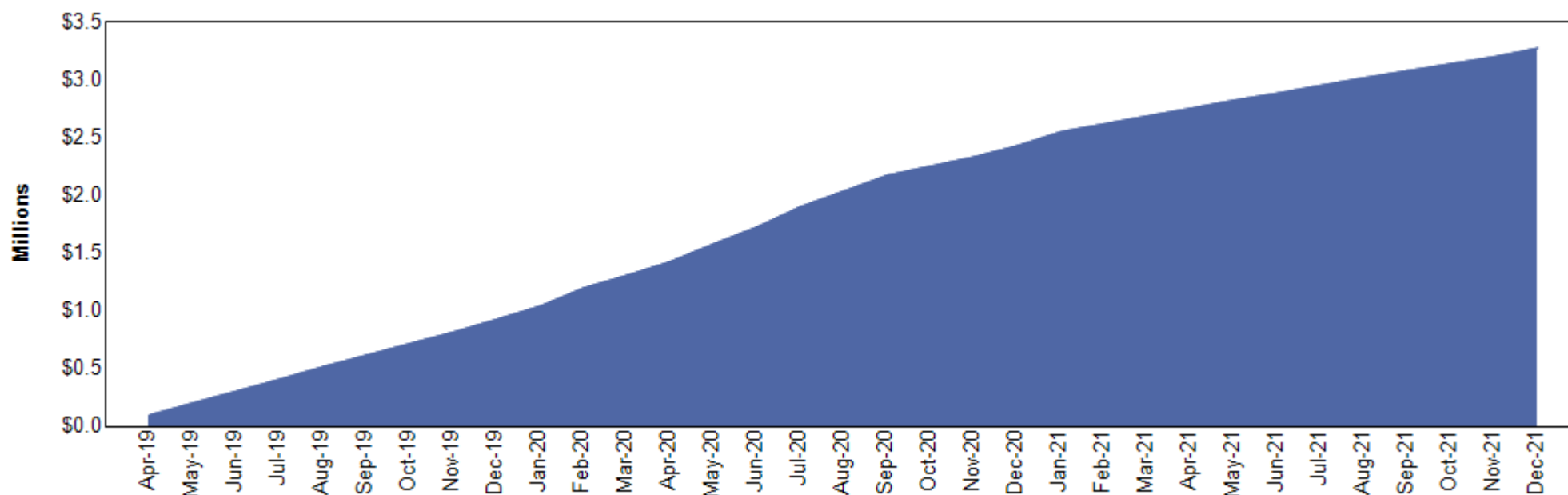
3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofAML 0-5 Year U.S. Treasury Index. Source: Bloomberg.

Periodic Performance

Periodic Performance				
	Current Quarter	Q3 2021	Q2 2021	Since Inception 3/31/2019
Net Accrual Earnings	\$179,379	\$183,671	\$197,397	\$2,598,654
Change in Market Value	-\$520,272	-\$158,623	-\$117,519	\$2,472,541
Total Dollar Return	-\$340,893	\$25,048	\$79,879	\$3,308,533
Fees	\$12,742	\$12,325	\$12,194	\$139,218
Fees in Basis Points*	0.02%	0.02%	0.02%	0.09%
Net of Fees Return	-0.59%	0.02%	0.12%	2.10%

Accrual Basis Earnings - UNION SANITARY DISTRICT



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$179,379	\$765,786	-	-	\$2,587,988
Realized Gains / (Losses)	\$11,453	\$84,078	-	-	\$596,491
Change in Amortized Cost	\$4,995	(\$5,292)	-	-	\$89,889
Total Earnings	\$195,827	\$844,573	-	-	\$3,274,369

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2019.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY NOTES DTD 06/30/2015 2.125% 06/30/2022	912828XG0	615,000.00	AA+	Aaa	3/19/2019	3/20/2019	609,330.47	2.42	36.10	620,669.56
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	835,000.00	AA+	Aaa	3/19/2019	3/20/2019	816,016.80	2.43	3,733.41	843,871.88
US TREASURY NOTES DTD 11/30/2015 2.000% 11/30/2022	912828M80	2,455,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,493,934.77	0.31	4,316.48	2,490,674.10
US TREASURY NOTES DTD 12/31/2020 0.125% 12/31/2022	91282CBD2	1,010,000.00	AA+	Aaa	10/25/2021	10/26/2021	1,009,132.03	0.20	3.49	1,006,843.75
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,170,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,157,340.24	2.43	68.68	1,189,561.00
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	175,000.00	AA+	Aaa	3/19/2019	3/20/2019	168,799.81	2.43	670.67	177,105.46
US TREASURY NOTES DTD 06/30/2016 1.375% 06/30/2023	912828S35	1,385,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,325,866.99	2.43	52.61	1,401,230.54
US TREASURY NOTES DTD 07/02/2018 2.625% 06/30/2023	9128284U1	2,395,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,470,779.30	0.54	173.67	2,467,598.44
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	1,035,000.00	AA+	Aaa	4/1/2019	4/2/2019	990,365.62	2.30	5,414.06	1,045,350.00
US TREASURY NOTES DTD 09/30/2016 1.375% 09/30/2023	912828T26	1,545,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,475,112.89	2.44	5,427.66	1,563,588.20
US TREASURY N/B NOTES DTD 11/30/2021 0.500% 11/30/2023	91282CDM0	2,505,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,496,878.32	0.67	1,101.10	2,495,214.97
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,982,968.75	2.44	124.31	2,060,000.00
US TREASURY NOTES DTD 02/28/2017 2.125% 02/29/2024	912828W48	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,970,625.00	2.44	14,440.61	2,057,500.00
US TREASURY NOTES DTD 03/31/2017 2.125% 03/31/2024	912828W71	730,000.00	AA+	Aaa	3/2/2020	3/2/2020	767,412.50	0.84	3,963.36	751,215.63
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	590,000.00	AA+	Aaa	6/3/2019	6/7/2019	592,996.09	1.89	2,020.99	605,948.41

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY N/B NOTES DTD 05/15/2021 0.250% 05/15/2024	91282CCC3	2,530,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,496,101.95	0.81	821.20	2,495,607.69
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	355,000.00	AA+	Aaa	7/1/2019	7/3/2019	358,660.93	1.78	19.61	364,817.95
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	60,000.00	AA+	Aaa	1/11/2021	1/12/2021	62,655.47	0.33	154.14	60,937.50
US TREASURY N/B NOTES DTD 12/15/2021 1.000% 12/15/2024	91282CDN8	2,495,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,498,216.21	0.96	1,165.25	2,497,339.06
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	2,570,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,499,525.78	1.06	564.83	2,499,325.00
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	1,020,000.00	AA+	Aaa	5/17/2021	5/17/2021	1,005,576.56	0.61	224.18	991,950.00
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	500,000.00	AA+	Aaa	8/2/2021	8/2/2021	494,433.59	0.53	424.73	484,296.90
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	410,000.00	AA+	Aaa	8/13/2021	8/16/2021	403,417.58	0.65	348.27	397,123.46
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	1,060,000.00	AA+	Aaa	9/7/2021	9/9/2021	1,042,195.31	0.67	677.06	1,026,212.50
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	555,000.00	AA+	Aaa	10/1/2021	10/1/2021	542,664.26	0.80	237.64	536,355.44
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	1,020,000.00	AA+	Aaa	11/2/2021	11/3/2021	994,061.72	1.01	336.26	989,081.25
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	2,575,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,498,856.45	1.14	848.90	2,496,945.31
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	600,000.00	AA+	Aaa	5/6/2021	5/7/2021	590,343.75	0.73	6.22	581,437.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	137,000.00	AA+	Aaa	5/3/2021	5/3/2021	134,629.26	0.75	1.42	132,761.56
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	755,000.00	AA+	Aaa	1/22/2021	1/25/2021	752,847.07	0.43	7.82	731,642.19
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	535,000.00	AA+	Aaa	4/5/2021	4/7/2021	522,314.65	0.89	5.54	518,448.44
US TREASURY NOTES DTD 01/31/2019 2.625% 01/31/2026	9128286A3	715,000.00	AA+	Aaa	2/4/2021	2/4/2021	791,164.26	0.46	7,854.31	756,000.82

UNION SANITARY DISTRICT

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	590,000.00	AA+	Aaa	7/2/2021	7/7/2021	578,660.94	0.80	925.88	570,825.00
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	1,260,000.00	AA+	Aaa	3/4/2021	3/5/2021	1,242,970.31	0.78	2,140.61	1,223,971.81
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	1,040,000.00	AA+	Aaa	12/3/2021	12/7/2021	1,011,968.75	1.15	1,766.85	1,010,262.45
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	245,000.00	AA+	Aaa	5/27/2021	5/28/2021	244,387.50	0.80	314.71	240,100.00
US TREASURY NOTES DTD 05/16/2016 1.625% 05/15/2026	912828R36	2,460,000.00	AA+	Aaa	12/21/2021	12/21/2021	2,504,779.69	1.20	5,190.12	2,501,128.25
US TREASURY N/B NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	500,000.00	AA+	Aaa	6/1/2021	6/1/2021	498,417.97	0.81	329.67	489,765.60
Security Type Sub-Total		44,432,000.00					44,096,409.54	1.22	65,912.42	44,372,707.62
Supranational										
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	820,000.00	AAA	Aaa	9/15/2021	9/23/2021	819,393.20	0.52	1,116.11	809,513.84
Security Type Sub-Total		820,000.00					819,393.20	0.52	1,116.11	809,513.84
Negotiable CD										
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	435,000.00	A-1	P-1	7/10/2020	7/14/2020	435,000.00	0.70	1,497.13	435,814.32
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	430,000.00	A-1+	P-1	12/5/2019	12/6/2019	430,000.00	2.03	731.00	436,114.17
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	435,000.00	A+	A1	3/19/2021	3/23/2021	435,000.00	0.59	2,024.68	434,903.43
Security Type Sub-Total		1,300,000.00					1,300,000.00	1.11	4,252.81	1,306,831.92

UNION SANITARY DISTRICT

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Municipal										
CA ST TXBL GO BONDS DTD 04/27/2017 2.367% 04/01/2022	13063DAD0	1,000,000.00	AA-	Aa2	4/27/2017	4/27/2017	1,010,000.00	2.15	5,917.50	1,005,710.00
Security Type Sub-Total		1,000,000.00					1,010,000.00	2.15	5,917.50	1,005,710.00
Federal Agency										
FANNIE MAE NOTES DTD 04/10/2017 1.875% 04/05/2022	3135G0T45	970,000.00	AA+	Aaa	3/13/2020	3/16/2020	993,619.50	0.68	4,344.79	974,349.48
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	775,000.00	AA+	Aaa	2/20/2020	2/21/2020	773,574.00	1.44	3,966.49	782,987.15
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	220,000.00	AA+	Aaa	5/29/2020	5/29/2020	220,305.80	0.33	128.33	219,504.12
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	865,000.00	AA+	Aaa	5/20/2020	5/22/2020	862,396.35	0.35	234.27	861,372.19
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	780,000.00	AA+	Aaa	6/24/2020	6/26/2020	777,722.40	0.35	27.08	776,163.18
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	795,000.00	AA+	Aaa	7/8/2020	7/10/2020	793,290.75	0.32	944.06	790,628.30
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	520,000.00	AA+	Aaa	8/19/2020	8/21/2020	519,469.60	0.28	458.61	516,657.96
FEDERAL FARM CREDIT BANK (CALLABLE) DTD 09/21/2020 0.250% 09/21/2023	3133EMAM4	1,625,000.00	AA+	Aaa	10/7/2020	10/9/2020	1,622,237.50	0.31	1,128.47	1,612,510.25
FANNIE MAE NOTES (CALLABLE) DTD 10/26/2020 0.310% 01/26/2024	3136G46V0	259,000.00	AA+	Aaa	10/23/2020	10/26/2020	258,896.40	0.32	345.69	256,199.69
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,035,000.00	AA+	Aaa	2/13/2020	2/14/2020	1,034,203.05	1.52	5,994.38	1,049,915.39
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	560,000.00	AA+	Aaa	4/15/2020	4/16/2020	557,222.40	0.60	598.89	549,778.32
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	125,000.00	AA+	Aaa	4/28/2020	4/28/2020	124,763.75	0.66	149.74	123,208.87
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	455,000.00	AA+	Aaa	4/22/2020	4/24/2020	454,062.70	0.67	545.05	448,480.31

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Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Federal Agency										
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	1,010,000.00	AA+	Aaa	10/26/2020	10/28/2020	1,011,494.80	0.47	196.39	989,586.89
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	865,000.00	AA+	Aaa	6/17/2020	6/19/2020	863,209.45	0.54	168.19	847,517.49
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	525,000.00	AA+	Aaa	7/21/2020	7/23/2020	522,385.50	0.48	875.00	511,196.70
FANNIE MAE NOTES (CALLABLE) DTD 08/14/2020 0.500% 08/14/2025	3135G05S8	1,000,000.00	AA+	Aaa	8/24/2020	8/24/2020	998,400.00	0.53	1,902.78	977,121.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	415,000.00	AA+	Aaa	10/21/2020	10/22/2020	412,754.85	0.49	544.69	403,658.88
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	555,000.00	AA+	Aaa	8/25/2020	8/27/2020	552,402.60	0.47	728.44	539,832.96
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	795,000.00	AA+	Aaa	9/23/2020	9/25/2020	792,607.05	0.44	811.56	772,536.48
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	520,000.00	AA+	Aaa	11/9/2020	11/12/2020	518,138.40	0.57	390.00	506,312.04
Security Type Sub-Total		14,669,000.00					14,663,156.85	0.58	24,482.90	14,509,517.65
FDIC CD										
STATE BANK OF INDIA CD DTD 01/26/2017 2.250% 01/26/2022	8562846A7	247,000.00	NR	NR	1/26/2017	1/26/2017	247,000.00	2.25	2,420.94	247,347.28
SYNCHRONY BANK CD DTD 02/24/2017 2.300% 02/24/2022	87165ELT2	247,000.00	NR	NR	2/28/2017	2/28/2017	247,000.00	2.30	2,023.37	247,764.96
BMW BANK NORTH AMERICA CD DTD 03/10/2017 2.150% 03/10/2022	05580AGR9	247,000.00	NR	NR	3/10/2017	3/10/2017	247,000.00	2.15	1,644.07	247,935.14
BELMONT SAVINGS BANK CD DTD 03/20/2017 2.150% 03/21/2022	080515BV0	248,000.00	NR	NR	3/20/2017	3/20/2017	248,000.00	2.15	1,490.04	249,057.97
AMERICAN EXPRESS CREDIT CD DTD 04/05/2017 2.450% 04/05/2022	02587DN38	247,000.00	NR	NR	4/5/2017	4/5/2017	247,000.00	2.45	1,458.99	248,445.69
Security Type Sub-Total		1,236,000.00					1,236,000.00	2.26	9,037.41	1,240,551.04

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Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
AMERICAN EXPRESS CREDIT NOTES (CALLED, O DTD 03/03/2017 2.700% 01/31/2022	0258M0EG0	1,000,000.00	A-	A2	5/15/2017	5/15/2017	1,013,279.67	2.40	8,850.00	1,000,906.00
PACCAR FINANCIAL CORP CORP NOTES DTD 05/10/2019 2.650% 05/10/2022	69371RP83	580,000.00	A+	A1	5/3/2019	5/10/2019	579,686.80	2.67	2,177.42	584,528.64
BRANCH BANKING & TRUST (CALLABLE) CORP N DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	525,000.00	A-	A3	3/20/2019	3/22/2019	525,714.00	3.01	489.27	530,190.15
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	675,000.00	AA	A1	4/11/2019	4/15/2019	668,499.75	2.66	5,805.00	686,862.45
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	985,000.00	AA-	Aa2	6/13/2019	6/14/2019	1,001,400.25	2.26	8,950.37	1,005,675.15
WAL MART STORES INC GLOBAL NT (CALLABLE) DTD 04/11/2013 2.550% 04/11/2023	931142DH3	965,000.00	AA	Aa2	5/21/2020	5/26/2020	1,015,701.10	0.70	5,468.33	982,626.69
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	415,000.00	A-	A3	1/7/2020	1/10/2020	414,846.45	1.96	1,146.44	421,490.60
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	325,000.00	AA+	Aaa	5/4/2020	5/11/2020	324,116.00	0.84	338.54	325,538.53
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 05/18/2016 2.700% 05/18/2023	46625HRL6	525,000.00	A-	A2	3/20/2019	3/22/2019	517,970.25	3.04	1,693.13	537,091.80
BANK OF AMERICA CORP NOTES DTD 07/23/2013 4.100% 07/24/2023	06053FAA7	500,000.00	A-	A2	3/20/2019	3/22/2019	520,405.00	3.09	8,940.28	525,579.00
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 04/22/2021 0.731% 04/05/2024	61772BAA1	205,000.00	BBB+	A1	4/20/2021	4/22/2021	205,258.30	0.69	357.99	204,288.24
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 04/22/2021 0.731% 04/05/2024	61772BAA1	70,000.00	BBB+	A1	4/19/2021	4/22/2021	70,000.00	0.73	122.24	69,756.96
JPMORGAN CHASE & CO CORPORATE NOTES (CAL DTD 09/16/2020 0.653% 09/16/2024	46647PBS4	110,000.00	A-	A2	9/9/2020	9/16/2020	110,000.00	0.65	209.50	109,434.60

UNION SANITARY DISTRICT

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	180,000.00	A+	A1	5/20/2020	5/26/2020	181,758.60	1.58	1,242.00	182,692.44
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	250,000.00	A+	A1	5/20/2020	5/26/2020	252,442.50	1.58	1,725.00	253,739.50
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	145,000.00	BBB+	A3	4/28/2021	5/4/2021	145,384.25	0.91	237.08	143,689.78
CITIGROUP INC CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	135,000.00	BBB+	A3	4/27/2021	5/4/2021	135,000.00	0.98	220.72	133,780.14
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 05/22/2015 3.750% 05/22/2025	38148LAE6	380,000.00	BBB+	A2	2/12/2021	2/17/2021	424,528.40	0.94	1,543.75	404,465.16
JPMORGAN CHASE & CO CORPORATE NOTES DTD 08/10/2021 0.768% 08/09/2025	46647PCM6	120,000.00	A-	A2	8/3/2021	8/10/2021	120,000.00	0.77	360.96	118,130.88
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 11/13/2020 0.750% 11/13/2025	110122DN5	201,000.00	A+	A2	6/17/2021	6/21/2021	198,998.04	0.98	201.00	195,681.14
Security Type Sub-Total		8,291,000.00					8,424,989.36	1.97	50,079.02	8,416,147.85
Commercial Paper										
COLLAT COMM PAPER V CO COMM PAPER DTD 05/21/2021 0.000% 02/15/2022	19424JBF2	1,635,000.00	A-1	P-1	7/8/2021	7/9/2021	1,633,594.81	0.14	0.00	1,634,328.02
Security Type Sub-Total		1,635,000.00					1,633,594.81	0.14	0.00	1,634,328.02

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
ABS										
HAROT 2020-1 A3 DTD 02/26/2020 1.610% 04/22/2024	43813RAC1	265,844.49	NR	Aaa	2/19/2020	2/26/2020	265,792.39	1.61	118.89	267,485.65
TAOT 2020-A A3 DTD 02/12/2020 1.660% 05/15/2024	89232HAC9	355,576.62	AAA	Aaa	2/4/2020	2/12/2020	355,550.95	1.66	262.34	358,072.66
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	170,222.59	AAA	NR	1/14/2020	1/22/2020	170,189.19	1.89	142.99	171,798.36
HAROT 2021-1 A3 DTD 02/24/2021 0.270% 04/21/2025	43813GAC5	150,000.00	NR	Aaa	2/17/2021	2/24/2021	149,997.26	0.27	11.25	148,992.24
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	120,000.00	AAA	NR	4/20/2021	4/28/2021	119,987.38	0.38	20.27	118,823.33
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	90,000.00	AAA	NR	1/20/2021	1/27/2021	89,982.22	0.34	13.60	89,231.87
TAOT 2021-C A3 DTD 09/27/2021 0.430% 01/15/2026	89239BAC5	195,000.00	AAA	Aaa	9/21/2021	9/27/2021	194,984.46	0.43	37.27	192,968.96
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	180,000.00	AAA	NR	4/13/2021	4/21/2021	179,961.21	0.52	41.60	178,468.99
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	95,000.00	AAA	NR	11/9/2021	11/17/2021	94,978.80	0.75	31.24	94,370.15
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	155,000.00	AAA	Aaa	9/20/2021	9/27/2021	154,966.81	0.58	39.96	152,617.76
Security Type Sub-Total		1,776,643.70					1,776,390.67	1.02	719.41	1,772,829.97
Managed Account Sub Total		75,159,643.70					74,959,934.43		161,517.58	75,068,137.91
Securities Sub Total		\$75,159,643.70					\$74,959,934.43		\$161,517.58	\$75,068,137.91
Accrued Interest										\$161,517.58
Total Investments										\$75,229,655.49

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/1/2021	10/1/2021	555,000.00	91282CAT8	US TREASURY NOTES	0.25%	10/31/2025	543,244.90	0.80%	
10/25/2021	10/26/2021	1,010,000.00	91282CBD2	US TREASURY NOTES	0.12%	12/31/2022	1,009,536.85	0.20%	
11/2/2021	11/3/2021	1,020,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	995,692.05	1.01%	
11/9/2021	11/17/2021	95,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	94,978.80	0.75%	
12/3/2021	12/7/2021	1,040,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	1,013,376.48	1.15%	
12/21/2021	12/21/2021	2,495,000.00	91282CDN8	US TREASURY N/B NOTES	1.00%	12/15/2024	2,498,627.47	0.96%	
12/21/2021	12/21/2021	2,570,000.00	912828ZT0	US TREASURY NOTES	0.25%	5/31/2025	2,499,896.45	1.06%	
12/21/2021	12/21/2021	2,505,000.00	91282CDM0	US TREASURY N/B NOTES	0.50%	11/30/2023	2,497,600.92	0.67%	
12/21/2021	12/21/2021	2,575,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	2,499,413.54	1.14%	
12/21/2021	12/21/2021	2,460,000.00	912828R36	US TREASURY NOTES	1.62%	5/15/2026	2,508,755.10	1.20%	
12/21/2021	12/21/2021	2,455,000.00	912828M80	US TREASURY NOTES	2.00%	11/30/2022	2,496,767.46	0.31%	
12/21/2021	12/21/2021	2,395,000.00	9128284U1	US TREASURY NOTES	2.62%	6/30/2023	2,500,505.29	0.54%	
12/21/2021	12/21/2021	2,530,000.00	91282CCC3	US TREASURY N/B NOTES	0.25%	5/15/2024	2,496,730.96	0.81%	
Total BUY		23,705,000.00					23,655,126.27		0.00
INTEREST									
10/1/2021	10/1/2021	1,000,000.00	13063DAD0	CA ST TXBL GO BONDS	2.36%	4/1/2022	11,835.00		
10/5/2021	10/5/2021	247,000.00	02587DN38	AMERICAN EXPRESS CREDIT CD	2.45%	4/5/2022	3,034.04		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/5/2021	10/5/2021	970,000.00	3135G0T45	FANNIE MAE NOTES	1.87%	4/5/2022	9,093.75		
10/5/2021	10/5/2021	275,000.00	61772BAA1	MORGAN STANLEY CORP NOTES (CALLABLE)	0.73%	4/5/2024	910.20		
10/11/2021	10/11/2021	965,000.00	931142DH3	WAL MART STORES INC GLOBAL NT (CALLABLE)	2.55%	4/11/2023	12,303.75		
10/14/2021	10/14/2021	560,000.00	3130AJHU6	FEDERAL HOME LOAN BANK NOTES	0.50%	4/14/2025	1,400.00		
10/15/2021	10/15/2021	180,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	78.00		
10/15/2021	10/15/2021	90,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	25.50		
10/15/2021	10/15/2021	120,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	38.00		
10/15/2021	10/15/2021	415,000.00	89232HAC9	TAOT 2020-A A3	1.66%	5/15/2024	574.08		
10/15/2021	10/15/2021	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	44.95		
10/15/2021	10/15/2021	195,000.00	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	41.93		
10/15/2021	10/15/2021	185,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	291.38		
10/21/2021	10/21/2021	150,000.00	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	33.75		
10/21/2021	10/21/2021	305,000.00	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/2024	409.21		
10/22/2021	10/22/2021	580,000.00	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/2025	1,812.50		
10/31/2021	10/31/2021	60,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	450.00		
10/31/2021	10/31/2021	555,000.00	91282CAT8	US TREASURY NOTES	0.25%	10/31/2025	693.75		
10/31/2021	10/31/2021	245,000.00	91282CBW0	US TREASURY N/B NOTES	0.75%	4/30/2026	918.75		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/31/2021	10/31/2021	590,000.00	912828X70	US TREASURY NOTES	2.00%	4/30/2024	5,900.00		
11/1/2021	11/1/2021	280,000.00	172967MX6	CITIGROUP INC CORPORATE NOTES	0.98%	5/1/2025	1,350.51		
11/5/2021	11/5/2021	220,000.00	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/2023	412.50		
11/7/2021	11/7/2021	520,000.00	3135G06G3	FANNIE MAE NOTES	0.50%	11/7/2025	1,300.00		
11/10/2021	11/10/2021	415,000.00	02665WDH1	AMERICAN HONDA FINANCE	1.95%	5/10/2023	4,046.25		
11/10/2021	11/10/2021	580,000.00	69371RP83	PACCAR FINANCIAL CORP CORP NOTES	2.65%	5/10/2022	7,685.00		
11/11/2021	11/11/2021	325,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	1,218.75		
11/13/2021	11/13/2021	201,000.00	110122DN5	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	0.75%	11/13/2025	753.75		
11/15/2021	11/15/2021	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
11/15/2021	11/15/2021	180,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	78.00		
11/15/2021	11/15/2021	90,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	25.50		
11/15/2021	11/15/2021	185,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	291.38		
11/15/2021	11/15/2021	414,478.15	89232HAC9	TAOT 2020-A A3	1.66%	5/15/2024	573.36		
11/15/2021	11/15/2021	195,000.00	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	69.88		
11/15/2021	11/15/2021	120,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	38.00		
11/18/2021	11/18/2021	525,000.00	46625HRL6	JPMORGAN CHASE & CO (CALLABLE) CORP NOTE	2.70%	5/18/2023	7,087.50		
11/21/2021	11/21/2021	305,000.00	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/2024	409.21		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/21/2021	11/21/2021	150,000.00	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	33.75		
11/22/2021	11/22/2021	865,000.00	3135G04Q3	FANNIE MAE NOTES	0.25%	5/22/2023	1,081.25		
11/22/2021	11/22/2021	380,000.00	38148LAE6	GOLDMAN SACHS GROUP INC CORPORATE NOTES	3.75%	5/22/2025	7,125.00		
11/30/2021	11/30/2021	1,020,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	1,912.50		
11/30/2021	11/30/2021	500,000.00	91282CCF6	US TREASURY N/B NOTES	0.75%	5/31/2026	1,875.00		
11/30/2021	11/30/2021	1,020,000.00	912828ZT0	US TREASURY NOTES	0.25%	5/31/2025	1,275.00		
12/2/2021	12/2/2021	430,000.00	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/2022	4,459.10		
12/15/2021	12/15/2021	155,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	74.92		
12/15/2021	12/15/2021	181,423.89	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	285.74		
12/15/2021	12/15/2021	195,000.00	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	69.88		
12/15/2021	12/15/2021	120,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	38.00		
12/15/2021	12/15/2021	385,013.91	89232HAC9	TAOT 2020-A A3	1.66%	5/15/2024	532.60		
12/15/2021	12/15/2021	95,000.00	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	54.68		
12/15/2021	12/15/2021	180,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	78.00		
12/15/2021	12/15/2021	90,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	25.50		
12/17/2021	12/17/2021	1,875,000.00	3135G04Z3	FANNIE MAE NOTES	0.50%	6/17/2025	4,687.50		
12/20/2021	12/20/2021	525,000.00	05531FBG7	BRANCH BANKING & TRUST (CALLABLE) CORP N	3.05%	6/20/2022	8,006.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/21/2021	12/21/2021	150,000.00	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	33.75		
12/21/2021	12/21/2021	286,140.38	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/2024	383.91		
12/26/2021	12/26/2021	780,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	975.00		
12/31/2021	12/31/2021	2,000,000.00	912828V23	US TREASURY NOTES	2.25%	12/31/2023	22,500.00		
12/31/2021	12/31/2021	1,010,000.00	91282CBD2	US TREASURY NOTES	0.12%	12/31/2022	631.25		
12/31/2021	12/31/2021	355,000.00	912828XX3	US TREASURY NOTES	2.00%	6/30/2024	3,550.00		
12/31/2021	12/31/2021	1,170,000.00	912828N30	US TREASURY NOTES	2.12%	12/31/2022	12,431.25		
12/31/2021	12/31/2021	2,395,000.00	9128284U1	US TREASURY NOTES	2.62%	6/30/2023	31,434.38		
12/31/2021	12/31/2021	1,385,000.00	912828S35	US TREASURY NOTES	1.37%	6/30/2023	9,521.88		
12/31/2021	12/31/2021	2,027,000.00	91282CBC4	US TREASURY NOTES	0.37%	12/31/2025	3,800.63		
12/31/2021	12/31/2021	615,000.00	912828XG0	US TREASURY NOTES	2.12%	6/30/2022	6,534.38		
Total INTEREST		32,892,056.33					198,714.15		0.00
MATURITY									
10/1/2021	10/1/2021	535,000.00	53944QX13	LMA AMERICAS LLC COMM PAPER	0.00%	10/1/2021	535,000.00		
10/26/2021	10/26/2021	1,000,000.00	3130AB3D6	FEDERAL HOME LOAN BANKS NOTES	2.00%	10/26/2021	1,010,000.00		
12/29/2021	12/29/2021	247,000.00	254672Y36	DISCOVER BANK CD	2.25%	12/29/2021	249,786.36		
Total MATURITY		1,782,000.00					1,794,786.36		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/15/2021	10/15/2021	521.85	89232HAC9	TAOT 2020-A A3	1.66%	5/15/2024	521.85		
11/15/2021	11/15/2021	29,464.24	89232HAC9	TAOT 2020-A A3	1.66%	5/15/2024	29,464.24		
11/15/2021	11/15/2021	3,576.11	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	3,576.11		
11/21/2021	11/21/2021	18,859.62	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/2024	18,859.62		
12/15/2021	12/15/2021	11,201.30	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	11,201.30		
12/15/2021	12/15/2021	29,437.29	89232HAC9	TAOT 2020-A A3	1.66%	5/15/2024	29,437.29		
12/21/2021	12/21/2021	20,295.89	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/2024	20,295.89		
Total PAYDOWNS		113,356.30					113,356.30		0.00
SELL									
11/2/2021	11/3/2021	1,000,000.00	62479LYK5	MUFG BANK LTD/NY COMM PAPER	0.00%	11/19/2021	999,955.56		31.12
11/15/2021	11/17/2021	90,000.00	912828XG0	US TREASURY NOTES	2.12%	6/30/2022	91,870.16		1,298.41
11/16/2021	11/17/2021	5,000.00	912828XG0	US TREASURY NOTES	2.12%	6/30/2022	5,103.90		72.14
12/3/2021	12/7/2021	1,000,000.00	9128287C8	US TREASURY NOTES	1.75%	7/15/2022	1,016,700.07		10,051.36
Total SELL		2,095,000.00					2,113,629.69		11,453.03

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

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Paul R. Eldredge
*General Manager/
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**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 6b**

TITLE: **Second Quarter FY 22 District-Wide Balanced Scorecard Measures (*This is an Information Item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO/ Business Services Work Group Manager
Gene Boucher, Organizational Support Team Coach
Karoline Terrazas, Organizational Performance Manager
Jason Yeates, Organizational Performance Coordinator

Recommendation

Information only.

Discussion

This report summarizes progress meeting the District's strategic objectives and safety measures for the second quarter of fiscal year 2022 to date (October 1 – December 31, 2021).

Safety

The District continues its efforts of maintaining COVID-19 safety protocols to align with the guidance of the Alameda County Health Department, CDC, and Cal OSHA. We responded promptly with procedural efforts of vaccinations status updates, onsite testing, and statewide mask mandate.

There were no incidents with lost days, recordable injuries, or at-fault vehicle damages reported during the 2nd quarter. The District did however experience ongoing lost time and lost time wages due to employees remaining out on leave.

District employees completed four safety trainings, including: Battery Charging/Handling, Ergonomics, Fire Extinguisher Safety and Fall Protection. Offering them in the online format resulted in a 94.24% completion rate.

Operational Excellence

Operational Excellence scorecard measures are displayed in table 2 (a total of 5 pages). Note that the track and report measures do not have a colored outcome.

- Customer measures- The District exceeded its outreach goals by completing 17 additional school presentations thanks to the back-up support by an Environmental Compliance Team member. Our service measures continue to exceed expectations, with an average time to customer contact of 20.5 minutes.
- Financial measures- There are several new annual measures listed under financial objectives that will be updated when appropriate. The District remains under budget for special project expenditures due to several projects and studies that have not started thus far. Chemical costs and usage are being monitored.
- Internal process measures- We continue to evaluate the new metrics on maintenance activities, which shows the extensive amount of work performed by our mechanics and Collections Workgroup. The amount of the collection system being cleaned is on track to meet the annual goal, per the plan. The plant's sludge volume index continues to exceed the general range, and the planned updates to plant infrastructure will improve our overall sludge volume index levels.
- Employee growth and development measure- We have set a goal for employees, on average, to complete 20 hours of training per fiscal year, and most workgroups are on track to meet the target.

Measure Outcome Color Key

District will meet and/or exceed this metric
District is monitoring/taking action on this metric
District anticipates not meeting this metric by fiscal end
T&R- Track and report metric

Background

District-Wide Balanced Scorecard Measures are presented quarterly.

Previous Board Action

None

Attachment:

Table 1: Safety Objectives and Measures

Table 2: Operational Excellence Objectives and Measures

Table 1: Safety Objectives and Measures

	Target	Q1	Q2	FY22 to Date	Comments	FY21	FY20	FY19
Reduce the number of incidents								
Total incidents with lost days	0	1	0	1		2	0	1
Other OSHA recordable incidents	≤4	3	0	3		1	1	0
# Incidents of vehicle or equipment accidents/damage	≤2	2	0	2		1	6	2
Reduce the impact of incidents on employees and the District								
Cost associated with vehicle/equipment accidents	≤\$5000	\$1,088.75	\$250.00	\$1,338.75		\$11,194.02	\$0.00	\$646.00
Ave FTE lost time	<0.5	0.30	0.52	0.52		1.03	0.66	0.09
Total Costs: Lost time Wages only	≤\$46,883	\$39,425.12	\$28,800.07	\$68,225.19		\$99,187.81	\$70,759.00	\$2,164.50
Ave FTE limited duty time	≤0.5	0	0	0		0	0	0
Total costs: Limited duty/Other 1/2 wages	≤\$23,441	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
X- Mod	≤1.0			Annual		0.82	0.94	0.82
Identify and correct poor practices and potential hazards								
# Facility inspections completed (SIT)	0	N/A	N/A		On hold due to COVID	N/A	1	4
% of areas of concern identified during internal facility inspections that are resolved within 45 days of report	0	N/A	N/A			N/A	100%	93%
# work site inspections completed	278	57	42	99		346	335	335
Implement industry best practices								
# site visits (for potential BMPS) completed and discussed by ET	0	N/A	N/A		On hold due to COVID	N/A	0	1
Communicate our commitment to safety								
# GM communications on status of safety program and performance	≥4	11	10	21		34	19	7
# safety strategy reviews conducted by ET and EHSS	4	1	0	1		48	12	4
Educate employees in safe work practices								
# of major safety training events offered	9	4	4	8		13	9	11
Ave % of targeted employees trained vs. plan	≥90%	91.57%	94.24%	92.91%		92.66%	89.77%	90.73%
Create a positive safety culture								
% Positive responses on the employees safety survey (aver)	≥75%	N/A	N/A	N/A	Postponed at this time	POSTPONED	POSTPONED	N/A

Table 2: Operational Excellence Objectives and Measures

CUSTOMER OBJECTIVES								
	Target	Q1	Q2	FY22 to Date	Comments	FY21	FY20	FY19
Stewardship: Demonstrate responsible stewardship of District assets and the environment								
# of Outreach Activities/Events Completed	57	20	43	63		90	107	126
Community Events / Online Outreach	51	16	25	41		9	13	11
Business	0	0	0	0		4	3	5
Schools	1	1	17	18		73	87	108
Civic	5	3	1	4	Present to U.C. City Council	4	4	2
Service: Provide reliable, high quality service								
% of service calls responded to within 1 hour	≥95%	100%	100%	100%		98.43%	98.78%	96.90%
Average time to customer contact	T&R	22 minutes	19 minutes	20.5 minutes		N/A	N/A	N/A
Initial response time to contact USD website inquiries (% within 3 business days)	≥90%	98%	100%	99%		99.50%	98.50%	100%
Average Response time of contact USD website inquiries (in days)	T&R	0.58	0.53	0.55		N/A	N/A	N/A
# of adverse impacts on customers that were caused by USD (non-SSO)	≤10	2	1	3		2	3	3
Emergencies: Be prepared for emergencies								
# of Emergency Preparedness Activities/Events Completed	4	1	3	4		5	3	3
Drills	2	0	0	0		1	1	1
Training/Exercises (or Communication)	1	0	2	2		1	2	2
Documents, Plans, Policies Updated	1	1	1	2		3	0	0

Table 2: Operational Excellence Objectives and Measures (continued)

FINANCIAL OBJECTIVES								
	Target	Q1	Q2	FY22 to Date	Comments	FY21	FY20	FY19
Fiscal responsibility: Ensure funding for critical programs and projects, while maintaining comparable rates								
Residential Sewer Service Charge (SSC) compared to other local agencies	T&R			Annual		5.8th	5.8th	5.8th
\$: SSC Union Sanitary District	T&R			\$491.00		\$454.57	\$421	\$407
\$: SSC Regional Average	T&R			Annual		TBD	\$469	\$446
\$: SSC National Average	T&R			Annual		TBD	\$512	\$504
Total Service Population Change	T&R			Annual		TBD	356,823	N/A
Total Parcels Served	T&R			93,378		92,714	91,054	N/A
Fiscal responsibility:(Financial) Accurately project and control costs								
Debt Coverage Ratio	1.5			Annual		N/A	9.90	9.71
PERS Funding Level	90-100%			Annual		N/A	67.02%	68.04%
OPEB Funding Level	90-100%			Annual		N/A	60.85%	48.41%
% of Budgeted Operating Expenditures	95-103%	23.32%	21.03%	44.35%		100%	96%	94%
% of Budgeted Overtime Used	T&R	20.19%	32.32%	52.51%		N/A	N/A	N/A
% of Budgeted Special Projects Expenditures	80-110%	1.86%	0.76%	2.62%		N/A	N/A	N/A
Fiscal responsibility: (Chemical Usage) Accurately project and control costs								
Ferrous Chloride Usage	≤ 40	43 GPH	39.6 GPH	41.3 GPH				
Hydrogen Peroxide Usage	≤ 14	17 GPH	15.1 GPH	16.05 GPH				
Hypochlorite Usage	≤ 143	156.9 GPH	144.8 GPH	150.85 GPH				
Polymer Usage - Gravity Belt Thickener (GBT)	≤ 5.5	3.5 lbs/dry ton	3.6 lbs/dry ton	3.55 lbs/dry ton				
Polymer Usage - Dewatering	≤ 37	35 lbs/dry ton	34.1 lbs/dry ton	34.55 lbs/dry ton				

Table 2: Operational Excellence Objectives and Measures (continued)

FINANCIAL OBJECTIVES (Con't)								
	Target	Q1	Q2	FY22 to Date	Comments	FY21	FY20	FY19
Fiscal responsibility: (Process) Accurately project and control costs								
Energy Produced: Cogeneration	T&R	35,911 kwh/d	29,236 kwh/d	32,573.5 kwh/d				
Energy Produced: Solar	T&R	333 kwh/d	193 kwh/d	263 kwh/d				
Total Electrical Usage	T&R	51,466 kwh/d	51,595 kwh/d	51,530.5 kwh/d				
Plant Daily Flow (Average)	T&R	22.6 mgd	23.2 mgd	22.9 mgd				
Influent Total Suspended Solids	T&R	379 mg/L	338 mg/L	358.5 mg/L				
Effluent Total Suspended Solids	T&R	11.7 mg/L	11.3 mg/L	11.5 mg/L				
% Removal of Total Suspended Solids	≥85%	97%	97%	97%				

Table 2: Operational Excellence Objectives and Measures (continued)

INTERNAL PROCESS OBJECTIVES								
	Target	Q1	Q2	FY22 to Date	Comments	FY21	FY20	FY19
Asset Management: Manage and maintain assets and infrastructure								
Total # of Maintenance Activities to Prevent Failures	T&R	6,063	5,383	11,446		N/A	N/A	N/A
Corrective Maintenance	T&R	690	672	1,362		N/A	N/A	N/A
Preventative Maintenance	T&R	4,131	3,548	7,679		N/A	N/A	N/A
Proactive Corrective Maintenance (Predictive)	T&R	1,242	1,163	2,405		N/A	N/A	N/A
Total hours used for Maintenance Activities to Prevent Failures	T&R	10,949.63	9,637.90	20,587.53		N/A	N/A	N/A
Corrective Maintenance	T&R	3,372.80	3,298.50	6,671.30		N/A	N/A	N/A
Preventative Maintenance	T&R	4,428.60	3,554.25	7,982.85		N/A	N/A	N/A
Proactive Corrective Maintenance (Predictive)	T&R	3,148.23	2,785.15	5,933.38		N/A	N/A	N/A
Total # of Urgent Responses	T&R	31	76	107		N/A	N/A	N/A
Total hours used for Urgent Responses	T&R	255.5	660	915.5		N/A	N/A	N/A
% of Collection System Cleaned per Plan	100%	21.40%	25.70%	47.10%		N/A	N/A	N/A
% asset renewal/year: Plant	T&R			Annual		11.80%	5.03%	2.32%
% asset renewal/year: Collection System	T&R			Annual		0.06%	0.04%	0.08%
Environmental Protection: Maintain our ability to meet current and future regulations								
# of Category 1 SSO's	0	0	0	0		0	0	0
# of Category 2/3 SSO's	≤10	0	0	0		3	1	2
Settleability Performance: Sludge Volume Index (SVI)	100 - 150 ml/gal	332 mL/gal	350 mL/gal	341 mL/gal		N/A	N/A	N/A
Number of Days SVI Outside of Range	T&R	64	58	122		N/A	N/A	N/A
Planning: Implement projects and programs that benefit the environment								
Districtwide Critical Projects On schedule	≥85			Bi Annual		N/A	N/A	N/A
How many hours project points expend on District projects	T&R			Bi Annual		N/A	N/A	N/A
Efficiency: Optimize processes; Use technology and resources effectively								
# of projects that improve efficiency	T&R			Annual		N/A	N/A	N/A

Table 2: Operational Excellence Objectives and Measures (continued)

EMPLOYEE GROWTH & DEVELOPMENT OBJECTIVES								
	Target	Q1	Q2	FY22 to Date	Comments	FY21	FY20	FY19
Employees: Maintain a highly competent, flexible workforce								
Employee Turnover Rate- Total	T&R			Annual		3.57%	5.11%	5.11%
Employee Turnover Rate Nonretirement	T&R			Annual		2.14%	2.19%	2.00%
% of employees completing training beyond District scheduled	≥80%			Annual		53%	N/A	N/A
Average training hours per FTE	≥20	3.71	4.03	7.74		16.99	N/A	N/A
Business Services	≥20	2.83	3.18	6.01		19.15	N/A	N/A
Technical Services	≥20	2.09	3.62	5.71		18.25	N/A	N/A
Collections Systems	≥20	5.03	4.06	9.09		15.181	N/A	N/A
Fabrication, Maintenance, and Construction	≥20	3.83	5.74	9.57		18.85	N/A	N/A
Treatment and Disposal	≥20	4.06	3.53	7.59		14.66	N/A	N/A
Safety: Work safely; reduce accidents and injuries								
See Safety Scorecard								
Culture: Foster a collaborative employee-management relationship that encourages new ideas and continuous improvement								
% of employee participating in committee and/or taskforces (Excludes management)	≥45%			Annual		36%	44%	43%
# Districtwide Employee Engagement Activities Completed (Survey, training, events)	T&R	0	0	0		N/A	N/A	N/A



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 9**

TITLE: Review and Consider Approval of Policy No. 3060, Communication by Members of the Board of Directors (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

Recommendation

Review and consider approval of Policy No. 3060, Communication by Members of the Board of Directors.

Discussion

Staff reviewed Policy No. 3060, and have proposed minor typographical edits.

Background

Policy No. 3060 is reviewed by the General Manager and requires review and approval by the Board of Directors every two years.

Previous Board Action

2/11/2016 Board Meeting – Approval of Policy No. 3060, Communication by Members of the Board of Directors

Attachments

Policy No. 3060, Communication by Members of the Board of Directors – Red Line Version
Policy No. 3060, Communication by Members of the Board of Directors – Clean Version

Union Sanitary District
Policy and Procedure Manual

Effective: 2/11/2019	Communication by Members of the Board of Directors	Policy Number 3060 Page 1 of 3
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Policy

Boardmembers are not required to seek prior approval when they communicate with members of the public, media representatives, or other publicly elected officials on their own behalf. However, when Boardmembers communicate on their own behalf on issues pertaining to USD they should take steps to make sure ~~that~~ their communications are not construed to represent the “Board” or “Union Sanitary District”.

Boardmembers are required to seek prior approval from a majority of the Board of Directors before expressing a point of view on behalf of the Board.

Purpose

The Board recognizes ~~that~~ individual Boardmembers are also members of the public and may want to express their own personal opinions on issues pertaining to USD, or correspond with the public, media representatives, or publicly-elected officials. The intent of this policy is to ensure that communications by Boardmembers in their individual capacities are not mistaken for the views of the entire Board. ~~The~~ This policy is not intended to in any way limit the freedom of individual Boardmembers to communicate on their own behalf with the public, media representatives, or other publicly elected officials in the way they see fit. Furthermore, the intent of this policy is not to limit a Boardmember’s ability to speak on behalf of the District pertaining to items that have been approved by the Board, so long as the position is consistent with Board action; or pertains to factual details that would be considered common knowledge (e.g. number of employees, operating budget). ~~The~~ This policy is also meant to address issues regarding compliance with the Ralph M. Brown Act, California Government Code section 54950 *et seq.* in such communications.

Definitions

Individual refers to a Boardmember acting as an “individual,” not as an official “District Representative.”

District Representative refers to a Boardmember acting in ~~his/her~~ their role as a “member of the Board of Directors of Union Sanitary District”; i.e., the majority of the Board has formally authorized the Boardmember to speak on behalf of the Board of Directors.

Media refers to newspapers, magazines, television stations, or electronic news outlets, including on-line newspapers, blogs or social media sites.

Procedure

1. Letters, e-mails or other electronic correspondence, or other communications to the public, media, or other publicly-elected officials representing or on behalf of the Board of Directors must be approved by a majority of the Board before being sent. Further, the use of any District letterhead or e-mail masthead, which implies that the communication is being sent by a District representative, must be approved by a majority of the Board.
2. As a courtesy to other Boardmembers, a Boardmember writing in ~~his/her~~their capacity as an individual, should request the General Manager to let other Boardmembers know of any pending communication with the media or publicly-elected officials via an informational email.
3. Correspondence by a Boardmember with the public, media, or publicly-elected officials as an "individual" should adhere to the following guidelines:
 - a. The communication should note that it is not being sent on behalf of the entire Board, but by an individual Boardmember. When a communication is sent on behalf of the entire Board, it will be signed by the individual Boardmember with the language, "on behalf of the Union Sanitary District Board."
 - b. If the communication expresses a viewpoint contrary to the majority position of the Board, the communication should so note.
 - c. Boardmembers should not copy the rest of the Board on communications, in order to avoid an inadvertent Brown Act violation.
 - d. Boardmembers should be cautious about opining on future actions by the Board and should not opine on the Board's position on an item that has not been before the Board.
 - e. In certain instances, such as communications regarding broad policy concerns or future agenda items, a Boardmember should consider referring questions or communications to staff for a response on behalf of the District.

- f. Boardmembers may request as a future agenda item that the full Board consider responding to or communicating with the public, media, or publicly-elected officials, in which case the communication would be on behalf of the Board and not an individual.
 - g. -Email communications to individual Board Members, or the entire Board of Directors, on District business and directed to official email addresses are public records and subject to disclosure.
- 4. Boardmembers may indicate their affiliation with the USD Board of Directors without obtaining prior approval of the Board when they endorse a candidate for political office, or a ballot measure, and when they sign onto letters of support. However, an individual Boardmember may not make an endorsement on behalf of the entire Board or the District without prior approval.
- 5. Public meetings are one of the best ways for the Board to communicate with the public. Therefore, Boardmembers should use opportunities that arise at Board meetings during discussion of agenda items to articulate reasons for their decisions to the public.

Management Responsibility

The General Manager will be responsible for keeping all Boardmembers informed of media contacts made by Boardmembers when they are acting as a “District Representative.”

Management will respond to any inquiries or questions by the media, public, or other publicly-elected officials to individual Boardmembers that are forwarded by that Boardmember to Management for response. Boardmembers may also request that the General Manager place an item they feel requires a response on a future agenda pursuant to Board policies for the Board’s full consideration. Agendizing the item will provide the public with the opportunity to meaningfully engage with the Board on any issues raised by the inquiry or question

Management is also responsible for ensuring staff reports clearly articulate the reasons for their recommendations. In order to provide members of the public with the opportunity to inform themselves on issues being discussed by the Board, these staff reports are provided to the public in advance of the Board meeting via the District’s website.

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

Title	Policy #	Effective Date
Communication with the Media and Publicly Elected Officials by Members of the Board of Directors	3060	7/1991
Communication with the Media and Publicly Elected Officials by Members of the Board of Directors	3060	12/2000

Communication with the Media and Publicly Elected Officials- by Members of the Board of Directors	3060	02/2008
Communication by Members of the Board of Directors	3060	5/9/2016

Author/owner: General Manager

Approved by: ~~Board of Directors~~~~Reviewed and Approved by Board~~ February 11, 2019

Reviewers: Board of Directors, General Manager

Notify Person: General Manager

Review Frequency: Every 2 years

Next Review: ~~February 2021~~March 2024

Union Sanitary District
Policy and Procedure Manual

Effective:	Communication by Members of the Board of Directors	Policy Number 3060 Page 1 of 3
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Author/owner:	General Manager
Approved by:	Board of Directors
Reviewers:	Board of Directors, General Manager
Notify Person:	General Manager
Review Frequency:	Every 2 years
Next Review:	March 2024



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 10**

TITLE: **Review and Consider Approval of Policy No. 2030 - Investment Policy (*This is a Motion Item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO/Business Services Work Group Manager

Recommendation

Review and consider approval of the District's Investment Policy (No. 2030) and renewal of delegation of authority of Treasurer to the Business Services Manager for a one-year period, per CA Govt. Code Section 53607 as amended by Stats. 1996, Ch. 749, Sec. 6.

The authority of the Board to invest funds of the District, may be delegated for a one-year period to the Treasurer, who shall thereafter assume responsibility and make a monthly report to the Board. Subject to review, the Board may renew the delegation of authority pursuant to this section each year.

Discussion

Staff and PFM Asset Management, LLC have been collaborating on updating the Investment Policy to accurately reflect language in current government code. Other than minor administrative updates, substantive changes to the Policy since the last update are:

- With regards to investing in the Local Agency Investment Fund (LAIF), the current policy language allows the District to invest up to 70% of the District portfolio or the maximum dollar amount allowed by the state, which is currently \$75 million. Staff is proposing to remove the 70% limit and adjust the policy to reflect the language in the State's policy which currently allows up to 100%. The proposed policy language change is shown below:

8. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. The maximum ~~A maximum of seventy percent (70%) of USD's funds or the~~ limit permitted by the State may be invested in LAIF, ~~whichever is less;~~

- With regards to Municipal Obligations, the current policy language allows the District to invest up to 30% of the District portfolio in this category. Staff is proposing to adjust the policy to reflect the language in the State's policy which currently allows up to 100%. The proposed policy language change is shown below:

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the "A" (long-term) or "A-1" (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. There is no limitation as to the percentage of the portfolio that may be invested in this category. ~~A maximum of thirty percent (30%) of the portfolio may be invested in this category.~~

- With regards to shares of beneficial interest issued by a Joint Powers Authority, the current policy language allows the District to invest up to 50% of the District portfolio in this category. Staff is proposing to adjust the policy to reflect the language in the State's policy which currently allows up to 100%. The proposed policy language change is shown below:

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Code Section 53601 subdivisions (a) to (r) inclusive as provided, provided that

~~a. A maximum of fifty percent (50%) of USD's funds may be invested in the shares of any one investment pool;~~

Adjusting the Districts language to mirror the states, allows the District to have the maximum flexibility in its investment strategy. It's important to note, that regardless of the limits set by the policy, the Districts number one focus is to choose that mix of investments that will produce the best possible returns within the risk tolerances of the District.

Staff and PFM representatives will be available to answer questions.

Background

The District Investment Policy (No. 2030) requires review and approval by the Board of Directors on an annual basis. The Policy was last presented in December 2020.

In December 2018, the District retained the services of PFM Asset Management LLC to serve as the District's investment advisory agent.

Previous Board Action

12/14/2020 Board Meeting – Approval of Investment Policy

Attachments

Union Sanitary District Investment Policy – Red Line Version

Union Sanitary District Investment Policy – Clean Line Version

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Investment Policy	Policy Number 2030
<u>March</u> 2022 4		Page 1 of 14

I. INVESTMENT POLICY

A. Purpose

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

B. Objectives

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

1. To assure ongoing compliance with all Federal, State and local laws governing the investment of public funds;
2. To ensure safety of invested funds;
3. To maintain sufficient liquidity to meet cash flow needs for all operating requirements which might be reasonably anticipated without requiring a sale of securities;
4. Maintain a diversified investment portfolio to avoid incurring unreasonable risks regarding specific security types or individual financial institutes; and to maximize the average rate of return consistent with the primary objectives of safety and liquidity.

C. Prudence

The Prudent Investor Standard shall be used by investment officials and shall be applied in the context of managing an overall portfolio. The prudent investor standard states:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

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

D. Ethics and Conflicts of Interest

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

II. OPERATIONS AND PROCEDURAL MATTERS

A. Scope

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

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

B. Delegation of Authority

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

C. Internal Controls

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

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

D. Delivery vs. Payment

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

E. Safekeeping of Securities

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

F. Qualifications and Selection of Broker/Dealers

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

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

III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

A. Authorized Investments

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

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. With the exception of federal agency mortgage-backed securities which are limited to twenty percent (20%) of the total portfolio there is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Bankers' acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank with a final maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by a nationally recognized statistical- rating organization (NRSRO). The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio.
4. Federally insured or collateralized time deposits (Non-negotiable certificates of deposit) provided that the certificates of deposit meet the conditions in either paragraph (a) or paragraph (b):
 - a) Certificates of deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government

Code Section 53649. The maturity of time deposits may not exceed five years.

- b) Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be five years.

The combined amount invested in placement service certificates of deposit and negotiable certificates of deposit shall not exceed twenty percent (20%) of the portfolio.

5. Negotiable certificates of deposit (NCD) issued by a nationally or state- chartered bank, a savings association or a federal association (as defined by Section 5102 by the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of NCDs shall not exceed thirty percent (30%) of the total portfolio.
6. Repurchase agreements with a final termination date not exceeding 90 days from the date of trade settlement collateralized solely by United States Treasury, federal agency, or United States government sponsored enterprises permitted by this Investment Policy. The purchased securities (the “collateral”) shall have a minimum market value of one hundred and two percent (102%) of the dollar value of the funds invested. The market value of the collateral securities shall be marked-to-the-market daily and the value shall be adjusted no less frequently than weekly. No substitution of collateral shall be allowed without the prior approval of the General Manager/Treasurer. All collateral securing repurchase agreements must be delivered to USD’s custodian bank or handled under a tri-party repurchase agreement. USD or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement.

Approved repurchase agreement counterparties shall have a repurchase agreement counterparty credit rating of at least “A-1” or the equivalent and a long-term credit rating of at least “A” or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a USD approved master repurchase agreement with USD. No more than ten percent (10%) of USD’s total portfolio shall be invested in repurchase agreements.

7. Commercial Paper with the highest letter and numerical rating as provided for by a NRSRO. Eligible commercial paper shall have a final maturity not exceeding 270 days from the date of trade settlement. The aggregate investment in commercial paper shall not exceed twenty five percent (25%) of

USD's total portfolio. Furthermore, USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph 1 or paragraph 2 below:

(1) The entity meets the following criteria:

- is organized and operating in the United States as a general corporation;
- has total assets in excess of five hundred million dollars (\$500,000,000); and
- has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

- is organized within the United States as a special purpose corporation, trust, or limited liability company;
- has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond; and
- has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

8. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. ~~The maximum A maximum of seventy percent (70%) of USD's funds or the~~ limit permitted by the State may be invested in LAIF; ~~whichever is less;~~
9. Corporate medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases may not exceed thirty percent (30%) of invested funds. USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer.
10. Municipal Obligations. USD may purchase municipal obligations in the following categories.
 - a. USD Bonds – Bonds issued by USD, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by USD or by a department, board, agency, or authority of USD.
 - b. California State Obligations – Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of

the State.

- c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- d. Obligations of Other 49 States - Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. There is no limitation as to the percentage of the portfolio that may be invested in this category. ~~A maximum of thirty percent (30%) of the portfolio may be invested in this category.~~

11. Money market mutual funds, provided that such funds

- a. Are registered with the Securities and Exchange Commission and are rated “AAAm” or its equivalent by not less than two NRSROs; or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); and
- b. The purchase price of shares shall not exceed twenty percent (20%) of USD’s portfolio; and
- c. If USD has funds invested in a money market fund, a copy of fund’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the fund’s summary holdings on a quarterly basis.

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Code Section 53601 subdivisions (a) to (r) inclusive as provided, provided that

- ~~a. A maximum of fifty percent (50%) of USD’s funds may be invested in the shares of any one investment pool;~~

- ~~b.a.~~ The pool's investment advisor meets the requirements of 53601(p);
- ~~e.b.~~ The pool seeks to maintain a stable Net Asset Value ("NAV");
- ~~d.c.~~ The pool is rated "AAAm" or its equivalent by a NRSRO; and
- ~~e.d.~~ If USD has funds invested in a pool, a copy of pool's information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool's summary holdings on a quarterly basis.

13. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases may not exceed twenty percent (20%) of invested funds.
14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed thirty percent (30%) of the agency's total portfolio that may be invested pursuant to this section.

B. Prohibited Investment Vehicles and Practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds.
2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. In accordance with Government Code Section 53601.6, investment in any security that could result in a zero-interest accrual if held to maturity is prohibited, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, USD may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market

interest rates. USD may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. USD is not permitted to deposit funds into any state or federal credit union, if a member of the Board of Directors, or any person with investment decision making authority also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. Mitigating Credit Risk in the Portfolio

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

1. The diversification requirements included in Section III (A) are designed to mitigate credit risk in the portfolio;
2. No more than five percent (5%) of the total portfolio may be invested in securities of any single issuer, other than LAIF, local government investment pools, all U.S. Government, its agencies and instrumentalities.
3. USD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, return, or yield of the portfolio in response to market conditions or USD's risk preferences.
4. If securities owned by USD are downgraded by a NRSRO to a level below the quality required by this Investment Policy, it shall be USD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported to USD's Board of Directors. USD will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.

IV. INVESTMENT PERFORMANCE OBJECTIVES

To maximize the average rate of return consistent with the primary objectives of safety and liquidity. USD staff will establish a performance benchmark for its portfolio consistent with agency needs and will periodically review the benchmark for continued applicability.

V. INVESTMENT GUIDELINES

A. Liquidity

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities to ensure adequate cash reserves to pay current expenses.

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

B. Maximum Maturities

USD will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Board of Directors has by resolution granted authority to make such an investment at least three months prior to the date of investment.

VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

A. Monthly Reports

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

1. As asset listing showing par value, cost and market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:
 - a. Weighted average maturity of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. A list of portfolio transactions;
3. A statement of compliance with the investment policy, including a schedule of

any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and

4. A statement that USD has adequate funds to meet its cash flow requirements for the next six months.
5. A list of broker/dealers the District is currently using.

B. Annual Reports

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

C. Periodic Investment Program Review

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

Approved by:	Board of Directors
Author/owner:	Business Services Manager/Chief Financial Officer
Reviewers:	General Manager, Finance and Acquisition Services Coach
Notify Person:	Business Services Manager/Chief Financial Officer
Revision frequency:	Annually
Next Review:	March 202 3 ² (review typically begins 2 months prior to this date)

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix A – Credit Ratings for Corporate Notes

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

Source: The Bond Market Association

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

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

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Investment Policy	Policy Number 2030
March 2022		Page 1 of 14

I. INVESTMENT POLICY

A. Purpose

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

B. Objectives

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

1. To assure ongoing compliance with all Federal, State and local laws governing the investment of public funds;
2. To ensure safety of invested funds;
3. To maintain sufficient liquidity to meet cash flow needs for all operating requirements which might be reasonably anticipated without requiring a sale of securities;
4. Maintain a diversified investment portfolio to avoid incurring unreasonable risks regarding specific security types or individual financial institutes; and to maximize the average rate of return consistent with the primary objectives of safety and liquidity.

C. Prudence

The Prudent Investor Standard shall be used by investment officials and shall be applied in the context of managing an overall portfolio. The prudent investor standard states:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

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

D. Ethics and Conflicts of Interest

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

II. OPERATIONS AND PROCEDURAL MATTERS

A. Scope

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

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

B. Delegation of Authority

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

C. Internal Controls

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

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

D. Delivery vs. Payment

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

E. Safekeeping of Securities

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

F. Qualifications and Selection of Broker/Dealers

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

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

III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

A. Authorized Investments

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

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. With the exception of federal agency mortgage-backed securities which are limited to twenty percent (20%) of the total portfolio there is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Bankers' acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank with a final maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by a nationally recognized statistical- rating organization (NRSRO). The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio.
4. Federally insured or collateralized time deposits (Non-negotiable certificates of deposit) provided that the certificates of deposit meet the conditions in either paragraph (a) or paragraph (b):
 - a) Certificates of deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government

Code Section 53649. The maturity of time deposits may not exceed five years.

- b) Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be five years.

The combined amount invested in placement service certificates of deposit and negotiable certificates of deposit shall not exceed twenty percent (20%) of the portfolio.

- 5. Negotiable certificates of deposit (NCD) issued by a nationally or state- chartered bank, a savings association or a federal association (as defined by Section 5102 by the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of NCDs shall not exceed thirty percent (30%) of the total portfolio.
- 6. Repurchase agreements with a final termination date not exceeding 90 days from the date of trade settlement collateralized solely by United States Treasury, federal agency, or United States government sponsored enterprises permitted by this Investment Policy. The purchased securities (the “collateral”) shall have a minimum market value of one hundred and two percent (102%) of the dollar value of the funds invested. The market value of the collateral securities shall be marked-to-the-market daily and the value shall be adjusted no less frequently than weekly. No substitution of collateral shall be allowed without the prior approval of the General Manager/Treasurer. All collateral securing repurchase agreements must be delivered to USD’s custodian bank or handled under a tri-party repurchase agreement. USD or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement.

Approved repurchase agreement counterparties shall have a repurchase agreement counterparty credit rating of at least “A-1” or the equivalent and a long-term credit rating of at least “A” or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a USD approved master repurchase agreement with USD. No more than ten percent (10%) of USD’s total portfolio shall be invested in repurchase agreements.

- 7. Commercial Paper with the highest letter and numerical rating as provided for by a NRSRO. Eligible commercial paper shall have a final maturity not exceeding 270 days from the date of trade settlement. The aggregate investment in commercial paper shall not exceed twenty five percent (25%) of

USD's total portfolio. Furthermore, USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph 1 or paragraph 2 below:

(1) The entity meets the following criteria:

- is organized and operating in the United States as a general corporation;
- has total assets in excess of five hundred million dollars (\$500,000,000); and
- has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

- is organized within the United States as a special purpose corporation, trust, or limited liability company;
- has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond; and
- has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

8. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. The maximum limit permitted by the State may be invested in LAIF.
9. Corporate medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases may not exceed thirty percent (30%) of invested funds. USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer.
10. Municipal Obligations. USD may purchase municipal obligations in the following categories.
 - a. USD Bonds – Bonds issued by USD, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by USD or by a department, board, agency, or authority of USD.
 - b. California State Obligations – Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.

- c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- d. Obligations of Other 49 States - Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. There is no limitation as to the percentage of the portfolio that may be invested in this category.

11. Money market mutual funds, provided that such funds

- a. Are registered with the Securities and Exchange Commission and are rated “AAAm” or its equivalent by not less than two NRSROs; or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); and
- b. The purchase price of shares shall not exceed twenty percent (20%) of USD’s portfolio; and
- c. If USD has funds invested in a money market fund, a copy of fund’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the fund’s summary holdings on a quarterly basis.

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Code Section 53601 subdivisions (a) to (r) inclusive as provided, provided that

- a. The pool’s investment advisor meets the requirements of 53601(p);
- b. The pool seeks to maintain a stable Net Asset Value (“NAV”);

- c. The pool is rated “AAAm” or its equivalent by a NRSRO; and
 - d. If USD has funds invested in a pool, a copy of pool’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool’s summary holdings on a quarterly basis.
13. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases may not exceed twenty percent (20%) of invested funds.
 14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “AA” or better by an NRSRO and shall not exceed thirty percent (30%) of the agency’s total portfolio that may be invested pursuant to this section.

B. Prohibited Investment Vehicles and Practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds.
2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. In accordance with Government Code Section 53601.6, investment in any security that could result in a zero-interest accrual if held to maturity is prohibited, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, USD may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. USD may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

4. Trading securities for the sole purpose of speculating on the future direction of

interest rates is prohibited.

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

C. Mitigating Credit Risk in the Portfolio

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

1. The diversification requirements included in Section III (A) are designed to mitigate credit risk in the portfolio;
2. No more than five percent (5%) of the total portfolio may be invested in securities of any single issuer, other than LAIF, local government investment pools, all U.S. Government, its agencies and instrumentalities.
3. USD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, return, or yield of the portfolio in response to market conditions or USD's risk preferences.
4. If securities owned by USD are downgraded by a NRSRO to a level below the quality required by this Investment Policy, it shall be USD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported to USD's Board of Directors. USD will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.

IV. INVESTMENT PERFORMANCE OBJECTIVES

To maximize the average rate of return consistent with the primary objectives of safety and liquidity. USD staff will establish a performance benchmark for its portfolio consistent with agency needs and will periodically review the benchmark for continued applicability.

V. INVESTMENT GUIDELINES

A. Liquidity

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities to ensure adequate cash reserves to pay current expenses.

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

B. Maximum Maturities

USD will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Board of Directors has by resolution granted authority to make such an investment at least three months prior to the date of investment.

VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

A. Monthly Reports

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

1. As asset listing showing par value, cost and market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:
 - a. Weighted average maturity of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. A list of portfolio transactions;
3. A statement of compliance with the investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and
4. A statement that USD has adequate funds to meet its cash flow requirements

for the next six months.

5. A list of broker/dealers the District is currently using.

B. Annual Reports

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

C. Periodic Investment Program Review

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

Approved by:	Board of Directors
Author/owner:	Business Services Manager/Chief Financial Officer
Reviewers:	General Manager, Finance and Acquisition Services Coach
Notify Person:	Business Services Manager/Chief Financial Officer
Revision frequency:	Annually
Next Review:	March 2023 (review typically begins 2 months prior to this date)

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix A – Credit Ratings for Corporate Notes

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

Source: The Bond Market Association

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

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

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 11**

TITLE: Consider a Motion to Cancel the November 28 and December 26, 2022, Board of Directors Meetings (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

Recommendation

Consider a motion to cancel the November 28 and December 26, 2022, Board of Directors Meetings.

Discussion

The second regularly scheduled meeting of the Board of Directors in November falls on the Monday after Thanksgiving. District offices will be closed Thursday, November 24 and Friday, November 25, in observance of the Thanksgiving holiday. Due to the holiday closure, committee meetings would have to be conducted on Wednesday, November 23, 2022. Staff recommends the Board consider the following options:

1. Cancel the November 28, 2022, Board meeting.
2. Keep the November 28, 2022, Board meeting as scheduled.
3. Cancel the November 28, 2022, Board meeting and schedule a special meeting for the Monday before Thanksgiving on November 21, 2022.

The second regularly scheduled meeting of the Board of Directors in December falls on the week between the Christmas and New Year holidays. District offices will be closed Monday, December 26, 2022, in observance of the Christmas holiday. Staff recommends the Board consider the following options:

1. Cancel the December 26, 2022, Board meeting.
2. Cancel the December 26, 2022, Board meeting and schedule a special meeting for December 19, 2022.

Background

The Board has considered canceling the second Board meetings in November and December annually depending upon the impact the Thanksgiving and Christmas holidays have on the District's schedule.

Previous Board Action

None

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2021
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 12**

TITLE: Review and Consider Approval of Classified Publicly Available Pay Schedule Effective March 1, 2022 (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Workgroup Manager
Gene Boucher, Human Resources Manager

Recommendation

Review, consider, and sign the March 1, 2022, Classified Employees Pay Schedule which will be posted and retained in accordance with CalPERS requirements.

Discussion

The Publicly Available Pay Schedule, mandated by CalPERS in August 2011, is designed to:

1. ensure consistency between CalPERS employers; and,
2. enhance the disclosure and transparency of public employee compensation.

The “Publicly Available Pay Schedule” (CCR 570.5) must:

- Be duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meetings laws; and
- Identify the position title for every employee position; and
- Show the pay rate for each identified position as a single amount or as multiple amounts within a range; and
- Indicate the time base (i.e., bi-weekly, monthly, etc.); and
- Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website; and
- Indicate an effective date and date of any revisions; and

- Be retained by the employer and available for public inspection for not less than 5 years.

Background

The salary changes contained in the attached document are:

- 1) The adjustments made to the Classified employee pay ranges effective March 1, 2021, as per the Memorandum of Understanding dated February 26, 2019 – December 31, 2026, between Union Sanitary District and SIU, Local 1021.
- 2) The CPI for the Western Region Bay Area from December 2019 through December 2020 was 4.2%
- 3) Salary increases for the term of the MOU between the District and SEIU Local 1021 will be based on the Consumer Price Index for all Urban Consumers (CPI-U) on the December-to-December average. The range for the cost-of-living adjustments (COLA's) will be 3.25% (minimum) to 4.5% (Maximum).
- 4) The updated salary table reflects an increase of 4.2% to all Classified salary ranges.

Previous Board Action

The Board last approved the Classified publicly available pay schedule at the March 8, 2021, meeting.

Attachments:

Classified Employees Salary Schedule Effective March 1, 2022

Union Sanitary District
Classified Employees Salary Schedule
Effective March 1, 2022

Position Title	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
Accountant	1	45.3657	47.6340	50.0157	52.5165	55.1423
Accountant	2	49.9024	52.3976	55.0174	57.7683	60.6567
Accounting Technical Specialist		48.9265	51.3729	53.9415	56.6386	59.4705
Accounting Technician I	1	39.5368	41.5137	43.5893	45.7688	48.0573
Accounting Technician II	2	43.4902	45.6647	47.9480	50.3454	52.8626
Administrative Specialist I	1	38.6452	40.5775	42.6063	44.7367	46.9735
Administrative Specialist II	2	40.6791	42.7130	44.8487	47.0911	49.4457
Assistant Storekeeper		37.5780	39.4569	41.4297	43.5012	45.6763
Chemist I	1	53.1733	55.8320	58.6236	61.5547	64.6325
Chemist II	2	55.8320	58.6237	61.5548	64.6326	67.8642
Collection System Trainer		52.9433	55.5904	58.3699	61.2884	64.3529
Collection System Worker I	1	41.6710	43.7545	45.9423	48.2394	50.6513
Collection System Worker II	2	45.8383	48.1302	50.5367	53.0636	55.7168
Communications & Intergovernmental Relations Coordinator		57.3679	60.2361	63.2480	66.4103	69.7309
Construction Inspector I	1	46.4567	48.7795	51.2185	53.7794	56.4684
Construction Inspector II	2	51.1022	53.6573	56.3402	59.1572	62.1151
Construction Inspector III	3	53.1464	55.8037	58.5939	61.5236	64.5998
Control Systems Specialist		57.2557	60.1185	63.1244	66.2806	69.5960
Customer Service Fee Analyst		44.1603	46.3683	48.6867	51.1211	53.6771
EC Outreach Representative		54.8052	57.5455	60.4227	63.4439	66.6161
EC Specialist/Outreach		58.6415	61.5736	64.6523	67.8849	71.2792
Engineering Assistant/Plan Checker		56.9778	59.8267	62.8181	65.9590	69.2569
Engineering Technician I	1	44.8249	47.0661	49.4194	51.8904	54.4849
Engineering Technician II	2	49.3074	51.7727	54.3614	57.0794	59.9334
Engineering Technician III	3	54.2382	56.9501	59.7976	62.7875	65.9268
Environmental Compliance Inspector I	1	43.8871	46.0815	48.3856	50.8048	53.3451
Environmental Compliance Inspector II	2	49.3740	51.8427	54.4349	57.1566	60.0145
Environmental Compliance Inspector III	3	54.8052	57.5455	60.4227	63.4439	66.6161
Environmental Compliance Inspector IV	4	58.6415	61.5736	64.6523	67.8849	71.2792
Fleet Mechanic I	1	44.2682	46.4816	48.8057	51.2460	53.8083
Fleet Mechanic II	2	49.5804	52.0594	54.6624	57.3955	60.2653

Union Sanitary District
Classified Employees Salary Schedule
Effective March 1, 2022

Position Title	Grade	Step 1	Step 2	Step 3	Step 4	Step 5
Instrument Tech/Electrician		54.5292	57.2557	60.1184	63.1244	66.2806
Janitor		30.0578	31.5607	33.1388	34.7957	36.5355
Laboratory Director		66.1374	69.4443	72.9165	76.5624	80.3905
Lead Collection System Worker		50.4222	52.9433	55.5904	58.3699	61.2884
Maintenance Assistant		19.0234	19.9745	20.9733	22.0219	23.1230
Mechanic I	1	45.4653	47.7386	50.1255	52.6318	55.2634
Mechanic II	2	50.9214	53.4674	56.1408	58.9478	61.8952
Painter		46.7267	49.0631	51.5162	54.0920	56.7966
Planner/Scheduler I	1	52.1993	54.8093	57.5497	60.4272	63.4486
Planner/Scheduler II	2	56.1320	58.9386	61.8855	64.9798	68.2289
Plant Operations Trainer		62.9754	66.1242	69.4304	72.9019	76.5470
Plant Operator I	1	42.7257	44.8620	47.1051	49.4604	51.9334
Plant Operator II	2	48.1656	50.5739	53.1026	55.7577	58.5456
Plant Operator III	3	56.2281	59.0395	61.9914	65.0910	68.3456
Receptionist		33.7913	35.4808	37.2549	39.1176	41.0735
Storekeeper I	1	47.5159	49.8917	52.3863	55.0057	57.7559
Storekeeper II	2	49.8916	52.3862	55.0056	57.7559	60.6436
Utility Worker		37.0305	38.8821	40.8262	42.8675	45.0109

Approved By:

Pat Kite, President
Board of Directors

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 13**

TITLE: Authorize the General Manager to Execute First Amendment to Encroachment Agreement with Turk Island Ventures, LLC for Tract 7728 – Turk Island in the City of Union City (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Raymond Chau, Interim Technical Services Work Group Manager
Rollie Arbolante, Customer Service Team Coach

Recommendation

Staff recommends the Board authorize the General Manager to execute First Amendment to Encroachment Agreement with Turk Island Ventures, LLC for Tract 7728 – Turk Island located in the city of Union City.

Discussion

Last July, the Board authorized the General Manager to execute an encroachment agreement with Turk Island Ventures, LLC. The encroachment agreement allowed the developer to perform work within an easement containing the District's twin force mains. The term of the agreement is two years. However, all excavation and fill placement work within the District's easement was to be completed by October 15, 2021. The agreement specifically allowed work to excavate landfill refuse material and place import fill within the easement during the period between April 15, 2021 and October 15, 2021.

The developer was unable to obtain the construction resources needed to initiate the planned work during this period and therefore postponed this work until spring 2022. The developer is now requesting to begin work on their development and has requested an amendment to the encroachment agreement to allow work this year.

Staff and legal counsel have reviewed the First Amendment to Encroachment Agreement with Turk Island Ventures, LLC for Tract 7728 and recommend authorizing execution by the General Manager in the form attached to this staff report, subject to minor revisions or amendments that may be approved by the General Manager, in consultation with the General Counsel.

Background

The developer, Turk Island Ventures, LLC, will be constructing a residential development consisting of 33 single-family residences for Tract 7728, located at the northwest corner of Carmel Way and Westport Way, in the City of Union City.

The 6-acre parcel was part of the old Turk Island landfill that has been closed since the early 1970s. Grading work for the development calls for removal of existing landfill material from the portion of the former Turk Island Landfill within the tract and replacing it with clean imported fill. A portion of this work will occur within the District's existing easement, so an encroachment agreement allowing the developer to perform the work within the easement is required.

Work by the developer includes the removal of approximately 18 feet of landfill material above the existing force mains and replacing it with approximately 7 to 10 feet of imported fill. A walking trail is proposed to be constructed over the imported fill in the easement. The agreement includes a construction work plan to allow for the replacement of the landfill material over the force mains to be performed while protecting the force mains. Some of the other provisions of the Agreement are:

1. Developer shall submit a Leak Response Plan for approval prior to any work in the easement.
2. Developer shall provide a good faith deposit in the amount of \$300,000.
3. Developer shall reimburse all USD costs related to the work, such as inspection and administrative costs.
4. Developer shall be liable and shall pay for all costs to repair any damage to the force mains as a result of the work.
5. USD reserves the right to stop all work at or near the force mains that could cause damage to the force mains.
6. Developer shall procure a general liability insurance to protect USD and its duly designated agents or representatives from any claims arising out of the work.
7. Developer shall defend, indemnify, and hold USD harmless from any and all liabilities arising from the work.

The project site was formerly known as Parcel “C” of the Turk Island Landfill, which was closed in 1974, and the adjacent main Turk Island Landfill was closed in 1988.

Previous Board Action

July 12, 2021, the Board authorized the General Manager to execute an Encroachment Agreement with Turk Island Ventures, LLC for Tract 7728 – Turk Island in the City of Union City.

PRE/RC/RA:mb

Attachments: Vicinity Map
First Amendment
Encroachment Agreement with exhibits



Vicinity Map: Tract 7728 - Turk Island, Union City



Legend

Sewer Manholes

- Drop manhole
- End Cap
- Forcemain access
- Forcemain air release
- Forcemain blow off
- Junction structure
- Lamphole
- Lift station
- Manhole
- Pump Station
- Riser

Sewer Mains

- <all other values>
- EBDA outfall
- Forcemain
- Gravity main
- Overflow main
- Siphons
- Trunk Main

Railroad / BART

- <all other values>
- BART

- Public Right of Way
- Private Right of Way
- Sewer Easements

166.7 0 83.33 166.7 Feet

1: 2,000

Printed: 7/1/2011 10:51 AM



For USD use only

The information on this map is provided by Union Sanitary District (USD) for internal use only. Such information is derived from multiple sources which may not be current, be outside the control of USD, and may be of indeterminate accuracy. The information provided hereon may be inaccurate or out of date and any person or entity who relies on said information for any purpose whatsoever does so solely at their own risk.

Notes

**FIRST AMENDMENT TO ENCROACHMENT AGREEMENT
(Construction over District Facilities)**

This First Amendment to Encroachment Agreement (the “**First Amendment**”) is made and entered into as of _____, 2022 (the “**Effective Date**”) by and between UNION SANITARY DISTRICT (the “**District**”) and TURK ISLAND VENTURES, LLC (the “**Licensee**”), hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. District and Licensee entered into that certain Encroachment Agreement (Construction over District Facilities) dated July 13, 2021, to set forth the terms and conditions pursuant to which District would allow Licensee to perform certain construction work in the vicinity of, in or on the District’s Easement, including the excavation of landfill refuse material and placement of imported fill within the Easement (the “**Agreement**”). Any capitalized terms not otherwise defined herein shall have the definition set forth in the Agreement.

B. The Agreement has a term of two years. However, section 4 of the Agreement provides that all excavation and fill placement in the Easement would be performed by Licensee between April 15 and October 15, 2021.

C. As the excavation and fill placement did not take place during the allowed time frame in 2021, the Parties desire to amend the Agreement to allow the excavation and fill placement to take place during April 15 and October 15 of any year during the Term.

AGREEMENT

NOW THEREFORE, in exchange for consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Timing of Excavation and Fill Placement. The first sentence of Section 4 of the Agreement is deleted and replaced with the following: “All excavation and fill placement in the Easement shall be performed between April 15 and October 15 of any year during the Term.”

2. Agreement in Force and Effect. Except as amended by this First Amendment, the Agreement remains in full force and effect.

In witness whereof each Party has caused the First Amendment to be executed by its duly authorized representative as set forth below as of the date set forth above.

UNION SANITARY DISTRICT

TURK ISLAND VENTURES, LLC

By: _____


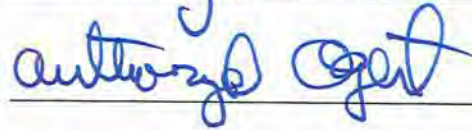
Name: Paul R. Eldredge

Title: General Manager/District Engineer

By: _____

Name: _____

Title: _____


Jeffrey B. Lawrence

Anthony J. Gent

**ENCROACHMENT AGREEMENT
(Construction over District Facilities)**

This Encroachment Agreement (the “**Agreement**”) is made and entered into as of July 13, 2021, 20__ (the “**Effective Date**”) by and between UNION SANITARY DISTRICT (the “**District**”) and Turk Island Ventures, LLC. (the “**Licensee**”), hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. District is a sanitary district providing wastewater treatment and disposal services within Alameda County, California.

B. District is the owner of a thirty-foot (30’) wide easement (the “**Easement**”), described more particularly in “Exhibit A” which is attached hereto and incorporated by reference, in which are two thirty-nine inch (39”) force mains and associated appurtenances that District owns and maintains (“**District Facilities**”). The grant of Easement provides that the Licensee shall not excavate or place any fill within the Easement without the prior written consent of Grantee.

C. Licensee is performing certain construction work in the vicinity of, in or on the Easement and has requested a permit from District to excavate landfill refuse material and place imported fill up to the planned rough grades within the Easement.

D. District desires to allow Licensee access to the Easement, subject to the terms and conditions described herein.

AGREEMENT

NOW THEREFORE, in exchange for consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Scope of License. District grants Licensee the right to access the Easement to perform excavation, fill placement, fine grading and landscape construction operations (the “**Work**”) in strict accordance with the “**Construction Work Plan**”, attached hereto as “Exhibit B” and incorporated herein by this reference. In no event shall Licensee do any work in the Easement other than the above described Work.

2. Leak Response Plan. The Licensee shall submit a leak response plan setting forth in detail their contractor’s response to any leak in the District Facilities that may be discovered or that occurs as a consequence of the Work (“**Leak Response Plan**”). The Leak Response Plan shall be submitted for review and approval to the District and shall be prepared in accordance with the Leak Response Plan Instructions in Exhibit C. The Leak Response Plan must be approved by the District prior to beginning Work.

3. Term. The term of this Agreement is two (2) years commencing on the Effective Date (the “**Term**”).

4. Time and Notice. All excavation and fill placement in the Easement shall be performed between April 15 and October 15, 2021. Licensee shall provide District with notice ten (10) full business days prior to commencing the Work, and shall inform District of all times and schedules during which it will perform the Work.

5. Deposit. Concurrently with the execution of this Agreement, Licensee shall deposit the sum of Three Hundred Thousand Dollars (\$300,000) (the “**Deposit**”) as a good faith deposit for completion of the Work, compliance with the terms of this Agreement, for any work District may need to undertake to repair any of its facilities under section 11 below and to reimburse District Costs under section 7 below. District may use all or any portion of the Deposit to correct any part of the Work not done in compliance with the terms of this Agreement or to repair damage pursuant to section 11. District shall return the unexpended portion of the Deposit to Licensee upon completion of the Work.

6. Inspection by District. Licensee shall not perform any portion of the Work within twenty feet (20’) of the Easement in the absence of a District representative who will be made available upon 72 hours prior notice. All Work shall be done during normal business hours, except when District has granted Licensee written authorization for Work outside of normal business hours.

7. District Costs. Licensee shall reimburse District for all of its staff costs and overhead at District’s standard rates, as shown in Exhibit D, attached hereto, third-party consultant, inspection, and legal fees and costs, directly related to the Work (the “**District Costs**”). District Costs will be from the Deposit. District shall maintain an accounting of District Costs withdrawn from the District and provide Licensee with updates as requested by Licensee.

8. Termination. This Agreement may be terminated by either Party upon thirty (30) days’ prior written notice to the other Party or upon five (5) business days’ prior notice by a Party upon a default of a material provision of this Agreement by the other Party, which default is not cured within five days of receipt of the written notice of default. In the event that the General Manager of District finds that a default by Licensee is affecting the public health, safety or welfare, in District’s sole discretion, the District may terminate this Agreement immediately upon notice to Licensee.

9. Compliance with Laws.

9.1 Licensee shall comply with all applicable federal, state and local laws and regulations now in effect or that become effective during the performance of the Work, any permit issued by District or other public entity and any general or specific conditions issued by the General Manager.

9.2 Licensee warrants and represents to District that it has all licenses, permits, qualifications, insurance and approvals which are legally required for the performance of the Work and that Licensee shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals which are legally required for Licensee to perform the Work.

9.3 District is not responsible or liable for Licensee's failure to comply with any applicable laws or regulations.

10. Acknowledgement of Dangerous Conditions; Safety. Licensee acknowledges that it is fully aware of the hazards of working near live pressure sanitary sewer systems where the force main joints are single-gasketed joints subject to deflection and that such deflection can cause a sewage leak to occur. While the Work is in progress, Licensee shall be solely and completely responsible for the conditions directly related to the Work at the District Facilities, including the safety of all persons, employees, and property to the extent allowable by law. This requirement shall apply continuously and not be limited to normal working hours. Safety provisions shall conform to Cal-OSHA and all other applicable federal, state, county, and local laws, ordinances, codes, and regulations. Licensee will follow, or will have followed, all necessary precautions to vacuum pothole in order to locate and survey the pressure mains. Such precautions shall include keeping all vehicles and other heavy equipment away and off of the force mains at all times. Licensee's failure to thoroughly familiarize itself with the aforementioned safety provisions shall not relieve it from compliance with the obligations and penalties set forth therein. Licensee shall notify District in writing of name of its employee who is qualified and authorized to supervise and enforce the Licensee's compliance with the terms and provisions of this Agreement.

11. Liability for Damages.

11.1 Existing Damage. Prior to starting construction, Licensee may elect, in its sole discretion, to survey and inspect the District Facilities within the Easement, by whatever means necessary (subject to District approval), to verify the existing conditions. Any deficiencies, leaks, or damage found by Licensee, prior to starting construction, shall immediately be documented and reported to District in writing. By starting the Work, Licensee agrees that they have completed any investigation Licensee desires to undertake and that the District facilities are in good and serviceable condition and free of damages, leaks and/or deficiencies.

11.2 Liability for Damage; District Right to Stop Construction and/or Repair District Facilities. Licensee shall be liable for any and all damage to District Facilities as a result of the Work. If, during the Term, District discovers evidence of a leak, or reasonably suspects damage to the District Facilities caused by Licensee, its contractors and/or their subcontractors, District shall have the right to stop all Work at or near the District Facilities that District reasonably determines could impact District Facilities or require changes to the Work as necessary to effectuate any required repair. Licensee shall not resume the Work until District has investigated and/or repaired the District Facilities, to District's satisfaction,

provided that District promptly commences and diligently pursues its investigation and/or repairs to the District Facilities. District shall have the right to determine the appropriate means and methods to repair or restore the District Facilities. Licensee agrees that District will not be held liable for any claims, alleged or actual damages due to delays in the Work completion, or any extra costs incurred by Licensee's contractors and/or subcontractors. Damages as related to this Agreement shall include, but not be limited to leaks, structural damage such as cracks or failure, settlement or displacement of the District Facilities, and failure of District's cathodic protection systems, caused by Licensee. District's costs to restore its facilities shall include all reasonable costs associated with repair of the District Facilities including, but not limited to: planning, engineering investigations, design, consulting fees, repair, replacement, spill clean-up, fines, attorney's fees, and the cost of District staff time to accomplish the restoration of its facilities. Licensee agrees to reimburse District within thirty (30) days of receipt of invoice for all reasonable costs to repair and restore the District Facilities to a good and serviceable condition as existed prior to Licensee beginning work.

11.3 Remedies. In the event, Licensee does not timely reimburse District for District costs as provided in Section 11.2 above, District may draw upon the Deposit for reimbursement of its costs. In the event the remaining amount of the Deposit is not sufficient to cover District's costs, District may, within 30 days of outstanding documented costs expenses being presented to Licensee, place such outstanding costs on the Alameda County Secured Property Tax rolls in the same manner that District currently places its annual sewer service charges on the tax rolls for various properties throughout the District's service area. District's legal rights to seek recovery of its costs, including but not limited to bringing legal action against Licensee, shall not be waived, impaired and/or affected by District placing or not placing restoration costs on the Alameda County Secured Property Tax rolls. In addition to the remedies set forth above, District may exercise any and all remedies available at law or equity to recover costs or prevent, or seek reimbursement for, damage to the District Facilities or any other violation of this Agreement.

11.4 Contractor and Third Party Liability. Licensee hereby acknowledges and agrees that its liability under this Agreement includes liability for damages caused by third parties, including but not limited to, Licensee's contractors, subcontractors, utility companies, or tenants who have contracts with Licensee or are considered agents of Licensee.

11.5 Damage to Other Property. Licensee shall also be responsible for any damage to any public or private property or improvements, including but not limited to street pavements, existing utilities, curbs, gutters, sidewalks, directly attributable to the performance of the Work, including but not limited to a force main leak or other damage caused by the Work, and shall repair, replace and restore any damaged property or improvements at its sole expense and to the reasonable approval of District.

11.6 Survival. This Section 11 shall survive expiration or earlier termination of this Agreement.

12. Indemnification. To the fullest extent allowable by law, Licensee will hold harmless, defend, and indemnify District and its officers, agents, contractors, consultants, successors, assigns, volunteers, and employees ("**District Parties**") from and against any and all claims, demands, cause of action, damage, costs or liability, including attorneys' fees, arising out of or related to the Work or the operations of Licensee, any of its subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, under this Agreement, except to the extent caused by the negligence or misconduct of District ("**Claims**"). Licensee's duty to indemnify and hold harmless District Parties, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code with counsel reasonably acceptable to District. Licensee shall have no right to seek reimbursement from District Parties for the costs of defense. This indemnification shall survive expiration or earlier termination of this Agreement for whatever cause for the full period of time allowable by law, and shall not in any way be limited by the insurance requirements of this Agreement.

13. Insurance.

13.1 During the term of this Agreement, Licensee shall at all times maintain the following insurance policies that cover all Work and obligations under this Agreement with insurers having an A.M. Best's rating of no less than A:VII or provide evidence of self-insurance acceptable to District, unless otherwise approved by District's General Manager in writing:

(a) Commercial general liability coverage for damage or injury in the amount of Five Million Dollars (\$5,000,000) combined single limit bodily injury and property damage liability per occurrence, for the operations of Licensee under this Agreement, with a general aggregate limit of no less than Ten Million Dollars (\$10,000,000). This liability insurance shall include personal and advertising injury and contractual liability.

(b) Automobile liability coverage for it and its staff to an amount not less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

(c) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance in the amount of One Million Dollars (\$1,000,000) each accident/disease/policy limit. The insurer shall waive all rights of subrogation against District, its officers, volunteers and employees.

13.2 The Union Sanitary District and its officers, volunteers and employees shall be named as additional insureds under the commercial general liability, automobile liability and property insurance policies.

13.3 Each policy or certificate of insurance acquired pursuant to this section shall provide that the policy shall be considered primary insurance as respects any other valid and collectible insurance the District may possess, including any self-insured retention the District may have, and any other insurance the District does possess shall not contribute with it.

13.4 Each policy or certificate of insurance shall also provide that the insurer will not cancel, terminate or modify the insured's coverage without 30 days prior written notice to District.

13.5 Licensee shall provide to District all certificates of insurance with original endorsements effecting coverage required by this paragraph. Certificates of such insurance shall be filed with District on or before commencement of the Work. District reserves the right to require complete, certified copies of all required insurance policies at any time.

13.6 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to District, its officers, officials, employees, or volunteers.

13.7 Licensee shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited to naming additional insureds.

13.8 Licensee's insurance shall apply separately to each insured against whom a claim is made or suit brought, except with respect to the limits of the insurer's liability.

14. Assignment. This Agreement is not assignable unless District consents in writing. Such consent to assignment shall bind and inure to the benefit of the respective successors and assigns of the Parties.

15. Subcontractors. If Licensee is to do any of the Work through a subcontractor, Licensee shall provide prior written notice to District and District may require Licensee's subcontractor to execute a separate right of entry agreement with the District with terms substantially similar to this Agreement.

16. No Dedication. Nothing contained in this Agreement shall be deemed a gift or dedication of any portion of the Easement to or for the general public or for any public purpose whatsoever. This Agreement is not a grant by District of any property interest but is made subject and subordinate to the prior and continuing rights of District and its assigns. No use of any part of the Easement under this Agreement shall create or vest in Licensee any ownership interest in the Easement; nor shall anything in this Agreement be deemed or construed to grant or create any franchise rights.

17. Notices. All notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed to be given as of the time of hand delivery to the addresses set forth below, or five (5) days after deposit in the United States mail, postage prepaid, by register or certified mail, return receipt requested, addressed as follows:

If to District	Union Sanitary District 5072 Benson Road Union City, CA 94587
----------------	---

Attn: Rollie Arbolante

If to Licensee Turk Island Ventures, LLC.
7041 Koll Center Parkway, Ste. 130
Pleasanton, CA 94566
Attn: Jeff Lawrence

18. Waiver. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same. No waiver by any Party of any condition, or of any breach of any term, covenant, representation, or warranty contained herein, in any one or more instances, shall be deemed to be construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of any breach of any other term, covenant, representation or warranty.

19. Severability. If one or more of the provisions of this Agreement shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such provision shall be deemed severable from the remaining provisions of this Agreement and shall not affect the legality, validity or constitutionality of the remaining portions of this Agreement.

20. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the matters addressed herein, except as to any permit that the District may issue to Licensee in accordance with this Agreement.

21. Modification. This Agreement may not be amended unless made in writing and signed by each Party.

22. Venue and Governing Law. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California, without reference to its choice of law principles. Exclusive venue for any action shall either be in the United States District Court for the Northern District of California or the Superior Court of California, Alameda County. The rights and remedies of District and Consultant for default in performance under this Agreement are in addition to any other rights or remedies provided by law. The prevailing Party in any action brought under this Agreement shall be entitled to reasonable attorneys' fees in addition to any other relief to which the Party may be entitled.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

24. Authority. The Parties represent that the individuals signing this Agreement have the authority to do so.

25. No Personal Liability. No member, official or employee of District shall be personally liable to Licensee or any successor in interest in the event of any default or breach by District or on any obligation under the terms of this Agreement.

In witness whereof each Party has caused the agreement to be executed by its duly authorized representative as set forth below as of the date set forth above.

UNION SANITARY DISTRICT

TURK ISLAND VENTURES, LLC

By:

DocuSigned by:

Paul R. Eldredge

91F3D7DCBD12473...

By:

DocuSigned by:

James Wang

7F7A71E3A0F244D...

Name: Paul R. Eldredge

Name: James Wang

Title: General Manager/District Engineer

Title: Manager

EXHIBIT A

USD FORCE MAIN EASEMENT

AND RECORD DRAWING

ORIGINAL

80-100707 087

Recorded at Request of
 East Bay Dischargers Authority
 When recorded mail to:

East Bay Dischargers Authority
 22300 Foothill Blvd., Suite 602
 Hayward, CA 94541

NO TAX DUE
 EXEMPT TRANSFER

M. Martin T.A.

RECORDED at REQUEST OF
 Title Ins. & Trust Co.
 At 10:30 AM.

JUN 12 1980

OFFICIAL RECORDS OF
 ALAMEDA COUNTY, CALIFORNIA
RENE C. DAVIDSON
 COUNTY RECORDER

Space above for Recorder's Use

CONSTRUCTION PROJECT NO. 57409

EBDA PARCEL NO. 505-11, -21, -22,
-41

Legal Counsel for East
 Bay Dischargers Authority

GRANT OF EASEMENT

THIS GRANT, made this 7th day of October ~~January~~,
 1980 ~~1979~~, between Joseph W. Smith, surviving joint tenant as to an
undivided 1/2 interest; and Bennett M. Reynolds and Madeline
Reynolds, his wife, as community property, as to an undivided
1/2 interest

Grantor, and the EAST BAY DISCHARGERS AUTHORITY, a public entity
 of the State of California, Grantee;

W I T N E S S E T H:

That Grantor, in consideration of the benefits resulting
 to said grantor, and other valuable considerations, the receipt
 of which is hereby acknowledged, does hereby grant and convey
 to Grantee, its successors and assigns, a perpetual easement
 and right of way for the purpose of exercising within said ease-
 ment and right of way any and all powers conferred upon said

-1-

EBDA-14: Perpetual Easement and Right of Way and Construction
 Easement (Individual) Rev. 2/11/77 Page 1

Grantee by law, including laying down, installing, constructing and reconstructing, removing, replacing, repairing, maintaining, operating and using as Grantee may see fit for the transmission of wastewater or related substances, a pipe or pipelines and all necessary and required appurtenances thereto, in, under, along and across any part of that certain real property in the County of Alameda, State of California, described in Exhibits "A" and "C" attached hereto and made a part hereof.

TOGETHER with the right of ingress to and egress from said perpetual easement and the right of way at all times to enter in, over and upon said right of way and every part thereof, and also to use said perpetual easement and right of way for all purposes reasonably connected with the full and complete enjoyment of the rights hereby granted.

The Grantor and the Grantor's heirs, successors or assigns shall not place or permit to be placed on said perpetual easement and the right of way any building or structure, nor allow to be done anything which may interfere with the full enjoyment by the Grantee of the rights herein granted, nor shall Grantor or Grantor's heirs, successors or assigns cause or permit any excavation or the placement of any fill within said perpetual easement and the right of way without the prior written consent of Grantee.

-2-

EBDA-14: Perpetual Easement and Right of Way and Construction
Easement (Individual) Rev. 2/11/77 Page 2

TO HAVE AND TO HOLD all the above mentioned and described easement and right of way unto Grantee, its successors and assigns forever, solely for the objects and purposes above stated and for no other object or purpose.

That Grantor, in consideration of the benefits resulting to said grantor from the construction of a pipe or pipelines and other valuable considerations, the receipt of which is hereby acknowledged, does hereby further grant and convey to Grantee, its successors and assigns, a construction easement in, through, along and under the real property hereinafter described, for the purposes of operating, storing and maintaining equipment, and performing such other operations as required to accomplish said project, said easement to terminate on the adoption of a Resolution of Acceptance of the above referenced construction project by the Commission of the East Bay Dischargers Authority or on the 30th day of September, 1980, whichever occurs first.

The real property affected by this construction easement is situated in the County of Alameda, State of California, and is more particularly described in Exhibit "B" attached hereto and made a part hereof.

80-100707

IN WITNESS WHEREOF, the Grantor has executed this grant
of easement the day and year first above written.

Joseph W. Smith
Joseph W. Smith Grantor

Grantor

Grantor

Bennett M Reynolds
Bennett M. Reynolds Grantor
Madeline Reynolds
Madeline Reynolds Grantor

Grantor

INDIVIDUAL

STATE OF CALIFORNIA) ss:
COUNTY OF ALAMEDA)

On January 7, 1980, before me, a Notary Public
in and for the said County and State, residing therein, duly
commissioned and sworn, personally appeared Joseph W. Smith, Bennett M.
Reynolds & Madeline Reynolds known to me to be the person whose names
xx/are subscribed to the within instrument, and acknowledged
to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal.



Beatrice C. Smith
Notary Public

- 4 -

EBDA-14: Perpetual Easement and Right of Way and Construction
Easement (Individual) Rev. 2/11/77 Page 4

80-100707

PAGE 1 OF 2 PAGES
E.B.D.A. PARCEL NO. 505-11
OWNER - SMITH AND REYNOLDS
ASSESSOR PARCEL NO. PORTION OF
~~482-40-8-1~~ 482-50-10
DATE - JUNE 13, 1977

EXHIBIT "A"
GRANT OF EASEMENT

THAT PARCEL OF LAND IN THE TOWNSHIP OF WASHINGTON, COUNTY OF ALAMEDA,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERN CORNER OF THAT PARCEL OF LAND DESCRIBED
IN THE DEED TO ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION
DISTRICT RECORDED SEPTEMBER 29, 1970 UNDER RECORDERS SERIES NUMBER
70-105330 IN THE RECORDS OF ALAMEDA COUNTY, CALIFORNIA; THENCE
SOUTH 31°20'44" WEST ALONG THE SOUTHERLY LINE OF SAID PARCEL OF
LAND DESCRIBED IN DEED TO ALAMEDA COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT 12.13 FEET TO A POINT THAT LIES 30.00 FEET
EASTERLY AT RIGHT ANGLES FROM THE EASTERLY LINE EXTENDED NORTHWESTERLY
OF AN EASEMENT GRANTED TO PACIFIC GAS AND ELECTRIC COMPANY AND
RECORDED JANUARY 21, 1959 IN BOOK 8908, PAGE 27 OF OFFICIAL RECORDS
IN THE RECORDS OF ALAMEDA COUNTY, CALIFORNIA, SAID POINT BEING THE
TRUE POINT OF BEGINNING; THENCE SOUTH 20°38'45" EAST PARALLEL TO
SAID EASTERLY LINE OF THE EASEMENT GRANTED TO PACIFIC GAS AND
ELECTRIC COMPANY 2,553.83 FEET TO THE SOUTHERLY LINE OF THAT PARCEL
OF LAND DESCRIBED IN DEED TO JOSEPH W. SMITH AND BENNETT REYNOLDS
RECORDED JULY 29, 1975 UNDER RECORDERS SERIES NUMBER 75-106081 IN
THE RECORDS OF ALAMEDA COUNTY, CALIFORNIA; THENCE SOUTH 63°07'01"
WEST ALONG SAID SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN
DEED TO JOSEPH W. SMITH AND BENNETT REYNOLDS, 30.13 FEET TO SAID

80-100707

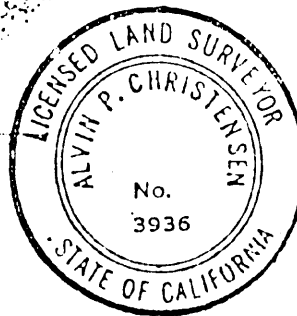
PAGE 2 OF 2 PAGES
E.B.D.A. PARCEL NO. 505-11
OWNER - SMITH AND REYNOLDS
ASSESSOR PARCEL NO. PORTION OF
~~482-40-8-1~~ 482-50-10
DATE - JUNE 13, 1977

EASTERLY LINE OF THE EASEMENT GRANTED TO PACIFIC GAS AND ELECTRIC COMPANY; THENCE NORTH 20°38'45" WEST ²ALONG SAID EASTERLY LINE AND EASTERLY LINE EXTENDED NORTHERLY, 2,533.66 FEET TO SAID SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED TO ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT; THENCE NORTH 31°20'44" EAST ALONG SAID SOUTHERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED TO ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, 38.07 FEET, TO THE POINT OF BEGINNING.

CONTAINING 1.752 ACRES, MORE OR LESS.

THE BASIS OF BEARING FOR THIS DESCRIPTION IS THE CALIFORNIA COORDINATE SYSTEM, ZONE 3. TO OBTAIN GROUND LEVEL DISTANCE MULTIPLY DISTANCE SHOWN BY 1.0000653.


ALVIN P. CHRISTENSEN, L.S. 3936



PARCEL NO. 502-12

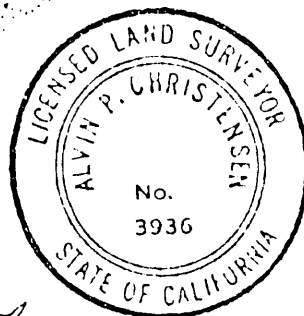
RECORDERS

A.C.F.C. & W.C.D.

80-100707

A.C.F.C.
& W.C.D.N 31°20'44"E
38.07'S 31°20'44"W
12.13'

T.P.O.B.

EASTERLY LINE
EASEMENT TO PG. & E.
BK. 8908 O.R. PG. 27SMITH
RECORDERS SERIES

ALVIN P. CHRISTENSEN, L.S. 3936

REYNOLDS
NO. PARCEL NO. 505-11
(1.752 Acres)S 20°38'45"E
2,553.83'
N 20°38'45"W
2,533.66'30.18"
S 63°07'01"WEBDA
PARCEL NO. 506-11

LESLIE SALT CO.

THE BASIS OF BEARING IS THE CALIFORNIA COORDINATE
SYSTEM, ZONE 3. TO OBTAIN GROUND LEVEL DISTANCE
MULTIPLY DISTANCE SHOWN BY 1.0000653

OPERATION	BY	DATE	EAST BAY DISCHARGERS AUTHORITY PARCEL NO. 505-11 SMITH AND REYNOLDS GRANT OF EASEMENT	EBC Approval by:
Surveyed:				Reach: 500
Drawn:	ADR	6-21-77		
Designed:	ED	6-16-77		
Checked:	ED	6-22-77		
Scale:	1" = 50'		EAST BAY CONSULTANTS	Sheet
Drawn Date:	129 of 191		A JOINT VENTURE • MURRAY-MCCORMICK, INC. • WILSEY & HAM 1100 EDGEWATER DRIVE, SUITE 434, OAKLAND, CA 94612 (415) 433-0750	1 of 1

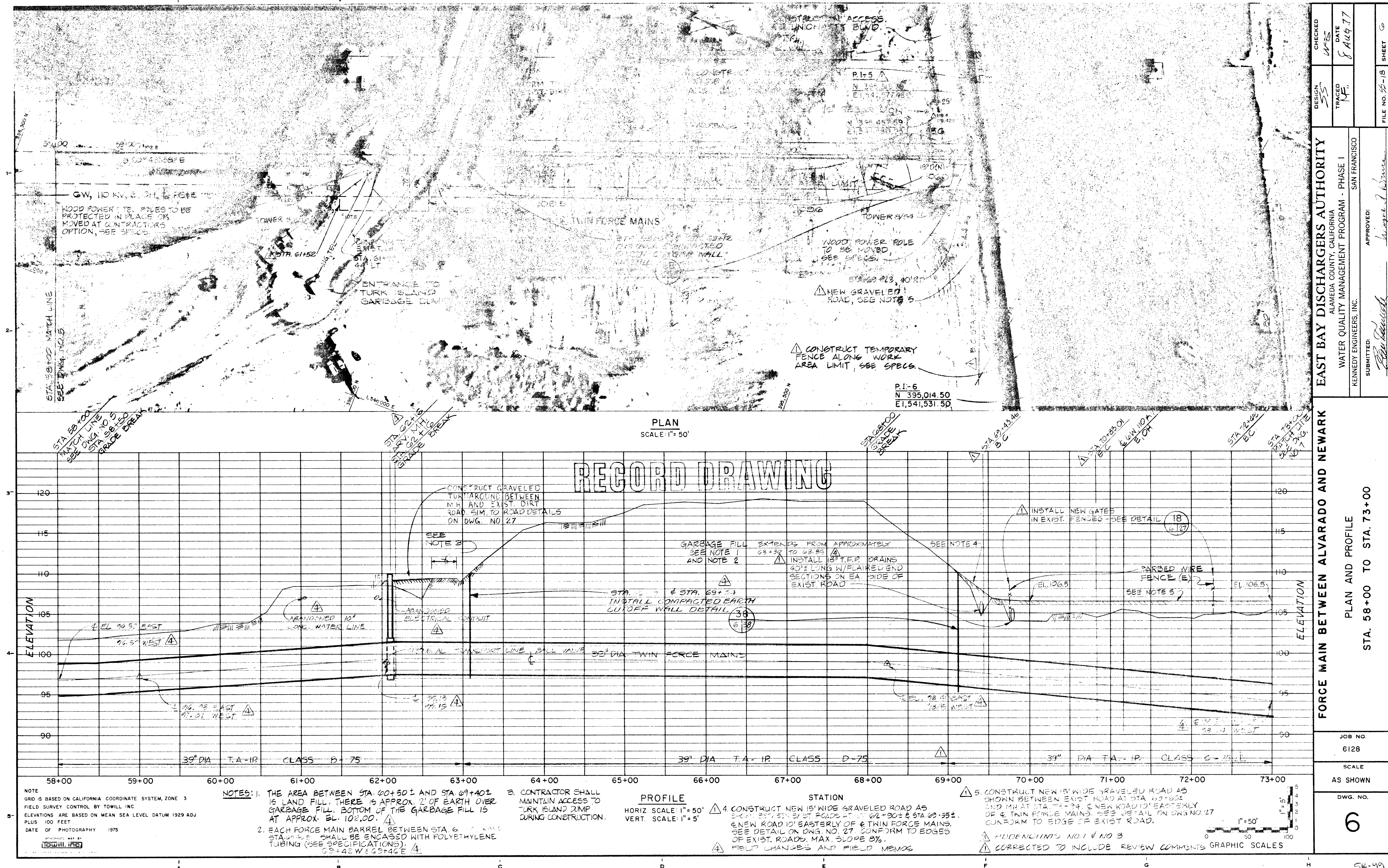
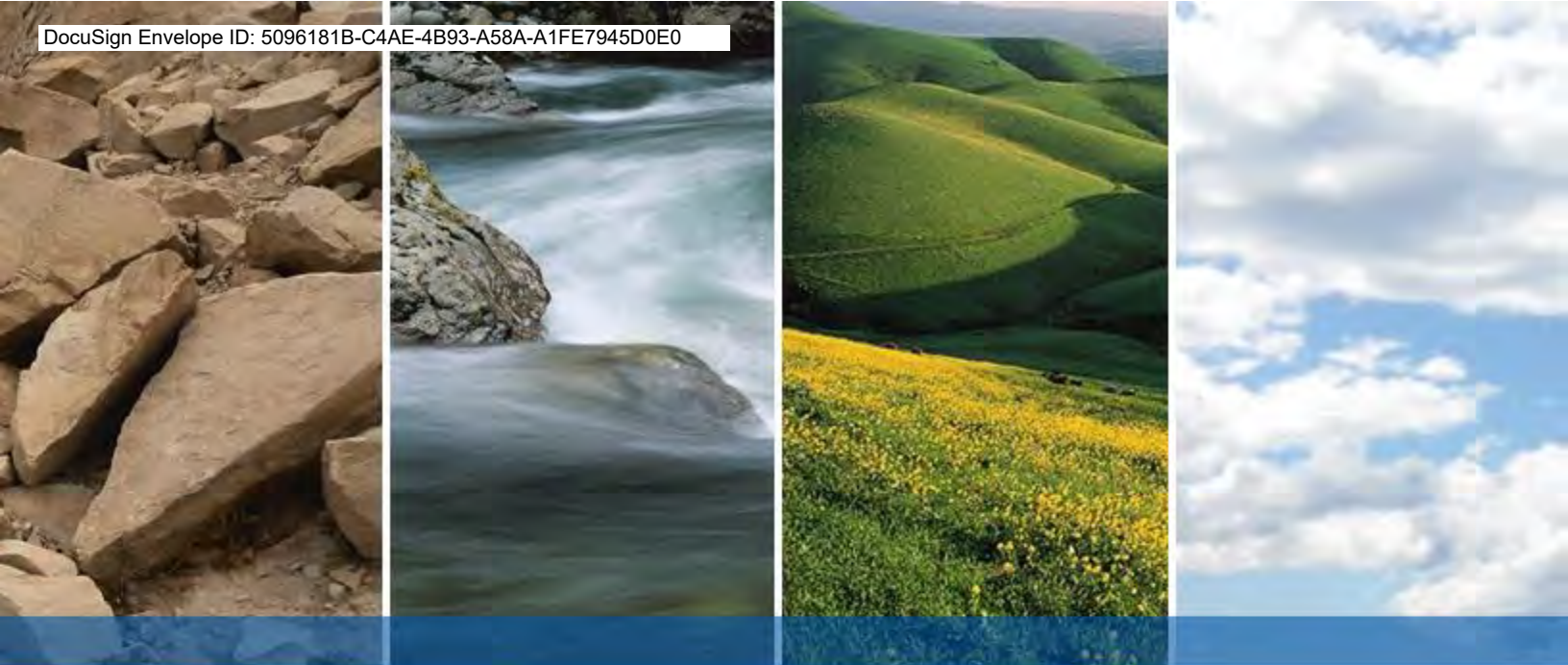


EXHIBIT B

CONSTRUCTION WORK PLAN



TRACT 7728, PARCEL C, TURK ISLAND UNION CITY, CALIFORNIA

CONSTRUCTION WORK PLAN

SUBMITTED TO

Mr. Jeff Lawrence
Nuvera Homes
7041 Koll Center Parkway, Suite 170
Union City, CA 94566

PREPARED BY
ENGEO Incorporated

June 18, 2020

PROJECT NO.
4209.000.000



GEOTECHNICAL
ENVIRONMENTAL
WATER RESOURCES
CONSTRUCTION SERVICES

Project No.
4209.000.000

June 18, 2020

Mr. Jeff Lawrence
Nuvera Homes
7041 Koll Center Parkway, Suite 170
Pleasanton, CA 94566

Subject: Tract 7728, Parcel C, Turk Island
Union City, California

CONSTRUCTION WORK PLAN

Dear Mr. Lawrence:

With your authorization, we prepared this Construction Work Plan to specifically address the excavation and backfilling around the two Union Sanitary District force mains that underlie the western perimeter of your proposed residential development in Union City, California. The project includes developing the 6-acre "Parcel C" of the closed Turk Island Landfill into 33 residential units.

Our experience and that of our profession is that the risk of costly design, construction, and maintenance problems can be significantly lowered by retaining the design geotechnical engineering firm to review the project plans and specifications and provide geotechnical observation and testing services during construction.

If you have any questions or comments regarding this report, please call and we will be glad to discuss them with you.

Sincerely,

ENGEO Incorporated


Jonas Bauer

jb/rhb/cjnt


Robert H. Boeche, CEG

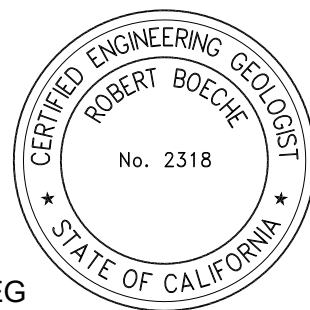


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SELECTED REFERENCES

FIGURES

1.0 INTRODUCTION

1.1 PURPOSE AND SCOPE

This construction work plan recommends procedures to safely excavate the soil/refuse overlying and surrounding two 39-inch diameter Union Sanitary District (USD) sanitary sewer force mains that underlie the western boundary of the 6-acre parcel northwest of the intersection of Carmel Way and Westport Way in Union City, California. Current planning is to improve the parcel for residential development. The force mains were originally constructed in 1982 and convey raw wastewater from the Irvington and Newark Basins to the Alvarado Wastewater Treatment Plan. They are composed of reinforced concrete pipe (RCP) with bell and spigot single gasket joints.

The 6-acre (6.3 acres) parcel is an old municipal solid waste landfill that was operational from 1963 to 1970. Wastes were initially deposited directly on the native clay surface and eventually capped with approximately 4 feet of cover soil. The parcel is separated from the adjacent larger, 47 acre, closed Turk Island landfill on the west by an approximately 20-foot-wide PG&E overhead transmission line easement. The USD force mains run parallel to the PG&E overhead lines within the western edge of the landfill's footprint.

As shown on Figure 2, the parcel is proposed to be "clean closed" by removing all the refuse material underlying the site and then raising the grade to match the surrounding grades by importing and placing engineered fill. The property will then be subdivided into 33 single-family lots.

1.2 PROJECT LOCATION AND PROPOSED DEVELOPMENT

The subject 6.3-acre site is currently part of the same site as the Turk Island Landfill (Parcel A). Parcel C is located at the northwest quadrant of Westport Way and Carmel Way, as shown on the Vicinity Map, Figure 1. The main Turk Island Landfill is west of the site, Sea Breeze Park, a recreational area, is north of the site, and residential buildings are situated east and south of the site.

As shown on Figure 2, the site is proposed to be subdivided into 33 single-family lots. An interior loop, Singh Circle, will provide access to the site from Westport Way. Proposed grades at the site vary from an elevation of 10 feet (NGVD29, National Geodetic Vertical Datum of 1929) at the southeast corner of the site to 12.9 feet (NGVD29) at the northern end. Other improvements to be constructed on the site include underground utilities, asphalt pavements, concrete flatwork and landscaping.

1.3 DOCUMENT REVIEW

In preparing this report, we reviewed the following documents.

1.3.1 Record Drawing No. 6 for USD twin 39-inch force main (Union Sanitary District, transmitted September 4, 1998)

Based on as-built drawings from the East Bay Discharge Authority, the 39-inch twin force main is embedded at an elevation of approximately -1 feet (NGVD 29) while the top of the landfill ranges from elevation 17 to 20 Feet. The drawings indicate that the piping is underlain and overlain by

about 2 feet of sand backfill. The landfill cover on top of the sand is about 16 and 18 feet in thickness.

1.3.2 Force Main Facility Plan, Internal/External Inspections (Brown and Caldwell, January 13, 2005)

Brown and Caldwell conducted an internal and external inspection of the condition of the twin force mains to determine an overall condition rating. External inspection included a visual inspection of the pipe exterior and locations were determined based on potential corrosivity of soils and probability of water fluctuations above and below the pipe. Internal inspection of the force mains was done using closed-circuit television cameras (CCTV) and locations were determined based on accessibility, elevation along the force main and distance from chemical dosing stations. The report concluded that the twin force main system is in "excellent condition" for its years of service and may be serviceable for another 25 to 40 years.

2.0 PREVIOUS CONSULTATION, CALCULATIONS AND FIELD TESTING

ENGEO has previously prepared and reviewed a geotechnical exploration report and various construction support documents for this project.

2.1 GEOTECHNICAL EXPLORATION (ENGEO, 2017)

In 2017, we conducted a Geotechnical Exploration for the project site. The exploration included advancing three cone penetration test (CPT) soundings at various locations on the site. The soundings generally encountered approximately 3½ to 4½ feet of soil cover over the refuse. The landfill varied from about 10 feet thick at the northwest corner of the site to about 16 feet at the southeast corner. The bottom of the landfill refuse was encountered at approximately 14 feet below existing ground at the northwest corner of the site to 20 feet below existing grade at the southeast corner. Native soil below the refuse consisted of silty clay interbedded with silty sand layers. The immediate layer of native clay beneath the refuse, about 5 to 12 feet thick, is generally stiff to very stiff and moist.

2.2 USD FORCE MAIN SUPPLEMENTAL REPORT (ENGEO, 2018)

In 2018, we published a supplemental report to provide field information, data, analytical results and recommendations on how the removal and offhaul operation may impact the USD force mains. We excavated nine test pits near or over the mapped location of the centerline of the twin force mains under supervision of a USD representative. Casing of the east barrel of the twin USD force mains was exposed in two test pits at depths of approximately 18 feet. This depth to the top of pipe is consistent with the elevations shown on the as-built record drawings of the force mains. We noted that the contact between the landfill and pipe backfill (moderate-to-high plasticity sandy clay that appears to be native soil) was 1 foot or less above the pipe casing.

We also evaluated the potential impact of grading equipment driving over the existing force mains using a Finite Element model. Results indicate that the added vertical stress due to excavator loading decreased rapidly with increased depth of cover. Our analysis considered excavators ranging in size from very small to large. Detailed results can be found in the referenced report. It should be noted that our analysis did not consider the stress relief associated with refuse excavations above the USD Force Mains.

3.0 CONSTRUCTION RECOMMENDATIONS

3.1 EXCAVATION SEQUENCE

Approximately 18 feet of refuse/soil will be removed and replaced by engineered fill ranging from approximately 7 to 10 feet in thickness. Excavations will be performed using a 335FL Caterpillar hydraulic excavator (84,000-100,000 pounds), or equivalent, a Caterpillar 950G rubber-tired, front end loader or equivalent (39,200-50,000 pounds), a low-ground pressure (LPG) Caterpillar D-6 bulldozer or equivalent, a Caterpillar 14H motor grader or equivalent (41,410-55,000 pounds), and a bottom-dump trucks or equivalent with two 10-yard trailers (75,000-95,000 pounds).

As noted previously, we modeled the added stress to the force mains for various depths of covers and various excavators; however, our initial calculations did not consider the reduced stress due to the excavation of the overburden soil. For the purposes of this report, that stress relief has been accounted for and is reflected in these recommendations. Assuming a unit weight of roughly 100 pcf for the existing refuse, a refuse thickness of approximately 18 feet and considering the largest excavator (CAT335FL), the net force on the pipe will only increase if the excavator is placed within 4 feet, or less (depth of cover beneath the excavator and over the pipe), above the pipe. For refuse covers of 6 feet or more, the pressure decrease associated with the refuse excavation is larger than the additional pressure created by excavator loading.

Once the excavation begins, we assume that excavators will be positioned within an influence zone determined by a line projected at a 1:1 slope angle from the top of the force mains up to the ground surface. As we have not received any guidance from USD regarding the capacity of the pipe, we recommend that only 335FL excavators be allowed within the 1:1 projection while maintaining at least 6 feet of cover over the piping. With 6 feet of cover, the additional pressure produced over the pipe will be less than the stress relief associated with the refuse excavation. If excavators need to be placed within a 1:1 projection with less than 6 feet of cover, the size of the excavator should be reduced as shown in Table 3.1-1. USD should verify that our assumed loading scenario is acceptable.

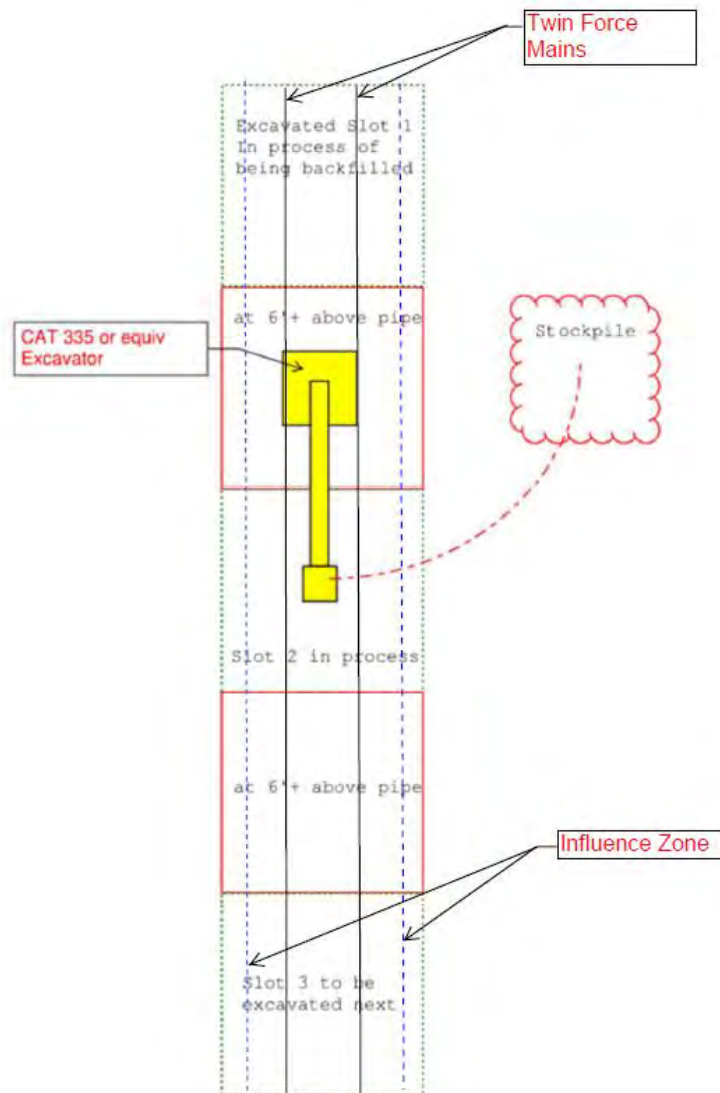
TABLE 3.1-1. Recommended Equipment Size for depths of covers

DEPTH OF COVER ABOVE USD FORCE MAIN (FT)	MAXIMUM EQUIPMENT SIZE ALLOWED
6+	335FL*
4	C318FL*
2	301.7D*

*or equivalent

Based on conversations with the general contractor who will perform the work (Pacific States Environmental), we understand that the general plan is to excavate the bulk of the 6-acre landfill in slots running perpendicular to the existing USD force mains and that the slots will be approximately 8 to 12 feet in width. However, the specific area in and around the USD force mains, anything within a 22-foot influence zone project (assuming a minimum 6 foot cover above the centerline of the piping and 10 feet of lateral distance between the force mains), will be subject to the special supplemental handling and operational procedures that are outlined as follows.

- Prior to any excavation, we recommend confirming the pipe locations and depths via test pitting and/or potholing. After this confirmation, the contractor shall establish and maintain a stable working pad at a minimum of 6 feet above the existing force mains.
- The contractor can then begin to excavate the refuse/soil in a “leap-frog” sequencing pattern. The contractor can excavate along the piping alignment by placing his excavator on top of the piping (with at least 6 feet of cover) and excavate down to the piping in front of and behind (rotating 180 degrees) the excavator while placing the excavation spoils to the east side of the alignment (at 90 degrees). After backfilling, the contractor can move over a single excavation width – “leap frogging” – and repeats the process. He leap frogs like this, simultaneously potholing in front of and behind his equipment placement, over the length of the planned excavation above the force mains. A simplified diagram of this methodology is shown in Exhibit 3.1-1.

EXHIBIT 3.1-1: Proposed Excavation Sequence (Not to scale)

- Generated spoils must be stockpiled perpendicular to the force main alignment, outside of the influence zone, to maintain a clear working space and to minimize any additional potential surcharge to force mains.
- While excavating each subsequent pit, the prior pit will be backfilled with engineered fill in accordance with the recommendations herein (See Section 3.2.).
- A representative of our firm will be on-site to observe all excavations and fill placement and to document that the work is performed in general accordance with these recommendations.

3.2 BACKFILL SEQUENCE

After the refuse is excavated, the general contractor should only use non-vibratory, light equipment to compact the pipe bedding according to the fill placement recommendations in Section 3.4. This may be done using a jumping jack or a walk-behind trench roller (e.g. a Multiquip MRH601DS or equivalent providing the vibratory function is turned off). We recommend limiting lift thicknesses so adequate compaction can be achieved. If adequate compaction cannot be achieved using non-vibratory equipment, we recommend using a sand cement slurry to backfill to 3 feet above the twin force mains. At 3 feet, light vibratory equipment may be used. Full vibratory equipment is allowed again if a cover of at least 6 feet above the force mains is established. The recommended compaction equipment is also detailed in Table 3.2-1.

TABLE 3.2-1: Recommended Compaction Equipment for depths of covers

DEPTH OF COVER ABOVE USD FORCE MAIN (FT)	MAXIMUM EQUIPMENT SIZE ALLOWED*	VIBRATORY COMPACTION?
0-3	Multiquip MRH601DS or Jumping Jack	No
3-6	CAT CB1.7	Yes

*or equivalent

Trucks should only be permitted to cross the USD force mains if at least 6 feet of refuse over the pipe is maintained. Approximately 16 to 18 feet of overburden currently overlies the contractor's planned haul route. If it becomes necessary to cross over the force mains where adequate cover is not present, temporary sections of engineered fill or temporary bridges should be placed and/or built over the piping as appropriate. In this case, install orange fencing along the USD easement to direct truck traffic to the temporary bridges.

3.3 ACCEPTABLE FILL

Import soil should have a PI less than 20, with more than 70 percent passing the No. 200 sieve, and less than 5 percent larger than 4 inches. The target wet density of the import fill is 120 to 130 pounds per cubic foot (pcf) when compacted to 90 percent relative compaction. Soil should be free of construction debris (wood, brick, asphalt, concrete, metal, etc.), trees, and high organic content soil (soil that contains more than 3 percent organic content by weight).

3.4 FILL PLACEMENT

The following compaction control requirements should be maintained for on-site clayey soil material

Test Procedures:	ASTM D-1557.
Required Moisture Content:	Not less than 4 percentage points above optimum moisture content.
Minimum Relative Compaction:	Not less than 90 percent.

The following compaction control requirement should be maintained for imported fill.

Test Procedures:	ASTM D-1557.
Required Moisture Content:	Not less than 3 percentage points above optimum moisture content.
Minimum Relative Compaction:	Not less than 90 percent.

The following compaction control requirement should be maintained for soil material used in future landscape areas above the USD force mains.

Test Procedures:	ASTM D-1557.
Required Moisture Content:	Not less than optimum moisture content.
Minimum Relative Compaction:	Not less than 85 percent.

Relative compaction refers to the in-place dry density of soil expressed as a percentage of the maximum dry density of the same material. It is important that all site preparations be done under observation of a Geotechnical Engineer's field representative. The Geotechnical Engineer's field representative should observe all construction area preparation, including demolition and stripping.

4.0 CONSTRUCTION MONITORING

At least three working days prior to excavating above the USD force main easement, a meeting will be held at the project construction trailer. The grading contractor will be required to bring a list of types, dimensions, and weights of construction equipment that will be used during their operations. Attendance by a representative from USD is also strongly recommended. A copy of this work plan will be distributed to all attendees. An ENGEO representative will explain the work plan during the meeting and answer any questions that may arise.

An ENGEO representative will be onsite before any work is performed and while the work is being performed around the USD force mains to check that the equipment that will be used matches the equipment described in this work plan and to observe that these recommendations are faithfully adhered to.

5.0 LIMITATIONS AND UNIFORMITY OF CONDITIONS

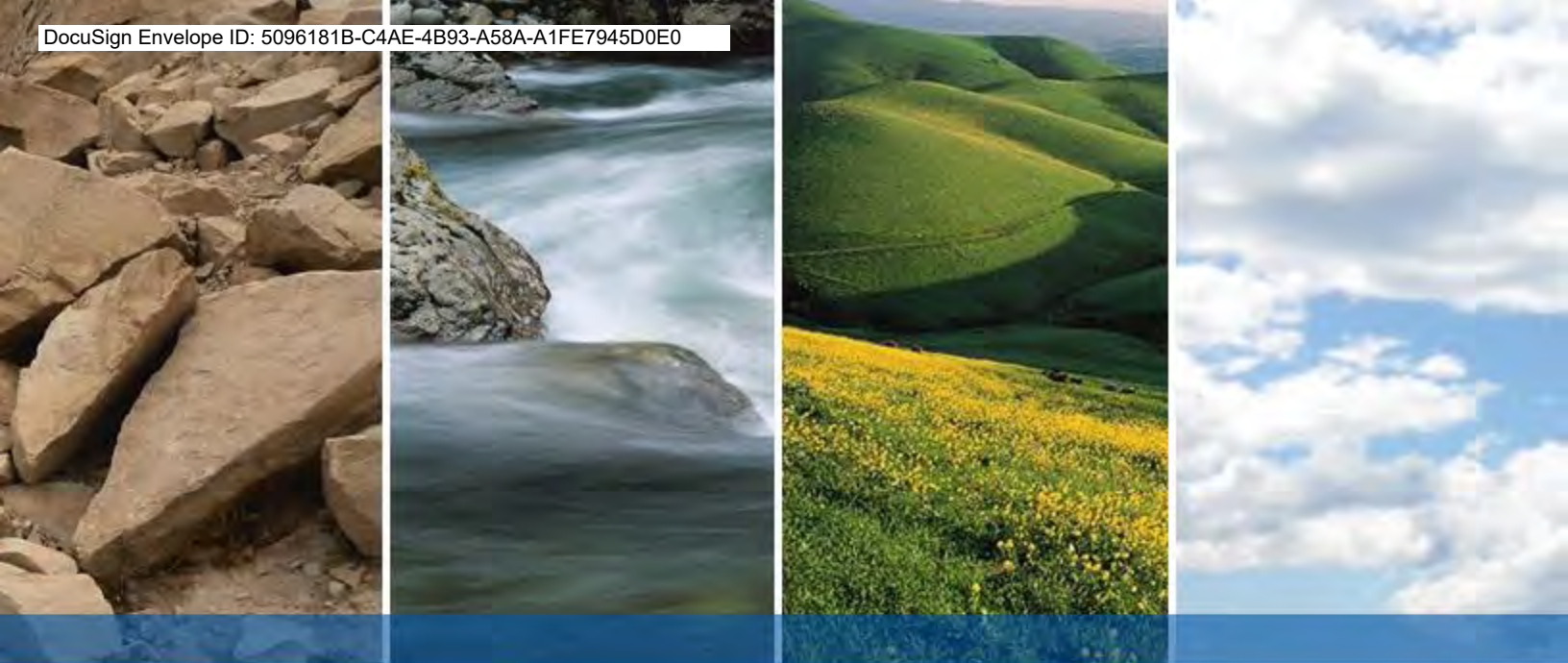
This Construction Work Plan is issued with the understanding that it is the responsibility of the owner to transmit the information and recommendations of this report to others involved with the project including but not limited to contractors, buyers, architects, engineers, and designers for the project so that the necessary steps can be taken by the contractors and subcontractors to carry out recommendations in the field. The conclusions and recommendations contained in this report are solely professional opinions.

The professional staff of ENGEO Incorporated strives to perform its services in a proper and professional manner with reasonable care and competence but is not infallible. There are risks of earth movement and property damage inherent in the design and construction of facilities and utilities. We are unable to eliminate all risks; therefore, we are unable to guarantee or warrant the results of our service.

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SELECTED REFERENCES

- Brown and Caldwell, Force Main Facility Plan, Internal/External Inspections, Union Sanitary District; January 13, 2005.
- ENGEO; Geotechnical Exploration, Tract 7728, Parcel C, Turk Island, Union City, California; April 6, 2017; Project No. 4209.000.000.
- ENGEO, Geotechnical Exploration, Play Field Improvements, Closed Turk Island Landfill, 32505 Union city Boulevard, Union City, California, April 30, 2002, Project No. 4209.1.051.02.
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- Ruggeri-Jensen-Azar (RJA); Grading Plans/Refuse Location, Turk Island Landfill, City of Union City; Alameda County, California; July 12, 2019; Job No. 151049.
- Terratech, Inc.; Supplemental Study of Stability, Turk Island Class II – 2 Refuse Disposal Site, Turk Island Disposal Company, Union City, Alameda County, California; November 1984; Project 3351/1.
- The Remediation Group, Inc., Clean Closure/Remediation Plan, 6.3 Arce/Closed Turk Island Landfill, Union City, California (Draft); July 14, 2005; Project No. 2003.01-02.
- The Remediation Group, Inc., Clean Closure/Remediation Plan, 6.3 Arce/Closed Turk Island Landfill, Union City, California; February 6, 2016; Project No. 1034.01-02.
- Union Sanitary District, Record Drawing No. 6 for USD twin 39-inch force main; transmitted September 4, 1998.

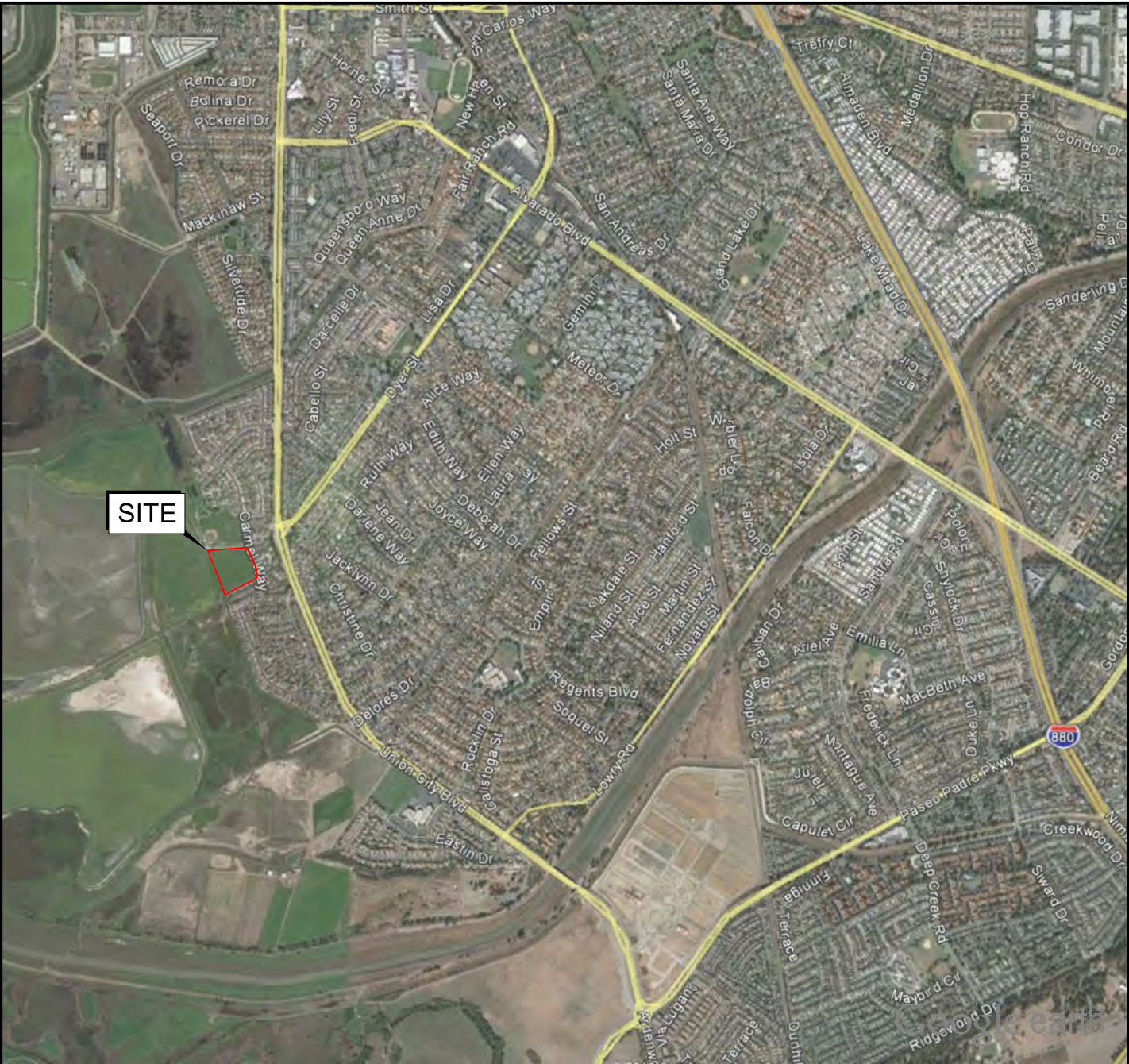


FIGURES

Figure 1 – Vicinity Map

Figure 2 – Site Plan

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BASE MAP SOURCE: GOOGLE EARTH MAPPING SERVICE



VICINITY MAP
TRACT 7728, PARCEL C, TURK ISLAND
UNION CITY, CALIFORNIA

PROJECT NO.: 4209.000.000

SCALE: AS SHOWN

DRAWN BY: LL

CHECKED BY: RHB

FIGURE NO.

1

ORIGINAL FIGURE PRINTED IN COLOR



EXPLANATION	
ALL LOCATIONS ARE APPROXIMATE	
	EXISTING PROPERTY BOUNDARY
	EXISTING EASEMENT BOUNDARY
	CENTERLINE OF EXISTING TWIN 39" SANITARY SEWER FORCE MAINS
	1-B3 BORING (ENGEO, 2016)
	EB-2 BORING (CORNERSTONE, 2008)
	1-TP7 TEST PIT (ENGEO, 2017)
	1-TP2/1-TP9 TEST PIT WITH SECOND ROUND OF EXPLORATION (ENGEO, 2017)
	TPE-6 TEST PIT (ENGEO, 2002)
	TR-10 TEST PIT (THE REMEDIATION GROUP, 1997/2000)
	TPR-11 TEST PIT (THE REMEDIATION GROUP, 1995)
	1-CPT3 CONE PENETRATION TEST (ENGEO, 2016)
	CPT-4 CONE PENETRATION TEST (CORNERSTONE, 2008)
	MW-8 GROUNDWATER MONITORING WELL (BETA ASSOCIATES, 1988)

BASE MAP SOURCE: DIGITALGLOBE 2019, R/A

 Expect Excellence	SITE PLAN		PROJECT NO.: 4209.000.C00	FIGURE NO. 2
	TRACT 7728, PARCEL C, TURK ISLAND		SCALE: AS SHOWN	
	UNION CITY, CALIFORNIA		DRAWN BY: JV CHECKED BY: RHB	

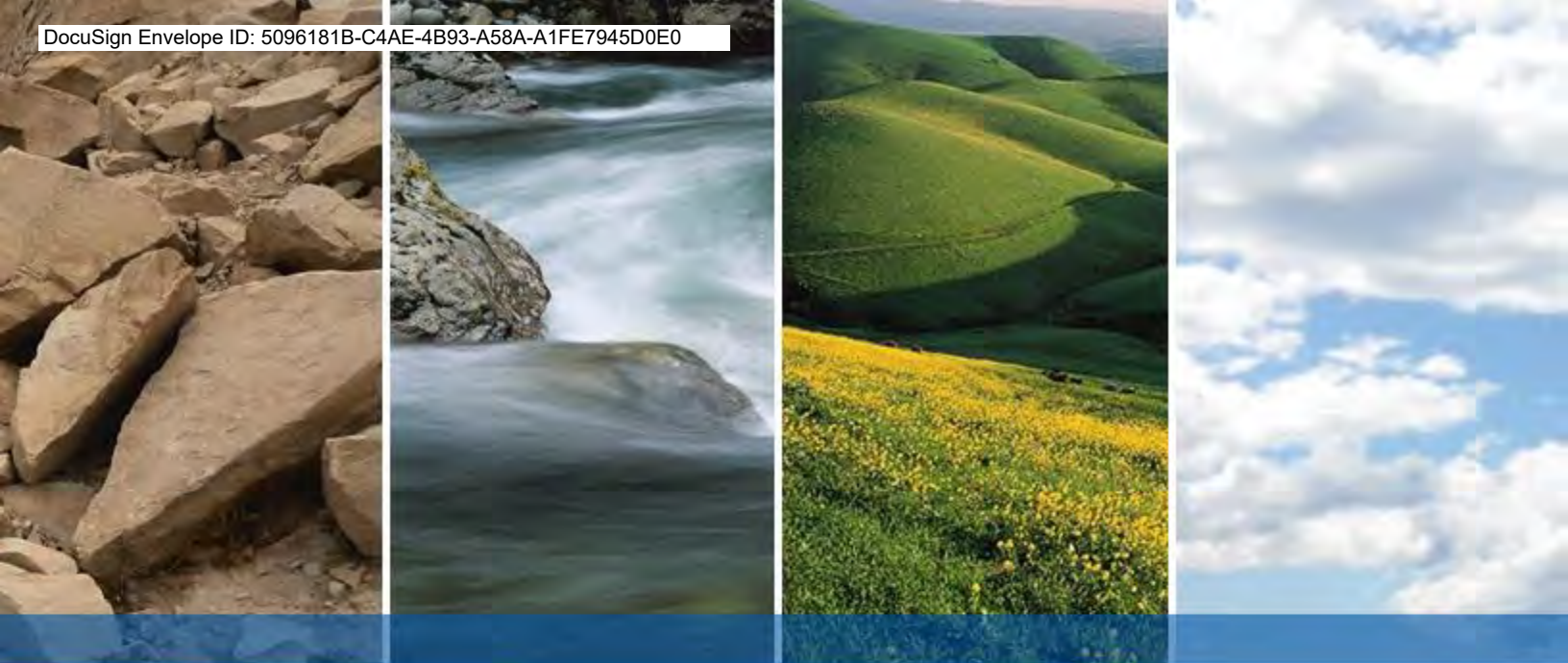


EXHIBIT C

LEAK RESPONSE PLAN INSTRUCTIONS

- A. The Leak Response Plan shall detail the procedures, resources, equipment, and manpower that may be required to mitigate and correct leaks that are discovered or occur during the Work including:
1. Repair methods for fractures
 - a. Provide step-by-step procedures for containing, repairing, and cleaning up the leak, including excavation, pipe replacement (pipe size/material), connection couplings, etc. Identify who, what when and how long.
 2. On-site materials and equipment
 - a. Identify materials and equipment to be kept on site as redundancy against leaks including bypass pumps and piping, couplings, clamps, dewatering pumps, excavation equipment, tanker trucks, spare pipe, etc.
 - b. Provide a list of all equipment and piping indicating size, type and number.
 3. Communication
 - a. Outline communication protocols with USD in the event of a leak
 - b. Provide an Emergency Contact List that shall include the following:
 - 1) Contractor, subcontractor and USD personnel that would be involved in responding to a potential leak.
 - 2) Names, responsibilities, office and cell phone numbers.
 4. Groundwater monitoring
 - a. Describe the groundwater monitoring program for potential contamination by leaking wastewater. Include who will be responsible for performing regular surveys and specify how often they will be performed.
 - b. Provide a sample log sheet to be completed and maintained during construction. Identify the procedure to verify a leak including testing to be performed to determine if the possible leak is wastewater instead of groundwater.

- c. Identify the procedure to determine the source of a leak and a specific leak location
- 5. Discharge locations
 - a. Identify the discharge locations for wastewater during repair operations.
 - b. Provide a plan considering worst-case leak location
 - c. Describe procedures for collecting sewage pumping, transport and disposal.
- 6. Bypassing locations
 - a. Identify the locations at which pumping will be bypassed during repair operations.

EXHIBIT D

DISTRICT STANDARD RATES

The District multiplier of 2.71 shall be applied to these regular hour rates:

Principal Engineer	\$100/hr
Associate Engineer	\$70/hr

Consultant Rates (estimated):

Inspector Project Manager	\$210/hr
Construction Inspector	\$185/hr
District Legal counsel	\$320/hr

Actual consultant rates will be available after consultant selection.

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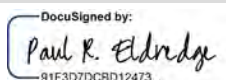
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paule@unionsanitary.ca.gov

General Manager

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Administrative Specialist 1

Union Sanitary District

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- ii. send us an email to toddj@unionsanitary.ca.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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- Until or unless you notify Union Sanitary District as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Union Sanitary District during the course of your relationship with 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

MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 14

TITLE: Authorize the General Manager to Execute Task Order No. 3 with Woodard & Curran, Inc. for the Irvington Basin Reinforced Concrete Pipe Rehabilitation Project *(This is a Motion Item)*

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Raymond Chau, Interim Technical Services Work Group Manager
Allan Briggs, Interim CIP Team Coach
Andrew Baile, Assistant Engineer

Recommendation

Staff recommends the Board authorize the General Manager to execute Task Order No. 3 with Woodard & Curran, Inc. (W&C) in the amount of \$79,510 to provide engineering services during construction of the Irvington Basin Reinforced Concrete Pipe Rehabilitation Project (Project).

Discussion

The purpose of this task order is to authorize engineering services during construction, such as submittal review, response to requests for information (RFIs), preparation of design clarification memoranda, and attendance at construction progress meetings.

The scope of services and fee of Task Order No. 3 are summarized below:

Task	Task Description	Amount
1	Project Management and Communication	\$20,770
2	Construction Meetings	\$10,560
3	Submittal Review	\$31,600
4	RFI Review	\$9,240
5	Design Clarifications	\$7,340
Total Not to Exceed Amount		\$79,510

The task order's total not-to-exceed amount is 1.5 percent of the construction contract amount of \$5,290,884. For a project of this size and scope, staff expects the fee to be in the range of 1 to 2 percent. As a comparison, the table below summarizes the final fees and percentages of engineering services during construction of past sanitary sewer rehabilitation and replacement projects.

Project	Engineering Services During Construction Cost (A)	Construction Cost (B)	Percentage of A to B
Alvarado-Niles Road Sanitary Sewer Rehabilitation Project	\$26,916	\$3,249,062	0.8%
Upper Hetch-Hetchy Sanitary Sewer Rehabilitation Project	\$27,632	\$2,968,033	0.9%
Jarvis Avenue Sanitary Sewer Replacement Project	\$15,545	\$1,047,943	1.5%

Staff has reviewed the price proposal and found it reasonable.

The task order amounts for the Project's agreement with W&C are summarized in the table below:

Description	Fee
Task Order No. 1 – Condition Assessment and Rehabilitation Alternatives Evaluation	\$104,815
Task Order No. 2 – Design and Bid Support Services	\$271,417
Task Order No. 3 – Engineering Services During Construction	\$79,510
Total for this Agreement	\$455,742

Background

On February 14, 2022, the Board awarded the construction contract for the Project to Insituform Technologies, LLC (Insituform) in the amount of \$5,290,884. Staff expects to issue the Notice to Proceed to Insituform in March 2022. The construction duration of the Project is 10 months.

The Irvington drainage basin covers the southern end of the District's service area, collecting wastewater primarily from the city of Fremont and an eastern section of the city of Newark. Several trunk sewers collect the wastewater in the basin and eventually terminates at the Irvington Pump Station (PS) located at the southern end of the District. Within the Irvington Basin, there are two lift stations that collect and lift wastewater from deeper collection sewer

system sewer mains to higher sewer mains that drain to Irvington PS. The Boyce Road Lift Station (LS) is located near the northern section of the basin and the Fremont Boulevard LS is located near the southern section of the basin.

There are approximately 6.25 miles (33,000 feet) of 33- to 48-inch diameter trunk sewers in the Irvington Basin that were installed between the late 1950s and mid-1960s using reinforced concrete pipe (RCP). The trunk sewers are located within the city of Fremont and are the main collectors of the wastewater from the smaller-diameter sewers in the upstream portions of the basin and are vital in transporting the basin's total wastewater to the Irvington PS.

W&C completed the Project's final design in December 2021. The final design identified pipes to be rehabilitated due to concrete deterioration due to hydrogen sulfide corrosion, with defects such as extensive concrete spalling with exposed aggregate, exposed steel reinforcement in the concrete, and visual indications of "ribbing," which is the stage of concrete deterioration right before steel reinforcement is exposed. The defects noted for the vitrified clay and cast-iron pipes included circumferential and longitudinal cracks, deteriorated joint mortar, pulled joints, roots, infiltration, and heavy tuberculation (cast iron corrosion). The defects noted for the trunk sewer manholes included corroded frames and steps, concrete deterioration, roots, and groundwater infiltration at joints. Examples of the pipe defects are provided in Figures 1 through 5.

Project Scope

A summary of the Project's major scope items is as follows:

1. CIPP rehabilitation of 7,580 linear feet of sanitary sewer trunk mains in the city of Fremont, which comprises of the following:
 - a. 6,370 linear feet of 33-inch diameter to 48-inch diameter RCP
 - b. 1,060 linear feet of 42-inch diameter vitrified clay pipe
 - c. Three sections of 50 linear feet each of 18-inch diameter cast iron siphons
2. Installation of one new sanitary sewer trunk manhole
3. Concrete rehabilitation of 26 trunk sewer manholes
4. Sewage flow control
5. Lateral reinstatement
6. Traffic control and surface restoration

Please refer to Figure 6 for the locations of the work.

Previous Board Action

July 27, 2020, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with W&C in the amount of \$104,815 to provide predesign services for the Project.

February 22, 2021, the Board authorized the General Manager to execute Task Order No. 2 with W&C in the amount of \$271,417 to provide final design services for the Project.

February 14, 2022, the Board awarded the construction contract for the Project to Insituform in the amount of \$5,290,884.

PRE/RC/APB/ACB;mb

Attachment: Figures 1 through 5 – Examples of Pipe Defects
Figure 6 – Aerial Map of Irvington Basin Sewer within Project Limits
Task Order No. 3

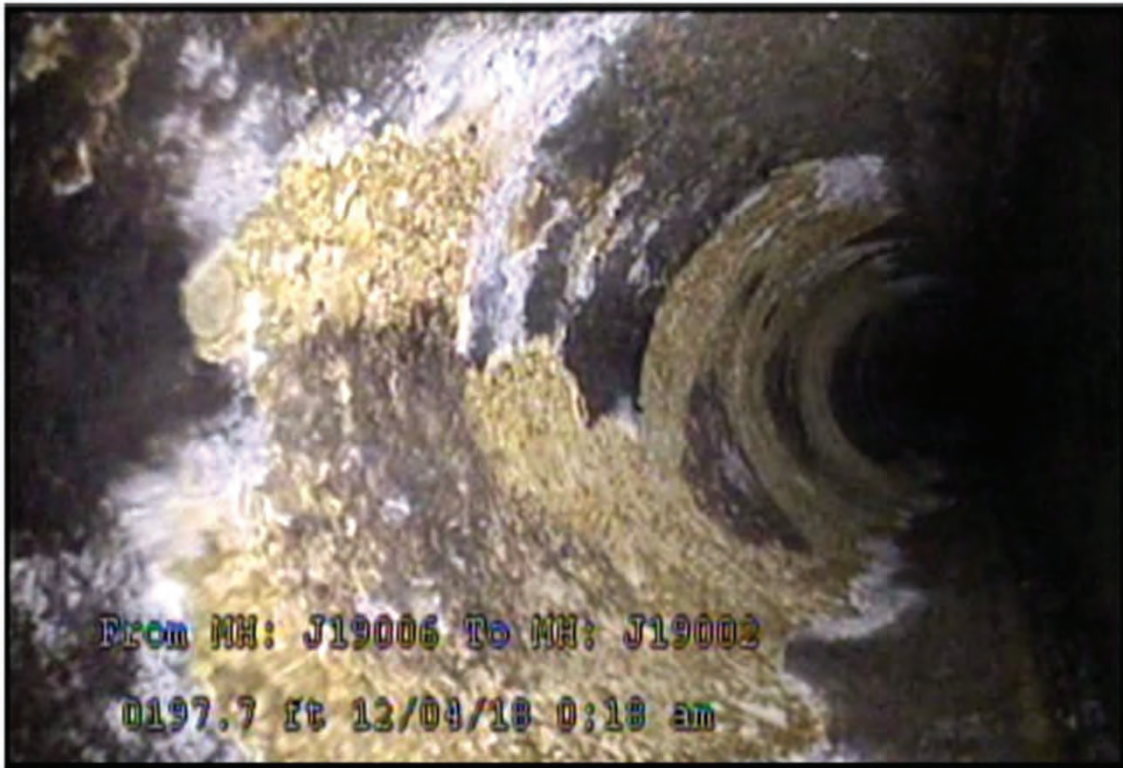


Figure 1: Example of Extensive Spalling with Exposed Aggregate

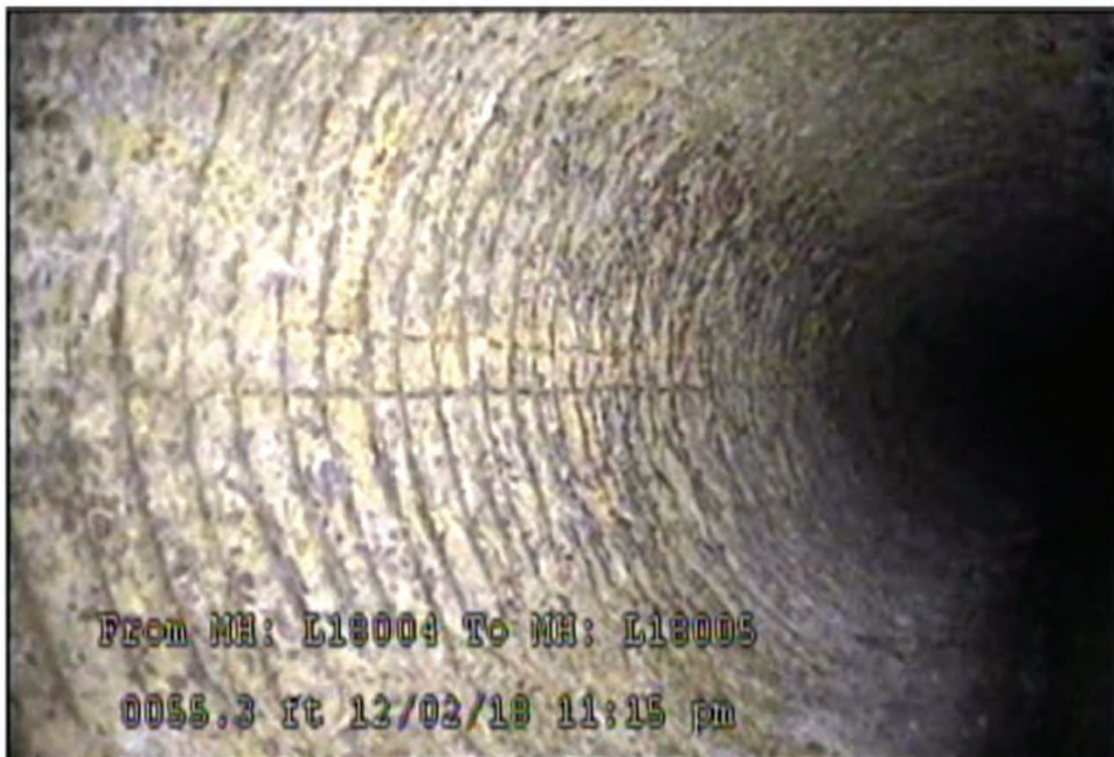


Figure 2: Example of Exposed Rebar



Figure 3: Example of Ribbing



Figure 4: Example of Longitudinal Crack in Vitrified Clay Pipe



Figure 5: Example of Tuberculation Corrosion in Cast Iron Pipe



Figure 6: Aerial Map of Irvington Basin Sewer within Project Limits

USD Irvington Basin Sanitary Sewer RCP Rehabilitation Project

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**IRVINGTON BASIN REINFORCED CONCRETE PIPE
REHABILITATION PROJECT
TASK ORDER NO. 3
TO
AGREEMENT BETWEEN
UNION SANITARY DISTRICT
AND
WOODARD & CURRAN, INC.
FOR
PROFESSIONAL SERVICES
July 27, 2020**

1. PURPOSE

The purpose of Task Order No. 3 is to authorize engineering services during construction (ESDC) for the Irvington Basin Reinforced Concrete Pipe Rehabilitation Project (Project). The Project consists of cured-in-place pipe (CIPP) rehabilitation of approximately 7,870 feet of trunk sewers within the Irvington Basin as well as rehabilitation of associated manholes using calcium aluminate. All project areas are in the city of Fremont.

2. PROJECT COORDINATION

All work related to this task order shall be coordinated through the District's Project Manager, Andrew Baile.

3. SCOPE OF SERVICES

The Scope of Services includes the following tasks:

Task 1 – Project Management and Communication

This task includes overall project management activities.

Task 1.1 Invoice and Project Progress Reporting

Engineer shall provide progress, budget, and schedule tracking for this project. Engineer shall prepare invoices and a monthly progress report that provides a summary of the project status including work accomplished and updated budget.

Engineer will coordinate ESDC efforts with the District and its construction manager (CM) to ensure timely and thorough response to submittals, RFIs, and field issues. Engineer shall maintain a log of submittals, RFIs and other requests made by the District and its CM.

Engineer shall also implement its Quality Assurance Program measures for this project, including providing for Quality Control (QC) reviews of primary work products. Quality Assurance/Quality Control efforts will be performed as part of each individual task as listed below.

Assumptions:

- Duration of the ESDCs contract is 10 months starting in March and continuing through December of 2022.
- The District will employ a construction manager (CM) for the project who will be responsible for contract administration and coordination of construction with the District and Engineer activities.

Task 1.2 Project Communications

This task includes regular communication with the District personnel and the CM team regarding the project outside of construction meetings.

Assumptions:

- A level of effort of 2 hours per month for the project manager for a duration of 10 months is assumed for this subtask.
- Scope is limited to the level of effort in the budget.

Task 2 – Construction Meetings

Engineer shall attend both the pre-construction meeting as well as select weekly construction meetings for the duration of the project. Meetings are assumed to be virtual, and Engineer's participation is expected to include approximately 1 hour per meeting. Engineer will take notes during the meetings and report progress and concerns related to its ESDCs and provide email comments to the District on the CM's draft meeting minutes.

Assumptions:

- The District's CM to develop and finalize draft meeting agenda and minutes and issue the minutes to the Contractor.

- Engineer shall attend 1 pre-construction meeting and up to 30 construction meetings virtually.
- One staff person from the Engineer will attend meetings.

Task 3 – Submittal Review

Engineer shall review up to 36 technical submittals required by the contract documents. The level of effort assumes that the administrative (non-technical) submittals will be reviewed by the CM.

Assumptions:

- Engineer shall review up to 30 submittals, with 20 percent requiring resubmittals at an average effort of 3 hours per submittal, plus QC.
- Scope is limited to the level of effort in the budget.

Task 4 – RFI Review

Engineer shall review and respond to up to 10 technical requests for information (RFIs) to respond to questions from the Contractor and CM and to clarify the contract documents and design intent. The level of effort assumes that administrative (non-technical) RFIs, which do not involve design intent, will be answered by the District or its CM.

Assumptions:

- Engineer shall review up to 10 RFIs at an average effort of 2 hours each, plus QC.
- Scope is limited to the level of effort in the budget.

Task 5 – Design Clarifications

Engineer shall review and respond to up to 3 requests for design clarification to further clarify and/or amend the contract documents and design intent. This task also includes any contract change order documentation that may be required. The level of effort assumes that administrative (non-technical) requests for design clarification which do not involve design intent will be addressed by the District or its CM.

Assumptions:

- Engineer shall provide up to 3 design clarifications at an average effort of 4 hours each, plus QC.
- Engineer shall provide up to 8 hours of CAD support for the design clarification.
- Scope is limited to the level of effort in the budget.

- Design clarifications will be provided for the current limits of the project. Any design clarifications for work outside of the existing project limits are not included in this scope of work.

Other Assumptions:

- W&C will not provide contract change order support other than Design Clarifications as outlined in Task 5. Change order support will be provided by USD's CM.
- W&C level of effort is based on construction contract durations and milestones specified in the bid documents.

4. DELIVERABLES

Task 1 Deliverables

- Monthly invoice and progress report.
- Submittal and RFI log (Microsoft Excel) as requested

Task 2 Deliverables

- Email comments on CM prepared draft meeting minutes when meetings attended by Engineer

Task 3 Deliverables

- Written submittal review comments on Engineer's standard comment sheet template (.pdf format) to be uploaded to ProjectMates construction management software.

Task 4 Deliverables

- Written RFI responses on Engineer's standard RFI response template (.pdf format) to be uploaded to ProjectMates construction management software.

Task 5 Deliverables

- Written design clarifications on Engineer's standard design clarification response template (.pdf format) as well as any associated design documents.

5. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement, shall be on a time and materials cost basis for the services provided, and shall be in accordance with the Engineer's schedule of hourly rates at the time the work is performed. Current rates are shown in Attachment 1. The billing rate schedule is based on an overall labor multiplier of 3.36 and a profit

of 10 percent. Other direct costs will be billed at actual cost; and mileage will be billed at prevailing IRS standard rate.

The estimated costs for the work described in the Scope of Services are shown in Attachment 2. Total charges to the District shall not exceed \$79,510 without written authorization from the District.

The following table summarizes the task orders and amendments under the Agreement:

Task Order / Amendment	Not to Exceed Amount	Board Authorization Required?	District Staff Approval
Task Order No. 1 – Condition Assessment and Rehabilitation Alternatives Evaluation	\$104,815	Yes	Paul R. Eldredge
Task Order No. 2 –Design and Bid Support Services	\$271,417	Yes	Paul R. Eldredge
Task Order No. 3 – Engineering Services During Construction	\$79,510	Yes	Paul R. Eldredge
Total	\$455,742		

6. TIME OF COMPLETION

The work defined in this Task Order shall be completed in 290 calendar days after the execution of this Task Order and subject to the conditions of Article 3 of this Agreement.

7. KEY PERSONNEL

Engineering personnel assigned to this Task Order No. 3 are as follows:

<u>Role</u>	<u>Key Person to be Assigned</u>
Principal-In-Charge/Technical Director	Mike Matson
Project Manager	Jennifer Glynn
Project Engineer	Ally Davis

Key personnel shall not be changed except in accordance with Article 8 of the Agreement.

Irvington Basin Reinforced Concrete Pipe
Rehabilitation Project
Task Order No. 3
Page 6 of 6

In WITNESS HEREOF, the parties hereto have executed this Task Order No. 3 as of _____, and therewith incorporated it as part of the Agreement.

DISTRICT:
UNION SANITARY DISTRICT

ENGINEER:
WOODARD & CURRAN, INC.

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

By: _____
Mike Matson, P.E.
Vice President

Date: _____

Date: _____



Rate Schedule

Municipal Standard 2022

STAFF TYPE	HOURLY RATE
Project Assistant	\$120
Billing Manager	\$140
Designer 1	\$140
Graphic Artist	\$140
Graphics Manager	\$140
Marketing Assistant	\$140
Marketing Manager	\$140
Senior Accountant	\$140
Senior Project Assistant	\$140
Software Engineer 1	\$165
Designer 2	\$170
Designer 3	\$175
Senior Software Developer	\$175
Engineer 1	\$180
Geologist 1	\$180
Planner 1	\$180
Scientist 1	\$180
Senior Designer	\$180
Technical Specialist 1	\$180
Software Engineer 2	\$185
Software Engineer 3	\$200
Engineer 2	\$205
Geologist 2	\$205
Planner 2	\$205
Scientist 2	\$205
Technical Specialist 2	\$205
Engineer 3	\$235
Geologist 3	\$235
Planner 3	\$235
Scientist 3	\$235
Technical Specialist 3	\$235
Project Engineer 1	\$245
Project Geologist 1	\$245
Project Planner 1	\$245
Project Scientist 1	\$245
Project Specialist 1	\$245
Project Technical Specialist 1	\$245
Project Engineer 2	\$260
Project Geologist 2	\$260
Project Planner 2	\$260
Project Scientist 2	\$260
Project Specialist 2	\$260
Project Technical Specialist 2	\$260
Project Manager 1	\$280
Technical Manager 1	\$280
Project Manager 2	\$295
Technical Manager 2	\$295
Senior Project Manager	\$315
Senior Technical Manager	\$315
National Practice Leader	\$330
Senior Technical Practice Leader	\$330

EXPENSES

Travel	\$0.585 / mile
Other Direct Costs	At Cost Plus 10%
Subconsultants/Subcontractors	At Cost Plus 10%

NOTES

Mileage rate will change as the federal allowable rate is modified.



Fee Estimate

Union Sanitary District Irvington Basin Reinforced Concrete Pipe Rehabilitation Project Engineering Services During Construction

3/7/2022

Tasks	Labor							Total Hours	Total Labor Costs (1)	ODCs	Total Fee
	Mike Matson	Jen Glynn	Madison Veggian	Ally Davis	Glenn Hermanson	CAD	Admin				
	Principal-In-Charge	Project Manager	Deputy PM	Project Engineer	QA/QC Review	CAD	Admin				
	SLL	STPL	PM1	E2	STPL	D3	PA				
	\$330	\$330	\$280	\$205	\$330	\$175	\$120				
TASK ORDER 3											
Task 1: Project Management and Communication											
1.1 Invoice and Project Progress Reporting (10 months)		13		22			13	48	\$10,360	\$200	\$10,560
1.2 Project Communications	4	22	2	2	2			32	\$10,210	\$0	\$10,210
Subtotal Task 1:	4	35	2	24	2	0	13	80	\$20,570	\$200	\$20,770
Task 2: Construction Meetings											
2.1 Construction Meetings		32						32	\$10,560	\$0	\$10,560
Subtotal Task 2:	0	32	0	0	0	0	0	32	\$10,560	\$0	\$10,560
Task 3: Submittal Review											
3.1 Submittal Review		32	20	56	12			120	\$31,600	\$0	\$31,600
Subtotal Task 3:	0	32	20	56	12	0	0	120	\$31,600	\$0	\$31,600
Task 4: RFI Review											
4.1 RFI Review		20			8			28	\$9,240	\$0	\$9,240
Subtotal Task 4:	0	20	0	0	8	0	0	28	\$9,240	\$0	\$9,240
Task 5: Design Clarifications											
5.1 Design Clarifications		12			6	8		26	\$7,340	\$0	\$7,340
Subtotal Task 5:	0	12	0	0	6	8	0	26	\$7,340	\$0	\$7,340
TASK ORDER 3 TOTAL	4	131	22	80	28	8	13	286	\$ 79,310	\$ 200	\$ 79,510

1. The individual hourly rates include salary, overhead and profit.
2. Subconsultants will be billed at actual cost plus 5%.
3. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost.
4. Woodard & Curran reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM #15**

TITLE: Consider Adoption of a Resolution Authorizing the Use of Teleconference Meetings in Compliance with AB 361 and Informational Update on the State of Emergency and Brown Act Requirements (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Karen W. Murphy, General Counsel
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

Recommendation

Adopt the attached resolution authorizing the use of teleconference meetings in compliance with AB 361 and receive update on the state of emergency and Brown Act requirements.

Discussion

AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. As directed by the Board on September 27, 2021, the District is continuing to hold teleconferenced meetings as allowed under AB 361 due to the ongoing public health threat of COVID-19. The Board adopted resolutions on October 25, 2021, November 8, 2021, November 15, 2021, December 13, 2021, January 10, 2022, January 24, 2022, February 14, 2022, and February 28, 2022, authorizing the use of teleconference meetings. The attached resolution includes and reaffirms the findings required by AB 361 to allow the District to continue to hold teleconferenced meetings.

In addition, staff will provide a verbal update at the meeting on the state of emergency, Brown Act requirements, and ability to continue to hold teleconferenced meetings.

Background

AB 361 was signed into law by the Governor on September 16, 2021, and amends the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology as long as there is a “proclaimed state of emergency” by the Governor. This allowance also depends on state or local officials imposing or recommending measures that promote social distancing or a legislative body finding that meeting in person would present an imminent safety risk to attendees. Though adopted in the context of the pandemic, AB 361 will allow for virtual meetings during other proclaimed emergencies, such as earthquakes or wildfires, where physical attendance may present a risk.

AB 361 prohibits councils and boards from limiting public comments to those submitted in advance of the meeting and specifies that the legislative body “must provide an opportunity for the public to ... offer comment in real time.” (Government Code 54953(e)(2)(E). Additionally, the body must allow a reasonable time for public comment during the comment periods. The District allows for email comments to be submitted throughout Board meeting and the Board Clerk checks for emails continuously, including during the public comment portion for each agenda item.

The agenda must include information on the manner in which the public may access the meeting and provide comments remotely. AB 361 provides that if technical problems arise that result in the public’s access being disrupted, the legislative body may not take any vote or other official action until the technical disruption is corrected and public access is restored.

In addition, as noted in the Discussion section above, AB 361 requires public agencies to make findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter that a state of emergency still exists and continues to directly impact the ability of the members to meet safely in person, or that officials continue to impose or recommend measures to promote social distancing. AB 361 will sunset on January 1, 2024.

Previous Board Action

2/28/22 Board Meeting – The Board adopted Resolution No. 2957, authorizing the use of teleconference meetings in compliance with AB 361.

2/14/22 Board Meeting – The Board adopted Resolution No. 2954, authorizing the use of teleconference meetings in compliance with AB 361.

1/24/22 Board Meeting – The Board adopted Resolution No. 2953, authorizing the use of teleconference meetings in compliance with AB 361.

1/10/22 Board Meeting – The Board adopted Resolution No. 2948, authorizing the use of teleconference meetings in compliance with AB 361.

12/13/21 Board Meeting – The Board adopted Resolution No. 2945, authorizing the use of teleconference meetings in compliance with AB 361.

11/15/21 Special Board Meeting – The Board adopted Resolution No. 2942, authorizing the use of teleconference meetings in compliance with AB 361.

11/8/21 Board Meeting – The Board adopted Resolution No. 2941, authorizing the use of teleconference meetings in compliance with AB 361.

10/25/21 Board Meeting – The Board adopted Resolution No. 2937, authorizing the use of teleconference meetings in compliance with AB 361.

9/27/21 Board Meeting – The Board directed staff to continue with teleconferenced meetings under AB 361.

RESOLUTION NO. ____

**A RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING THE
USE OF TELECONFERENCE MEETINGS IN COMPLIANCE WITH AB 361**

WHEREAS, the Union Sanitary District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Union Sanitary District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, Government Code 54953(e) permits teleconferencing in the event that a state of emergency is declared by the Governor pursuant to Government Code section 8625, and that either state or local officials have imposed or recommended measures to promote social distancing, or that the legislative body finds that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency in response to the rapid spread of the highly contagious disease known as COVID-19; and

WHEREAS, on August 3, 2021, the Health Officer of the County of Alameda adopted Order No. 21-03 stating that the Delta variant has been circulating in the County, is highly transmissible in indoor settings and requires multi-component prevention strategies to prevent spread, and that hospitalizations are increasing; and

WHEREAS, despite ongoing efforts to promote masking and vaccinations, COVID-19 continues to threaten the health and lives of the public, especially with the existence of the Delta variant, which is highly transmissible in indoor settings, and the Omicron variant, which is even more transmissible than the Delta variant; and

WHEREAS, the increased risk of contracting COVID-19 associated with being indoors with others has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District; and

WHEREAS, on October 25, 2021, the Board adopted Resolution No. 2937, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on November 8, 2021, the Board adopted Resolution No. 2941, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on November 15, 2021, the Board adopted Resolution No. 2942, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on December 13, 2021, the Board adopted Resolution No. 2945, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on January 10, 2022, the Board adopted Resolution No. 2948, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on January 24, 2022, the Board adopted Resolution No. 2953, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on February 14, 2022, the Board adopted Resolution No. 2954, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, on February 28, 2022, the Board adopted Resolution No. 2957, authorizing the use of teleconference meetings in compliance with AB 361; and

WHEREAS, the Board now desires to reaffirm and make the findings required to continue holding teleconference meetings in compliance with AB 361 due to the continuing public health threat of COVID-19.

NOW, THEREFORE, BE IT RESOLVED, BY THE UNION SANITARY DISTRICT BOARD OF DIRECTORS, AS FOLLOWS:

1. The above recitals are true and correct and are material to this Resolution and are incorporated into this Resolution as findings of the District Board.

2. The Union Sanitary District Board finds and declares that the circumstances set forth in Government Code section 54953(e)(1), exist because the State of Emergency continues to exist and meeting in person would present imminent risks to the health and safety of attendees.

3. Pursuant to the requirements of Government Code Section 54953 (e)(3), the District Board makes the following findings:

(a) The District Board has considered the circumstances of the continuing state of emergency;

(b) The state of emergency continues to directly impact the ability of the members and the public to meet safely in person;

(c) Due to COVID-19, holding meetings in person will present imminent risks to the health and safety to attendees; and

(d) The District Board will continue to meet by teleconference in accordance with Government Code section 54953(e).

4. The aforementioned findings apply to all committees and subcommittees of the District which are classified as legislative bodies pursuant to Government Code Section 54952.

5. The District Board will reconsider every 30 days, the circumstances of the emergency and review whether it continues to directly impact the ability of the members to meet safely in person.

6. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared unconstitutional.

7. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Directors on this 14th day of March, 2022.

AYES:

NOES:

ABSENT:

Manny Fernandez, Secretary

Pat Kite, President



**Summary of the EBDA Commission Meeting
Thursday, February 17, 2022, at 9:30 a.m.**

- Commissioners Andrews, Cutter, Duncan, Johnson, and Toy were present. This meeting was conducted telephonically and the dial-in information for the meeting was provided in the agenda.
- Commissioner Toy moved to approve the Commission Meeting Minutes of January 26, 2022; List of Disbursements for January 2022; Treasurer's Report for January 2022; Second Quarter Expense Summary, Fiscal Year 2021/2022; and Resolution Authorizing Remote Teleconference Meetings Pursuant to AB 361. The motion was seconded by Commissioner Andrews and carried 5-0.
- The Commission unanimously approved the reports from the Managers Advisory, Regulatory Affairs, Financial Management, and Operations & Maintenance Committees. The following items were discussed:
 - **General Managers Report**
The General Manager (GM) discussed Assembly Bill 361. The GM advised that EBDA is now using Netfile to electronically submit Form 700 filings, which are due on April 1. The GM noted the Bruce Wolfe Memorial Scholarship is now available, and information can be found on the CASA Education Foundation website.
 - **Managers Advisory Committee (MAC)**
The GM updated the Commission on the status of the National Pollutant Discharge Elimination System (NPDES) permit renewal. The GM also provided an update on the biosolids management project.
 - **Financial Management Committee**
The GM reported that the Financial Management Committee reviewed the list of disbursements, treasurer's reports, and 2nd quarter expense summary and recommended approval of the items. The Committee also reviewed the Authority's insurance program and the Financial Transactions Report submitted to the State Controller's Office.
 - **Operations and Maintenance Committee**
The O&M Manager discussed the status of EBDA facilities and provided updates on the OLEPS emergency outfall project and the MDF PLC programming. The O&M Manager informed the Commission of a proposed development near the EBDA force main easement in Hayward and the steps being taken to prevent impacts to EBDA's infrastructure. The GM updated the Commission on the Disinfection Master Plan and Cargill project. The GM advised that Cargill staff has been invited to present a project overview to the Commission in March.
 - **Personnel Committee**
The Personnel Committee reviewed the assumptions for Fiscal Year 2022/2023 wages and benefits and supports staff's proposed assumptions. Additionally, the Committee recommended a 3% increase to

the Authority's contribution under the Public Employees' Medical and Hospital Care Act (PEMHCA). The Commission Chair directed staff to prepare a CalPERS change resolution for the increase.

- **Items from Commission and Staff**

No items to report from Commission and staff.

- **Closed Session**

The Commission entered Closed Session at 10:14 a.m. to discuss the General Manager's annual performance evaluation.

- **Reconvene Open Session**

The commission returned to Open Session at 10:34 a.m. Chair Cutter noted there were no reportable actions from closed session.

- **Adjournment**

Chair Cutter adjourned the meeting at 10:35 a.m.

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 17**

TITLE: COVID-19 Update (*This is an Information Item*)

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

Recommendation

Information only.

Discussion

None.

Background

General Manager Eldredge will provide an update on the District's COVID-19 response and staffing levels.

Previous Board Action

None.

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Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
180025	2/24/2022	110	170120220131	PACIFIC GAS AND ELECTRIC	SERV TO 12/20/2021 PLANT		
						\$123,049.00	\$128,621.08
	2/24/2022	170	140120220210		SERV TO 02/01/22 IRVINGTON PS		
						\$3,085.53	
	2/24/2022	170	013720220210		SERV TO 02/02/22 BOYCE RD PS		
						\$2,486.55	
180091	3/3/2022	110	27551	SYNAGRO WEST LLC	JAN 2022 BIOSOLIDS DISPOSAL		
						\$90,498.39	\$112,926.61
	3/3/2022	110	27680		JUL - DEC 2021 BIOSOLIDS DISPOSAL PRICE ADJUSTMENT		
						\$22,428.22	
180036	2/24/2022	141	222027	TANNER PACIFIC INC	TWIN FORCE MAIN RELOCATION - PHASE 2		
						\$44,810.00	\$96,650.00
	2/24/2022	143	222026		ALVARADO INFLUENT PS PUMPS AND VFDS		
						\$17,150.00	
	2/24/2022	143	222028		AERATION BLOWER 11 & CENTRIFUGE BLDG IMPROV		
						\$34,690.00	
180059	3/3/2022	143	18535	CAROLLO ENGINEERS	EMERGENCY OUTFALL, CATHODIC PROTECTION IMPROVEMENTS,		
						\$47,122.83	\$73,694.46
	3/3/2022	143	19618		PRIMARY DIGESTER NO. 7		
						\$26,571.63	
180090	3/3/2022	121	20220303	DEBRA SHENK	SHENK PAYOUT		
						\$69,266.71	\$69,266.71
180092	3/3/2022	143	222034	TANNER PACIFIC INC	ALVARADO INFLUENT PS PUMPS AND VFDS		
						\$29,405.00	\$47,363.55
	3/3/2022	141	222035		TWIN FORCE MAIN RELOCATION - PHASE 2		
						\$17,958.55	
180069	3/3/2022	110	9017741318	KEMIRA WATER SOLUTIONS INC	48,480 LBS FERROUS CHLORIDE		
						\$7,467.46	\$36,504.57
	3/3/2022	110	9017742610		49,180 LBS FERROUS CHLORIDE		
						\$7,522.37	
	3/3/2022	110	9017741069		46,780 LBS FERROUS CHLORIDE		
						\$7,266.15	
	3/3/2022	110	9017742341		46,300 LBS FERROUS CHLORIDE		
						\$7,174.63	
	3/3/2022	110	9017741815		45,920 LBS FERROUS CHLORIDE		
						\$7,073.96	

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180099	3/3/2022	122	824898	WESTERN STATES OIL CO	6,003 GALS UNDYED CARB ULTRA LOW DIESEL		
						\$27,525.56	\$27,525.56
180067	3/3/2022	143	201180091	HAZEN AND SAWYER	HEADWORKS DEGRITTING STUDY		
						\$26,397.50	\$26,397.50
180001	2/24/2022	143	19398	CAROLLO ENGINEERS	PLANT MISCELLANEOUS IMPROVEMENTS		
	2/24/2022	143	19395		SODIUM HYPOCHLORITE LOOP IMPROVEMENTS	\$6,854.63	\$25,586.85
						\$18,732.22	
180028	2/24/2022		43602	PREFERRED BENEFIT INSUR ADMINS	FEBRUARY 2022 DELTA DENTAL STMT		
	2/24/2022		43603		FEBRUARY 2022 VSP STMT	\$19,220.37	\$22,359.57
						\$3,139.20	
180030	2/24/2022	114	180593	PSOMAS CORP	AERATION BASIN MODIFICATIONS		
						\$20,347.25	\$20,347.25
180079	3/3/2022	110	3000074649	OLIN CORPORATION	4776.933 GALS SODIUM HYPOCHLORITE		
						\$3,724.48	\$18,725.79
	3/3/2022	110	3000073616		4810.531 GALS SODIUM HYPOCHLORITE	\$3,750.67	
	3/3/2022	110	3000074643		4800.625 GALS SODIUM HYPOCHLORITE	\$3,742.95	
	3/3/2022	110	3000075179		4850.510 GALS SODIUM HYPOCHLORITE	\$3,781.85	
	3/3/2022	110	3000076251		4778.682 GALS SODIUM HYPOCHLORITE	\$3,725.84	
180043	2/24/2022	170	4322046	WESTERN ENERGY SYSTEMS	SERVICE: TROUBLESHOOT VOLTAGE		
						\$5,000.00	\$13,863.89
	2/24/2022	170	4323984		ASTD COGEN PARTS	\$631.48	
	2/24/2022	170	4323985		ASTD COGEN PARTS	\$2,238.38	
	2/24/2022	170	4323983		ASTD COGEN PARTS	\$5,994.03	
180101	3/3/2022	143	199898	WOODARD & CURRAN INC	IRVINGTON BASIN RCP REHABILITATION	\$11,648.25	\$11,648.25

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180022	2/24/2022	110	3000070517	OLIN CORPORATION	4899.939 GALS SODIUM HYPOCHLORITE		\$11,310.69
	2/24/2022	110	3000073604		4809.052 GALS SODIUM HYPOCHLORITE	\$3,820.39	
	2/24/2022	110	3000073578		4797.836 GALS SODIUM HYPOCHLORITE	\$3,749.52	
	2/24/2022	110				\$3,740.78	
179997	2/24/2022	150	279775	BURKE, WILLIAMS & SORENSON LLP	GENERAL LEGAL - DEC 2021	\$2,296.32	\$8,919.04
	2/24/2022	143	279778		CIP - DEC 2021	\$1,530.88	
	2/24/2022	150	279779		ETSU - DEC 2021	\$2,429.44	
	2/24/2022	150	279777		STANDBY POWER PROJECT - DEC 2021	\$532.48	
	2/24/2022	150	279776		FORCE MAIN RELOCATION - DEC 2021	\$2,129.92	
180040	2/24/2022	143	20941	V&A CONSULTING ENGINEERS	CATHODIC PROTECTION IMPROVEMENTS	\$8,565.33	\$8,565.33
180027	2/24/2022	110	1613563	POLYDYNE INC	42,200 LBS CLARIFLOC WE-539	\$6,290.73	\$6,290.73
180011	2/24/2022		201682202	GATEWAY PRODUCTS GROUP INC	12 SPARK PLUGS	\$6,254.64	\$6,254.64
180095	3/3/2022	170	311677	CITY OF UNION CITY	2022 HAZ MAT FEES, PERMIT FEES	\$6,046.00	\$6,046.00
180057	3/3/2022	143	11433442	BROWN & CALDWELL CONSULTANTS	EMERGENCY OUTFALL OUTLET IMPROVEMENTS	\$5,361.99	\$5,361.99

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179989	2/24/2022	120	4111993720220201	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 01/31/22-MTR HYD B34041339	\$561.18	\$5,302.61
	2/24/2022	120	4111994220220201		SERV TO: 01/31/22-MTR HYD B16583492	\$657.39	
	2/24/2022	120	4111994420220201		SERV TO: 01/31/22-MTR HYD B18190913	\$625.52	
	2/24/2022	120	4111994120220201		SERV TO: 01/31/22-MTR HYD B16583493	\$928.86	
	2/24/2022	120	4111996920220201		SERV TO: 01/31/22-MTR HYD B29454468	\$878.30	
	2/24/2022	120	4111996820220201		SERV TO: 01/31/22-MTR HYD B29454468	\$547.39	
	2/24/2022	120	4111994320220201		SERV TO: 01/31/22-MTR HYD B15072357	\$556.58	
	2/24/2022	120	4111994020220201		SERV TO: 01/31/22-MTR HYD B15000283	\$547.39	
179986	2/24/2022	143	2000588919	AECOM TECHNICAL SERVICES INC	CENTRIFUGE BUILDING IMPROVEMENTS	\$4,727.37	\$4,727.37
180005	2/24/2022	123	286291	CORE & MAIN LP	ASTD PARTS & MATERIALS	\$1,375.87	\$4,233.22
	2/24/2022	170	20542		1 NPS BYPASS PIPING AND FITTINGS	\$2,857.35	
180035	2/24/2022	114	10001	SYSTEMATES INC	10 PROJECTMATE ADDITIONAL LICENSES	\$4,170.80	\$4,170.80
180020	2/24/2022	172	46047	METROMOBILE COMMUNICATIONS INC	6 PORTABLE RADIOS	\$4,150.36	\$4,150.36
180093	3/3/2022	122	147562	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - UL CERTIFICATE FREMONT	\$400.00	\$3,919.00
	3/3/2022	122	147559		FIRE PROTECTION SERVICE - MONITORING AGREEMENT 01/01/22 -	\$1,600.00	
	3/3/2022	122	147561		FIRE PROTECTION SERVICE - MONITORING AGREEMENT 01/01/22 -	\$700.00	
	3/3/2022	122	147560		FIRE PROTECTION SERVICE - UL CERTIFICATE	\$1,219.00	
180046	3/3/2022	170	2000589507	AECOM TECHNICAL SERVICES INC	HAZMAT CONSULTING SERVICES	\$3,747.30	\$3,747.30
180064	3/3/2022	170	96371365	H & E EQUIPMENT SERVICES INC	EQUIPMENT RENTAL 01/26/2022 - 02/22/22	\$3,346.30	\$3,346.30

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180068	3/3/2022	170	277484	KAMAN INDUSTRIAL TECHNOLOGIES	ASTD GEARBOX REBUILD PARTS		
	3/3/2022	170	320306		ASTD PARTS & MATERIALS	\$2,136.08	\$3,194.32
	3/3/2022	170	284635		ASTD PARTS & MATERIALS	\$755.40	
	3/3/2022	170	300211		ASTD PARTS & MATERIALS	\$213.40	
						\$89.44	
179988	2/24/2022	143	20220223	ALAMEDA COUNTY TREASURER	DEPOSIT: FORCE MAIN CORROSION REPAIRS PROJECT PHASE 3	\$3,000.00	\$3,000.00
180033	2/24/2022	110	22012418	S&S TRUCKING	GRIT HAULING 01/12, 01/17 & 01/21/2022	\$2,929.76	\$2,929.76
180048	3/3/2022	170	5263251	ALL INDUSTRIAL ELECTRIC SUPPLY	ASTD PARTS & MATERIALS	\$2,768.75	\$2,768.75
179996	2/24/2022		30467	BUILDING CONSTRUCTION SPECIAL	REFUND # 44350	\$2,500.00	\$2,500.00
180060	3/3/2022		30306	CENTERVILLE PRESBYTERIAN	REFUND # 44381	\$2,500.00	\$2,500.00
180015	2/24/2022	141	GHDL512	IRON MOUNTAIN	OFF-SITE STORAGE AND SERVICE - FEB 2022	\$613.89	\$2,056.79
	2/24/2022	141	GGZS738		OFF-SITE STORAGE AND SERVICE - FEB 22	\$1,442.90	
180004	2/24/2022		139815080	COLORADO WASHINGTON INC COMCAST OF CFIBER INTERNET BACKUP - FEB 2022		\$2,010.71	\$2,010.71
179987	2/24/2022	170	9986215193	AIRGAS NCN	CYLINDER RENTAL	\$917.52	\$1,896.79
	2/24/2022	170	9122279126		4 CY ARGON	\$979.27	
180086	3/3/2022	110	22020214	S&S TRUCKING	GRIT HAULING 1/26/2022	\$986.84	\$1,856.21
	3/3/2022	110	22020930		GRIT HAULING 01/31/2022	\$869.37	
179990	2/24/2022	120	15466	AMERICAN DISCOUNT SECURITY	01/01/22 - 01/31/22 GUARD AT DISTRICT	\$1,695.75	\$1,695.75

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180062	3/3/2022		6919	ENERGY CHOICE INC	ASTD COGEN PARTS		
	3/3/2022		6921		1 AIR FILTER	\$286.27	\$1,459.09
	3/3/2022		6918		ASTD COGEN PARTS	\$520.56	
						\$652.26	
180074	3/3/2022	170	2246079	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - MAR 2022	\$1,379.94	\$1,379.94
180017	2/24/2022	173	24495	LOOKINGPOINT INC	ANNUAL LOOKINGPOINT SUPPORT AGREEMENT	\$1,225.00	\$1,225.00
180038	2/24/2022	122	145996	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - SEMI ANNUAL SYSTEM TEST	\$1,175.00	\$1,175.00
180063	3/3/2022	170	9193616670	GRAINGER INC	ASTD PARTS & MATERIALS	\$55.64	\$1,168.29
	3/3/2022		9186646015		ASTD PARTS & MATERIALS	\$38.94	
	3/3/2022		9190987611		ASTD PARTS & MATERIALS	\$1,002.70	
	3/3/2022	170	9193359560		ASTD PARTS & MATERIALS	\$21.72	
	3/3/2022	122	9190887613		ASTD PARTS & MATERIALS	\$23.22	
	3/3/2022	170	9192349026		ASTD PARTS & MATERIALS	\$26.07	
179991	2/24/2022	130	16167077	APPLEONE EMPLOYMENT SVCS	TEMP LABOR-KIM, S., WK END 01/08/22	\$1,157.49	\$1,157.49
180050	3/3/2022		114373	AMERICAN TEXTILE & SUPPLY INC	40 RAGS	\$1,157.12	\$1,157.12

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180019	2/24/2022	170	72274721	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS		\$1,098.88
	2/24/2022	111	73020393		ASTD PARTS & MATERIALS	\$97.36	
	2/24/2022	170	72028210		ASTD PARTS & MATERIALS	\$24.08	
	2/24/2022	111	73098166		ASTD PARTS & MATERIALS	\$21.65	
	2/24/2022		72276118		ASTD PARTS & MATERIALS	\$28.62	
	2/24/2022	170	72919274		ASTD PARTS & MATERIALS	\$793.52	
						\$133.65	
179998	2/24/2022		9372	BURLINGAME ENGINEERS INC	2 PRESSURE VALVES	\$1,031.98	\$1,031.98
180049	3/3/2022		466453957748	AMAZON.COM LLC	LAB SUPPLIES	\$220.55	\$1,023.45
	3/3/2022		20220210		02/22 - ASTD OFFICE SUPPLIES	\$802.90	
180054	3/3/2022	136	2522449230	BANK OF NEW YORK	JAN 2022 SERVICE FEES	\$1,005.21	\$1,005.21
180000	2/24/2022	170	21918043	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	\$993.81	\$993.81
180053	3/3/2022		17733623	AT&T	SERV: 01/10/22 - 02/09/22	\$983.20	\$983.20
180066	3/3/2022		3R1064	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$541.26	\$893.61
	3/3/2022		3R1065		ASTD PVC PARTS & MATERIALS	\$352.35	
180082	3/3/2022	111	8201112322	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: A. BERLING	\$203.39	\$844.39
	3/3/2022	111	8201112958		SAFETY SHOES: A. LULLO	\$225.00	
	3/3/2022	111	8201112501		SAFETY SHOES: D. LORETO	\$208.00	
	3/3/2022	123	8201111956		SAFETY SHOES: M. MINCHACA	\$208.00	
180021	2/24/2022		240000131448	MOTION INDUSTRIES INC	8 FILTERS	\$812.26	\$812.26

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180072	3/3/2022	122	73416662	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$40.48	\$757.27
	3/3/2022	170	72600922		ASTD PARTS & MATERIALS	\$102.97	
	3/3/2022		72835174		ASTD PARTS & MATERIALS	\$158.03	
	3/3/2022	170	73503275		ASTD PARTS & MATERIALS	\$306.52	
	3/3/2022	170	73500219		ASTD PARTS & MATERIALS	\$149.27	
180077	3/3/2022	170	962284764	MSA SAFETY SALES	1 SENSOR	\$740.04	\$740.04
180032	2/24/2022	170	296739	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$721.48	
180084	3/3/2022	170	301956	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$721.48	
179992	2/24/2022		259000082375	ARAMARK	UNIFORM LAUNDERING SERVICE	\$351.62	
	2/24/2022	122	259000082344		ASTD DUST MOPS, WET MOPS & TERRY	\$56.00	
	2/24/2022		259000082361		UNIFORM LAUNDERING & RUGS	\$308.74	\$690.00
180016	2/24/2022	132	35246	LIGHTHOUSE SERVICES, LLC	ANNUAL FRAUD HOTLINE FEE 2/1/2022 - 2/1/2023	\$690.00	
180003	2/24/2022	132	220314687	CLAREMONT BEHAVIORAL SERVICES	MAR 2022 EAP PREMIUMS	\$644.00	
180008	2/24/2022	113	8954336	FISHER SCIENTIFIC	LAB SUPPLIES	\$544.24	
	2/24/2022	113	9015793		LAB SUPPLIES	\$84.70	
180031	2/24/2022	120	02B0036018380	NESTLE WATERS NO. AMERICA READYREFRESH WATER SERVICE 01/07/22 - 02/06/22		\$551.69	\$551.69
180044	2/24/2022	143	5164	WORKSMART AUTOMATION INC	CALCIUM THIOSULFATE CHEMICAL TANK	\$542.50	\$542.50
180058	3/3/2022	170	21919500	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	\$526.05	\$526.05

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180056	3/3/2022	120	16849320	BLAISDELL'S	ASTD OFFICE SUPPLIES		
	3/3/2022	141	16862470		ASTD OFFICE SUPPLIES	\$464.00	\$518.49
						\$54.49	
180102	3/3/2022	143	4LX78	BAY AREA AIR QUALITY MGMT DIST	PERMIT APPLICATION: PUMP STATIONS CHEMICAL SYSTEM IMPRO	\$516.00	\$516.00
180103	3/3/2022	143	4LX79	BAY AREA AIR QUALITY MGMT DIST	PERMIT APPLICATION: PUMP STATIONS CHEMICAL SYSTEM IMPRO	\$516.00	\$516.00
180014	2/24/2022		3R0733	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$193.46	\$515.98
	2/24/2022		3R0786		ASTD PVC PARTS & MATERIALS	\$322.52	
180081	3/3/2022	111	29337	RAVEN ENVIRONMENTAL PRODUCTS	3 CORETAKER SAMPLERS	\$504.04	\$504.04
179985	2/24/2022		30300	A2Z BAY BUILDERS & PLUMBING	REFUND # 44359	\$500.00	\$500.00
180024	2/24/2022	170	2379	PACIFIC CRANE INSPECTION	QUARTERLY CRANE INSPECTION	\$500.00	\$500.00
180026	2/24/2022		30442	SANIL PILLAI	REFUND # 43353	\$500.00	\$500.00
180071	3/3/2022	113	2201D45	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$500.00	\$500.00
180075	3/3/2022		29239	MONARCH PLUMBING & ROOTER INC	REFUND # 39878	\$500.00	\$500.00
180080	3/3/2022		8482314	OVIVO USA LLC	ASTD CLARIFIER PARTS	\$493.83	\$493.83
180029	2/24/2022	170	101047	PRIME MECHANICAL SERVICE INC	SERVICE CALL: BLDG 75	\$485.00	\$485.00
179993	2/24/2022	110	135383	BAY AREA AIR QUALITY MGMT DIST	PERMIT RENEWAL: BOYCE LS 4/1/2022 - 4/1/2023	\$483.00	\$483.00
180076	3/3/2022	170	240000133238	MOTION INDUSTRIES INC	ASTD PARTS & MATERIALS	\$314.30	\$465.82
	3/3/2022	170	240000132719		ASTD PARTS & MATERIALS	\$151.52	
179994	2/24/2022		251892-00	BECK'S SHOES	SAFETY SHOES: S. BULLIS/T. SOLARI	\$394.49	\$394.49
180023	2/24/2022	132	2202386	OPTIMUM TECHNOLOGIES LLC	AT HOME EMPLOYEE PORTAL	\$374.00	\$374.00

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180010	2/24/2022	170	322173	CITY OF FREMONT	RANGE 2 HAZMAT STORAGE PERMIT		
						\$362.96	\$362.96
180051	3/3/2022		259000085815	ARAMARK	UNIFORM LAUNDERING SERVICE		
						\$349.68	\$349.68
180002	2/24/2022	150	94131	CITYLEAF INC	PLANT MAINTENANCE - FEB 2022		
						\$344.43	\$344.43
180006	2/24/2022	173	30588238	CORELOGIC INFORMATION SOLUTION	REALQUEST 3 MONTH TRIAL		
						\$339.90	\$339.90
180098	3/3/2022	143	2047814	WEST YOST ASSOCIATES	FORCE MAIN CORROSION REPAIRS PROJECT PHASE 3		
						\$329.25	\$329.25
180070	3/3/2022		5279954	MALLORY SAFETY AND SUPPLY LLC	48 PR GLOVES		
						\$163.52	\$327.78
	3/3/2022		5283846		48 PR GLOVES		
						\$164.26	
180052	3/3/2022		259000085804	ARAMARK	UNIFORM LAUNDERING & RUGS		
						\$313.24	\$313.24
180013	2/24/2022		9178510617	GRAINGER INC	CREDIT: ASTD PARTS & MATERIALS		
						\$-81.98	\$292.52
	2/24/2022	171	9181410805		ASTD PARTS & MATERIALS		
						\$113.56	
	2/24/2022		9183456228		10 PACKS DISPOSABLE GLOVES		
						\$260.94	
180041	2/24/2022		528811	VALLEY OIL COMPANY	5 TUBES GREASE		
						\$235.34	\$235.34
180012	2/24/2022	144	4089203505	GLACIER ICE COMPANY INC	108 7-LB BAGS OF ICE		
						\$229.15	\$229.15
180097	3/3/2022		8807542575	VWR INTERNATIONAL LLC	LAB SUPPLIES		
						\$61.27	\$223.73
	3/3/2022	113	8807489074		LAB SUPPLIES		
						\$162.46	
180009	2/24/2022	120	172481	FREMONT RUBBER STAMP CO INC	6 STAMPS		
						\$197.75	\$197.75
180061	3/3/2022	171	1902785423	CINTAS CORPORATION	1 WINTER JACKET FOR CHRIS PARKER		
						\$190.98	\$190.98
180045	2/24/2022	132	20220217	JASON YEATES	EXP REIMB: ASQ MEMBERSHIP RENEWAL		
						\$169.00	\$169.00
180039	2/24/2022	136	98XW53052	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 01/29/22		
						\$161.53	\$161.53

**UNION SANITARY DISTRICT
CHECK REGISTER
02/19/2022-03/04/2022**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
180018	2/24/2022	170	771033074	MATHESON TRI-GAS INC	MONTHLY CYLINDER RENTAL - JAN 2022	\$153.52	\$153.52
180034	2/24/2022	170	2651	SABRE BACKFLOW INC	1 BACKFLOW CALIBRATION TEST KIT	\$140.95	\$140.95
180089	3/3/2022	170	2202012S	SGS NORTH AMERICA INC	ENGINE OIL AND COOLANT ANALYSIS	\$128.61	\$128.61
180088	3/3/2022		2070871001	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$126.93	\$126.93
180085	3/3/2022	120	20220224	JESSICA RODRIGUEZ	EXP REIMB: FLOWERS - R. SHENK	\$114.44	\$114.44
180083	3/3/2022		116630	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE MAR 2022	\$112.00	\$112.00
180087	3/3/2022	170	85340220220222	SAN FRANCISCO WATER DEPT	SERVICE 01/21/2022 - 02/17/22	\$98.72	\$98.72
180037	2/24/2022	123	405306	TRENCH PLATE RENTAL COMPANY	2 DAYS TRENCH SHORING EQUIPMENT RENTAL	\$90.79	\$90.79
180047	3/3/2022	170	4088644120220224	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 02/22/22 - BOYCE ROAD	\$84.19	\$84.19
180042	2/24/2022	113	8807465045	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$78.31	\$78.31
179995	2/24/2022	141	16827960	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$67.41	\$67.41
180007	2/24/2022	132	20220210	HIEP DZOAN	REIMB LIVESCAN PRE-EMPLOYMENT	\$57.00	\$57.00
179984	2/24/2022	130	11592	A.S.I. CYBER CONCEPTS	E-WASTE RECYCLING	\$50.00	\$50.00
180094	3/3/2022	141	432441	ULTRAEX LLC	COURIER SVCS: 1 BOARDMEMBER DELIVERY - 02/09/22	\$48.94	\$48.94
180065	3/3/2022	123	279270	HANIGAN COMPANY INC	BUSINESS CARDS - S. NESGIS	\$45.05	\$45.05
180096	3/3/2022	136	98XW53062	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 02/05/22	\$36.00	\$36.00
179999	2/24/2022	132	561859	STATE OF CALIFORNIA	1 NEW HIRE FINGERPRINT	\$32.00	\$32.00
180073	3/3/2022	132	20220301	TYLER MELLO	REIMB LIVESCAN PRE-EMPLOYMENT	\$31.00	\$31.00
180100	3/3/2022	122	2704021001	WHCI PLUMBING SUPPLY CO	ASTD PARTS & MATERIALS	\$23.64	\$23.64

**UNION SANITARY DISTRICT
CHECK REGISTER
02/19/2022-03/04/2022**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
180078	3/3/2022	121	167410	MUNICIPAL MAINT EQUIPMENT INC	FREIGHT	\$19.20	\$19.20
Invoices:				Checks:			
Credit Memos :			1	-81.98			
\$0 - \$1,000 :			120	41,960.36	\$0 - \$1,000 :	67	25,139.67
\$1,000 - \$10,000 :			55	193,557.36	\$1,000 - \$10,000 :	36	114,325.22
\$10,000 - \$100,000 :			16	523,772.48	\$10,000 - \$100,000 :	14	501,244.64
Over \$100,000 :			1	123,049.00	Over \$100,000 :	2	241,547.69
Total:			193	882,257.22	Total:	119	882,257.22

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**MARCH 14, 2022
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 10**

TITLE: **Review and Consider Approval of Policy No. 2030 - Investment Policy (*This is a Motion Item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
 Mark Carlson, CFO/Business Services Work Group Manager

Recommendation

Review and consider approval of the District's Investment Policy (No. 2030) and renewal of delegation of authority of Treasurer to the Business Services Manager for a one-year period, per CA Govt. Code Section 53607 as amended by Stats. 1996, Ch. 749, Sec. 6.

The authority of the Board to invest funds of the District, may be delegated for a one-year period to the Treasurer, who shall thereafter assume responsibility and make a monthly report to the Board. Subject to review, the Board may renew the delegation of authority pursuant to this section each year.

Discussion

Staff and PFM Asset Management, LLC have been collaborating on updating the Investment Policy to accurately reflect language in current government code. Other than minor administrative updates, substantive changes to the Policy since the last update are:

- With regards to investing in the Local Agency Investment Fund (LAIF), the current policy language allows the District to invest up to 70% of the District portfolio or the maximum dollar amount allowed by the state, which is currently \$75 million. Staff is proposing to remove the 70% limit and adjust the policy to reflect the language in the State's policy which currently allows up to 100%. The proposed policy language change is shown below:

8. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. ~~The maximum~~ ~~A maximum of seventy percent (70%) of USD's funds or the~~ limit permitted by the State may be invested in LAIF, ~~whichever is less;~~

- With regards to Municipal Obligations, the current policy language allows the District to invest up to 30% of the District portfolio in this category. Staff is proposing to adjust the policy to reflect the language in the State's policy which currently allows up to 100%. The proposed policy language change is shown below:

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the "A" (long-term) or "A-1" (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. ~~There is no limitation as to the percentage of the portfolio that may be invested in this category.~~ USD may invest in this category up to the limit allowed by California Code Section 53601. ~~A maximum of thirty percent (30%) of the portfolio may be invested in this category.~~

- With regards to shares of beneficial interest issued by a Joint Powers Authority, the current policy language allows the District to invest up to 50% of the District portfolio in this category. Staff is proposing to adjust the policy to reflect the language in the State's policy which currently allows up to 100%. The proposed policy language change is shown below:

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Code Section 53601 subdivisions (a) to (r) inclusive as provided, provided that

~~a. A maximum of fifty percent (50%) of USD's funds may be invested in the shares of any one investment pool;~~

Adjusting the Districts language to mirror the states, allows the District to have the maximum flexibility in its investment strategy. It's important to note, that regardless of the limits set by the policy, the Districts number one focus is to choose that mix of investments that will produce the best possible returns within the risk tolerances of the District.

Staff and PFM representatives will be available to answer questions.

Background

The District Investment Policy (No. 2030) requires review and approval by the Board of Directors on an annual basis. The Policy was last presented in December 2020.

In December 2018, the District retained the services of PFM Asset Management LLC to serve as the District's investment advisory agent.

Previous Board Action

12/14/2020 Board Meeting – Approval of Investment Policy

Attachments

Union Sanitary District Investment Policy – Red Line Version

Union Sanitary District Investment Policy – Clean Line Version

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Investment Policy	Policy Number 2030
<u>March</u> 2022 4		Page 1 of 14

I. INVESTMENT POLICY

A. Purpose

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

B. Objectives

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

1. To assure ongoing compliance with all Federal, State and local laws governing the investment of public funds;
2. To ensure safety of invested funds;
3. To maintain sufficient liquidity to meet cash flow needs for all operating requirements which might be reasonably anticipated without requiring a sale of securities;
4. Maintain a diversified investment portfolio to avoid incurring unreasonable risks regarding specific security types or individual financial institutes; and to maximize the average rate of return consistent with the primary objectives of safety and liquidity.

C. Prudence

The Prudent Investor Standard shall be used by investment officials and shall be applied in the context of managing an overall portfolio. The prudent investor standard states:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

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

D. Ethics and Conflicts of Interest

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

II. OPERATIONS AND PROCEDURAL MATTERS

A. Scope

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

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

B. Delegation of Authority

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

C. Internal Controls

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

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

D. Delivery vs. Payment

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

E. Safekeeping of Securities

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

F. Qualifications and Selection of Broker/Dealers

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

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

III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

A. Authorized Investments

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

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. With the exception of federal agency mortgage-backed securities which are limited to twenty percent (20%) of the total portfolio there is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Bankers' acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank with a final maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by a nationally recognized statistical- rating organization (NRSRO). The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio.
4. Federally insured or collateralized time deposits (Non-negotiable certificates of deposit) provided that the certificates of deposit meet the conditions in either paragraph (a) or paragraph (b):
 - a) Certificates of deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government

Code Section 53649. The maturity of time deposits may not exceed five years.

- b) Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be five years.

The combined amount invested in placement service certificates of deposit and negotiable certificates of deposit shall not exceed twenty percent (20%) of the portfolio.

- 5. Negotiable certificates of deposit (NCD) issued by a nationally or state- chartered bank, a savings association or a federal association (as defined by Section 5102 by the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of NCDs shall not exceed thirty percent (30%) of the total portfolio.
- 6. Repurchase agreements with a final termination date not exceeding 90 days from the date of trade settlement collateralized solely by United States Treasury, federal agency, or United States government sponsored enterprises permitted by this Investment Policy. The purchased securities (the "collateral") shall have a minimum market value of one hundred and two percent (102%) of the dollar value of the funds invested. The market value of the collateral securities shall be marked-to-the-market daily and the value shall be adjusted no less frequently than weekly. No substitution of collateral shall be allowed without the prior approval of the General Manager/Treasurer. All collateral securing repurchase agreements must be delivered to USD's custodian bank or handled under a tri-party repurchase agreement. USD or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement.

Approved repurchase agreement counterparties shall have a repurchase agreement counterparty credit rating of at least "A-1" or the equivalent and a long-term credit rating of at least "A" or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a USD approved master repurchase agreement with USD. No more than ten percent (10%) of USD's total portfolio shall be invested in repurchase agreements.

- 7. Commercial Paper with the highest letter and numerical rating as provided for by a NRSRO. Eligible commercial paper shall have a final maturity not exceeding 270 days from the date of trade settlement. The aggregate investment in commercial paper shall not exceed twenty five percent (25%) of

USD's total portfolio. Furthermore, USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph 1 or paragraph 2 below:

(1) The entity meets the following criteria:

- is organized and operating in the United States as a general corporation;
- has total assets in excess of five hundred million dollars (\$500,000,000); and
- has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

- is organized within the United States as a special purpose corporation, trust, or limited liability company;
- has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond; and
- has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

8. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. ~~The maximum A maximum of seventy percent (70%) of USD's funds or the~~ limit permitted by the State may be invested in LAIF; ~~whichever is less;~~
9. Corporate medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases may not exceed thirty percent (30%) of invested funds. USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer.
10. Municipal Obligations. USD may purchase municipal obligations in the following categories.
 - a. USD Bonds – Bonds issued by USD, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by USD or by a department, board, agency, or authority of USD.
 - b. California State Obligations – Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of

the State.

- c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- d. Obligations of Other 49 States - Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. ~~There is no limitation as to the percentage of the portfolio that may be invested in this category.~~ USD may invest in this category up to the limit allowed by California Code Section 53601. ~~A maximum of thirty percent (30%) of the portfolio may be invested in this category.~~

11. Money market mutual funds, provided that such funds

- a. Are registered with the Securities and Exchange Commission and are rated “AAAm” or its equivalent by not less than two NRSROs; or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); and
- b. The purchase price of shares shall not exceed twenty percent (20%) of USD’s portfolio; and
- c. If USD has funds invested in a money market fund, a copy of fund’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the fund’s summary holdings on a quarterly basis.

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Code Section 53601 subdivisions (a) to (r) inclusive as provided, provided that

- ~~a. A maximum of fifty percent (50%) of USD’s funds may be invested in the shares of any one investment pool;~~

~~b.a.~~ The pool's investment advisor meets the requirements of 53601(p);

~~c.b.~~ The pool seeks to maintain a stable Net Asset Value ("NAV");

~~d.c.~~ The pool is rated "AAAm" or its equivalent by aNRSRO; and

~~e.d.~~ If USD has funds invested in a pool, a copy of pool's information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool's summary holdings on a quarterly basis.

13. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases may not exceed twenty percent (20%) of invested funds.

14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed thirty percent (30%) of the agency's total portfolio that may be invested pursuant to this section.

B. Prohibited Investment Vehicles and Practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds.
2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. In accordance with Government Code Section 53601.6, investment in any security that could result in a zero-interest accrual if held to maturity is prohibited, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, USD may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market

interest rates. USD may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
7. USD is not permitted to deposit funds into any state or federal credit union, if a member of the Board of Directors, or any person with investment decision making authority also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. Mitigating Credit Risk in the Portfolio

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

1. The diversification requirements included in Section III (A) are designed to mitigate credit risk in the portfolio;
2. No more than five percent (5%) of the total portfolio may be invested in securities of any single issuer, other than LAIF, local government investment pools, all U.S. Government, its agencies and instrumentalities.
3. USD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, return, or yield of the portfolio in response to market conditions or USD's risk preferences.
4. If securities owned by USD are downgraded by a NRSRO to a level below the quality required by this Investment Policy, it shall be USD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported to USD's Board of Directors. USD will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.

IV. INVESTMENT PERFORMANCE OBJECTIVES

To maximize the average rate of return consistent with the primary objectives of safety and liquidity. USD staff will establish a performance benchmark for its portfolio consistent with agency needs and will periodically review the benchmark for continued applicability.

V. INVESTMENT GUIDELINES

A. Liquidity

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities to ensure adequate cash reserves to pay current expenses.

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

B. Maximum Maturities

USD will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Board of Directors has by resolution granted authority to make such an investment at least three months prior to the date of investment.

VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

A. Monthly Reports

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

1. As asset listing showing par value, cost and market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:
 - a. Weighted average maturity of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. A list of portfolio transactions;
3. A statement of compliance with the investment policy, including a schedule of

any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and

4. A statement that USD has adequate funds to meet its cash flow requirements for the next six months.
5. A list of broker/dealers the District is currently using.

B. Annual Reports

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

C. Periodic Investment Program Review

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

Approved by:	Board of Directors
Author/owner:	Business Services Manager/Chief Financial Officer
Reviewers:	General Manager, Finance and Acquisition Services Coach
Notify Person:	Business Services Manager/Chief Financial Officer
Revision frequency:	Annually
Next Review:	March 202 32 (review typically begins 2 months prior to this date)

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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Appendix A – Credit Ratings for Corporate Notes

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

Source: The Bond Market Association

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

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

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Investment Policy	Policy Number 2030
March 2022		Page 1 of 14

I. INVESTMENT POLICY

A. Purpose

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

B. Objectives

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

1. To assure ongoing compliance with all Federal, State and local laws governing the investment of public funds;
2. To ensure safety of invested funds;
3. To maintain sufficient liquidity to meet cash flow needs for all operating requirements which might be reasonably anticipated without requiring a sale of securities;
4. Maintain a diversified investment portfolio to avoid incurring unreasonable risks regarding specific security types or individual financial institutes; and to maximize the average rate of return consistent with the primary objectives of safety and liquidity.

C. Prudence

The Prudent Investor Standard shall be used by investment officials and shall be applied in the context of managing an overall portfolio. The prudent investor standard states:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

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

D. Ethics and Conflicts of Interest

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

II. OPERATIONS AND PROCEDURALMATTERS

A. Scope

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

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

B. Delegation of Authority

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

C. Internal Controls

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

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

D. Delivery vs. Payment

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

E. Safekeeping of Securities

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

F. Qualifications and Selection of Broker/Dealers

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

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

III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

A. Authorized Investments

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

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. With the exception of federal agency mortgage-backed securities which are limited to twenty percent (20%) of the total portfolio there is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Bankers' acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank with a final maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by a nationally recognized statistical- rating organization (NRSRO). The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio.
4. Federally insured or collateralized time deposits (Non-negotiable certificates of deposit) provided that the certificates of deposit meet the conditions in either paragraph (a) or paragraph (b):
 - a) Certificates of deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government

Code Section 53649. The maturity of time deposits may not exceed five years.

- b) Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be five years.

The combined amount invested in placement service certificates of deposit and negotiable certificates of deposit shall not exceed twenty percent (20%) of the portfolio.

- 5. Negotiable certificates of deposit (NCD) issued by a nationally or state- chartered bank, a savings association or a federal association (as defined by Section 5102 by the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of NCDs shall not exceed thirty percent (30%) of the total portfolio.
- 6. Repurchase agreements with a final termination date not exceeding 90 days from the date of trade settlement collateralized solely by United States Treasury, federal agency, or United States government sponsored enterprises permitted by this Investment Policy. The purchased securities (the “collateral”) shall have a minimum market value of one hundred and two percent (102%) of the dollar value of the funds invested. The market value of the collateral securities shall be marked-to-the-market daily and the value shall be adjusted no less frequently than weekly. No substitution of collateral shall be allowed without the prior approval of the General Manager/Treasurer. All collateral securing repurchase agreements must be delivered to USD’s custodian bank or handled under a tri-party repurchase agreement. USD or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement.

Approved repurchase agreement counterparties shall have a repurchase agreement counterparty credit rating of at least “A-1” or the equivalent and a long-term credit rating of at least “A” or the equivalent by a NRSRO. Repurchase agreement counterparties shall execute a USD approved master repurchase agreement with USD. No more than ten percent (10%) of USD’s total portfolio shall be invested in repurchase agreements.

- 7. Commercial Paper with the highest letter and numerical rating as provided for by a NRSRO. Eligible commercial paper shall have a final maturity not exceeding 270 days from the date of trade settlement. The aggregate investment in commercial paper shall not exceed twenty five percent (25%) of

USD's total portfolio. Furthermore, USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph 1 or paragraph 2 below:

(1) The entity meets the following criteria:

- is organized and operating in the United States as a general corporation;
- has total assets in excess of five hundred million dollars (\$500,000,000); and
- has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

- is organized within the United States as a special purpose corporation, trust, or limited liability company;
- has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond; and
- has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

8. State of California's Local Agency Investment Fund ("LAIF"), pursuant to California Code Section 16429.1. The maximum limit permitted by the State may be invested in LAIF.
9. Corporate medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases may not exceed thirty percent (30%) of invested funds. USD may invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer.
10. Municipal Obligations. USD may purchase municipal obligations in the following categories.
 - a. USD Bonds – Bonds issued by USD, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by USD or by a department, board, agency, or authority of USD.
 - b. California State Obligations – Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.

- c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- d. Obligations of Other 49 States - Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. USD may invest in this category up to the limit allowed by California Code Section 53601.

11. Money market mutual funds, provided that such funds

- a. Are registered with the Securities and Exchange Commission and are rated “AAAm” or its equivalent by not less than two NRSROs; or have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000); and
- b. The purchase price of shares shall not exceed twenty percent (20%) of USD’s portfolio; and
- c. If USD has funds invested in a money market fund, a copy of fund’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the fund’s summary holdings on a quarterly basis.

12. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Code Section 53601 subdivisions (a) to (r) inclusive as provided, provided that

- a. The pool’s investment advisor meets the requirements of 53601(p);
- b. The pool seeks to maintain a stable Net Asset Value (“NAV”);

- c. The pool is rated “AAAm” or its equivalent by aNRSRO; and
 - d. If USD has funds invested in a pool, a copy of pool’s information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool’s summary holdings on a quarterly basis.
13. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases may not exceed twenty percent (20%) of invested funds.
 14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “AA” or better by an NRSRO and shall not exceed thirty percent (30%) of the agency’s total portfolio that may be invested pursuant to this section.

B. Prohibited Investment Vehicles and Practices

1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds.
2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
3. In accordance with Government Code Section 53601.6, investment in any security that could result in a zero-interest accrual if held to maturity is prohibited, except as provided in the subsequent paragraph.

Notwithstanding the prohibitions stated in the above paragraph, effective January 1, 2021, USD may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. USD may hold these instruments until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

4. Trading securities for the sole purpose of speculating on the future direction of

interest rates is prohibited.

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

C. Mitigating Credit Risk in the Portfolio

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

1. The diversification requirements included in Section III (A) are designed to mitigate credit risk in the portfolio;
2. No more than five percent (5%) of the total portfolio may be invested in securities of any single issuer, other than LAIF, local government investment pools, all U.S. Government, its agencies and instrumentalities.
3. USD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity, return, or yield of the portfolio in response to market conditions or USD's risk preferences.
4. If securities owned by USD are downgraded by a NRSRO to a level below the quality required by this Investment Policy, it shall be USD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported to USD's Board of Directors. USD will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.

IV. INVESTMENT PERFORMANCE OBJECTIVES

To maximize the average rate of return consistent with the primary objectives of safety and liquidity. USD staff will establish a performance benchmark for its portfolio consistent with agency needs and will periodically review the benchmark for continued applicability.

V. INVESTMENT GUIDELINES

A. Liquidity

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities to ensure adequate cash reserves to pay current expenses.

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

B. Maximum Maturities

USD will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Board of Directors has by resolution granted authority to make such an investment at least three months prior to the date of investment.

VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

A. Monthly Reports

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

1. As asset listing showing par value, cost and market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:
 - a. Weighted average maturity of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. A list of portfolio transactions;
3. A statement of compliance with the investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and
4. A statement that USD has adequate funds to meet its cash flow requirements

for the next six months.

5. A list of broker/dealers the District is currently using.

B. Annual Reports

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

C. Periodic Investment Program Review

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

Approved by:	Board of Directors
Author/owner:	Business Services Manager/Chief Financial Officer
Reviewers:	General Manager, Finance and Acquisition Services Coach
Notify Person:	Business Services Manager/Chief Financial Officer
Revision frequency:	Annually
Next Review:	March 2023 (review typically begins 2 months prior to this date)

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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Upper medium grade (strong)	A	A	A	A
Medium grade	Baa	BBB	BBB	BBB
NOT INVESTMENT GRADE				
Lower medium grade (somewhat speculative)	Ba	BB	BB	BB
Low grade (speculative)	B	B	B	B
Poor quality (may default)	Caa	CCC	CCC	CCC
Most speculative	Ca	CC	CC	CC
No interest being paid or bankruptcy petition filed	C	C	C	C
In default	C	D	D	D

Source: The Bond Market Association

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

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