

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, AUGUST 5, 2015**

A_G_E_N_D_A

Meeting to be held at **7:30 p.m.** in the **Stevens Creek Office Center,
Suite 100, 20863 Stevens Creek Boulevard,** Cupertino, California.

1. ROLL CALL:

2. MINUTES:

- A. APPROVAL OF THE MINUTES OF JULY 15, 2015
- B. APPROVED MINUTES OF JULY 1, 2015
- C. APPROVED MINUTES OF JUNE 17, 2015

3. PERSONAL PRESENTATIONS:

THIS PORTION OF THE MEETING IS RESERVED FOR PERSONS DESIRING TO ADDRESS THE BOARD ON ANY MATTER NOT ON THE AGENDA. SPEAKERS ARE LIMITED TO THREE (3) MINUTES.

ALL STATEMENTS REQUIRING A RESPONSE WILL BE REFERRED TO STAFF FOR FURTHER ACTION. IN MOST CASES, STATE LAW WILL PROHIBIT THE BOARD FROM MAKING ANY DECISIONS WITH RESPECT TO A MATTER NOT LISTED ON THE AGENDA.

4. CORRESPONDENCE

NONE

5. MEETINGS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL COMMITTEE (TAC) TO BE HELD AUGUST 10, 2015
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD AUGUST 13, 2015
- C. CASA CONFERENCE TO BE HELD AUGUST 19-21, 2015 IN SAN DIEGO

8. REPORTS:

NONE

9. UNFINISHED BUSINESS:

- A. CITY OF SAN JOSE AGREEMENT
- B. STATUS OF THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY CAPITAL IMPROVEMENT PROGRAM

10. NEW BUSINESS:

- A. APPLE 2 CAMPUS
- B. 2015 ANNUAL REPORT DRAFT

11. STAFF REPORT:

- A. 2015 SILICON VALLEY FALL FESTIVAL TO BE HELD IN CUPERTINO ON SEPTEMBER 12, 2015
- B. REPORT ON ARC-GIS CONFERENCE HELD JULY 19 -23.
- C. STATUS – CITY OF CUPERTINO JOINT STUDY SESSION
- D. SPECIAL ASSESSMENT WORKSHOP HELD ON JULY 15 (PROP 218 AND AB 2109)
- E. PREVAILING WAGE

12. ADJOURNMENT:

CUPERTINO SANITARY DISTRICT MEETING/EVENT SCHEDULE

AUGUST 2015

08/05: 1st Regular Meeting
 08/07: *Deadline to Submit Tax Roll to County*
 08/10: TAC Meeting
 08/13: TPAC Meeting
 08/17: 2nd Regular Meeting
 08/19-21: CASA Conference, San Diego

AUGUST 2015						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5 1 st Regular Meeting	6	7	8
9	10 TAC	11	12	13 TPAC	14	15
16	17 2 nd Regular Meeting	18	19	CASA CONFERENCE		22
23	24	25	26	27	28	29
30	31					

SEPTEMBER 2015

09/02: 1st Regular Meeting
 09/07: Holiday – Office Closed
 09/14: TAC Meeting
 09/16: 2nd Regular Meeting
 09/17: TPAC Meeting

SEPTEMBER 2015						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2 1 st Regular Meeting	3	4	5
6	7 HOLIDAY	8	9	10	11	12
13	14 TAC	15	16 2 nd Regular Meeting	17 TPAC	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER 2015

10/07: 1st Regular Meeting
 10/12: TAC Meeting
 10/15: TPAC Meeting
 10/21: 2nd Regular Meeting

OCTOBER 2015						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7 1 st Regular Meeting	8	9	10
11	12 TAC	13	14	15 TPAC	16	17
18	19	20	21 2 nd Regular Meeting	22	23	24
25	26	27	28	29	30	31

Item 2A

SANITARY BOARD MEETING WEDNESDAY, JULY 15, 2015

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:29 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

President Chen called the meeting to order and the following proceedings were had to wit: Roll call was taken, with the following members in attendance:

Directors present: Angela S. Chen, William A. Bosworth and John M. Gatto as acting Secretary. Director Steve C. Andrews was on an excused absence. Director Patrick S. Kwok was expected to arrive late.

Staff present: Manager Richard K. Tanaka, Staff Member Ivy To, and Counsel Marc Hynes.

On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 2-0-1 the Minutes of the meeting of July 1, 2015 were approved. President Chen abstained.

The Minutes of June 17, 2015 need revision.

The Board reviewed the financials. Operations Manager is to make sure that our vendors and inspectors are more diligent in managing and recording their hours at the job site. On a motion by Director Bosworth, seconded by Director Gatto, it was ordered by a vote of 3-0-0 that the payment of Bills for the month of June be approved as written.

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$2,919.21	ADP		
17753	M&O	\$235,270.12	Mark Thomas & Company, Inc.	Office Expense	\$400.00
				Management Svcs	\$23,237.78
				Engineering Svcs	\$49,522.43
				Plan Checking & Insp.	\$10,507.62
				Repairs & Maintenance	\$110,133.11
				Operating Expenses	\$266.41
				Capital Outlay-CIP	\$36,522.32
				Emergency	\$3,799.10
				Utilities	\$881.35
17747	M&O	\$1,132.85	Dooley Insurance Services	Insurance	
17740	M&O	\$862.00	Alliant Ins. Svc, Inc.	Insurance	
17745	M&O	\$2,009.92	CSRMA	Insurance	
17742	M&O	\$3,902.50	Atkinson Farasyn, LP	Legal	
17743	M&O	\$312.00	CWEA-Soares & Witschi	Membership	
17754	M&O	\$2,373.60	Silicon Valley Newspaper	Print & Publication	
17746	M&O	\$170.00	Cunha Landscape Services, Inc.	Repairs & Maintenance	
17744	M&O	\$500.00	City of Saratoga	Repairs & Maintenance	
17752	M&O	\$45.86	Home Depot	Repairs & Maintenance	

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
17749	M&O	\$12,684.62	Roto Rooter Sewer Service	Repairs & Maintenance	\$12,302.98
				Emergency	\$381.64
17738-39	M&O	\$44,129.99	Able Underground Construction	Repairs & Maintenance	\$43,181.82
				Emergency	\$216.56
				CIP	\$731.61
17750	M&O	\$56.54	San Jose Water Company	Utilities	
17748	M&O	\$4,452.26	PG&E	Utilities	
17741	M&O	\$34.67	AT&T Flow Monitoring	Utilities	
17751	M&O	\$1,711,140.00	City of San Jose	T.P. Capital Outlay	\$520,433.00
				T.P. O&M	\$1,190,707.00
TOTAL		\$2,021,996.14			

The Directors submitted their June 2015 timesheets to Staff.

President Chen opened the Public Hearing on the collection of sewer service charges for FY 15-16 at 7:40pm. Manager Tanaka presented. There were no guests. Public hearing was closed at 7:46pm. After discussion by the Board on a motion by Director Gatto, seconded by Director Bosworth by a vote of 3-0-0, Ordinance No. 1270, Confirming Report on Rates and Charges for FY 15-16 was approved.

After discussion by the Board on a motion by Director Gatto, seconded by Director Bosworth by a vote of 3-0-0, Ordinance No. 1271, Collection of Rates and Charges for FY 15-16 was approved.

Director Kwok arrived at 7:49pm.

Manager Tanaka reported on the September Drive Project that is currently in construction. It is one week behind schedule due to a pending permit from the Santa Clara Water District and buried utilities.

The Board reviewed the Installer's Agreement for Cherryland, LLC, APN #359-20-031 for a three parcel residential development. On a motion by Director Gatto, seconded by Director Bosworth by a vote of 4-0-0, the agreement was approved and President Chen was authorized to execute said agreement.

The Board discussed the regular meeting of Wednesday, August 19, 2015. This date conflicts with the 60th Annual CASA Conference to be held August 19-21, 2015. After discussion by the Board on a motion by Director Gatto, seconded by Director Kwok by a vote of 4-0-0, it was approved to reschedule the regular meeting to Monday, August 17, 2015.

The Board discussed the 2015 Silicon Valley Fall Festival to be held in Cupertino on Saturday, September 12, 2015. On a motion by Director Gatto, seconded by Director Kwok by a vote of 4-0-0, the Board agreed to participate in the 2015 Silicon Valley Fall Festival with a budget in the amount of \$2,500.

Staff reported on the monthly sewer maintenance report. There was 1 SSO on 6/12/2015 on 13044 Houston Court due to root intrusion.

Staff reported on the status of the acceptance of Apple Campus 2 project. Apple has requested to be placed on the agenda for next month. After discussion by the Board on a motion by Director Gatto, seconded by

Director Bosworth by a vote of 4-0-0, it was approved to place Apple's staff presentation/discussion on the agenda.

On a motion properly made and seconded, at 8:11 p.m. the meeting was adjourned.

President of the Sanitary Board

Secretary of the Sanitary Board

SANITARY BOARD MEETING WEDNESDAY, JULY 1, 2015

The Cupertino Sanitary District Board convened this date at 7:30 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

Acting President Andrews called the meeting to order and the following proceedings were had to wit: Roll call was taken, with the following members in attendance:

Directors: Steve C. Andrews, John M. Gatto, William A. Bosworth, and Patrick S. Kwok were present. Angela S. Chen was on an excused absence.

Staff present: Manager Richard K. Tanaka, Staff Member Ivy To and Counsel Marc Hynes.

On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-0 it was ordered that the Minutes of Wednesday, June 17, 2015 be approved with revision.

By consensus, it was ordered that the Approved Minutes of Wednesday, June 10, 2015 be Noted & Filed.

The Board reviewed correspondence regarding pool discharge violation payment received for APN #356-11-008. By consensus, it was ordered to be Noted & Filed.

The Board reviewed correspondence regarding Mt. Eden Road annexation letter and payment received. By consensus, it was ordered to be Noted & Filed. Manager Tanaka reported that LAFCO has filed certificate of completion.

Staff will attend the regular meeting of the San Jose/Santa Clara Treatment Plant Technical Committee (TAC) to be held on July 13, 2015.

The regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held on July 16, 2015 has been canceled.

Manager Tanaka presented the Board with an update on San Jose RWF Commercial Paper Financing and anticipated first quarter billings from City of San Jose.

The Board discussed Staff's request to attend the ESRI AEC Summit – ARC GIS user conference to be held July 18, 2015 to July 24, 2015 in San Diego, California. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 4-0-0 it was approved for two staff to attend the conference.

Apple Campus 2 update was continued from the June 17, 2015 meeting: Staff reported very little progress was being made towards resolution of the sewer main issue on Pruneridge cul-de-sac. On a motion by Director Bosworth, seconded by Director Kwok, by a vote of 4-0-0 it was ordered to have Staff CCTV the Pruneridge sewer main.

Sanitary Sewer Master Plan update was continued from the June 17, 2015 meeting: Staff gave a brief update report.

On a motion properly made and seconded, at 7:58 p.m. the regular meeting was adjourned and closed session began in accordance with government code section 54956.9(d)4. No reportable action was taken at the closed session.

On a motion properly made and seconded, at 8:07 p.m. the closed session was adjourned and regular meeting was called to order and adjourned at 8:09 p.m. It was noted for the next meeting, Patrick S. Kwok will arrive 15 minutes late and Director Steve Andrews will not be present.

President of the Sanitary Board

Secretary of the Sanitary Board

SANITARY BOARD MEETING
WEDNESDAY, JUNE 17, 2015
REVISED

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:31 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

President Chen called the meeting to order and the following proceedings were had to wit: Roll call was taken, with the following members in attendance:

Directors present: Angela S. Chen, William A. Bosworth, Steve C. Andrews, Patrick S. Kwok and John M. Gatto.

Staff present: Manager Richard K. Tanaka, Staff Member Ivy To, and Counsel Marc Hynes.

On a motion by Director Andrews, seconded by Director Kwok, by a vote of 5-0-0 the Minutes of the meeting of June 10, 2015 were approved with revision.

By consensus, it was ordered that the Approved Minutes of May 20, 2015 be Noted & Filed.

The Board reviewed the financials. On a motion by Director Bosworth, seconded by Director Kwok, it was ordered by a vote of 5-0-0 that the payment of Bills for the month of May be approved as written.

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$2,919.22	ADP	Director Fees	
17729	M&O	\$189,792.16	Mark Thomas & Co., Inc.	Office Expense	\$400.00
				Management Services	\$19,452.93
				Engineering Services	\$30,390.23
				Plan Checking/Inspection	\$4,362.72
				Printing/Publication	\$11,284.57
				Repairs & Maintenance	\$96,338.52
				CIP	\$21,565.80
				Utilities	\$881.35
				Emergency	\$5,116.04
17736	M&O	\$1,141.97	Dooley Insurance & Financial Svcs	Insurance	
17723	M&O	\$1,093.75	Atkinson-Farasyn, LLP	Legal	
17733	M&O	\$722.20	Silicon Valley Newspapers	Printing/Publication	
17727	M&O	\$636.47	Easy Fuel	Gas/Fuel	
17724	M&O	\$156.00	CWEA (Witschi)	Membership	
17726	M&O	\$170.00	Cunha Landscape Services, Inc.	Repairs & Maintenance	
17728	M&O	\$274.25	Home Depot	Repairs & Maintenance	
17734	M&O	\$133.35	United Rentals	Repairs & Maintenance	
17721	M&O	\$111.95	Arrow Fire Protection	Repairs & Maintenance	
17731	M&O	\$12,494.67	Roto Rooter Sewer Service	Repairs & Maintenance	\$12,357.92

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
				Emergency	\$136.75
17719-20	M&O	\$58,375.34	Able Underground Const.	Repairs & Maintenance	\$45,608.80
				Emergency	\$12,766.54
17725	M&O	\$123,787.18	City of San Jose	Outfall Maintenance	
17732	M&O	\$8,192.78	Signa Services	Capital Outlay-Equipment	
17735	M&O	\$22,515.00	Xylem	Capital Outlay-Equipment	
17722	M&O	\$34.70	AT&T Flow Monitoring	Utilities	
17730	M&O	\$4,737.90	Pacific Gas & Electric	Utilities	
17737	M&O	\$5,828.06	LAFCO	Membership	
TOTAL		\$433,116.95			

The Directors submitted their May 2015 timesheets to Staff.

By consensus, it was ordered that correspondence from LAFCO regarding upcoming LAFCO's budget and CUSD share be Noted & Filed since warrant number 17737 was approved.

Director Gatto reported on the regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held on June 11, 2015 and directed Staff to draft a letter to City of San Jose regarding the need to revise the Master Agreement.

The Board continued discussion on prevailing wage compliance. Manager Tanaka presented the Board with updated hourly contract rates from district vendors and the Board concurred with the staff's presentation.

There was no update from TAC on the San Jose Treatment Plant Capital Projects financing. No action was taken.

The Board discussed the District budget for Fiscal Year 2015-16. Board agreed that this staff budget report is a work in progress and the Board will adopt the final budget in late July/August.

The Board discussed tax roll preparation for Fiscal Year 2015-16. Staff is expected to have tax roll report completed prior to July 15th Public Hearing date.

Staff reported on laterals at 7409 and 7403 Stanford Place.

Staff reported that there are no new updates on the Apple Campus 2 project.

Staff gave a brief update on the Sanitary Sewer Master Plan update, particularly with emphasis on the hydraulic analysis in the vicinity of Vallico Park.

Staff reported on the monthly sewer maintenance report. Staff will add a column for SSOs.

Staff reported on September Drive sewer improvement. The notice to proceed with construction will start the week of June 22.

On a motion properly made and seconded, at 8:42 p.m. the regular meeting was adjourned and closed session began in accordance with government code section 54956.9(d)4. No reportable action was taken at the closed session.

On a motion properly made and seconded, at 9:00 p.m. the closed session was adjourned and regular meeting was called to order and adjourned.

President of the Sanitary Board

Secretary of the
Sanitary Board

Item 5C

Honoring the Past

Embracing the Future



CALIFORNIA ASSOCIATION OF
SANITATION AGENCIES



ANNUAL CONFERENCE

AUGUST 19-21, 2015 • SAN DIEGO

DRAFT Preliminary Program

Meeting Rooms are located on the 4th Floor unless noted on the program

Time	Location	Wednesday, August 19, 2015
7:00 a.m. - 8:00 a.m.	Coronado A	CSRMA Breakfast
8:00 a.m. - 12:00 p.m.	Coronado A	CSRMA Training Seminar
10:30 a.m. - 5:00 p.m.	Coronado Foyer	Registration
8:30 a.m. - 10:30 a.m.	Regatta BC	CASA Board of Directors Meeting
10:45 a.m. - 11:45 p.m.	America's Cup AB	Utility Leadership Committee Chair Vicki Conway, Los Angeles County Sanitation Districts
11:30 a.m. - 12:45 p.m.	Marina Room, 1st Floor	Associates Committee Lunch Meeting Chair Jeff Berk, AECOM EchoWater Project – Bringing Water Back Ruben Robles, Sacramento Regional County Sanitation District
1:00 p.m. - 4:00 p.m.	Coronado A	Concurrent Sessions Track 1: Utility Management Moderator: Jason Warner, Oro Loma Sanitary District Lessons Learned from 25 Years of Risk Management in the Wastewater Industry Seth Cole, California Sanitation Risk Management Authority David Patzer, California Sanitation Risk Management Authority What Board Members Should Know About Operations and Questions to Ask Before Investing Big Bucks in new Infrastructure Ken Abraham, HDR Private Sewer Lateral Inspection Programs Jackie Zipkin, East Bay Municipal Utility District Paul Causey, Causey Consulting
	Coronado B	Track 2: Renewable Resources Moderator: Greg Kester, CASA
1:00 p.m. – 1:35 p.m.		Fairfield Suisun Sewer District & Lystek Biosolids Treatment Agreement Greg Baatrup, Fairfield-Suisun Sewer District Jim Dunbar, Lystek

Time	Location	Wednesday, August 19, 2015
1:35 p.m. – 2:15 p.m.		<p>The Net Zero Journey: Process-based Energy Management for a New Era Jamie Ferro, Energy Coalition Wyatt Troxel, Energy Coalition</p>
2:45 p.m. – 3:20 p.m.		<p>Ebola Research, CDC Guidance and CDPH Interaction Mark Starr, Center for Environmental Health, CA Department of Public Health</p>
3:20 p.m. – 4:00 p.m.		<p>San Diego's Pure Water Program John Helminski, City of San Diego</p>
	Regatta AB	<p>Track 3: Infrastructure Moderator: Jeff Berk, Associates Committee Chair, AECOM</p> <p>Public Private Partnerships Jonathan Trutt, West Coast Exchange</p> <p>\$1.5B Just to Replace Aging Infrastructure at a WWTP. Really? Ashwini Kantak, City of San Jose Colin Page, MWH</p> <p>Justifying Long Term Rates for Infrastructure Renewal Rob Thompson, Orange County Sanitation District</p> <p>Vision + Funding = Success! Logan Olds, Victor Valley Wastewater Reclamation Agency</p>
2:15 p.m. - 2:45 p.m.	Coronado Foyer & Terrace	Networking Break
4:15 p.m. - 5:15 p.m.	Americas Cup AB	<p>Federal Legislative Committee Chair Betty Burnett, South Orange County Wastewater Authority</p>
5:00 p.m. - 6:30 p.m.	Regatta A	CSRMA Executive Board Meeting

Time	Location	Thursday, August 20, 2015
7:30 a.m. - 4:30 p.m.	Coronado Foyer	Registration
7:30 a.m. - 9:00 a.m.	Regatta BC	CSRMA Board of Directors Meeting
7:30 a.m. - 9:00 a.m.	Grand A Ballroom, 1st Floor	CASA 60th Anniversary Breakfast Banquet CASA's First 60 Years: A Fond and Fun Look Back Clifford Hall, Special Guest Presenter 2015 Achievement Awards Gala Jeff Reinhardt, Communications Work Group Chair, Las Virgenes Municipal Water District Brooke Sobol, CASA
9:00 a.m. - 9:30 a.m.	Foyer	Networking Break
9:30 a.m. - 11:30 a.m.	Coronado ABC	Morning Sessions
9:30 a.m. - 10:30 a.m.		"Eyes On The Sky" Drought Documentary Screening, plus Q&A with Film Maker Steve Nicolaides, Film Producer and Documentarian
10:30 a.m. - 11:00 a.m.		The Far Reaching Impacts of Drought Richard McCann, M.Cubed
11:00 a.m. - 11:30 a.m.		Communicating the Value of Water Ed McCormick, President of the Board of Trustees, Water Environment Federation (WEF) Annual Business Session: <ul style="list-style-type: none"> • Proposed Membership Dues • Introduction of Board of Directors Slate
11:45 a.m. - 12:00 p.m.		Networking Break
12:00 p.m. - 1:30 p.m.	Grand A Ballroom, 1st Floor	Conference Luncheon President David R. Williams presiding Washington Report Eric Sapirstein, Federal Legislative Advocate, CASA State Legislative Report Mike Dillon, State Lobbyist, CASA 2015 CASA Education Foundation Scholarship Recipients Michael P. Dunbar, Foundation Board President, CASA Education Foundation Recognition of New Honorary Members Kamil Azoury and Deirdre Cannata
1:30 p.m. - 2:00 p.m.	Foyer	Networking Break
2:00 p.m. - 4:00 p.m.	Coronado ABC	Afternoon Session Roberta L. Larson, Executive Director, presiding

**Real Watershed Management—Has Its Time
Finally Come?**

Dee Dee D' Adamo, State Water Board
Adam Krantz, National Association of Clean
Water Agencies (NACWA)
Alex Johnson, The Freshwater Trust
Rita Miller, City of Santa Rosa

5:30 p.m. - 6:30 p.m. **Coronado Foyer & Terrace** Reception

Time	Location	Friday, August 21, 2015
7:30 a.m. - 12:00 p.m.	Coronado Foyer	Registration
7:30 a.m. - 9:30 a.m.	Coronado Foyer & Terrace	Breakfast
7:30 a.m. – 8:30 a.m.	Coronado DE	State Legislative Committee Meeting Chair Jason Dow, Central Marin Sanitation Agency
7:30 a.m. – 8:30 a.m.	Regatta C	Communications Workgroup Meeting Chair Jeff Reinhardt, Las Virgenes Municipal Water District
8:45 a.m. - 11:15 a.m.	Coronado ABC	Closing Session Vice President Kevin M. Hardy, Encina Wastewater Authority, presiding Passing of the Gavel Congressman Duncan Hunter (invited) A Look Ahead to 2016 Josh Kraushaar, National Journal Closing Address: A Better Water Future? Tim Moore, Risk Sciences, Inc.
11:00 a.m. - 3:00 p.m.	Coronado DE	Attorneys Committee Meeting Chair Suzanne Rawlings, City of Santa Rosa



SAVE THE DATE NOW!

August 19, 2015

CSRMA RISK MANAGEMENT SEMINAR AT CASA....

Sponsored by:
California Sanitation Risk Management Authority (CSRMA)

TIME	TOPIC
7:00-8:00am	CATERED BREAKFAST
8:00-12:00	<p>The Future, Innovation and Change</p> <p>The wastewater industry has seen waves of change sweep over it in the past decade and the pace of that change is accelerating. Equipping our organizations and our employees with the ability to adapt to change is critical to current and future success. One of the things that gets in the way of getting comfortable with and taking charge of change is the assumption that most of what we face is "unprecedented." The truth is that, once you really understand how things work – that change is things going back to new places – and that there is truly very little that is in fact unprecedented, then not only will you be more comfortable with change but also you will be more likely to make the most of it while worrying a great deal less about what comes next.</p> <p>Creating the Do-it-Yourself Future You Deserve</p> <p>After years of studying how the future becomes the future, and digging beneath the external to get at the dynamics of how the future happens and helping many clients take the reins of their futures, Mr. Krubski has developed a fundamental formula that can help you achieve the future you desire. By understanding how your intentions and the intentions of others shape what happens next and how clarity and focus of your available energy can influence events both small and large, you can actually direct a lot more of your future than you might believe.</p> <p>About the speaker: John Krubski is a working consultant as well as a seasoned, experienced, professional speaker. He has developed the Index of <i>What Matters Most™</i>, played a pivotal role in setting up the Guardian Life Small Business Research Institute, and designed a one-day workshop around <i>Creating the Do-it-Yourself Future you Deserve</i>. In addition, he has qualified as a Top100 speaker resource for Vistage/TEC, and has authored <i>CRACKING THE AMERICA CODE: A Plan to Get US Back on Track</i>. With that as a platform, John Krubski is better equipped than ever to provide original insights, innovative thinking, and actionable strategies for strategic direction, innovation, dealing with change, management, motivation, and more. As CEO of Futures and Innovation Consultancy INSIGHTS, Krubski has also served as a Futurist and innovation consultant to America's top corporations, including American Express, Charles Schwab, Outback Steakhouse, Sears, IBM, Compaq, Michelin, Fox Television, DreamWorks, Ford, Mercedes-Benz, General Mills, Quaker, Pepsico, and many, many more. He also provides his services as a Strategic Vision Consultant and Innovation Coach. He specializes in Fast-Track Innovation</p>
When:	Wed, 8/19/15 (registration and catered breakfast begins at 7am. Breakfast ends promptly at 8am)
Where:	Manchester Grand Hyatt, One Market Place San Diego, CA 92101
Cost:	The seminar is free to all CSRMA members. There will be a nominal fee of \$50 for all non-CSRMA members (Exact change or check only, payable to CSRMA either in advance or at the door).

PLEASE NOTE:

It is important we have an accurate headcount prior to the date of the seminar to ensure that breakfast is available for those attending the seminar. Please take a moment to pre-register if you plan to attend.

CLICK HERE TO REGISTER

<http://www.riskcontrolonline.com/Main/>

QUESTIONS? Please Contact David Patzer, CSRMA Risk Control Advisor at dpatzer@dkfsolutions.com or at 707.373.9709



ADVANCED WATER PURIFICATION FACILITY TOUR DETAILS

~~Thank you for registering to visit the Advanced Water Purification Facility. Please contact us at purewatersd@sandiego.gov if you are no longer able to attend.~~

- Tour:** Participants will engage in a guided walking tour of the AWP Facility. The tour, including a presentation, will last approximately one hour. **Participants are encouraged to arrive 10-15 minutes before their registered tour time.** Please refer to your confirmation email for your registered tour date and time.
- Attire:** All participants should wear closed-toe, low-heel, walking shoes. A portion of the tour will take place outdoors, so please dress appropriately for the weather. Long pants are recommended.
- To bring:** Photo identification (such as a driver's license), sunglasses and an umbrella (if needed).
- Safety:** Your safety is important to the City of San Diego. Therefore, please be aware of the following for the tour:
Participants must remain with the tour leader at all times.
Smoking, alcoholic beverages, illegal drugs, and weapons are prohibited.
Participants may experience loud noise since the tour will take place outdoors near an active military facility.
- Directions:** The Advanced Water Purification Facility is located at the [North City Water Reclamation Plant](#), 4949 Eastgate Mall, San Diego, 92121.
- From I-805:**
Take exit 25B for Miramar Rd.
Follow signs for La Jolla Village Dr.
Head west onto La Jolla Village Dr.
Turn right onto Towne Centre Dr.
Turn right onto Eastgate Mall. Destination will be on the right.
North City Water Reclamation Plant, 4949 Eastgate Mall
- From the south on I-5:**
Head north on I-5
Take exit 28B for La Jolla Village Dr.
Turn right onto La Jolla Village Dr.
Turn left onto Genesee Ave.
Turn right onto Eastgate Mall. Destination will be on the right.
North City Water Reclamation Plant, 4949 Eastgate Mall
- A security guard will greet guests at the gate.
- Parking:** Free parking is available at the facility. Please follow the parking lot signs.



Memorandum

TO: TREATMENT PLANT
ADVISORY COMMITTEE

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: July 29, 2015

INFORMATION

**SUBJECT: STATUS OF THE SAN JOSE-SANTA CLARA REGIONAL
WASTEWATER FACILITY CAPITAL IMPROVEMENT PROGRAM**

This information memorandum provides an update on status of the ten year funding strategy for the San José-Santa Clara Regional Wastewater Facility ¹(RWF) Capital Improvement Program (CIP).

BACKGROUND

Since early 2014 staff has been working with representatives from Santa Clara and the tributary agencies on a funding strategy for the \$1.4 billion CIP at the RWF. On May 14, 2015 and June 2, 2015, respectively, the Treatment Plant Advisory Committee (TPAC) and San José City Council approved the RWF CIP Ten-Year Funding Strategy. This approved strategy includes the following recommendations:

- All agencies will contribute to a 60 day operating reserve beginning in fiscal year 2016-2017.
- Staff will pursue State Revolving Fund (SRF) loans for RWF capital improvement projects to the maximum extent possible.
- Staff will continue working with City of Santa Clara and all tributary agencies to confirm participation in a commercial paper program and/or long term revenue bonds through the Clean Water Financing Authority (CWFA), by August 2015.
- Staff will work with City of Santa Clara and all tributary agencies to amend the 1983 Master Agreement to incorporate terms related to operating reserve contributions, as well as terms related to financing of the RWF improvements through the CWFA.

¹ The legal, official name of the facility remains San Jose/Santa Clara Water Pollution Control Plant, but beginning in early 2013, the facility was approved to use a new common name, the San José-Santa Clara Regional Wastewater Facility.

ANALYSIS

Staff is working closely with representatives from the City of Santa Clara and the tributary agencies so as to enable each agency to evaluate and finalize a funding plan for its portion of the RWF CIP. Subsequent to TPAC approval of the San José-Santa Clara Regional Wastewater Facility Ten-Year Funding Strategy on May 14, 2015, staff met individually with representatives from each agency. Meeting dates are included below.

Agency Name	Meeting Date
City of Milpitas (Milpitas)	May 18, 2015
Burbank Sanitary District (Burbank), County Sanitation Districts 2-3 (CSD 2-3), Cupertino Sanitary District (Cupertino) (Represented by Mark Thomas & Associates)	May 20, 2015
West Valley Sanitation District (WVSD)	May 22, 2015
City of Santa Clara (Santa Clara)	May 22, 2015

Certain common themes as well as issues and concerns unique to particular agencies emerged through these discussions. Although all agencies are expected to provide final confirmation about their participation in external financing through the Clean Water Financing Authority (CWFA) by August 31, the table below indicates preliminary preferences for each agency, including San José.

Agency Name	Considering CWFA Short Term Financing	Considering SRF loans	Considering CWFA Long Term Financing
San José	Likely	Likely	Maybe ¹
Santa Clara	Unlikely ²	Likely	Unlikely
WVSD	Unlikely ²	Likely	Unlikely
Milpitas	Likely	Likely	Likely
Cupertino	Likely	Likely	Likely
CSD 2-3	Likely	Likely	Likely
Burbank	Likely	Likely	Likely

Footnotes

1. Due to RWF dedicated reserve requirements, San José will likely participate only if all agencies participate in long term CWFA financing.
2. Participation in short term financing may be considered by Santa Clara and WVSD, based on information provided by staff in a sample term sheet for a commercial paper or similar short term program.

Additional Considerations

- Representatives for Burbank, CSD 2-3, and Cupertino expressed concern about the ability of these three agencies to secure financing for their proportionate share of CIP costs if they are unable to participate in long-term financing through CWFA.

Since it is very possible that long term bonds will not be issued through CWFA, staff recommends these agencies begin working with their financial advisors to develop alternate long term funding plans.

- Since San José and Santa Clara share liability for any shortfall in payments from the tributary agencies for the cost to operate the RWF, Master Agreement Amendments may need to address remedies if a tributary agency fails to maintain adequate funding from their ratepayer revenue to cover their portion of the RWF CIP costs.

Information Provided to Date

In addition to the Proposed FY 15-16 Operating Budget ([link](#)), FY16-20 CIP ([link](#)), and the ten year funding strategy report ([link](#)), San José has provided the following information to Santa Clara and the tributary agencies to enable their evaluation of funding options:

1. Ten year forecast of CIP and O&M allocations for all agencies based on two scenarios: cash contributions only and participation by all agencies in a commercial paper program – distributed by email on May 19, 2015. The assumption for both scenarios was that each agency would independently address their respective long-term financing requirements.
2. Estimated cash flow for CIP expenditures and encumbrances, by quarter for the next three fiscal years – distributed by email on May 20, 2015
3. Estimated first quarter CIP billing for each agency – distributed on June 25, 2015.
4. Commercial Paper or other short-term financing term sheet – distributed by email on July 6, 2015 (copy attached)
5. An FAQ sheet on short-term financing – distributed by email on July 6, 2015 (copy attached)

It is important to note that the May 2015 ten-year forecast scenario for a commercial paper program was built on a set of assumptions. As such, these numbers may change based on the final number of agencies participating in the program, the amount borrowed and term for each agency's usage of the program, and the actual financial terms at the time of establishment of a commercial paper or other short-term financing program. In addition, staff is also working on updating capital cost parameters based on the proposed capital projects in the five-year CIP. This will likely result in some adjustments to the capital cost contributions for each agency, based on their capacity for each flow parameter. Thus, at this time, staff will not be running any additional funding forecast scenarios but instead would ask each agency to use the proposed budget, the ten-year forecast, and the commercial paper term sheet and FAQs to evaluate options and develop their funding plans.

While developing these funding plans, agencies will need to take into consideration that SRF funding, if approved, is provided on a reimbursable basis. Thus agencies will have to arrange for funding their contributions upfront. In the event that an agency cash funds its contribution for a project that subsequently receives SRF funding, the agency's contribution related to that project will be reconciled with the SRF debt service repayment schedule and the remaining funds will either be returned or credited to the agency as is already part of the third quarter adjustment period after Year End close.

TREATMENT PLANT ADVISORY COMMITTEE

July 29, 2015

Subject: Status of RWF CIP Financing

Page 4

Establishment of a Commercial Paper (CP) program provides a highly flexible financial tool for funding the capital needs and mitigating the upfront impacts of large capital project encumbrances. The CP Program also improves the mechanics of initial funding and reimbursement for projects funded from SRF loans.

Next Steps

Per the approved recommendations of the RWF Ten-Year Funding Strategy, all agencies will confirm participation in the three external financing tools (SRF loans, commercial paper or other short-term financing program, and long-term financing) by August 31, 2015. To enable this, staff will be providing a form for all agencies to fill in and return by the due date.

Once documentation from all agencies about participation in external financing has been received, staff will begin drafting amendments to the 1983 Master Agreements and work with agencies to obtain approval through their respective Councils and Boards by November 2015. This will enable staff to move forward with SRF loans as well as initiate the process to establish a short-term financing program in the first quarter of calendar year 2016.

It is important to note that timely approvals of the amendments to Master Agreement by the respective Councils and Boards are required for agencies to be able to participate in any external financing, including SRF loans.

Please contact ESD Assistant Director Ashwini Kantak at 408-975-2553 with any questions or concerns.

/s/

KERRIE ROMANOW
Director, Environmental Services

Attachments

CC:

San Jose City Council
Santa Clara City Council
West Valley Sanitation District Board
Milpitas City Council
Cupertino Sanitary District Board
County Sanitation District Nos. 2-3 Board
Burbank Sanitary District Board
Technical Advisory Committee

**CITY OF SAN JOSE, AS ADMINISTERING AGENT OF THE
SAN JOSE-SANTA CLARA CLEAN WATER FINANCING AUTHORITY (CWFA)**

Regarding the Capital Improvement Plan (CIP) and Ten-Year Funding Strategy for the
San José-Santa Clara Regional Wastewater Facility (RWF)

**Proposal to Establish Commercial Paper Program
for the Benefit of the Cities of San José and Santa Clara (Owners of the RWF) and the
Other Users of the RWF (the Tributary Agencies)**

Indicative Terms and Conditions

July 6, 2015

FACILITY INFORMATION

Issuer/Borrower:	San José-Santa Clean Water Financing Authority (CWFA).
Debt Issue:	CWFA Sewer Revenue Commercial Paper (CP) Notes (the “Notes”).
Security:	Pledge of revenues derived by the CWFA under amendments to the Improvement Agreement. Amendments to the Master Agreements between San José/Santa Clara and the Tributary Agencies will be required to incorporate repayment obligations of each agency.
LOC Provider:	San José will procure the provision of a letter of credit (“LOC”) from one or more banks through a competitive process.
Commitment Amount:	Estimated \$200-\$300 million of issuance capacity (plus 270 days’ interest coverage at agreed-upon maximum rate, as typically required by banks).
Credit Risks:	Rating downgrades resulting in increased interest rates (bank downgrade) or increased LOC fee (CWFA downgrade).
Alternative Interim Financing Products:	Other interim financing alternatives exist and will be considered in comparison with the benefits of a commercial paper program. One example is a revolving credit agreement that functions like CP notes but where draws are funded/loaned directly by the bank.

ESTIMATED COSTS¹

LOC Commitment Fee:	0.70% fixed rate (inclusive of \$250 draw fees) payable to bank quarterly in arrears. Term of LOC = 3 years.
Program Establishment:	\$300,000 (e.g., note counsel, bank counsel, financial advisor fees, rating agency reviews).
Interest Rates:	1%-3%. Variable interest rate as determined by market. Notes mature in 270 days or less. (Current indicative rates for highly rated notes are (a) 0.05%, based on SIFMA weekly tax-exempt rate index and (b) 0.44%, based on 6-month (taxable) LIBOR rate.)
Cost Allocation:	CIP costs, including debt-related costs, allocated based on pro-rata contractual flow capacity of those participating in CP program, unless otherwise amended.

¹ As assumed in Ten-Year Funding Strategy/Financing Plan for San José 2015-2016 Proposed Budget and Forecasted Allocations by Agency presented to Treatment Plant Advisory Committee on March 12, 2015 and, as supplemented, approved by San José City Council on May 19, 2015.

Regional Wastewater Facility

Use of Commercial Paper Program as an Interim Financing Tool

Frequently Asked Questions

- Q. What is a Commercial Paper Program?**
- A. A Commercial Paper (CP) Program is a variable interest rate debt program that would allow for funding of the capital needs associated with the CIP at the RWF on an as-needed basis. A traditional CP program utilizes a bank credit facility to provide credit support to commercial paper obligations that are sold in the credit markets and are remarketed (i.e., resold with new interest rates) on a regular basis. There are alternatives to the traditional CP program which staff are continuing to analyze.
- Q. When is the Commercial Paper Program going to start and when will it end? Does an agency have to participate in the CP Program through its ultimate expiration?**
- A. We currently anticipate that we would put the CP program in the first quarter of calendar year 2016. We don't currently have an estimate end date for the CP program – this will be a function of the evolution of the RWF CIP and the interest of the agencies in utilizing debt rather than cash to fund the CIP. Agencies that choose to participate in the CP Program can cease their participation upon payment of all of the CP associated with their agency, at times consistent with the underlying program documents (to be determined).
- Q. What are the advantages of a Commercial Paper program for the RWF CIP?**
- A. Establishment of a CP program provides a highly flexible financial tool for funding the capital needs, keeping interest costs low during the construction period, minimizing the impact of negative arbitrage (the negative carry associated with selling long-term debt and investing it short-term while waiting for construction to occur), mitigating the impacts of capital budget encumbrance, and allowing for the buildup of financial liquidity that will be essential in effectively marketing the long-term credit. The CP Program also improves the mechanics of initial funding and reimbursement for projects funded from SRF loans.
- Q. How are the costs of the Commercial Paper Program going to be allocated?**
- A. We anticipate that the costs for establishment of the CP Program would be allocated to those agencies that anticipate using the program on a volume weighted basis. Costs for utilizing the program would be allocated to those agencies using the program to fund their draws on the basis of program utilization.
- Q. Does an agency have to participate in the planned long-term borrowing for the RWF in order to utilize the CP Program? Will the reserves required for participating in the long-term borrowing also be required for participation in the CP Program?**
- A. No. Any agency can participate in the CP Program. There are no additional reserve requirements associated with participation in the CP Program.
- Q. Does an agency have to commit to participate in the CP Program at the very beginning?**

A. While it may be possible for an agency to join in participation after the CP Program has been established, it will add significant complications and expense. As such, staff recommends that any agency that believes that it might wish to participate do so from the beginning.

Q. How will the Commercial Paper be repaid?

A. The principal amount of the Commercial Paper shall be repaid from capital payments from the member agencies, from funds provided through the State Revolving Fund or from the proceeds of bonds issued by the Clean Water Financing Authority or by the individual member agencies.

Our Mission:

- To protect the public health and environment.
- To provide for safe and cost-efficient collection of sewage waste.
- To provide for effective conveyance to the Treatment Plant.

We are pleased to present this Annual Report of the Cupertino Sanitary District (CuSD) recognizing 59 years of service to over 23,000 customers within the communities of Cupertino, portions of Saratoga, Sunnyvale, Los Altos and unincorporated areas within Santa Clara County.

CuSD covers approximately 15 square miles, serving a population of over 50,000 people with more than 23,000 residential and business units. The District owns and manages over one million lineal feet of sewer mains, half million lineal feet of sewer laterals, 17 pump stations, 4000 manholes and flushing inlets, and one equipment storage facility. CuSD conveys nearly 5 million gallons of wastewater daily from our customers for treatment at the San Jose/Santa Clara Regional Wastewater Facility.

CuSD's collection system, much of which is more than 50 years old, has been maintained proactively with regular cleaning and development of a Capital Improvement Program (CIP) aimed at improving efficiency as well as extending its useful service life.

Notable Accomplishments in 2014-2015:

1. Geographical Information System (GIS) completed
2. Switched to Lucity Software System from CUPMAN to improve maintenance efficiency
3. Nearly one mile of sewer main relocation for Apple 2 Campus completed
4. Serviced 952,000 lineal feet of sewer mains and over 1,500 laterals
5. September Drive Sewer Main Replacement

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Suite 100

Phone: 408-253-7071

Fax: 408-253-5173

www.CupertinoSanitaryDistrict.or

POSTAL CUSTOMER

CUPERTINO SANITARY DISTRICT

2015 ANNUAL REPORT



24 HOUR SEWER EMERGENCY
RESPONSE SERVICE

CALL US FIRST
(408) 253-7071

It is our pleasure to
continue serving you !

SEWAGE WASTE OR TRASH?

DO NOT FLUSH . . .



- “Flushable” Wipes
- Baby Wipes
- Facial Wipes
- House Cleaning



- Dental Floss
- Dental Picks
- Cotton Balls
- Cotton Swabs
- Makeup Remov-



- Medications
- Vitamins
- Supplements

Cupertino residents take your unwanted and expired medication to:

West Valley Patrol Station
(Sheriff's Office)
1601 S. De Anza Blvd., Cupertino
(408) 868-6600
M-F, 8am – 4pm

Flush ONLY body waste and toilet paper !

WHAT'S NEW AT THE DISTRICT?

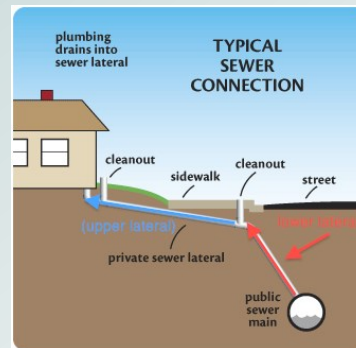
Swimming Pool Owners

If you are swimming pool owner, discharge to our sewer system and not down the storm drain.



Call us first and obtain a discharge permit!

House Laterals



- If your lateral needs to be replaced, you can apply for financial assistance.
- Do you have a clean-out on your property? We can assist you in locating it. Call us.

For more information about your sewer system and the District log onto: www.CupertinoSanitaryDistrict.org

2015 Facts & Figures

Board of Directors

Angela S. Chen - President
Steve C. Andrews - Secretary
John M. Gatto - Director
William A. Bosworth - Director
Patrick S. Kwok - Director

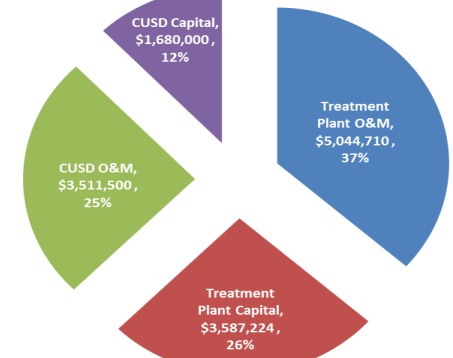
Staff

Richard K. Tanaka - District Manager-Engineer
{Mark Thomas & Company, Inc.}

Marc Hynes - District Counsel
{Atkinson-Farasin, LLP}

Board Meetings

1st and 3rd Wednesday of each month at 7:30 PM
in the District Board Room, 20863 Stevens Creek
Boulevard, Suite 100, Cupertino, California 95014



AT THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY

- Planned \$1.2 billion to rehabilitate old aging sewage treatment plan
- Recycling about 15 MGD
- Reuse wastewater – for drinking purpose
- Improve air quality

From: Richard Tanaka
Sent: Thursday, July 30, 2015 11:42 AM
To: Frankie Martinez
Cc: Ivy To
Subject: FW: Cupertino Sanitary District Request for Study Session

Please print and include in the board package.

Richard K. Tanaka
Senior Principal
(408) 453-5373 | (408) 838-7463 cell
Mark Thomas & Company

-----Original Message-----

From: Timm Borden [<mailto:Timmb@cupertino.org>]
Sent: Thursday, July 30, 2015 9:46 AM
To: Frankie Martinez
Cc: Richard Tanaka; Tiffanie Cardenas; Chad Mosley; Aarti Shrivastava; Gary Chao
Subject: Re: Cupertino Sanitary District Request for Study Session

Frankie,
While the letter from your board to the council is appropriate, in the future please follow up with your communication through staff and not directly with the mayor or council. They will not have a study session on this technical of an issue without knowing city staffs position or recommendations on alternatives. We should set up a meeting soon to discuss these issues. Please work with Tiffanie Cardenas, who is copied here, to set a time.

Timm Borden

On Jul 29, 2015, at 9:49 PM, Rod Sinks <rodsinks@gmail.com<<mailto:rodsinks@gmail.com>>> wrote:

Dear Frankie,

Please work with Timm Borden, our Director of Public Works, who I have copied on this email.

Thanks,

Rod Sinks

Sent from my iPad

On Jul 29, 2015, at 10:10 AM, Frankie Martinez <fmartinez@markthomas.com<<mailto:fmartinez@markthomas.com>>> wrote:

Hello Mayor Sinks,

I have been asked to reach out to you and follow up on our request for a study session with the City Council to discuss the City General Plan and the impact it will have on our sewer system capacity.

On June 18, 2015 we mailed you a letter and have not heard back from your office. Please review the attached letter and respond to our request. The District is eager to meet with City Council to discuss how the capacity issues can be resolved.

Thank you and best regards,

Frankie Martinez

Technical Assistant - Cupertino Sanitary District

(408) 253-7863 x2000

Mark Thomas & Company

Providing Engineering, Surveying and Planning Services www.markthomas.com<<http://www.markthomas.com/>>

<Letter #15-180 Letter to City Cupertino Mayor Sinks 6-18-2015.pdf>