



BOARD MEETING AGENDA
Monday, April 24, 2017
Regular Meeting - 7:00 P.M.

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

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

- | | | |
|-------------|-----|---|
| | 1. | Call to Order. |
| | 2. | Pledge of Allegiance. |
| | 3. | Roll Call. |
| Motion | 4. | Approve Minutes of the Meeting of April 10, 2017. |
| Information | 5. | Monthly Operations Report for March 2017 <i>(to be reviewed by the Budget & Finance and Legal/Community Affairs Committees).</i> |
| | 6. | Written Communications. |
| | 7. | Oral Communications.
<small><i>The public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District office at least one working day prior to the meeting). This portion of the agenda is where a member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction that is not on the agenda. If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. Oral comments are limited to three minutes per individuals, with a maximum of 30 minutes per subject. Speaker's cards will be available in the Boardroom and are to be completed prior to discussion.</i></small> |
| Motion | 8. | Consider Approval of Agreement for Auditing Services with Lance Soll & Lunghard LLP. |
| Motion | 9. | Award the Contract for the Cleaning of Primary Digester No. 3 and Secondary Digester No. 2 to Synagro <i>(to be reviewed by the Engineering and Information Technology Committee).</i> |
| Motion | 10. | Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8028 – Casa Bella, Located on Thornton Avenue Between Cherry Street and Newark Boulevard in the City of Newark <i>(to be reviewed by the Legal/Community Affairs Committee).</i> |
| Motion | 11. | Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 7938 – Oracle Common, Located on Eggers Drive North of Fremont Boulevard in the City of Fremont <i>(to be reviewed by the Legal/Community Affairs Committee).</i> |
| Information | 12. | Check Register. |

- Information 13. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*
- a. Legal/Community Affairs Committee – Wednesday, April 19, 2017, at 11:00 a.m.
 - Director Handley and Director Lathi
 - b. Budget & Finance Committee – Thursday, April 20, 2017, at 12:30 p.m.
 - Director Handley and Director Lathi
 - c. Engineering and Information Technology Committee – Friday, April 21, 2017, at 9:30 a.m.
 - Director Kite and Director Fernandez
 - d. Personnel Committee – will not meet.
 - e. Audit Committee – will not meet.
 - f. Legislative Committee – will not meet.
 - g. Ad Hoc Subcommittee for Communications Strategy.
-
- Information 14. General Manager's Report. *(Information on recent issues of interest to the Board).*
-
15. Other Business:
- a. Comments and questions. *Directors can share information relating to District business and are welcome to request information from staff.*
 - b. Scheduling matters for future consideration.
-
16. Adjournment – The Board will adjourn to the General Manager's 6-month Check-in Board Workshop in the Boardroom on Tuesday, April 25, 2017, at 5:30 p.m.
-
17. Adjournment – The Board will then adjourn to the next Regular Meeting in the Boardroom on Monday, May 8, 2017, at 7:00 p.m.

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

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



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

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA
Wednesday, April 19, 2017
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

**THIS MEETING WILL BE TELECONFERENCED WITH DIRECTOR HANDLEY AND DIRECTOR LATHI
FROM 43225 MISSION BOULEVARD, FREMONT, CALIFORNIA.
THE TELECONFERENCE LOCATION SHALL BE ACCESSIBLE TO THE PUBLIC.**

1. Call to Order

2. Roll Call

3. Public Comment

4. Items to be reviewed for the Board meeting of April 24, 2017:
 - March 2017 Monthly Operations Report – Odor Report and Work Group Reports
 - Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8028 – Casa Bella, Located on Thornton Avenue Between Cherry Street and Newark Boulevard in the City of Newark
 - Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 7938 – Oracle Common, Located on Eggers Drive North of Fremont Boulevard in the City of Fremont

5. Adjournment

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

The Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting).

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

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THE PUBLIC IS INVITED TO ATTEND



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

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

AGENDA
Thursday, April 20, 2017
12:30 P.M.

Karen W. Murphy
Attorney

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

1. Call to Order

2. Roll Call

3. Public Comment

4. Items to be reviewed for the Board meeting of April 24, 2017:
• March 2017 Monthly Operations Report – Financial Reports

5. Adjournment

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

The Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting).

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

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THE PUBLIC IS INVITED TO ATTEND



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

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

AGENDA
Friday, April 21, 2017
9:30 A.M.

Karen W. Murphy
Attorney

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

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

1. Call to Order
2. Roll Call
3. Public Comment
4. Items to be reviewed for the Board meeting of April 24, 2017:
 - Award the Contract for the Cleaning of Primary Digester No. 3 and Secondary Digester No. 2 to Synagro
5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings. The Public may provide oral comments at regular and special Board meetings; however, whenever possible, written statements are preferred (to be received at the Union Sanitary District at least one working day prior to the meeting). If the subject relates to an agenda item, the speaker should address the Board at the time the item is considered. If the subject is within the Board's jurisdiction but not on the agenda, the speaker will be heard at the time "Public Comment" is calendared. Oral comments are limited to three minutes per individual, with a maximum of 30 minutes per subject. Speaker's cards will be available and are to be completed prior to discussion of the agenda item.

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THE PUBLIC IS INVITED TO ATTEND

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
March 27, 2017**

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

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

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 27, 2017

It was moved by Vice President Kite, seconded by Director Toy, to approve the Minutes of the Meeting of March 27, 2017. Motion carried unanimously.

WRITTEN COMMUNICATIONS

There were no written communications.

ORAL COMMUNICATIONS

There were no oral communications.

CONSIDER A RESOLUTION TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PIPELINE CROSSING AGREEMENT WITH THE UNION PACIFIC RAILROAD COMPANY AND A PIPELINE CROSSING COSTS FUNDING AND REIMBURSEMENT AGREEMENT WITH KB HOME SOUTH BAY AND THE PATTERSON RANCH OWNERS' ASSOCIATION, REGARDING THE PATTERSON RANCH DEVELOPMENT IN THE CITY OF FREMONT

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated KB Home South Bay Inc. will construct sixty-six single family residential units for Phase 3 of the Patterson Ranch development. A 10-inch sewer main will be installed across property owned by the Union Pacific Railroad Company (UPRR) to allow District service to the development. A pipeline crossing agreement was prepared to enable the District to maintain and operate the sewer main while allowing UPRR the ability to require future relocation of the main if necessary for the safe operation of its railroad and property. The separate Pipeline Crossings Costs Funding and Reimbursement Agreement states costs of the license agreement are the responsibility of KB Home and Patterson Ranch Owners' Association. Should the UPRR require the sewer to be relocated within 22 years from the date of execution of the agreement, KB Home will be responsible for the relocation cost. The Patterson Ranch Owners' Association will be responsible in perpetuity, and the Agreement requires KB Home to notify all homebuyers at Patterson Ranch of the obligations under this agreement by close of escrow. District Staff recommended the Board consider a resolution to authorize the General Manager to execute a Pipeline Crossing Agreement with the UPRR and a Pipeline Crossing Costs Funding and Reimbursement Agreement, with KB Home South Bay Inc and the Patterson Ranch Owners' Association, regarding the Patterson Ranch Development in the City of Fremont.

It was moved by Vice President Kite, seconded by Secretary Lathi, to Adopt Resolution No. 2805, Approving and Authorizing Execution of a Pipeline Crossing Agreement with the Union Pacific Railroad Company and a Pipeline Crossing Costs Funding and Reimbursement Agreement with KB Home South Bay Inc. and Patterson Ranch Owners' Association. Motion carried unanimously.

CONSIDER A RESOLUTION TO UPDATE AND APPROVE A NEW CALPERS DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS FORM

This item was reviewed by the Budget & Finance Committee. Business Services Manager/CFO Arends-King stated the District maintains a payment schedule in conjunction with CalPERS related to "Other Post Employment Pre-Funding," which includes a reimbursement (disbursement) component. Disbursement requests are achieved based upon Board approval granting authority for the action to specific District staff via Resolution kept on file with CalPERS. Staff prepared an updated "CalPERS Delegation of Authority to Request Disbursements" Resolution to be signed by the Board President and filed with CalPERS. Staff requested the Board consider approval of an updated "CalPERS Delegation of Authority to Request Disbursements" Resolution.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Adopt Resolution No. 2806, Delegating Authority to the Positions of Chief Financial Officer, Business Services Coach, and Accounting and Financial Analyst 1 and/or Senior Accounting and Financial Analyst to Request on Behalf of Union Sanitary District Disbursement from the

Other Post Employment Prefunding Plan and to Certify as to the Purpose for Which the Disbursed Funds will be used. Motion carried unanimously.

CONSIDER APPROVAL OF DESIGN FOR THE DISTRICT'S AUTUMN 2017 NEWSLETTER AND DISCUSS POTENTIAL CONTENT SUBJECTS

Communications and Intergovernmental Relations Coordinator Powell stated that during previous Board workshops, the Board agreed to a new layout and design for its newsletter to be mailed in Autumn 2017. Staff recommended the Board select one of four cover page layout designs, consider a multi-year contract for printing services, and provide direction regarding content to be included in the newsletter.

It was moved by Secretary Lathi, seconded by Director Toy, to select the #2 cover page layout, proceed with a request for a three-year contract for printing services, and directed staff to develop the content topics included in the staff report. Motion carried unanimously.

APPROVE PROPOSED UPDATES TO DISTRICT VISION/MISSION STATEMENT

Finance and Acquisition Services Team Coach Brenner stated the Executive Team reviews the District's Vision and Mission Statement as part of annual strategic planning. During the Fiscal Year 2016 review, the team proposed the addition of language reflecting the District's desire to increase beneficial resource recovery and reuse activities to minimize our impacts on the environment. Internal stakeholders collaborated via multiple sessions and workshops to develop the proposed Vision and Mission Statement for adoption at the District. Staff recommended the Board review and consider approval of proposed changes to the District Vision and Mission Statement.

It was moved by Secretary Lathi, seconded by Vice President Kite, to Approve Proposed Updates to the District Vision and Mission Statement. Motion carried unanimously.

FY 2017 VEHICLE AND EQUIPMENT EXPENDITURE ADJUSTMENT

This item was reviewed by the Budget & Finance Committee. Collection Services Manager Schofield stated funds for the acquisition of a truck mounted mini-jetter were included in the FY 17 operating budget for an estimated cost of \$160,700. The truck mounted mini-jetter is one of two pieces of equipment that will replace a hydro-jet vacuum unit that has exceeded its useful life. After re-evaluating the capabilities of the hydro-jet vacuum unit, staff concluded the truck mounted mini-jetter and hydro jet will increase productivity by operating at higher pressures using less water. The vehicle will be purchased under the competitively-bid contract administered by the National Joint Powers Alliance (NJPA). The NJPA price for the vehicle is \$186,935, which exceeds the approved budget by more than 15%. The estimated cost of the vehicle used for the budget did not include upgrades that were added to the vehicle specifications. Staff recommended the Board consider approving an equipment expenditure adjustment and approve the purchase of the truck-mounted mini-jetter in the amount of \$186,935.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Authorize Staff to Purchase a Truck-mounted Mini-jetter in the Amount of \$186,935. Motion carried unanimously.

INFORMATION ITEMS:

Hydro-jetter Purchase

This item was reviewed by the Budget & Finance Committee. Collection Services Manager Schofield stated the District is scheduled to purchase a Hydro Jetter for \$273,918, which is \$51,161 less than the budgeted amount.

Certificates of Merit to Union Sanitary District's Class I Permitted Industries

This item was reviewed by the Legal/Community Affairs Committee. Environmental Compliance Team Coach Dunning stated the Certificates of Merit presentation is an annual event held to recognize industries that have exceeded the requirements of their wastewater discharge permits during the prior calendar year. The District has invited representatives from 28 Significant Industrial Users with Class I Wastewater Discharge Permits to receive Certificates of Merit at 3:00 p.m. on Thursday, May 4, 2017.

Earth Day 2017

This item was reviewed by the Legal/Community Affairs Committee. Environmental Compliance Team Coach Dunning stated the District's Environmental Compliance team will participate in the Earth Day event to be hosted by the City of Fremont and Washington Hospital at Washington Hospital's Auditorium on Saturday, April 22, 2017. Environmental Compliance staff will share information with the public related to pollution prevention and proper disposal of mercury containing devices and unused medications.

Review and Provide Input on Draft Presentation to City Councils

General Manager Eldredge stated it has been the District's practice to provide periodic updates regarding current and upcoming District activities to the City Councils of Fremont, Newark, and Union City. General Manager Eldredge presented a hard copy of the draft PowerPoint slideshow to be presented to the three cities for Board review. The Board provided feedback regarding the draft presentation, and directed staff to incorporate said feedback.

Check Register

All questions were answered to the Board's satisfaction.

COMMITTEE MEETING REPORTS:

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

GENERAL MANAGER'S REPORT:

General Manager Eldredge reported the following:

- The Newark State of the City Luncheon will be held Thursday, April 13, 2017.
- The East Bay Dischargers Authority Managers Advisory Committee strategic planning session was held at the District on April 7, 2017.

OTHER BUSINESS

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 7:40 p.m. to the next Regular Board Meeting in the Boardroom on Monday, April 24, 2017, at 7:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

ANJALI LATHI
SECRETARY

APPROVED:

TOM HANDLEY
PRESIDENT

Adopted this 24th day of April, 2017

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

DATE: April 18, 2017

MEMO TO: Board of Directors - Union Sanitary District

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

SUBJECT: Agenda Item No. 5 - Meeting of April 24, 2017
Information Item: **Monthly Operations Report for March 2017**

Background

Attached are Monthly Operations Reports for March 2017. Staff is available to answer questions regarding information contained in the report.

Work Group Managers

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

ODOR COMPLAINTS:

There were five odor complaints received by the Treatment Plant. Details regarding the complaints were included in the Board meeting packet.

SAFETY:

- We had an employee report a knee injury in March and stated the injury occurred in November 2016. The employee is on modified duty
- Conducted the required employee hearing tests and respirator fit testing.
- There was an incident or reported high PH at the Cherry Street pump station. There was no impact on the employees but we are reviewing our procedures of employee notification and response.
- Completed our Safe Driving Training for all employees.

STAFFING & PERSONNEL:

Recruitments Opened:

- Accounting Technician I/II
- Human Resources Manager

Continuing Recruitments:

- Senior Accounting and Financial Analyst
- Chemist I/II

Other Accomplishments:

- Human Resources Manager and Human Resources Analyst II attended the NCCIPMA-HR Conference in Napa.
- USD Leadership School presented seminar on Mentoring and held first mentoring session for participants.
- USD Leadership School also presented seminar on "Transitioning to Management" with a panel discussion from previous Leadership School participants.

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

- The General Manager presented a District Update to all staff.
- Attended and participated in the Mid-Year Budget Board Workshop.
- Attended the District Messaging Board Workshop.
- Attended the East Bay Dischargers Authority Meeting.
- Attended the East Bay Dischargers Authority Managers Advisory Committee Meeting.
- Participated in Strategic Planning session.
- Participated in a series of 20 Year CIP Budget meetings.
- Participated in an Ad Hoc Meeting to review the District Vision and Mission Statement.
- Attended the District Safety Meeting.
- Attended the Fremont State of the City Luncheon.

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



ODOR REPORT March 2017

Treatment Plant (Union City)

During the recording period from March 01, 2017 through March 31, 2017, there were five odor related service requests received by the Treatment Plant.

1. Complaint Details:

Date: 3/8/2017

Time: 10:10 pm

Location: MACKINAW ST

Reported By: Sam Dua

Wind (from): West

Wind Speed: 3 mph

Temperature: 56 Degrees F

Weather: Clear

Tide Information:

High Tide Reading: 6.3 FT/Time

Low Tide Reading: -0.1

High Tide Time: 8:48 AM

Low Tide Time: 5:03 AM

Response and Follow-up:

- USD Staff dispatched to complaint location? No
- Was any odor detected at the complaint location? N/A
 - If yes, was odor attributed to USD? N/A
- Were any odors detected at the Plant? Yes
 - If yes, what odors were found? Slight rag bin odor in the immediate vicinity of headworks. Slight secondary clarifier odor in the immediate vicinity of Lift Station 1.
- Additional Information: Odor control system working properly.

2. Complaint Details:

Date: 3/9/2017

Time: 9:15 am

Location: MACKINAW ST

Reported By: Sam Dua

Wind (from): West

Wind Speed: 1 mph

Temperature: 60 Degrees F

Weather: Clear

Tide Information:

High Tide Reading: 25.4 FT/Time

Low Tide Reading: 0.6 FT/Time

High Tide Time: 8:40 PM

Low Tide Time: 5:08 AM

Response and Follow-up:

- USD Staff dispatched to complaint location? Yes
- Was any odor detected at the complaint location? No
 - If yes, was odor attributed to USD? N/A
- Were any odors detected at the Plant? No
 - If yes, what odors were found? N/A
- Additional Information: N/A

3. Complaint Details:

Date: 3/9/2017

Time: 9:30 pm

Location: MACKINAW ST

Reported By: Sam Dua

Wind (from): West

Wind Speed: 5 mph

Temperature: 56 Degrees F

Weather: Clear

Tide Information:

High Tide Reading: 6.0 FT/Time

Low Tide Reading: -0.4

High Tide Time: 10:54 PM

Low Tide Time: 4:05 PM

Response and Follow-up:

- USD Staff dispatched to complaint location? Yes
- Was any odor detected at the complaint location? No
 - If yes, was odor attributed to USD? N/A
- Were any odors detected at the Plant? Yes
 - If yes, what odors were found? Slight odor in the immediate vicinity of the rag bin to south of headworks and secondary clarifier to Lift Station 1.
- Additional Information: Odor at residence related to ponds and animal/farm area.

4. Complaint Details:

Date: 3/11/2017

Time: 9:00 pm

Location: MACKINAW ST

Reported By: Sam Dua

Wind (from): West

Wind Speed: 8 mph

Temperature: 55 Degrees F

Weather: Clear

Tide Information:

High Tide Reading: 6.3 FT/Time

Low Tide Reading: 0 FT/Time

High Tide Time: 11:29 AM

Low Tide Time: 7:12 PM

Response and Follow-up:

- USD Staff dispatched to complaint location? No
- Was any odor detected at the complaint location? N/A
 - If yes, was odor attributed to USD? N/A
- Were any odors detected at the Plant? No
 - If yes, what odors were found? N/A
- Additional Information: Odor control system working properly.

5. Complaint Details:

Date: 3/13/2017

Time: 8:10 pm

Location: MACKINAW ST

Reported By: Sam Dua

Wind (from): West

Wind Speed: 1 mph

Temperature: 65 Degrees F

Weather: Clear

Tide Information:

High Tide Reading: 6.2 FT/Time

Low Tide Reading: 0.5 FT/Time

High Tide Time: 2:07 AM

Low Tide Time: 7:37 AM

Response and Follow-up:

- USD Staff dispatched to complaint location? No
- Was any odor detected at the complaint location? N/A
 - If yes, was odor attributed to USD? N/A
- Were any odors detected at the Plant? Yes
 - If yes, what odors were found? Slight odor at the rag bin.
- Additional Information: Odor control system working properly.



Legend

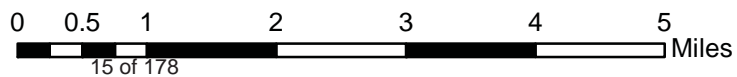
Odor Complaints: March 2017

- ^ Odor found, USD resolved (3)
- ! Odor found, not related to USD (0)
- # No odor found (2)

Odor Complaints: Apr. 2016 to Feb. 2017

- ^ Odor found, USD resolved (8)
- ! Odor found, not related to USD (7)
- # No odor found (13)

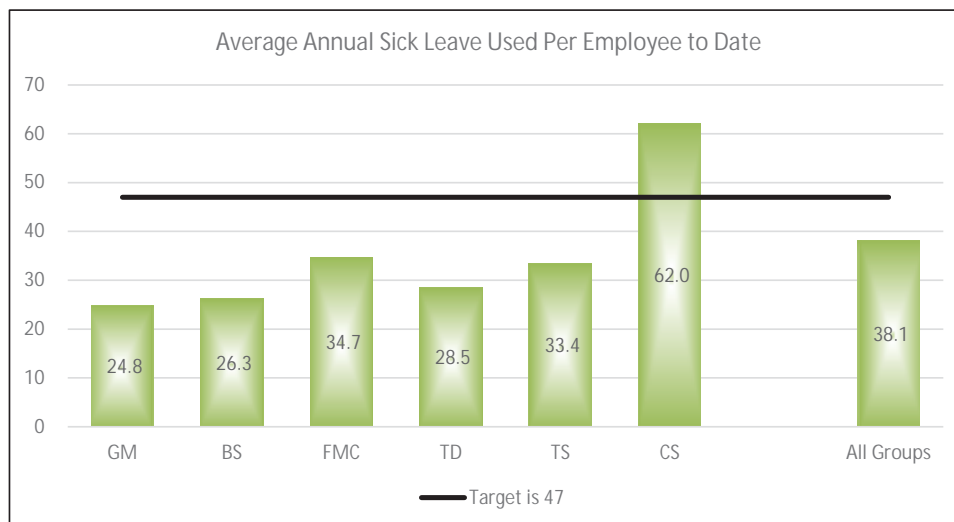
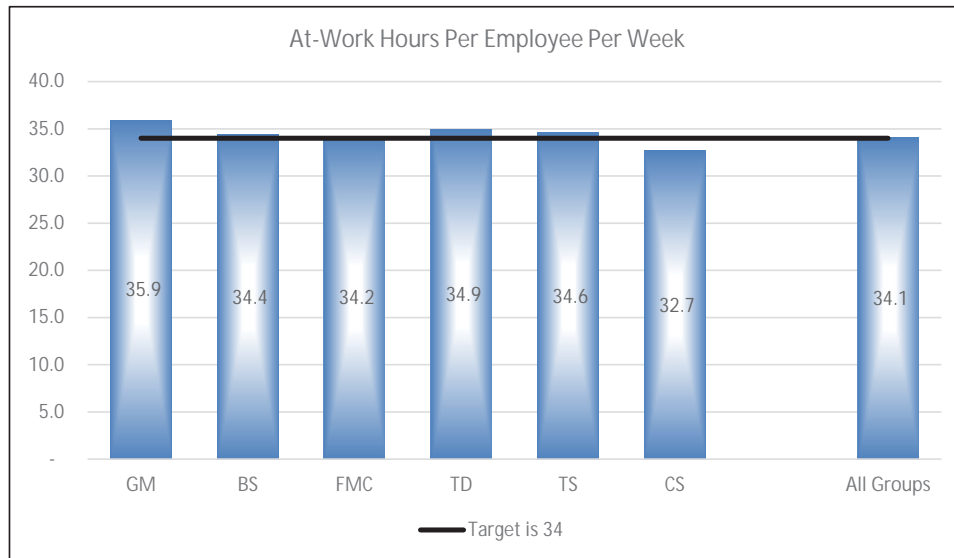
**Location of Odor Reports
April 2016 to March 2017**



HOURS WORKED AND LEAVE TIME BY WORK GROUP

June 30, 2016 through March 22, 2017

Weeks to Date: 38 out of 52 (73.08%)



NOTES

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

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

HOURS WORKED AND LEAVE TIME BY WORK GROUP

June 30, 2016 through March 22, 2017

Weeks to Date: 38 out of 52 (73.08%)

Group	Average Number of Employees	AT-WORK HOURS		At-Work Hours Per Employee Per Week	LEAVE HOURS				Average Annual Sick Leave Used Per Employee To Date	FY16		
		Regular (1)	Overtime (2)		Discretionary (3)	Short Term Disability	Workers Comp	Sick (4)		Average Number of Employees	At-Work Hours Per Week Per Employee	Annual Sick Leave Used
GM	2	2,656.50	63.50	35.9	334.00	-	-	49.50	24.8	2	36.1	40.6
BS	21	27,302.94	11.02	34.4	4,528.73	64.17	-	551.88	26.3	22	35.1	21.4
FMC	23	29,246.58	561.41	34.2	4,606.17	39.12	269.00	798.13	34.7	22	35.3	52.4
TD	27	34,936.67	756.67	34.9	5,010.14	215.34	16.50	768.35	28.5	25	35.4	49.9
TS	32	41,822.29	82.56	34.6	5,826.11	2.68	-	1,068.92	33.4	32	34.6	40.8
CS	32	37,754.08	1,814.29	32.7	6,500.81	559.75	-	1,984.69	62.0	31	35.1	55.0
All Groups	137	173,719.06	3,289.45	34.1	26,805.96	881.06	285.50	5,221.47	38.1	134	35.1	44.5

SICK LEAVE INCENTIVE PROGRAM TARGETS

≥34

≤47

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

NOTES

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

(2) Overtime hours includes call outs.

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

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

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

BUDGET AND FINANCE REPORT

FY 2017

Year-to-date as of 03/31/17

75% of year elapsed

Revenues

	Budget	Actual	% of Budget Rec'd	Audited Last Year Actuals 6/30/16
Capacity Fees	\$8,935,000	\$7,912,619	89%	\$7,233,337
Sewer Service Charges	50,404,690	26,734,260	53%	50,112,564
Operating (Work Groups)	1,355,000	1,044,854	77%	1,233,675
Interest	475,500	537,382	113%	496,439
Misc. (LAVWMA pymnt, solar, Cogen rebates)	505,000	540,499	107%	408,913
Subtotal Revenues	<u>\$61,675,190</u>	<u>\$36,769,614</u>	<u>60%</u>	<u>\$59,484,928</u>
SRF Loan Proceeds (Thickener Proj.)	2,800,000	2,203,296	79%	3,385,590
Total Revenues + SRF Proceeds	\$64,475,190	\$38,972,910	60%	\$62,870,518

Expenses

	Budget	Actual	% of Budget Used	Last Year Actuals
Capital Improvement Program:				
Capacity Proj.	\$4,342,500	\$2,815,604	65%	\$3,009,426
Renewal & Repl. Proj.	10,327,500	7,664,962	74%	8,494,486
Operating	34,714,533	23,387,900	67%	31,895,499
Special Projects	2,182,098	412,818	19%	707,526
Retiree Medical (ARC)	583,771	437,828	75%	561,205
Vehicle & Equipment	662,220	111,608	17%	341,967
Information Systems	1,232,100	368,756	30%	854,511
Plant & Pump Stat. R&R	250,000	200,888	80%	272,479
Emerg. Fund (Sinkhole)	0	286	0%	2,208,595
Pretreatment Fund	7,000	8,160	117%	29,249
Cty Fee for SSC Admin.	106,000	53,321	50%	105,866
Debt Servicing:				
SRF Loans	3,127,110	3,127,110	100%	3,127,110
Total Expenses	<u>\$57,534,832</u>	<u>\$38,589,241</u>	<u>67%</u>	<u>\$51,607,919</u>
Total Revenue & Proceeds less Expenses	\$6,940,358	\$383,669		\$11,262,599

Operating (Work Group) Expenses

	Budget	Actual	% of Budget Used	Last Year Actuals
Board of Directors	\$178,500	\$95,547	54%	\$133,294
General Manager/Admin.	957,678	548,062	57%	884,051
Business Services	5,275,645	3,609,672	68%	4,772,324
Collection Services	6,296,287	4,252,493	68%	5,873,909
Technical Services	5,511,940	3,966,015	72%	5,156,725
Treatment & Disposal Services	10,631,833	6,865,066	65%	9,506,339
Fabrication, Maint. & Construction	5,862,650	4,051,044	69%	5,568,856
Total	<u>\$34,714,533</u>	<u>\$23,387,900</u>	<u>67%</u>	<u>\$31,895,499</u>

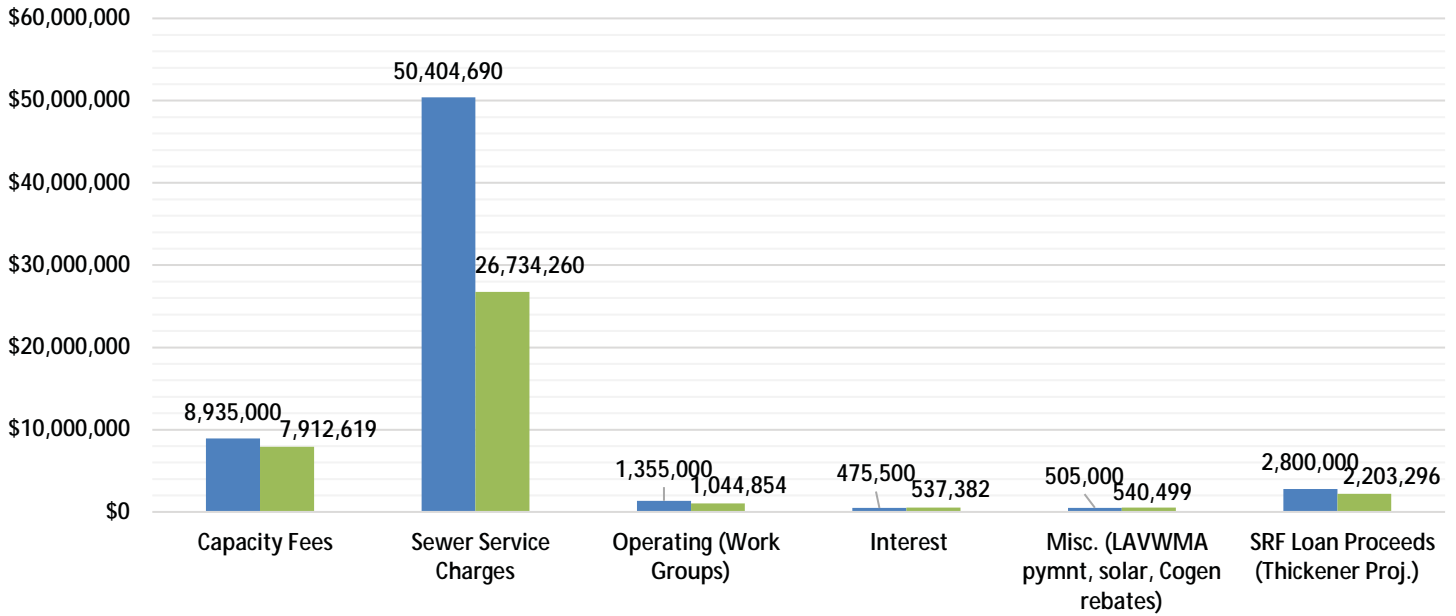
Operating (Work Group) Expenses by Type

	Budget	Actual	% of Budget Used	Last Year Actuals
Personnel (incl D&E)	\$23,912,246	\$16,709,349	70%	\$22,107,543
Repairs & Maintenance	2,022,630	1,388,830	69%	1,965,202
Supplies & Matls (chemicals, small tools)	2,424,140	1,412,736	58%	2,273,252
Outside Services (utilities, biosolids, legal)	6,029,045	3,876,971	64%	5,342,319
Fixed Assets	326,472	14	0%	207,183
Total	<u>\$34,714,533</u>	<u>\$23,387,900</u>	<u>67%</u>	<u>\$31,895,499</u>

REVENUES AND EXPENSES REPORT
as of 3/31/17

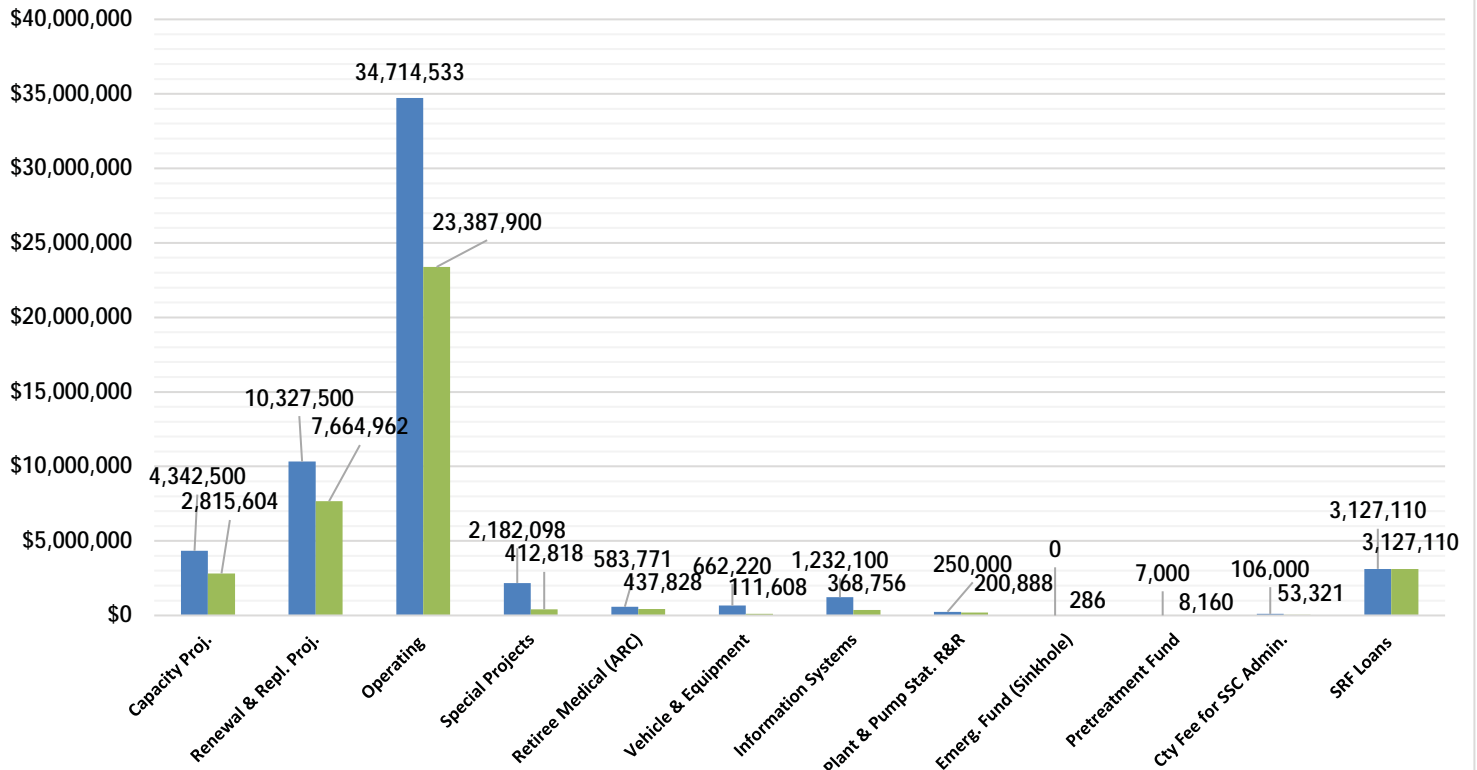
Total Revenues

■ Budget ■ Actual



Total Expenses

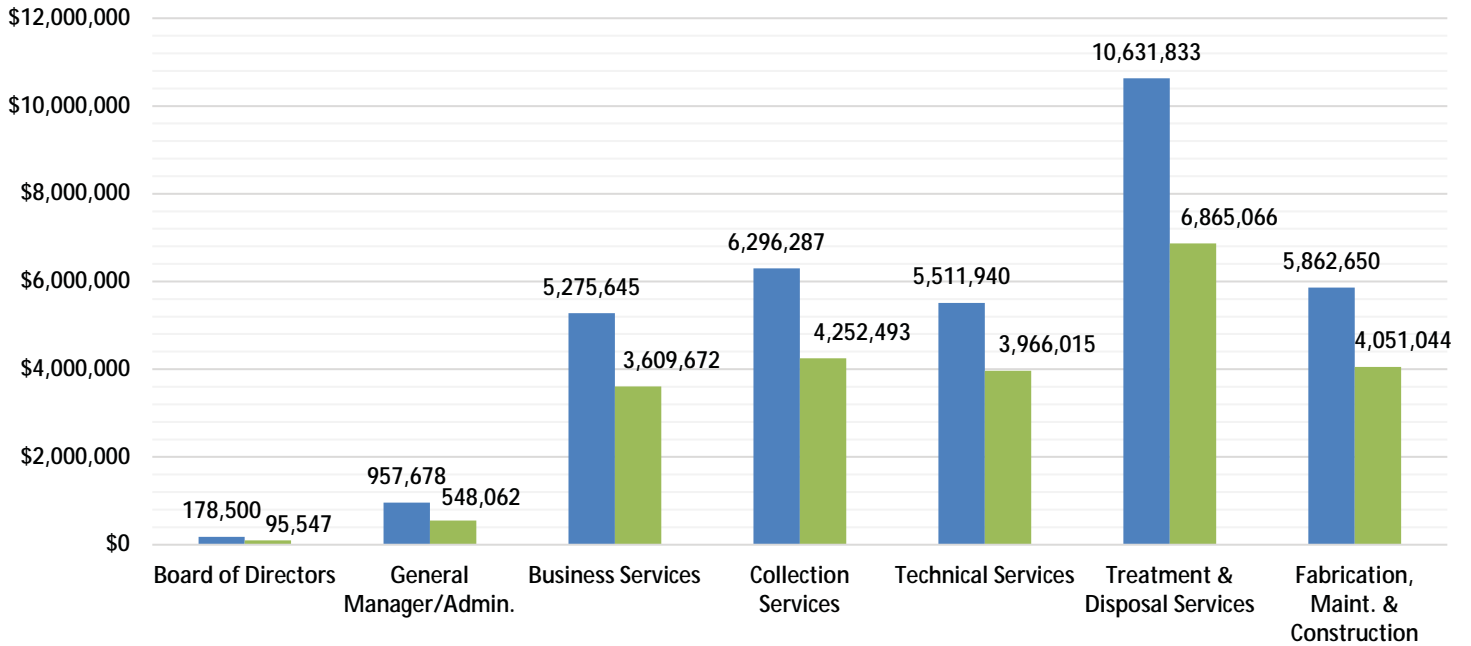
■ Budget ■ Actual



REVENUES AND EXPENSES REPORT
as of 3/31/17

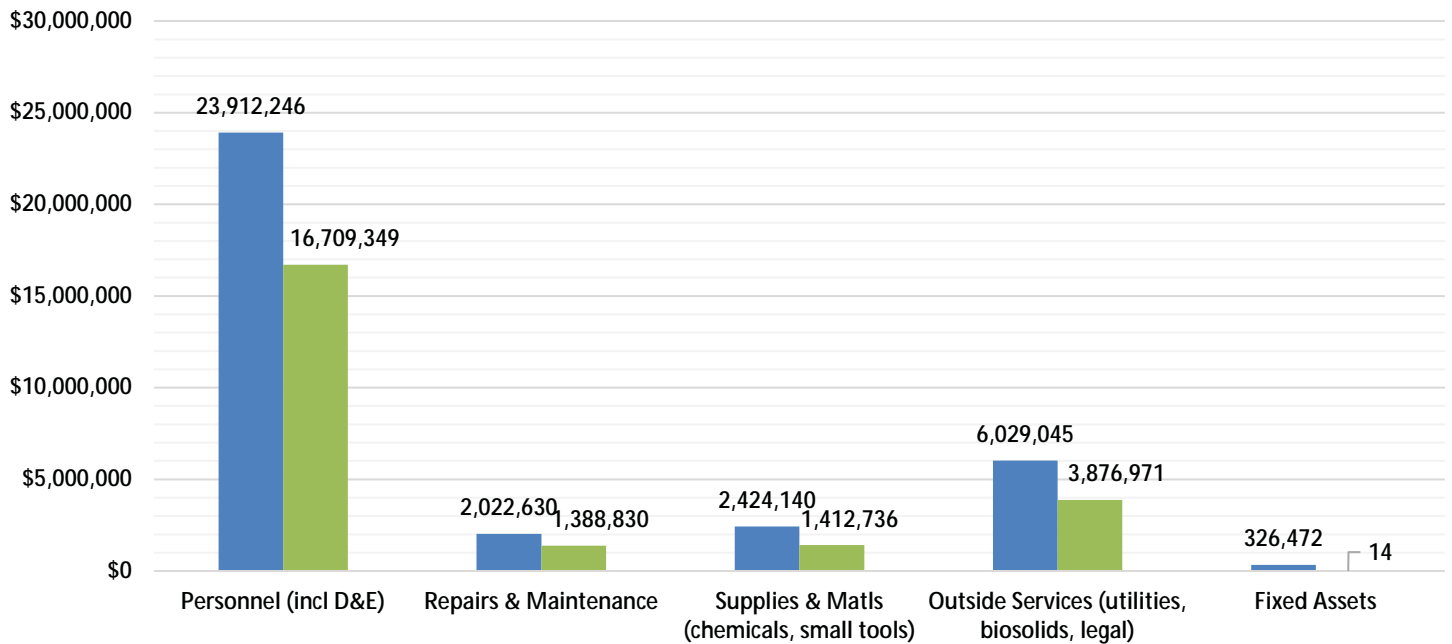
Operating Expenses by Work Group

■ Budget ■ Actual



Operating Expenses by Type

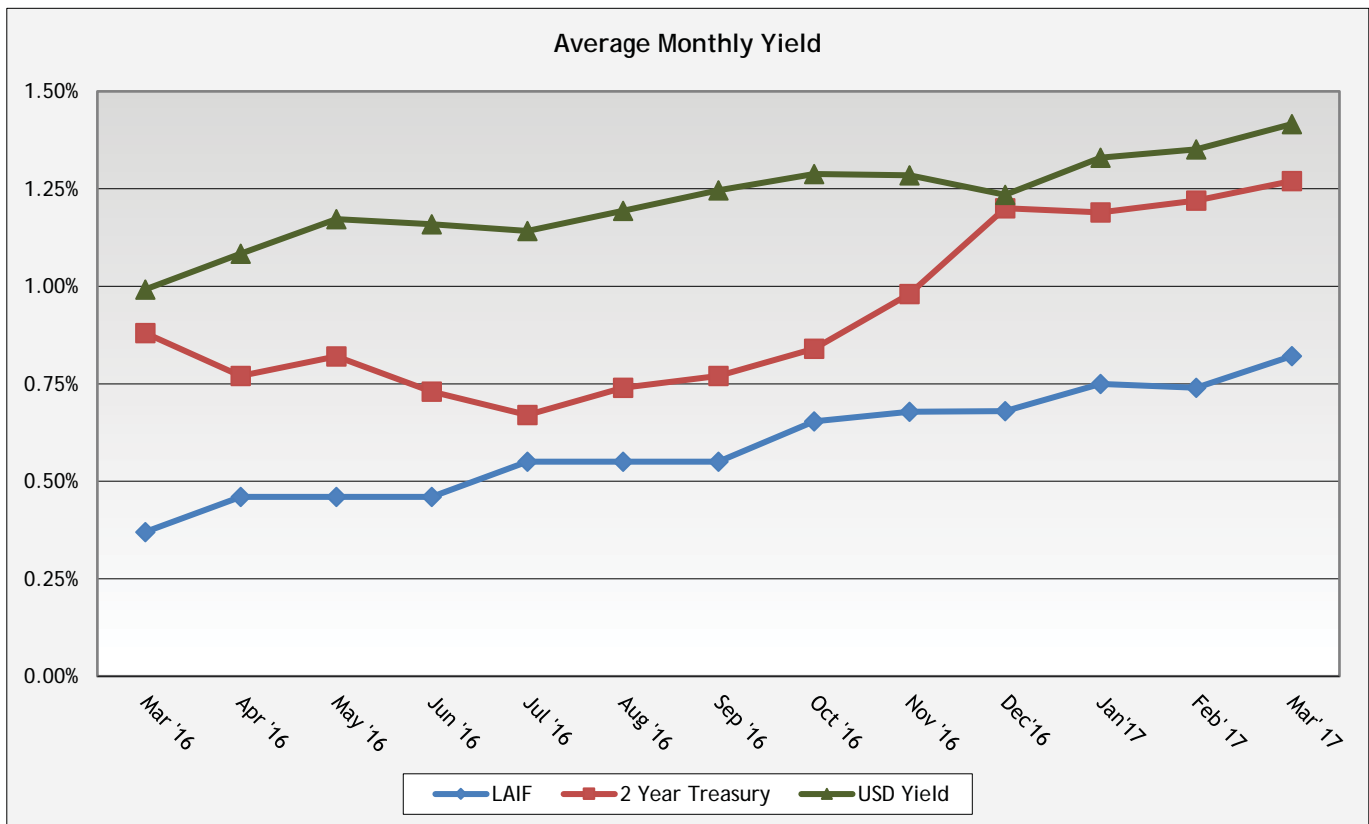
■ Budget ■ Actual



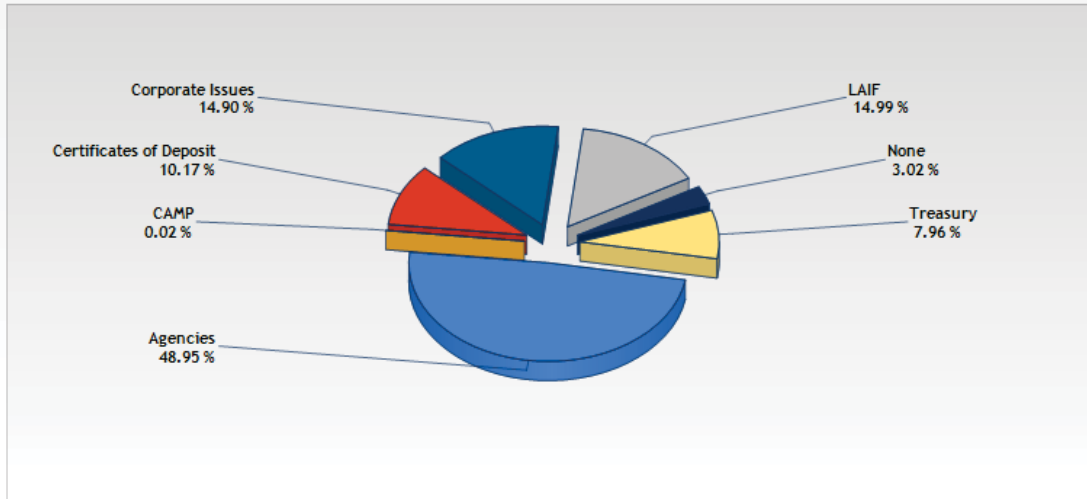
Business Services Group March 2017

- Participated in the RFP and selection of the District financial auditors
- Completed Vision/Mission statement draft for Board approval
- Held interviews for Senior Accounting & Financial Analyst (recruitment did not yield a viable candidate)
- Mid-year Budget workshops held
- District insurance renewals completed
- Management participated in mentoring training and sessions for Leadership School
- Teams completed mandatory District trainings (Driver Safety)
- Facilitated Strategic Planning sessions
- Facilitated Alternate Work hours debrief with TSCS

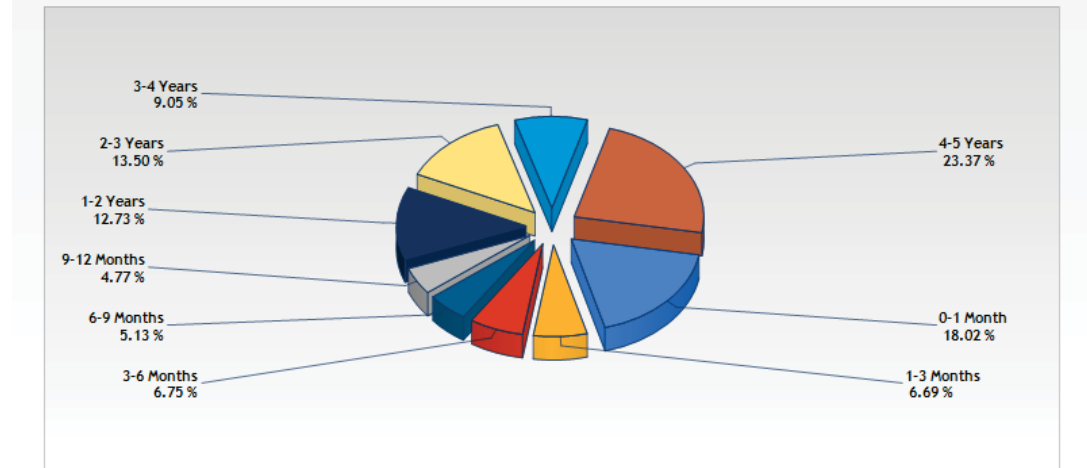
Performance Measures for the USD Investment Portfolio



Portfolio Holdings Distribution by Asset Class



Portfolio Holdings Distribution by Maturity Range



Maturity Range	Face Amount/Shares	YTM @ Cost	Cost Value	Days To Maturity	% of Portfolio	Market Value	Book Value	To Maturity
0-1 Month	11,346,348.86	0.823	11,346,348.86	1	18.02	11,346,348.86	11,346,348.86	0.00
1-3 Months	4,214,000.00	1.109	4,211,408.33	64	6.69	4,211,921.06	4,212,219.24	0.27
3-6 Months	4,237,000.00	0.961	4,250,399.00	135	6.75	4,237,587.44	4,239,913.99	0.37
6-9 Months	3,226,000.00	0.905	3,227,720.00	213	5.13	3,222,989.09	3,226,429.89	0.58
9-12 Months	3,000,000.00	0.875	3,001,180.00	296	4.77	2,995,710.00	3,000,171.27	0.80
1-2 Years	8,000,000.00	1.234	8,010,570.00	587	12.73	7,996,610.00	8,008,934.40	1.59
2-3 Years	8,484,000.00	1.516	8,496,406.57	931	13.50	8,456,241.61	8,493,940.02	2.50
3-4 Years	5,496,000.00	2.155	5,697,787.56	1,325	9.05	5,634,082.43	5,658,823.33	3.46
4-5 Years	14,736,000.00	2.070	14,708,750.00	1,597	23.37	14,613,921.11	14,710,827.84	4.20
TOTAL / AVERAGE	62,739,348.86	1.416	62,950,570.32	732	100	62,715,411.60	62,897,608.84	1.94

Union Sanitary District
Board Report - Holdings
 Report Format: By Transaction
 Group By: Asset Class
 Average By: Cost Value
Portfolio / Report Group: All Portfolios
As of 3/31/2017

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
Agencies											
FFCB 0.9 1/16/2018-16	3133ECCZ5	S&P-AA+	12/23/2016	1,000,000.00	1,000,000.00	0.900	998,330.00	0.900		1/16/2018	1.59
FFCB 1.17 5/16/2019-17	3133EF7L5	Moodys-Aaa	5/16/2016	1,000,000.00	1,000,000.00	1.170	995,700.00	1.170	5/16/2017	5/16/2019	1.59
FFCB 1.3 11/25/2019-16	3133EGBK0	Moodys-Aaa	5/25/2016	1,000,000.00	997,950.00	1.300	992,240.00	1.360		11/25/2019	1.59
FFCB 1.37 12/27/2018-17	3133EGZ24	None	12/27/2016	1,000,000.00	1,000,000.00	1.370	1,000,460.00	1.370	12/27/2017	12/27/2018	1.59
FFCB 1.59 3/23/2020-17	3133EFR25	Moodys-Aaa	3/23/2016	1,000,000.00	1,000,000.00	1.590	995,960.00	1.590		3/23/2020	1.59
FFCB 1.7 5/3/2021-17	3133EF5T0	Moodys-Aaa	5/3/2016	1,000,000.00	1,000,000.00	1.700	980,910.00	1.700	5/3/2017	5/3/2021	1.59
FHLB 0.8 5/17/2017	3130A4Q54	Moodys-Aaa	3/27/2015	1,000,000.00	1,001,690.00	0.800	1,000,120.00	0.720		5/17/2017	1.59
FHLB 0.9 9/28/2017	3130A5KH1	Moodys-Aaa	7/22/2015	1,000,000.00	1,001,140.00	0.900	999,830.00	0.847		9/28/2017	1.59
FHLB 1.24 1/23/2019-18	3130AAN20	S&P-AA+	2/2/2017	1,000,000.00	999,100.00	1.240	997,960.00	1.286	1/23/2018	1/23/2019	1.59
FHLB 1.875 11/29/2021	3130AABG2	S&P-AA+	12/22/2016	1,000,000.00	988,100.00	1.875	996,320.00	2.130		11/29/2021	1.57
FHLB 1.93 12/21/2020-17	3130AADQ8	None	12/21/2016	1,000,000.00	1,000,000.00	1.930	995,400.00	1.930	4/1/2017	12/21/2020	1.59
FHLB 2.05 12/29/2021-17	3130AAET1	None	12/29/2016	1,000,000.00	1,000,000.00	2.050	1,000,030.00	2.050	12/29/2017	12/29/2021	1.59
FHLB 2.4 12/22/2021-17	3130AAHC5	None	12/22/2016	1,000,000.00	1,000,000.00	2.400	1,000,180.00	2.400	6/22/2017	12/22/2021	1.59
FHLB Step 3/15/2021-16	3130A7EG6	Moodys-Aaa	3/15/2016	1,000,000.00	1,000,000.00	1.250	998,020.00	2.216	6/15/2017	3/15/2021	1.59
FHLB Step 4/28/2021-16	3130A7PR0	Moodys-Aaa	4/28/2016	1,000,000.00	1,000,000.00	1.000	992,100.00	2.114	4/28/2017	4/28/2021	1.59
FHLB Step 4/28/2021-16	3130A7QX6	Moodys-Aaa	4/28/2016	1,000,000.00	1,000,000.00	1.250	989,480.00	2.021		4/28/2021	1.59
FHLMC 0.8 8/25/2017-16	3134G8L49	Moodys-Aaa	2/25/2016	1,000,000.00	1,000,000.00	0.800	999,430.00	0.800	5/25/2017	8/25/2017	1.59
FHLMC 1 7/25/2017	3134G3ZH6	Moodys-Aaa	6/24/2015	1,000,000.00	1,004,540.00	1.000	1,000,440.00	0.780		7/25/2017	1.60
FHLMC 1 8/15/2018-17	3134GABQ6	None	1/31/2017	1,000,000.00	998,700.00	1.000	996,700.00	1.087	8/15/2017	8/15/2018	1.59
FHLMC 1.2 12/14/2018-17	3134GAZU1	None	12/14/2016	1,000,000.00	1,000,000.00	1.200	993,720.00	1.200	6/14/2017	12/14/2018	1.59

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
FHLMC 1.25 10/28/2019-17	3134G8XQ7	Moodys-Aaa	4/28/2016	1,000,000.00	1,000,000.00	1.250	987,850.00	1.250	4/28/2017	10/28/2019	1.59
FHLMC 1.5 12/30/2019-17	3134GAYY4	S&P-AA+	12/30/2016	1,000,000.00	1,000,000.00	1.500	998,050.00	1.500	6/30/2017	12/30/2019	1.59
FHLMC 2 12/30/2021-17	3134GAYV0	None	12/30/2016	1,000,000.00	1,000,000.00	2.000	991,880.00	2.000	6/30/2017	12/30/2021	1.59
FHLMC 2.3 3/29/2022-17	3134GA6Y5	None	3/29/2017	500,000.00	500,000.00	2.300	499,865.00	2.300	9/29/2017	3/29/2022	0.79
FHLMC Step 4/28/2021-16	3134G8VZ9	Moodys-Aaa	4/28/2016	2,500,000.00	2,500,000.00	1.250	2,460,550.00	2.116		4/28/2021	3.97
FHLMC Step 4/28/2021-16	3134G8Z28	Moodys-Aaa	5/10/2016	1,000,000.00	999,500.00	1.125	987,260.00	2.044	4/28/2017	4/28/2021	1.59
FNMA 1.5 6/16/2021-16	3136G3QX6	Moodys-Aaa	6/16/2016	1,000,000.00	995,000.00	1.500	976,230.00	1.604	6/16/2017	6/16/2021	1.58
FNMA Step 5/12/2021-17	3136G3MD4	Moodys-Aaa	5/12/2016	1,000,000.00	1,000,000.00	0.900	999,210.00	1.851	5/12/2017	5/12/2021	1.59
La Qunita Redev Agency 2.034 9/1/2019	50420BCH3	None	12/22/2016	1,330,000.00	1,336,650.00	2.034	1,332,553.60	1.843		9/1/2019	2.12
Victor Valley College General Obligation Bond 2.35	92603PER9	Moodys-Aa2	12/28/2016	500,000.00	490,150.00	2.350	493,505.00	2.811		8/1/2021	0.78
Sub Total / Average				30,830,000.00	30,812,520.00	1.399	30,650,283.60	1.628			48.95

CAMP

CAMP LGIP	LGIP4000	None	5/31/2011	9,870.14	9,870.14	100.000	9,870.14	100.000	N/A	N/A	0.02
Sub Total / Average				9,870.14	9,870.14	100.000	9,870.14	100.000			0.02

Certificates of Deposit

Ally Bank 1.35 10/28/2019	02006LQ48	None	10/27/2016	248,000.00	248,000.00	1.350	245,693.80	1.350		10/28/2019	0.39
BankUnited NA 0.9 5/24/2017	066519BE8	None	11/24/2015	240,000.00	240,000.00	0.900	239,995.37	0.900		5/24/2017	0.38
Belmont Savings Bank 2.15 3/22/2022	080515BV0	None	3/20/2017	248,000.00	248,000.00	2.150	249,181.27	2.150		3/22/2022	0.39
BMW Bank 2.15 3/10/2022	05580AGR9	None	3/10/2017	247,000.00	247,000.00	2.150	248,168.36	2.150		3/10/2022	0.39
Capital One Bank 1.5 10/26/2020	140420L99	None	10/26/2016	248,000.00	248,000.00	1.500	244,710.30	1.500		10/26/2020	0.39
Capital One National Asso Bank 1.25 8/28/2017	14042E6B1	None	8/26/2015	245,000.00	245,000.00	1.250	245,039.30	1.250		8/28/2017	0.39
Comenity Capital 1.25 4/11/2019	20033ASR8	None	10/25/2016	248,000.00	248,000.00	1.250	246,138.56	1.250		4/11/2019	0.39
Community Bank of the Chesapeake 0.75 8/8/2017	20350ABN0	None	6/8/2016	248,000.00	248,000.00	0.750	247,588.69	0.750		8/8/2017	0.39
Compass Bank 0.95 6/5/2017	20451PLE4	None	6/5/2015	240,000.00	240,000.00	0.950	239,959.08	0.950		6/5/2017	0.38

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
Discover Bank 2.25 12/29/2021	254672Y36	None	12/29/2016	247,000.00	247,000.00	2.250	249,553.93	2.250		12/29/2021	0.39
First Bank of Richmond 0.7 8/2/2017	319267FK1	None	6/2/2016	248,000.00	248,000.00	0.700	247,565.01	0.700		8/2/2017	0.39
First Niagara Bank 1.1 10/30/2017	33583CSV2	None	10/30/2015	245,000.00	245,000.00	1.100	244,710.80	1.100		10/30/2017	0.39
Franklin Synergy Bank 0.85 12/11/2017	35471TCH3	None	6/10/2016	248,000.00	248,000.00	0.850	247,213.49	0.850		12/11/2017	0.39
Goldman Sachs Bank 1 10/16/2017	38148JQX2	None	4/27/2015	240,000.00	239,520.00	1.000	239,604.00	1.069		10/16/2017	0.38
JP Morgan Chase Bank 1.1 7/15/2019	48125Y5L4	None	7/15/2016	249,000.00	249,000.00	1.100	245,784.59	1.100		7/15/2019	0.40
Landmark Bank 2.1 3/29/2021-17	51506VCA9	None	3/29/2017	248,000.00	248,000.00	2.100	249,562.13	2.100	9/27/2017	3/29/2021	0.39
Marlin Business Bank 0.85 8/24/2017	57116ALG1	None	2/24/2016	248,000.00	248,000.00	0.850	247,638.69	0.850		8/24/2017	0.39
Medallion Bank 1.15 10/30/2017	58403B2L9	None	10/28/2015	245,000.00	245,000.00	1.150	244,783.52	1.150		10/30/2017	0.39
Merrick Bank 0.9 5/19/2017	59013JLK3	None	11/19/2015	240,000.00	240,000.00	0.900	239,996.71	0.900		5/19/2017	0.38
Pacific Premier Bank 0.9 12/5/2017	69478QDG2	None	6/3/2016	248,000.00	248,000.00	0.900	247,317.28	0.900		12/5/2017	0.39
Peoples State Bank of Newton 0.7 6/15/2017	712490AC5	None	6/15/2016	249,000.00	249,000.00	0.700	248,821.52	0.700		6/15/2017	0.40
State Bank of India 2.25 1/26/2022	8562846A7	None	1/26/2017	247,000.00	247,000.00	2.250	249,490.23	2.250		1/26/2022	0.39
Synchrony Bank 2.3 2/24/2022	87165ELT2	None	2/28/2017	247,000.00	247,000.00	2.300	250,007.32	2.300		2/24/2022	0.39
TCF National Bank 0.85 8/17/2017	872278SH0	None	2/17/2016	248,000.00	248,000.00	0.850	247,655.75	0.850		8/17/2017	0.39
Wells Fargo Bank 1.15 7/22/2019	9497486R3	None	7/20/2016	249,000.00	249,000.00	1.150	246,039.86	1.150		7/22/2019	0.40
Wex Bank 0.85 5/19/2017	92937CDE5	None	11/20/2015	245,000.00	245,000.00	0.850	244,979.08	0.850		5/19/2017	0.39
Sub Total / Average				6,403,000.00	6,402,520.00	1.280	6,397,198.64	1.283			10.17

Corporate Issues

3M COMPANY 1 6/26/2017	88579YAE1	S&P-AA-	12/13/2016	1,000,000.00	1,000,260.00	1.000	1,000,000.00	0.717		6/26/2017	1.59
Chevron Corp 2.193 11/15/2019	166764AN0	Moodys-Aa2	2/26/2016	1,160,000.00	1,167,806.57	2.193	1,170,231.20	2.004		11/15/2019	1.86
GE Capital International 2.04 11/15/2020	36164QMS4	S&P-AA	3/10/2017	1,000,000.00	1,010,642.28	2.040	1,004,330.00	1.741		11/15/2020	1.61
HSBC 4.875 8/24/2020	4042Q1AE7	Moodys-A1	5/17/2016	2,000,000.00	2,191,145.28	4.875	2,142,060.00	2.500		8/24/2020	3.48

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
JP Morgan 1.09 6/5/2017	46640PT52	Moodys-A1	1/6/2017	1,000,000.00	995,458.33	1.090	998,049.30	2.197		6/5/2017	1.58
JP Morgan Chase & Co 2 8/15/2017	48126EAA5	Moodys-A3	2/16/2016	1,000,000.00	1,008,859.00	2.000	1,002,230.00	1.400		8/15/2017	1.60
Toyota Motor Credit 1.55 7/13/2018	89236TCP8	Moodys-Aa3	3/16/2016	1,000,000.00	1,002,490.00	1.550	1,001,060.00	1.440		7/13/2018	1.59
Toyota Motor Credit Corp 1.2 4/6/2018	89236TCX1	Moodys-Aa3	5/24/2016	1,000,000.00	1,000,360.00	1.200	997,290.00	1.180		4/6/2018	1.59
Sub Total / Average				9,160,000.00	9,377,021.46	2.363	9,315,250.50	1.762			14.90
LAIF											
LAIF LGIP	LGIP1002	None	4/30/2011	9,438,268.79	9,438,268.79	0.821	9,438,268.79	0.821	N/A	N/A	14.99
Sub Total / Average				9,438,268.79	9,438,268.79	0.821	9,438,268.79	0.821			14.99
None											
Union Bank Cash	LGIPUNIONBANK	None	12/31/2016	1,898,209.93	1,898,209.93	0.320	1,898,209.93	0.320	N/A	N/A	3.02
Sub Total / Average				1,898,209.93	1,898,209.93	0.320	1,898,209.93	0.320			3.02
Treasury											
T-Note 0.875 1/15/2018	912828H37	Moodys-Aaa	6/1/2015	1,000,000.00	1,001,560.00	0.875	998,790.00	0.815		1/15/2018	1.59
T-Note 0.875 1/31/2018	912828UJ7	None	1/9/2017	1,000,000.00	999,620.00	0.875	998,590.00	0.911		1/31/2018	1.59
T-Note 0.875 11/15/2017	912828G20	Moodys-Aaa	6/24/2015	1,000,000.00	1,001,060.00	0.875	999,530.00	0.830		11/15/2017	1.59
T-Note 1.283 3/31/2019	912828SN1	None	2/22/2017	1,000,000.00	1,004,480.00	1.283	1,004,730.00	1.067		3/31/2019	1.60
T-Note 1.5 2/28/2019	912828C24	None	1/9/2017	1,000,000.00	1,005,440.00	1.500	1,004,690.00	1.241		2/28/2019	1.60
Sub Total / Average				5,000,000.00	5,012,160.00	1.082	5,006,330.00	0.973			7.96
Total / Average				62,739,348.86	62,950,570.32	1.402	62,715,411.60	1.416			100

All investment actions executed since the last report have been made in full compliance with the District's Investment Policy. The District will meet its expenditure obligations for the next six months. Market value sources are the LAIF, CAMP, and BNY Mellon monthly statements. Broker/Dealers: BOSCO, Inc.; Cantella & Co.; First Empire Securities; Ladenburg, Thalman & Co, Inc.; UBS Financial Services; Wells Fargo Securities.

Union Sanitary District
Transactions Summary
Monthly Activity - by Action
Group By: Action
Portfolio / Report Group: All Portfolios
Begin Date: 03/01/2017, End Date: 03/31/2017

Description	CUSIP/Ticker	Coupon Rate	YTM @ Cost	Settlement Date	Face Amount/Shares	Principal	Realized Gain/Loss	Interest/Dividends	Total	Custodian	Portfolio Name
Buy											
Belmont Savings Bank 2.15 3/22/2022	080515BV0	2.150	2.150	03/20/2017	248,000.00	248,000.00		0.00	248,000.00	Bank of New York 7537	Operating Fund
BMW Bank 2.15 3/10/2022	05580AGR9	2.150	2.150	03/10/2017	247,000.00	247,000.00		0.00	247,000.00	Bank of New York 7537	Liquid Fund
FHLMC 2.3 3/29/2022-17	3134GA6Y5	2.300	2.300	03/29/2017	500,000.00	500,000.00		0.00	500,000.00	Bank of New York 7537	Operating Fund
GE Capital International 2.04 11/15/2020	36164QMS4	2.040	1.741	03/10/2017	1,000,000.00	1,010,642.28		7,481.39	1,018,123.67	Bank of New York 7537	Liquid Fund
Landmark Bank 2.1 3/29/2021-17	51506VCA9	2.100	2.100	03/29/2017	248,000.00	248,000.00		0.00	248,000.00	Bank of New York 7537	Operating Fund
Sub Total / Average					2,243,000.00	2,253,642.28		7,481.39	2,261,123.67		
Called											
FHLMC Step 3/30/2020-17	3134G8ST7	1.000	0.000	03/30/2017	1,000,000.00	1,000,000.00		0.00	1,000,000.00	Bank of New York 7537	Operating Fund
Sub Total / Average					1,000,000.00	1,000,000.00		0.00	1,000,000.00		
Deposit											
Union Bank Cash	LGIPUNIONBANK	N/A	0.000	03/31/2017	1,898,209.93	1,898,209.93		0.00	1,898,209.93	None	Liquid Fund
Sub Total / Average					1,898,209.93	1,898,209.93		0.00	1,898,209.93		
Interest											
American Express Credit 2.375 3/24/2017	0258M0DD8	2.375	0.000	03/24/2017	0.00	0.00		11,875.00	11,875.00	None	Operating Fund
Caterpillar Financial 1 3/3/2017	14912L5Z0	1.000	0.000	03/03/2017	0.00	0.00		6,565.00	6,565.00	None	Operating Fund
Comenity Capital 1.25 4/11/2019	20033ASR8	1.250	0.000	03/13/2017	0.00	0.00		237.81	237.81	None	Operating Fund
FFCB 1.59 3/23/2020-17	3133EFR25	1.590	0.000	03/23/2017	0.00	0.00		7,950.00	7,950.00	None	Operating Fund
FHLB 0.9 9/28/2017	3130A5KH1	0.900	0.000	03/28/2017	0.00	0.00		4,500.00	4,500.00	None	Operating Fund
FHLB Step 3/15/2021-16	3130A7EG6	1.000	0.000	03/15/2017	0.00	0.00		5,000.00	5,000.00	None	Operating Fund
FHLMC Step 3/30/2020-17	3134G8ST7	1.000	0.000	03/30/2017	0.00	0.00		5,000.00	5,000.00	None	Operating Fund
Franklin Synergy Bank 0.85 12/11/2017	35471TCH3	0.850	0.000	03/10/2017	0.00	0.00		161.71	161.71	None	Operating Fund
La Quinta Redevelopment Agency 9/1/19	50420BCH3	1.843	0.000	03/01/2017	0.00	0.00		5,185.01	5,185.01	None	Operating Fund
Medallion Bank 1.15 10/30/2017	58403B2L9	1.150	0.000	03/28/2017	0.00	0.00		216.14	216.14	None	Operating Fund
Merrick Bank 0.9 5/19/2017	59013JLK3	0.900	0.000	03/20/2017	0.00	0.00		165.70	165.70	None	Operating Fund
Pacific Premier Bank 0.9 12/5/2017	69478QDG2	0.900	0.000	03/03/2017	0.00	0.00		171.22	171.22	None	Operating Fund
Peoples State Bank of Newton 0.7 6/15/2017	712490AC5	0.700	0.000	03/15/2017	0.00	0.00		133.71	133.71	None	Operating Fund
T-Bond 0.5 3/31/2017	912828J92	0.500	0.000	03/31/2017	0.00	0.00		2,500.00	2,500.00	None	Operating Fund
T-Note 1.283 3/31/2019	912828SN1	1.283	0.000	03/31/2017	0.00	0.00		7,500.00	7,500.00	None	Operating Fund
Wells Fargo Bank 1.15 7/22/2019	9497486R3	1.150	0.000	03/20/2017	0.00	0.00		219.67	219.67	None	Operating Fund
Sub Total / Average					0.00	0.00	0.00	57,380.97	57,380.97		
Matured											
American Express Credit 2.375 3/24/2017	0258M0DD8	2.375	0.000	03/24/2017	1,000,000.00	1,000,000.00	-12,171.77	0.00	1,000,000.00	Bank of New York 7537	Operating Fund
Caterpillar Financial 1 3/3/2017	14912L5Z0	1.000	0.000	03/03/2017	1,313,000.00	1,313,000.00	5,396.43	0.00	1,313,000.00	Bank of New York 7537	Operating Fund
T-Bond 0.5 3/31/2017	912828J92	0.500	0.000	03/31/2017	1,000,000.00	1,000,000.00	1,582.57	0.00	1,000,000.00	Bank of New York 7537	Operating Fund
Sub Total / Average					3,313,000.00	3,313,000.00	-5,192.77	0.00	3,313,000.00		
Sell											
American Express Centurian 1.05 6/5/2017	02587DYJ1	1.050	0.000	03/31/2017	240,000.00	240,000.00		814.68	240,814.68	Bank of New York 7537	Operating Fund
Sub Total / Average					240,000.00	240,000.00		814.68	240,814.68		
Withdraw											
LAIF LGIP	LGIP1002	N/A	0.000	03/10/2017	2,000,000.00	2,000,000.00		0.00	2,000,000.00	None	Liquid Fund
Union Bank Cash	LGIPUNIONBANK	N/A	0.000	03/30/2017	1,050,224.04	1,050,224.04		0.00	1,050,224.04	None	Liquid Fund
Sub Total / Average					3,050,224.04	3,050,224.04		0.00	3,050,224.04		

MONTHLY OPERATIONS REPORT FOR THE MONTH OF MARCH 2017

TECHNICAL SUPPORT WORK GROUP SUMMARY

Capital Improvement Program

Thickener Control Building Improvements Project – The project has been substantially completed. Contractor continues to work on punchlist work and site cleanup.

Fremont and Paseo Padre Lift Stations Improvements Project – The 7-day operational testing of both lift pumps at Paseo Padre Lift Station were successfully completed.

Plant Facilities Improvements Project – The Board accepted the project on March 27th.

Chemical Tanks and Piping Replacement Project – The contractor installed the precast concrete trenches from the Maintenance Shop Building to the EBDA Pump Station and poured the concrete pads for the new chemical pumps in the Odor Control Building.

Newark Backyard Sanitary Sewer Relocation Project, Phase 3 – The Board accepted the project on March 13th.

Sludge Degritter System Project – The contractor's submittals are under review. Contractor continued with fabrication of degritter equipment.

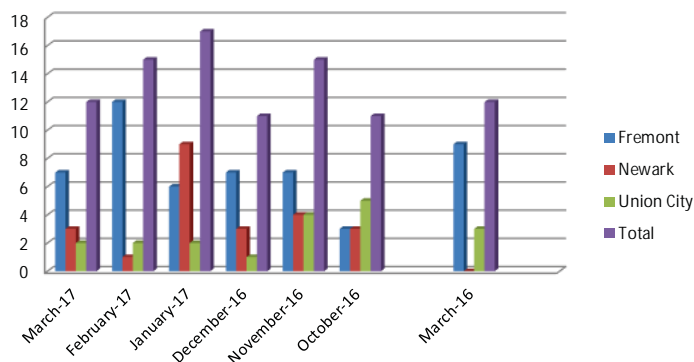
Headworks Knife Gate Valves 1-3 Replacement Project – The contractor's submittals are under review. The contractor continued with fabrication of the new gate valves.

Digesters No. 1 and 3 Gas Isolation Valves Project – The Contractor mobilized to the Plant on March 9th. On March 23rd, the new isolation valve to Digester No. 3 was placed into service. Substantial Completion was achieved on March 30th when the new isolation valve to Digester No. 1 was placed into service and the remaining scope items were completed.

Customer Service

Trouble Calls dispatched from the Front Desk during business hours:

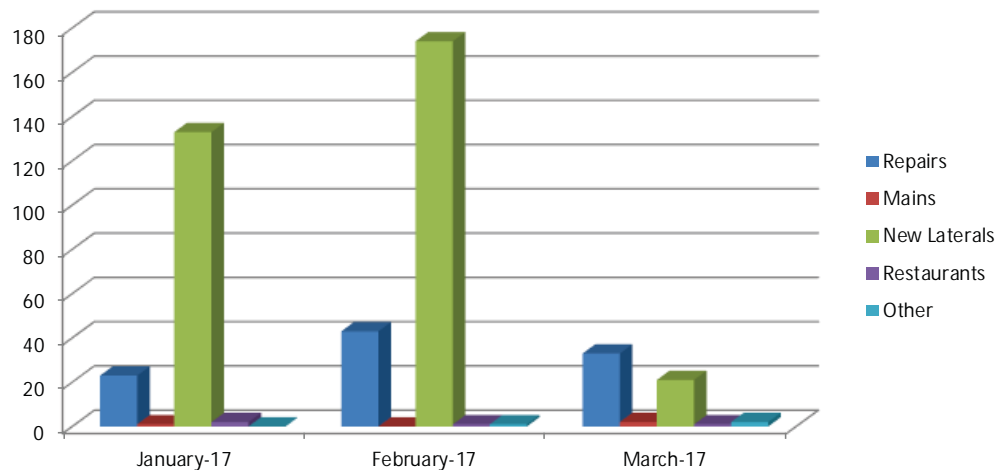
Month	Fremont	Newark	Union City	Total
March-17	7	3	2	12
February-17	12	1	2	15
January-17	6	9	2	17
December-16	7	3	1	11
November-16	7	4	4	15
October-16	3	3	5	11
March-16	9	0	3	12
6-Month Total				81



Sewer Permits Issued

Month	Repairs	Mains	New Laterals	Restaurants	Other
March-17	33	2	21	1	2
February-17	43	0	174	1	1
January-17	23	1	133	2	0

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



Communication

- Social Media posts:
 - CASA Education Foundation Scholarships
 - AC Transit Flex pilot program
 - USD's Chemist recruitment
- Sent correction to media regarding inaccurate info posted on station's website
- Updated information in Homeowner info brochure used by Collection Services
- Scheduled presentations to City Councils with Fremont, Newark, and Union City
- Updated Certificates of Merit Advertisement with current winners for publication
- Continued participation in USD virtual tour video production planning
- Continued activity on Union City Chamber of Commerce Board of Directors
- Continued planning for centennial celebration in 2018
- Continued preparations for USD 2017 newsletter
- Prepared materials for Alameda County Science and Engineering Fair Excellence in Water/Wastewater/Recycled Water award recipients and presented awards at fair on March 12, 2017

Environmental Compliance

Pollution Prevention Program

USD's Environmental Compliance team conducts pollution prevention inspections to restaurants, car wash businesses, and other commercial facilities. EC also conducts inspections and enforcement for the City of Fremont's Environmental Services group. We conduct over 600 Stormwater compliance inspections every year

to ensure that commercial facilities, including restaurants and auto shops, comply with City Ordinance requirements, and do not discharge pollutants to the creeks and bay.

For the past month, the EC team conducted 82 Stormwater (Urban Runoff), and 60 FOG (restaurant) inspections. During this reporting period, Inspectors identified 15 Stormwater and 21 FOG enforcement actions. Four (4) of the Stormwater enforcements resulted in administrative fines ranging from \$100 to \$500. One (1) of the administrative fines were for illicit discharges and four were for repeated violations.

Urban Runoff Inspections and Enforcements

March 2017	No. of UR Inspections	VW	WL	NOV	AF	LA	Total Enforcements	No. of Illicit Discharge/s	1
	82	4	0	7	4	0	15	% enforcement	18.3%

FOG Inspections and Enforcements

March 2017	No. of FOG Inspections	VW	WL	NOV	AF	NOD	Total Enforcements	% enforcement	35%
	60	11	10	0	0	0	21		

Enforcements:

VW – Verbal Warning

WL – Warning Letter

NOV – Notices of Violation

AF – Administrative Fine

LA – Legal Action

NOD – Notice of Deficiency

AO – Administrative Order

C&D – Cease & Desist Order

SNC – Significant Non-Compliance

Dental Inspections, School Outreach, and Plant Tours

# of Dental Inspections	# of School Outreach Events including Sewer Science	# of Plant Tours
5	9	4

Industrial Pretreatment

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

Pending Permits

New Industrial/Groundwater Permits	Groundwater/Temporary
Chemetall	None
Seagate FRC	
Mission Linen	
TE Connectivity	

Permits Issued

Company Name	Date Permit Issued
Skender Construction-GW	3-14-17

Industrial Closures

Company Name	Date of Closure
None	

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

Report Name	Date Report Completed and Submitted
None	

Enforcement Action

IU Name & Nature of Business	Comments	City	Parameters Violated	Discharge concentration (mg/L)	USD/Fed Limit Violated (mg/L)	Enforcement (1)
Hayward Quartz Technology #2	None	Fremont	Nickel limit violation	3.0	1.0	NOV

(1) WL – Warning Letter

C&D – Cease and Desist Order

NOV – Notices of Violation

SNC – Significant Non-Compliance

AO – Administrative Order

EM – Enforcement Meeting

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

Activity	Date of Event	Attendees
Annual Alameda County Stormwater Training	March 14, 2017	EC Inspectors, Michael Dunning
Alameda County Environmental Task Force Meeting	March 8, 2017	Joe Mendoza
Bayworks Career Fair	March 8, 2017	Doug Dattawalker
BAPPG Steering Committee Meeting	March 8, 2017	Doug Dattawalker
MEDS Coalition	March 20, 2017	Doug Dattawalker
IAC- Topic: Changes to Permit Conditions	March 28, 2017	Joe Mendoza, Edda Marasigan, Doug Dattawalker, Marian Gonzalez, Alex Paredes

Engineering/Construction

No. of projects under construction: **8**

	Construction Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for Mar. 2017 Activities
1.	Thickener Control Building Improvements Project – Curtis	\$9,990	12/16	99%	100%	Contractor worked on punchlist and site cleanup.
2.	Fremont and Paseo Padre LSs Improvement - Derek	\$2,801	10/16	92%	100%	7-day operational test on the second lift pump at Paseo Padre LS was successfully completed on March 21 st .
3.	Plant Facilities Improvements Project – Thomas	\$1,570	1/17	100%	100%	The Board accepted the project on March 27 th .

	Construction Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for Mar. 2017 Activities
4.	Chemical Tanks and Piping Replacement Project – Thomas	\$2,102	10/17	22%	53%	Contractor installed the precast concrete trenches from MSB to EBDA PS.
5.	Newark Backyard SS Relocation Project Phase 3 –Andrew/Rollie	\$2,107	09/16	100%	100%	Board accepted the project on March 13 th .
6.	Sludge Degritter System Project – Kevin	\$1,436	10/17	6%	42%	Fabrication of equipment is in progress.
7.	Headworks Knife Gate Valves 1-3 Replacement – Kevin	\$478	10/17	2%	33%	Fabrication of valves is in progress.
8.	Digesters No. 1 and 3 Gas Isolation Valves Project - Derek	\$100	04/17	100%	71%	Contractor began work on March 9 th . The project was substantially completed on March 30 th .

Design/Study

No. of projects in design/study phase: 14

	Design/Study Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for Mar. 2017 Activities
1.	Alvarado Basin Master Plan Capacity Assessment - Rollie	\$167	4/17	90%	90%	Finalizing UC land use projections; drafting report.
2.	Plant Solids System / Capacity Assessment Phase 2 – Curtis	\$279	11/17	23%	26%	Chapter 6 – Basis of Analysis and Existing Activated Sludge Process Optimization Technical Memo were submitted for review.
3.	Recycled Water Feasibility Study Update – Chris E.	\$130	4/17	99%	99%	Final report under State Water Board review.
4.	Force Main Corrosion Repairs Phase 1 – Chris E.	\$113	4/17	90%	84%	90% design submittal complete.
5.	Cogeneration Building HVAC Improvements Project - Derek	\$27	09/16	100%	100%	Project is ready to advertise but on hold pending resolution of current Cogen issues.
6.	Seismic Vulnerability Assessment, Phase 3 - Thomas	\$105	06/30	70%	60%	Continued with seismic evaluation of structures. Draft report is due in April.

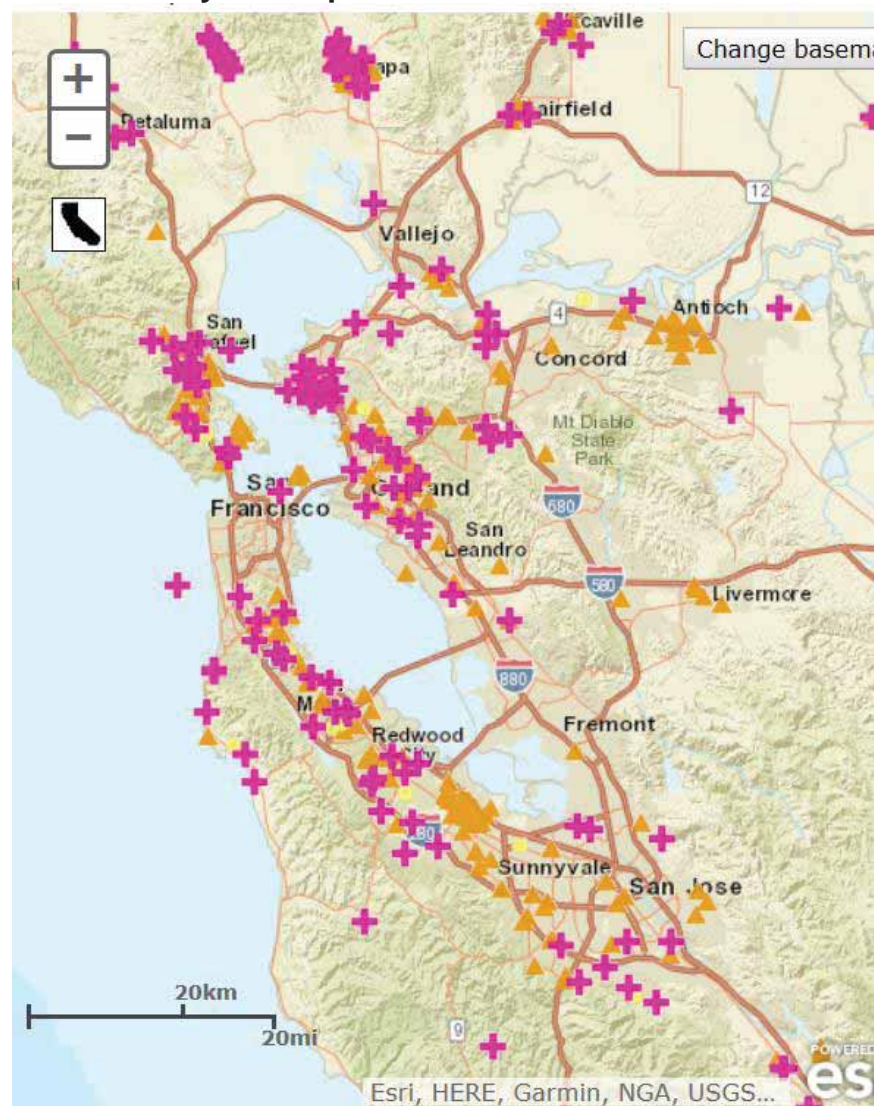
	Design/Study Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for Mar. 2017 Activities
7.	Newark Pump Station Wet Well Improvements - Thomas	\$99	05/17	70%	70%	Staff provided review comments on the 90% design submittal to the consultant.
8.	Standby Power Generation System Upgrade Project – Raymond/Kevin	\$175	05/17	40%	50%	Draft predesign report is in progress. Workshop No. 2 is scheduled for April 20 th .
9.	Pavement Condition Assessment Project – Andrew	\$26	2/17	95%	95%	Staff provided review comments on the final report to the consultant.
10.	Force Main Condition Assessment – Andrew	\$121	10/17	15%	30%	Progress to resume in August 2017 when the force main can be taken out of service.
11.	Primary Digester No. 7 Project – Curtis	\$127	7/17	40%	55%	Draft predesign report is in progress. Workshop No. 2 is scheduled for April 17 th .
12.	Plant Master Plan – Raymond	\$265	3/18	17%	21%	Consultant continued with the life cycle cost analysis of the Administration and Plant Operations Control Buildings. Workshop is scheduled for April 20 th .
13.	Odor Control Alternatives Study - Kevin	\$140	11/17	10%	30%	Plant and neighborhood odor sampling is scheduled for the week of April 10 th .
14.	Primary Digester No. 3 Rehabilitation - Derek	\$159	07/17	40%	40%	50% Design submittal was received and the 50% Review Meeting was held on March 23 rd .

**COLLECTION SERVICES
ACTIVITIES REPORT
March 2017**

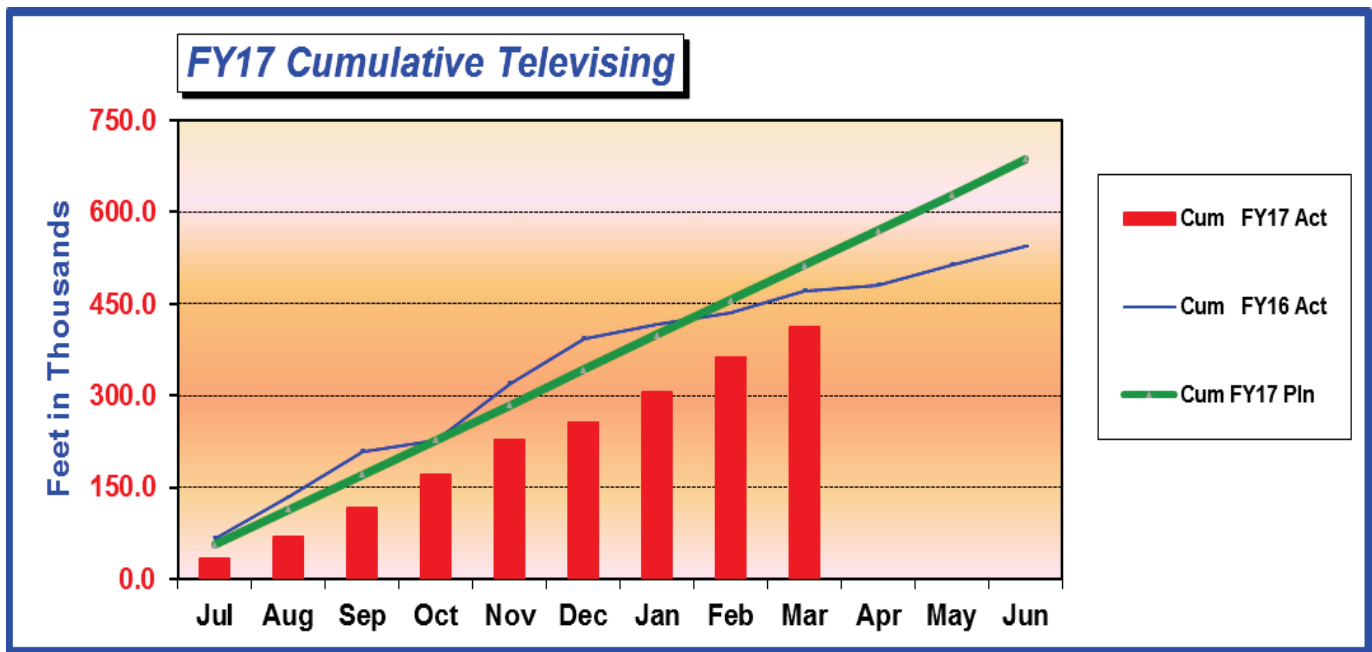
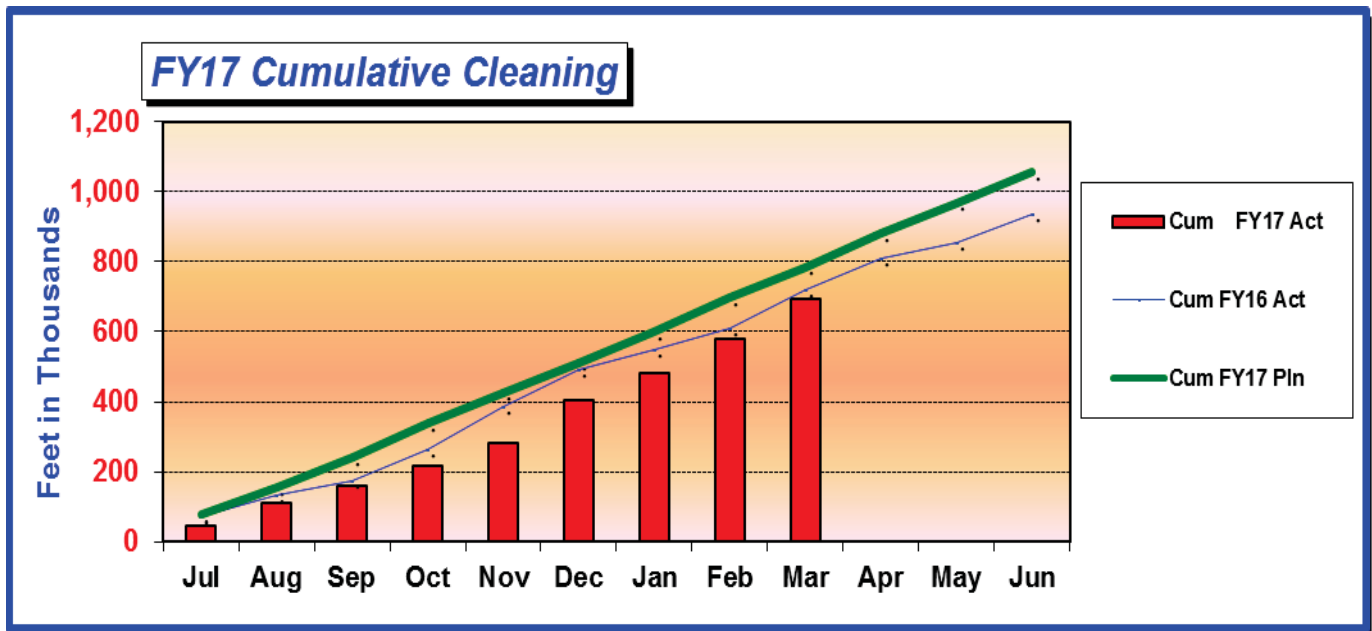
Progress/Accomplishments

- No Spills in March
- Completed 22.0 miles of cleaning of sewer lines in March
- Completed 10.0 miles of televising of sewer lines in March
- Responded to 13 service request calls in March
- Completed a total of 20 main repairs March
- Trainings
 - Defensive Driving (Commercial)
 - Pesticide Handler Training
 - GIS Training
 - Confined Space Rescue

Bay Area Spills for Same Time Period

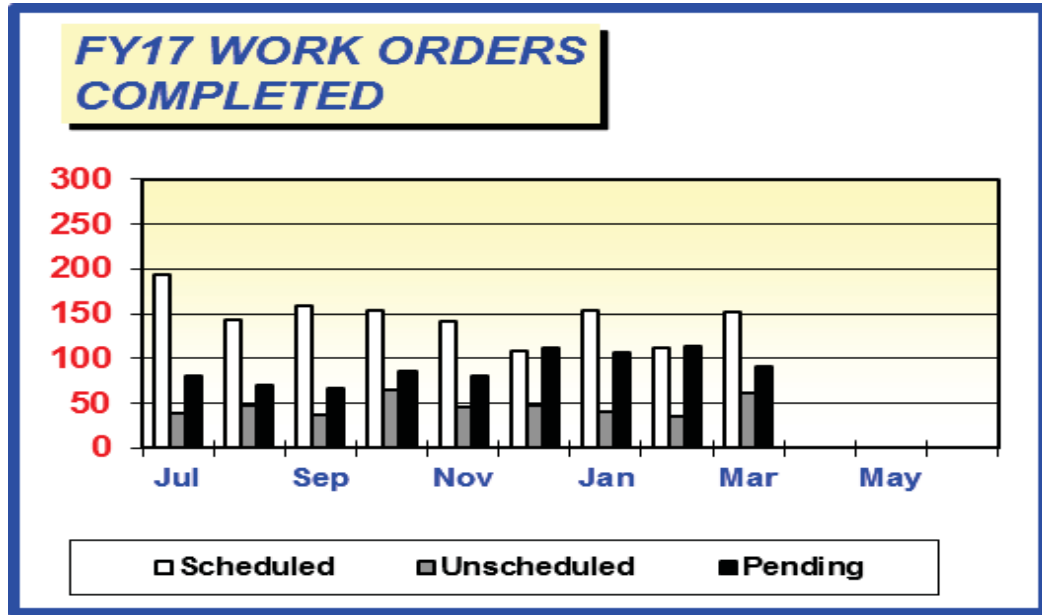


Performance Measures

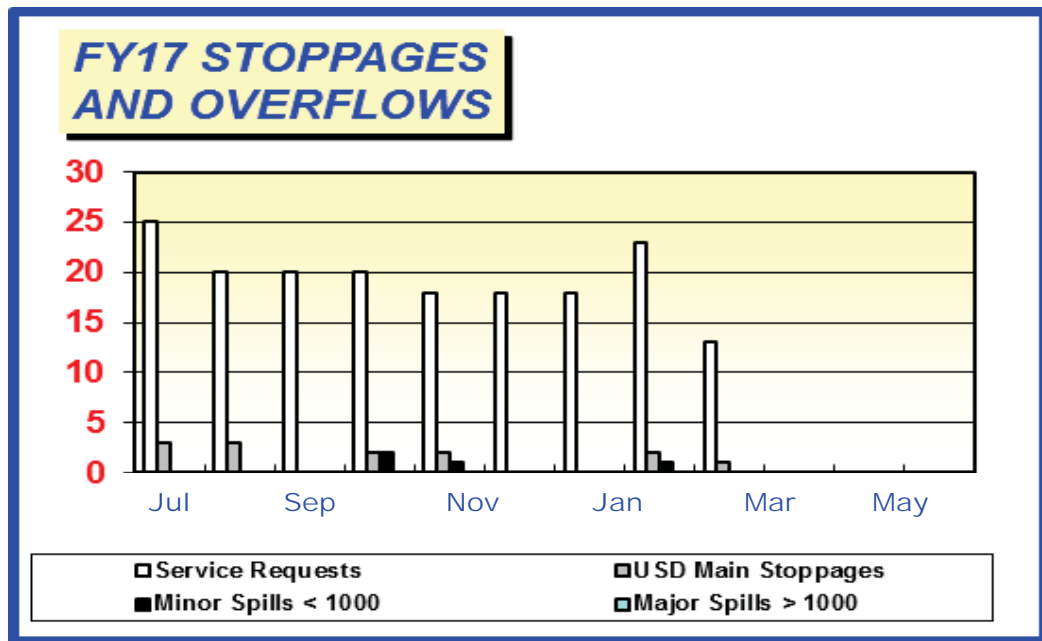


Other Collection Services Status Data:

Support Team Work Order Status:



C/S Maintenance Status:



**Fabrication, Maintenance and Construction
Activities Report
March 2017**

Progress/Accomplishments

- Completed 96% of preventive maintenance activities for the month of March
- Completed 162 corrective maintenance work orders for the month of March
- Site Waste Pump No. 1 repair
- Odor Scrubber No. 11 overhaul
- Headworks actuator replacement
- GBT bulk poly delivery system overhaul
- Centrifuge No.2 feed pump replacement

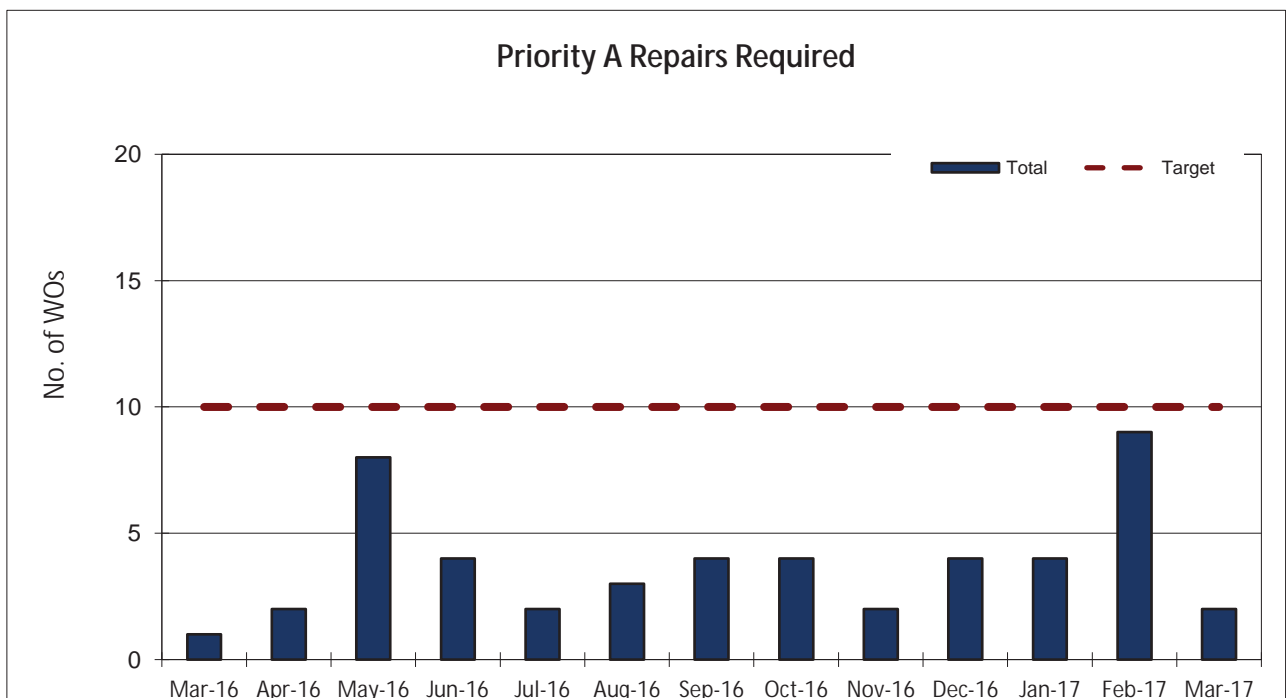
Future Planning

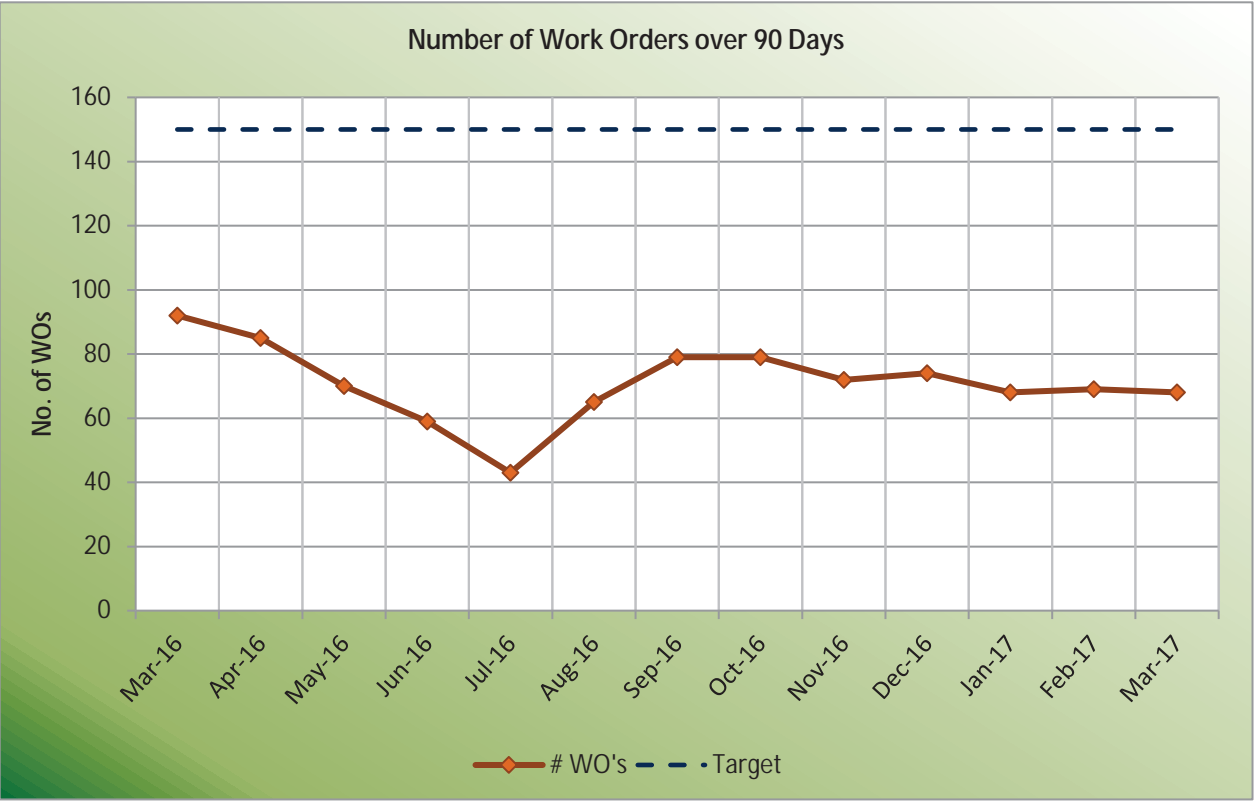
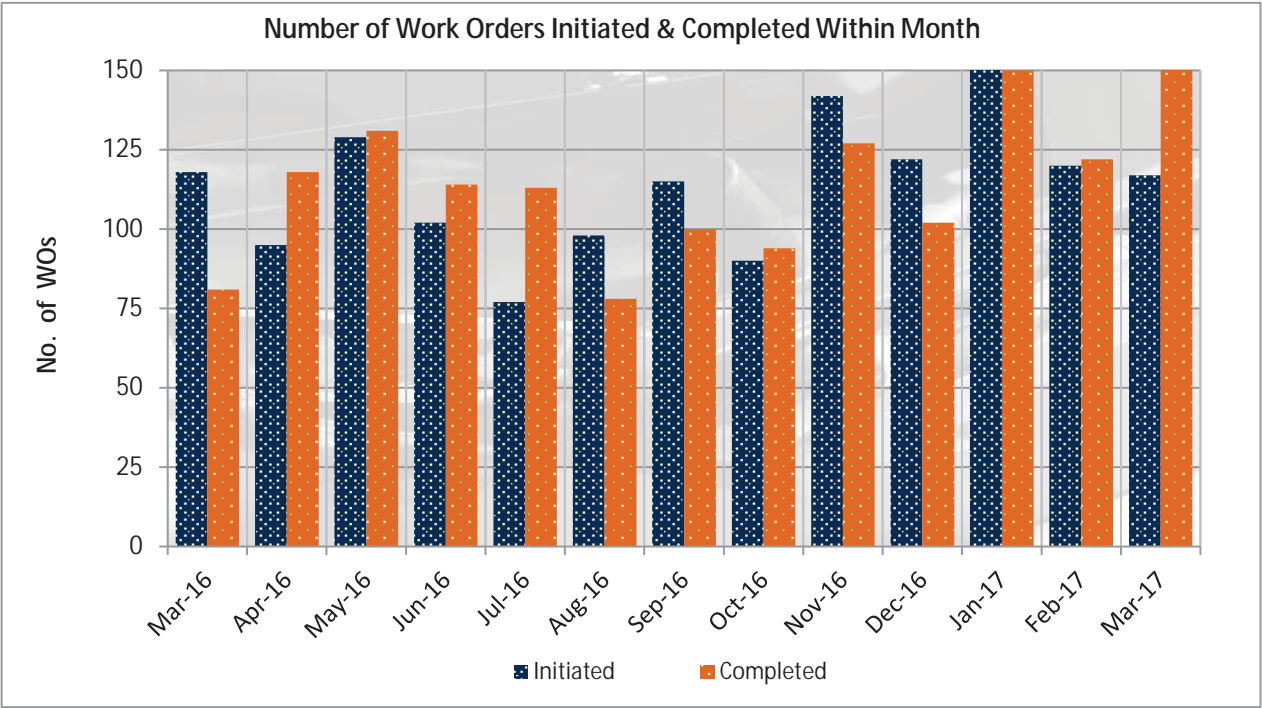
- Hot tap and replace 16" valve for Mixing Pump No. 1
- Adjust impeller clearance on Mixing Pump No. 1
- IPS headgate hydraulic cylinder replacement
- Co-Gen No.1 4K service
- Thickener No.1 annual PM

Other

-

Performance Measurements





Treatment & Disposal
Activities Report
February 2017

Progress/Accomplishments

- Maintained 100% compliance with NPDES permits.
- Completed 100% preventive maintenance activities for the month of February.
- Conducted additional return activated sludge and waste activated sludge sampling for SSCAR Project Phase II.
- Conduct Solids system shutdowns to support the Thickener Control Building Improvements Project.
- Successfully managed high influent flows greater than 60 mgd during significant storm on 2/20/2017.
- Reviewed and submitted comments on the administrative draft of the EBDA NPDES permit.
- Attended a kickoff meeting for the Solids Capacity Assessment Report project. Compiled and submitted plant technical data in response to a request for information.
- Presented process control evaluation to TPO staff.
- Began planning and logistics for membrane cleaning demonstration project tentatively scheduled for April 2017.
- Hosted bench scale testing for a sewer corrosion control chemical to potentially replace caustic soda.
- Attended an SB 1383 workshop dealing with rule development for short lived climate pollutants (SLCP) and Cal recycle rules for the diversion of organics from landfills.
- Attended a kick off meeting for the design of digester No. 7. Reviewed and submitted plant modeling data in response to the consultant's request for information.

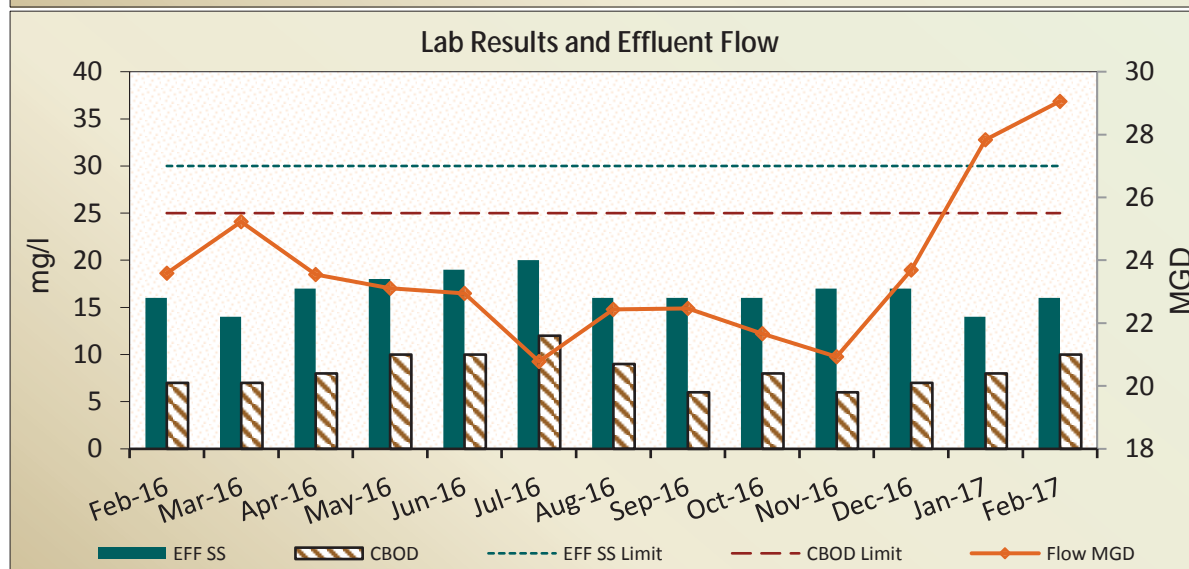
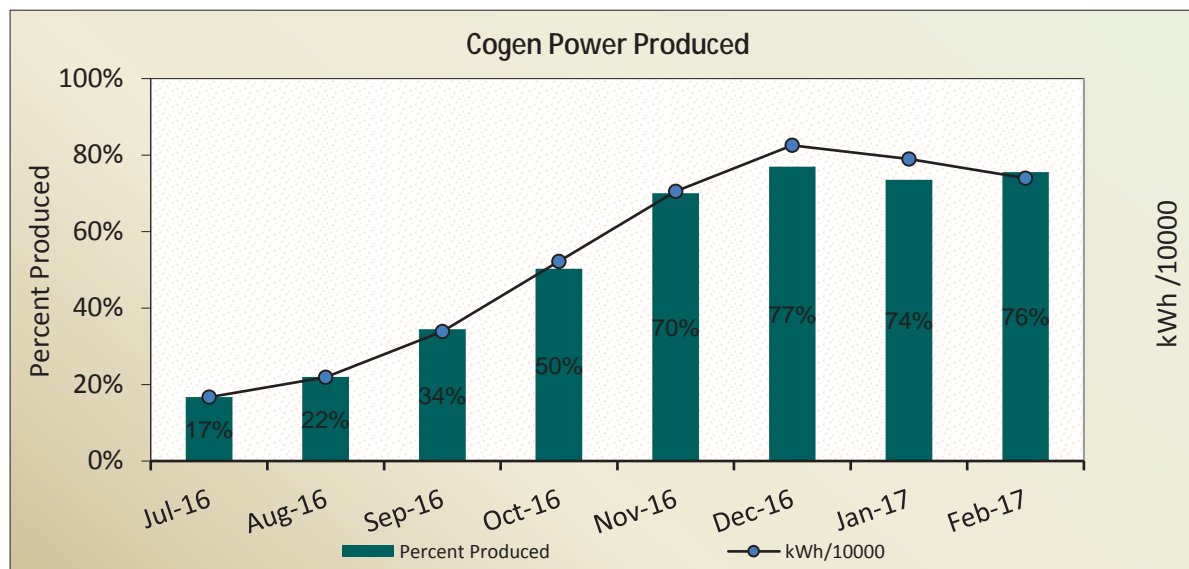
Future Planning

- Conduct multiple shutdowns of the Digester Gas System to facilitate the Digester 1 and 3 Gas Isolation Valve CIP Project.
- Conduct field sampling and analysis for the SSCAR Phase II Study.
- Conduct initial planning and logistics for the Volute thickener demonstration project.
- Prepare recruitment materials and conduct selection process for an impending Laboratory Chemist I/II vacancy.
- Prepare for the aeration membrane cleaning demonstration project.
- Review and provide comments on the NPDES Tentative Order.
- Finalize Draft cogeneration demonstration project.
- Negotiate emission factors with BAAQMD for Nox CO and toxic constituents for the impending renewal of the Plant's BAAQMD permit.

Other

- Cogen system produced 76% of power consumed for the month of February.

Performance Measurements



USD's Final Effluent Monthly Monitoring Results				
Parameter	EBDA Limit	Dec-16	Jan-17	Feb-17
Copper, µg/l	78	8.5	8.2	5.8
Mercury, µg/l	0.066	0.00395	0.00532	0.00476
Cyanide, µg/l	42	< 3.9	< 3.9	< 3.9
Ammonia- N, mg/L (Range)	130	35.8 - 40.0	29.6 - 40.0	22.0 - 41.0
Fecal Coliform, MPN/100ml (Range)				
• 5-Sample Geometric Mean	500	24 - 52	30 - 66	28 - 90
• 11-Sample 90th Percentile	1100	99 - 137	54 - 105	105 - 270
Enterococci				
• 5-Sample Geometric Mean	242	13 - 15	13 - 21	13 - 18
E = Estimated value, concentration outside calibration range. For SIP, E = DNQ, estimated concentration.				



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

DATE: March 29, 2017

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer
Pamela Arends-King, Business Services Manager/Chief Financial Officer
Laurie Brenner, Finance and Acquisition Services Coach
Virginia Holslag, Accounting and Finance Analyst I

SUBJECT: Agenda Item No. 8 - Meeting of April 10, 2017
Consider awarding the Professional Services Contract for Annual Auditing Services to Lance Soll & Lunghard LLP, Certified Public Accountants

Recommendation

Consider awarding the professional services contract for annual auditing services to Lance Soll & Lunghard LLP, (LSL) for fiscal years 2016-17 through 2018-19 with the option of providing auditing services for each of the two subsequent fiscal years.

Background

The District has engaged Vavrinek, Trine, Day & Co., LLP (VTD) for annual auditing services since fiscal year 2009-10, therefore, due to the expiration of the firm's contract and the number of years VTD had provided auditing services with the District, staff determined it was time to issue a Request for Proposal (RFP) for auditing services beginning fiscal year 2016-17.

The RFP was issued on January 17, 2017 and nine Certified Public Accounting firms responded to the RFP. Each RFP was reviewed and scored based on the weighted criteria in the RFP; the firm's qualifications; experience with comparable agencies; partner and staff qualifications and experience; audit approach; and how thorough the firm addressed the RFP requirements. Staff narrowed the firm selection to the three top scoring firms, LSL, Maze & Associates, and White Nelson Diehl Evans LLP, before reviewing the proposed cost of services for those firms.

Additional points were added based on the cost of services. The firm with the highest score was LSL. The Audit Committee was informed of the top three firms and agreed LSL was the best selection.

Lance Soll & Lunghard LLP is headquartered in Orange County in the City of Brea, CA and has offices in Temecula Valley and Silicon Valley. The firm was established in 1929 and has 65 employees including 9 partners. The firm provides a full range of accounting, auditing and tax preparation services. LSL is a regional firm and currently auditing nearly 60 governmental entities throughout California such as Orange County Water District, the City of Emeryville and the Monterey Regional Water Pollution Control Agency. LSL is on the list of CalCPA Top 150 firms in 2016.

Total cost of services for the three fiscal years ending June 30, 2019 is \$106,005, at total of \$35,335.00 per year. Should the District extend LSL's contract for two additional years the cost of services would be \$36,385 per fiscal year through fiscal year ending June 30, 2021. The total cost for services for auditing five fiscal years is \$178,775.

Attachment: Professional Services Contract with LSL for auditing services



Union Sanitary District

**TERMS AND CONDITIONS AND AGREEMENT
FOR
PROFESSIONAL SERVICES**

THIS AGREEMENT IS MADE AS OF April __ 2017, BETWEEN UNION SANITARY DISTRICT (hereinafter referred to as "District"), and Lance Soll & Lunghard, LLP. Certified Public Accountants (hereinafter referred to as Consultant).

WITNESSETH:

WHEREAS, the District desires to obtain services to audit its financial statements which are to be performed in accordance with auditing standards generally accepted in the United State of America, the standards set forth for financial audits in the current U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, as amended through fiscal year ending June 30, 2019, with the option of auditing its financial statements for each of the two subsequent fiscal years (hereinafter referred to as Project), and has issued a Request for Proposals dated January 17, 2017, a copy of which is attached hereto and incorporated herein as Exhibit A, and;

WHEREAS, the Consultant desires to furnish such services and has submitted a written proposal dated February 23, 2017, a copy of which is attached hereto and incorporated herein as Exhibit B.

NOW, THEREFORE, in consideration of the promises contained herein, the parties agree as follows:

ARTICLE 1 - SERVICES TO BE PERFORMED BY CONSULTANT

- 1.1 The Consultant agrees to provide professional services to the District in accordance with the Terms and Conditions of this Agreement.
- 1.2 The scope of the Consultant's services shall consist of the services set forth in Exhibit A, as supplemented by Exhibit B except when inconsistent with Exhibit A.

ARTICLE 2 - COMPENSATION

- 2.1 The Consultant agrees to perform all of the services specified in this Agreement for the following fees inclusive of all labor costs, material, travel expenses, insurance, overhead, profit and all other costs necessary to perform the work in accordance with this Agreement:

Fiscal Year 2016-2017	\$35,335.00
Fiscal Year 2017-2018	\$35,335.00
Fiscal Year 2018-2019	\$35,335.00
Total for three years	\$106,005.00
Optional years:	
Fiscal Year 2019-2020	\$36,385.00
Fiscal Year 2020-2021	\$36,385.00
Total for all five years:	\$178,775.00

- 2.2 The Consultant shall submit monthly invoices for services rendered. The District will make prompt monthly payments in response to the Consultant's invoices. The District's invoice payment terms are Net 30.

ARTICLE 3 - PERIOD OF SERVICE

- 3.1 The Consultant shall provide the auditing services in accordance with the milestone and delivery schedule contained in the Consultants Proposal, Exhibit B, or as otherwise mutually agreed upon by the parties, unless terminated sooner in accordance with Article 16 of this Agreement.

ARTICLE 4 - DISTRICT'S RESPONSIBILITIES

District will do the following in a timely manner so as not to delay the services of Consultant.

- 4.1 Provide all criteria and full information as to District's requirements for the services assignment and designate in writing a person with authority to act on District's behalf on all matters concerning the Consultant's services.
- 4.2 Furnish to Consultant all existing studies, reports and other available data pertinent to the Consultant's services, obtain or authorize Consultant to obtain or provide additional reports and data as required, and furnish to Consultant services of others required for the performance of Consultant's services hereunder, and Consultant shall be entitled to use and rely upon all such information and services provided by District or others in performing Consultant's services under this Agreement.
- 4.3 Arrange for access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform services hereunder.
- 4.4 Perform such other functions as are indicated in this Agreement related to duties of District.
- 4.5 Bear all costs incident to compliance with the requirements of this Section.

ARTICLE 5 - STANDARD OF CARE

- 5.1 Consultant shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional Consultant under similar circumstance and Consultant shall, at no cost to District, re-perform services which fail to satisfy the foregoing standard of care.

ARTICLE 6 - OPINIONS OF COST AND SCHEDULE

- 6.1 Since Consultant has no control over the cost of labor, materials, equipment or services furnished by others, or over contractors', subcontractors', or vendors' methods of determining prices, or over competitive bidding or market conditions or economic conditions, Consultant's cost estimate and economic analysis shall be made on the basis of qualification and experience as a professional Consultant.
- 6.2 Since Consultant has no control over the resources provided by others to meet contract schedules, Consultant's forecast schedules shall be made on the basis of qualification and experience as a professional Consultant.

- 6.3 Consultant cannot and does not guarantee that proposals, bids or actual project costs will not vary from his cost estimates or that actual schedules will not vary from his forecast schedules.

ARTICLE 7 - SUBCONTRACTING

- 7.1 No subcontract shall be awarded by Consultant until prior written approval is obtained from the District.

ARTICLE 8 – CONSULTANT-ASSIGNED PERSONNEL

- 8.1 Consultant shall designate in writing an individual to have immediate responsibility for the performance of the services and for all matters relating to performance under this Agreement. Key personnel to be assigned by Consultant will be stipulated in their proposal. Substitution of any assigned person shall require the prior written approval of the District, which shall not be unreasonably withheld. If the District determines that a proposed substitution is not responsible or qualified to perform the services then, at the request of the District, Consultant shall substitute a qualified and responsible person.

ARTICLE 9 - OWNERSHIP OF DOCUMENTS

- 9.1 All work products, drawings, data, reports, files, estimate and other such information and materials (except proprietary work papers, computer programs, including source codes purchased or developed with Consultant monies) as may be accumulated by Consultant to complete services under this Agreement shall be owned by the District.
- 9.2 Consultant shall retain custody of all project data and documents other than deliverables specified in this Agreement, but shall make access thereto available to the District at all reasonable times the District may request. District may make and retain copies for information and reference.
- 9.3 All deliverables and other information prepared by Consultant pursuant to this Agreement are instruments of service in respect to this project. They are not intended or represented to be suitable for reuse by District or others on extensions of this Project or on any other project. Any reuse without written verification or adaptation by Consultant for the specific purpose intended will be at District's sole risk and without liability or legal exposure to Consultant; and District shall indemnify and hold harmless Consultant against all claims, damages, losses, and expenses including attorney's fees arising out of or resulting from such reuse. Any such verification or adaptation will entitle Consultant to further compensation at rates to be agreed upon by District and Consultant.

ARTICLE 10 - RECORDS OF LABOR AND COSTS

- 10.1 Consultant shall maintain records of all labor and costs used in claims for compensation under this Agreement. Records shall mean a contemporaneous record of time for personnel; a methodology and calculation of the Multiplier for fringe benefits and indirect costs; and invoices, time sheets, or other factors used as a basis for determining other non-labor Project charges. These records must be made available to the District upon reasonable notice of no more than 48 hours during the period of the performance of this Agreement.
- 10.2 After delivery of Services under this Agreement, the Consultant's records of all costs used in claims for compensation under this Agreement shall be available to District's accountants and auditors for inspection and verification. These records will be maintained by Consultant and made reasonably accessible to the District for a period of three (3) years after completion of all work under this Agreement.
- 10.3 Consultant agrees to cooperate and provide any and all information concerning the Project costs which are a factor in determining compensation under this Agreement as requested by

- the District or any public agency which has any part in providing financing for, or authority over, the Services which are provided under the Agreement.
- 10.4 Failure to provide documentation or substantiation of all Project costs used as a factor in compensation paid under Article 2 hereof will be grounds for District to refuse payment of any statement submitted by the Consultant and for a back charge for any District funds, including interest from payment; or grant, matching, or other funds from agencies assisting District in financing the Services specified in this Agreement.

ARTICLE 11 - INSURANCE

Consultant shall provide and maintain at all times during the performance of the Agreement the following insurances:

11.0 Minimum Scope of Insurance:

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 00 01).
 2. Insurance Service Office Form Number CA 00 01 covering Automobile Liability, Code 1 (any auto).
 3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
 4. Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- 11.1 Workers' Compensation Insurance as required by the State of California.
- 11.2 Comprehensive General Liability Insurance (Including operations, products and completed operations, as applicable). Said insurance shall provide a minimum of \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- 11.3 Comprehensive Automobile Liability Insurance: Automobiles, trucks, and other vehicles and equipment (owned, not owned, or hired, licensed or unlicensed for road use) shall be covered under this policy. Limits of liability for Comprehensive Automobile Liability Insurance shall not be less than \$1,000,000 per accident for bodily injury and property damage.
- 11.4 Employer's Liability Insurance shall not be less than \$1,000,000 per accident for bodily injury or disease.
- 11.5 Errors & Omissions Liability Insurance: Consultant shall maintain a policy of professional liability insurance (Errors & Omissions Insurance) protecting it against claims arising out of negligent acts, errors, or omissions of Consultant pursuant to this Agreement, in an amount of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate.
- 11.6 Deductibles: Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

11.7 Other Insurance Provisions

A.. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Union Sanitary District, its officers, officials, employees and volunteers as insureds as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects to the District, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees and volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) day's prior written notice has been provided to the District.

B. If General Liability, Contractors Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions coverages are written on a claims-made form:

1. The retroactive date must be shown, and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract work.

3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the CONSULTANT must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

4. A copy of the claims reporting requirements must be submitted to the District for review.

e. If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability shall not contain a mold exclusion and the definition of "pollution" shall include microbial matter, including mold.

11.8 Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

11.9 Verification of Coverage: Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should on forms provided by the District or on other than the District's forms provided those endorsements conform to the District's requirements. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsement effecting the coverage required by these specifications at any time.

11.10 Waiver of Subrogation: Consultant hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from vendor by virtue of the payment of any loss.

Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Consultant, its employees, agents and subCONSULTANTS.

ARTICLE 12 - LIABILITY AND INDEMNIFICATION

- 12.1 Having considered the risks and potential liabilities that may exist during the performance of the Services, and in consideration of the promises included herein, District and Consultant agree to allocate such liabilities in accordance with this Article 12. Words and phrases used in this Article shall be interpreted in accordance with customary insurance industry usage and practice.
- 12.2 Consultant shall indemnify and save harmless and defend the District and all of their agents, officers, and employees from and against all claims, demand, or cause of action of every name or nature arising out of negligent error, omission, or act of Consultant, its agents, servants, or employees in the performance of its services under this Agreement.
- 12.3 In the event an action for damages is filed in which negligence is alleged on the part of District and Consultant, Consultant agrees to defend District. In the event District accepts Consultant's defense, District agrees to indemnify and reimburse Consultant on a pro rata basis for all expenses of defense and any judgment or amount paid by Consultant in resolution of such claim. Such pro rata share shall be based upon a final judicial determination of negligence or, in the absence of such determination, by mutual agreement.
- 12.4 Consultant shall indemnify District against legal liability for damages arising out of claims by Consultant's employees. District shall indemnify Consultant against legal liability for damages arising out of claims by District's employees.
- 12.5 Indemnity provisions will be incorporated into all Project contractual arrangements entered into by District and will protect District and Consultant to the same extent.
- 12.6 Upon completion of all services, obligations and duties provided for in the Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.

ARTICLE 13 - INDEPENDENT CONTRACTOR

Consultant undertakes performance of the Services as an independent contractor and shall be wholly responsible for the methods of performance. District will have no right to supervise the methods used, but District will have the right to observe such performance. Consultant shall work closely with District in performing Services under this Agreement.

ARTICLE 14 - COMPLIANCE WITH LAWS

In performance of the Services, Consultant will comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. Consultant shall procure the permits, certificates, and licenses necessary to allow Consultant to perform the Services.

Consultant shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are otherwise specifically assigned to another party.

ARTICLE 15 - NONDISCLOSURE OF PROPRIETARY INFORMATION

Consultant shall consider all information provided by District and all drawings, reports, studies, design calculations, specifications, and other documents resulting from the Consultant's performance of the Services to be proprietary unless such information is available from public sources. Consultant shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of District or in response to legal process.

ARTICLE 16 - TERMINATION OF CONTRACT

- 16.1 The obligation to continue Services under this Agreement may be terminated by either party upon seven days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.
- 16.2 District shall have the right to terminate this Agreement or suspend performance thereof for District's convenience upon written notice to Consultant, and Consultant shall terminate or suspend performance of Services on a schedule acceptable to District. In the event of termination or suspension for District's convenience, District will pay Consultant for all services performed and costs incurred including termination or suspension expenses. Upon restart of a suspended project, equitable adjustment shall be made to Consultant's compensation.

ARTICLE 17 - UNCONTROLLABLE FORCES

- 17.1 Neither District nor Consultant shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storms, lightening, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either District or Consultant under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.
- 17.2 Neither party shall, however, be excused from performance if nonperformance is due to uncontrollable forces which are removable or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, removed or remedied with reasonable dispatch. The provisions of this Article shall not be interpreted or construed to require Consultant or District to prevent, settle, or otherwise avoid a strike, work slowdown, or other labor action. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement. The Consultant will be allowed reasonable negotiated extension of time or adjustments for District initiated temporary stoppage of services.

ARTICLE 18 – CLAIMS AND DISPUTES

- 18.1 The CONSULTANT shall be solely responsible for providing timely written notice to the District of any claims for consideration in accordance with the provisions of this contract. It is the District's intent to investigate and attempt to resolve any CONSULTANT claims before the CONSULTANT has performed any disputed work. Therefore, the CONSULTANT's failure to

provide timely notice shall constitute a waiver of the CONSULTANT's claim for additional compensation and/or time.

The CONSULTANT shall not be entitled to consideration for any cause, including any act, or failure to act, by the District, or failure or refusal to issue a modification, or the happening of any event, thing, or occurrence, unless it has given the District due written notice of a potential claim. The potential claim shall set forth the reasons for which the CONSULTANT believes credit may be due, the nature of the costs involved, and the amount of the potential claim.

If based on an act or failure to act by the District, such notice shall be given to the District prior to the time that the CONSULTANT has started performance of the work giving rise to the potential claim for consideration. In all other cases, notice shall be given within ten days after the happening of the event or occurrence giving rise to the potential claim.

If there is a dispute over any claim, the CONSULTANT shall continue to work during the dispute resolution process in a diligent and timely manner as directed by the District, and shall be governed by all applicable provisions of the contract. The CONSULTANT shall maintain cost records of all work which is the basis of any dispute.

If an agreement can be reached which resolves the CONSULTANT's claim, the parties will execute a contract modification to document the resolution of the claim. If the parties cannot reach an agreement with respect to the CONSULTANT claim, they may chose a dispute resolution process or terminate the contract.

ARTICLE 19 - MISCELLANEOUS

- 19.1 A waiver by either District or Consultant of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- 19.2 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way effect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.
- 19.3 This Agreement shall be governed by the laws of the State of California. Any and all legal action necessary to enforce the Agreement will be held in the County of Alameda and the Agreement will be interpreted according to the laws of California. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 20 - INTEGRATION AND MODIFICATION

- 20.1 This Agreement (consisting of pages 1 to 10), together with all Task Orders, if any, executed by the undersigned, is adopted by District and Consultant as a complete and exclusive statement of the terms of the Agreement between District and Consultant. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters,

or other communications between the District and Consultant pertaining to the Services, whether written or oral.

- 20.2 The Agreement may not be modified unless such modifications are evidenced in writing signed by both District and Consultant.

ARTICLE 21 – CONFLICT OF INTEREST

- 21.1 The Consultant warrants and represents that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §1090 et seq. or §87100 et seq. during the performance of services under this Agreement.

Consultant will not knowingly enter into a contract with the District without first notifying the District if any financial or personal interest exists, or may exist during performance of a subsequent contract, between an employee of the Consultant firm who is a spouse, parent, person who stood *in loco parentis*, grandparent, child, grandchild, brother, sister, aunt, niece, nephew, cousin, domestic partner or person living in the same household (whether through marriage, domestic partnership, or as a couple living together), including step-, half-, and “in-law,” to any member of the District’s Board of Directors, General Manager, Work Group Manager, Business Services Coach, or the Purchasing Agent or his/her designee.

If such a financial interest and/or personal relationship exists or may exist in a subsequent contract, the Consultant will notify the District before entering into the contract and/or performing any services. The District will inform the Consultant if such a relationship is a violation of this provision and whether services can be provided. However, violation of this provision without such notification to the District may result in this Agreement being deemed void and unenforceable.

- 21.2 Depending on the nature of the work performed, Consultant may be required to publicly disclose financial interests under the District’s Conflict of Interest Code and the provisions of Section 21.1 above. Upon receipt, the Consultant agrees to promptly submit a Statement of Economic Interest in the form provided by the District.
- 21.3 No person previously in the position of Director, Officer, employee or agent of the District may act as an agent or attorney for, otherwise represent the Consultant by making any formal or informal appearance, or any oral or written communication, before the District, or any Officer or employee of the District, for a period of twelve months after leaving office or employment with the District if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a permit, license, grant, or contract.
- 21.4 No member, officer, or employee of the District during his or her tenure of for one year after that tenure shall have any interest, direct or indirect, in this Agreement of the proceeds under this Agreement.

ARTICLE 22 - ATTORNEY'S FEES

- 22.1 If any legal proceeding should be instituted by either of the parties to enforce the terms of this contract or to determine the rights of the parties under this contract, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorney fees.

ARTICLE 23 - SUCCESSORS AND ASSIGNS

- 23.1 District and Consultant each binds itself and its directors, officers, partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.
- 23.2 Neither District nor Consultant shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent Consultant from employing such independent Consultants, associates, and subcontractors as he may deem appropriate to assist him/her in the performance of the Services hereunder and in accordance with Article 7.
- 23.3 Nothing herein shall be construed to give any rights or benefits to anyone other than District and Consultant.

ARTICLE 24- BACKGROUND CHECKS

Contractor, at no additional expense to the District, shall conduct a background check for each of its employees, as well as for the employees of its subcontractors (collectively "Contractor Employees") who will have access to District's computer systems, either through on-site or remote access, or whose contract work requires an extended presence on the District's premises. The minimum background check process for any District contractor shall include, but not be limited to

1. California residents: Criminal Records (County and State Criminal Felony and Misdemeanor
2. Out of State residents: Federal criminal search of the National Criminal Database,

The background check shall be conducted and the results submitted to the District prior to initial access by Contractor Employees. If at any time, it is discovered that a Contractor Employee has a criminal record that includes a felony or misdemeanor, the Contractor is required to inform the District immediately and the District will assess the circumstances surrounding the conviction, time frame, nature, gravity, and relevancy of the conviction to the job duties, to determine whether the Contractor Employee will be placed or remain on a District assignment. The District may withhold consent at its sole discretion. The District may also conduct its own criminal background check of the Contractor Employees. Failure of the Contractor to comply with the terms of this paragraph may result in the termination of its contract with the District.

ARTICLE 25 – SERVICE OF NOTICE

All notices required in this Agreement shall be sent by certified mail, return receipt requested, and if sent to:

(Name and Title)
Union Sanitary District
5072 Benson Rd.
Union City, CA 94587

ARTICLE 26 – GOVERNING LAW

The Agreement shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

UNION SANITARY DISTRICT

By: _____

Title: _____

Date: _____

LANCE SOLL & LUNGHARD, LLP

By: _____

Title: _____

Date: _____

Exhibit A
**UNION SANITARY DISTRICT
REQUEST FOR PROPOSALS
BEGINNING FISCAL YEAR ENDING JUNE 30, 2017**

I. INTRODUCTION

A. General Information

The Union Sanitary District (the District) is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements through the fiscal year ending June 30, 2019, with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the current U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, as amended.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, five (5) copies of a proposal must be received by Roslyn Fuller, Purchasing Agent, at 5702 Benson Road, Union City, California, 94587, by 5:00 **p.m. on Thursday, February 23, 2017.** The District reserves the right to reject any or all proposals submitted. Proposals will be evaluated by staff and recommendations will be brought to the District's Audit Committee for consideration. The Audit Committee consists of two board members.

During the evaluation process, staff, the Audit Committee and the District reserve the right, where it may serve the District's best interest, to request additional information or clarifications from proposers or to allow corrections of errors or omissions. At the discretion of the District, the Audit Committee or staff, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

It is anticipated the selection of a firm will be completed by **March 17, 2017.** Following the notification of the selected firm, it is expected a contract will be executed between both parties by **March 30, 2017.**

B. Term of Engagement

A three (3) year contract is contemplated, with an option to extend the contract for two one-year periods (possible 5-year total), subject to the annual review and recommendation by staff to the Audit Committee.

C. Subcontracting

If firms submitting proposals are considering subcontracting portions of the engagement, that fact and the name of the proposed subcontracting firm must be clearly identified in the proposal. Following award of the audit contract, no subcontracting will be allowed without the express prior written consent of the District.

II. NATURE OF SERVICES REQUIRED

A. General

The District is soliciting the services of qualified firms of Certified Public Accountants to audit its financial statements through the fiscal years ending June 30, 2019, with the option to audit the District's financial statements for each of the two (2) subsequent fiscal years, subject to the satisfactory negotiation of terms, including a price acceptable to both the District and the selected firm. These audits are to be performed in accordance with the provisions contained in this Request for Proposals.

B. Scope of Work to be Performed

The District desires a Comprehensive Annual Financial Report (CAFR) for the Union Sanitary District to be prepared by the independent auditor and be fully compliant with GASB 34 for the fiscal year ended June 30, 2017 and each of the subsequent years, June 30, 2018 and 2019 of the auditing firm's contract with the District.

The selected independent auditor will be required to perform the following tasks:

1. The auditor shall perform an audit of all funds of the District. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States. The District's Comprehensive Annual Financial Report (CAFR) will be prepared and printed by the auditing firm. The CAFR will be in full compliance with GASB 34. The auditing firm will render their auditor's report on the basic financial statements. The auditing firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the proprietary funds of the District.
2. The auditor shall perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the District's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior findings where required.

3. The auditor shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letter shall be addressed to the General Manager.
4. The auditor shall prepare and file the Annual State Controller's Report each year by the due date for the District.

C. Auditing Standards to be Followed

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the current U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, as amended.

An opinion on compliance with rules and regulations, as published by the Office of the State Controller, will also be required.

D. Reports to be issued

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A Single Audit Report.

In the required report(s) on internal controls, the Auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the Auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.

The reports on compliance shall include all instances of significant non-compliance.

Irregularities and Illegal Acts. Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: General Manager, Union Sanitary District's Attorney, and Audit Committee.

Reporting to the Audit Committee. Auditors shall assure themselves that the District's Audit Committee is informed of each of the following in accordance with Independence Standards Board (ISB) Standard No. 1:

1. The Auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

E. Special Considerations

1. The District will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor will not be required to provide special assistance to the District to meet the requirements of that program.
2. The District may prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the Auditor's report thereon. The Auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the Auditor and any necessary "comfort letters" at no additional cost to the District.
3. The District has determined that the State Controller's Office will function as the cognizant agency in accordance with the provisions of the Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133.
4. The Single Audit Report is not to be included in the Comprehensive Annual Financial Report, but is to be issued separately.
5. The June 30, 2016 audit did not generate any findings or weaknesses for the District.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the Auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. The Auditor will be required to make working papers available, upon request, to the following parties or their designees:

Union Sanitary District
State Controller's Office
U.S. General Accounting Office (GAO); and

Parties designated by the federal or state governments or by the District as part of an audit

quality review process; and

Auditors of entities of which the District is a sub-recipient of grant funds

Auditors of entities of which the District is a component unit

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

The Union Sanitary District was formed in 1918 and serves the Cities of Fremont, Newark and Union City with an approximate combined population of 347,009. The cities are located along Interstates 680 and 880, between Oakland and San Jose in southern Alameda County. The District's fiscal year begins on July 1 and ends on June 30.

The District is governed by a five-member Board of Directors, which is independently and directly elected by voters to staggered four-year terms. The District collects wastewater and treats wastewater.

The District's total personal costs is approximately \$22.1 million covering 137 full-time employees. The District is organized into workgroups and operates in a team-based environment and uses the Balanced Scorecard as a model for its strategic plan and performance measurement tool. The accounting and financial reporting functions of the District are centralized.

More detailed information on the government and its finances can be found in Budget documents and Annual Financial Reports.

B. Fund Structure

The District has two proprietary funds for operating and capacity/connection fees. It also operates seven internal service funds.

C. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles.

D. Federal, State, and County Financial Assistance

During the fiscal years to be audited, the District may receive grants from the State and or Federal and State funding through State Revolving Fund loans.

E. Pension Plans

The District is a member of the State of California Public Employees' Retirement System.

F. Component Units

The District does have any component units.

G. Joint Ventures

The District participates in the following joint ventures with other governments:

- Alameda County Water District Financing Authority (ACWD), for the purpose of assisting in the financing and refinancing of capital projects of ACWD and to finance working capital for ACWD.
- East Bay Dischargers Authority (EBDA). EBDA is a separate legal entity which constructs and operates an export pumping facility through which all treated wastewater in the area is discharged. The other participants are the City of Hayward, the City of San Leandro, and the Oro Loma and Castro Valley Sanitary Districts.

H. Magnitude of Finance Operations

The Business Services Workgroup currently consists of 23 employees. The principal functions performed and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
Business Services Manager/CFO	1
Human Resources Manager/Coach	1
Finance and Acquisitions Team Coach (Manager)	1
Information Technology Staff	5
Administrative Specialist	2
Senior Accountant	1
Accounting Technical Specialist	3
Buyer I	1
Principal Financial Analyst	1
Purchasing Agent	1
Storekeeper I	1
Storekeeper II	1
Environmental Health/Safety Program Manager	1
Human Resources Analyst II	1
Organization Performance Program Manager	1
Training & Emergency Response Program Manager	1

I. Availability of Prior Audit Reports and Management Letters

The District's recent Comprehensive Annual Financial Report (CAFR) and Auditor's Management Letter for the FY ended June 30, 2016 are included in Appendix A. The 2016 CAFR is posted on the District's website. Interested proposers who wish to review any prior year audit reports and management letters should contact Pamela Arends-King at 5072 Benson Road, Union City, CA, 94587; telephone number (510) 477-7510; e-mail address pamelaa@unionsanitary.ca.gov.

TIME REQUIREMENTS

A. Proposal Calendar

Request for Proposals Issued: January 17, 2017
Due Date For Proposals: 5:00 p.m. Thursday, February 23, 2017

B. Notification and Contract Dates

Selected Firm Notified: March 17, 2017
Projected Contract Date: March 30, 2017

C. Date Audit May Commence

The District will have all records ready for audit and management personnel available to meet with the firm's personnel no later than mid-May, 2017.

D. Schedule for the 2017 Fiscal Year Audit

(A similar schedule will be developed for audits of future fiscal years if the District exercises its option for additional audits.)

Each of the following shall be completed by the Auditor no later than the dates indicated.

1. Interim Work
The Auditor shall complete all interim work between May/June, 2017.
2. Detailed Audit Plan
The Auditor shall provide the District by June 30, 2017 both a detailed audit plan and a list of all schedules to be prepared by the District.
3. Field Work
The Auditor shall complete all field work by mid-September, 2017.
4. Draft Reports
The Auditor shall have drafts of the audit report(s) and recommendations to management available for review by the Finance Manager by early October 2017.
5. Completed Reports
The Auditor shall have final draft audit reports completed for Comprehensive Annual Financial Report to be presented to the Board of Directors the **first Board meeting in November 2017**.

E. Entrance Conferences, Progress Reporting and Exit Conferences

(A similar time schedule will be developed for audits of future fiscal years if the District exercises its option for additional audits.)

At a minimum, the following conferences should be held by the dates indicated on the schedule:

- * Entrance conference with all key finance personnel

* **week of May 16, 2017**

The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for work space and other needs of the Auditor.

- * Progress conference, if necessary, with the Audit Committee and the Business Services Manager/CFO

* **approximately mid-June, 2017**

The purpose of this meeting will be to discuss the year-end work to be performed, to summarize the results of the preliminary review, and to identify the key internal controls or other matters to be tested.

- * Entrance conference with key finance personnel to commence year-end audit work

* **approximately late August 2017**

- * Exit conference with the Audit Committee, key finance personnel, and General Manager

* **approximately mid-Oct., 2017**

The purpose of this meeting will be to summarize the results of the field work and to review significant findings and answer any questions the Audit Committee may have regarding the audit and the Comprehensive Annual Financial Report.

F. Date Final Report is Due

The Business Services Workgroup will complete their review of the draft report as expeditiously as possible. During that period, the Auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Business Services Manager/CFO. It is anticipated that this process will be completed and the final report delivered by **October 30, 2017**. The auditors will present the final report to the Board of Directors the first board meeting in **November 2017**.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Business Services Workgroup and Clerical Assistance

The Business Services Workgroup staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the District. In addition, clerical support will be made available to the Auditor for preparation of routine letters and memoranda.

B. Computer Applications Assistance

I.T. personnel will be available to assist the Auditor in performing the engagement. They will also be available to provide systems documentation and explanations. The Auditor may be provided computer time and the use of the District's computer hardware and software.

C. Work Area, Telephones, Photocopying and FAX Machines

The District will provide the Auditor with reasonable work space, desks and chairs. The Auditor will also be provided with access to a telephone line, photocopying facilities and FAX machines.

D. Report Preparation

Report preparation and editing shall be the responsibility of the Auditor.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Roslyn Fuller, Purchasing Agent
5072 Benson Road
Union City, CA 94587
(510) 477-7529
roslynf@unionsanitary.ca.gov

CONTACT WITH PERSONNEL OF THE DISTRICT OTHER THAN ROSLYN FULLER, PURCHASING AGENT, REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

2. Submission of Proposals

The following material is required to be received by 5:00 p.m. on Thursday, February 23, 2017 for a proposing firm to be considered.

- a. A master copy (so marked) of a Technical Proposal and five (5) copies to include the following:
 - i. Title Page
Title page showing the Request for Proposals' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
 - ii. Table of Contents
 - iii. Transmittal Letter

A signed letter of transmittal should briefly state the proposer's understanding of the work

to be done, the commitment to perform the work within the time period, a statement why the firm believes it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 120 days.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this Request for Proposals. It should include an executive summary and be limited to a maximum of 25 pages, single sided, double spaced.

v. Executed copies of Proposer Guarantees and Warranties, attached to this Request for Proposals (APPENDIX B)

- b. The Proposer shall submit an original and five (5) copies of a dollar cost bid in a **separate sealed** envelope marked as follows:

**SEALED DOLLAR COST BID PROPOSAL FOR UNION SANITARY DISTRICT
FOR PROFESSIONAL AUDITING SERVICES
DATE**

- c. The Proposer shall submit an original and five (5) copies of the completed technical proposal, along with the **separate sealed dollar cost bid** envelope to the following address:

Roslyn Fuller, Purchasing Agent
5072 Benson Road
Union City, CA 94587
(510) 477-7529
roslynf@unionsanitary.ca.gov

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this Request for Proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposals' requirements.

**THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE
TECHNICAL PROPOSAL DOCUMENT.**

2. Independence

The firm should provide an affirmative statement that it is independent of the District as defined by generally accepted auditing standards. The firm also should provide an affirmative statement that it is independent of all of the component units of the District as defined by those same standards.

The firm should list and describe the firm's (or proposed subcontractors) professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in California

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal Auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide copies of the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.

In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant in California. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the Union Sanitary District

The firm should list separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the District by type of engagement (i.e., audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this Request for Proposals. These engagements should be ranked on the basis of total staff hours.

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this Request for Proposals. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the

engagement

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of ERP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the District's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

10. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

The **sealed** dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this Request for Proposals. The total proposed price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. An escalation factor may be addressed in the **sealed** dollar cost bid that will allow for an accurate evaluation of the total cost for the five (5) year engagement period.

The first page of the **sealed** dollar cost bid will be a completed APPENDIX B, PROPOSER GUARANTIES AND WARRANTIES.

The second page of the **sealed** dollar cost bid will be a completed APPENDIX C, SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2017 FINANCIAL STATEMENTS. This should include a schedule of your fees and expenses, presented in the format provided in the attachment (APPENDIX C) that supports the total all-inclusive maximum price, and should include:

- Rates by Partner, Specialist, Supervisory and Staff Level Times / Hours Anticipated for Each
- Out-of-pocket Expenses Included in the Total All-Inclusive Maximum Price and Reimbursement Rates
- Proposal for Subsequent Years

2. Rates for Additional Professional Services

If it should become necessary for the District to request the Auditor to render any additional services, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

3. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Review of Proposals

Staff will review the proposals and take their recommendation to the Audit Committee. The Audit Committee will review the recommendation and the chosen firm's contract will be brought before the Board of Directors for approval.

Staff will develop a technical score for each firm and then the sealed dollar cost bid will be opened and evaluated. The cost of the bid will not be the deciding factor in the choice of the firm staff recommends to the Audit committee, however, it will be part of the overall evaluation and scoring of potential firms.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represents the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in California.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the

firm for the District.

- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- e. The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

2. Technical Qualifications (Maximum Points - 75) Including, but not limited to:

- a. Expertise and Experience (Maximum Points - 45)
 - (1) Such as the firm's past experience and performance on comparable government engagements.
 - (2) Such as the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- b. Audit Approach (Maximum Points - 30) Including, but not limited to:
 - (1) Such as adequacy of proposed staffing plan for various segments of the engagement.
 - (2) Such as adequacy of sampling techniques.
 - (3) Such as adequacy of analytical procedures.

3. Price (Maximum Points - 25)

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

APPENDIX A

AUDITORS MANAGEMENT LETTER AND COPY OF MOST RECENT AUDIT REPORT

Please open attached Appendix A documents

APPENDIX B

PROPOSER GUARANTEES AND WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.
- B. Proposer warrants that it is willing and able to obtain Professional Liability Insurance providing limits not less than one (1) million dollars of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof, or show evidence of the ability to provide substitute security equal to the same limit.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Union Sanitary District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:_____

Name (typed):_____

Title:_____

Firm:_____

Date:_____

APPENDIX C

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2017 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	\$ _____	\$ _____	\$ _____
Managers	_____	\$ _____	\$ _____	\$ _____
Supervisory Staff	_____	\$ _____	\$ _____	\$ _____
Staff	_____	\$ _____	\$ _____	\$ _____
Other (specify)	_____	\$ _____	\$ _____	\$ _____
SUBTOTAL	_____	\$ _____	\$ _____	\$ _____

Out-of-pocket expenses:

Meals and Lodging	\$ _____
Transportation	\$ _____
Other (specify)	\$ _____
TOTAL proposed price for 2016 audit	\$ _____

Fee and Expense Proposal for Subsequent Years:

<u>Escalation Factor</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
--------------------------	-------------	-------------	-------------	-------------



PREPARED BY:

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 N. Brea Blvd., Suite 203 Brea, CA 92821
(714) 672-0022

Proposal Presented to

UNION SANITARY DISTRICT

RFP# S-17-S-238

Professional Auditing Services

CONTACT PERSON:

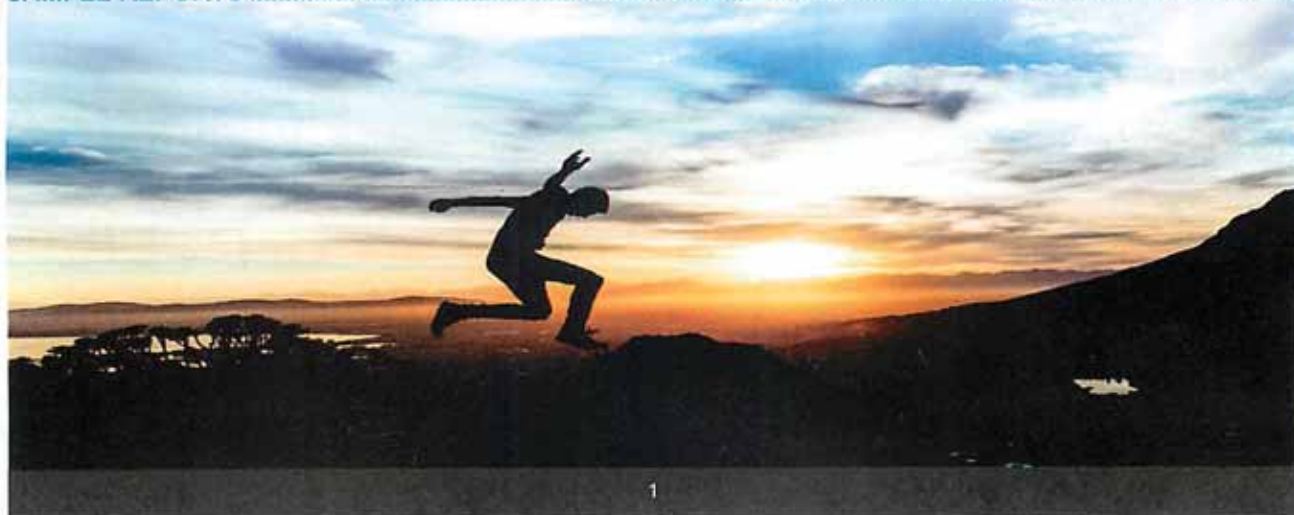
Bryan S. Gruber, CPA, Partner
Bryan.gruber@lslcpas.com
(714) 672-0022

February 23, 2017

Focused
on YOU



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February 23, 2017

Union Sanitary District
Roslyn Fuller, Purchasing Agent
5072 Benson Road, Union City, CA 94587

LANCE, SOLL & LUNGHARD, LLP (LSL) is pleased to respond to your request for proposal for financial external auditing services. As a leader in the field of governmental accounting and auditing, we are grateful for this opportunity to present our professional qualifications. Because of our extensive municipal experience, dedication to excellence and determination to retain the brightest talent, we hope you find that LSL is the most qualified accounting firm to provide professional auditing services to the Union Sanitary District.

ANNUAL SERVICES

The Union Sanitary District (District) will receive the following for the fiscal years ending June 30, 2017 through June 30, 2019, with the option to renew the contract for two additional fiscal years.

- Perform an audit of all funds of the District in accordance with auditing standards general accepted in the United States of America and Government Auditing Standards, issued by the Comptroller of the United States, and express an opinion on the fair presentation of the basic financial statements. We will prepare and word process the District's Comprehensive Annual Financial Report (CAFR).
- Issue a separate "management letter" to communicate to management any reportable conditions found during the audit. Reportable condition will be identified as material weakness or significant deficiency. Non-reportable conditions will be reported in a separate letter to management.
- Perform, a Single Audit of all federal grants received by the District in accordance with the Uniform Guidance, and issue a report on compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the Uniform Guidance.
- Prepare the Annual State Controller's Report for the District.

We are committed to providing the services discussed above in accordance with the timetable specified in your request for proposal. This proposal is a firm and irrevocable offer good for 120 days, for the fiscal years ending June 30, 2017 through June 30, 2019, with the option to renew the contract for two additional one-year periods. For purposes of this proposal, Bryan S. Gruber, Partner is authorized to make representations for our firm. I can be reached at the address below or by phone at (714) 672-0022, by Fax at (714) 672-0331 or through email at bryan.gruber@lslcpas.com.

Very truly yours,

Bryan S. Gruber, CPA
Engagement Partner
Lance, Soll & Lunghard, LLP
203 N. Brea Blvd., Suite 203
Brea, California 92821





BENEFITS TO WORKING WITH LSL

In today's environment, keeping up with the numerous accounting and regulatory changes can seem unmanageable. Finance departments are facing more complexity, risk, and change than ever before, and with less resources. As the industry continues to evolve, a strategic relationship with LSL, can help you better manage these changes and be more equipped for the future. Training and communication is the bridge that connects us. We offer to our clients:

1) Annual Governmental Accounting Update – **Three Tickets Included**

Annually, we hold a ½ day seminar providing an update to new accounting and regulatory standards impacting local governments. The goal is to provide useful relevant information that impacts your organization. In 2017, for convenience, we will also allow the Update to be viewed as a web event.

2) Annual Onsite Client Specific Training – **One Event Included**

Tailored training for your organization on topics that are most relevant and needed for you and your team. Topics may include fraud risk management, internal controls, accounting pronouncements, governmental accounting, and CAFR preparation.

3) Focused Topic Specific Webinars and Ongoing News & Alerts – **Access to Events and Information Included**

Important topics effecting local governments sometimes need more attention and explanation. In addition to our annual update, our webinars and news offer a short focused approach to these critical areas.

4) Meetings with Boards & Committees – **Two meetings Included**

We believe communication is the key to a successful relationship and offer two annual meetings with your Board or Committees. Both meetings encourage dialogue between the auditor and board during the preliminary and concluding segments of the audit.



INTRODUCTION OF EXTERNAL AUDITOR

INDEPENDENCE

We meet the independence requirements as defined by *Government Auditing Standards* for the Union Sanitary District. Our partners do not own any other business organization that has in the past, or will in the future, be providing services, supplies, materials or equipment to the Union Sanitary District. Within the last 5 years, we have not provided professional services to the Union Sanitary District. There is no conflict of interest relative to performing the proposed audit. Lance, Soll & Lunghard, LLP (LSL) will provide written notice of any professional relationship entered into during the period of the proposed agreement.

LEGAL STATUS AND LICENSE TO PRACTICE IN CALIFORNIA

LSL is a limited liability partnership and is not a wholly owned subsidiary of a parent company. LSL is a public accounting firm licensed by the State of California, Department of Consumer Affairs, as a Public Accounting Partnership. As a firm, we are members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. All key staff to be assigned to this engagement are or will be licensed by the State of California to practice as Certified Public Accountants.

FIRM QUALIFICATIONS AND EXPERIENCE

ADDRESS(ES) OF OFFICE(S) AND NUMBER OF YEARS

Our headquarters are in Orange County in the City of Brea, California. We have two other offices in Temecula Valley and Silicon Valley. The audit for the Union Sanitary District will be staffed from our Orange County location. We first opened our doors 87 years ago in 1929.

NUMBER OF EMPLOYEES

Our firm has approximately 65 employees including 9 partners and professional staff of approximately 50. Governmental staff consists of four partners, one senior manager, four managers, three supervisors, five seniors and 14 staff auditors. All professional staff assigned to the proposed engagement work on a full-time basis.

CONTACT REGARDING THIS PROPOSAL

Mr. Bryan S. Gruber, CPA, Partner
203 N. Brea Blvd., Suite 203, Brea, CA 92821
Phone: (714) 672-0022
Bryan.gruber@lslcpas.com

ADDITIONAL INFORMATION

LSL is a regional public accounting firm that is currently meeting the auditing needs of **nearly 60 governmental entities throughout California**. This experience has led to the development of efficient procedures that provide numerous client benefits. Our clients have grown to understand that an audit from LSL provides them with a wealth of knowledge, confidence and value added services. For this and many other reasons, our firm has consistently been named one of the "Top Accounting Firms" in Orange County by the Orange County Business Journal, and "Top Workplaces - 2016" in Orange County by the Orange County Register. **We were also on the list of CalCPA Top 150 firms in 2016.**

EXTERNAL QUALITY CONTROL REVIEWS

We have participated in the peer review program since its inception. The most recent peer review was conducted by Sikich, LLP. All peer reviews covered governmental engagements. Our most recent peer review is included on page 14.

There have been no disciplinary actions against our organization since its inception. All our Single Audit reports are desk reviewed either by the Federal cognizant agency or the State Controller's Office acting as the Oversight Agency. We have never had a report rejected by any of these agencies. In fact, we are highly regarded and recognized by the staff of the State Controller's Office for top quality reports.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

KEY PERSONNEL AND RESPECTIVE RESPONSIBILITIES

The most critical component in the successful completion of an audit is the personnel assigned to carry out the responsibilities. We have assembled a team composed of individuals with the optimum mix of talents.

The individuals assigned have experience in performing the tasks for which they are responsible, as well as familiarity with all municipal accounting operations. In addition, each has developed extensive skills in a variety of other complementary subjects through their work with clients in other industries. Thus, the experience gained on previous assignments can be applied and tailored to the unique needs of your organization. Lance, Soll & Lunghard, LLP will not be subcontracting any portion of the audits of the Union Sanitary District.

The partners at Lance, Soll & Lunghard, LLP are routinely an integral part of the audit process and will be overseeing and supervising staff personnel in the field. For the Union Sanitary District, the personnel assigned to the engagement are listed on the right.

CONTINUING EDUCATION

As a firm policy, all professional government staff meet the requirement of 40 hours of continuing education every year, with at least 24 hours in governmental accounting and auditing in a two-year period. Our educational programs include training from CalCPA, AICPA, Government Audit Quality Center, and GFOA.

DETAILED DISCUSSION OF EXPERIENCE

A detailed discussion of the experience of key staff members is on the following pages.



Bryan S. Gruber, CPA
Engagement Partner



Deborah A. Harper, CPA
Quality Assurance Partner



Ryan J. Dover, CPA
Assurance Manager



Jocelyn Esparza
Assurance Senior



BRYAN S. GRUBER, CPA
ENGAGEMENT PARTNER



ACHIEVEMENTS

Bryan has made numerous presentations at local chapter meetings for CSMFO on current accounting and auditing material. He also currently serves as a technical reviewer for the Government Finance Officers Association (GFOA). Bryan has been involved with teaching current audit and accounting related material at Lance, Soll & Lunghard, LLP's in house training seminars. He serves as firm IT Specialist for his involvement in IT related controls, data mining and analysis, and auditing software.

LICENSE

Certified Public Accountant - California 2008

CONTINUING EDUCATION

Total hours were 132 in last three years of which 74 were in governmental accounting and auditing subjects. Bryan has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)
Association of Local Government Auditors

EXPERIENCE

Over twelve years of experience in governmental audits including CAFR audits, component-unit audits and Single Audits. Bryan has also made numerous presentations to City Councils, Boards of Directors and Audit Committees. He has been involved in the following municipal engagements:

Bryan has also been involved in the following engagements:

City of Agoura Hills	Orange County Water District
City of Azusa	Three Valleys Municipal Water District
City of Burbank	City of Oceanside
City of Duarte	City of Palm Springs
City of Emeryville	City of San Dimas
City of Hidden Hills	City of Solana Beach
City of La Quinta	City of Vista
Monterey Regional Water Pollution Control	City of Rolling Hills

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Bryan S. Gruber, CPA, Partner (Continued)

This work entailed:

- The preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the Government Finance Officers Association of the United States and Canada.
- Review the audit of these entities provide and technical assistance throughout the year to provide the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting –
California State University, Fullerton 2004



DEBORAH A. HARPER, CPA
QUALITY ASSURANCE PARTNER

ACHIEVEMENTS

Debbie was accepted as a 2015 and 2016 **executive committee member of the AICPA Government Audit Quality Center**, which is a national division for governments. As an executive board member, Debbie participates in the development, review, and first hand discussion of new standards and guidance published in the AICPA Audit Guides which is provided to audit firms across the country.

In 2017, Debbie also accepted participation in the **GASB Research Note Disclosure Reexamination Roundtable**.

Debbie leads the Lance, Soll & Lunghard, LLP training program and serves as the firm Learning Director.

LICENSE

Certified Public Accountant - California 2005

CONTINUING EDUCATION

Total hours were 132 in last three years of which **68 were in governmental accounting and auditing subjects**. Debbie has met the Governmental Auditing Standards requirement for governmental CPE.

MEMBERSHIPS

California Society of Certified Public Accountants (CalCPA)
American Institute of Certified Public Accountants (AICPA)
California Society of Municipal Finance Officers, Associate Member (CSMFO)
Government Finance Officers Association, Associate Member (GFOA)
Governmental Accounting and Auditing Committee
AICPA Government Audit Quality Center

EXPERIENCE

Over fifteen years of experience in governmental audits. During her time with the firm, Debbie has performed all phases of our government audits and made numerous presentations to Boards of Directors and Audit Committees.

She has been involved on the following similar engagements:

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Deborah A. Harper, CPA, Partner (Continued)

Cucamonga Valley Water District	City of Glendora
Coachella Valley Water District	City of Simi Valley
Inland Empire Utilities Agency	City of Thousand Oaks
City of Irvine	City of Corona
City of Aliso Viejo	City of Diamond Bar
City of Laguna Niguel	City of Banning
City of Monrovia	City of Claremont
City of Orange	City of Brea
City of Seal Beach	City of Fullerton
City of Chino Hills	

This work entailed:

- The preparation of the Comprehensive Annual Financial Report for those entities involved in the award programs of the California Society of Municipal Finance Officers and the Government Finance Officers Association of the United States and Canada.
- Review the audit of these entities and provide technical assistance throughout the year to deliver the most up to date information with current GASB pronouncement.
- Present the overall audit results to audit committees or other Board Members.

EDUCATION

Bachelor of Arts Degree in Business Administration with an emphasis in Accounting –
California State University, Fullerton 2000



RYAN J. DOVER, CPA
ASSURANCE MANAGER

LICENSE

Certified Public Accountant - California

CONTINUING EDUCATION

Total hours were 125 in last three years of which **74 were in governmental accounting and auditing subjects**. Ryan has met the Governmental Auditing Standards requirement for governmental CPE

EXPERIENCE

Ryan has progressed in an outstanding manner. During his time with the firm, Ryan has performed all phases of our government audits, including water districts, other special districts, CAFR audits, successor agency audits and Single Audits. He has been involved in the following municipal engagements:

City of Solana Beach
City of Vista
City of Big Bear Lake
City of Emeryville
City of Walnut
City of Irvine
City of Menifee
City of Pomona
City of Irwindale
City of Irvine

City of Santa Monica
City of Fullerton
City of Corona
City of South Gate
City of Rolling Hills
City of Seal Beach
City of Palm Springs
City of Santa Barbara
Inland Empire Utilities Agency
Orange County Fire Authority

EDUCATION

Bachelor of Arts Degree in Business Administration, Concentration in Accounting –
California State University, Fullerton 2011

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JOCELYN ESPARZA
ASSURANCE SENIOR

LICENSE

Certified Public Accountant –Licensure Anticipated in March 2017

CONTINUING EDUCATION

Total hours were 132 in last three years of which **82 were in governmental accounting and auditing subjects**. Jocelyn has met the Governmental Auditing Standards requirement for governmental CPE.

EXPERIENCE

Jocelyn has progressed in an outstanding manner. During her time with the firm, Jocelyn has performed all phases of our government audits, including water districts, other special districts, CAFR audits, successor agency audits and Single Audits. She has been involved in the following municipal engagements:

City of Pomona
City of Irwindale
City of Thousand Oaks
City of Downey
City of Cathedral City
City of Agoura Hills
City of Santa Fe Springs
City of Pasadena
City of Bell
City of Dixon
City of Malibu
City of Brea
City of Rolling Hills

City of Duarte
City of Emeryville
City of Inglewood
City of San Dimas
City of Diamond Bar
City of Manhattan Beach
Cucamonga Valley Water District
Monterey Regional Water Pollution Control Agency
Coachella Valley Water District
San Juan Water District
Three Valleys Municipal Water District

EDUCATION

Bachelor of Arts Degree in Business Administration, Concentrations in Accounting & Information Systems – California State University, Fullerton 2013

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EXPERIENCE

Our activities overall cover auditing and attestation, business advisory, taxes and planning, and accounting and financial services. **Approximately 50% of our practice deals with the government sector** and related services. Generally, our government sector services break down into the following major classifications: compliance, performance, strategic planning and tax services.

PRIOR ENGAGEMENTS WITH THE UNION SANITARY DISTRICT

We have had no prior engagements with the Union Sanitary District.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

City of Emeryville - Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award in addition to various compliance and single audits. These services have been provided for over 10 years from the Orange County office. Last audit performed was for June 30, 2016. Total hours were approximately 1000. Engagement partner is: Mr. Bryan S. Gruber

Contact person: Ms. Susan Hsieh, Finance Director
Phone: (510) 596-4352
Email: shsieh@emeryville.org

Orange County Water District - Audit of Comprehensive Annual Financial Report (CAFR) which receives the GFOA award in addition to variance compliance and single audits. These services have been provided for over 6 years from the Orange County office. Last audit performed was for June 30, 2016. Total hours were approximately 500. Engagement partner is: Mr. Bryan S. Gruber

Contact person: Mr. Randy Fick, Chief Financial Officer
Phone: (714) 378-3271
Email: rfick@ocwd.com

Inland Empire Utilities Agency - Audit of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award in addition to a single audit. These services have been provided for over 6 years from the Orange County office. Last audit performed was for June 30, 2016. Total hours were approximately 400. Engagement partner is: Ms. Debbie A. Harper
Contact person: Ms. Christina Valencia, Chief Financial Officer

Phone: (909) 993-1600
Email: cvalencia@ieua.org

Monterey Regional Water Pollution Control Agency - Audit and preparation of a Comprehensive Annual Financial Report (CAFR) which receives the GFOA award. These services have been provided for over 2 years from the Orange County office. Last audit performed was for June 30, 2016. Total hours were approximately 300. Engagement partner is: Mr. Bryan S. Gruber

Contact person: Ms. Tori Hannah, CFO
Phone: (831) 645-4623
Email: tori@mrwpca.com

A complete listing of our 58 current government audit clients, along with phone numbers of contact personnel and reference as to services provided, is contained on page 13. We welcome you contact any or all of these to get their opinion on the services we provide.

GFOA AWARD PROGRAM

We prepare the financial statements and footnote disclosures for most of our clients that have received the GFOA award. All of our governmental partners, managers and seniors have been closely involved in the preparation of these reports.

LSL LISTING OF CURRENT GOVERNMENT AUDIT CLIENTS

Client	Contact Person	Service Code	Year	Telephone
Agoura Hills	Ms. M. Brodsky, Finance Manager	F	2	818-597-7300
American Water Works Association	Ms. S. Ramakrishnan, Asst. Exec. Director	F	4	909-291-2114
* Azusa	Ms. T. Johnson, Finance Director	F, S, U	19	626-812-5291
Banning	Ms. M. Green, Accounting Manager	F, S, U	17	951-922-3118
Bell	Ms. Shally Lin, Interim Finance Director	F	4	323-588-6211
Big Bear Lake	Ms. K. Ert, Director of Admin. Services	F, S	18	909-866-5831
* Brea	Mr. L. Squire, Financial Services Manager	F, S	4	714-990-7683
Burbank	Ms. C. L. Giraldo, Financial Services Dir	I	5	818-238-5487
Canyon Lake	Mr. T. Shea, Finance Director	F	20	909-244-2955
* Cathedral City	Mr. K. Biersack, Fiscal Officer	F, S	6	760-770-0378
* Chino Hills	Ms. J. Lancaster, Finance Director	F, S	18	909-364-2600
* Chula Vista	Mr. D. Bilby, Director of Finance	F, S	3	619-691-5250
Coachella Valley Association of Governments	Mr. G. Leong, Director of Administrative Services	F	2	760-346-1127
* Coachella Valley Water District	Ms. K. Godbey, Finance Director	F, S	3	760-398-2661
* Corona	Ms. K. Eden, Finance Director	F, S, U	5	951-736-2315
Coronado	Mr. E. Gewaily, Finance Manager	F, S	9	619-522-7300
* Cucamonga Valley Water District	Mr. C. Brantley, Finance Officer	F, S	4	909-483-7453
* Diamond Bar	Ms. D. Honeywell, Finance Director	F, S	5	909-839-7051
Dixon	Ms. J. Michaels-Aguilar, Finance Director	F, S	2	707-678-7000 x108
* Downey	Mr. A. Gandhi, Finance Director	F, S	3	562-904-7265
Duarte	Ms. K. Petersen, Finance Director	F	9	626-357-7931
* Emeryville	Ms. S. Hsieh, Finance Director	F, S	12	510-596-4352
* Fullerton	Ms. J. James, Director of Admin. Services	F, S	5	714-738-6522
* Glendora	Ms. E. Stoddard, Accounting Manager	F, S	12	626-914-8238
Grand Terrace	Ms. C. Fortune, Finance Director	F	3	909-824-6621
Greater Los Angeles Vector Control	Mr. T. Dever, District Manager	F	6	562-758-6501
Hidden Hills	Ms. C. Paglia, City Clerk	F	30	818-888-6281
Indio	Mr. Rob Rockwell, Assistant City Manager/Director of Finance	F, S	1	760-391-4029
Inland Empire Utilities Agency	Ms. Christina Valencia, Chief Financial Officer	F, S, U	1	909-993-1600
Imperial Beach	Mr. D. Bradley, Finance Director	F	12	619-628-1361
* Inglewood	Ms. S. Koike, Assistant Finance Director	F, S, U	1	310-412-8724
* Irwindale	Ms. E. Carreon, Finance Director	F	20	626-430-2221
Lawndale	Mr. K. Louie, Director of Finance/City Treasurer	F	2	310-973-3246
* Los Alamitos	Mr. J. Al-Imam, Administrative Director/Treasurer	F	2	562-431-3538 x222
* Malibu	Ms. R. Feldman, Finance Director	F	12	310-456-2489
* Manhattan Beach	Mr. B. Moe, Finance Director	F	14	310-802-5553
* Monrovia	Mr. M. Alvarado, Director of Admin. Services	F, S	15	626-932-5510
Monterey Regional Water Pollution Control Agency	Ms. T. Hannah, Chief Financial Officer	F	2	831-645-4623
* Oceanside	Ms. J. McPherson, Finance Director	F, S	7	760-435-3839
* Ontario	Ms. D. Nunes, Director of Fiscal Services	F, S	19	909-395-2352
Orange County Fire Authority	Mr. Jim Ruane, Finance Manager	F, S	5	714-573-6304
* Orange County Water District	Mr. R. Fick, Chief Financial Officer	F, S	4	714-378-3271
* Palm Springs	Mr. G. Kiehl, Finance Director	F, S	6	760-323-8229
* Pasadena	Mr. R. Ridley, Controller	F, S, U	2	626-744-7497
* Rancho Cucamonga	Ms. T. Layne, Finance Officer	F, S, U	38	909-989-1851
San Diego County Water Authority	Ms. M. Mariscal, Water Manager	I	1	858-522-6679
San Dimas	Mr. M. O'Brien, Finance Director	F, S	55	909-394-6200
San Juan Water District	Ms. Donna Silva, Interim Finance and Admin Manager	F	3	916-791-6907
San Marino	Ms. L. Bailey, Finance Director	F	23	626-300-0700
* Santa Barbara	Mr. B. Samario, Finance Director	F, S	5	805-897-1978
* Santa Fe Springs	Mr. J. Gomez, Director of Finance and Administrative Services	F, S	2	562-868-0511
* Santa Monica	Ms. G. Decavalles-Hughes, Finance Director	F, S	1	310-458-8281
* Seal Beach	Ms. V. Beatley, Finance Director	F, S	5	562-431-2527
Six Basins	Mr. L. Stahlhoefer, Controller	F	4	949-420-3030
Solana Beach	Ms. M. Berkuti, Finance Manager	F	6	858-720-2463
* Thousand Oaks	Mr. J. Adams, Finance Director	F, S	9	805-449-2235
* Three Valleys Water District	Mr. R. Hansen, General Manager	F	8	909-626-4631
* Vista	Ms. L. Warren, Finance Manager	F	7	760-639-6170 x1023

Service Codes: F – Financial Audit, S – Single Audit, I – Internal Audit

* Participated in the GFOA Award Programs and has received or anticipates receiving outstanding awards



PEER REVIEW



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Akron, OH 44313

330.864-6661 // www.sikich.com
Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

SYSTEM REVIEW REPORT

October 26, 2016

To the Partners of Lance, Soll & Lunghard, LLP
and the Peer Review Committee of the California Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the Firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/jprsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

Sikich LLP

SPECIFIC AUDIT APPROACH

PROPOSED APPROACH TO THE ENGAGEMENT

The services will be divided into three segments.

Segment 1 – Planning and Obtaining an Understanding:

Planning

LSL will provide an annual audit communication letter, engagement letter, and Government Audit Quality Center Information letter. The audit communication letter is to be provided to the Governing Board. In addition, this can be communicated orally to the Governing Board or sub-committee, if requested. This communication will discuss the planning stages, the responsibilities of the Governing Board, Auditors, and Management, and provide an opportunity for communication with us as the auditors.

LSL's audit team will meet prior to our initial on-site visit to brainstorm and discuss economic conditions, industry elements, and new standards that will affect the Union Sanitary District. A trial balance is requested for our planning meeting which provides current activity analysis of the District and assists the LSL team in obtaining knowledge and preparing expectations for the audit year. We will compile a list "Prepared by Client" ("PBC") items based on our review of prior year financial statements and information gathered. This will be provided to the Union Sanitary District one month prior to our visit or earlier if requested. We operate on a paperless software system and provide a secured cloud based portal for all clients. The Union Sanitary District will have their own file which can be customized by the District to organize and upload requested schedules, support documents, etc.

Understanding the Internal Control Structure Over the Financial Statements

To gain an understanding of the internal control structure over the financial statements, we will perform procedures as required by SAS 122-125. This will include review of internal controls in the areas of financial reporting; cash; revenues and receivables; expenditures and accounts payable; payroll; capital assets; long-term debt; or grant reporting, as applicable.

Based on the result of our review, we will issue a management letter (SAS 115 Letter) that will identify any significant deficiencies and/or material weaknesses noted. This report is required by the *Government Auditing Standards* issued by the Comptroller General of the United States. Auditing Standards require auditors to obtain an understanding of the Entity and its Environment along with Assessing the Risks of Material Misstatements. LSL obtains an understanding through a variety of ways all throughout the year, but the most pertinent time each year is during our interim on-site visit. We will conduct interviews with management of finance along with each audit section responsible party (e.g. cashier, accounts payable clerk, payroll clerk, etc.) to review the processes and controls through observation and discussions. Based on our observations, we will sample as we observe a "walk-through" to verify the system of control is working in accordance with policies and procedures.

We will provide a list each year of randomly selected employees of the Union Sanitary District to interview for fraud interviews (SAS 99), which will consist of all levels of the District across all departments.

After our interim on-site visit we will have an exit meeting to discuss potential weaknesses, if any, and provide any feedback for improvements or valuable information we have gathered from our outside clientele that would benefit the Union Sanitary District.

Segment 2 – Financial Audit Testing:

Based on the information gathered each year thus far, we will utilize a customized audit program based on the risk assessment developed during our assessment of the District's internal controls and government auditing standards. The primary benefit of a tailored program is a focused set of procedures to address relevant areas. We believe that this approach will be the most effective and efficient by linking financial statement assertions, audit objectives, and procedures that are basic to most governmental audit engagements and critical to the compliance with other material laws and regulations. We will annually compile another customized Prepared by Client (PBC) list for the year-end on-site visit provide at least one month prior or earlier if requested.

We will request a trial balance for our analytical review to be provided one week prior to our arrival.

Analytical Procedures

For the audits of the financial statements, we will use analytical procedures as an overall review of the financial information in the preliminary and final stages of the audits. These procedures are designed to assist us in planning our audits and in assessing the propriety of the conclusions reached, and in the evaluation of the overall financial statement presentation. The procedures to be utilized consist of determining expectations for changes to significant revenue, expenditure and balance sheet accounts, reading the financial statements and related notes, reviewing the budget and related material, and focusing on overall relationships within the financial statements. Once determined, these are reviewed to evaluate if the changes appear reasonable or require further analysis. For all significant differences, explanations are obtained as to why the situation occurred and additional substantive procedures may be applied and related evidence gathered to resolve concerns and questions.

If the Union Sanitary District can provide a check register electronically for July 1st forward (period after the audit year) then we can pre-select our sample for accounts payable cut-off test work and provide that information ahead of time. Our PBC list will detail out schedules we would like provided, which is directed straight from the audit report. Support requested and sampling for these schedules will be assessed each year based on the strengths and weaknesses of the internal control processes of the District, and the materiality level of the account. We will discuss our analytical variances with the District and obtain documentation that provides support for the accounts.

Drawing Audit Samples

For tests of controls, we use audit sampling. Tests of controls are procedures directed towards determining the effectiveness of the design or operation of an internal structure policy or procedures. Normally, audit sampling is used for tests of controls and tests of compliance that involve inspection of documents and reports indicating performance of the applicable policy or procedures and compliance with the applicable laws and regulations. These sampling procedures test the operating effectiveness of an internal control structure policy or procedures by determining how the policy or procedure was applied, the consistency with which it was applied during the audit period, and by whom it was applied. To achieve this goal, we will draw samples for disbursements, receipts and payroll when applicable. Each document selected will be tested for various attributes that are designed to verify compliance with different aspects of internal controls and applicable laws and regulations. Additionally, each sample item will be tested for coding to the proper accounts and posting to the general ledger. Sample sizes vary based on the population and risk based calculations.

Use of Computer Software in the Engagement

We use specialized auditing software to perform our audit in addition to Data Analysis Software to perform audit testing. We also use secure web portals to communicate information.

Determining Laws and Regulations Subject to Audit Test Work

The Laws and Regulations that will be subject to audit test work are determined from the applicable laws, regulations, contracts, and grant agreements which we identify through the understanding we obtain of the Water Authority and our extensive experience with governmental entities.

Quality Assurance Policy and Procedures

Lance, Soll & Lunghard, LLP has established strict review procedures to ensure quality reporting in accordance with the standards. These procedures are designed to maximize adherence to quality.

The firm's policy of assigning seniors to an engagement requires that the senior have at least three years of government auditing experience. He or she must have demonstrated a high degree of understanding of government accounting and auditing, as well as of the firm's overall client philosophy. Having been assigned to the engagement before is also an important factor in assigning a senior to an engagement. Any changes in personnel at the senior level or above will be approved by the Union Sanitary District. LSL's philosophy is to provide **quality audit services with minimal disruption to the District staff**. Our focused efforts to obtain and retain quality staff have further enabled us to provide this to our clients.

We understand that the District will prepare certain supplemental and required supplemental information as required by the Governmental Accounting Standards Board (GASB) including a transmittal

statistical section. We will review the draft of the letter, a management discussion and analysis (MD&A), and a statistical section. We will prepare your Comprehensive Annual Financial Report (CAFR) and review the supplemental and required supplemental information for full compliance with the latest Government Accounting Standard Board (GASB) pronouncements for submission under the Government Finance Officers Association of the United States and Canada's "Certificate of Achievement for Excellence in Financial Reporting".

Exit Conference

We conduct an exit meeting to discuss the results and verify goals for reports. Deficiencies would be discussed throughout the fieldwork and summarized at the exit conference. Pending items will be discussed with a schedule of due dates to meet the final report deadlines of delivery for the November Board meeting.

Segment 3 - Conclusion:

Based on our year-end exit meeting we will schedule a plan to finalize the CAFR in the timetable of the District. We will schedule dates for the initial and final drafts including time for the District review and approval of the financial statements. In addition, this will account for the review of the engagement partner and quality assurance partner. After the review and receipt of the signed Representation Letter from District, we will provide the final Reports for the November Board meeting.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

With our familiarity with similar governments, we do not anticipate unusual audit problems. With changes in single audit and GASB pronouncements, we always anticipate a certain degree of problems. To address, we offer different training opportunities, first-hand experience with similar local governments, and implementation experts on our in-house team.



ANTICIPATED HOURS TO PERFORM THE AUDIT FOR EACH STAFFING LEVEL

The level of staff assigned and the number of hours estimated to be spent on each proposed segment is as follows:

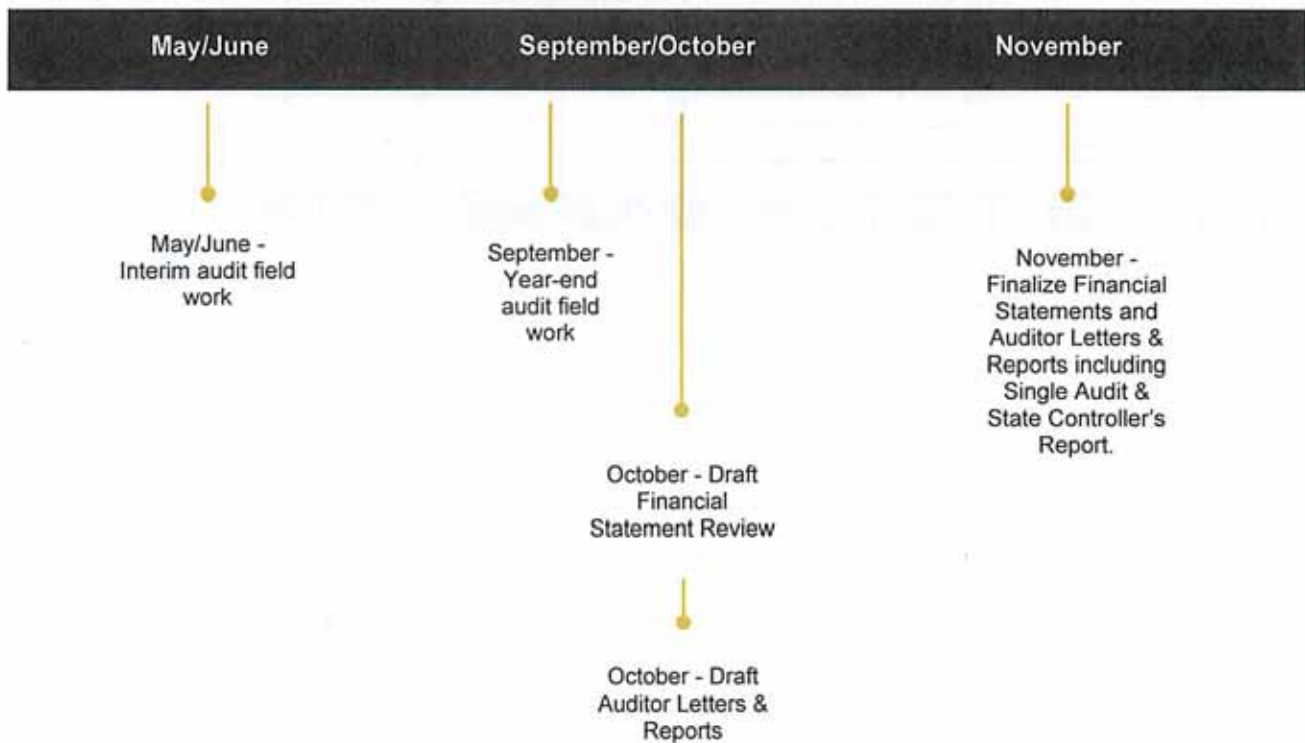
Segment/Task	Total Proposed Hours				
	Partner	Manager	Senior	Staff	Total
Audit of the District and CAFR Preparation					
Segment 1 - Planning and Obtaining and Understanding	6	12	34	28	80
Segment 2 - Financial Audit Testing	12	20	38	32	102
Segment 3 - Conclusion	10	16	20	-	46
Subtotal	28	48	92	60	228
Single Audit*					
Planning	1	1	4	-	6
Compliance	-	2	6	16	24
Report Preparation, Review, and Supervision	2	5	5	-	12
Subtotal	3	8	15	16	42
State Controller's Report	1	1	8	-	10
Total Proposed Hours	32	57	115	76	280

*Single Audit assumes 1 major program to be tested. Each additional major program requires 12 Staff hours, 3 Senior hours, and 1 Manager hour (16 hours).



Our Proposed Timeline

Our proposed schedule for the annual audit is as follows:



PROPOSER GUARANTEES AND WARRANTIES

- A. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.
- B. Proposer warrants that it is willing and able to obtain Professional Liability Insurance providing limits not less than one (1) million dollars of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof, or show evidence of the ability to provide substitute security equal to the same limit.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Union Sanitary District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): Bryan S. Gruber

Title: Partner, CPA

Firm: Lance, Soll & Lunghard, LLP

Date: February 23, 2017

City of Sample
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017

SAMPLE

Prepared by the Finance Department

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CITY OF SAMPLE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2017

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CITY OF SAMPLE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF SAMPLE
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Sample, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sample, California, (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Sample, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sample, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information for the General Fund and Traffic Relief Grant Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior Year Comparative Information

The financial statements include prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017, from which such partial information was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council
City of Sample, California

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lingham, LLP

Brea, California
December 15, 2017

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CITY OF SAMPLE

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2014	2013
Assets:				
Cash and investments	\$ 34,650,820	\$ 14,505,413	\$ 49,156,233	\$ 47,465,028
Receivables:				
Accounts	1,055,713	1,124,167	2,179,880	2,022,055
Taxes	1,535,790	-	1,535,790	1,643,157
Accrued interest	11,544	7,345	18,889	30,463
Prepaid costs	1,549,735	-	1,549,735	-
Due from other governments	908,302	-	908,302	549,515
Cash with fiscal agent	734,799	-	734,799	724,445
Advance to Successor Agency	-	1,200,000	1,200,000	-
Net OPEB asset (note 12)	295,009	-	295,009	301,116
Capital assets not being depreciated	14,044,926	7,352,732	21,397,658	20,466,003
Capital assets, net of depreciation	62,548,142	31,730,431	94,278,573	94,830,718
Total Assets	117,334,780	55,920,088	173,254,868	168,032,500
Deferred Outflows of Resources:				
Deferred charge on refunding	-	181,055	181,055	193,125
Total Deferred Outflows of Resources	-	181,055	181,055	193,125
Liabilities:				
Accounts payable	1,397,715	863,164	2,260,879	3,901,515
Accrued liabilities	287,094	32,426	319,520	238,364
Accrued interest	44,149	74,269	118,418	49,863
Unearned revenue	7,338	-	7,338	-
Deposits payable	292,994	11,605	304,599	462,129
Retentions Payable	63,720	188,492	252,212	391,562
Noncurrent liabilities (note 7):				
Due within one year	1,746,305	364,581	2,110,886	1,911,385
Due in more than one year	10,617,278	6,673,862	17,291,140	15,494,860
Total Liabilities	14,456,593	8,208,399	22,664,992	22,449,678
Net Position:				
Net investment in capital assets	72,498,068	32,360,440	104,858,508	105,344,642
Restricted for:				
Community development projects	965,602	-	965,602	772,684
Public safety	33,138	-	33,138	95,481
Community services	399,623	-	399,623	17,973
Public works	2,310,179	-	2,310,179	1,906,011
Debt service	718,448	-	718,448	713,563
General government - grants	-	-	-	56,158
Unrestricted	25,953,129	15,532,304	41,485,433	36,869,435
Total Net Position	\$ 102,878,187	\$ 47,892,744	\$ 150,770,931	\$ 145,775,947

CITY OF SAMPLE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental Activities:				
General government	\$ 5,040,070	\$ 1,632,975	\$ 316,961	\$ -
Public safety	15,999,900	1,384,701	144,057	-
Community development	1,306,898	182,021	402,968	-
Community services	1,079,006	1,062,796	-	-
Public works	6,902,521	1,962,242	1,538,504	10,000
Interest on long-term debt	487,221	-	-	-
Total Governmental Activities	30,815,616	6,224,735	2,402,490	10,000
Business-Type Activities:				
Water Utility	4,439,797	5,092,152	-	-
Sewer Utility	1,730,940	2,775,332	-	-
Total Business-Type Activities	6,170,737	7,867,484	-	-
Total Primary Government	\$ 36,986,353	\$ 14,092,219	\$ 2,402,490	\$ 10,000
General Revenues:				
Taxes:				
Property taxes, levied for general purpose				
Transient occupancy taxes				
Sales taxes				
Franchise taxes				
Utility users tax				
Other taxes				
Motor vehicle in lieu - unrestricted				
Use of money and property				
Other				
Extraordinary gain/(loss)				
Transfers				
Total General Revenues and Extraordinary Items				
Change in Net Position				
Net Position at Beginning of Year				
Restatement of Net Position				
Net Position at End of Year				

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	2014	2013
\$ (3,090,134)	\$ -	\$ (3,090,134)	\$ (1,223,489)
(14,471,142)	-	(14,471,142)	(13,253,600)
(721,909)	-	(721,909)	(1,225,173)
(16,210)	-	(16,210)	(145,651)
(3,391,775)	-	(3,391,775)	(2,871,146)
(487,221)	-	(487,221)	(574,763)
(22,178,391)	-	(22,178,391)	(19,293,822)
-	652,355	652,355	656,269
-	1,044,392	1,044,392	1,154,723
-	1,696,747	1,696,747	1,810,992
(22,178,391)	1,696,747	(20,481,644)	(17,482,830)
9,498,277	-	9,498,277	9,958,198
1,509,095	-	1,509,095	1,289,007
4,742,859	-	4,742,859	5,408,756
1,324,860	-	1,324,860	1,126,398
4,644,218	-	4,644,218	4,732,597
555,804	-	555,804	328,743
11,035	-	11,035	13,333
674,875	133,995	808,870	457,064
544,406	805	545,211	336,235
-	1,200,000	1,200,000	-
378,500	(378,500)	-	-
23,883,929	956,300	24,840,229	23,650,331
1,705,538	2,653,047	4,358,585	6,167,501
100,536,250	45,239,697	145,775,947	146,469,653
636,399	-	636,399	(6,861,207)
\$ 102,878,187	\$ 47,892,744	\$ 150,770,931	\$ 145,775,947

CITY OF SAMPLE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

		Special Revenue Funds	Capital Projects Funds
	General	Traffic Relief Grant	Capital Projects and Equipment
Assets:			
Pooled cash and investments	\$ 28,860,783	\$ -	\$ 444,461
Receivables:			
Accounts	946,586	-	-
Taxes	1,531,555	-	-
Accrued interest	11,417	-	-
Prepaid costs	1,549,735	-	-
Due from other governments	536,715	289,787	-
Due from other funds	372,986	-	-
Restricted assets:			
Cash and investments with fiscal agents	16,351	-	-
Total Assets	\$ 33,826,128	\$ 289,787	\$ 444,461
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,050,397	\$ -	\$ 310,498
Accrued liabilities	285,806	-	-
Unearned revenues	-	-	-
Deposits payable	292,994	-	-
Due to other funds	-	318,000	-
Retentions Payable	-	-	61,970
Total Liabilities	1,629,197	318,000	372,468
Deferred Inflows of Resources:			
Unavailable revenues	105,100	289,787	-
Total Deferred Inflows of Resources	105,100	289,787	-
Fund Balances:			
Nonspendable:			
Prepaid costs	1,549,735	-	-
Restricted for:			
Community development projects	-	-	-
Public safety	-	-	-
Community services	-	-	-
Public works	-	-	-
Debt service	-	-	-
General government - grants	-	-	-
Assigned to:			
Capital projects	-	-	71,993
Buildings	466,388	-	-
Storm drain	1,590,595	-	-
Street improvements	117,167	-	-
Swimming pool	4,856,780	-	-
City clerk donation	-	-	-
Old town	39,908	-	-
College park east	477,000	-	-
Community services	679,420	-	-
Unassigned	22,314,838	(318,000)	-
Total Fund Balances	32,091,831	(318,000)	71,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,826,128	\$ 289,787	\$ 444,461

CITY OF SAMPLE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Other Governmental Funds	Totals	
		2014	2013
Assets:			
Pooled cash and investments	\$ 3,598,166	\$ 32,903,410	\$ 32,206,240
Receivables:			
Accounts	109,127	1,055,713	842,067
Taxes	4,235	1,535,790	1,643,157
Accrued interest	127	11,544	30,463
Prepaid costs	-	1,549,735	-
Due from other governments	81,800	908,302	549,515
Due from other funds	-	372,986	396,134
Restricted assets:			
Cash and investments with fiscal agents	718,448	734,799	724,445
Total Assets	\$ 4,511,903	\$ 39,072,279	\$ 36,392,021
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 36,820	\$ 1,397,715	\$ 1,952,157
Accrued liabilities	1,288	287,094	206,706
Unearned revenues	7,338	7,338	-
Deposits payable	-	292,994	454,264
Due to other funds	54,986	372,986	396,134
Retentions Payable	1,750	63,720	122,886
Total Liabilities	102,182	2,421,847	3,132,147
Deferred Inflows of Resources:			
Unavailable revenues	33,360	428,247	504,960
Total Deferred Inflows of Resources	33,360	428,247	504,960
Fund Balances:			
Nonspendable:			
Prepaid costs	-	1,549,735	-
Restricted for:			
Community development projects	965,602	965,602	772,684
Public safety	33,138	33,138	95,481
Community services	399,623	399,623	17,973
Public works	2,310,179	2,310,179	1,906,011
Debt service	718,448	718,448	713,563
General government - grants	-	-	56,158
Assigned to:			
Capital projects	-	71,993	89,004
Buildings	-	466,388	723,650
Storm drain	-	1,590,595	1,616,501
Street improvements	-	117,167	117,167
Swimming pool	-	4,856,780	4,863,701
City clerk donation	-	-	13,680
Old town	-	39,908	490,000
College park east	-	477,000	477,000
Community services	-	679,420	-
Unassigned	(50,629)	21,946,209	20,802,341
Total Fund Balances	4,376,361	36,222,185	32,754,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,511,903	\$ 39,072,279	\$ 36,392,021

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CITY OF SAMPLE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balances of governmental funds \$ 36,222,185

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 75,659,797

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Long-term liabilities:

Bonds payable	\$ (9,365,000)	
Loan	(1,546,931)	
Compensated Absences	(1,122,604)	
Claims and judgments	<u>(329,048)</u>	(12,363,583)

Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability. 295,009

Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds. (44,149)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 428,247

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. 2,680,681

Net Position of Governmental Activities \$ 102,878,187

CITY OF SAMPLE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

		Special Revenue Funds	Capital Projects Funds Capital Projects and Equipment
	General	Traffic Relief Grant	
Revenues:			
Taxes	\$ 21,925,784	\$ -	\$ -
Licenses and permits	1,369,275	-	-
Intergovernmental	127,085	-	130,158
Charges for services	3,708,427	-	-
Use of money and property	645,784	-	-
Fines and forfeitures	990,662	-	-
Contributions	341,698	-	-
Miscellaneous	579,125	-	-
Total Revenues	29,687,840	-	130,158
Expenditures:			
Current:			
General government	4,302,895	-	-
Public safety	15,213,003	-	-
Community development	862,307	-	-
Community services	1,048,427	-	-
Public works	4,840,122	-	-
Capital outlay	49,307	-	2,044,813
Debt service:			
Principal retirement	70,135	-	-
Interest and fiscal charges	8,972	-	-
Total Expenditures	26,395,168	-	2,044,813
Excess of Revenues Over Expenditures	3,292,672	-	(1,914,655)
Other Financing Sources (Uses):			
Transfers in (note 4)	729,078	-	1,897,644
Transfers out (note 4)	(3,275,298)	(28,213)	-
Other debts issued	1,546,931	-	-
Total Other Financing Sources (Uses)	(999,289)	(28,213)	1,897,644
Net Change in Fund Balances	2,293,383	(28,213)	(17,011)
Fund Balances, Beginning of Year, as previously reported	29,451,049	(289,787)	89,004
Restatements	347,399	-	-
Fund Balances, Beginning of Year, as restated	29,798,448	(289,787)	89,004
Fund Balances, End of Year	\$ 32,091,831	\$ (318,000)	\$ 71,993

CITY OF SAMPLE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	Other Governmental Funds	Total	
		2014	2013
Revenues:			
Taxes	\$ 1,550,250	\$ 23,476,034	\$ 23,831,431
Licenses and permits	-	1,369,275	1,247,750
Intergovernmental	612,051	869,294	3,002,321
Charges for services	186,944	3,895,371	4,117,034
Use of money and property	29,091	674,875	372,693
Fines and forfeitures	23,033	1,013,695	1,063,172
Contributions	-	341,698	10,209
Miscellaneous	-	579,125	301,771
Total Revenues	2,401,369	32,219,367	33,946,381
Expenditures:			
Current:			
General government	190,699	4,493,594	5,062,467
Public safety	226,754	15,439,757	14,460,833
Community development	435,764	1,298,071	1,420,065
Community services	-	1,048,427	1,182,716
Public works	31,765	4,871,887	4,156,616
Capital outlay	-	2,094,120	3,316,684
Debt service:			
Principal retirement	1,195,000	1,265,135	1,734,446
Interest and fiscal charges	483,963	492,935	562,184
Total Expenditures	2,563,945	31,003,926	31,896,011
Excess of Revenues Over Expenditures	(162,576)	1,215,441	2,050,370
Other Financing Sources (Uses):			
Transfers in (note 4)	1,737,233	4,363,955	5,825,432
Transfers out (note 4)	(991,944)	(4,295,455)	(6,135,432)
Other debts issued	-	1,546,931	-
Total Other Financing Sources (Uses)	745,289	1,615,431	(310,000)
Net Change in Fund Balances	582,713	2,830,872	1,740,370
Fund Balances, Beginning of Year, as previously reported	3,504,648	32,754,914	30,648,751
Restatements	289,000	636,399	365,793
Fund Balances, Beginning of Year, as restated	3,793,648	33,391,313	31,014,544
Fund Balances, End of Year	\$ 4,376,361	\$ 36,222,185	\$ 32,754,914

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CITY OF SAMPLE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds \$ 2,830,872

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,816,549	
Depreciation	(2,429,522)	
Gain/(loss) on disposal of capital assets	(16,326)	(629,299)

Debt proceeds is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position. (1,546,931)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.
Principal repayments 1,265,135

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 5,714

Claims and judgment changes reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (28,255)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (335,301)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (6,107)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (76,713)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 226,423

Change in net position of governmental activities \$ 1,705,538

CITY OF SAMPLE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

Business-Type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	2014	2013
Assets:				
Current:				
Cash and investments	\$ 8,966,788	\$ 5,538,625	\$ 14,505,413	\$ 13,301,518
Receivables:				
Accounts	750,354	373,813	1,124,167	1,179,988
Accrued interest	-	7,345	7,345	-
Total Current Assets	9,717,142	5,919,783	15,636,925	14,481,506
Noncurrent:				
Advance to Successor Agency	-	1,200,000	1,200,000	-
Capital assets (note 6):				
Buildings and improvements	73,284	-	73,284	73,284
Machinery and equipment	563,747	785,802	1,349,549	1,316,846
Vehicles	228,063	398,359	626,422	412,965
Infrastructure	30,446,882	29,518,703	59,965,585	58,949,703
Construction in progress	1,441,370	5,911,362	7,352,732	6,515,834
Accumulated depreciation	(16,068,142)	(14,216,267)	(30,284,409)	(29,255,941)
Total Noncurrent Assets	16,685,204	23,597,959	40,283,163	38,012,691
Total Assets	26,402,346	29,517,742	55,920,088	52,494,197
Deferred Outflows of Resources:				
Deferred charge on refunding	-	181,055	181,055	193,125
Total Deferred Outflows of Resources	-	181,055	181,055	-
Liabilities:				
Current:				
Accounts payable	778,349	84,815	863,164	1,451,412
Accrued liabilities	21,690	10,736	32,426	31,658
Accrued interest	-	74,269	74,269	-
Deposits payable	11,605	-	11,605	7,865
Retentions Payable	109,657	78,835	188,492	268,676
Accrued compensated absences	44,402	14,712	59,114	73,561
Bonds, notes, and capital leases	-	305,467	305,467	305,115
Total Current Liabilities	965,703	568,834	1,534,537	2,138,287
Noncurrent:				
Accrued compensated absences	40,938	34,613	75,551	54,384
Bonds, notes, and capital leases	-	6,598,311	6,598,311	5,254,954
Total Noncurrent Liabilities	40,938	6,632,924	6,673,862	5,309,338
Total Liabilities	1,006,641	7,201,758	8,208,399	7,447,625
Net Position:				
Net investment in capital assets	16,685,204	15,675,236	32,360,440	32,645,747
Unrestricted	8,710,501	6,821,803	15,532,304	12,593,950
Total Net Position	\$ 25,395,705	\$ 22,497,039	\$ 47,892,744	\$ 45,239,697

CITY OF SAMPLE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Governmental Activities - Vehicle Replacement Internal Service Fund	
	2014	2013
Assets:		
Current:		
Cash and investments	\$ 1,747,410	\$ 1,957,270
Receivables:		
Accounts	-	-
Accrued interest	-	-
Total Current Assets	1,747,410	1,957,270
Noncurrent:		
Advance to Successor Agency	-	-
Capital assets (note 6):		
Buildings and improvements	-	-
Machinery and equipment	169,204	169,204
Vehicles	978,107	927,127
Infrastructure	-	-
Construction in progress	-	-
Accumulated depreciation	(214,040)	(101,397)
Total Noncurrent Assets	933,271	994,934
Total Assets	2,680,681	2,952,204
Deferred Outflows of Resources:		
Deferred charge on refunding	-	-
Total Deferred Outflows of Resources	-	-
Liabilities:		
Current:		
Accounts payable	-	497,946
Accrued liabilities	-	-
Accrued interest	-	-
Deposits payable	-	-
Retentions Payable	-	-
Accrued compensated absences	-	-
Bonds, notes, and capital leases	-	-
Total Current Liabilities	-	497,946
Noncurrent:		
Accrued compensated absences	-	-
Bonds, notes, and capital leases	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	-	497,946
Net Position:		
Net investment in capital assets	933,271	994,934
Unrestricted	1,747,410	1,459,324
Total Net Position	\$ 2,680,681	\$ 2,454,258

CITY OF SAMPLE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	2014	2013
Operating Revenues:				
Sales and service charges	\$ 5,092,152	\$ 2,775,332	\$ 7,867,484	\$ 7,599,310
Miscellaneous	805	-	805	5,060
Total Operating Revenues	5,092,957	2,775,332	7,868,289	7,604,370
Operating Expenses:				
Administration and general	3,918,021	870,283	4,788,304	4,382,951
Amortization and Depreciation expense	518,037	578,216	1,096,253	1,208,271
Total Operating Expenses	4,436,058	1,448,499	5,884,557	5,591,222
Operating Income (Loss)	656,899	1,326,833	1,983,732	2,013,148
Nonoperating Revenues (Expenses):				
Interest revenue	79,537	54,458	133,995	84,371
Interest expense	(3,739)	(282,441)	(286,180)	(197,096)
Total Nonoperating Revenues (Expenses)	75,798	(227,983)	(152,185)	(112,725)
Income (Loss) Before Transfers and extraordinary items	732,697	1,098,850	1,831,547	1,900,423
Transfers in	-	-	-	-
Transfers out	(324,500)	(54,000)	(378,500)	-
Extraordinary gain/(loss)	-	1,200,000	1,200,000	-
Changes in Net Position	408,197	2,244,850	2,653,047	1,900,423
Net Position:				
Beginning of Year	24,987,508	20,252,189	45,239,697	43,339,274
End of Fiscal Year	\$ 25,395,705	\$ 22,497,039	\$ 47,892,744	\$ 45,239,697

CITY OF SAMPLE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Governmental Activities - Vehicle Replacement Internal Service Fund	
	2014	2013
Operating Revenues:		
Sales and service charges	\$ -	\$ -
Miscellaneous	30,709	35,654
Total Operating Revenues	30,709	35,654
Operating Expenses:		
Administration and general	1,643	5,520
Amortization and Depreciation expense	112,643	33,768
Total Operating Expenses	114,286	39,288
Operating Income (Loss)	(83,577)	(3,634)
Nonoperating Revenues (Expenses):		
Interest revenue	-	-
Interest expense	-	-
Total Nonoperating Revenues (Expenses)	-	-
Income (Loss) Before Transfers and extraordinary items	(83,577)	(3,634)
Transfers in	310,000	310,000
Transfers out	-	-
Extraordinary gain/(loss)	-	-
Changes in Net Position	226,423	306,366
Net Position:		
Beginning of Year	2,454,258	2,147,892
End of Fiscal Year	\$ 2,680,681	2,454,258

CITY OF SAMPLE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities- Vehicle Replacement Internal Service Fund
	Water Utility	Sewer Utility	Totals	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 5,125,869	\$ 2,801,981	\$ 7,927,850	\$ 30,709
Cash paid to suppliers for goods and services	(317,971)	(774,533)	(1,092,504)	(499,589)
Cash paid to employees for services	(3,555,096)	(801,648)	(4,356,744)	-
Net Cash Provided (Used) by Operating Activities	1,252,802	1,225,800	2,478,602	(468,880)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from capital debt	-	1,652,742	1,652,742	-
Acquisition and construction of capital assets	(968,053)	(1,186,603)	(2,154,656)	(50,980)
Principal paid on capital debt	(74,780)	(234,253)	(309,033)	-
Interest paid on capital debt	(3,739)	(208,172)	(211,911)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,046,572)	23,714	(1,022,858)	(50,980)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(324,500)	(54,000)	(378,500)	310,000
Net Cash Provided (Used) by Non-Capital Financing Activities	(324,500)	(54,000)	(378,500)	310,000
Cash Flows from Investing Activities:				
Interest received	79,537	47,114	126,651	-
Net Cash Provided (Used) by Investing Activities	79,537	47,114	126,651	-
Net Increase (Decrease) in Cash and Cash Equivalents	(38,733)	1,242,628	1,203,895	(209,860)
Cash and Cash Equivalents at Beginning of Year	9,005,521	4,295,997	13,301,518	1,957,270
Cash and Cash Equivalents at End of Year	\$ 8,966,788	\$ 5,538,625	\$ 14,505,413	\$ 1,747,410
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 656,899	\$ 1,326,833	\$ 1,983,732	\$ (83,577)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation and amortization	518,037	578,216	1,096,253	112,643
(Increase) decrease in accounts receivable	29,172	26,649	55,821	-
Increase (decrease) in accounts payable	10,796	(599,044)	(588,248)	(497,946)
Increase (decrease) in retentions payable	35,841	(116,025)	(80,184)	-
Increase (decrease) in deposits payable	3,740	-	3,740	-
Increase (decrease) in accrued liabilities	(139)	907	768	-
Increase (decrease) in compensated absences	(1,544)	8,264	6,720	-
Total Adjustments	595,903	(101,033)	494,870	(385,303)
Net Cash Provided (Used) by Operating Activities	\$ 1,252,802	\$ 1,225,800	\$ 2,478,602	\$ (468,880)
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bond discount	\$ -	\$ 12,070	\$ 12,070	\$ -
Extraordinary gain on Advances to other funds	-	1,200,000	1,200,000	-

CITY OF SAMPLE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

	Agency Funds		Private-Purpose Trust Fund Successor Agency of the Former RDA	
	2014	2013	2014	2013
Assets:				
Pooled cash and investments	\$ 344,610	\$ 697,650	\$ 1,005,494	\$ 776,449
Receivables:				
Accounts	52,716	22,631	-	-
Notes and loans	-	-	-	18,085
Accrued interest	-	-	151	438
Restricted assets:				
Cash and investments with fiscal agents	1,306,640	1,300,214	740,684	740,768
Capital assets:				
Capital assets, not being depreciated	-	-	403,192	403,192
Capital assets, net of accumulated depreciation	-	-	355,834	387,865
Total Assets	\$ 1,703,966	\$ 2,020,495	2,505,355	2,326,797
Liabilities:				
Accounts payable	\$ 14,877	\$ 1,166	2,206	-
Accrued liabilities	-	-	-	77,929
Accrued interest	-	-	77,534	-
Deposits payable	11,301	373,641	-	-
Advances from the City's Sewer Fund	-	-	1,200,000	-
Due to bondholders	1,677,788	1,645,688	-	-
Long-term liabilities:				
Due in one year	-	-	515,000	495,000
Due in more than one year	-	-	3,645,000	4,160,000
Total Liabilities	\$ 1,703,966	\$ 2,020,495	5,439,740	4,732,929
Net Position:				
Held in trust for other purposes			(2,934,385)	(2,406,132)
Total Net Position			\$ (2,934,385)	\$ (2,406,132)

CITY OF SAMPLE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2017

	Private-Purpose Trust Fund Successor Agency of the Former RDA	
	2014	2013
Additions:		
Taxes	\$ 1,222,425	\$ 1,357,253
Interest and change in fair value of investments	714	(25)
Total Additions	1,223,139	1,357,228
Deductions:		
Administrative expenses	90,614	1,365,122
Contractual services	180,000	10,327
Interest expense	229,011	330,684
Depreciation expense	32,031	32,048
Reimbursement of prior taxes to County	19,736	6,134,200
Total Deductions	551,392	7,872,381
Extraordinary gain/(loss)	(1,200,000)	-
Changes in Net Position	(528,253)	(6,515,153)
Net Position - Beginning of the Year	(2,406,132)	4,109,021
Net Position - End of the Year	\$ (2,934,385)	\$ (2,406,132)

I. SIGNIFICANT ACCOUNTING POLICIES**Note 1: Organization and Summary of Significant Accounting Policies**

The basic financial statements of the City of Sample, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described in the following pages:

a. Description of the Reporting Entity

The City of Sample (City) was incorporated on October 27, 1915, under the laws of the State of California and enjoys all the rights and privileges applicable to a charter city. It is governed by an elected five-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Sample (the primary government) and its component units. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of Sample.

Blended Component Units:

The Sample Public Financing Authority (Authority) was formed May 8, 2000, pursuant to Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code, to create a joint exercise of powers authority between the City of Sample and the former Sample Redevelopment Agency. The City Council of the City of Sample is the governing board. The Authority was formed to undertake the financing of public capital improvements.

The City has accounted for the Authority as "blended" component unit. Despite being legally separate, the Authority is so intertwined with the City that it is, in substance, part of the City's operations. The Authority has not had any activity for the year ended June 30, 2017.

The Sample Cable Communications Foundation (Foundation) was organized under the laws of the State of California on August 27, 1984, to foster and promote civic advancement through activities related to cable communications, community promotion, and other public services deemed appropriate by the foundation. The Foundation is governed by a board of directors consisting of seven members appointed by the City Council of the City of Sample.

The City has accounted for the Foundation as "blended" component unit. Despite being legally separate, the Foundation is so intertwined with the City that it is, in substance, part of the City's operations. The Foundation is included in the City's budget.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

Note 1: Budgetary Comparison Information**a. Budget Data**General Budget Policies

Budgets for the general, special revenue, debt service, and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council.

Supplemental appropriations, where required during the period, are also approved by the Council. The City Manager may make transfers of appropriations within and between functions and programs, in accordance with Fiscal Policy, as long as such transfers do not increase the adopted annual budget appropriations. Budget amendments which exceed total adopted appropriations require the approval of the City Council. The legal level of budgetary control is at the function level. During the year, several supplemental appropriations were necessary. At fiscal year-end, all operating budget appropriations lapse.

b. The following funds do not have a legally adopted budget:

Roberti-Z'berg Harris Open Space
Grants

c. Excess of expenditures over appropriations are as follows:

Expenditures for the year ended June 30, 2014, exceeded the appropriations of the General and Major Special Revenue Funds are as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
General Government:			
Public works	\$ 4,840,122	\$ 4,640,976	\$ 199,146
Capital Outlay	49,307	49,300	7
Debt Service Fund:			
Interest and Fiscal Charges	8,972	1,400	7,572

CITY OF SAMPLE

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1, as restated	\$ 29,798,448	\$ 29,798,448	\$ 29,798,448	\$ -
Resources (Inflows):				
Taxes	21,724,500	21,724,500	21,925,784	201,284
Licenses and permits	1,162,400	1,162,400	1,369,275	206,875
Intergovernmental	409,400	468,600	127,085	(341,515)
Charges for services	3,505,400	3,505,400	3,708,427	203,027
Use of money and property	563,000	563,000	645,784	82,784
Fines and forfeitures	1,018,100	1,018,100	990,662	(27,438)
Contributions	-	-	341,698	341,698
Miscellaneous	202,400	202,400	579,125	376,725
Transfers in	1,850,820	1,850,820	729,078	(1,121,742)
Other debts issued	-	-	1,546,931	1,546,931
Amounts Available for Appropriation	60,234,468	60,293,668	61,762,297	1,468,629
Charges to Appropriation (Outflow):				
General government	5,091,000	5,100,343	4,302,895	797,448
Public safety	14,991,300	15,456,211	15,213,003	243,208
Community development	986,100	990,146	862,307	127,839
Community services	1,110,400	1,110,941	1,048,427	62,514
Public works	4,466,920	4,640,976	4,840,122	(199,146)
Capital outlay	45,000	49,300	49,307	(7)
Debt service:				
Principal retirement	70,200	70,200	70,135	65
Interest and fiscal charges	1,400	1,400	8,972	(7,572)
Transfers out	7,727,600	7,418,885	3,275,298	4,143,587
Total Charges to Appropriations	34,489,920	34,838,402	29,670,466	5,167,936
Budgetary Fund Balance, June 30	\$ 25,744,548	\$ 25,455,266	\$ 32,091,831	\$ 6,636,565

CITY OF SAMPLE

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC RELIEF GRANT
 YEAR ENDED JUNE 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (289,787)	\$ (289,787)	\$ (289,787)	\$ -
Resources (Inflows):				
Amounts Available for Appropriation	(289,787)	(289,787)	(289,787)	-
Charges to Appropriation (Outflow):				
Transfers out	-	28,213	28,213	-
Total Charges to Appropriations	-	28,213	28,213	-
Budgetary Fund Balance, June 30	\$ (289,787)	\$ (318,000)	\$ (318,000)	\$ -



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Sample, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sample, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





CPA's AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Sample, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Lunghard, LLP

Brea, California
November 13, 2015

SAMPLE

CITY OF SAMPLE, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2015

SAMPLE

CITY OF SAMPLE, CALIFORNIA

SINGLE AUDIT REPORT

JUNE 30, 2015

SAMPLE

CITY OF SAMPLE

JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Sample, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sample, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Sample, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Brea, California
November 13, 2015

SAMPLE

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and Members of the City Council
City of Sample, California

Report on Compliance for Each Major Federal Program

We have audited the City of Sample, California (the City)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Sample, California

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sample, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 13, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CPA® AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Sample, California

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California

January 7, 2016 (except for the Schedule of Federal Awards, which is as of November 13, 2015)

SAMPLE

CITY OF SAMPLE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grant	14.218	B-13-MC-06-0592	\$ 135,214
Total U.S. Department of Housing and Urban Development			135,214
<u>U.S. Department of Transportation</u>			
Passed through CalTrans:			
Department of Transportation:			
Highway Planning and Construction	* 20.205	HPLUL-5467(010)	696,038
Highway Safety Improvement		08-Chino Hills-1	12,031
Safe Routes to School		SR2SF-5467(007)	20,251
Safe Routes to School		SRTSL-5467(007)	11,994
Total U.S. Department of Transportation			740,314
<u>U.S. Department of Homeland Security</u>			
Passed through the County of San Bernardino:			
Hazard Mitigation Grant	97.039	FEMA-1952-DR-CA	597
Emergency Management Performance Grant	97.042	EMPG 2013	20,418
Homeland Security Grant Program	97.067	HSGP 2013	6,879
Total U.S. Department of Homeland Security			27,894
Total Federal Expenditures			\$ 903,422

* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$62,878.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Sample, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? ☐ yes ☒ no
- Material weaknesses identified? ☐ yes ☒ none reported

Noncompliance material to financial
statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Significant deficiencies identified? ☐ yes ☒ no
- Material weaknesses identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be
reported in accordance with Section 510(a) of
Circular A-133?

☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction

Dollar threshold used to distinguish
between type A and type B program

\$300,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SAMPLE

CITY OF SAMPLE

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The City of Sample was not required to have a Single Audit performed for the fiscal year ended June 30, 2014.

SAMPLE



PREPARED BY:

Lance, Soll & Lunghard, LLP
Certified Public Accountants
203 N. Brea Blvd., Suite 203 Brea, CA 92821
(714) 672-0022

Proposal Presented to

UNION SANITARY DISTRICT

Cost Bid Proposal

RFP# S-17-S-238

Professional Auditing Services

**Focused
on YOU**

CONTACT PERSON:

Bryan S. Gruber, CPA, Partner
Bryan.gruber@slcpas.com
(714) 672-0022

February 23, 2017

ORIGINAL



WWW.LSLCPAS.COM 714-672-0022



APPENDIX C

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE 2017 FINANCIAL STATEMENTS

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	<u>32</u>	<u>\$ 210</u>	<u>\$ 210</u>	<u>\$ 6,720</u>
Managers	<u>57</u>	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 8,550</u>
Supervisory Staff	<u>115</u>	<u>\$ 115</u>	<u>\$ 115</u>	<u>\$ 13,225</u>
Staff	<u>76</u>	<u>\$ 90</u>	<u>\$ 90</u>	<u>\$ 6,840</u>
Other (specify)	<u>0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SUBTOTAL	<u>280</u>	<u>\$ 565</u>	<u>\$ 565</u>	<u>\$ 35,335</u>

Out-of-pocket expenses:

Meals and Lodging	<u>Included</u>
Transportation	<u>Included</u>
Other (specify)	<u>Included</u>
TOTAL proposed price for 2017 audit	<u>\$ 35,335</u>

Fee and Expense Proposal for Subsequent Years:

<u>Escalation Factor</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Partner	<u>210</u>	<u>210</u>	<u>216</u>	<u>216</u>
Manager	<u>150</u>	<u>150</u>	<u>155</u>	<u>155</u>
Supervisory Staff	<u>115</u>	<u>115</u>	<u>118</u>	<u>118</u>
Staff	<u>90</u>	<u>90</u>	<u>93</u>	<u>93</u>



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

DATE: April 17, 2017

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer
Armando Lopez, Manager of Treatment and Disposal Services
Mitchell Costello, Treatment Plant Operations Coach

SUBJECT: Agenda Item No. 9 - Meeting April 24, 2017
**Awarding the Contract for the Cleaning of Primary Digester No. 3
and Secondary Digester No. 2 to Synagro**

Recommendation

Award the cleaning contract for Primary Digester No. 3 and Secondary Digester No. 2 to Synagro in the amount of \$128,950.00. The digester cleaning project has been budgeted in the Treatment and Disposal (T&D) Workgroup's operating budget.

Background

The District currently has six primary and two secondary digesters located at the treatment plant that require periodic cleaning to remove accumulated debris. Cleaning of the digesters is required to maintain the treatment capacity of each digester. Typically, one digester is removed from service each year for cleaning and Primary Digester No. 3 and Secondary Digester No. 2 were scheduled for cleaning in Fiscal Year 2017. Primary Digester No. 3 was last cleaned in 2010 and Secondary Digester No. 2 was last cleaned in 2008. This project prepares Primary Digester No. 3 for the upcoming Rehabilitation Project performed by the Capital Improvements Projects Team.

Scope of Work

The project consists of the following tasks:

- Mobilization and set up of portable sludge dewatering equipment.
- Dewatering approximately 176,000 gallons of primary digested sludge and 65,000 gallons of secondary digested sludge. Included in this work is the separation of grit, sand, and rags from the sludge.
- Hauling and disposing of dewatered sludge, grit, sand, and rags.
- Washing down the interior concrete and steel surfaces of the digesters.

The contractor has 60 calendar days to complete the project from Notice to Proceed. The estimated cleaning completion is in July 2017. After the digesters are cleaned the condition of Primary Digester No. 3 will be assessed and the design of the necessary rehabilitation work will be completed.

Bid Results

On January 10, 2017, the District issued an Invitation for Bid to the public. Bids were due on February 14, 2017 and two bids were received.

Contractor	Total Bid Amount
Synagro	\$128,950.00
Waste Water Solids, Inc.	\$144,370.00

Synagro is the lowest, responsive and responsible bidder for the project. Synagro had successfully completed the cleaning of Secondary Digester No. 1 and Primary Digester No. 1 in 2011 for the District for \$138,000.00 and Primary Digester No. 4 in 2012 for \$127,000.00. Secondary Digester No. 1 is a mirror image of Secondary Digester No. 2.

Staff recommends that the Board award the cleaning contract for Primary Digester No. 3 and Secondary Digester No. 2 to Synagro in the amount of \$128,950.00.



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

DATE: April 18, 2017

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Manager of Technical Services
Rollie Arbolante, Customer Service Team Coach
Rod Schurman, Associate Engineer

SUBJECT: Agenda Item No. 10 Meeting of April 24, 2017
Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8028 – Casa Bella, Located on Thornton Avenue Between Cherry Street and Newark Boulevard in the City of Newark

Recommendation

Consider a resolution to accept a sanitary sewer easement for Tract 8028 – Casa Bella, located on Thornton Avenue between Cherry Street and Newark Boulevard in the city of Newark.

Background

Casa Bella Homes, LLC is constructing fourteen townhome units for Tract 8028, at 6249 Thornton Avenue, between Cherry Street and Newark Boulevard, in the city of Newark. A vicinity map is attached. Sanitary sewer service to the residential development will be provided by new 8-inch mains in the development's two shared driveways, connected to an existing 10-inch main in Thornton Avenue. Casa Bella Homes, LLC has constructed the new 8-inch sewer mains and has granted the District a sanitary sewer easement that provides for access, maintenance and service of the new sewer mains in the common private roadways of the development.

District staff has reviewed the legal description and plat map of the easement, and recommends approval.

PRE/SEG/RA/RS:ks

Attachments: Vicinity Map
Resolution
Grant of Easement with Exhibits A and B



Vicinity Map, Tract 8028 - Casa Bella, Grant of Easement



Legend

- Public Right of Way
- - Private Right of Way
- Parcels
 - <all other values>
 - Alameda Cnty Flood Cntrl
- Sewer Easement
- Sewer Main

142.6 0 71.32 142.6 Feet

1:1,712

Printed: 4/12/2016 10:27 AM



For USD use only

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

Notes

RESOLUTION NO. _____

**ACCEPT A SANITARY SEWER EASEMENT FOR
TRACT 8028 – CASA BELLA, LOCATED ON THORNTON AVENUE
BETWEEN CHERRY STREET AND NEWARK BOULEVARD
IN THE CITY OF NEWARK, CA**

RESOLVED by the Board of Directors of UNION SANITARY DISTRICT, that it hereby accepts the Grant of Easement from Casa Bella Homes, LLC, executed on March 23, 2015, as described in the Grant of Easement for Sanitary Sewer Purposes and by attached Exhibit A and Exhibit B.

FURTHER RESOLVED by the Board of Directors of UNION SANITARY DISTRICT that it hereby authorizes the General Manager/District Engineer, or his designee, to attend to the recordation thereof.

On motion duly made and seconded, this resolution was adopted by the following vote on April 24, 2017:

AYES:

NOES:

ABSENT:

ABSTAIN:

TOM HANDLEY
President, Board of Directors
Union Sanitary District

Attest:

ANJALI LATHI
Secretary, Board of Directors
Union Sanitary District

GRANT OF EASEMENT
FOR SANITARY SEWER PURPOSES

THIS INDENTURE, made this 23rd day of MARCH 2015, by and between
CASA BELLA HOMES, LLC, the Party/~~Parties~~ of the First Part,
and UNION SANITARY DISTRICT, the Party/~~Parties~~ of the Second Part,

WITNESSETH:

That said Party/~~Parties~~ of the First Part does hereby grant to the Party of the Second Part and to its successors and assigns forever, for the use and purposes herein stated, the rights of way and easements hereinafter described, located in the City of NEWARK, County of Alameda, State of California:

See Exhibit "A" and Exhibit "B"

together with the right and privilege of constructing, reconstructing, cleaning, repairing and maintaining at any time, a sanitary sewer and appurtenances along, upon, over, in, through and across the above described property; together with free ingress and egress to and for the said Party of the Second Part, its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools, along, upon, over, in, through and across said right of way; together with the right of access by its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools to said right of way from the nearest public street, over and across the adjoining property, if such there be; otherwise by such route or routes across said adjoining property as shall occasion the least practicable damage and inconvenience to the Party of the First Part, for constructing, cleaning, repairing and maintaining said sanitary sewer and appurtenances; together with free ingress and egress over the land immediately adjoining for maintenance, repair and replacement as well as the initial construction of said sewer.

IN WITNESS WHEREOF the said Party/~~Parties~~ of the First Part have executed this indenture the day and year first above written.

H. Raza 3/23/15
Signature

By: HUMAIR RAZA, MANAGING MEMBER
(Print or type name and title of signatory)

Party/~~Parties~~ of the First Part

Casa Bella Homes, LLC

**PLEASE SEE ATTACHED
CALIFORNIA NOTARY FORM**

(Notarize)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

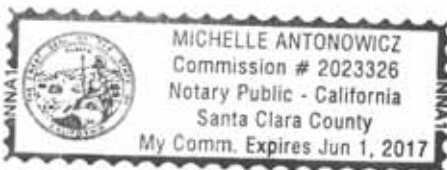
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of SANTA CLARA)
 On March 23, 2015 before me, Michelle Antonowicz, Notary Public
 Date Here Insert Name and Title of the Officer
 personally appeared Humair RAZA
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Michelle Antonowicz
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

CASA BELLA HOMES

Title or Type of Document: Grant of Easement Document Date: 3-23-15
 Number of Pages: 1 Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Humair Raza
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☒ Other: Managing Member
 Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

Exhibit A
Legal Description
Sanitary Sewer Easement
6231 – 6259 Thornton Avenue
Newark, California

Portion of Lot 1, as shown upon that certain Map for Tract 8028, which Map was filed for record in the Office of the Recorder of the County of Alameda, State of California, on July 31, 2015 in Book 333 of Maps, at Page 33 and 34, more particularly described as follows:

Beginning at a point on the northwesterly line of Thornton Avenue, from which point the most southerly corner of said Tract 8028 bears S33°00'00"W, 53.00 feet; Thence N57°00'00"W, 130.61 feet; Thence N33°00'00"E, 95.93 feet; Thence S57°00'00"E, 130.61 feet to a point on said northwesterly line of Thornton Avenue; Thence along said northwesterly line of Thornton Avenue, S33°00'00"W, 15.00 feet; Thence N57°00'00"W, 115.61 feet; Thence S33°00'00"W, 65.93 feet; Thence S57°00'00"E, 115.61 feet to a point on said northwesterly line of Thornton Avenue; Thence along said northwesterly line of Thornton Avenue, S33°00'00"W, 15.00 feet to the POINT OF BEGINNING.

Containing an area of 4,907 square feet, more or less.

End of description.

Prepared by or Under the
Supervision of:


Yi-Ran Wu, LS8235



3/20/15
Date



FOXWOOD TOWNHOMES
(TRACT NO 5560)

CHERRY STREET

N.33°00'00"E.

204.43'

DEED

(DOC. # 2011357149)

S.57°00'00"E. 140.00'

95.93'

65.93'

15.00'

TRACT 8028

130.61'

115.61'

115.61'

130.61'

15.00'

53.00'

N.33°00'00"E.

65.93'

55.50'

204.43'

S.57°00'00"E. DEED 140.00'

3255-O.R.-413
(DOC. # 72141152)

LEGEND:

- P.O.B. POINT OF BEGINNING
- PROPERTY LINE
- CENTER LINE
- MONUMENT LINE OR TIE



SANITARY SEWER EASEMENT

THORNTON

AVENUE

SCALE: 1"=50'

NOVEMBER 10, 2014

BASIS OF BEARINGS:

THE BEARING, N33°00'00"E, OF THE CENTER LINE OF THORNTON AVENUE, AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF ALAMEDA COUNTY, STATE OF CALIFORNIA, IN BOOK 16 OF MAPS AT PAGE 11, WAS USED AS THE BASIS OF BEARINGS SHOWN ON THIS MAP.



EXHIBIT B
PLAT TO ACCOMPANY LEGAL
DESCRIPTION FOR
SANITARY SEWER EASEMENT
6231-6259 THORNTON AVENUE
NEWARK, CA

W E C
& ASSOCIATES

2625 MIDDLEFIELD RD #658
PALO ALTO, CA 94306

TEL: (650) 823-6466
FAX: (650) 887-1294



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

DATE: April 18, 2017

MEMO TO: Board of Directors - Union Sanitary District

FROM: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Manager of Technical Services
Rollie Arbolante, Customer Service Team Coach
Rod Schurman, Associate Engineer

SUBJECT: Agenda Item No. 11 Meeting of April 24, 2017
Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 7938 – Oracle Common, Located on Eggers Drive North of Fremont Boulevard in the City of Fremont

Recommendation

Consider a resolution to accept a sanitary sewer easement for Tract 7938 – Oracle Common, located on Eggers Drive north of Fremont Boulevard in the city of Fremont.

Background

Carmel 9, Inc. is constructing eight townhome units for Tract 7938, at 3803 Eggers Drive, north of Fremont Boulevard, in the city of Fremont. A vicinity map is attached. Sanitary sewer service to the residential development will be provided by a new 8-inch main in Oracle Common, connected to an existing 12-inch main in Eggers Drive. The roadway of the development does not meet the City of Fremont's street dimensions and structure setback requirements for public streets and was, therefore, designated as a private street. Carmel 9, Inc. has constructed the new 8-inch sewer mains and has granted the District a sanitary sewer easement that provides for access, maintenance and service of the new sewer mains in the private roadways of the development.

District staff has reviewed the legal description and plat map of the easement, and recommends approval.

PRE/SEG/RA/RS:ks

Attachments: Vicinity Map
Resolution
Grant of Easement with Exhibits A and B



Vicinity Map, Tract 7938 - Oracle Common, Grant of Easement



Legend

- Public Right of Way
- - Private Right of Way
- Parcels
 - <all other values>
 - Alameda Cnty Flood Cntrl
- Sewer Easement
- Sewer Main

153.1 0 76.55 153.1 Feet

1:1,837

Printed: 4/12/2017 10:07 AM



For USD use only

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

Notes

RESOLUTION NO. _____

**ACCEPT A SANITARY SEWER EASEMENT FOR
TRACT 7938 – ORACLE COMMON
LOCATED ON EGGERS DRIVE NORTH OF FREMONT BOULEVARD
IN THE CITY OF FREMONT, CALIFORNIA**

RESOLVED by the Board of Directors of UNION SANITARY DISTRICT, that it hereby accepts the Grant of Easement from Carmel 9, Inc., executed on May 5, 2015, as described in the Grant of Easement for Sanitary Sewer Purposes and by attached Exhibit A and Exhibit B.

FURTHER RESOLVED by the Board of Directors of UNION SANITARY DISTRICT that it hereby authorizes the General Manager/District Engineer, or his designee, to attend to the recordation thereof.

On motion duly made and seconded, this resolution was adopted by the following vote on April 24, 2017:

AYES:

NOES:

ABSENT:

ABSTAIN:

TOM HANDLEY
President, Board of Directors
Union Sanitary District

Attest:

ANJALI LATHI
Secretary, Board of Directors
Union Sanitary District

GRANT OF EASEMENT
FOR SANITARY SEWER PURPOSES

THIS INDENTURE, made this 5 day of May, 2015, by and between Carmel 9, Inc. the Party/~~Parties~~ of the First Part, and Union Sanitary District, a public sanitary district, the Party/~~Parties~~ of the Second Part,

WITNESSETH:

That said Party/~~Parties~~ of the First Part does hereby grant to the Party of the Second Part and to its successors and assigns forever, for the use and purposes herein stated, the rights of way and easements hereinafter described, located in the City of Fremont, County of Alameda, State of California:

See Exhibit "A" and Exhibit "B"

together with the right and privilege of constructing, reconstructing, cleaning, repairing and maintaining at any time, a sanitary sewer and appurtenances along, upon, over, in, through and across the above described property; together with free ingress and egress to and for the said Party of the Second Part, its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools, along, upon, over, in, through and across said right of way; together with the right of access by its successors and assigns, its agents and employees, workmen, contractors, equipment, vehicles and tools to said right of way from the nearest public street, over and across the adjoining property, if such there be; otherwise by such route or routes across said adjoining property as shall occasion the least practicable damage and inconvenience to the Party of the First Part, for constructing, cleaning, repairing and maintaining said sanitary sewer and appurtenances; together with free ingress and egress over the land immediately adjoining for maintenance, repair and replacement as well as the initial construction of said sewer.

IN WITNESS WHEREOF the said Party/~~Parties~~ of the First Part have executed this indenture the day and year first above written.

 5/5/15

Signature

By: Moeen Afnani, President of Carmel 9, Inc.
(Print or type name and title of signatory)

Party/~~Parties~~ of the First Part

Carmel 9, Inc.

** see attached*
(Notarize) form

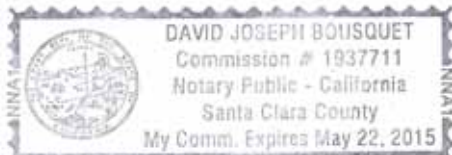
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Santa Clara

Subscribed and sworn to (or affirmed) before me on this 5th
day of May, 2015, by Moeen R. Afnani,

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature [Handwritten Signature]

* Grant of Easement

EXHIBIT "A"
LEGAL DESCRIPTION
15' WIDE SANITARY SEWER EASEMENT

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF FREMONT, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 'A', AS SHOWN ON THAT CERTAIN MAP ENTITLED "TRACT 7938, "ORACLE COMMONS", FILED MAY 7th, 2015, IN BOOK 331 OF MAPS, AT PAGE 68-70, ALAMEDA COUNTY REDORDS, FURTHER DESCRIBED AS FOLLOWS:

A STRIP OF LAND 15.00 FOOT WIDE FOR SANITARY SEWER EASEMENT PURPOSES,, LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 'A' ON THE NORTHWESTERLY RIGHT OF WAY LINE OF EGGERS DRIVE AS SHOWN ON SAID MAP (MAPS); THENCE ALONG SAID NORTHWESTERLY LINE NORTH 34°30'47" EAST, 56.08' FEET TO THE **ACTUAL POINT OF BEGINNING**; THENCE LEAVING SAID LINE NORTH 57° 03'41" WEST, 141.50 FEET.

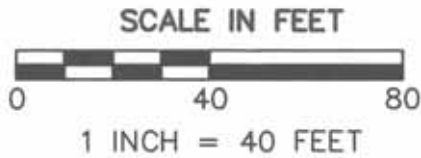
THE SIDE LINES SHALL BE LENGTHENED OR SHORTENED TO TERMINATE ON THE SOUTH LINE OF

A PLAT OF THE ABOVE DESCRIBED STRIP OF LAND LABELED " EXHIBIT 'B' " IS ATTACHED HERETO AND MADE A PART HEREOF.

MARCH 28, 2015

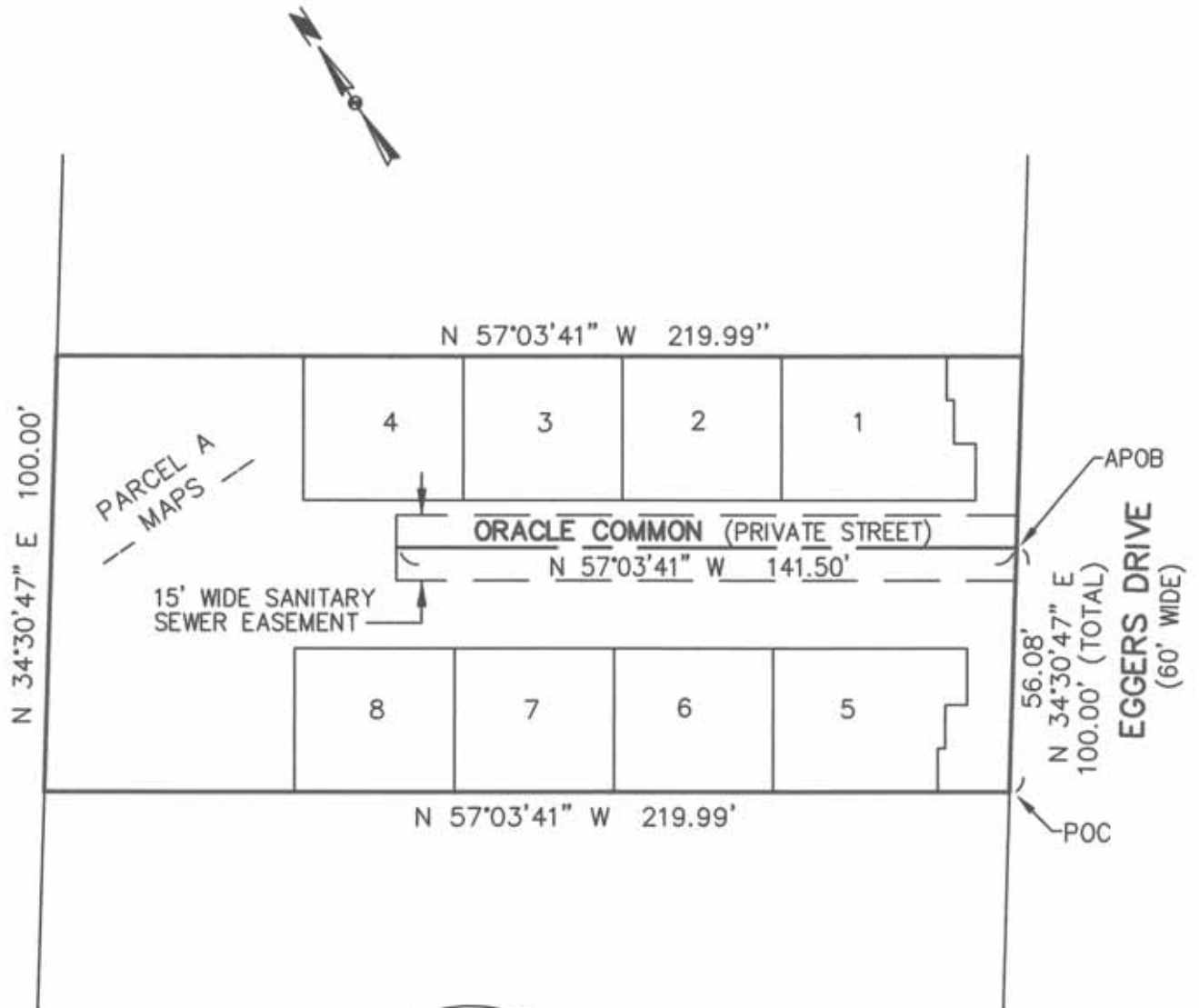
KEITH NOFIELD, P.L.S. 7393
LICENSE EXPIRES: 12/31/15



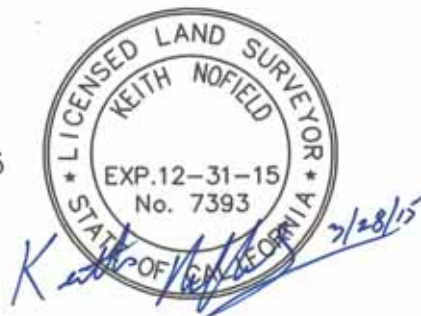


LEGEND

APOB ACTUAL POINT OF BEGINNING
POC POINT OF COMMENCEMENT



KEITH NOFIELD, PLS 7393
LICENSE EXPIRES: 12-31-15



KEITH NOFIELD, PLS
5178 MOWRY AVE., STE. 2151
FREMONT, CA 94538
510/468-2703

DATE: 03/28/15 SCALE: 1"=40'

EXHIBIT "B"
SANITARY SEWER EASEMENT
TRACT 7938 - EGGERS AVENUE

JOB NO.:
13-019

SHT. 1 OF 1

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164089	4/6/2017	800394.31	GSE CONSTRUCTION CO INC	THICKENER CONTROL BLDG IMPROV PHASE II	\$127,807.30	\$127,807.30
164172	4/13/2017	170120170406	PACIFIC GAS AND ELECTRIC	SERV TO 3/24/17 PLANT	\$54,693.21	\$56,872.28
	4/13/2017	013720170405		SERV TO 04/04/17 BOYCE RD PS	\$2,154.18	
	4/13/2017	140120170405		SERV TO 04/03/17 IRVINGTON PS	\$24.89	
164115	4/6/2017	30104352	SYNAGRO WEST LLC	JANUARY 2017 BIOSOLIDS DISPOSAL	\$52,507.75	\$52,507.75
164185	4/13/2017	30104398	SYNAGRO WEST LLC	FEBRUARY 2017 BIOSOLIDS DISPOSAL	\$48,341.19	\$48,341.19
164108	4/6/2017	1122817	POLYDYNE INC	44,920 LBS CLARIFLOC C-6267	\$31,502.51	\$31,502.51
164178	4/13/2017	23665	RMC WATER AND ENVIRONMENT	ALVARADO BASIN SEWER MASTER PLAN UPDATE	\$26,736.70	\$26,736.70
164073	4/6/2017	155932	CAROLLO ENGINEERS	NEWARK PS MOD VALVE & BOOST LINE MODS	\$21,655.41	\$21,655.41
164079	4/6/2017	2143520A	DELTA DENTAL SERVICE	MARCH 2017 DENTAL	\$2,508.37	\$21,468.07
	4/6/2017	2143520C		MARCH 2017 DENTAL	\$18,959.70	
164077	4/6/2017	201502312	COVELLO GROUP INC	FREMONT & PASEO PADRE LS IMPROVEMENTS	\$19,010.00	\$19,010.00
164132	4/13/2017	3YT33	BAY AREA AIR QUALITY MGMT DIST	ANNUAL PERMIT RNWL-PLANT A1209	\$18,161.00	\$18,161.00

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164107	4/6/2017	380420170331	PACIFIC GAS AND ELECTRIC	SERV TO 03/30/17 CHERRY ST PS	\$204.25	\$17,898.94
	4/6/2017	666720170331		SERV TO 03/30/17 PASEO PADRE PS	\$317.87	
	4/6/2017	761520170327		SERV TO 3/26/17 NEWARK PS	\$17,135.71	
	4/6/2017	892820170331		SERV TO 03/30/17 HAYWARD MARSH	\$51.27	
	4/6/2017	898220170331		SERV TO 3/30/17 FREMONT PS	\$151.27	
	4/6/2017	096020170331		SERV TO 3/30/17 CATHODIC PROJECT	\$38.57	
164150	4/13/2017	903032909	EVOQUA WATER TECHNOLOGIES	3,018 GAL HYDROGEN PEROXIDE	\$14,043.96	\$14,043.96
164121	4/6/2017	2031611	WEST YOST ASSOCIATES	FORCE MAIN CORROSION REPAIRS - WEST	\$9,981.00	\$13,666.75
	4/6/2017	2031613		HYPO TANKS AND PIPING REPLACEMENT	\$3,685.75	
164168	4/13/2017	103764	MUNIQUEP, LLC	MIX PUMP 3 REBUILD MUNIQUEP	\$10,949.59	\$10,949.59
164123	4/13/2017	134551	ADVANCED CHEMICAL TRANSPORT	HAZARDOUS MATERIAL MANAGEMENT	\$5,184.00	\$8,640.00
	4/13/2017	134553		HAZARDOUS MATERIAL MANAGEMENT	\$3,456.00	
164193	4/13/2017	38367	WECO INDUSTRIES LLC	120 GAL SANAFOAM	\$7,977.95	\$8,309.32
	4/13/2017	38383		TV TRUCK T2372 REPAIRS	\$331.37	
164100	4/6/2017	37432220170401	LINCOLN NATIONAL LIFE INS COMP	LIFE & DISABILITY INSURANCE - APR 2017	\$7,575.74	\$7,575.74
164070	4/6/2017	30613	CALIFORNIA WATER TECHNOLOGIES	42,760 LBS FERROUS CHLORIDE	\$3,725.71	\$7,568.17
	4/6/2017	30587		44,100 LBS FERROUS CHLORIDE	\$3,842.46	
164090	4/6/2017	800394.31E	GSE CONSTRUCTION CO INC	THICKENER CONTROL BLDG IMPROV PHASE II - ESCROW PYMT	\$6,726.70	\$6,726.70

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164163	4/13/2017	8234	KB HOME SOUTH BAY, INC.	REFUND # 19857	\$2,500.00	\$6,500.00
	4/13/2017	8200		REFUND # 19855	\$2,500.00	
	4/13/2017	8180		REFUND # 19854	\$1,500.00	
164118	4/6/2017	805421	UNIVAR USA INC	4849 GALS SODIUM HYPOCHLORITE	\$2,136.69	\$6,364.68
	4/6/2017	805395		4800 GALS SODIUM HYPOCHLORITE	\$2,115.10	
	4/6/2017	804607		4795 GALS SODIUM HYPOCHLORITE	\$2,112.89	
164191	4/13/2017	806492	UNIVAR USA INC	4799 GALS SODIUM HYPOCHLORITE	\$2,114.67	\$6,345.32
	4/13/2017	805921		4801 GALS SODIUM HYPOCHLORITE	\$2,115.55	
	4/13/2017	806085		4800 GALS SODIUM HYPOCHLORITE	\$2,115.10	
164140	4/13/2017	156226	CAROLLO ENGINEERS	DIGESTER NO. 3 INSP & REHAB	\$5,766.62	\$5,766.62
164177	4/13/2017	1366	ELIZABETH REYES	MARCH 2017 JANITORIAL SERVICE - BUILDINGS 69, 70, 82, 83	\$4,694.87	\$4,694.87
164144	4/13/2017	7593	DW NICHOLSON CORP	COGENERATION PROJECT	\$4,509.00	\$4,509.00
164146	4/13/2017	8815	EAST BAY MUNI UTILITY DISTRICT	18 LAB SAMPLE ANALYSIS	\$4,285.60	\$4,285.60
164189	4/13/2017	130951	TOTAL WASTE SYSTEMS INC	MARCH 2017 GRIT DISPOSAL	\$4,249.60	\$4,249.60
164117	4/6/2017	MR02842017	TRIMARK ASSOCIATES INC	COGENERATION PROJECT	\$3,840.00	\$3,840.00
164138	4/13/2017	30657	CALIFORNIA WATER TECHNOLOGIES	43,620 LBS FERROUS CHLORIDE	\$3,777.81	\$3,777.81

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164126	4/13/2017	4107393520170331	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 3/31/17-MTR HYD 16435269	\$656.32	\$3,738.86
	4/13/2017	4107361320170331		SERV TO: 3/31/17-MTR HYD 16320037	\$514.68	
	4/13/2017	4107393120170331		SERV TO: 3/31/17-MTR HYD 16435270	\$693.58	
	4/13/2017	4107393220170331		SERV TO: 3/31/17-MTR HYD 16435275	\$443.87	
	4/13/2017	4107393420170331		SERV TO: 3/31/17-MTR HYD 15952331	\$443.87	
	4/13/2017	4107393020170331		SERV TO: 3/31/17-MTR HYD 15141193	\$443.87	
	4/13/2017	4047286120170406		SERV TO: 04/05/17 - PASEO PADRE	\$72.71	
	4/13/2017	4107361120170331		SERV TO: 3/31/17-MTR HYD 15001101	\$469.96	
164173	4/13/2017	103676	PIIAN SYSTEMS LLC	6 ODOR NEUTRALIZERS	\$3,647.09	\$3,647.09
164066	4/6/2017	9418728	AT&T	SERV: 02/13/17 - 03/12/17	\$42.71	\$3,513.63
	4/6/2017	9418729		SERV: 02/13/17 - 03/12/17	\$65.69	
	4/6/2017	9418730		SERV: 02/13/17 - 03/12/17	\$87.12	
	4/6/2017	9389244		SERV: 02/10/17 - 03/09/17	\$2,561.09	
	4/6/2017	9418726		SERV: 02/13/17 - 03/12/17	\$757.02	
164120	4/6/2017	20170401	VISION SERVICE PLAN - CA	APRIL 2017 VISION STMT	\$3,432.96	\$3,432.96
164188	4/13/2017	8069	GOLDEN GATE BAPTIST THEOLOGICAL	REFUND # 19843	\$3,300.00	\$3,300.00
164074	4/6/2017	9109	CDW GOVERNMENT LLC	ADDITIONAL REMOTE DESKTOP CALS	\$3,235.50	\$3,235.50

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164130	4/13/2017	9445505	AT&T	SERV: 02/20/17 - 03/19/17	\$19.70	\$3,198.08
	4/13/2017	9445507		SERV: 02/20/17 - 03/19/17	\$3,047.67	
	4/13/2017	9445529		SERV: 02/20/17 - 03/19/17	\$130.71	
164072	4/6/2017	17129881	CANON SOLUTIONS AMERICA INC	MONTHLY LEASE 6 CANON COLOR COPIERS	\$3,154.15	\$3,154.15
164169	4/13/2017	31700110	NBS	SEWER SERVICE CHARGE DATA SERV APR - JUNE 2017	\$2,940.08	\$2,940.08
164133	4/13/2017	5960	BAY AREA COATING CONSULTANT	COATINGS INSPECTION	\$2,505.36	\$2,505.36
164122	4/7/2017	20170406	ALAMEDA COUNTY TREASURER	FORCE MAIN CORROSION REPAIRS-WEST: ENCROACHMENT PERMIT	\$2,500.00	\$2,500.00
164149	4/13/2017	8427	EPI BRENTWOOD	REFUND # 19851	\$2,500.00	\$2,500.00
164158	4/13/2017	8235	D R HORTON	REFUND # 19858	\$500.00	\$2,500.00
	4/13/2017	8215		REFUND # 19856	\$2,000.00	
164194	4/13/2017	8621	SENG WONG	REFUND # 19837	\$2,500.00	\$2,500.00
164111	4/6/2017	916003048258	REPUBLIC SERVICES #916	RECYCLE & ROLL OFF - MARCH 2017	\$2,466.04	\$2,466.04
164167	4/13/2017	22958201	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$1,650.78	\$2,323.07
	4/13/2017	16368875		CREDIT FOR RETURNED DRILL BITS INV 13671249	\$-46.72	
	4/13/2017	21390014		CREDIT FOR HOSE COUPLINGS INV 19210847	\$-105.05	
	4/13/2017	22701651		3 V-BELTS	\$85.34	
	4/13/2017	23055067		12 PACKS ASSORTED GATORADE POWDER	\$67.86	
	4/13/2017	23074933		4 PACKS STEEL STRAPPING	\$670.86	
164119	4/6/2017	9782508373	VERIZON WIRELESS	WIRELESS SERV 02/21/17 - 03/20/17	\$2,244.72	\$2,244.72

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164098	4/6/2017	18023	JENSEN INSTRUMENT COMPANY	TWAS FLOW METER	\$2,207.18	\$2,207.18
164186	4/13/2017	20170410	MOSA TATAKAMOTONGA	COMPUTER NOTE	\$2,179.71	\$2,179.71
164088	4/6/2017	9375895902	GRAINGER INC	1 TEST LEAD KIT	\$173.84	\$2,175.09
	4/6/2017	9373564328		1 WASHDOWN MOTOR	\$327.94	
	4/6/2017	9373564336		ASTD PART & MATERIALS	\$1,593.74	
	4/6/2017	9373346171		ASTD PARTS & MATERIALS	\$79.57	
164106	4/6/2017	8474142	OPEN TEXT	RIGHT FAX PDF MODULE	\$2,116.08	\$2,116.08
164084	4/6/2017	1253121	FERGUSON ENTERPRISES, INC.	ASTD PARTS & MATERIALS	\$112.72	\$2,055.29
	4/6/2017	1249061		MIX PUMP 1 6" HOT TAP SLEEVE AND VALVE	\$1,942.57	
164069	4/6/2017	712465	BRENNTAG PACIFIC, INC.	3846 LBS SODIUM HYDROXIDE	\$1,994.23	\$1,994.23
164148	4/13/2017	56476	ENTERPRISE ROOFING SERVICES	ROOF REPAIRS AT ALVARADO PUMP STATION	\$1,904.00	\$1,904.00
164127	4/13/2017	5159770	ALL INDUSTRIAL ELECTRIC SUPPLY	HI-BAY LED LIGHTS AT COVERED STORAGE	\$1,599.21	\$1,742.62
	4/13/2017	5159363		1 2626-20 MULTI-TOOL	\$143.41	
164091	4/6/2017	10363130	HACH COMPANY	1 TOTAL CHLORINE SENSOR	\$1,686.30	\$1,686.30
164112	4/6/2017	7660859401	RS HUGHES CO INC	PPE	\$55.45	\$1,674.27
	4/6/2017	7663902400		PPE	\$1,618.82	
164183	4/13/2017	3335028363	STAPLES CONTRACT & COMMERCIAL	ASTD JANITORIAL SUPPLIES	\$599.22	\$1,639.48
	4/13/2017	3335028368		JANITORIAL/BREAKROOM SUPPLIES	\$1,040.26	
164094	4/6/2017	9714583	HF&H CONSULTANTS, LLC	FINANCIAL PLANNING MODEL	\$1,485.00	\$1,485.00

**UNION SANITARY DISTRICT
CHECK REGISTER
4/01/2017-04/14/2017**

Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164175	4/13/2017	254859	REALVNC LIMITED	SOFTWARE SUPPORT, 3 YEARS, 200 LICENSES	\$1,400.00	\$1,400.00
164105	4/6/2017	20170331	NAPA AUTO PARTS	MONTHLY AUTO PART STMT - MAR 2017	\$1,388.18	\$1,388.18
164124	4/13/2017	2254	AGRAY INC.	NEW CAMERA TIRES	\$1,366.39	\$1,366.39
164059	4/6/2017	170301110	AIRTECH MECHANICAL INC	HVAC CONTRACT - BUILDINGS 70, 82 & 83	\$1,303.31	\$1,303.31
164092	4/6/2017	3K6575	HARRINGTON INDUSTRIAL PLASTICS	ASTD PARTS & MATERIALS	\$338.62	\$1,259.27
	4/6/2017	3k6574		ASTD PARTS & MATERIALS	\$100.44	
	4/6/2017	3K6535		ASTD PVC PARTS & MATERIALS	\$320.94	
	4/6/2017	3K6573		ASTD PARTS & MATERIALS	\$499.27	
164147	4/13/2017	117499	EMBARCADERO TECHNOLOGIES, INC.	ER STUDIO RENEWAL	\$1,253.00	\$1,253.00
164136	4/13/2017	91974	BRUCE BARTON PUMP SERVICE INC	SUMP PUMP	\$1,114.51	\$1,114.51
164113	4/6/2017	4868173032317	SIERRA SPRING WATER COMPANY	WATER SERVICE 02/22/16 - 03/21/17	\$921.26	\$1,104.74
	4/6/2017	8122768032317		BOTTLESS COOLERS RENTAL	\$183.48	
164131	4/13/2017	2830	BARNETT MEDICAL SERVICES LLC	180 LBS PHARMACEUTICAL WASTE REMOVAL	\$340.00	\$1,020.00
	4/13/2017	2825		205 LBS PHARMACEUTICAL WASTE REMOVAL	\$340.00	
	4/13/2017	6734		170 LBS PHARMACEUTICAL WASTE REMOVAL	\$340.00	
164129	4/13/2017	586066	A-PRO PEST CONTROL INC	MAR PEST CONTROLS	\$1,005.00	\$1,005.00
164184	4/13/2017	8911	STAR ROOTER AND PLUMBING	REFUND # 19836	\$1,000.00	\$1,000.00
164076	4/6/2017	303567	COMTEL SYSTEMS TECHNOLOGY	GATE ACCESS CONTROL AT REMOTE SITES	\$969.75	\$969.75
164128	4/13/2017	7010123758	APPLIED INDUSTRIAL TECHNOLOGIE	ASTD PARTS & MATERIALS	\$966.15	\$966.15

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164162	4/13/2017	1045251	INDUSTRIAL SAFETY SUPPLY	TRIPOD WINCH REPAIR WI003	\$965.68	\$965.68
164078	4/6/2017	274988	CURTIS & TOMPKINS, LTD	10 LAB SAMPLE ANALYSIS	\$165.00	\$790.00
	4/6/2017	274967		4 LAB SAMPLE ANALYSIS	\$240.00	
	4/6/2017	274989		15 LAB SAMPLE ANALYSIS	\$385.00	
164065	4/6/2017	9250	AMERICAN DISCOUNT SECURITY	03/01/17 - 03/15/17 GUARD AT DISTRICT GATE	\$759.00	\$759.00
164152	4/13/2017	1083883763	G&K SERVICES CO	UNIFORM LAUNDERING & RUGS	\$240.63	\$758.81
	4/13/2017	1083883765		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$16.27	
	4/13/2017	1083883764		UNIFORM LAUNDERING SERVICE	\$501.91	
164109	4/6/2017	171127	R.S. TECHNICAL SERVICES INC	CAMERA TRACTOR PARTS	\$710.38	\$710.38
164142	4/13/2017	39447	CLAREMONT BEHAVIORAL SERVICES	APR 2017 EAP PREMIUM	\$634.80	\$634.80
164155	4/13/2017	1772043	HANSON AGGREGATES INC	8.31 TONS 1/2 MED TYPE A AC-R	\$625.54	\$625.54
164058	4/6/2017	9061494353	AIRGAS NCN	3 CYL ARGON	\$599.11	\$599.11
164139	4/13/2017	4021793015	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	\$580.28	\$580.28
164141	4/13/2017	8997	CDW GOVERNMENT LLC	REPLACE PLANT CONF PROJECTOR BULB	\$578.31	\$578.31
164103	4/6/2017	1263793	MOBILE MODULAR MANAGEMENT CORFFMC	TRAILER RENTAL - MAR 2017	\$541.07	\$541.07

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164134	4/13/2017	11830680	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$18.10	\$516.58
	4/13/2017	11829500		ASTD OFFICE SUPPLIES	\$66.78	
	4/13/2017	11835980		ASTD OFFICE SUPPLIES	\$164.60	
	4/13/2017	11824080		ASTD OFFICE SUPPLIES	\$192.05	
	4/13/2017	11799630		ASTD OFFICE SUPPLIES	\$47.62	
	4/13/2017	11831110		ASTD OFFICE SUPPLIES	\$27.43	
164080	4/6/2017	8939	DRAIN DOCTOR	REFUND # 19797	\$500.00	\$500.00
164093	4/6/2017	8869	STEVEN HEYES	REFUND # 19808	\$500.00	\$500.00
164137	4/13/2017	8883	BUILTECH ENGINEERING & CONST.	REFUND # 19822	\$500.00	\$500.00
164143	4/13/2017	8647	DRAIN DOCTOR	REFUND # 19834	\$500.00	\$500.00
164145	4/13/2017	8929	E Z PLUMBING	REFUND # 19835	\$500.00	\$500.00
164164	4/13/2017	8919	KING TRENCHLESS	REFUND # 19824	\$500.00	\$500.00
164179	4/13/2017	8943	ROOTER HERO	REFUND # 19838	\$500.00	\$500.00
164181	4/13/2017	8900	SANACT INC DBA ROTO-ROOTER	REFUND # 19823	\$500.00	\$500.00
164085	4/6/2017	1083881055	G&K SERVICES CO	UNIFORM LAUNDERING SERVICE	\$255.66	\$495.94
	4/6/2017	1083881054		UNIFORM LAUNDERING & RUGS	\$224.01	
	4/6/2017	1083881056		ASTD DUST MOPS, WET MOPS & TERRY TOWELS	\$16.27	
164182	4/13/2017	1701049873	SPECTER INSTRUMENTS INC	WIN-911 SUPPORT RENEWAL	\$495.00	\$495.00
164125	4/13/2017	170301126	AIRTECH MECHANICAL INC	HVAC MAINTENANCE - BLDG 82 ADMIN SERVER ROOM	\$482.50	\$482.50

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164063	4/6/2017	5159531	ALL INDUSTRIAL ELECTRIC SUPPLY	3 EMERGENCY LIGHTS	\$441.13	\$450.69
	4/6/2017	5159184		1 PORTA BAND BLADES	\$9.56	
164097	4/6/2017	1045892	INDUSTRIAL SAFETY SUPPLY	TRIPOD WINCH W1004 REPAIR	\$382.20	\$382.20
164160	4/13/2017	20170412.2	TIM HUGHES	EXP REIMB: MILEAGE FOR GRAVE IV REVIEW CLASS	\$218.60	\$310.71
	4/13/2017	20170412.1		EXP REIMB: FOOD FOR TPO TEAM MEETING	\$92.11	
164114	4/6/2017	20170331	SWRCB - CERTIFICATIONS	GRADE III CERT RENEW - FULKERSON	\$300.00	\$300.00
164068	4/6/2017	11810780	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$97.93	\$298.08
	4/6/2017	11817820		ASTD OFFICE SUPPLIES	\$28.39	
	4/6/2017	11819540		ASTD OFFICE SUPPLIES	\$192.05	
	4/6/2017	11789460C		ASTD OFFICE SUPPLIES	\$-20.29	
164190	4/13/2017	89451	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - BLDG 70 REPAIR	\$296.00	\$296.00
164081	4/6/2017	1000457306	ENVIRONMENTAL EXPRESS	MULTI-ELEMENT SOLUTION FOR ICP	\$285.61	\$285.61
164135	4/13/2017	20170407	LAURIE BRENNER	EXP REIMB: FAST QTLY RECOGNITION	\$281.25	\$281.25
164174	4/13/2017	25782	RAVEN ENVIRONMENTAL PRODUCTS	SLUDGE CORE SAMPLER	\$260.07	\$260.07
164151	4/13/2017	127051	FITGUARD, INC.	PREVENTATIVE MAINTENANCE - EXERCISE CLUB EQUIPMENT	\$249.00	\$249.00
164171	4/13/2017	77897	NORLAB INC	16 BOTTLES TRACING DYE	\$230.00	\$230.00
164187	4/13/2017	17032109	TELOG INSTRUMENTS INC	2 BATTERY PACKS	\$226.07	\$226.07

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164096	4/6/2017	533420	HULBERT LUMBER SUPPLY	ASTD LUMBER SUPPLIES	\$118.58	\$224.62
	4/6/2017	533442		ASTD LUMBER SUPPLIES	\$77.59	
	4/6/2017	533592		ASTD LUMBER SUPPLIES	\$12.75	
	4/6/2017	533722		ASTD LUMBER SUPPLIES	\$15.70	
164153	4/13/2017	20170411	MICHAEL GILL	EXP REIMB: BACKUP SOFTWARE	\$213.00	\$213.00
164176	4/13/2017	8832	RESCUE ROOTER	REFUND PERMIT & INSPECTION FEE FOR CANCELLED PROJECT	\$200.00	\$200.00
164102	4/6/2017	18510479	MCMASTER SUPPLY INC	10 PACKS BLANK ENGRAVING AND STAMPING TAGS	\$94.14	\$196.88
	4/6/2017	22389069		2 LONG-LIFE RECHARGE LARGE-CELL BATTERIES	\$102.74	
164075	4/6/2017	295812	CENTERVILLE LOCKSMITH	ASTD KEYS	\$182.39	\$182.39
164170	4/13/2017	15086690	NEOPOST INC	ASTD POSTAGE METER SUPPLIES	\$175.99	\$175.99
164067	4/6/2017	236303001	AUTO BODY TOOLMART	ASTD PARTS & MATERIALS	\$173.73	\$173.73
164086	4/6/2017	2767707409	GLACIER ICE COMPANY INC	120 7-LB BAGS OF ICE	\$170.40	\$170.40
164180	4/13/2017	7663902401	RS HUGHES CO INC	24 HAND SANITIZERS	\$56.36	\$162.38
	4/13/2017	7663902402		1 RUBBER HIP BOOT	\$106.02	
164156	4/13/2017	3K6877	HARRINGTON INDUSTRIAL PLASTICS	ASTD PARTS & MATERIALS	\$158.63	\$158.63
164110	4/6/2017	10820	RED WING SHOE STORE	SAFETY SHOES: A. LULLO	\$158.38	\$158.38
164082	4/6/2017	20170404	YIN FANG	EXP REIMB: RETIREMENT GIFT	\$149.99	\$149.99
164157	4/13/2017	944720170328	HOME DEPOT CREDIT SERVICES	MONTHLY HARDWARE STMT - MAR 2017	\$125.74	\$125.74
164166	4/13/2017	20170413	SCOTT MARTIN	EXP REIMB: LUNCH FOR MIXING PUMP VALVE REPLACEMENT	\$122.43	\$122.43

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164154	4/13/2017	9365153783	GRAINGER INC	CREDIT FOR 2 HOSE REELS INV 9361822555	\$-470.34	\$121.40
	4/13/2017	9377155412		8 BATTERIES	\$475.88	
	4/13/2017	9382691617		1 HAND DRUM PUMP	\$115.86	
164165	4/13/2017	20170411	KATHLEEN KING	EXP REIMB: MILEAGE & BART FARE FOR 2 TRNGS	\$57.45	\$120.80
	4/13/2017	20170412		EXP REIMB: MILEAGE FOR 2 TRNGS & LEADERSHIP SCHL SNACKS	\$63.35	
164064	4/6/2017	5515843	ALPINE AWARDS INC	6 DESKTOP NAMEPLATE HOLDERS	\$119.39	\$119.39
164104	4/6/2017	24003831	MOTION INDUSTRIES INC	1 POLY CHAIN BELT	\$109.23	\$109.23
164061	4/6/2017	1443	ALAMEDA COUNTY TREASURER	36 ASSESSOR MAPS	\$108.00	\$108.00
164161	4/13/2017	21070412.3	TIM HUGHES	EXP REIMB: MILEAGE FOR GRADE IV EXAM	\$98.71	\$98.71
164095	4/6/2017	602458450	HILLYARD/SAN FRANCISCO	1 CS PAPER PLATES	\$97.70	\$97.70
164116	4/6/2017	180295717	TRENCH PLATE RENTAL COMPANY	5 DAY HD QUIK-SHOR RENTAL	\$90.30	\$90.30
164192	4/13/2017	8047996978	VWR INTERNATIONAL LLC	ASTD LAB SUPPLIES	\$55.36	\$55.36
164062	4/6/2017	20170328	ALAMEDA COUNTY TREASURER	CAST IRON LINING PHASE VI - CEQA NOTICE OF EXEMPTION	\$50.00	\$50.00
164099	4/6/2017	1436977	LIEBERT CASSIDY WHITMORE	LEGAL SERVICES - CALPERS AUDIT - UNIFORMS	\$50.00	\$50.00
164087	4/6/2017	82892	GORILLA METALS	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$44.01	\$44.01
164071	4/6/2017	221337	STATE OF CALIFORNIA	2 NEW HIRE FINGERPRINTS	\$32.00	\$32.00
164159	4/13/2017	5676981	HOSE & FITTINGS ETC	1 ADAPTER	\$4.15	\$20.72
	4/13/2017	5676977		ASTD PARTS & MATERIALS	\$16.57	
164101	4/6/2017	141042	MCIVORS HARDWARE	1 ROLL BUILDERS STEEL	\$14.19	\$14.19

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Check No.	Date	Invoice No.	Vendor	Description	Invoice Amt	Check Amt
164083	4/6/2017	1116510	FASTENAL	ASTD TOOLS	\$1.31	\$1.31
Invoices:				Checks:		
Credit Memos :		4	-642.40			
\$0 - \$1,000 :		132	36,238.41	\$0 - \$1,000 :	68	23,586.26
\$1,000 - \$10,000 :		62	181,034.29	\$1,000 - \$10,000 :	55	173,926.62
\$10,000 - \$100,000 :		12	333,696.73	\$10,000 - \$100,000 :	13	352,814.15
Over \$100,000 :		1	127,807.30	Over \$100,000 :	1	127,807.30
Total:		211	678,134.33	Total:	137	678,134.33



APRIL 4, 2017 12:09 PM

Drought may be nearly over, but Californians are still saving water

By Dale Kasler

dkasler@sacbee.com

Californians are still conserving substantial amounts of water even as Gov. Jerry Brown appears ready to rescind or relax his drought declaration.

The State Water Resources Board announced Tuesday that urban Californians reduced water usage by 25.1 percent in February, compared with the state's baseline year of 2013.

The February conservation results were substantially better than a year ago, when mandatory restrictions were in place for much of California but the savings rate was only 11.9 percent.

"Even with a banner year for winter precipitation, Californians have continued to practice sensible conservation, with a significant drop in water use in the South Coast," said board Chairwoman Felicia Marcus in a prepared statement.

The overall savings rate has been 22.5 percent since mandatory conservation took effect in June 2015, even though the state water board significantly relaxed the rules last summer. Under the old rules, municipal water districts had to cut usage by an average of 25 percent compared with 2013; districts with exceptionally heavy water consumption, including most in the Sacramento region, had to slash consumption by as much as 36 percent.

The new system imposes no mandatory conservation on districts that can show they have enough water available to withstand three straight years of drought conditions. The vast majority of the state's 411 urban districts, including those in Sacramento, said they could meet that test.

One of the wettest winters on record has increased pressure on Brown from local officials to declare the drought over. Frank Gehrke, the state Department of Water Resources

official who oversees the Sierra Nevada snowpack survey, said last week the governor could make an announcement about the state of the drought this week.

Gehrke spoke to reporters at Phillips Station, the spot near Echo Summit where he recorded 94 inches of snow, or 183 percent of average. That was the same spot where Gehrke stood next to Brown in April 2015, with the ground completely bare, and Brown issued his mandatory conservation order.

Even if the drought is declared over, the state water board and other agencies are working on a long-term plan to permanently ban practices that are deemed wasteful, such as excessively watering lawns. The plan is called "Making Water Conservation a California Way of Life."



Published April 5th, 2017

Sinkhole repair inches slowly forward

By Sora O'Doherty

Orinda reached a critical compromise agreement with the Regional Water Quality Control Board that should speed the progress of repairs to the Miner Road sinkhole.

A number of permits are still required, but that from the RWQCB is the most important and now more likely, owing to the city's agreement to increase the height of the reinforced concrete culvert by a half foot to provide better fish passage.

According to Orinda Public Works Director Larry Theis, the culvert will remain at 16-feet wide but the height will go from seven to seven-and-a-half feet. The additional half foot will be buried with channel soil, which fish reportedly prefer to concrete; the soil also reduces the water velocity through the culvert.

RWQCB wanted even more depth, but every inch increase affects a lot of other things in the design, Theis said. This design change does not affect the culvert's flood capacity, which was a matter of concern to the neighboring homes. Theis also said that the compromise, reached March 30, took longer than Orinda wanted, as the city and RWQCB went back and forth on the issue. Based on the new final design, the city must obtain permits from all the regulatory agencies, including the Army Corps of Engineers and the California Department of Transportation.

The city is now making the necessary modifications to the engineering plans so that the final permit applications can be submitted. The design will also be reviewed by the contractor for a new cost estimate, which can then be submitted to Caltrans, along with the plans, for the city's official funding request.

The city continues to coordinate its work with the utilities during the construction of the sinkhole repair. EBMUD wants to turn the existing water mainline back on before April 10. That agency is expected to work with the city to either repair leaks so the mainline can be put back in service or to make other arrangements to ensure there are no service disruptions.

Contractor Chrisp Company is nearing completion of the centerline and edgeline striping along the Camino Sobrante and Manzanita Road detour routes. Theis says the remaining striping should be complete soon.



California governor: Drought over, conservation must go on

Scott Smith, Associated Press

Updated 12:18 am, Saturday, April 8, 2017

FRESNO, Calif. (AP) — California Gov. Jerry Brown declared an end to the state's drought emergency on Friday after powerful storms quenched the state following four extraordinarily dry years that drained reservoirs and wells, devastated forests and farmland and forced millions of people to slash their water use.

The turnaround has been stark. After years of brown fields and cracked earth, monster storms blanketed California's Sierra Nevada Mountains this winter with deep snow that flows into the network of rivers and streams that supply much of the state's water.

Front lawns revived to bright green in neighborhoods throughout the state and rivers that had become dry beds of sand and gravel are now charged with water swelling up in their banks.

Still, lifting the order is a largely symbolic measure that doesn't remove most of the restrictions. Officials insisted they're holding onto some conservation rules for the 40 million residents of the nation's most populous state.

California uses more water each year than nature makes available, and one wet winter won't change the long-term outlook, environmentalists cautioned.

"Water may appear to be in abundance right now," said Kate Poole, director of the Natural Resources Defense Council. "But even after this unusually wet season, there won't be enough water to satisfy all the demands of agriculture, business and cities, without draining our rivers and groundwater basins below sustainable levels."

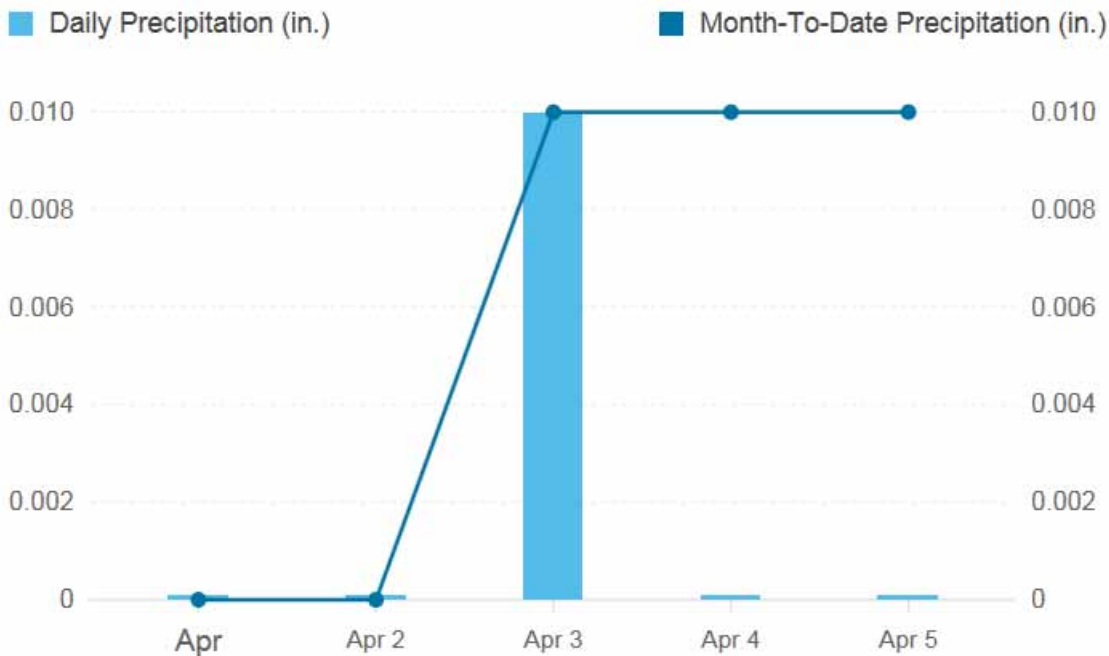
At the drought's peak, citizens were urged to cut shower times and outdoor watering. Homeowners let lawns turn brown or ripped them out altogether and replaced them with desert-like landscaping.

The drought strained native fish that migrate up rivers, killed more than 100 million trees, and forced farmers in the nation's leading agricultural state to rely heavily on groundwater, causing the ground to sink. Some growers tore out orchards.

California Month-To-Date Precipitation



Note: Due to delay in data reporting, data from previous few days is subject to update and change



Source: NOAA. As of April 7, 2017; refreshed daily. [Show details](#)

Brown declared the emergency in 2014, and officials later ordered mandatory conservation for the first time in state history.

Even now, the governor has kept the drought emergency in place for four counties, most of them at the state's farming heartland, where emergency drinking water projects will continue to help address diminished groundwater supplies.

More than 900 families mostly in Tulare County, a farming powerhouse in the San Joaquin Valley, are struggling even to find drinking water after their wells dried up and have to turn to charities for bottled water or tanks for their yards.

In the inland region of Southern California east of Los Angeles, streams and groundwater basins are still at historically low levels, and rainfall has been below average for nearly two decades. It would take the equivalent of three consecutive years of above-average precipitation to refill the basins.

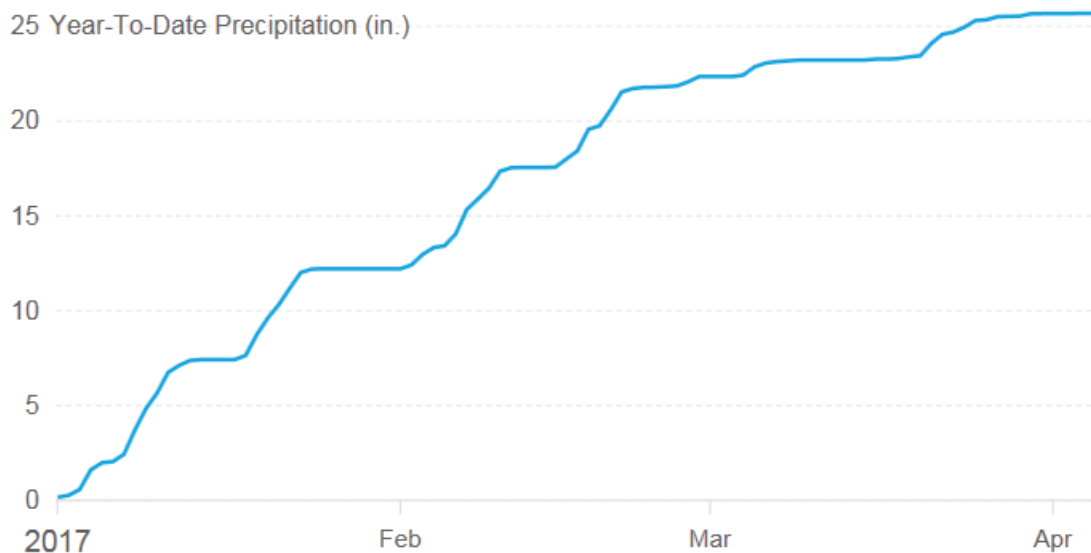
The rest of the state shouldn't forget water-saving strategies either. Cities and water districts throughout the state will be required to continue reporting their water use each

month, said the governor's order, which also bans wasteful practices, such as hosing off sidewalks and running sprinklers when it rains.

California Year-To-Date Precipitation



Note: Due to delay in data reporting, data from previous few days is subject to update and change



Source: NOAA. As of April 7, 2017; refreshed daily. [Show details](#) ▲

Water conservation will become a way of life in the state, said Felicia Marcus, chairwoman of the State Water Resources Control Board, who led conservation planning.

"This drought has been one for the record books, but it won't be our last or longest," said Marcus. "It's a wakeup call and we can't hit the snooze button."

Even Brown was circumspect in his dramatic announcement: "This drought emergency is over, but the next drought could be around the corner."

AP reporter John Antczak contributed to this story from Los Angeles.



Horizontal Levee is Thriving

In just one year, native plants have taken root and are thriving on Oro Loma's horizontal levee. Save The Bay calls it, "One of our most successful projects ever."

The plants look like they have been there for years. Save The Bay is the largest regional organization working to protect and restore San Francisco Bay. In February 2016, they transplanted the last of 70,000 native wetland plants and reeds to the District's new horizontal levee. In only one year, the plants have established themselves and are flourishing.

Jesse Olson, Nursery Manager for Save The Bay, credits much of the project's success to the extraordinary cooperation they have had with Oro Loma. In particular, she noted the District creating the onsite plant nursery, and its willingness to irrigate the plants once they were transplanted onto the slope.

The levee and an 8-million gallon holding basin behind it, will provide additional water-holding capacity during periods of heavy rain. The levee and the basin are designed to mimic nature's ability to filter wastewater and protect the shoreline.

