



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

Monday, December 14, 2020

Regular Meeting - 4:00 P.M.

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

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

CORONAVIRUS (COVID-19) ADVISORY NOTICE

Consistent with Executive Orders No. N-25-20 and No. N-29-20 from the Executive Department of the State of California, the Alameda County March 31, 2020 Updated Shelter in Place Order, and Executive Order No. N-33-20, Stay-at-Home Order, the Monday, December 14, 2020, Regular Board Meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting. **To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting by following the steps listed below to listen to the Board Meeting, and may provide public comment by sending comments to the Board Clerk by email at assistanttogm@unionsanitary.ca.gov or via voicemail by calling 510-477-7599 before 3:00 p.m. on the date of the meeting.** Comments will then be read into the record, with a maximum allowance of 3 minutes per individual comment, subject to the Board President's discretion. All comments should be a maximum of 500 words, which corresponds to approximately 3 minutes of speaking time. If a comment is received after the agenda item is heard but before the close of the meeting, the comment will still be included as a part of the record of the meeting but will not be read into the record.

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

To listen to this Regular Board Meeting:

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

Meeting ID: 828 3788 3947 #

Participant ID: #

Click the Zoom link below to watch and listen:

<https://us02web.zoom.us/j/82837883947>

	1.	Call to Order.
	2.	Salute to the Flag. (This item has been suspended due to the COVID-19 pandemic.)
	3.	Roll Call.
Motion	4.	Approve Minutes of the Union Sanitary District Board Meeting of November 9, 2020.
Information	5.	Operations Report: <ul style="list-style-type: none"> a) October 2020 Monthly Operations Report <i>(to be reviewed by the Budget & Finance and Legal/Community Affairs Committee).</i> b) Fiscal Year 2021 1st Quarter Managed Investment Portfolio Report <i>(to be reviewed by the Budget & Finance Committee).</i>
	6.	Written Communications.
	7.	Public Comment. Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available in the Boardroom and are requested to be completed prior to the start of the meeting.
Motion	8.	Review and Consider Approval of Policy No. 2030, Investment Policy <i>(to be reviewed by the Budget & Finance Committee).</i>
Motion	9.	Review and Consider Approval of Updated Policy No. 2080, Project Expenditures <i>(to be reviewed by the Engineering and Information Technology Committee).</i>
Motion	10.	Review and Consider Approval of Policy No. 2025, Fraud in the Workplace <i>(to be reviewed by the Audit Committee).</i>
Motion	11.	Review and Consider Approval of Policy No. 2010, Internal Controls <i>(to be reviewed by the Audit Committee).</i>
Motion	12.	Consider a Resolution to Update Union Bank Authorized Signatories <i>(to be reviewed by the Budget & Finance Committee).</i>
Motion	13.	Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8384 – Ursa Drive, Located at Ursa Drive and Plomosa Way, in the City of Fremont <i>(to be reviewed by the Legal/Community Affairs Committee).</i>
Motion	14.	Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Tanner Pacific, Inc. for the Aeration Blower No. 11 Project and Centrifuge Building Improvements Project <i>(to be reviewed by the Engineering and Information Technology Committee).</i>
Motion	15.	Authorize the General Manager to Execute Amendment No. 1 to Task Order No. 1 with Tanner Pacific, Inc. for the Primary Digester No. 2 Rehabilitation Project <i>(to be reviewed by the Engineering and Information Technology Committee).</i>

Motion	16.	Award Transportation and Beneficial Reuse and/or Disposal of Biosolids Contract to Synagro Inc. <i>(to be reviewed by the Budget & Finance Committee).</i>
Direction	17.	Information Regarding Amendments to the Brown Act due to AB992 and Social Media Use <i>(to be reviewed by the Legislative Committee).</i>
Information	18.	Legislative Update on Regional Issues of Interest to the Board <i>(to be reviewed by the Legislative Committee).</i>
Information	19.	Report on the East Bay Dischargers Authority Meeting of October 15, 2020.
Information	20.	COVID-19 Update.
Information	21.	Check Register.
Information	22.	Committee Meeting Reports. <i>(No Board action is taken at Committee meetings):</i> <ol style="list-style-type: none"> Audit Committee – Wednesday, December 9, 2020, at 10:00 a.m. <ul style="list-style-type: none"> Director Kite and Director Toy Legislative Committee – Wednesday, December 9, 2020, at 10:30 a.m. <ul style="list-style-type: none"> Director Lathi and Director Fernandez Legal/Community Affairs Committee – Thursday, December 10, 2020, at 1:00 p.m. <ul style="list-style-type: none"> Director Toy and Director Fernandez Budget & Finance Committee – Friday, December 11, 2020, at 10:00 a.m. <ul style="list-style-type: none"> Director Kite and Director Toy Engineering and Information Technology Committee – Friday, December 11, 2020, at 11:00 a.m. <ul style="list-style-type: none"> Director Lathi and Director Handley Personnel Committee – will not meet.
Information	23.	General Manager’s Report. <i>(Information on recent issues of interest to the Board).</i>
	24.	Other Business: <ol style="list-style-type: none"> Comments and questions. <i>Directors can share information relating to District business and are welcome to request information from staff.</i> Scheduling matters for future consideration.
	25.	Adjournment – The Board will adjourn to the next Regular Board Meeting to be held virtually on Monday, January 11, 2021, at 4:00 p.m.

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

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AUDIT COMMITTEE MEETING

Committee Members: Director Kite and Director Toy

AGENDA

Wednesday, December 9, 2020

10:00 A.M.

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Alvarado Conference Room

5072 Benson Road

Union City, CA 94587

Karen W. Murphy
Attorney

Consistent with Executive Orders No. N-25-20 and No. N-29-20 from the Executive Department of the State of California, the Alameda County May 18, 2020 Updated Shelter in Place Order, and Executive Order No. N-33-20, Stay-at-Home Order, this meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting via conference call.

To maximize public safety while still maintaining public access, members of the public can observe the meeting by calling 510-477-6190 to listen to the committee meeting, and may provide public comment by sending comments to the Board Clerk by email at assistanttogm@unionsanitary.ca.gov or via voicemail by calling 510-477-7599 up to one hour before the scheduled meeting start time.

1. Call to Order

2. Roll Call

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

4. Items to be reviewed for the Regular Board meeting of December 14, 2020:
 - Review and Consider Approval of Policy No. 2025, Fraud in the Workplace
 - Review and Consider Approval of Policy No. 2010, Internal Controls

5. Adjournment

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

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LEGISLATIVE COMMITTEE MEETING

Committee Members: Director Lathi and Director Fernandez

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA

Wednesday, December 9, 2020
10:30 A.M.

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

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2. Roll Call

3. Public Comment

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4. Items to be reviewed for the Regular Board meeting of December 14, 2020:

- Information Regarding Amendments to the Brown Act due to AB992 and Social Media Use
 - Legislative Update on Regional Issues of Interest to the Board
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5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.
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LEGAL/COMMUNITY AFFAIRS COMMITTEE MEETING

Committee Members: Director Toy and Director Fernandez

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA

Thursday, December 10, 2020

1:00 P.M.

Alvarado Conference Room

5072 Benson Road

Union City, CA 94587

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

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1. Call to Order
2. Roll Call
3. Public Comment
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4. Items to be reviewed for the Regular Board meeting of December 14, 2020:
 - October 2020 Monthly Operations Report – Odor and Work Group Reports
 - Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8384 – Ursa Drive, Located at Ursa Drive and Plomosa Way, 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.
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BUDGET & FINANCE COMMITTEE MEETING
Committee Members: Director Kite and Director Toy

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AGENDA
Friday, December 11, 2020
10:00 A.M.

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

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

Karen W. Murphy
Attorney

Consistent with Executive Orders No. N-25-20 and No. N-29-20 from the Executive Department of the State of California, the Alameda County May 18, 2020 Updated Shelter in Place Order, and Executive Order No. N-33-20, Stay-at-Home Order, this meeting will not be physically open to the public and all Board Members will be teleconferencing into the meeting via conference call.

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1. Call to Order

2. Roll Call

3. Public Comment
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4. Items to be reviewed for the Regular Board meeting of December 14, 2020:
 - October 2020 Monthly Operations Report – Financial Reports
 - Fiscal Year 2021 1st Quarter Managed Investment Portfolio Report
 - Review and Consider Approval of Policy No. 2030, Investment Policy
 - Consider a Resolution to Update Union Bank Authorized Signatories
 - Award Transportation and Beneficial Reuse and/or Disposal of Biosolids Contract to Synagro Inc.

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.
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ENGINEERING AND INFORMATION TECHNOLOGY COMMITTEE MEETING

Committee Members: Director Lathi and Director Handley

Directors

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

AGENDA

Friday, December 11, 2020

11:00 A.M.

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

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1. Call to Order

2. Roll Call

3. Public Comment

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4. Items to be reviewed for the Regular Board meeting of December 14, 2020:

- Review and Consider Approval of Updated Policy No. 2080, Project Expenditures
 - Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Tanner Pacific, Inc. for the Aeration Blower No. 11 Project and Centrifuge Building Improvements Project
 - Authorize the General Manager to Execute Amendment No. 1 to Task Order No. 1 with Tanner Pacific, Inc. for the Primary Digester No. 2 Rehabilitation Project
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5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.
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**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING
AUTHORITY
NOVEMBER 9, 2020**

Consistent with Executive Orders No. N-25-20 and No. N-29-20 from the Executive Department of the State of California, the Alameda County March 16, 2020 Shelter in Place Order, and Executive Order No. N-33-20, Stay-at-Home Order, the Monday, November 9, 2020, Regular Board Meeting was not physically open to the public and all Board Members teleconferenced into the meeting. To maximize public safety while still maintaining transparency and public access, members of the public were able to listen to the Board Meeting, and provide public comment by sending comments to the Board Clerk.

CALL TO ORDER

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

SALUTE TO THE FLAG

ROLL CALL

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

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Mark Carlson, Business Services Manager/CFO
Sami Ghossain, Technical Services Manager
James Schofield, Collection Services Manager
Robert Simonich, Fabrication Construction and Maintenance Manager
Mitchell Costello, Treatment and Disposal Services Coach
Marcus Lee, Treatment and Disposal Services Coach
Curtis Bosick, ETSU Assistant Program Manager
Karoline Terrazas, Organizational Performance Manager
Jason Yeates, Organizational Performance Coordinator
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

GUEST: Brandon Young, Lance, Soll & Lunghard, LLP, Certified Public Accountants

**APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF
OCTOBER 26, 2020**

It was moved by Vice President Kite, seconded by Director Toy to Approve the Minutes of the Board Meeting of October 26, 2020. Motion carried with the following vote:

AYES: Fernandez, Handley, Kite, Lathi, Toy

NOES: None
ABSTAIN: None
ABSENT: None

APPROVE MINUTES OF THE UNION SANITARY DISTRICT SPECIAL BOARD MEETING OF OCTOBER 28, 2020

It was moved by Director Fernandez, seconded by Vice President Kite, to Approve the Minutes of the Board Meeting of October 28, 2020. Motion carried with the following vote:

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

FIRST QUARTER FISCAL YEAR 2021 DISTRICT-WIDE BALANCED SCORECARD MEASURES

This item was reviewed by the Legal/Community Affairs Committee. Organizational Performance Manager Terrazas provided an overview of the District-wide Balanced Scorecard Measures and responded to Boardmember questions.

WRITTEN COMMUNICATIONS

There were no written communications.

PUBLIC COMMENT

There was no public comment.

RECEIVE PRESENTATION OF THE FISCAL YEAR 2019/20 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND DIRECT STAFF TO FILE THE CAFR

This item was reviewed by the Audit Committee. Business Services Manager/CFO Carlson introduced Brandon Young, CPA with Lance, Soll & Lunghard, LLP, Certified Public Accountants, who provided an overview of the District's CAFR as presented in the Board meeting packet. The District annually engages an independent accounting firm to audit the financial statements and records for the previously ended fiscal year. The results of the FY 2019/20 audit were presented to the Audit Committee on November 4, 2020. The CAFR is presented to the Board on an annual basis. Staff recommended the Board receive and direct staff to file the CAFR.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Receive and Direct Staff to File the Fiscal Year 2019/2020 Comprehensive Annual Financial Report (CAFR) as Presented. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO ACCEPT A SANITARY SEWER EASEMENT FOR TRACT 8272 – JUNCTION AT CENTERVILLE STATION, LOCATED AT PERALTA BOULEVARD AND PARISH AVENUE IN THE CITY OF FREMONT

This item was reviewed by the Legal/Community Affairs Committee. Technical Services Manager Ghossain stated Peralta Parish Ventures, LLC, the developer, will construct a residential development for Tract 8272, located at the southeast corner of Peralta Boulevard and Parish Avenue, in the city of Fremont. The roadways of the development have been designated as private by the city of Fremont. The developer constructed the new sewer mains and granted the District a sanitary sewer easement that provides for access and maintenance of the new sewer mains. Staff recommended the Board consider a resolution to accept a sanitary sewer easement for Tract 8272 – Junction at Centerville Station, located at Peralta Boulevard and Parish Avenue, in the city of Fremont.

It was moved by Director Fernandez, seconded by Director Toy, to Adopt Resolution No. 2915, Accepting a Sanitary Sewer Easement for Tract 8272 – Junction at Centerville Station, Located at Peralta Boulevard and Parish Avenue, in the City of Fremont, California. Motion carried with the following vote:

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

CONSIDER A RESOLUTION TO APPROVE A SECOND AMENDMENT TO THE PIPELINE RELOCATION AGREEMENT WITH WILLIAM LYON HOMES, INC., A CALIFORNIA CORPORATION, A WHOLLY OWNED SUBSIDIARY OF TAYLOR MORRISON HOME CORPORATION, AND AUTHORIZE EXECUTION OF DOCUMENTS TO EFFECTUATE THE TERMS OF THE PIPELINE RELOCATION AGREEMENT

This item was reviewed by the Legal/Community Affairs Committee. General Manager Eldredge stated William Lyon Homes and USD entered into the Pipeline Relocation Agreement dated October 30, 2017, to provide for, among other things, Developer's relocation of USD's force main pipeline and other sanitary sewer facilities as required by the approvals of Developer's residential development in the city of Newark. The Developer was required to complete two phases of work, defined as Phase I Work and Phase II Work in the Pipeline Agreement. The Phase I Work has been completed. The Phase II Work was initially expected to be completed by October 15, 2018, but the deadline for completion was extended to March 10, 2020. When the Phase II Work was not completed by that date, the parties entered into a First Amendment to Pipeline Relocation Agreement that extended the deadline to December 15, 2020. Due to site complexities described in the Board meeting packet, the Phase II Work will not be completed by December 15, 2020. The District and Developer have negotiated a Second Amendment to the Pipeline Relocation agreement to extend the completion date to December 15, 2021; the Developer remains obligated to complete the work. Staff recommended the Board adopt a resolution to approve and authorize execution of a Second Amendment to the Pipeline Relocation Agreement with William Lyon Homes, Inc., a California corporation, a wholly owned subsidiary of Taylor Morrison Home Corporation.

It was moved by Secretary Lathi, seconded by Vice President Kite, to Adopt Resolution No. 2916, Approving and Authorizing Execution of a Second Amendment to the Pipeline Relocation Agreement with William Lyon Homes, Inc., a California Corporation, a Wholly Owned Subsidiary of Taylor Morrison Home Corporation. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO TASK ORDER NO. 1 WITH HAZEN AND SAWYER FOR THE ENHANCED TREATMENT AND SITE UPGRADE PHASE 1A PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Enhanced Treatment and Site Upgrade Program Assistant Manager Bosick stated that during the 30% design for the Enhanced Treatment and Site Upgrade (ETSU) Phase 1 Project, Hazen and Sawyer (Hazen) and District staff identified recommended amendments to the design contract for the Phase 1A ETSU Project. The recommended amendments, detailed in the Board packet, include construction of Aeration Basin No. 8 in Phase 1A, geotechnical field investigative work, incorporation of the Primary Effluent Lift Pump Station No. 2 rehabilitation project into Phase 1A, and early commencement of the Phase 1B utility easement relocation. Staff negotiated Amendment No. 2 with Hazen to incorporate the recommended changes to Task Order No. 1. District staff anticipate Hazen and the Campus Building Architect will complete design of Phase 1A in the summer of 2021 with construction to begin in late 2021. Staff recommended the Board authorize the General Manager to execute Amendment No. 2 to Task Order No. 1 with Hazen and Sawyer in the amount of \$750,760 for the Enhanced Treatment and Site Upgrade Phase 1A Project.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Authorize the General Manager to Execute Amendment No. 2 to Task Order No. 1 with Hazen and Sawyer in the Amount of \$750,760 for the Enhanced Treatment and Site Upgrade Phase 1A Project. Motion carried with the following vote:

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

REJECT ALL BIDS RECEIVED FOR THE CATHODIC PROTECTION SYSTEM IMPROVEMENTS PROJECT AND AUTHORIZE STAFF TO RE-BID THE PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated two bids were received for the Project on September 23, 2020, both exceeded the Engineer's Estimate for the Project's Total Contract Price of \$460,000. EXARO Technologies Corporation was the apparent low bidder. American Construction & Supply, Inc. (AMS), the second low bidder, submitted

a bid protest on September 30, 2020, alleging EXARO did not meet the Company Experience requirements in the bid documents. EXARO responded to the bid protest and stated they met the qualifications requirements. Due to the protest, EXARO's response to the protest, and the fact that both bids were over the engineer's estimate, staff recommended rejecting all bids and re-bidding the Project. Doing so will allow staff to review and modify the experience and qualifications requirements as appropriate. Staff recommended the Board reject all bids received for the Cathodic Protection System Improvements Project and authorize staff to re-bid the Project.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Reject all Bids Received for the Cathodic Protection System Improvements Project and Authorize Staff to Re-bid the Project. Motion carried with the following vote:

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

AWARD THE AGREEMENT FOR THE SYSTEM SUPPLY FOR THE STANDBY POWER GENERATION SYSTEM UPGRADE PROJECT TO CUMMINS SALES AND SERVICE

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated three bids were received and opened for the Project on August 6, 2020. At the Board meeting held September 14, 2020, the Board determined all bids were non-responsive, rejected the bids, and directed staff to negotiate an agreement starting with the apparent low bidder Cummins Sales and Service. Staff negotiated an acceptable Agreement with Cummins in the amount of \$3,122,090. The total Agreement amount will be \$6,655 above Cummins' original bid amount and remains 32% below the Engineer's Estimate of \$4,600,000. The \$6,655 increase was due to the engineering and material cost to add a trip-close switch to each of the three circuit breakers in the switchgear system for each generator, this physical switch will allow staff to manually trip and close breakers upstream of each generator in the event of an emergency or for maintenance purposes. Staff recommended the Board award the agreement for the system supply for the Standby Power Generation System Upgrade Project to Cummins Sales and Service in the amount of \$3,122,090.

It was moved by Vice President Kite, seconded by Secretary Lathi, to Award the Agreement for the System Supply for the Standby Power Generation System Upgrade Project to Cummins Sales and Service in the Amount of \$3,122,090. Motion carried with the following vote:

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

AWARD THE CONSTRUCTION CONTRACT FOR THE CENTRIFUGE BUILDING IMPROVEMENTS PROJECT TO WESTERN WATER CONSTRUCTORS, INC.

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated three bids were received and opened on October 20, 2020. Staff reviewed the apparent low bid submitted by Western Water and found a minor irregularity with the Site Visit Affidavit. Western Water mistakenly indicated they had visited the Project site in person. Western Water stated they thought they had accomplished the site visit by viewing the work area photos and videos available to all bidders online. Since a site visit was not mandatory, it was determined the bid irregularity could be waived by the District. Estimated substantial completion is expected in October 2021. Staff recommended the Board waive a minor irregularity in the apparent low bid and award the construction contract, including Bid Alternate A, for the Centrifuge Building Improvements Project to Western Water Constructors, Inc. in the amount of \$688,000.

It was moved by Secretary Lathi, seconded by Director Toy, to Waive a Minor Irregularity in the Apparent Low Bid and Award the Construction Contract, Including Bid Alternate A, for the Centrifuge Building Improvements Project to Western Water Constructors, Inc. in the Amount of \$688,000. Motion carried with the following vote:

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

AWARD THE CONSTRUCTION CONTRACT OF THE CALCIUM THIOSULFATE CHEMICAL FEED SYSTEM PROJECT TO D.W. NICHOLSON CORPORATION

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated three bids were received and opened on October 21, 2020, the results were included in the Board meeting packet. D.W. Nicholson (DWN) was the apparent low bidder with a bid of \$656,550. Staff reviewed the bid submitted by DWN and found two minor irregularities. The first was with the Designation of Subcontractors; DWN provided the incorrect Department of Industrial Relations registration number for their asphalt paving subcontractor, Ransome Company. It was determined the irregularity could be waived by the District since staff was able to verify Ransome Company's correct registration number as valid and current. The second minor irregularity was found with the Site Visit Affidavit, DWN mistakenly indicated they had visited the site. DWN stated they thought they had accomplished the site visit by viewing the work area photos and videos available to all bidders online. Since a site visit was not mandatory, it was determined the bid irregularity could be waived by the District. Staff recommended the Board waive two minor irregularities in the apparent low bid and award the construction contract for the Calcium Thiosulfate Chemical Feed System Project to D.W. Nicholson Corporation in the amount of \$624,100.

It was moved by Vice President Kite, seconded by Director Fernandez, to Waive Two Minor Irregularities in the Apparent Low Bid and Award the Construction Contract for the Calcium Thiosulfate Chemical Feed System Project to D.W. Nicholson Corporation in the Amount of \$624,100. Motion carried with the following vote:

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

AUTHORIZE THE GENERAL MANAGER TO EXECUTE TASK ORDER NO. 2 WITH LEE & RO, INC. FOR CALCIUM THIOSULFATE CHEMICAL FEED SYSTEM PROJECT

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated the task order's total not-to-exceed amount is 5.9% of the construction contract amount of \$624,100. Staff expects to issue the Notice to Proceed to D.W. Nicholson Corporation in November 2020 and anticipates construction to be completed by June 2021. Staff recommended the Board authorize the General Manager to execute Task Order No. 2 with Lee & Ro, Inc. in the amount of \$37,031 to provide engineering services during construction for the Calcium Thiosulfate Chemical Feed System Project.

It was moved by Director Toy, seconded by Secretary Lathi, to Authorize the General Manager to Execute Task Order No. 2 with Lee & Ro, Inc. in the Amount of \$37,031 to Provide Engineering Services During Construction for the Calcium Thiosulfate Chemical Feed System Project. Motion carried with the following vote:

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

AWARD THE CONSTRUCTION CONTRACT OF THE FY21 CAST IRON/PIPE LINING PROJECT TO SOUTHWEST PIPELINE & TRENCHLESS CORP.

This item was reviewed by the Engineering and Information Technology Committee. Technical Services Manager Ghossain stated three bids were received and opened on October 22, 2020, the results were included in the Board meeting packet. Staff reviewed the apparent low bid submitted by Southwest and found two minor irregularities. Southwest incorrectly tabulated their three-year average Workers' Compensation Experience Modification Rate (EMR) at 0.62 instead of 0.69, the corrected three-year average was still well below the maximum of 1.10 set in the Safety Qualification Criteria. This was determined to be a minor bid irregularity and was waived by the District. The second irregularity in Southwest's bid was missing forms that should have been attached to the Affidavit of Safety Compliance. The forms had inadvertently been left out of packets provided to bidders. It was determined the omission of these pages was not material as the contractor must comply with all safety requirements regardless of inclusion of the pages and the irregularity can be waived as minor by the District. Southwest has confirmed they will construct the Project as bid; substantial completion is expected in March 2021. Staff recommended the Board waive the minor irregularities in the apparent low bid and award the construction contract for the FY21 Cast Iron/Pipe Lining Project to Southwest Pipelines & Trenchless Corp.

It was moved by Secretary Lathi, seconded by Director Fernandez, to Waive the Two Minor Bid Irregularities and Award the Construction Contract of the FY21 Cast Iron/Pipe Lining Project to Southwest Pipeline & Trenchless Corp. Motion carried with the following vote:

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

INFORMATION ITEMS:

COVID-19 Update

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

Check Register

There were no questions regarding the check register.

COMMITTEE MEETING REPORTS:

The Audit, Legal/Community Affairs, and Engineering and Information Technology Committees met.

GENERAL MANAGER'S REPORT:

General Manager Eldredge stated the following:

- General Manager Eldredge will provide a virtual presentation during the Newark Rotary meeting to be held December 8, 2020.

OTHER BUSINESS:

There was no other business

ADJOURNMENT:

The meeting was adjourned at 5:17 p.m. to the next Regular Board Meeting to be held virtually at 4:00 p.m. on Monday, December 14, 2020.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

ANJALI LATHI
SECRETARY

APPROVED:

TOM HANDLEY
PRESIDENT

Adopted this 14th day of December 2020



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 5a**

TITLE: Monthly Operations Report for October 2020 (*This is an Information Item*)

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

Recommendation

Information only.

Previous Board Action

None

Background

Attached are Monthly Operations Reports for October 2020. Staff is available to answer questions regarding information contained in the report.

Work Group Managers

General Manager/Administration	Paul Eldredge	GM
Business Services/CFO	Mark Carlson	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:

During the month of October 2020, there were six odor complaints received by the District. Details of the complaints were included in the Board meeting packet.

STAFFING & PERSONNEL:

Recruitments Opened:

- Environmental Health and Safety Specialist - replacement for Art Diosdado - reclassification 8/31/2020.

Continuing Recruitments:

- Instrumentation Technician/Electrician – replacement for Yung Lu – retirement 12/30/2020.

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

- Attended the East Bay Dischargers Authority (EBDA) JPA Commission Meeting
- Attended the EBDA Manager's Advisory Committee Meeting
- Coordinated District response to COVID-19 Pandemic
- Attended the General Manager's Annual Performance Evaluation
- Attended Board Closed Session
- Attended Combined Board Workshop

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



ODOR REPORT October 2020

During the recording period from October 01, 2020 through October 31, 2020, there were six odor related service requests received by the District.

City: Union City

1. Complaint Details:

Date: 10/2/2020
Location: NANCY CT
Wind (from): North
Temperature: 86

Time: 12:06:00PM
Reported By: Sharon Silva
Wind Speed: 5 mph
Weather: smoky

Response and Follow-up:

A resident called to report a foul odor outside of her home. USD staff responded and inspected the sewer, storm drains. No odors were present and there were no sign of blockages. USD staff communicated the findings to the resident and provided with a copy of the Homeowner Responsibility and Traps and Vents brochures. No additional follow up is required at this time.

2. Complaint Details:

Date: 10/5/2020
Location: LAMBERT PL
Wind (from): North West
Temperature: 70

Time: 10:59:00AM
Reported By: NAYIRIE TASHJIAN
Wind Speed: 5mph
Weather: sunny

Response and Follow-up:

A report of a foul odor was received. The caller was unsure if odor was coming from inside residence or from the neighbor's pool. USD staff responded and checked the USD structures within the area and the local storm drains. No odor was detected, USD structures were flowing normal. USD staff also checked the local storm drains and there was no evidence of water or blockages. USD followed up with the caller and reported findings. No additional follow up is required at this time.

3. Complaint Details:

Date: 10/15/2020
Location: CHURCHILL CT
Wind (from): North East
Temperature: 72

Time: 10:46:00PM
Reported By: Oscar
Wind Speed: < 1 mph
Weather: Clear

Response and Follow-up:

A call was received for an odor complaint a half a mile from the Alvarado Treatment Plant. Caller did not describe the odor they were smelling. A Site Investigation and Neighborhood Survey were completed. Investigations determined that there was no odor was detected. USD staff also walked a block east and west of the designated site and checked local garbage cans. All storm drains in the area were also checked. No odor was found.

4. Complaint Details:

Date: 10/16/2020

Location: WHIPPLE RD

Wind (from): North

Temperature: 90

Time: 12:12:00PM

Reported By: Linda Diggs

Wind Speed: 9 mph

Weather: clear/sunny

Response and Follow-up:

A report of foul odor was received. The caller was unable to pinpoint exact area of odor. Caller reported smelling bad odors in a broad area from the intersection of Union City Boulevard and Whipple to intersection of Dyer and Whipple (Kaiser to Walmart). Caller reported experiencing odors for the last couple months. USD staff responded and conducted an inspection of the area. USD staff inspected the USD structures and storm D/I's in the areas. No odors were detected upon arrival or during inspection.

5. Complaint Details:

Date: 10/17/2020

Location: MACKINAW ST

Wind (from): North East

Temperature: 77

Time: 11:00:00AM

Reported By: Sam Dua

Wind Speed: 5.1 mph

Weather: Clear

Response and Follow-up:

Call received for odor complaint a half a mile from the Alvarado Treatment Plant. Caller complained about a bad smell, indicating the treatment plant as the source of the odor. USD staff was dispatched to location and met with the caller. No odor was detected, however caller said that the odor was present earlier that day. An on-site investigation was conducted, and no odor was detected at the plant. It was noted that landscapers on Dorado Dr. were applying odorous materials on the ground that day.

6. Complaint Details:

Date: 10/17/2020

Location: SHIELD DR

Wind (from): South West

Temperature: 91

Time: 11:48:00AM

Reported By: Marta

Wind Speed: 6 mph

Weather: clear

Response and Follow-up:

A report of a foul odor was received. USD staff responded to location and inspected the USD structures in the areas and the storm drains nearby. There were no signs of surcharge, odor, or stoppage in the USD main, nor storm drains. USD staff contacted the caller to report findings. No further action needed at this time.



Legend

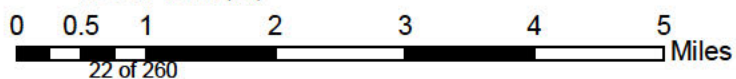
Odor Complaints: October 2020

- ★ Odor found, USD resolved (0)
- Odor found, not related to USD (0)
- ▲ No odor found (6)

Odor Complaints: Nov. 2019 to Sep. 2020

- ★ Odor found, USD resolved (1)
- Odor found, not related to USD (2)
- ▲ No odor found (13)

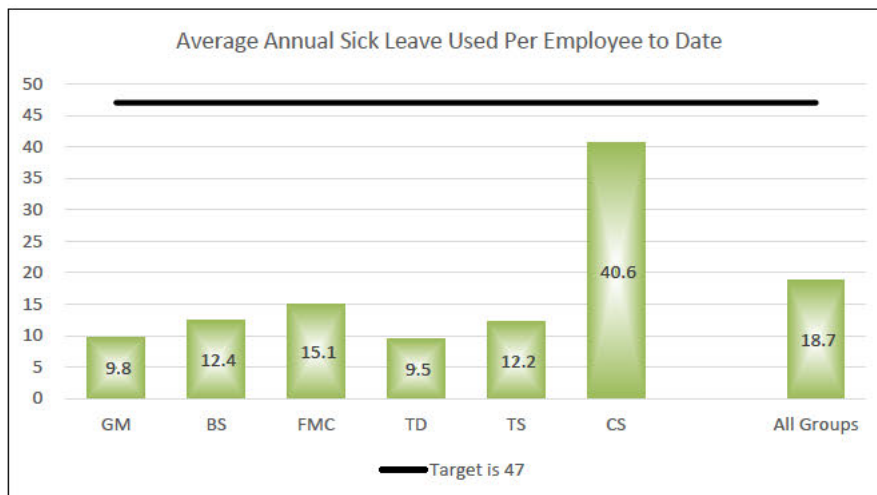
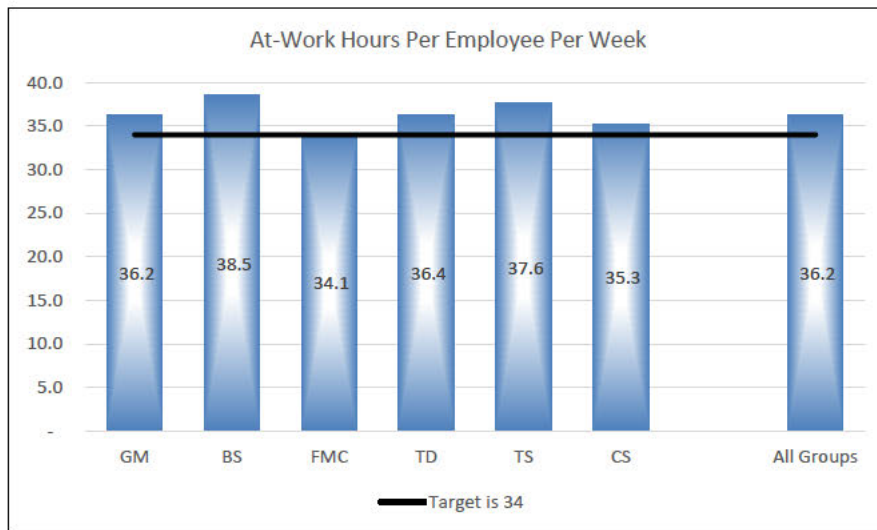
Location of Odor Reports November 2019 to October 2020



HOURS WORKED AND LEAVE TIME BY WORK GROUP

June 25, 2020 through October 28, 2020

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



NOTES

- (1) Regular hours does not include hours worked by part-time or temporary employees.
- (2) Overtime hours includes call outs.
- (3) Discretionary Leave includes Vacation, HEC, Holiday, MAL, Funeral, Jury Duty, Military, OT Banked Use, Paid Admin., AWHIP, 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.
- (5) Families First Coronavirus Response Act (FFCRA) - Emergency Paid Sick Leave (EPSL) and Paid Expanded Family

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 25, 2020 through October 28, 2020

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

Group	Average Number of Employees	AT-WORK HOURS		At-Work Hours Per Employee Per Week	LEAVE HOURS					Average Annual Sick Leave Used Per Employee To Date	FY20		
		Regular (1)	Overtime (2)		Discretionary (3)	Short Term Disability	Workers Comp	Sick (4)	FFCRA Paid Leave (5)		Average Number of Employees	At-Work Hours Per Week Per Employee	Annual Sick Leave Used
GM	2	1,293.25	0.75	36.2	127.25	-	-	19.50	-	9.8	2	34.9	35.9
BS	17	11,570.25	123.25	38.5	848.77	-	10.25	210.73	-	12.4	17	36.6	36.8
FMC	27	16,399.00	55.83	34.1	1,961.50	312.87	333.00	381.93	26.00	15.1	28	34.2	33.0
TD	29	18,661.32	167.73	36.4	1,724.18	-	-	174.00	100.50	9.5	27	35.4	48.8
TS	32	21,475.01	21.58	37.6	1,133.61	40.40	-	340.23	50.75	12.2	33	35.0	48.5
CS	32	19,605.75	560.87	35.3	2,031.25	132.10	-	1,202.93	94.97	40.6	31	33.9	91.2
All Groups	139	89,004.58	930.01	36.2	7,826.56	485.37	343.25	2,329.32	272.22	18.7	138	35.1	50.5

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, Funeral, Jury Duty, Military, OT Banked Use, Paid Admin., AWHIP, 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.

(5) Families First Coronavirus Response Act (FFCRA) - Emergency Paid Sick Leave (EPSL) and Paid Expanded Family Medical Leave Act (Paid EFMLA)

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 2021

Year-to-date as of 10/31/2020

33% of year elapsed

				Audited Last Year Actuals 6/30/20
Revenues				
	Budget	Actual	% of Budget Rec'd	
Capacity Fees	\$ 5,712,200	\$ 931,826	16%	\$ 14,179,464
Sewer Service Charges	60,500,000	814,070	1%	60,216,148
Operating (Includes work groups and fund 85)	1,293,500	386,253	30%	1,285,438
Interest	1,150,000	560,228	49%	3,167,480
Misc. (Annex fees, forfeited deposits)	75,000	13,822	18%	174,673
Subtotal Revenues	\$ 68,730,700	2,706,200	4%	\$ 79,023,203
Bond Proceeds	-	-	0.0%	73,508,248
Total Revenues + Bond Proceeds	\$ 68,730,700	\$ 2,706,200	4%	\$ 152,531,451
Expenses				Last Year Actuals
	Budget	Actual	% of Budget Used	
Capital Improvement Program:				
Capacity Proj.	\$ 22,630,500	\$ 3,115,097	14%	\$ 7,378,703
Renewal & Repl. Proj.	20,052,000	1,951,958	10%	5,317,131
Operating (includes fund 85)	45,075,355	12,898,733	29%	45,675,462
Special Projects	2,723,000	205,408	8%	1,288,761
Retiree Medical (ADC)	1,208,354	300,173	25%	- 9,636
Vehicle & Equipment	77,868	34,306	44%	42,258
Information Systems	960,800	311,008	32%	412,483
Plant & Pump Stat. R&R	400,000	-	0%	244,669
Emerg. Fund	-	-	0%	
Cty Fee for SSC Admin.	111,000	-	0%	109,988
Debt Servicing:				
SRF Loans	-			39,670,259
Bonds	4,684,773	3,540,572	76%	1,226,335
Total Expenses	\$ 97,923,650	\$ 22,357,255	23%	\$ 101,356,412
Total Revenue & Proceeds less Expenses	\$ (29,192,950)	\$ (19,651,054)		51,175,039

Operating (Work Group) Expenses

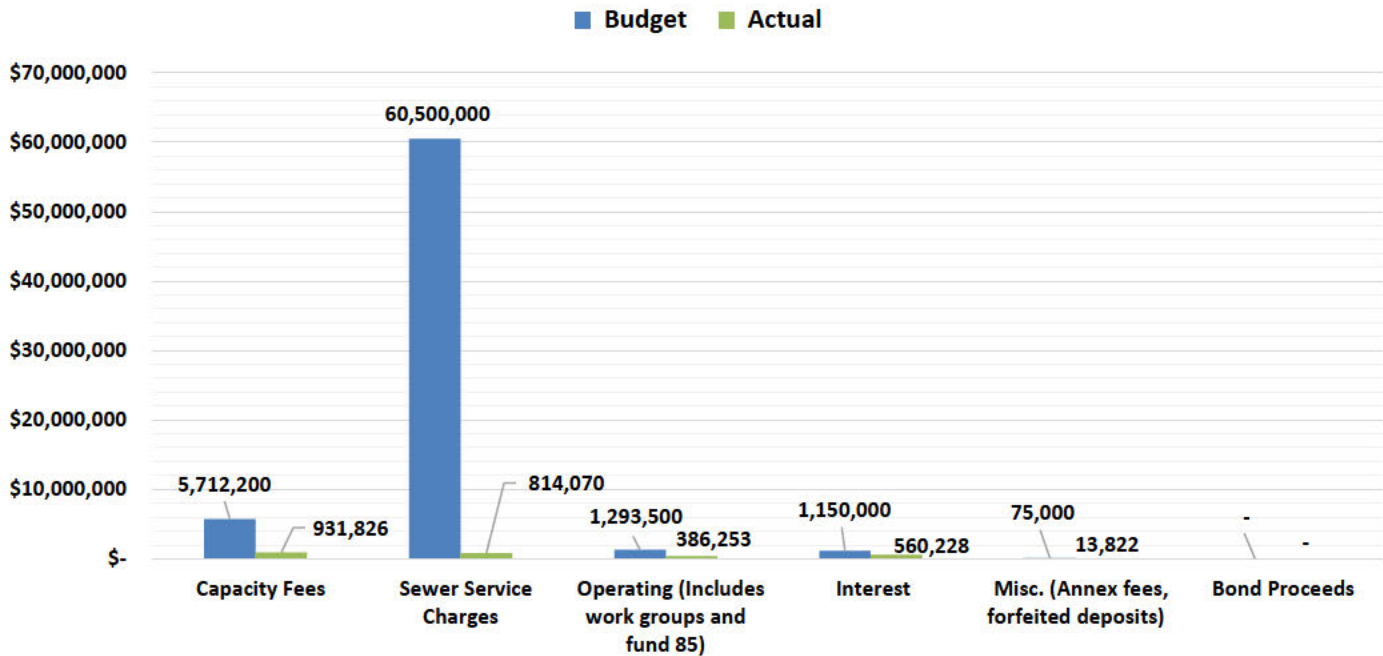
	Budget	Actual	% of Budget Used	Audited Last Year Actuals
Board of Directors	\$ 180,354	\$ 41,049	23%	\$ 145,485
General Manager/Admin.	1,066,753	328,910	31%	1,028,600
Business Services	4,169,231	1,199,406	29%	4,195,435
Collection Services	7,623,414	2,195,244	29%	8,109,845
Technical Services	6,815,278	2,164,568	32%	7,716,365
Treatment & Disposal Services	15,187,206	4,127,618	27%	14,048,718
Fabrication, Maint. & Construction	9,050,619	2,622,821	29%	9,720,443
Non-Departmental	982,500	219,117	22%	710,571
Total	\$ 45,075,355	\$ 12,898,733	29%	\$ 45,675,462

Operating (Work Group) Expenses by Type

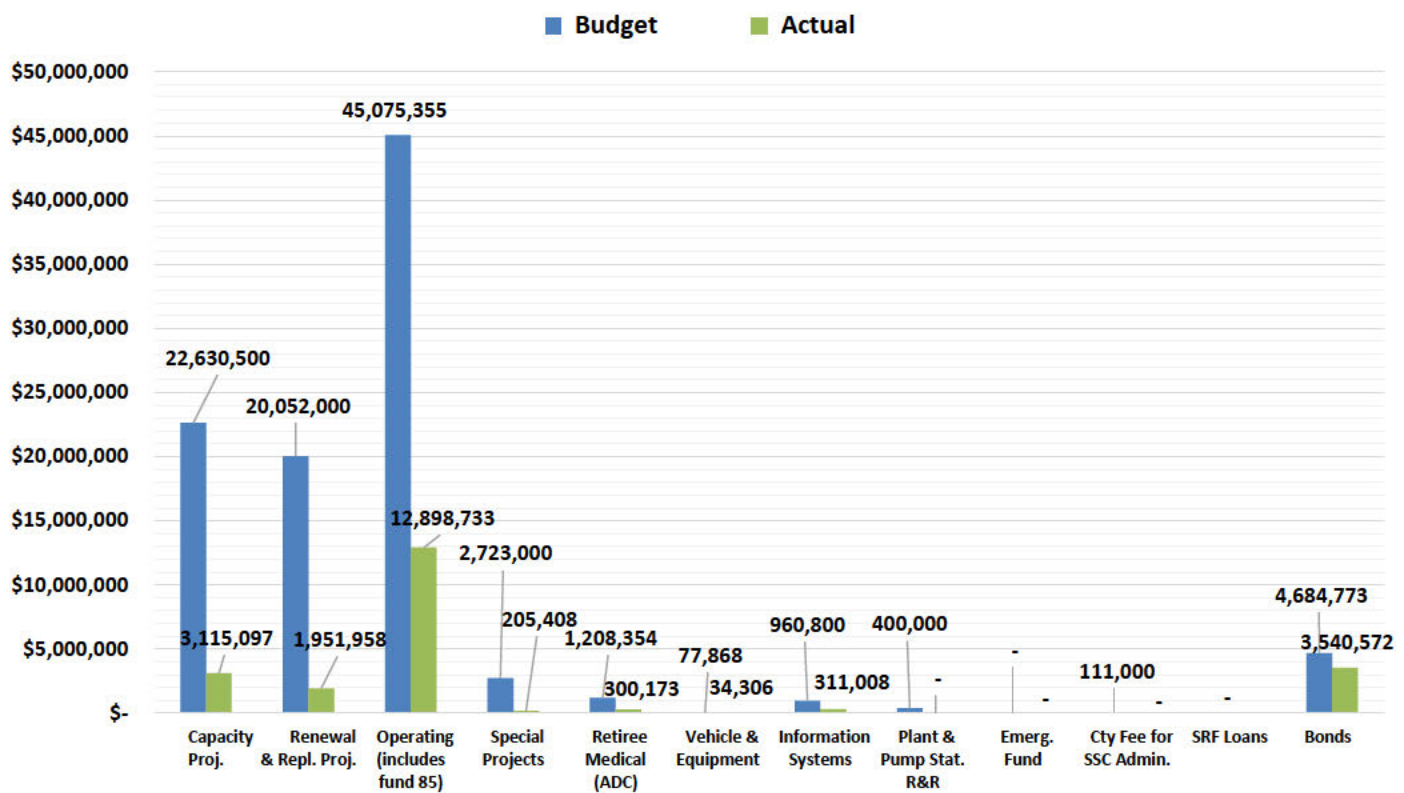
	Budget	Actual	% of Budget Used	Last Year Actuals
Personnel (incl D&E)	\$ 30,366,922	\$ 9,483,422	31%	\$ 32,823,440
Repairs & Maintenance	2,416,400	547,400	23%	2,520,319
Supplies & Mats (chemicals, small tools)	3,457,020	759,693	22%	3,197,282
Outside Services (utilities, biosolids, legal)	8,517,513	2,061,002	24%	6,934,999
Fixed Assets	317,500	47,216	15%	199,422
Total	\$ 45,075,355	\$ 12,898,733	29%	\$ 45,675,462

REVENUES AND EXPENSES REPORT
as of 10/31/20

Total Revenues

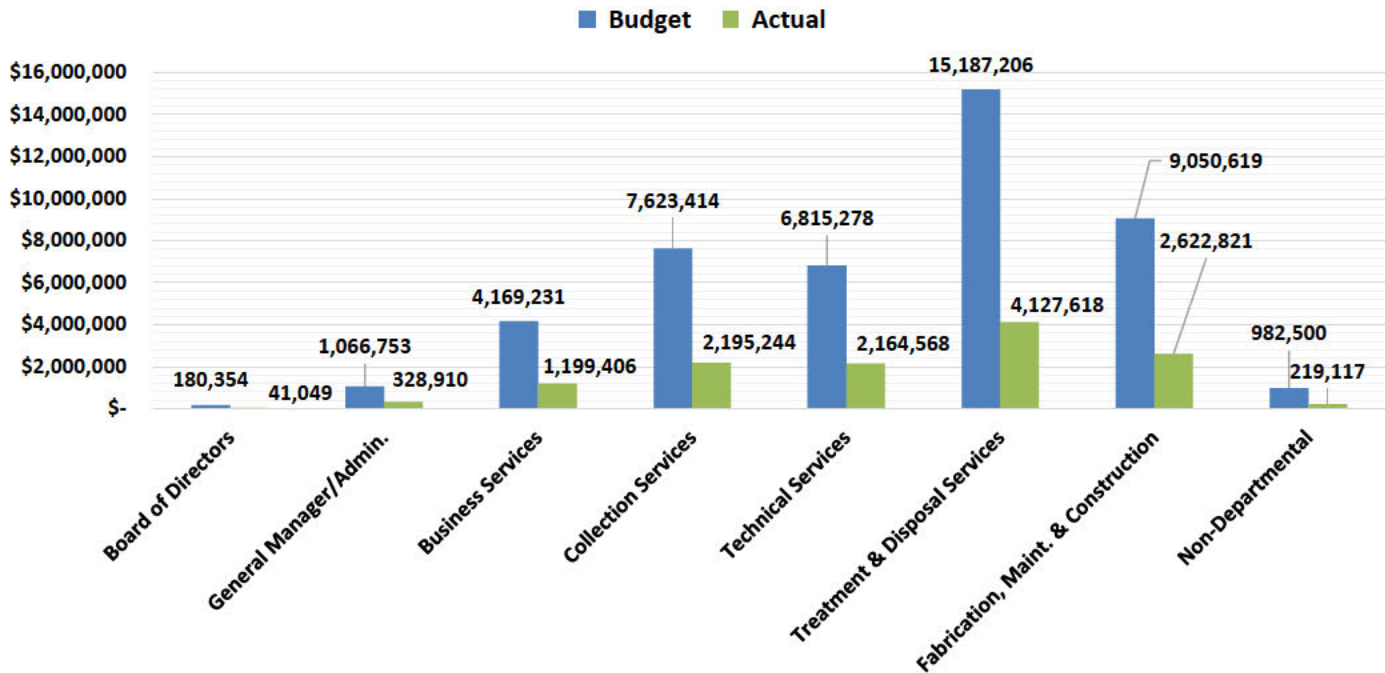


Total Expenses

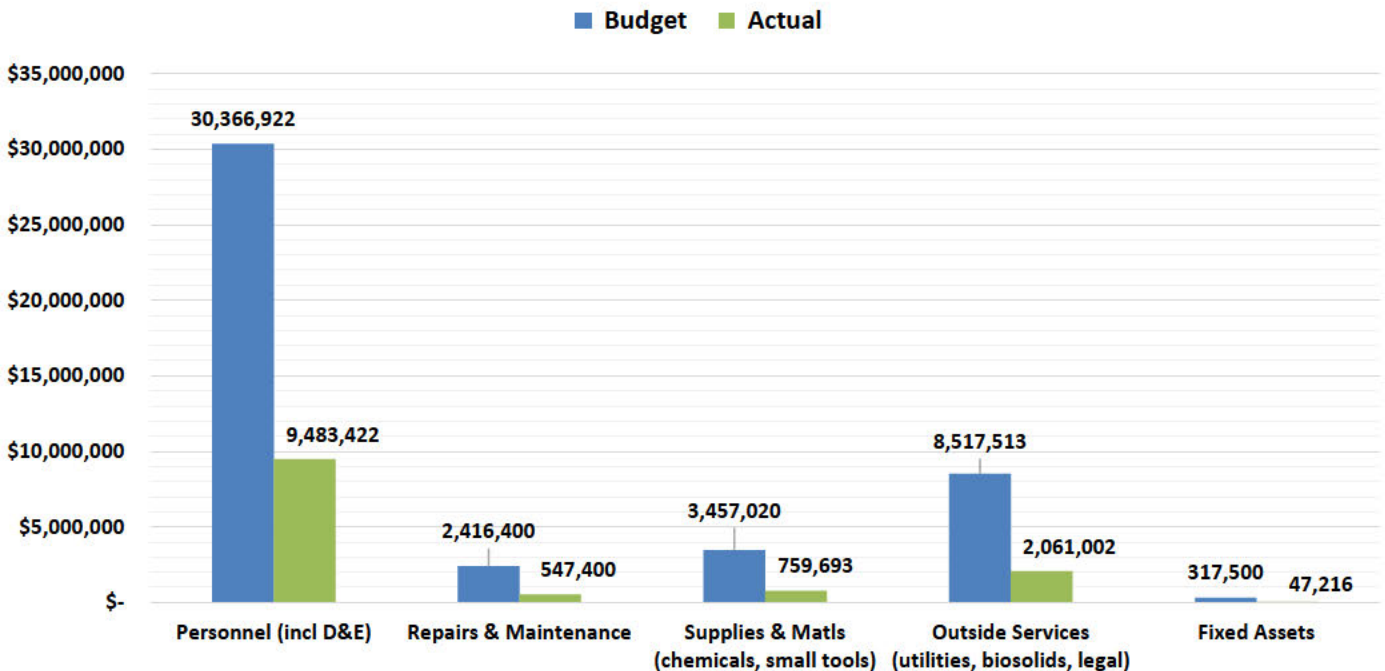


REVENUES AND EXPENSES REPORT
as of 10/31/20

Operating Expenses by Work Group



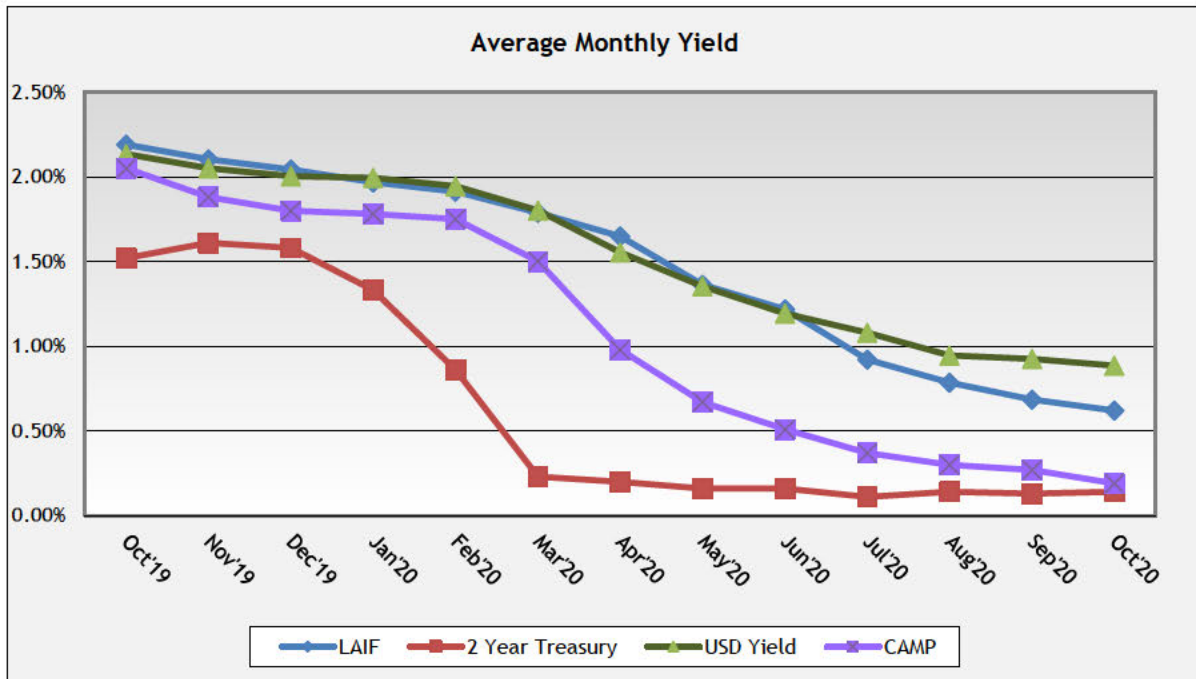
Operating Expenses by Type



**Business Services Group
October 2020**

- Completed CAFR
- Converted Electronic Expense form to DocuSign

Performance Measures for the USD Investment Portfolio

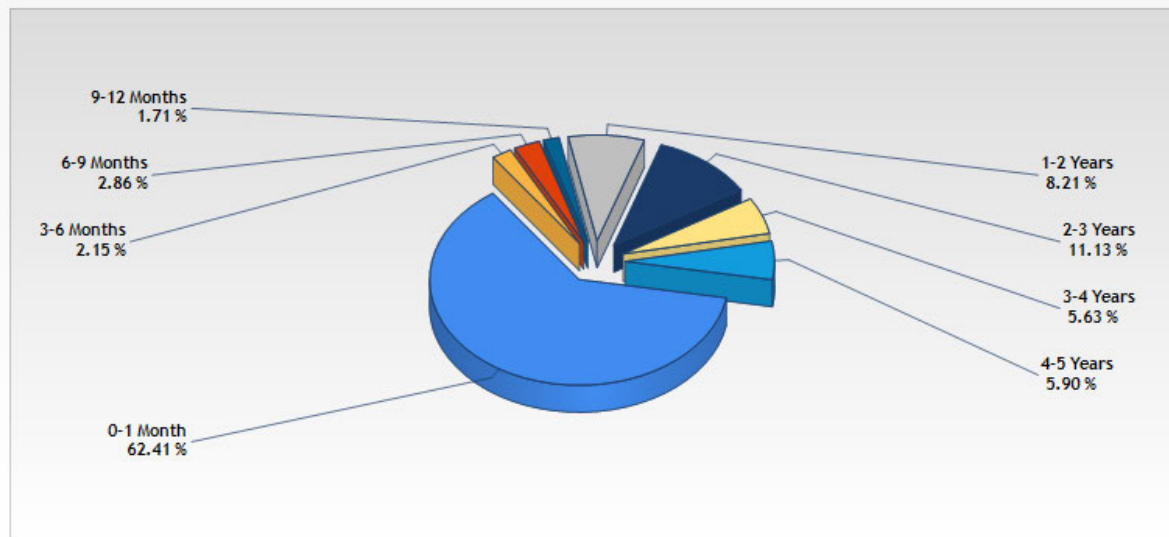


	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20
LAIF	1.22%	0.92%	0.78%	0.69%	0.62%
2 Year Treasury	0.16%	0.11%	0.14%	0.13%	0.14%
USD Yield	1.19%	1.08%	0.95%	0.93%	0.89%
CAMP	0.51%	0.37%	0.30%	0.27%	0.19%

Portfolio Holdings Distribution by Asset Class



Portfolio Holdings Distribution by Maturity Range



Maturity Range	Face Amount/Shares	YTM @ Cost	Cost Value	Days To Maturity	% of Portfolio	Market Value	Book Value	Duration To Maturity
0-1 Month	93,021,406.53	0.515	93,022,681.53	1	62.41	93,021,646.53	93,021,510.75	0.00
3-6 Months	3,200,000.00	1.436	3,207,723.94	110	2.15	3,213,647.22	3,201,045.16	0.30
6-9 Months	4,279,000.00	1.278	4,265,585.44	215	2.86	4,297,444.05	4,274,315.09	0.59
9-12 Months	2,545,000.00	2.021	2,554,907.03	313	1.71	2,589,679.75	2,552,051.26	0.85
1-2 Years	12,213,000.00	1.664	12,236,946.58	543	8.21	12,487,954.34	12,225,837.29	1.47
2-3 Years	16,740,000.00	1.574	16,588,576.37	946	11.13	17,193,299.94	16,652,868.34	2.55
3-4 Years	8,369,000.00	1.872	8,390,628.38	1,252	5.63	8,833,738.08	8,394,075.30	3.33
4-5 Years	8,750,000.00	0.741	8,790,310.75	1,683	5.90	8,862,126.43	8,790,109.96	4.52
TOTAL / AVERAGE	149,117,406.53	0.885	149,057,360.02	334	100	150,499,536.34	149,111,813.15	0.90

Union Sanitary District
 Portfolio Holdings
 Board Report - Holdings
 Report Format: By Transaction
 Group By: Asset Class
 Average By: Cost Value
 Portfolio / Report Group: All Portfolios
 As of 10/31/2020

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 0.23 6/9/2022	3133ELH64	S&P-AA+	6/9/2020	1,635,000.00	1,631,730.00	0.230	1,634,476.80	0.330		6/9/2022	1.09
FFCB 0.25 9/21/2023-22	3133EMAM4	S&P-AA+	10/9/2020	1,625,000.00	1,622,237.50	0.250	1,621,441.25	0.308	9/21/2022	9/21/2023	1.09
FHLB 0.5 4/14/2025	3130AJHU6	None	4/16/2020	560,000.00	557,222.40	0.500	562,436.00	0.601		4/14/2025	0.37
FHLB 1.375 2/17/2023	3130AJ7E3	None	2/21/2020	775,000.00	773,574.00	1.375	795,560.75	1.438		2/17/2023	0.52
FHLB 2 10/26/2021-19	3130AB3D6	None	4/26/2017	1,000,000.00	1,000,000.00	2.000	1,018,350.00	2.000		10/26/2021	0.67
FHLMC 0.25 6/26/2023	3137EAES4	None	6/26/2020	780,000.00	777,722.40	0.250	780,288.60	0.348		6/26/2023	0.52
FHLMC 0.25 8/24/2023	3137EAEV7	None	8/21/2020	520,000.00	519,469.60	0.250	519,948.00	0.284		8/24/2023	0.35
FHLMC 0.375 5/5/2023	3137EAER6	S&P-AA	5/29/2020	495,000.00	495,688.05	0.375	496,782.00	0.327		5/5/2023	0.33
FHLMC 0.375 7/21/2025	3137EAEU9	None	7/23/2020	525,000.00	522,385.50	0.375	522,480.00	0.476		7/21/2025	0.35
FHLMC 0.375 9/23/2025	3137EAEX3	None	9/25/2020	795,000.00	792,607.05	0.375	789,323.70	0.436		9/23/2025	0.53
FHLMC 1.5 2/12/2025	3137EAEP0	None	2/14/2020	1,035,000.00	1,034,203.05	1.500	1,082,413.35	1.516		2/12/2025	0.69
FNMA 0.25 5/22/2023	3135G04Q3	None	5/22/2020	865,000.00	862,396.35	0.250	865,190.30	0.351		5/22/2023	0.58
FNMA 0.25 7/10/2023	3135G05G4	None	7/10/2020	1,095,000.00	1,092,645.75	0.250	1,096,171.65	0.322		7/10/2023	0.73
FNMA 0.31 1/26/2024-22	3136G46V0	S&P-AA+	10/26/2020	259,000.00	258,896.40	0.310	258,627.04	0.322	10/26/2022	1/26/2024	0.17
FNMA 0.375 8/25/2025	3135G05X7	None	8/27/2020	555,000.00	552,402.60	0.375	551,187.15	0.470		8/25/2025	0.37
FNMA 0.375 8/25/2025	3135G05X7	None	10/22/2020	415,000.00	412,754.85	0.375	412,148.95	0.488		8/25/2025	0.28
FNMA 0.5 6/17/2025	3135G04Z3	None	6/19/2020	865,000.00	863,209.45	0.500	864,956.75	0.542		6/17/2025	0.58
FNMA 0.5 6/17/2025	3135G04Z3	None	10/28/2020	1,010,000.00	1,011,494.80	0.500	1,009,949.50	0.468		6/17/2025	0.68
FNMA 0.5 8/14/2025-23	3135G05S8	S&P-AA+	8/24/2020	1,000,000.00	998,400.00	0.500	993,940.00	0.533	8/14/2023	8/14/2025	0.67
FNMA 0.625 4/22/2025	3135G03U5	None	4/24/2020	875,000.00	873,197.50	0.625	882,953.75	0.667		4/22/2025	0.59
FNMA 0.625 4/22/2025	3135G03U5	None	4/28/2020	125,000.00	124,763.75	0.625	126,136.25	0.664		4/22/2025	0.08
FNMA 1.625 10/15/2024	3135G0W66	Fitch-AAA	11/25/2019	1,000,000.00	997,860.00	1.625	1,050,690.00	1.671		10/15/2024	0.67
FNMA 1.875 4/5/2022	3135G0T45	S&P-AA+	3/16/2020	970,000.00	993,619.50	1.875	993,629.20	0.678		4/5/2022	0.67
				18,779,000.00	18,768,480.50	0.701	18,929,080.99	0.688			

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
Sub Total / Average Agencies											
Asset-Backed Security											
Carmax Auto Owner Trust 1.89 12/16/2024	14315XAC2	S&P-AAA	1/22/2020	185,000.00	184,963.70	1.890	189,925.53	1.895		12/16/2024	0.12
Honda Auto Receivables 2020-1 1.61 4/22/2024-23	43813RAC1	None	2/26/2020	305,000.00	304,940.22	1.610	311,862.77	1.615	5/21/2023	4/22/2024	0.20
Toyota Auto Receivables 2020-A A3 1.66 5/15/2024-2	89232HAC9	None	2/12/2020	415,000.00	414,970.04	1.660	423,846.97	1.662	10/15/2023	5/15/2024	0.28
Sub Total / Average Asset-Backed Security				905,000.00	904,873.96	1.690	925,635.27	1.694			0.61
CAMP											
CAMP LGIP	LGIP4000	None	5/31/2011	16,038,597.60	16,038,597.60	0.190	16,038,597.60	0.190	N/A	N/A	10.76
Sub Total / Average CAMP				16,038,597.60	16,038,597.60	0.190	16,038,597.60	0.190			10.76
Cash in Banks											
Union Bank Cash	LGIPUNIONBANK	None	12/31/2016	4,862,808.93	4,862,808.93	0.010	4,862,808.93	0.010	N/A	N/A	3.26
Sub Total / Average Cash in Banks				4,862,808.93	4,862,808.93	0.010	4,862,808.93	0.010			3.26
Certificates of Deposit											
American Expr Centurion 2.45 4/5/2022	02587DN38	None	4/5/2017	247,000.00	247,000.00	2.450	254,706.55	2.450		4/5/2022	0.17
Belmont Savings Bank 2.15 3/22/2022	080515BV0	None	3/20/2017	248,000.00	248,000.00	2.150	254,442.54	2.150		3/22/2022	0.17
BMW Bank 2.15 3/10/2022	05580AGR9	None	3/10/2017	247,000.00	247,000.00	2.150	253,277.55	2.150		3/10/2022	0.17
Credit Agricole CIB NY 2.83 4/2/2021	22535CDU2	None	4/4/2019	575,000.00	575,000.00	2.830	581,379.62	2.830		4/2/2021	0.39
Credit Suisse0.59 2/1/2022	22549L6F7	S&P-A1	8/7/2020	435,000.00	435,000.00	0.590	436,174.67	0.590		2/1/2022	0.29
Discover Bank 2.25 12/29/2021	254672Y36	None	12/29/2016	247,000.00	247,000.00	2.250	252,603.22	2.250		12/29/2021	0.17
DNB Nor Bank ASA 2.04 12/2/2022	23341VZT1	NR	12/6/2019	430,000.00	430,000.00	2.040	446,333.89	2.040		12/2/2022	0.29
Ponce De Leon Federal Bank 1.85 5/28/2021	732333AJ8	None	5/31/2017	249,000.00	249,000.00	1.850	251,322.05	1.850		5/28/2021	0.17

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
Societe Generale NY 1.8 2/14/2022	83369XDL9	None	2/19/2020	570,000.00	570,000.00	1.800	581,125.43	1.800		2/14/2022	0.38
State Bank of India 2.25 1/26/2022	8562846A7	None	1/26/2017	247,000.00	247,000.00	2.250	252,996.79	2.250		1/26/2022	0.17
Sumitomo Mitsui Bank NY 0.7 7/8/2022	86565CKU2	None	7/14/2020	435,000.00	435,000.00	0.700	438,198.21	0.700		7/8/2022	0.29
Synchrony Bank 2.3 2/24/2022	87165ELT2	None	2/28/2017	247,000.00	247,000.00	2.300	253,571.73	2.300		2/24/2022	0.17
Sub Total / Average Certificates of Deposit				4,177,000.00	4,177,000.00	1.892	4,256,132.25	1.892			2.80
Commercial Paper											
MUFG Bank LTD/NY 0 2/22/2021	62479LPN9	S&P-A1	8/24/2020	1,000,000.00	998,837.22	0.000	999,467.60	0.230		2/22/2021	0.67
Sub Total / Average Commercial Paper				1,000,000.00	998,837.22	0.000	999,467.60	0.230			0.67
Corporate Issues											
Amazon.com Inc. 2.4 2/22/2023	023135AW6	Fitch-A+	4/15/2019	675,000.00	668,499.75	2.400	705,591.00	2.664		2/22/2023	0.45
American Express Credit 2.7 3/3/2022	0258M0EG0	Moody's-A2	5/15/2017	1,000,000.00	1,013,279.67	2.700	1,029,780.00	2.406		3/3/2022	0.68
American Honda Finance 1.95 5/10/2023	02665WDH1	None	1/10/2020	415,000.00	414,846.45	1.950	429,599.70	1.962		5/10/2023	0.28
Apple Inc 0.75 5/11/2023	037833DV9	S&P-AA+	5/11/2020	325,000.00	324,116.00	0.750	328,178.50	0.842		5/11/2023	0.22
Bank of America Corp 4.1 7/24/2023	06053FAA7	Fitch-A	3/22/2019	500,000.00	520,405.00	4.100	546,880.00	3.087		7/24/2023	0.35
BB&T Corporation 3.05 6/20/2022-22	05531FBG7	Fitch-A+	3/22/2019	525,000.00	525,714.00	3.050	546,677.25	3.006	5/20/2022	6/20/2022	0.35
Bristol-Myers Squ bb Co 3.875 8/15/2025-25	110122DC9	S&P-A+	9/30/2020	375,000.00	428,505.00	3.875	426,495.00	0.879	5/15/2025	8/15/2025	0.29
Chevron Corp 2.1 5/16/2021	166764BG4	Moody's-Aa2	5/10/2017	1,000,000.00	999,500.00	2.100	1,008,220.00	2.113		5/16/2021	0.67
Exxon Mobil Corporation 2.726 3/1/2023	30231GAR3	Moody's-Aaa	6/14/2019	985,000.00	1,001,400.25	2.726	1,033,609.75	2.256		3/1/2023	0.67
JP Morgan Chase & Co 0.653 9/16/2024-23	46647PBS4	None	9/16/2020	110,000.00	110,000.00	0.653	110,068.20	0.653	9/16/2023	9/16/2024	0.07
JPMorgan Chase & Co 2.7 5/18/2023-23	46625HRL6	Fitch-A+	3/22/2019	525,000.00	517,970.25	2.700	553,203.00	3.045	3/18/2023	5/18/2023	0.35
Paccar Financial Corp 2.65 5/10/2022	69371RP83	None	5/10/2019	580,000.00	579,686.80	2.650	600,259.40	2.669		5/10/2022	0.39
	857477AV5	Fitch-AA-	3/22/2019	530,000.00	520,566.00	1.950	534,982.00	2.805		5/19/2021	0.35

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
State Street Corp 1.95 5/19/2021											
Toyota Motor Credit Corp 1.8 2/13/2025	89236TGT6	S&P-AA-	5/26/2020	180,000.00	181,758.60	1.800	187,443.00	1.584		2/13/2025	0.12
Toyota Motor Credit Corp 1.8 2/13/2025	89236TGT6	S&P-AA-	5/26/2020	250,000.00	252,442.50	1.800	260,337.50	1.584		2/13/2025	0.17
Wal-Mart Stores Inc 2.55 4/11/2023-23	931142DH3	S&P-AA	5/26/2020	965,000.00	1,015,701.10	2.550	1,011,706.00	0.701	1/11/2023	4/11/2023	0.68
Sub Total / Average Corporate Issues				8,940,000.00	9,074,391.37	2.536	9,313,030.30	2.126			6.09
LAIF											
LAIF LGIP	LGIP1002	None	4/30/2011	72,000,000.00	72,000,000.00	0.620	72,000,000.00	0.620	N/A	N/A	48.30
Sub Total / Average LAIF				72,000,000.00	72,000,000.00	0.620	72,000,000.00	0.620			48.30
Municipal											
City of Riverside CA 2.125 6/1/2021	769036BA1	S&P-AA-	6/1/2017	500,000.00	500,000.00	2.125	504,220.00	2.125		6/1/2021	0.34
State of California 2.152 4/1/2022	13063DAD0	Moodys-Aa3	4/27/2017	1,000,000.00	1,010,000.00	2.152	1,029,620.00	1.938		4/1/2022	0.68
Victor Valley College General Obligation Bond 2.35	92603PER9	Moodys-Aa2	12/28/2016	500,000.00	490,150.00	2.350	504,855.00	2.811		8/1/2021	0.33
Sub Total / Average Municipal				2,000,000.00	2,000,150.00	2.194	2,038,695.00	2.199			1.34
Treasury											
T-Bill 0 6/17/2021	9127963H0	S&P-A1+	6/24/2020	2,000,000.00	1,996,519.44	0.000	1,998,700.00	0.178		6/17/2021	1.34
T-Note 1.25 7/31/2023	912828S92	Fitch-AAA	4/2/2019	1,035,000.00	990,365.62	1.250	1,064,994.30	2.302		7/31/2023	0.66
T-Note 1.375 6/30/2023	912828S35	Fitch-AAA	3/20/2019	1,385,000.00	1,325,867.00	1.375	1,428,932.20	2.431		6/30/2023	0.89
T-Note 1.375 9/30/2023	912828T26	Fitch-AAA	3/20/2019	2,000,000.00	1,909,531.25	1.375	2,068,760.00	2.436		9/30/2023	1.28
T-Note 1.5 3/31/2023	912828Q29	Fitch-AAA	3/20/2019	175,000.00	168,799.81	1.500	180,591.25	2.428		3/31/2023	0.11
T-Note 1.75 11/30/2021	912828U65	S&P-AA+	6/16/2020	550,000.00	562,396.49	1.750	559,498.50	0.199		11/30/2021	0.38
T-Note 1.75 7/15/2022	9128287C8	Fitch-AAA	7/31/2019	1,000,000.00	998,789.06	1.750	1,027,150.00	1.792		7/15/2022	0.67
T-Note 1.75 9/30/2022	912828L57	Fitch-AAA	3/20/2019	835,000.00	816,016.80	1.750	860,409.05	2.426		9/30/2022	0.55
T-Note 1.875 2/28/2022	912828W55	Fitch-AAA	4/2/2019	485,000.00	479,259.57	1.875	496,140.45	2.298		2/28/2022	0.32
T-Note 2 4/30/2024	912828X70	Fitch-AAA	6/7/2019	590,000.00	592,996.09	2.000	626,066.70	1.891		4/30/2024	0.40
T-Note 2 6/30/2024	912828XX3	Fitch-AAA	7/3/2019	470,000.00	474,846.88	2.000	499,816.80	1.783		6/30/2024	0.32
T-Note 2.125 1/31/2021	912828B58	Fitch-AAA	10/28/2019	1,625,000.00	1,633,886.72	2.125	1,632,800.00	1.683		1/31/2021	1.10

Description	CUSIP/Ticker	Credit Rating 1	Settlement Date	Face Amount/Shares	Cost Value	Coupon Rate	Market Value	YTM @ Cost	Next Call Date	Maturity Date	% of Portfolio
T-Note 2.125 12/31/2022	912828N30	Fitch-AAA	3/20/2019	1,170,000.00	1,157,340.24	2.125	1,219,537.80	2.426		12/31/2022	0.78
T-Note 2.125 2/29/2024	912828W48	Fitch-AAA	3/20/2019	2,000,000.00	1,970,625.00	2.125	2,125,860.00	2.442		2/29/2024	1.32
T-Note 2.125 3/31/2024	912828W71	S&P-AA+	3/2/2020	1,220,000.00	1,282,525.00	2.125	1,298,299.60	0.844		3/31/2024	0.86
T-Note 2.125 6/30/2022	912828XG0	Fitch-AAA	3/20/2019	710,000.00	703,454.69	2.125	733,217.00	2.418		6/30/2022	0.47
T-Note 2.25 12/31/2023	912828V23	Fitch-AAA	3/20/2019	2,000,000.00	1,982,968.75	2.250	2,128,600.00	2.439		12/31/2023	1.33
T-Note 2.75 11/30/2020	9128285Q9	Fitch-AAA	11/29/2019	120,000.00	121,275.00	2.750	120,240.00	1.677		11/30/2020	0.08
T-Note 2.75 8/15/2021	9128284W7	Fitch-AAA	10/28/2019	1,045,000.00	1,064,757.03	2.750	1,066,474.75	1.678		8/15/2021	0.71
Sub Total / Average Treasury				20,415,000.00	20,232,220.44	1.740	21,136,088.40	1.871			13.57
Total / Average				149,117,406.53	149,057,360.02	0.892	150,499,536.34	0.885			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 utilized per USD Investment Policy and at the discretion of investment portfolio advisor.

Reviewer:

Approver:

Union Sanitary District
Transactions Summary
Board Report - Activity
Group By: Action
Portfolio / Report Group: All Portfolios
Begin Date: 09/30/2020, End Date: 10/31/2020

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
Buy								
FFCB 0.25 9/21/2023-22	3133EMAM4	1,625,000.00	1,622,237.50	203.13	0.250	0.308	10/9/2020	1,622,440.63
FNMA 0.31 1/26/2024-22	3136G46V0	259,000.00	258,896.40	0.00	0.310	0.322	10/26/2020	258,896.40
FNMA 0.375 8/25/2025	3135G05X7	415,000.00	412,754.85	237.76	0.375	0.488	10/22/2020	412,992.61
FNMA 0.5 6/17/2025	3135G04Z3	1,010,000.00	1,011,494.80	1,809.58	0.500	0.468	10/28/2020	1,013,304.38
Sub Total / Average Buy		3,309,000.00	3,305,383.55	2,250.47				3,307,634.02
Called								
FFCB 1.15 4/9/2025-20	3133ELWC4	1,620,000.00	1,620,000.00	0.00	1.150	0.000	10/9/2020	1,620,000.00
FHLMC 1.1 4/28/2025-20	3134GVNJ3	1,009,000.00	1,009,000.00	0.00	1.100	0.000	10/28/2020	1,009,000.00
Sub Total / Average Called		2,629,000.00	2,629,000.00	0.00				2,629,000.00
Deposit								
CAMP LGIP	LGIP4000	2,805.76	2,805.76	0.00	N/A	0.000	10/30/2020	2,805.76
LAIF LGIP	LGIP1002	153,727.50	153,727.50	0.00	N/A	0.000	10/15/2020	153,727.50
Union Bank Cash	LGIPUNIONBANK	4,862,808.93	4,862,808.93	0.00	N/A	0.000	10/31/2020	4,862,808.93
Sub Total / Average Deposit		5,019,342.19	5,019,342.19	0.00				5,019,342.19
Interest								
American Expr Centurion 2.45 4/5/2022	02587DN38	0.00	0.00	3,034.04	2.450	0.000	10/5/2020	3,034.04
CAMP LGIP	LGIP4000	0.00	0.00	2,805.76	N/A	0.000	10/30/2020	2,805.76
Capital One Bank 1.5 10/26/2020	140420L99	0.00	0.00	1,865.10	1.500	0.000	10/26/2020	1,865.10
Carmax Auto Owner Trust 1.89 12/16/2024	14315XAC2	0.00	0.00	291.38	1.890	0.000	10/15/2020	291.38
FFCB 1.15 4/9/2025-20	3133ELWC4	0.00	0.00	9,315.00	1.150	0.000	10/9/2020	9,315.00
FHLB 0.5 4/14/2025	3130AJHU6	0.00	0.00	1,384.44	0.500	0.000	10/14/2020	1,384.44
FHLB 2 10/26/2021-19	3130AB3D6	0.00	0.00	10,000.00	2.000	0.000	10/26/2020	10,000.00
FHLMC 1.1 4/28/2025-20	3134GVNJ3	0.00	0.00	5,549.50	1.100	0.000	10/28/2020	5,549.50
FNMA 0.625 4/22/2025	3135G03U5	0.00	0.00	3,090.28	0.625	0.000	10/22/2020	3,090.28

Description	CUSIP/Ticker	Face Amount/Shares	Principal	Interest/Dividends	Coupon Rate	YTM @ Cost	Settlement Date	Total
FNMA 1.625 10/15/2024	3135G0W66	0.00	0.00	8,125.00	1.625	0.000	10/15/2020	8,125.00
FNMA 1.875 4/5/2022	3135G0T45	0.00	0.00	9,093.75	1.875	0.000	10/5/2020	9,093.75
Honda Auto Receivables 2020-1 1.61 4/22/2024-23	43813RAC1	0.00	0.00	409.21	1.610	0.000	10/21/2020	409.21
LAIF LGIP	LGIP1002	0.00	0.00	153,727.50	N/A	0.000	10/15/2020	153,727.50
State of California 2.152 4/1/2022	13063DAD0	0.00	0.00	11,835.00	2.152	0.000	10/1/2020	11,835.00
Toyota Auto Receivables 2020-A A3 1.66 5/15/2024-2	89232HAC9	0.00	0.00	574.08	1.660	0.000	10/15/2020	574.08
Wal-Mart Stores Inc 2.55 4/11/2023-23	931142DH3	0.00	0.00	12,303.75	2.550	0.000	10/13/2020	12,303.75
Sub Total / Average Interest		0.00	0.00	233,403.79				233,403.79
Matured								
Capital One Bank 1.5 10/26/2020	140420L99	248,000.00	248,000.00	0.00	1.500	0.000	10/26/2020	248,000.00
Sub Total / Average Matured		248,000.00	248,000.00	0.00				248,000.00
Sell								
FNMA 1.625 1/7/2025	3135G0X24	395,000.00	415,275.35	1,872.14	1.625	0.000	10/22/2020	417,147.49
Sub Total / Average Sell		395,000.00	415,275.35	1,872.14				417,147.49
Withdraw								
CAMP LGIP	LGIP4000	3,000,000.00	3,000,000.00	0.00	N/A	0.000	10/14/2020	3,000,000.00
LAIF LGIP	LGIP1002	3,000,000.00	3,000,000.00	0.00	N/A	0.000	10/26/2020	3,000,000.00
LAIF LGIP	LGIP1002	22,376.17	22,376.17	0.00	N/A	0.000	10/19/2020	22,376.17
Union Bank Cash	LGIPUNIONBANK	4,463,230.68	4,463,230.68	0.00	N/A	0.000	10/30/2020	4,463,230.68
Sub Total / Average Withdraw		10,485,606.85	10,485,606.85	0.00				10,485,606.85

<p>MONTHLY OPERATIONS REPORT FOR THE MONTH OCT 2020</p> <p>TECHNICAL SUPPORT WORK GROUP SUMMARY</p>

Capital Improvement Program

Aeration Blower No. 11 Project – Notice to Proceed for construction was issued on October 28th.

Alvarado Influent Pump Station Improvements Project – Coating repair of Wet Well No. 1 was completed.

Alvarado Influent Valve Box Rehabilitation Project – Negotiations with the Contractor to terminate the contract in progress.

Headworks Screens Replacement Project – Installation and operational testing of the two new trash compactors were successfully completed.

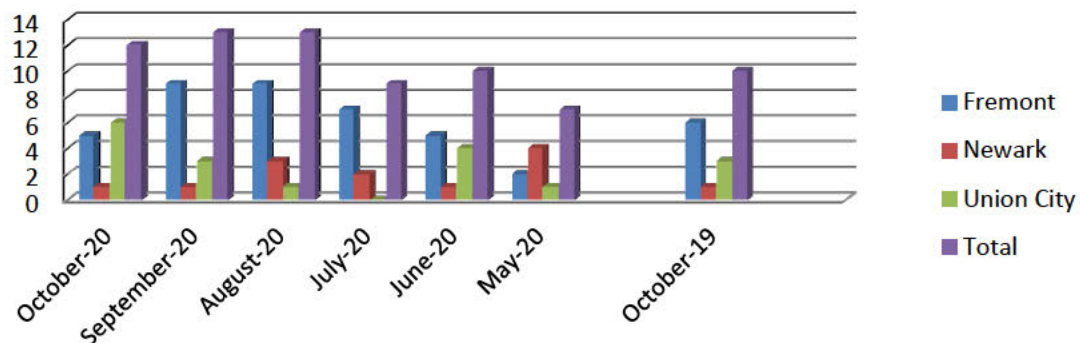
Primary Digester No. 2 Rehabilitation Project – Mechanical and piping installation inside Heating and Mixing Building No. 1 was completed. Testing at Primary Digester No. 2 and Heating and Mixing Building No. 1 in progress.

Primary Digester No. 7 Project – Concrete placements for Digester No. 7 walls are ongoing.

Customer Service

Trouble Calls dispatched from the Front Desk during business hours:

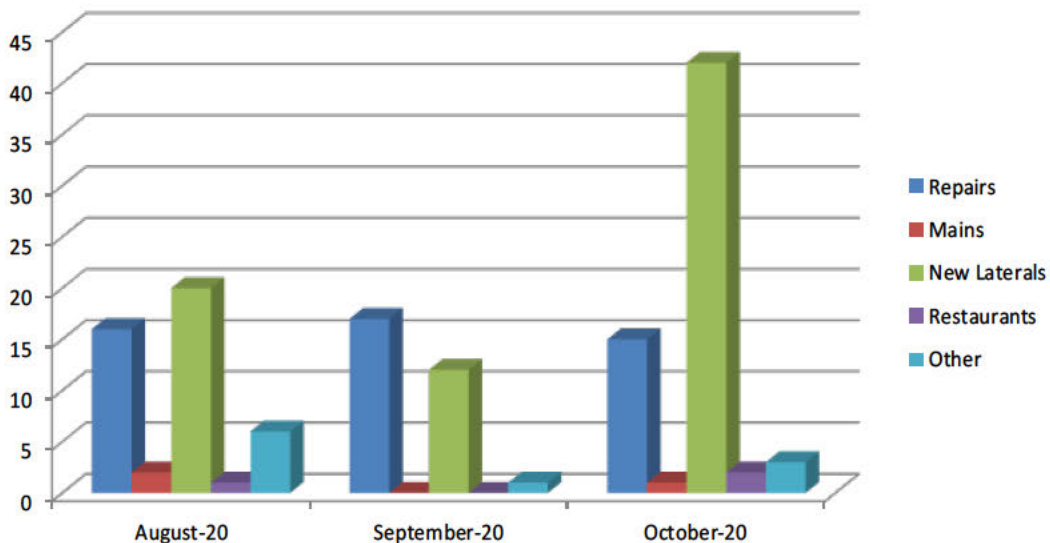
Month	Fremont	Newark	Union City	Total
October-20	5	1	6	12
September-20	9	1	3	13
August-20	9	3	1	13
July-20	7	2	0	9
June-20	5	1	4	10
May-20	2	4	1	7
October-19	6	1	3	10
6-Month Total				64



Sewer Permits Issued

Month	Repairs	Mains	New Laterals	Restaurants	Other
October-20	15	1	42	2	3
September-20	17	0	12	0	1
August-20	16	2	20	1	6

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



Communication

- Social Media posts:
 - California Water Professionals Week
 - USD wins two NACWA Awards
 - Environmental Health and Safety Specialist Recruitment
 - #WhatIsThat? Surge Tower
 - Imagine a Day Without Water
 - #WhatIsThat? Combo Unit
- Press release re: NACWA Peak Performance and Excellence in Management Awards
- Attended Fremont and Union City Virtual State of the City Events
- Website updates:
 - NACWA Awards to News and Events page
 - Press release uploaded to Archive
 - Added new permits@unionsanitary.ca.gov email address to relevant web pages
- COVID response: Participated in Tri-City PIO and Regional PIO check-in conference calls to share updates

Environmental Compliance

Pollution Prevention/Stormwater Programs

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

During the past month, the EC team conducted 87 Stormwater (Urban Runoff), and 44 FOG (restaurant) inspections. During this reporting period, Inspectors identified 17 Stormwater and 7 FOG enforcement actions. Six (6) of the Stormwater enforcements resulted in administrative fines between \$100 to \$500 for each violation. There were no administrative fines issued for illicit discharges.

Urban Runoff Inspections and Enforcements

October 2020	No. of UR Inspections	VW	WL	NOV	AF	LA	NOD	Total Enforcements	No. of Illicit Discharge/s	
	87	2	0	9	6	0	0	17	% Enforcement	20%

FOG Inspections and Enforcements

October 2020	No. of FOG Inspections	VW	WL	NOV	AF	LA	NOD	Total Enforcements	% Enforcement	
	44	7	0	0	0	0	0	7		16%

Enforcements:

VW – Verbal Warning

WL – Warning Letter

NOV – Notices of Violation

AF – Administrative Fine

LA – Legal Action

NOD – Notice of Deficiency

AO – Administrative Order

C&D – Cease & Desist Order

SNC – Significant Non-Compliance

Dental Inspections, School Outreach, and Plant Tours

# of Dental Inspections	# of School Outreach Events	# of Plant Tours
39 of 200 None	None	None

Industrial Pretreatment

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

Pending Permits

New Industrial/Groundwater Permits	Groundwater/Temporary
Rigetti Computing	
Facebook Commissary	
Estuary LLC	
Sonova	
Membrane Technology Research	
Allogene	

Permits Issued

Company Name	Date Permit Issued
McGuire & Hester Phase 2 Forcemain Relocation- NW Site (Groundwater)	10/27/2020
Neuralink (Semiconductor Device)	10/27/2020

Industrial Permit Closures

Company Name	Date of Closure
Materion Electrofusion (consolidated manufacturing operations to Ohio Plant)	10/1/2020

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

Report Name	Date Report Completed and Submitted
None	

Enforcement Action

IU Name & Nature of Business	Comments	City	Parameter Violated	Discharge concentration (mg/L)	USD/Fed Limit Violated(mg/L)	Enforcement
Kaiser Permanente Hospital Fremont	-Violation date 8/25/2020 -Enforcement Action taken date 10/7/2020	Fremont	O&G (Total)	610	300	NOV

(1) WL – Warning Letter

C&D – Cease and Desist Order

NOV – Notices of Violation

SNC – Significant Non-Compliance

AO – Administrative Order

EM – Enforcement Meeting

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

Activity	Date of Event	Attendees
P3S ECI Toolbelt Training (Remote)	10/23/2020	Marian Gonzalez, Michael Dunning
EPA GoToWebinar-Strategies for Small POTW's Handling High Strength Influent (Remote)	10/20/2020	Alex Paredes, Michael Dunning
Alameda County Microenterprise Home Kitchen Operation (MEHKO) Implementation (Remote)	10/27/2020	Alex Paredes, Michael Dunning

Engineering/Construction

No. of projects under construction: 6

	Construction Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for October 2020 Activities
1.	Aeration Blower No. 11 Project - Derek	\$1,652	10/21	0%	0%	Notice to Proceed issued October 28 th .
2.	Alvarado Influent Pump Station Improvements Project – Thomas	\$8,890	10/21	18%	50%	Coating repair of Wet Well No. 1 was completed.
3.	Alvarado Influent Valve Box Rehabilitation Project – Kevin	\$402	09/20	10%	100%	Negotiations with the contractor to terminate the contract in progress.
4.	Headworks Screens Replacement Project – Thomas	\$1,822	11/20	98%	99%	Installation and operational testing of the two new trash compactors were successfully completed.
5.	Primary Digester No. 2 Rehabilitation Project – Derek	\$3,058	10/20	94%	100%	Testing at Primary Digester No. 2 in progress.
6.	Primary Digester No. 7 Project – Curtis	\$23,440	12/21	42%	43%	Concrete placements for Digester No. 7 walls are ongoing.

Design/Study

No. of projects in design/study phase: 15

	Design/Study Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for October 2020 Activities
1.	Cathodic Protection System Improvements Project - Thomas	\$87	07/20	100%	100%	Bids were opened on September 23 rd . Bid evaluation in progress.
2.	Centrifuge Building Improvements Project – Somporn	\$574	08/20	100%	100%	Bids were opened on October 20 th . Award of construction contract scheduled for November 9 th Board meeting.
3.	Emergency Outfall Improvements Project – Andrew	\$398	08/20	98%	100%	Easement and property acquisition in progress. Final drawings completed.
4.	Force Main Condition Assessment – Andrew	\$121	10/22	60%	67%	Pipe testing planned to take place during Force Main Relocation Phase 2.
5.	Force Main Corrosion Repairs Project Phase 3 – Andrew	\$60	12/22	75%	90%	Project construction is pending the completion of Force Main relocation project.
6.	FY21 Cast Iron/Pipe Lining Project – Andrew	In House	9/20	100%	100%	Bids were opened on October 22 nd . Award of construction contract scheduled for November 9 th Board meeting.
7.	Gravity Sewer Rehabilitation / Replacement Project – Phase VII – Andrew	\$176	1/21	92%	93%	100% design submittal received. Construction is scheduled for 2021.
8.	Irvington Basin Masterplan Update - Andrew	\$378	11/21	30%	40%	Consultants finalized pollutant modeling and staff field verified the weirs and flow splits.
9.	Irvington Basin Reinforced Concrete Pipe Rehabilitation Project - Andrew	\$105	1/21	40%	47%	Consultant completed review of CCTV inspection videos; began draft report.
10.	Odor Control Alternatives Study – Kevin	\$465	12/20	99%	100%	Report will be finalized after the pilot testing project is completed.
11.	Odor Control Pilot Study - Somporn	\$99	12/21	55%	67%	West Aeration Basin data collection completed. Odor pilot trailer relocated to Headworks location.
12.	Pump Stations Chemical System Improvements Project - Thomas	\$100	11/20	75%	76%	Pre-design in progress.

	Design/Study Projects	Capital (\$1000)	Scheduled Completion	Completed Scope	Completed Time	Comments for October 2020 Activities
13.	Standby Power Generation System Upgrade Project – Kevin	\$2,281	01/21	80%	80%	Negotiations with Cummins on a supply agreement completed. Award scheduled for November 9 th Board meeting.
14.	WAS Thickener Replacement Project – Derek	\$807	06/21	30%	26%	50% design submittal in progress.
15.	Wet Weather Flow Management – Calcium Thiosulfate Chemical Feed System – Kevin/Blake	\$70	09/20	100%	100%	Bids were opened on October 21 st . Award of construction contract scheduled for November 9 th Board meeting.

COLLECTION SERVICES ACTIVITIES REPORT OCTOBER 2020

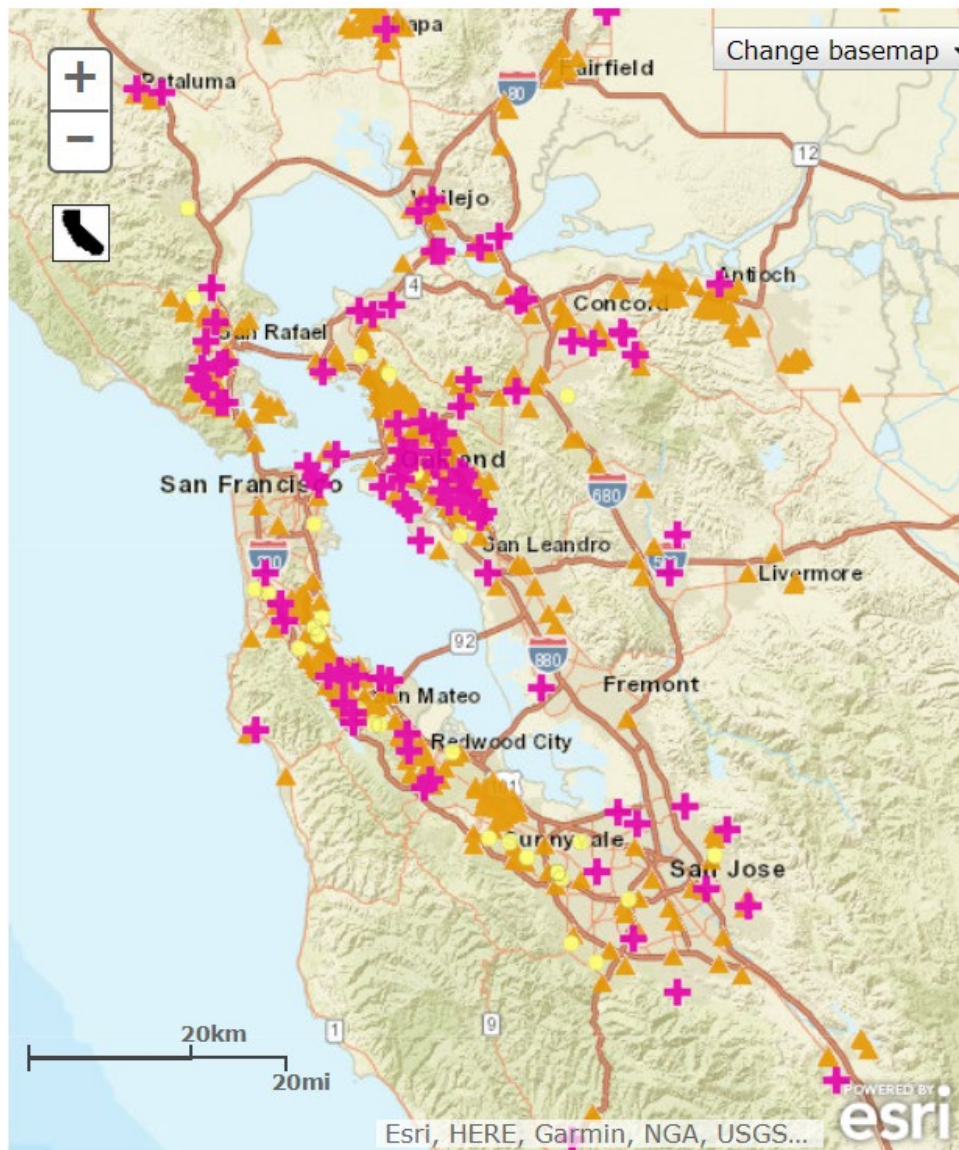
Progress/Accomplishments

- No stoppages in October.
- Completed 26.85 miles of sewer main cleaning in October.
- Completed 8.38 miles of sewer main inspection in October.
- Responded to 19 service request calls in October.
- Completed a total of 21 sewer main repairs in October.

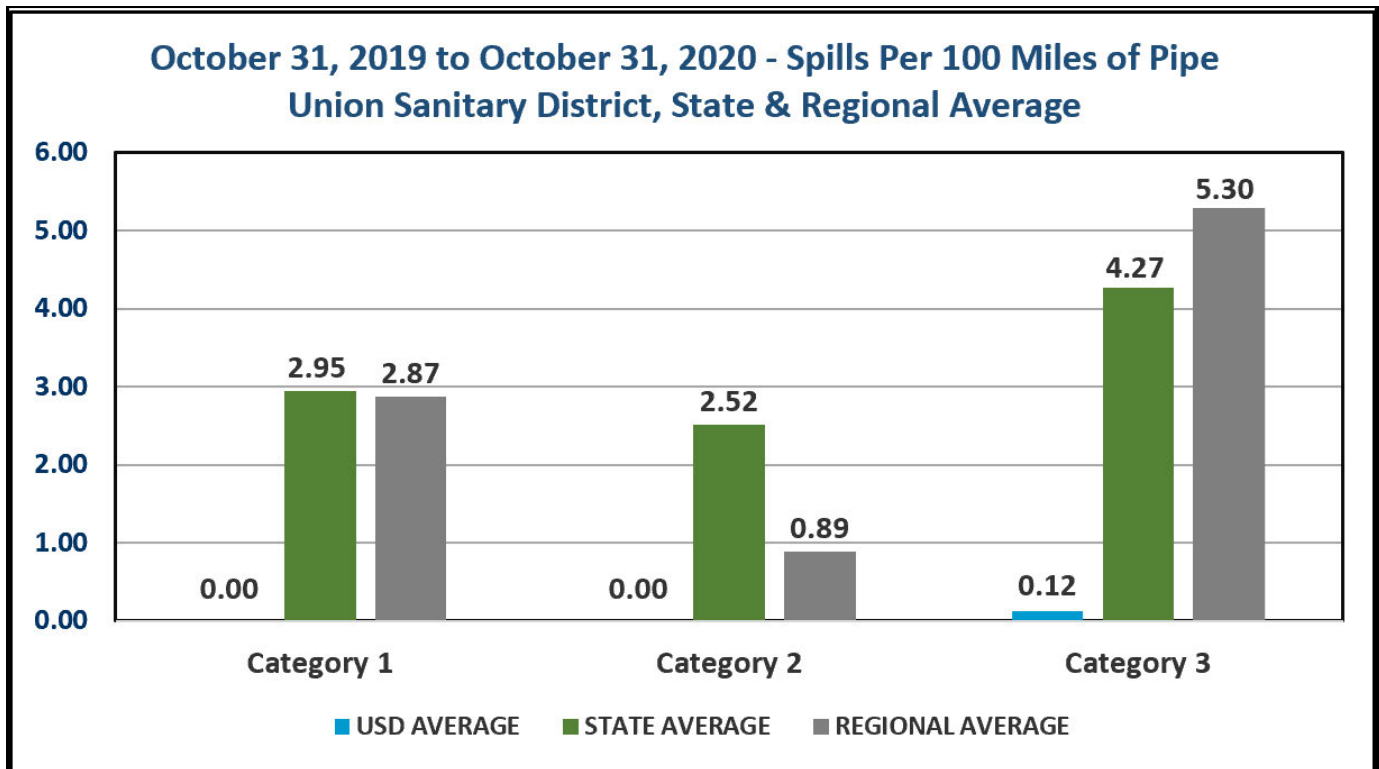
Trainings/Significant Events

- QAC Seminar (Qualified Applicator Certificate)
- PAPA Webinar (Pesticide Applicators Professional Association)

Reported Bay Area Spills October 31, 2019 to October 31, 2020



October 31, 2019 to October 31, 2020 Spills Per 100 Miles of Pipe Union Sanitary District, State & Regional Average



Spill Rate Statistics - October 31, 2019 to October 31, 2020

Spills per 100 Miles of Pipe

	Category 1	Category 2	Category 3
USD AVERAGE	0.00	0.00	0.12
STATE AVERAGE	2.95	2.52	4.27
REGIONAL AVERAGE	2.87	0.89	5.30

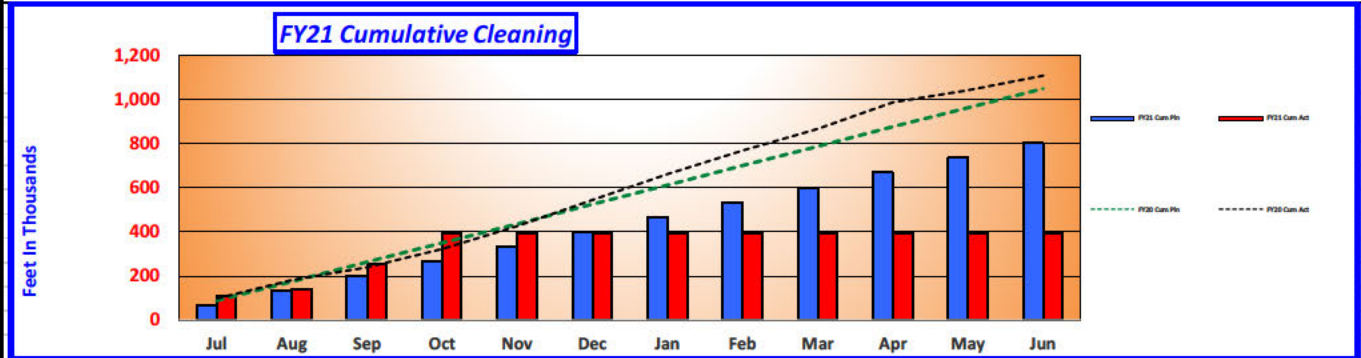
Category 1 - 1,000 gallons or more. Discharges to surface water, not fully captured

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

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

Performance Measures

FY21 PLAN

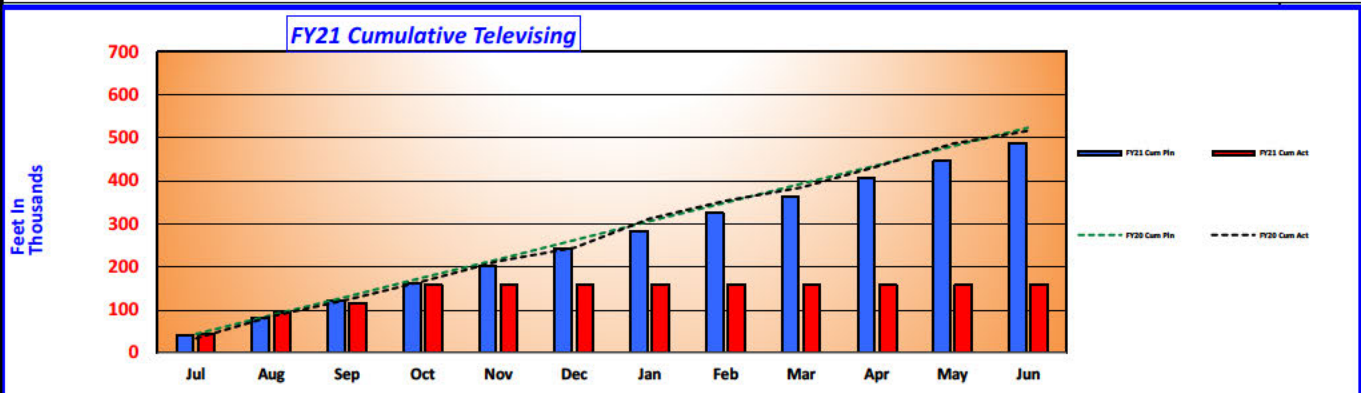


Cleaning Actual Footages/Costs

October-20 Clean Cost/Ft = \$0.83

Description	Jul-20 Footage	Aug-20 Footage	Sept-20 Footage	FY21 Q1 Footage	Oct-20 Footages	FY21 Q2 Footage	FY21 YTD Footage	FY20 Footage	FY21 YE Goal	% Cmpl to Plan
84 Month Hydro-jet Clean	79,422	23,368	43,420	146,210	52,711	52,711	198,921	601,992	516,751	38.5%
Selective Line Cleaning	5,921	6,144	28,377	40,442	886	886	41,328	193,383	125,737	32.9%
Special Condition Clean (NIC in Total)	2,374	477	1,603	4,454	854	854	5,308	14,274	23,315	22.8%
Root Control/Chemical Cln	25,483	1,356	38,178	65,017	87,303	87,303	152,320	294,525	154,795	98.4%
Cast Iron Project	0	0	0	0	0	0	0	3,014	3,839	0.0%
Other Special Projects (NIC in Total)	0	0	0	0	0	0	0	0	0	0.0%
Spills/Stoppages (NIC in Total)	525	0	823	1,348	0	0	1,348	0	0	0.0%
Totals	110,826	30,868	109,975	251,669	140,900	140,900	392,569	1,107,188	801,122	49.0%

FY21 PLAN



Televising Actual Footages/Costs

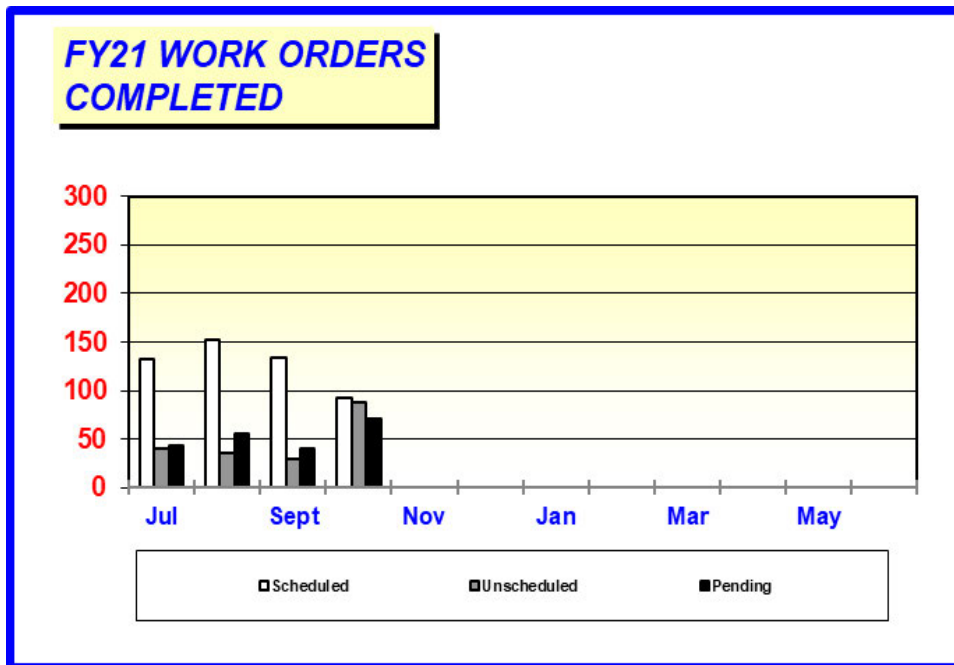
October-20 TV Cost/Ft = \$1.92

Description	Jul-20 Footage	Aug-20 Footage	Sept-20 Footage	FY21 Q1 Footage	Oct-20 Footages	FY21 Q2 Footage	FY21 YTD Footage	FY20 Footage	FY21 YE Goal	% Cmpl to Plan
84 Month TV Inspection	42,944	41,030	11,156	95,130	42,184	42,184	137,314	437,518	444,728	30.9%
Visual/Condition, Pre/Post Cnst TV (NIC in to	398	0	438	836	0	0	836	11,988	20,320	4.1%
Visual Manhole Inspection Count	12	9	66	87	27	27	114			
New Development, CIP, Misc. (NIC in total)	1,725	1,457	1,918	5,100	2,058	2,058	7,158	25,504	36,120	19.8%
QA/QC Line Condition	0	0	0	0	0	0	0	27,829	18,861	0.0%
QA/QC Root Control	0	10,697	10,100	20,797	0	0	20,797	13,830	23,219	89.6%
Totals	42,944	51,727	21,256	115,927	42,184	42,184	158,111	516,669	486,808	32.5%

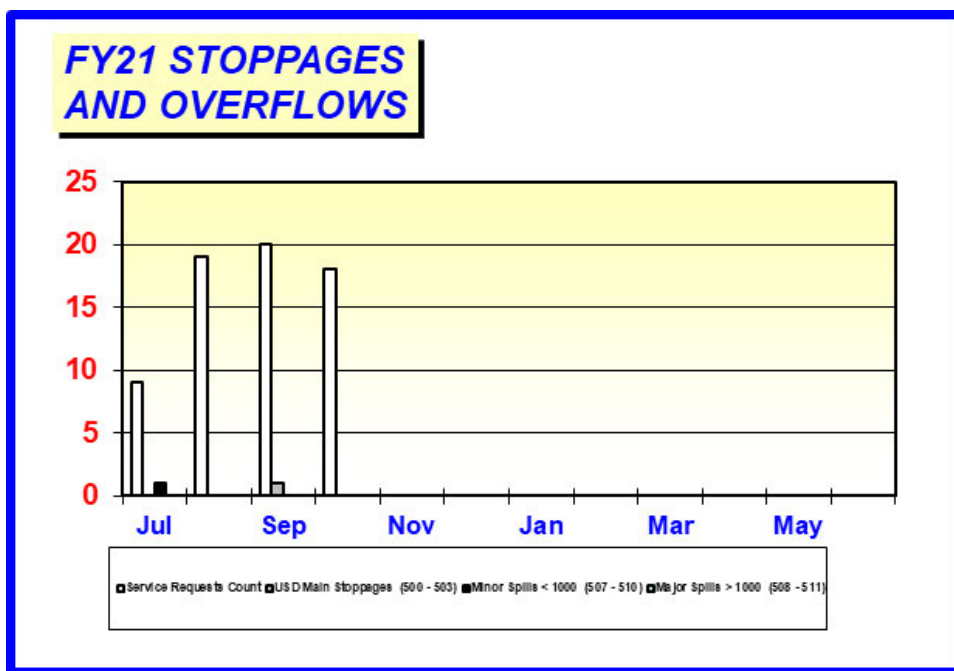
Other Collection Services Status Data:

Support Team Work Order Status:

C/S



Maintenance Status:



Fabrication, Maintenance and Construction Activities Report October 2020

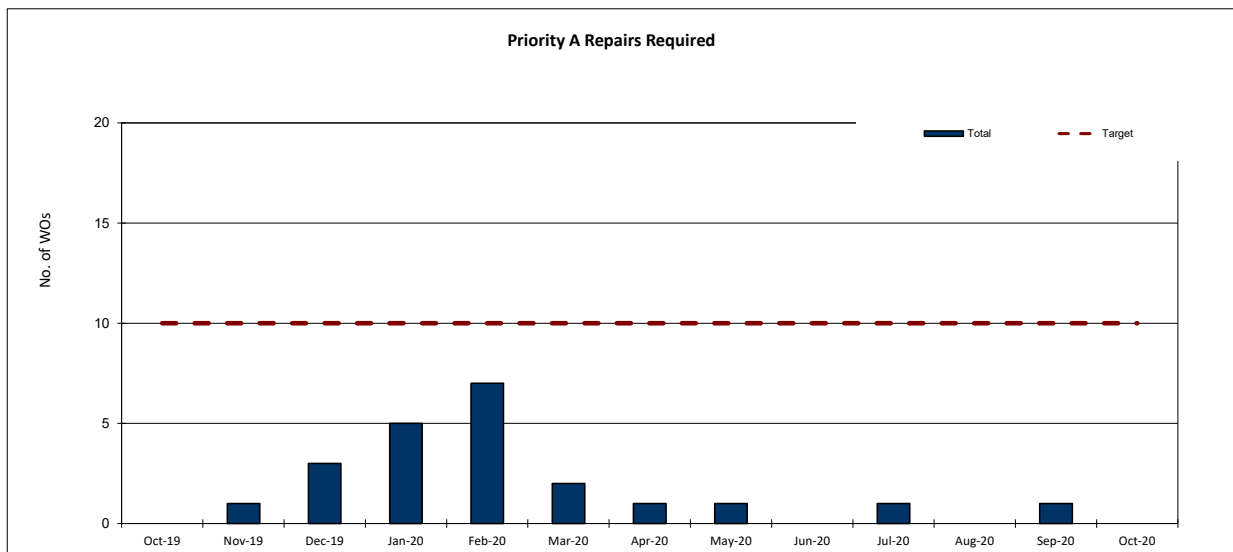
Progress/Accomplishments

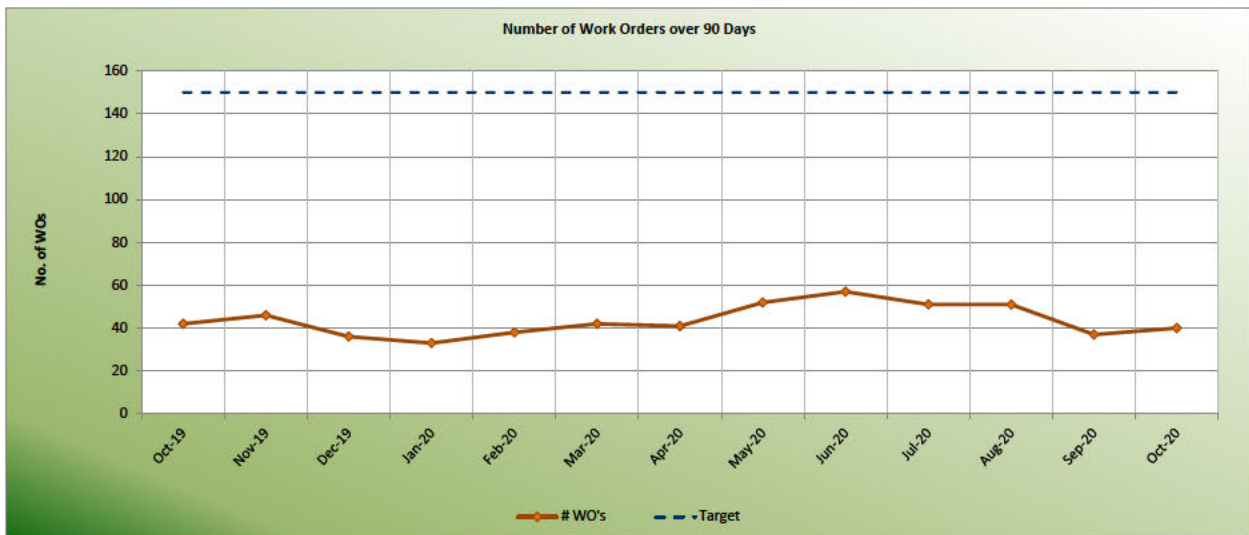
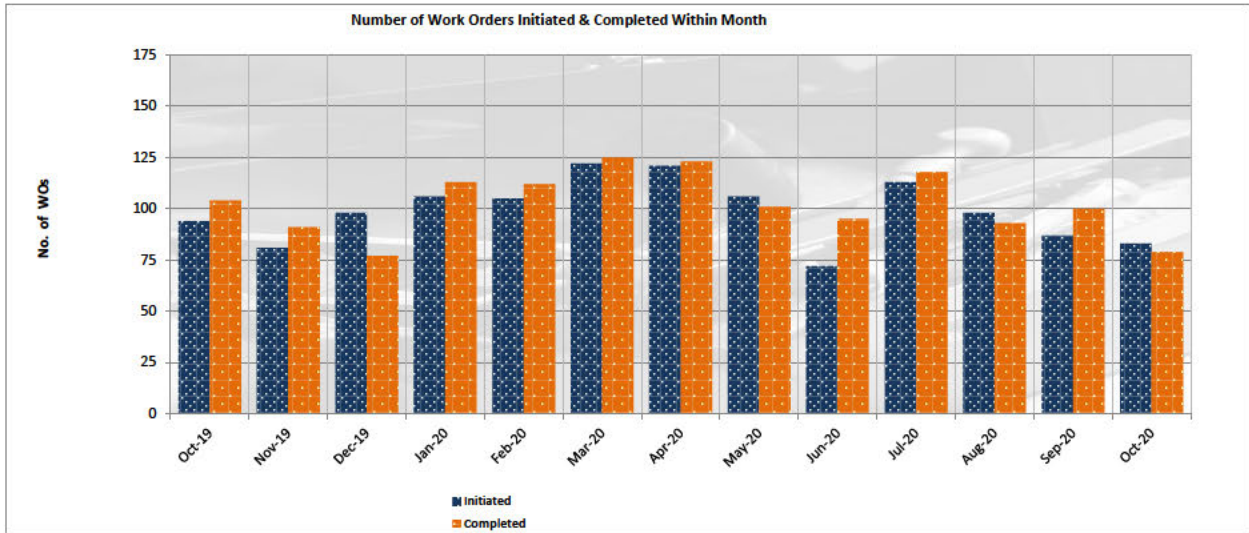
- Completed 99.03% of preventive maintenance activities for the month of October
- Completed 79 corrective maintenance work orders for the month of October
- IPS Bypass Project piping
- Centrifuge 1 3K service
- Thickener Scum Valve replacement
- Installation of new rotating assembly for Mixing Pump 2
- Installation of flow meter for washer compactor
- Overhaul of Odor Scrubber 16

Future Planning

- Overhaul of APS Sewage Pump 3
- Overhaul of Odor Scrubber 14
- Thickener 2 annual
- VFD repair for NPS Sewage Pump 6
- Painting of vactor truck

Performance Measurements





**Treatment & Disposal
Activities Report
October 2020**

Progress/Accomplishments

- Maintained 100% compliance with NPDES permits
- Completed 95% preventive maintenance activities for the month of October
- Completed functional and operational testing of the Headworks Trash Compactors
- Completed functional and operational testing of Primary Digester 2 and ancillary equipment and completed related SOSRs and plant work
- Completed initial training of the new Plant Operator III Trainee
- Attended the ETSU Campus Layout Virtual Open House and provided feedback
- Performed field testing and lab analysis to determine polymer usage efficiency in support of upcoming WAS Thickener Replacement Project
- Attended the ETSU Air Modeling workshop and provided input on scenarios
- Completed operator rounds for the Odor Scrubber Pilot at West Aeration in support of the ETSU project
- Attended the Regional Waterboard meeting for the renewal of the Old Alameda Creek NPDES permit
- Completed data review of special sampling results to evaluate plant loading increases
- Estimated additional power cost for cogeneration system outage
- Projected economics of 24-hour dewatering operations
- Conducted quarterly management check-in for Laboratory TNI transition
- Discussed out-of-class pay for chemists for Lab Director coverage

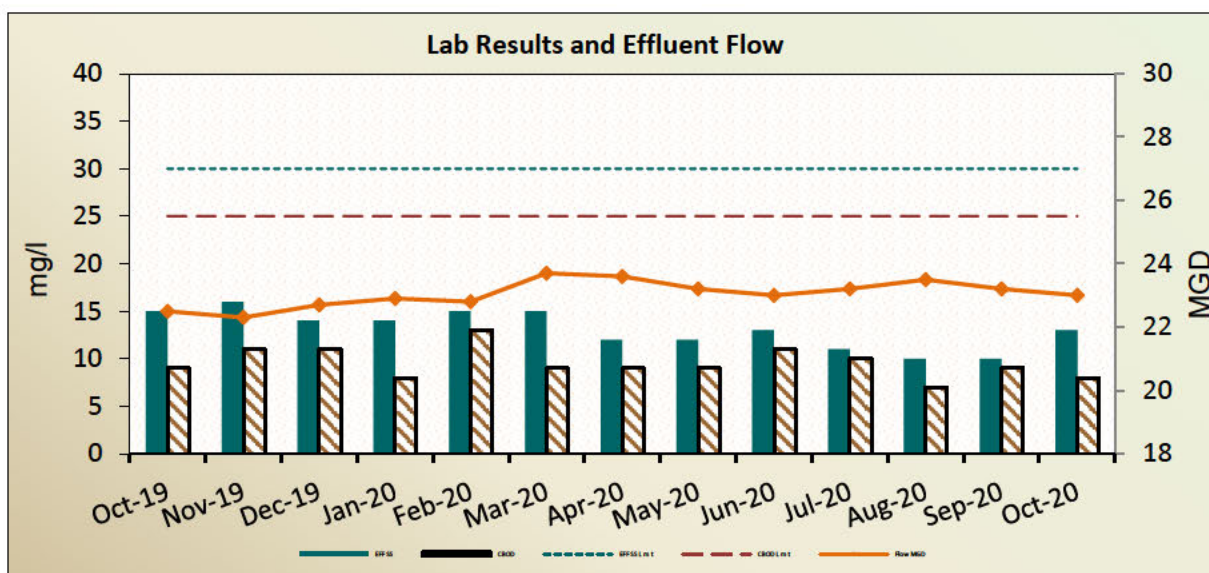
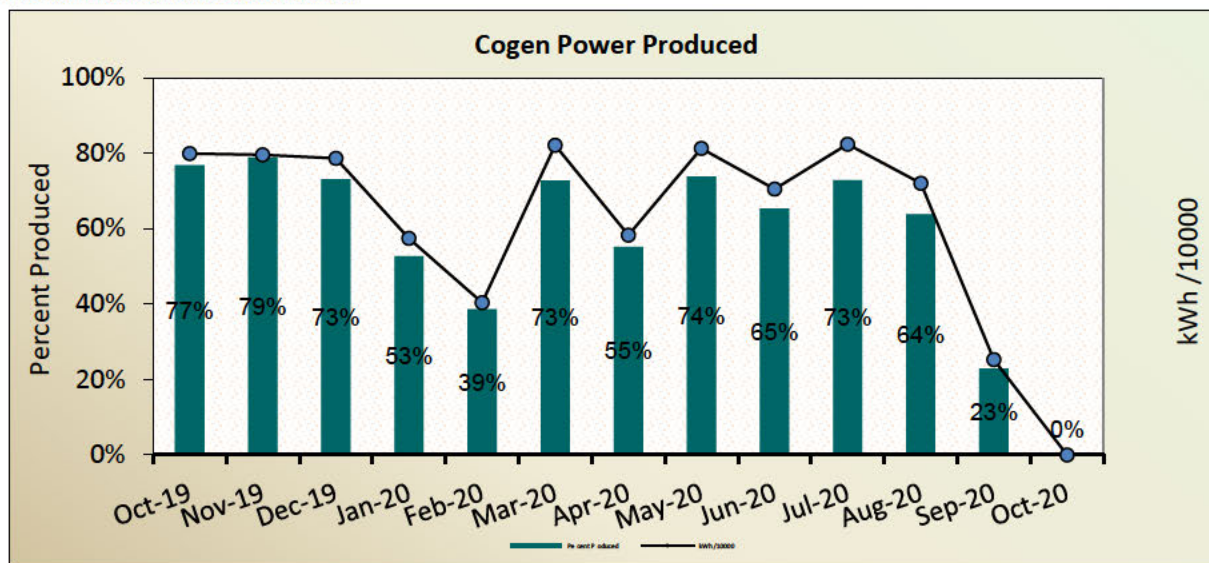
Future Planning

- Commission Primary Digester 2 and put it in full service
- Commission Secondary Digester 2 and put it in full service
- Release the RFP for Cleaning Primary Digester 1 and Secondary Digester 1
- Support the Odor Scrubber Pilot at the Headworks building by performing daily operator rounds
- Support the Solar Power/Battery Backup/Co-Digestion/Cogeneration planning
- Complete digester gas, natural gas, and electric SOSRs in preparation for the commissioning of the new boiler at Heat Mix 4
- Work with FAST to prepare an RFP for Laboratory services to support the Environmental Compliance program
- Complete the implementation of LIMS CIWQS reporting and address punchlist items
- Conduct sampling for EBDA project
- Conduct sampling for PFAS in accordance with SFII alternative to the State Board 13267 request for PFAS information
- Complete planning for SOP changes to meet Old Alameda Creek Wet Weather permit requirements

Other

- Cogen system produced 0% of power consumed for the month of October

Performance Measurements



USD's Final Effluent Monthly Monitoring Results				
Parameter	EBDA Limit	Aug-20	Sep-20	Oct-20
Copper, µg/l	78	6.2	5.7	3.2
Mercury, µg/l	0.066	0.0016	0.0019	0.0012
Cyanide, µg/l	42	E 1.8	E 1.4	E 1.0
Ammonia- N, mg/L (Range)	130	38 - 43	39.5 - 43	39.2 - 44.3
Fecal Coliform, MPN/100ml (Range)				
• 5-Day Geometric Mean	500	28 - 44	37 - 46	33.3 - 42.2
• 11-Sample 90th Percentile	1100	75 - 96	59 - 75	66
Enterococci				
• Monthly Geometric Mean	240	10.0	10.0	10.0
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

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 5b**

TITLE: Fiscal Year 2021 First Quarter Managed Investment Portfolio Report (*This is an Information Item*)

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

Recommendation
Information only.

Discussion

The attached report from PFM shows the District's positions for Quarter 1 of Fiscal Year 2021 (ending September 30, 2020)

This reporting format is intended to supplement the existing Monthly Operations Report provided by Staff and includes the following sections, which will be presented in detail:

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

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

Background

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

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

Previous Board Action

08/24/2020 Board Meeting – Fiscal Year 2020 4th Quarter Managed Investment Portfolio Report.

Attachment:

Investment Performance Review for the Quarter Ended September 30, 2020.



UNION SANITARY DISTRICT

Investment Performance Review For the Quarter Ended September 30, 2020

Client Management Team

Monique Spyke, Managing Director

PFM Asset Management LLC

50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

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

Market Update

Current Market Themes

- ◆ U.S. economic conditions are characterized by:
 - Lower growth prospects following expectations of a strong rebound in the third quarter.
 - Resurgence in COVID-19 caseload and stalled stimulus progress.
 - Deceleration in consumer activity and payroll growth amid a challenging businesses climate.
 - Solid housing market and improving manufacturing activity.
- ◆ The U.S. Treasury yield curve was relatively unchanged in September. The yield on the benchmark 2-year Treasury note remained anchored while the yield on the benchmark 10-year treasury note fell. A flattening yield curve resulted in a modest outperformance on longer tenors.
- ◆ At the September FOMC meeting, Federal Reserve members continued to acknowledge the “tremendous human and economic hardship” that the COVID-19 pandemic is causing. In new economic projections, they extended the time period of expected zero rates through 2023. They also referenced their new inflation policy by suggesting they will allow “inflation moderately above 2 percent for some time so that inflation averages 2 percent over time.” Meanwhile, Fed leaders continue to strongly call for additional fiscal stimulus.
- ◆ U.S. economy added 661,000 jobs in September, falling well short of the estimated 859,000 estimate and 1.3 million gained in August. The unemployment rate ticked lower to 7.9% from 8.2%, but a fall in the labor force participation rate accounted for most of the improvement.
- ◆ Consumer spending rose at a decelerating pace in August, while personal income fell 2.7% as the government’s supplemental unemployment benefits expired. An increasing number of permanent layoffs and a drop in income threatens to slow the recovery.
- ◆ The housing market remains a bright spot in the economy as low mortgage rates and limited inventory have fueled strong sales and appreciating home prices.
- ◆ After a five-month surge, U.S. equity markets pulled back due to an amalgam of overbought conditions and stalled stimulus progress. For September, S&P 500 fell 3.9%; NASDAQ retreated 5.2%; and the Dow slipped 2.3%.

Markets Face Many Uncertainties Moving into the Fourth Quarter

◆ Coronavirus

- Spread during **colder months** and flu season
- Development of **vaccines**
- Impact on **economic recovery**

◆ Markets

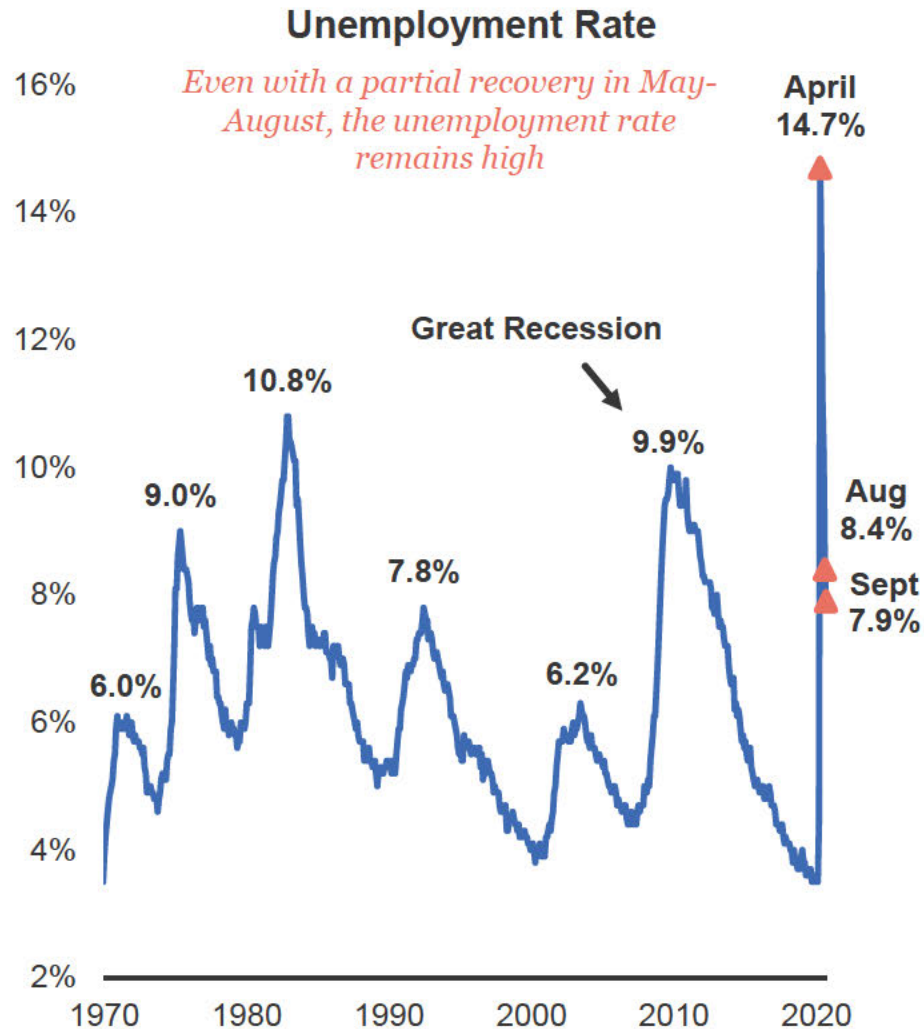
- **Valuations** of bonds and equities
- Further **fiscal stimulus**
- **Fed** policies

◆ Presidential election

- Priorities of government **spending**
- **Tax law** changes
- **Foreign** and **trade policies**
- Future of **ACA**

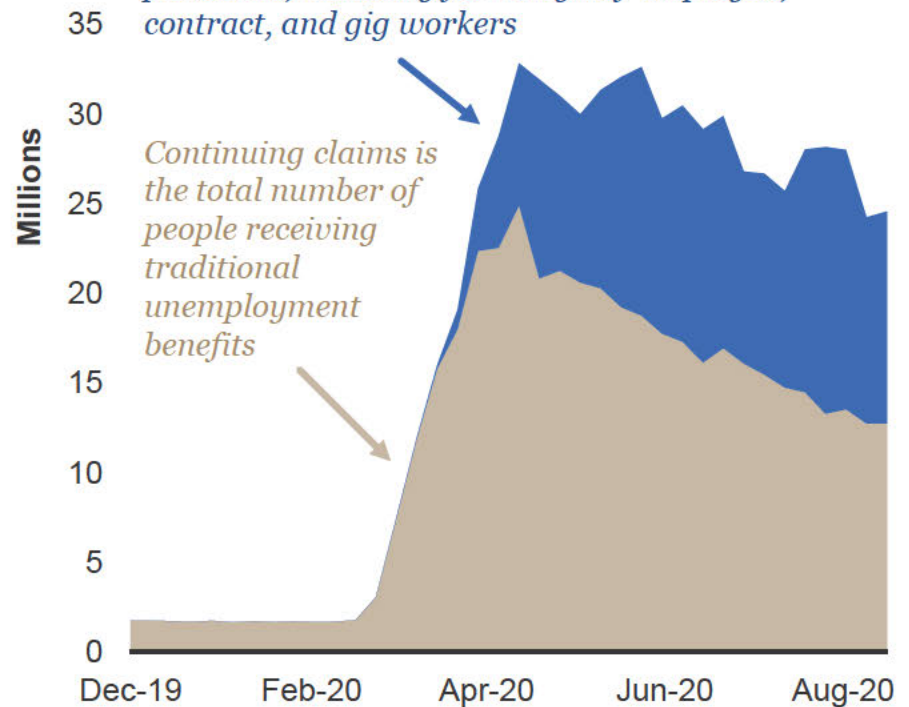


Achieving Pre-Pandemic Employment Levels May Be Challenging



Continuing Claims and Pandemic Unemployment Assistance

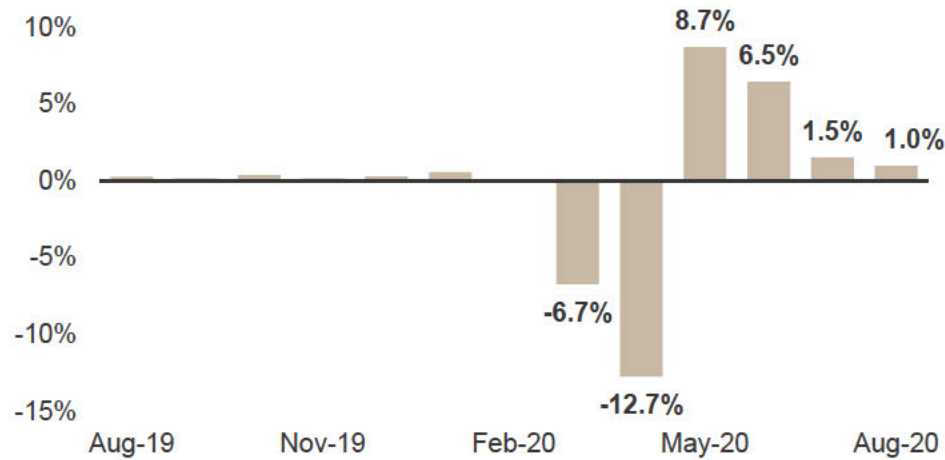
Pandemic Unemployment Assistance is the federal government program that extended benefits for those who have otherwise exhausted traditional benefits, and extended it to individuals out of work due to the pandemic, including formerly self-employed, contract, and gig workers



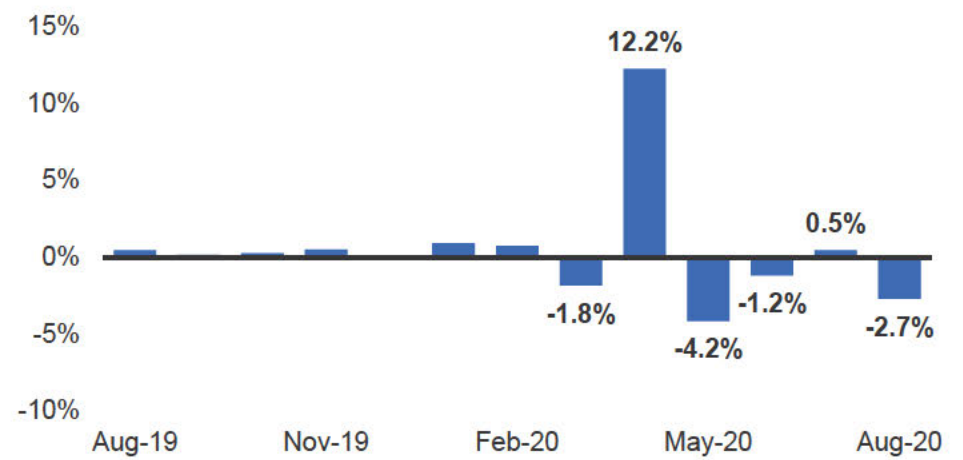
Source: Bloomberg as of 9/30/2020. Data is seasonally adjusted. Source (quote): Department of Labor.

Economic Indicators Show Resilience, but Future Improvement May Slow

Personal Spending (MoM%)

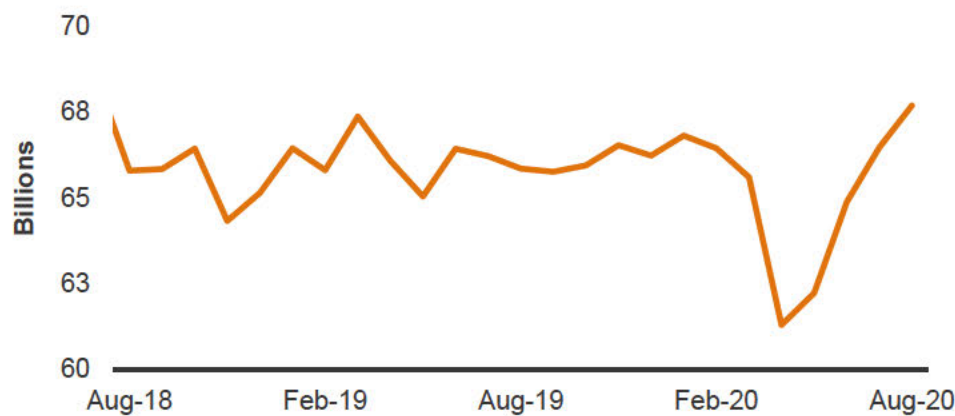


Personal Income (MoM%)

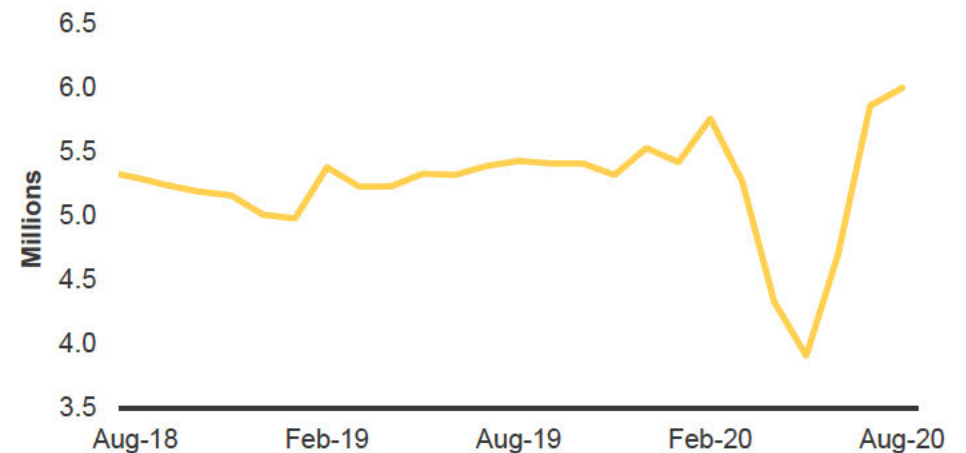


Business Investment

Nondefense Capital Goods Orders Excl. Aircraft, monthly



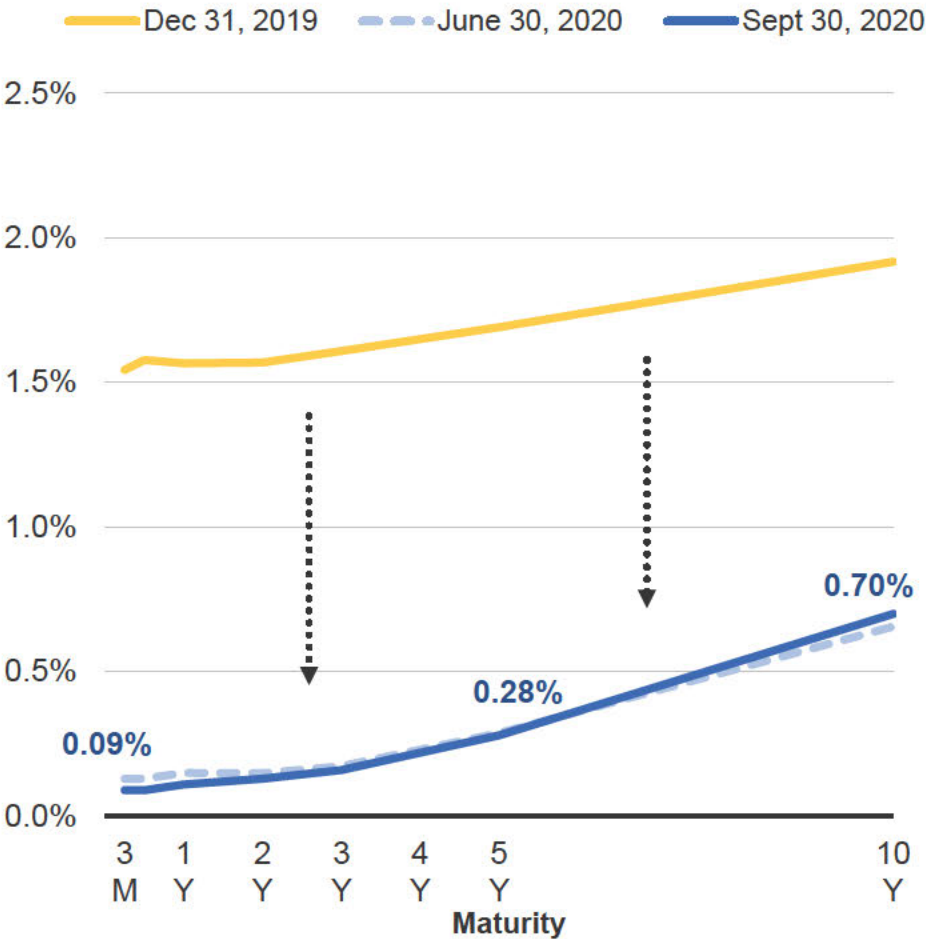
Existing Home Sales (SAAR)



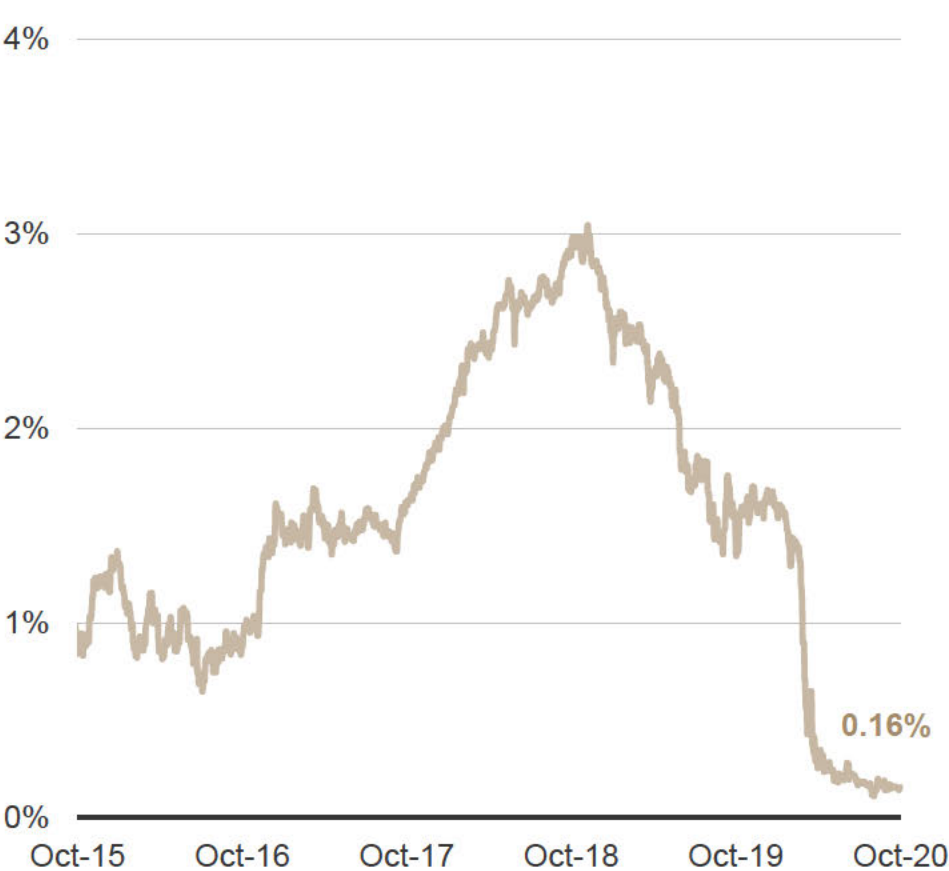
Source: Bloomberg, latest available data as of 10/2/2020.

Interest Rates Remain Stable Near Historic Lows

US Treasury Yield Curve



3-Year Treasury Yield

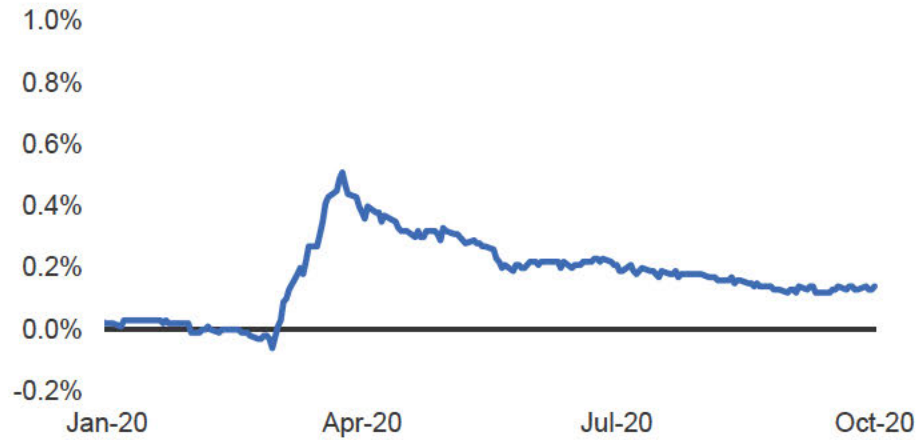


Source: Bloomberg as of 10/2/2020.

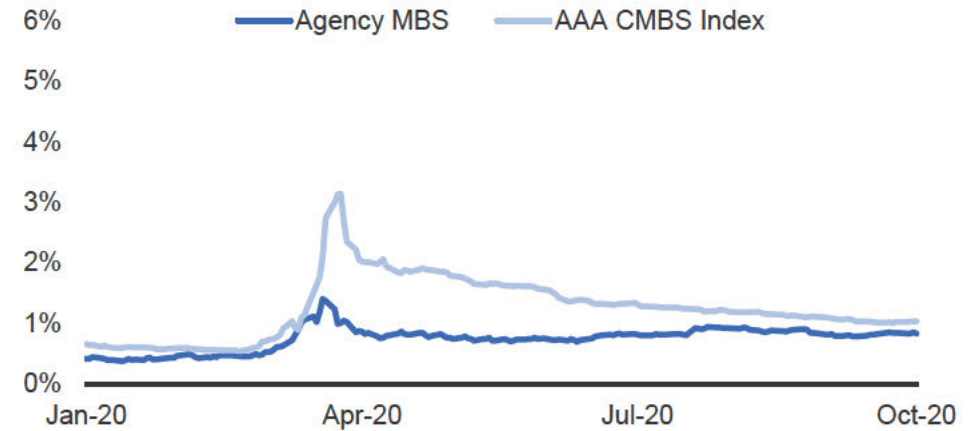
Yield Spread Narrowing Slows in the Third Quarter

1-5 Year Indices

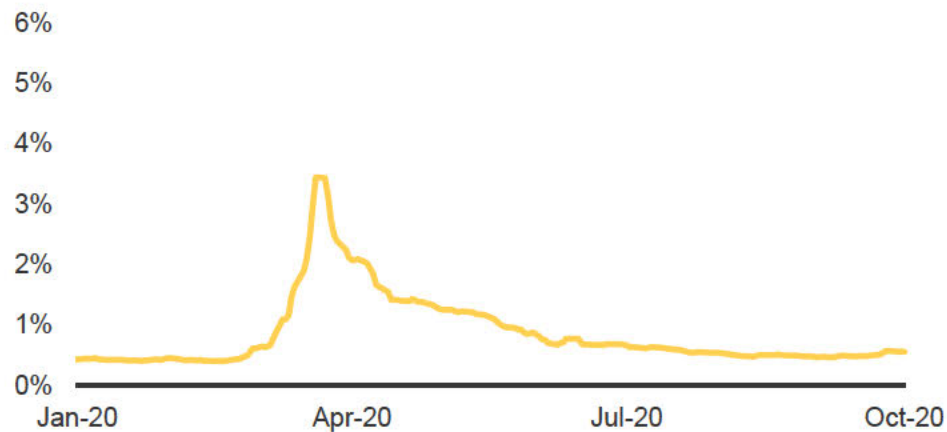
Federal Agency Yield Spreads



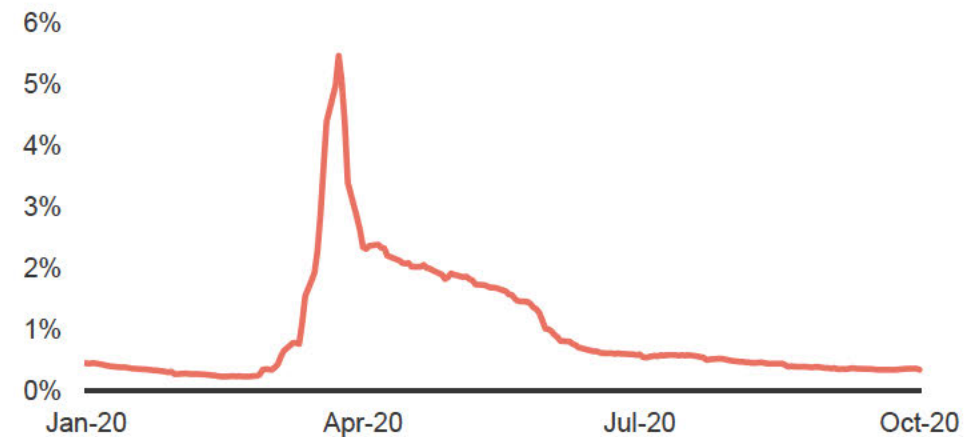
Mortgage-Backed Securities Yield Spreads



Corporate Notes A-AAA Yield Spreads



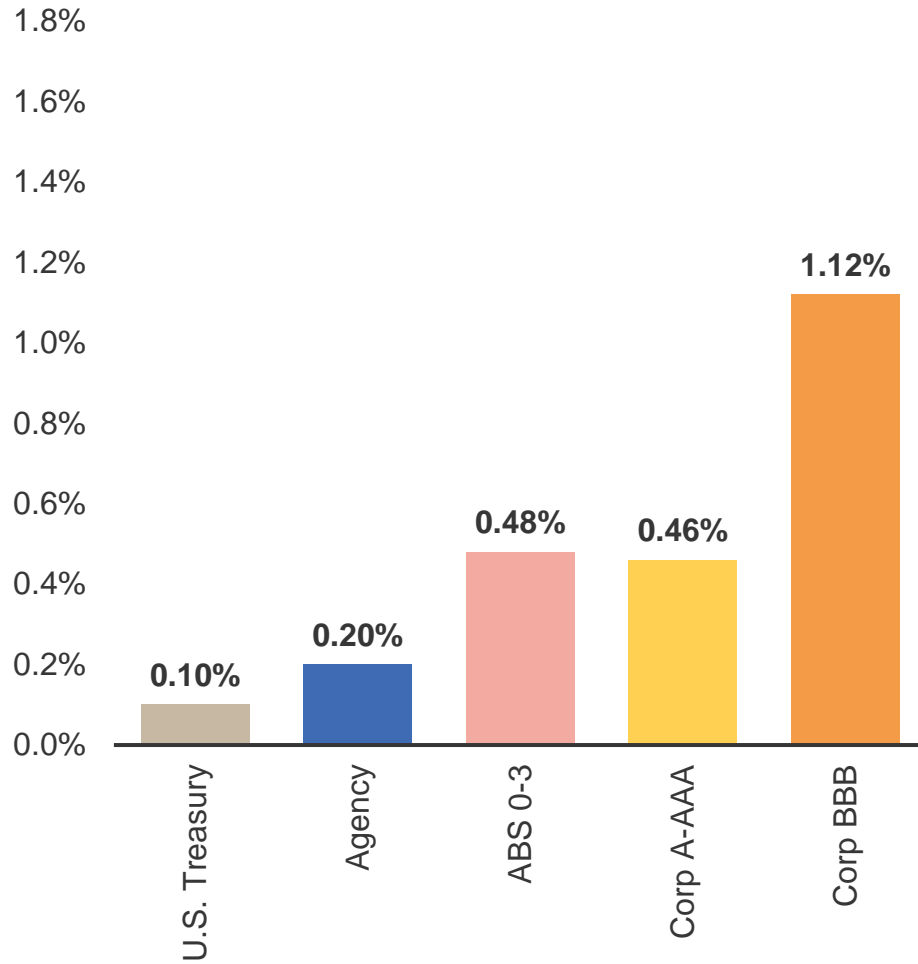
Asset-Backed Securities Yield Spreads



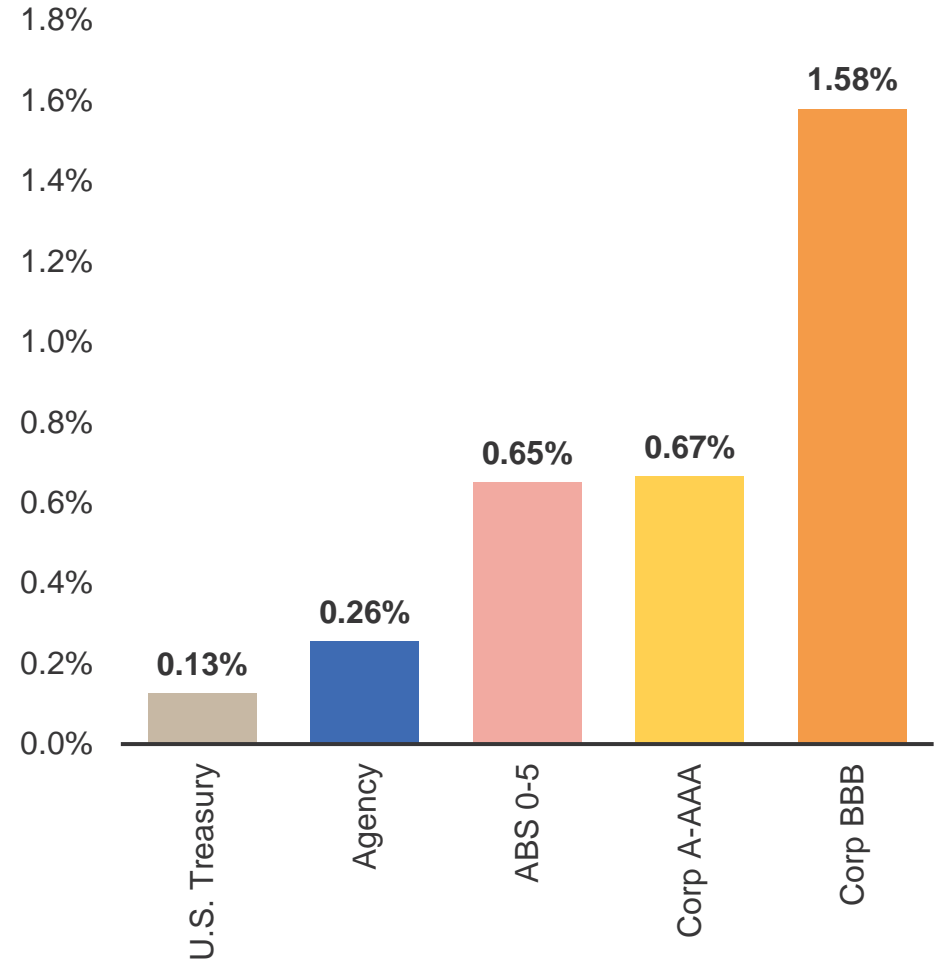
Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess, and PFM as of 10/2/2020. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Credit Sectors Outperform in the Third Quarter

1-3 Year Indices

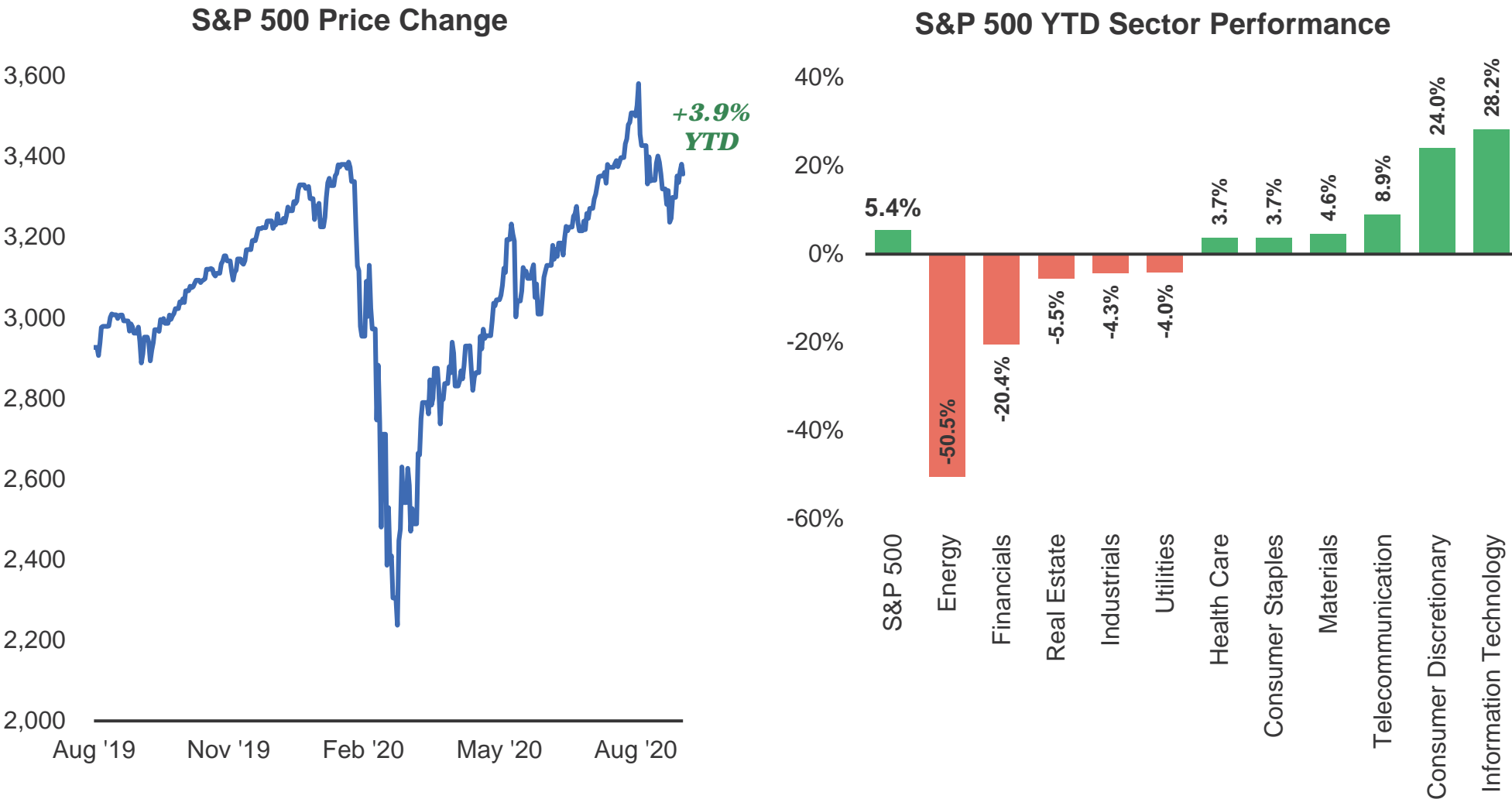


1-5 Year Indices



Source: Bloomberg as of 9/30/2020.

Equity Market Reaches New High Before Pullback



Source: Bloomberg as of 10/2/2020.

Investment Performance Review

Portfolio Recap

- Our third quarter strategy encompassed the following:
 - We maintained a sharp focus on portfolio safety with robust due diligence on credit and securitized products given the backdrop of a fragile economic environment.
 - The portfolio's duration was targeted to match its benchmark as few catalysts were present to push yields meaningfully higher over the near term.
 - U.S. Treasury allocation was reduced further as financial markets stabilized and other sectors presented better investment opportunities to enhance portfolio earnings. Increased allocations to other investment-grade sectors boosted performance for the second consecutive quarter.
 - We continued to increase allocation to the federal agency sector as yield spreads on new issue bonds remained elevated from a historical perspective, especially for maturities of three years and longer. Value in callable structures was limited as spreads narrowed noticeably on most structures.
 - Investment-grade corporate notes were, once again, a significant benefit for portfolio performance during the quarter. Supply was robust as corporations continued to take advantage of the low borrowing rate environment by issuing new bonds at a rapid pace. However, investor demand was strong and pressured spreads lower. While narrower spreads benefited third quarter performance, they also reduced future earnings potential. As a result, we modestly decreased allocations in the sector with a focus on reducing exposure to industries that face significant headwinds and locking in gains on issuers with very tight spreads.
 - AAA-rated ABS offered fair value, so we maintained the portfolio's allocation. After pausing new purchases in the second quarter, we reevaluated underlying risks in the sector by conducting robust stress testing under a wide range of adverse scenarios, which affirmed the ability of most ABS to weather the current economic downturn. In the third quarter, we once again became selective buyers of new issues, focusing on those issues with increased credit enhancements.
 - The taxable municipal sector remained active as entities benefited from the low borrowing rate environment. Finding value and diversification, PFM increased its participation in new issue municipal debt during the quarter as we viewed the sector to be quite attractive, even compared to some high-quality corporate issuers.

Sector Allocation & Compliance

- The portfolio is in compliance with the District's Investment Policy and California Government Code.

Security Type	Market Value	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$21,178,488	36.7%	100%	✓
Federal Agency	\$18,698,932	32.4%	100%	✓
Municipal Obligations	\$2,044,285	3.5%	100%	✓
Negotiable CDs	\$4,499,389	7.8%	30%	✓
Commercial Paper	\$999,079	1.7%	25%	✓
Corporate Notes	\$9,328,756	16.2%	30%	✓
Asset-Backed Securities	\$926,207	1.6%	20%	✓
Securities Sub-Total	\$57,675,136	100.0%		
Accrued Interest	\$206,888			
Total Investments	\$57,882,024	100.0%		

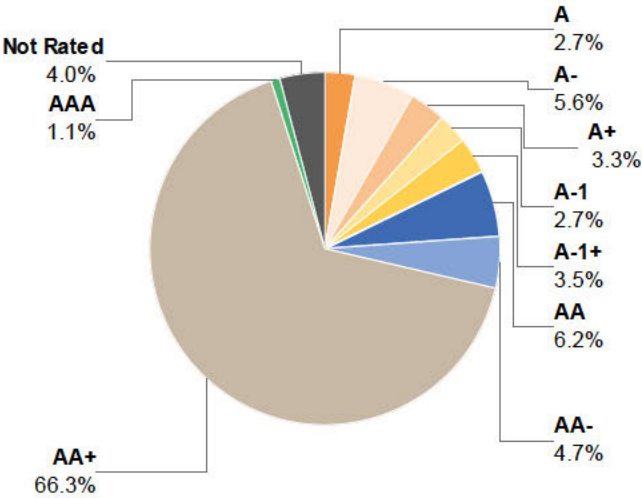
Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of January 2019.

Portfolio Statistics

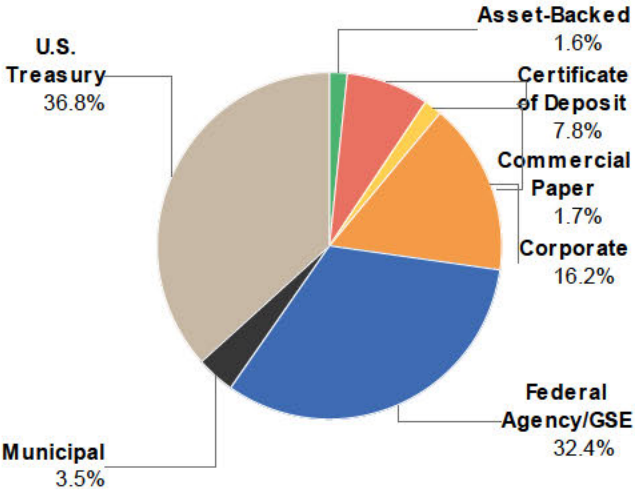
As of September 30, 2020

Par Value:	\$56,179,000
Total Market Value:	\$57,882,024
Security Market Value:	\$57,675,136
Accrued Interest:	\$206,888
Cash:	-
Amortized Cost:	\$56,189,904
Yield at Market:	0.33%
Yield at Cost:	1.56%
Effective Duration:	2.19 Years
Average Maturity:	2.41 Years
Average Credit: *	AA

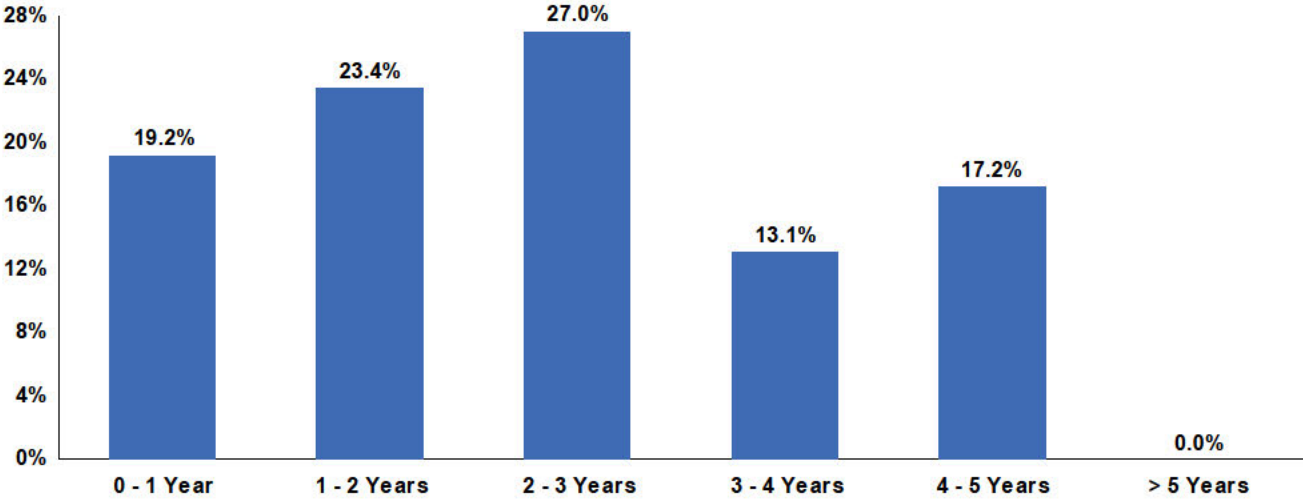
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution

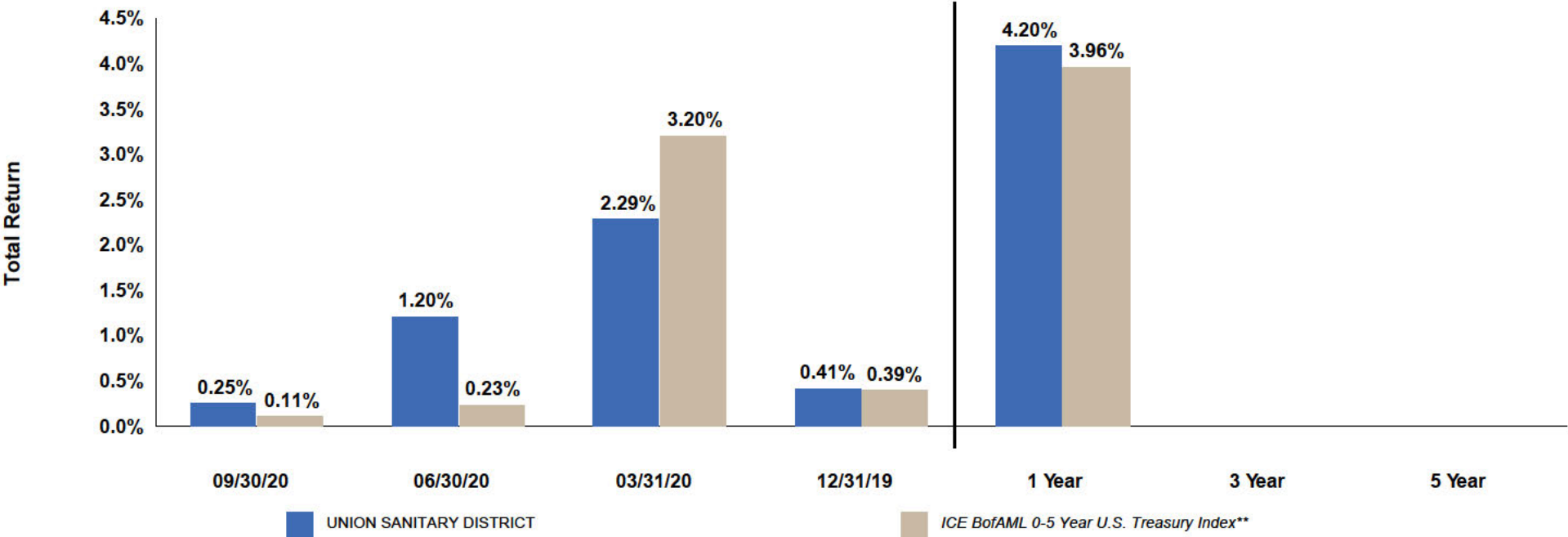


*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Securities held in the District's portfolio are in compliance with California Government Code and the District's Investment Policy dated January 2019.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/20	06/30/20	03/31/20	12/31/19	1 Year	3 Year	5 Year
UNION SANITARY DISTRICT	2.19	0.25%	1.20%	2.29%	0.41%	4.20%	-	-
Net of Fees*	-	0.23%	1.18%	2.27%	0.39%	4.11%	-	-
ICE BofAML 0-5 Year U.S. Treasury Index**	2.12	0.11%	0.23%	3.20%	0.39%	3.96%	-	-
Difference (Gross)		0.14%	0.97%	-0.91%	0.02%	0.24%	-	-
Difference (Net)		0.12%	0.95%	-0.93%	0.00%	0.15%	-	-



Portfolio performance is gross of fees unless otherwise indicated.
* Fees were calculated based on average assets during the period at the contractual rate.
**Intercontinental Exchange Bank of America Merrill Lynch 0-5 Year U.S. Treasury Index.

Portfolio Earnings**Quarter-Ended September 30, 2020**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2020)	\$57,764,493.91	\$55,974,291.02
Net Purchases/Sales	\$6,995.26	\$6,995.26
Change in Value	(\$96,353.07)	\$208,617.24
Ending Value (09/30/2020)	\$57,675,136.10	\$56,189,903.52
Interest Earned	\$238,550.72	\$238,550.72
Portfolio Earnings	\$142,197.65	\$447,167.96

Periodic Performance

Periodic Performance				
	Current Quarter	Q2 2020	Q1 2020	Since Inception 3/31/2019
Interest Earned	\$238,551	\$263,098	\$268,155	\$1,609,799
Change in Market Value	-\$96,353	\$427,170	\$1,044,117	\$3,788,789
Total Dollar Return	\$142,198	\$690,267	\$1,312,272	\$3,646,591
Fees	\$12,423	\$12,260	\$12,390	\$77,339
Fees in Basis Points*	0.02%	0.02%	0.02%	0.13%
Net Dollar Return	\$129,775	\$678,007	\$1,299,882	\$3,569,252
Net of Fees Return	0.23%	1.18%	2.27%	4.31%

Fees were calculated based on average assets during the period at the contractual rate. *Fees are calculated based on basis points.

Sector/Issuer Distribution

As of September 30, 2020

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
CARMAX AUTO OWNER TRUST	189,861	20.5%	0.3%
HONDA AUTO RECEIVABLES	312,264	33.7%	0.5%
TOYOTA MOTOR CORP	424,083	45.8%	0.7%
Sector Total	926,207	100.0%	1.6%
Certificate of Deposit			
AMERICAN EXPRESS CO	255,192	5.7%	0.4%
BELMONT SAVINGS BANK	254,919	5.7%	0.4%
BMW FINANCIAL SERVICES NA LLC	253,776	5.6%	0.4%
CAPITAL ONE FINANCIAL CORP	248,251	5.5%	0.4%
CREDIT AGRICOLE SA	582,533	12.9%	1.0%
CREDIT SUISSE GROUP RK	435,371	9.7%	0.8%
DISCOVER FINANCIAL SERVICES	253,262	5.6%	0.4%
DNB ASA	445,944	9.9%	0.8%
PONCE DE LEON FEDERAL BK	251,875	5.6%	0.4%
SOCIETE GENERALE	575,198	12.8%	1.0%
STATE BANK OF INDIA	253,522	5.6%	0.4%
SUMITOMO MITSUI FINANCIAL GROUP INC	435,471	9.7%	0.8%
SYNCHRONY BANK	254,076	5.6%	0.4%

UNION SANITARY DISTRICT

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	4,499,389	100.0%	7.8%
Commercial Paper			
MITSUBISHI UFJ FINANCIAL GROUP INC	999,079	100.0%	1.7%
Sector Total	999,079	100.0%	1.7%
Corporate			
AMAZON.COM INC	707,218	7.6%	1.2%
AMERICAN EXPRESS CO	1,029,825	11.0%	1.8%
AMERICAN HONDA FINANCE	429,713	4.6%	0.7%
APPLE INC	328,312	3.5%	0.6%
BANK OF AMERICA CO	549,396	5.9%	1.0%
BRISTOL-MYERS SQUIBB CO	430,163	4.6%	0.7%
CHEVRON CORPORATION	1,009,908	10.8%	1.8%
EXXON MOBIL CORP	1,035,806	11.1%	1.8%
JP MORGAN CHASE & CO	663,000	7.1%	1.1%
PACCAR FINANCIAL CORP	601,017	6.4%	1.0%
STATE STREET CORPORATION	535,231	5.7%	0.9%
TOYOTA MOTOR CORP	448,580	4.8%	0.8%
TRUIST FIN CORP	546,436	5.9%	0.9%
WAL-MART STORES INC	1,014,150	10.9%	1.8%
Sector Total	9,328,756	100.0%	16.2%
Federal Agency/GSE			

UNION SANITARY DISTRICT

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
FANNIE MAE	7,856,324	42.0%	13.6%
FEDERAL FARM CREDIT BANKS	3,254,901	17.4%	5.6%
FEDERAL HOME LOAN BANKS	2,378,858	12.7%	4.1%
FREDDIE MAC	5,208,849	27.9%	9.0%
Sector Total	18,698,932	100.0%	32.4%
Municipal			
CALIFORNIA ST	1,033,710	50.6%	1.8%
RIVERSIDE CA PENSN OBLG	504,610	24.7%	0.9%
VICTOR VLY CA CMNTY CLG DIST	505,965	24.8%	0.9%
Sector Total	2,044,285	100.0%	3.5%
U.S. Treasury			
UNITED STATES TREASURY	21,178,488	100.0%	36.7%
Sector Total	21,178,488	100.0%	36.7%
Portfolio Total	57,675,136	100.0%	100.0%

Investment Strategy Outlook

- The U.S. and global economic recoveries have been stronger than expected. In the U.S., however, the pace of recovery appears to be slowing. Getting back to pre-pandemic growth and employment levels will likely be challenging.
- Considering the economic uncertainties that remain, we plan on maintaining the portfolio's neutral duration position relative to the benchmark.
- Our outlook for major investment-grade sectors includes the following:
 - Agencies – The continued reach for yield and safety should pressure agency spreads back to pre-COVID levels. Given this backdrop, we plan to continue to add to allocations at current yield spreads, which remain historically wide. Value is concentrated in maturities of three years and longer.
 - Corporates – Corporate liquidity is strong, and debt servicing costs are low, but we have concerns about the slowing of the economic recovery and the longer-term effects of increased leverage on corporate balance sheets. Another surge in COVID-19 cases, a stock market sell-off, rising geopolitical tensions, and the presidential election could be catalysts for a potential spike in volatility. Further, a global slowdown, trade conflicts, and a weaker dollar may continue to pressure industrial profits. On the other hand, rating agency downgrades have slowed materially, which is a positive, and the Fed's unprecedented support should help anchor spreads. As a result, corporates will remain a core, long-term holding in the portfolio and we will continue to exercise caution.
 - Agency MBS – Given the high level of prepayments and potential for heightened market volatility through the rest of the year, the sector is likely to trail Treasuries as long as the 10-year Treasury remains below 1%. At present, there are more than 19 million high-quality mortgages that are at risk for refinancing. Picking amongst structures and the coupon stack is vital to performance. We are cautious in our choice of sector and very selective, avoiding coupons on the cusp of potential refinancing.
 - Taxable Municipals – The taxable municipal sector remains attractive even though valuations have increased. We remain focused on the largest issuers while exercising caution on many subsectors given the fiscal impact from COVID-19. Purchases in the sector will likely be made in new issues, which are expected to remain elevated.

Portfolio Transactions and Holdings

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/8/20	7/10/20	1,095,000	3135G05G4	FANNIE MAE NOTES	0.25%	7/10/23	1,092,645.75	0.32%	
7/10/20	7/14/20	435,000	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/22	435,000.00	0.70%	
7/21/20	7/23/20	525,000	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/25	522,385.50	0.48%	
8/5/20	8/7/20	435,000	22549L6F7	CREDIT SUISSE NEW YORK CERT DEPOS	0.52%	2/1/22	435,000.00	0.52%	
8/19/20	8/21/20	520,000	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/23	519,469.60	0.28%	
8/24/20	8/24/20	1,000,000	3135G05S8	FANNIE MAE NOTES (CALLABLE)	0.50%	8/14/25	998,538.89	0.53%	
8/24/20	8/24/20	1,000,000	62479LPN9	MUFG BANK LTD/NY COMM PAPER	0.00%	2/22/21	998,837.22	0.23%	
8/25/20	8/27/20	555,000	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/25	552,402.60	0.47%	
9/9/20	9/16/20	110,000	46647PBS4	JPMORGAN CHASE & CO CORPORATE NOTES	0.65%	9/16/24	110,000.00	0.65%	
9/23/20	9/25/20	795,000	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/25	792,607.05	0.44%	
9/29/20	9/30/20	375,000	110122DC9	BRISTOL-MYERS SQUIBB CO CORPORATE NOTES	3.87%	8/15/25	430,321.41	0.88%	
Total BUY		6,845,000					6,887,208.02		
INTEREST									
7/7/20	7/7/20	395,000	3135G0X24	FANNIE MAE NOTES	1.62%	1/7/25	3,155.89		
7/15/20	7/15/20	415,000	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
7/15/20	7/15/20	1,000,000	9128287C8	UNITED STATES TREASURY NOTES	1.75%	7/15/22	8,750.00		
7/15/20	7/15/20	185,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
7/21/20	7/21/20	305,000	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
7/24/20	7/24/20	500,000	06053FAA7	BANK OF AMERICA CORP NOTES	4.10%	7/24/23	10,250.00		
7/27/20	7/27/20	0	8562846A7	STATE BANK OF INDIA CD	2.25%	1/26/22	2,771.14		
7/30/20	7/30/20	249,000	732333AJ8	PONCE DE LEON FEDERAL BK CD	1.85%	5/28/21	391.24		
7/31/20	7/31/20	1,035,000	912828S92	US TREASURY NOTES	1.25%	7/31/23	6,468.75		
7/31/20	7/31/20	445,000	9128282N9	US TREASURY N/B	2.12%	7/31/24	4,728.13		

UNION SANITARY DISTRICT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/31/20	7/31/20	1,625,000	912828B58	US TREASURY NOTES	2.12%	1/31/21	17,265.63		
8/1/20	8/1/20	500,000	92603PER9	VICTOR VALLEY CCD, CA TXBL GO BONDS	1.89%	8/1/21	4,740.00		
8/12/20	8/12/20	1,035,000	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/25	7,676.25		
8/13/20	8/13/20	430,000	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/25	3,870.00		
8/14/20	8/14/20	570,000	83369XDL9	SOCIETE GENERALE NY CERT DEPOS	1.80%	2/14/22	4,987.50		
8/15/20	8/15/20	185,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
8/15/20	8/15/20	415,000	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
8/15/20	8/15/20	1,045,000	9128284W7	US TREASURY NOTES	2.75%	8/15/21	14,368.75		
8/17/20	8/17/20	775,000	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/23	5,209.72		
8/21/20	8/21/20	305,000	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
8/22/20	8/22/20	675,000	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	8,100.00		
8/24/20	8/24/20	247,000	87165ELT2	SYNCHRONY BANK CD	2.30%	2/24/22	2,832.72		
8/30/20	8/30/20	249,000	732333AJ8	PONCE DE LEON FEDERAL BK CD	1.85%	5/28/21	391.24		
8/31/20	8/31/20	2,000,000	912828W48	US TREASURY N/B NOTES	2.12%	2/29/24	21,250.00		
8/31/20	8/31/20	265,000	9128282U3	US TREASURY N/B NOTES	1.87%	8/31/24	2,484.38		
8/31/20	8/31/20	485,000	912828W55	US TREASURY N/B NOTES	1.87%	2/28/22	4,546.88		
9/1/20	9/1/20	985,000	30231GAR3	EXXON MOBIL CORPORATION CORP NOTES	2.72%	3/1/23	13,425.55		
9/3/20	9/3/20	1,000,000	0258M0EG0	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.70%	3/3/22	13,500.00		
9/10/20	9/10/20	247,000	05580AGR9	BMW BANK NORTH AMERICA CD	2.15%	3/10/22	2,677.07		
9/15/20	9/15/20	415,000	89232HAC9	TAOT 2020-A A3	1.66%	5/15/24	574.08		
9/15/20	9/15/20	185,000	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/24	291.38		
9/21/20	9/21/20	248,000	080515BV0	BELMONT SAVINGS BANK CD	2.15%	3/21/22	2,687.91		
9/21/20	9/21/20	305,000	43813RAC1	HAROT 2020-1 A3	1.61%	4/22/24	409.21		
9/30/20	9/30/20	2,000,000	912828T26	US TREASURY N/B	1.37%	9/30/23	13,750.00		
9/30/20	9/30/20	1,220,000	912828W71	US TREASURY N/B	2.12%	3/31/24	12,962.50		
9/30/20	9/30/20	175,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	1,312.50		
9/30/20	9/30/20	249,000	732333AJ8	PONCE DE LEON FEDERAL BK CD	1.85%	5/28/21	378.62		
9/30/20	9/30/20	835,000	912828L57	US TREASURY NOTES	1.75%	9/30/22	7,306.25		

UNION SANITARY DISTRICT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total INTEREST		23,199,000					206,062.63		
MATURITY									
8/24/20	8/24/20	2,000,000	4042Q1AE7	HSBC BANK USA NA CORP NOTES	4.87%	8/24/20	2,048,750.00		0.00
Total MATURITY		2,000,000					2,048,750.00		0.00
SELL									
7/9/20	7/10/20	1,055,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	1,097,610.76		63,484.27
7/10/20	7/14/20	425,000	912828U65	US TREASURY NOTES	1.75%	11/30/21	435,257.41		288.34
7/22/20	7/23/20	500,000	9128283J7	US TREASURY N/B	2.12%	11/30/24	542,573.75		31,144.76
8/5/20	8/7/20	418,000	912828PC8	US TREASURY NOTES	2.62%	11/15/20	423,443.65		1,828.21
8/5/20	8/7/20	17,000	9128285Q9	UNITED STATES TREASURY NOTES	2.75%	11/30/20	17,231.63		88.17
8/20/20	8/21/20	505,000	912828S35	US TREASURY NOTES	1.37%	6/30/23	523,557.55		31,964.25
8/25/20	8/27/20	515,000	9128282U3	US TREASURY N/B NOTES	1.87%	8/31/24	553,459.69		24,332.73
9/10/20	9/16/20	110,000	912828S35	US TREASURY NOTES	1.37%	6/30/23	114,028.78		6,764.07
9/24/20	9/25/20	445,000	912828N9	US TREASURY N/B	2.12%	7/31/24	479,344.65		20,748.57
9/24/20	9/25/20	30,000	912828XX3	US TREASURY N/B NOTES	2.00%	6/30/24	32,173.88		1,798.98
9/24/20	9/25/20	265,000	9128282U3	US TREASURY N/B NOTES	1.87%	8/31/24	282,692.37		12,606.16
9/29/20	9/30/20	370,000	912828X70	US TREASURY N/B NOTES	2.00%	4/30/24	397,300.07		22,849.70
Total SELL		4,655,000					4,898,674.19		217,898.21

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 11/30/2018 2.750% 11/30/2020	9128285Q9	120,000.00	AA+	Aaa	11/29/2019	11/29/2019	121,275.00	1.68	1,109.02	120,208.45	120,525.00
US TREASURY NOTES DTD 01/31/2014 2.125% 01/31/2021	912828B58	1,625,000.00	AA+	Aaa	10/25/2019	10/28/2019	1,633,886.72	1.68	5,817.76	1,627,351.80	1,635,664.06
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	1,045,000.00	AA+	Aaa	10/25/2019	10/28/2019	1,064,757.03	1.68	3,670.28	1,054,562.76	1,068,839.06
US TREASURY NOTES DTD 11/30/2016 1.750% 11/30/2021	912828U65	550,000.00	AA+	Aaa	6/15/2020	6/16/2020	562,396.49	0.20	3,234.63	559,903.21	560,312.50
US TREASURY N/B NOTES DTD 02/28/2017 1.875% 02/28/2022	912828W55	485,000.00	AA+	Aaa	4/1/2019	4/2/2019	479,259.57	2.30	778.75	482,218.89	496,897.63
US TREASURY N/B NOTES DTD 06/30/2015 2.125% 06/30/2022	912828XG0	710,000.00	AA+	Aaa	3/19/2019	3/20/2019	703,454.69	2.42	3,812.87	706,519.73	734,628.13
UNITED STATES TREASURY NOTES DTD 07/15/2019 1.750% 07/15/2022	9128287C8	1,000,000.00	AA+	Aaa	7/31/2019	7/31/2019	998,789.06	1.79	3,709.24	999,268.95	1,028,750.00
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	835,000.00	AA+	Aaa	3/19/2019	3/20/2019	816,016.80	2.43	40.14	824,272.28	861,876.56
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,170,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,157,340.24	2.43	6,283.19	1,162,479.26	1,221,918.75
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	175,000.00	AA+	Aaa	3/19/2019	3/20/2019	168,799.81	2.43	7.21	171,162.79	180,878.92
US TREASURY NOTES DTD 06/30/2016 1.375% 06/30/2023	912828S35	1,385,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,325,866.99	2.43	4,812.69	1,347,091.31	1,431,310.94
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	1,035,000.00	AA+	Aaa	4/1/2019	4/2/2019	990,365.62	2.30	2,179.69	1,005,836.61	1,067,020.31
US TREASURY N/B DTD 09/30/2016 1.375% 09/30/2023	912828T26	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,909,531.25	2.44	75.55	1,940,197.70	2,072,500.00
US TREASURY NOTES DTD 01/03/2017 2.250% 12/31/2023	912828V23	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,982,968.75	2.44	11,372.28	1,988,437.86	2,134,375.00
US TREASURY N/B NOTES DTD 02/28/2017 2.125% 02/29/2024	912828W48	2,000,000.00	AA+	Aaa	3/19/2019	3/20/2019	1,970,625.00	2.44	3,639.50	1,979,744.74	2,132,500.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 03/31/2017 2.125% 03/31/2024	912828W71	1,220,000.00	AA+	Aaa	3/2/2020	3/2/2020	1,282,525.00	0.84	71.22	1,273,586.86	1,302,350.00
US TREASURY N/B NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	590,000.00	AA+	Aaa	6/3/2019	6/7/2019	592,996.09	1.89	4,938.04	592,188.87	628,073.41
US TREASURY N/B NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	470,000.00	AA+	Aaa	7/1/2019	7/3/2019	474,846.87	1.78	2,375.54	473,635.15	501,578.13
Security Type Sub-Total		18,415,000.00					18,235,700.98	2.07	57,927.60	18,308,667.22	19,179,998.40
U.S. Treasury Bill											
WI TREASURY SEC. BILLS -- 0.000% 06/17/2021	9127963H0	2,000,000.00	A-1+	P-1	6/23/2020	6/24/2020	1,996,519.44	0.18	0.00	1,997,481.94	1,998,489.20
Security Type Sub-Total		2,000,000.00					1,996,519.44	0.18	0.00	1,997,481.94	1,998,489.20
Municipal Bond / Note											
RIVERSIDE, CA TXBL PO BONDS DTD 05/31/2017 2.125% 06/01/2021	769036BA1	500,000.00	AA	NR	6/1/2017	6/1/2017	500,000.00	2.13	3,541.67	500,000.00	504,610.00
VICTOR VALLEY CCD, CA TXBL GO BONDS DTD 05/05/2016 1.896% 08/01/2021	92603PER9	500,000.00	AA-	Aa3	12/28/2016	12/28/2016	490,150.00	2.35	1,580.00	498,214.43	505,965.00
CA ST TXBL GO BONDS DTD 04/27/2017 2.367% 04/01/2022	13063DAD0	1,000,000.00	AA-	Aa2	4/27/2017	4/27/2017	1,010,000.00	2.15	11,835.00	1,003,038.89	1,033,710.00
Security Type Sub-Total		2,000,000.00					2,000,150.00	2.19	16,956.67	2,001,253.32	2,044,285.00
Federal Agency Bond / Note											
FFCB NOTES (CALLED, OMD 04/09/25) DTD 04/09/2020 1.150% 10/09/2020	3133ELWC4	1,620,000.00	AA+	AAA	4/13/2020	4/14/2020	1,620,000.00	1.15	8,901.00	1,620,000.00	1,620,301.32
FEDERAL HOME LOAN BANKS NOTES DTD 04/26/2017 2.000% 10/26/2021	3130AB3D6	1,000,000.00	AA+	Aaa	4/26/2017	4/26/2017	1,000,000.00	2.00	8,611.11	1,000,000.00	1,019,839.00

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 04/10/2017 1.875% 04/05/2022	3135G0T45	970,000.00	AA+	Aaa	3/13/2020	3/16/2020	993,619.50	0.68	8,891.67	987,352.46	995,352.89
FEDERAL FARM CREDIT NOTES (CALLABLE) DTD 06/09/2020 0.230% 06/09/2022	3133ELH64	1,635,000.00	AA+	Aaa	6/8/2020	6/9/2020	1,631,730.00	0.33	1,169.93	1,632,240.66	1,634,599.43
FEDERAL HOME LOAN BANKS NOTES DTD 02/21/2020 1.375% 02/17/2023	3130AJ7E3	775,000.00	AA+	Aaa	2/20/2020	2/21/2020	773,574.00	1.44	1,302.43	773,865.21	796,462.85
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	495,000.00	AA+	Aaa	5/29/2020	5/29/2020	495,688.05	0.33	742.50	495,607.75	497,024.55
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	865,000.00	AA+	Aaa	5/20/2020	5/22/2020	862,396.35	0.35	774.90	862,710.21	865,756.01
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	780,000.00	AA+	Aaa	6/24/2020	6/26/2020	777,722.40	0.35	514.58	777,924.16	780,492.96
FANNIE MAE NOTES DTD 07/10/2020 0.250% 07/10/2023	3135G05G4	1,095,000.00	AA+	Aaa	7/8/2020	7/10/2020	1,092,645.75	0.32	615.94	1,092,824.20	1,095,701.90
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	520,000.00	AA+	Aaa	8/19/2020	8/21/2020	519,469.60	0.28	144.44	519,489.41	520,347.88
FANNIE MAE NOTES DTD 10/18/2019 1.625% 10/15/2024	3135G0W66	1,000,000.00	AA+	Aaa	11/25/2019	11/25/2019	997,860.00	1.67	7,493.06	998,232.64	1,052,394.00
FANNIE MAE NOTES DTD 01/10/2020 1.625% 01/07/2025	3135G0X24	395,000.00	AA+	Aaa	3/4/2020	3/5/2020	409,690.05	0.84	1,497.71	407,946.18	416,337.51
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,035,000.00	AA+	Aaa	2/13/2020	2/14/2020	1,034,203.05	1.52	2,113.13	1,034,303.49	1,085,196.47
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	560,000.00	AA+	Aaa	4/15/2020	4/16/2020	557,222.40	0.60	1,283.33	557,478.23	562,556.40
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	125,000.00	AA+	Aaa	4/28/2020	4/28/2020	124,763.75	0.66	340.71	124,784.00	126,278.50
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	875,000.00	AA+	Aaa	4/22/2020	4/24/2020	873,197.50	0.67	2,384.98	873,355.61	883,949.50
FREDDIE MAC NOTES (CALLABLE) DTD 04/28/2020 1.100% 04/28/2025	3134GVNJ3	1,009,000.00	AA+	Aaa	4/28/2020	4/28/2020	1,010,261.25	1.07	4,717.08	1,009,186.09	1,009,595.31

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	865,000.00	AA+	Aaa	6/17/2020	6/19/2020	863,209.45	0.54	1,225.42	863,311.54	867,886.51
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	525,000.00	AA+	Aaa	7/21/2020	7/23/2020	522,385.50	0.48	371.88	522,485.84	523,668.60
FANNIE MAE NOTES (CALLABLE) DTD 08/14/2020 0.500% 08/14/2025	3135G05S8	1,000,000.00	AA+	Aaa	8/24/2020	8/24/2020	998,400.00	0.53	652.78	998,433.48	999,102.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	555,000.00	AA+	Aaa	8/25/2020	8/27/2020	552,402.60	0.47	196.56	552,452.44	553,565.33
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	795,000.00	AA+	Aaa	9/23/2020	9/25/2020	792,607.05	0.44	49.69	792,614.92	792,522.78
Security Type Sub-Total		18,494,000.00					18,503,048.25	0.81	53,994.83	18,496,598.52	18,698,931.70
Corporate Note											
CHEVRON CORP (CALLABLE) NOTES DTD 05/16/2016 2.100% 05/16/2021	166764BG4	1,000,000.00	AA	Aa2	5/10/2017	5/10/2017	999,500.00	2.11	7,875.00	999,909.33	1,009,908.00
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	530,000.00	A	A1	3/20/2019	3/22/2019	520,566.00	2.81	3,789.50	527,249.91	535,231.10
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EG0	1,000,000.00	A-	A2	5/15/2017	5/15/2017	1,013,279.67	2.41	2,100.00	1,003,755.63	1,029,825.00
PACCAR FINANCIAL CORP CORP NOTES DTD 05/10/2019 2.650% 05/10/2022	69371RP83	580,000.00	A+	A1	5/3/2019	5/10/2019	579,686.80	2.67	6,019.92	579,832.54	601,017.46
BRANCH BANKING & TRUST CORP NOTES DTD 03/18/2019 3.050% 06/20/2022	05531FBG7	525,000.00	A-	A3	3/20/2019	3/22/2019	525,714.00	3.01	4,492.40	525,377.47	546,436.28
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	675,000.00	AA-	A2	4/11/2019	4/15/2019	668,499.75	2.66	1,755.00	670,967.91	707,217.75

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
EXXON MOBIL CORPORATION CORP NOTES DTD 03/03/2016 2.726% 03/01/2023	30231GAR3	985,000.00	AA	Aa1	6/13/2019	6/14/2019	1,001,400.25	2.26	2,237.59	995,655.32	1,035,806.30
WAL MART STORES INC GLOBAL NT (CALLABLE) DTD 04/11/2013 2.550% 04/11/2023	931142DH3	965,000.00	AA	Aa2	5/21/2020	5/26/2020	1,015,701.10	0.70	11,620.21	1,008,940.95	1,014,150.35
AMERICAN HONDA FINANCE DTD 01/10/2020 1.950% 05/10/2023	02665WDH1	415,000.00	A-	A3	1/7/2020	1/10/2020	414,846.45	1.96	3,169.56	414,879.91	429,712.58
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	325,000.00	AA+	Aa1	5/4/2020	5/11/2020	324,116.00	0.84	947.92	324,231.44	328,312.08
JPMORGAN CHASE & CO CORP NOTES DTD 05/18/2016 2.700% 05/18/2023	46625HRL6	525,000.00	A-	A2	3/20/2019	3/22/2019	517,970.25	3.04	5,236.88	520,558.94	553,014.00
BANK OF AMERICA CORP NOTES DTD 07/23/2013 4.100% 07/24/2023	06053FAA7	500,000.00	A-	A2	3/20/2019	3/22/2019	520,405.00	3.09	3,815.28	513,208.54	549,396.00
JPMORGAN CHASE & CO CORPORATE NOTES DTD 09/16/2020 0.653% 09/16/2024	46647PBS4	110,000.00	A-	A2	9/9/2020	9/16/2020	110,000.00	0.65	29.93	110,000.00	109,985.92
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	180,000.00	A+	A1	5/20/2020	5/26/2020	181,758.60	1.58	432.00	181,628.03	187,777.62
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	250,000.00	A+	A1	5/20/2020	5/26/2020	252,442.50	1.58	600.00	252,261.15	260,802.25
BRISTOL-MYERS SQUIBB CO CORPORATE NOTES DTD 07/15/2020 3.875% 08/15/2025	110122DC9	375,000.00	A+	A2	9/29/2020	9/30/2020	428,505.00	0.88	1,856.77	428,473.30	430,163.25
Security Type Sub-Total		8,940,000.00					9,074,391.37	2.14	55,977.96	9,056,930.37	9,328,755.94

Commercial Paper

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 08/20/2020 0.000% 02/22/2021	62479LPN9	1,000,000.00	A-1	P-1	8/24/2020	8/24/2020	998,837.22	0.23	0.00	999,080.00	999,079.00
Security Type Sub-Total		1,000,000.00					998,837.22	0.23	0.00	999,080.00	999,079.00
Certificate of Deposit - FDIC Insured											
CAPITAL ONE BANK USA NA CD DTD 10/26/2016 1.500% 10/26/2020	140420L99	248,000.00	NR	NR	10/26/2016	10/26/2016	248,000.00	1.50	1,610.30	248,000.00	248,251.22
PONCE DE LEON FEDERAL BK CD DTD 05/31/2017 1.850% 05/28/2021	732333AJ8	249,000.00	NR	NR	5/31/2017	5/31/2017	249,000.00	1.85	12.62	249,000.00	251,875.20
DISCOVER BANK CD DTD 12/29/2016 2.250% 12/29/2021	254672Y36	247,000.00	NR	NR	12/29/2016	12/29/2016	247,000.00	2.25	1,431.25	247,000.00	253,261.94
STATE BANK OF INDIA CD DTD 01/26/2017 2.250% 01/26/2022	8562846A7	247,000.00	NR	NR	1/26/2017	1/26/2017	247,000.00	2.25	1,020.14	247,000.00	253,522.04
SYNCHRONY BANK CD DTD 02/24/2017 2.300% 02/24/2022	87165ELT2	247,000.00	NR	NR	2/28/2017	2/28/2017	247,000.00	2.30	591.45	247,000.00	254,075.56
BMW BANK NORTH AMERICA CD DTD 03/10/2017 2.150% 03/10/2022	05580AGR9	247,000.00	NR	NR	3/10/2017	3/10/2017	247,000.00	2.15	305.54	247,000.00	253,776.45
BELMONT SAVINGS BANK CD DTD 03/20/2017 2.150% 03/21/2022	080515BV0	248,000.00	NR	NR	3/20/2017	3/20/2017	248,000.00	2.15	146.08	248,000.00	254,918.95
AMERICAN EXPRESS CREDIT CD DTD 04/05/2017 2.450% 04/05/2022	02587DN38	247,000.00	NR	NR	4/5/2017	4/5/2017	247,000.00	2.45	2,967.72	247,000.00	255,191.51
Security Type Sub-Total		1,980,000.00					1,980,000.00	2.11	8,085.10	1,980,000.00	2,024,872.87
Certificate of Deposit											
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 04/04/2019 2.830% 04/02/2021	22535CDU2	575,000.00	A-1	P-1	4/3/2019	4/4/2019	575,000.00	2.83	8,045.85	575,000.00	582,532.50

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 08/07/2020 0.520% 02/01/2022	22549L6F7	435,000.00	A+	A1	8/5/2020	8/7/2020	435,000.00	0.52	345.58	435,000.00	435,371.06
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	570,000.00	A	A1	2/14/2020	2/19/2020	570,000.00	1.80	1,339.50	570,000.00	575,198.40
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	435,000.00	A	A1	7/10/2020	7/14/2020	435,000.00	0.70	668.21	435,000.00	435,470.67
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	430,000.00	AA-	Aa2	12/5/2019	12/6/2019	430,000.00	2.03	2,948.37	430,000.00	445,943.97
Security Type Sub-Total		2,445,000.00					2,445,000.00	1.67	13,347.51	2,445,000.00	2,474,516.60
Asset-Backed Security											
HAROT 2020-1 A3 DTD 02/26/2020 1.610% 04/22/2024	43813RAC1	305,000.00	NR	Aaa	2/19/2020	2/26/2020	304,940.22	1.61	136.40	304,948.81	312,264.19
TAOT 2020-A A3 DTD 02/12/2020 1.660% 05/15/2024	89232HAC9	415,000.00	AAA	Aaa	2/4/2020	2/12/2020	414,970.04	1.66	306.18	414,974.51	424,082.57
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	185,000.00	AAA	NR	1/14/2020	1/22/2020	184,963.70	1.89	155.40	184,968.83	189,860.63
Security Type Sub-Total		905,000.00					904,873.96	1.69	597.98	904,892.15	926,207.39
Managed Account Sub Total		56,179,000.00					56,138,521.22	1.56	206,887.65	56,189,903.52	57,675,136.10
Securities Sub-Total		\$56,179,000.00					\$56,138,521.22	1.56%	\$206,887.65	\$56,189,903.52	\$57,675,136.10
Accrued Interest											\$206,887.65
Total Investments											\$57,882,023.75

Bolded items are forward settling trades.

IMPORTANT DISCLOSURES

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.
- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

GLOSSARY

- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**December 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 8**

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

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

Recommendation

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

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

Discussion

Staff and PFM Asset Management, LLC have been collaborating on updating the Investment Policy to accurately reflect language in current government code. Changes to the Policy since the last update are:

- Changes to investments in commercial paper,
- Changes to investments in corporate medium-term notes,
- Allowing the purchase of treasury notes or bonds of the other 49 states,
- Increased the minimum ratings requirement from A to AA for certain mortgage securities, lease backed certificates, and consumer receivables certificates and bonds,

- Allows for the purchase of government securities that are zero or negative interest accruals to maturity.
- Other administrative changes and clarifications.

Staff and PFM representatives will be available to answer questions.

Background

The District Investment Policy (No. 2030) requires review and approval by the Board of Directors on an annual basis. The Policy was last presented in January 2019.

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

Previous Board Action

01/28/2019 Board Meeting – Approval of Investment Policy

Attachments

Union Sanitary District Investment Policy – Red Line Version

Union Sanitary District Investment Policy – Clean Line Version

PFM Memorandum on Investment Policy Review

Effective: 2/21/2019 February 2021	Investment Policy	Policy Number 2030 Page 1 of 17
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I. INVESTMENT POLICY

A. Purpose

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

B. Objectives

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

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

C. Prudence

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

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

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

D. Ethics and Conflicts of Interest

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

II. OPERATIONS AND PROCEDURAL MATTERS**A. Scope**

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

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

B. Delegation of Authority

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

C. Internal Controls

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

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

D. Delivery vs. Payment

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

E. Safekeeping of Securities

To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all securities owned by USD shall be held in safekeeping by a third-party bank

trust department, acting as agent for USD under the terms of a custody agreement executed by the bank and by USD. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each of these investments will be held by USD.

F. Qualifications and Selection of Broker/Dealers

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

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

III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

A. Authorized Investments

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

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. With the exception of federal agency mortgage-backed securities which are limited to twenty percent (20%) of the total portfolio there is no limitation as to the percentage of the portfolio that may be invested in this category.
3. Bankers' acceptances, otherwise known as bills of exchange or time drafts, that are drawn on and accepted by a commercial bank with a final maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by a nationally recognized statistical- rating organization (NRSRO). The aggregate investment in banker's acceptances shall not exceed forty percent (40%) of USD's total portfolio.
4. Federally insured or collateralized time deposits (Non-negotiable certificates of deposit) provided that the certificates of deposit meet the conditions in either paragraph (a) or paragraph (b):
 - a) Certificates of deposits shall meet the requirements for deposit under Government Code Section 53630 et. seq. To be eligible to receive USD deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The General Manager/Treasurer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. USD shall have a signed agreement with all depositories receiving USD deposits per Government Code Section 53649. The maturity of time deposits may not exceed five years.
 - b) Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for placement service certificates of deposit shall be five years.

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

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

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

7. Commercial Paper with the highest letter and numerical rating as provided for by a NRSRO. Eligible commercial paper shall have a final maturity not exceeding 270 days from the date of trade settlement. The aggregate investment in commercial paper shall not exceed twenty five percent (25%) of USD's total portfolio. Furthermore, USD may ~~purchase no more than 10 percent of the outstanding~~ invest no more than 5% of its total investment assets in the commercial paper and medium-term notes of any single issuer. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph 1 or paragraph 2 below:

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

(2) The entity meets the following criteria:

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

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

c. Local Agency Bonds – Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

d. Obligations of Other 49 States - Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) -or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. A maximum of thirty percent (30%) of the portfolio may be invested in this category.

11. Money market mutual funds, provided that such funds

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

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

- a. A maximum of fifty percent (50%) of USD’s funds may be invested in the shares of any one investment pool;
- b. The pool’s investment advisor meets the requirements of 53601(p);

—The pool seeks to maintain a stable Net Asset Value (“NAV”);

c.

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

B. Prohibited Investment Vehicles and Practices

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

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

until their maturity dates. Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
5. Purchasing or selling securities on margin is prohibited.
6. The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.

~~6.7.~~ USD is not permitted to deposit funds into any state or federal credit union, if a member of the Board of Directors, or any person with investment decision making authority also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. Mitigating Credit Risk in the Portfolio

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

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

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

IV. INVESTMENT PERFORMANCE OBJECTIVES

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

V. INVESTMENT GUIDELINES

A. Liquidity

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

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

B. Maximum Maturities

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

VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

A. Monthly Reports

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

1. As asset listing showing par value, cost and market value of each security, type of investment, issuer name, credit quality, coupon rate and yield to maturity at cost;
2. A one or two-page summary report which shows:

- a. Weighted average maturity of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. A list of portfolio transactions;
3. A statement of compliance with the investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution; and
 4. A statement that USD has adequate funds to meet its cash flow requirements for the next six months.
 5. A list of broker/dealers the District is currently using.

B. Annual Reports

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

C. Periodic Investment Program Review

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

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

Title	Policy #	Effective Date
Investment Policy	2030	11/27/95
Investment Policy	2030	10/11/11
Investment Policy	2030	9/24/12

Investment Policy	2030	9/22/14
Investment Policy	2030	1/1/15
Investment Policy	2030	1/16/16
Investment Policy	2030	1/1/17
<u>Investment Policy</u>	<u>2030</u>	<u>2/21/19</u>

Approved by: Board of Directors
Author/owner: Business Services Manager/Chief Financial Officer
Reviewers: General Manager, Finance and Acquisition Services Coach
Notify Person: Business Services Manager/Chief Financial Officer
Revision frequency: Annually
Next Review: 2/21/20 (review typically begins 2 months prior to this date)

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix A – Credit Ratings for Corporate Notes

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

Source: The Bond Market Association

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

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

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Investment Policy	Policy Number 2030
February 2021		Page 1 of 14

I. INVESTMENT POLICY

A. Purpose

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

B. Objectives

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

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

C. Prudence

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

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

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

D. Ethics and Conflicts of Interest

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

II. OPERATIONS AND PROCEDURAL MATTERS

A. Scope

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

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

B. Delegation of Authority

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

C. Internal Controls

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

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

D. Delivery vs. Payment

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

E. Safekeeping of Securities

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

F. Qualifications and Selection of Broker/Dealers

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

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

III. PERMITTED INVESTMENT AND PORTFOLIO RISK MANAGEMENT

A. Authorized Investments

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

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

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

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

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

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

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

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

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

(1) The entity meets the following criteria:

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

(2) The entity meets the following criteria:

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

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

the State.

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

With the exception of obligations issued by USD, purchases of municipal obligations are limited to securities rated at least in the “A” (long-term) or “A-1” (short-term), or their equivalents, by a NRSRO. Obligations shall have a maximum maturity of five years. A maximum of thirty percent (30%) of the portfolio may be invested in this category.

11. Money market mutual funds, provided that such funds

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

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

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

- b. The pool's investment advisor meets the requirements of 53601(p);
 - c. The pool seeks to maintain a stable Net Asset Value ("NAV");
 - d. The pool is rated "AAAm" or its equivalent by a NRSRO; and
 - e. If USD has funds invested in a pool, a copy of pool's information statement shall be maintained on file for due diligence. In addition, the General Manager/Treasurer should review the pool's summary holdings on a quarterly basis.
13. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases may not exceed twenty percent (20%) of invested funds.
14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed thirty percent (30%) of the agency's total portfolio that may be invested pursuant to this section.

B. Prohibited Investment Vehicles and Practices

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

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

Securities described in this paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

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

C. Mitigating Credit Risk in the Portfolio

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

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

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

IV. INVESTMENT PERFORMANCE OBJECTIVES

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

V. INVESTMENT GUIDELINES

A. Liquidity

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

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

B. Maximum Maturities

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

VI. REPORTING, DISCLOSURE AND PROGRAM EVALUATION

A. Monthly Reports

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

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

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

B. Annual Reports

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

C. Periodic Investment Program Review

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

Approved by:	Board of Directors
Author/owner:	Business Services Manager/Chief Financial Officer
Reviewers:	General Manager, Finance and Acquisition Services Coach
Notify Person:	Business Services Manager/Chief Financial Officer
Revision frequency:	Annually
Next Review:	February 2022 (review typically begins 2 months prior to this date)

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix A – Credit Ratings for Corporate Notes

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

Source: The Bond Market Association

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

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



October 28, 2020

Memorandum

To: Mark Carlson, CPA
CFO/Business Services Manager
Union Sanitary District

Laurie Brenner
Finance & Acquisition Services Coach
Union Sanitary District

From: Monique Spyke, Managing Director
PFM Asset Management LLC

Re: Investment Policy Review

We completed our annual review of Union Sanitary District's Investment Policy (the "Policy"). The Policy is in compliance with the sections of the California Government Code (the "Code") that govern the investment of public funds. This year, we are presenting proposed changes to the Policy to address recent Code changes and to increase the District's investment opportunities as allowed by Code. These proposed modifications are described in more detail below and in the attached redlined copy of the Policy.

Address Code Changes

Senate Bill 998

On September 28, 2020, Governor Gavin Newsom signed into law Senate Bill 998 (Moorlach) – Local Government Investments ("SB 998"). SB 998, which is set to take effect on January 1, 2021, and shall be in effect until January 1, 2026, made a number of amendments to certain sections of the Code which govern the investment of public funds, including:

- Allowing investment in securities issued or backed by the U.S. government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates;
- Establishing a 10% issuer limit on commercial paper and corporate notes for all agencies, other than a county or a city and county;
- Allowing local agencies that have more than \$100 million of investment assets under management to invest up to 40% in commercial paper (existing limit is 25% for all agencies, other than a county or a city and county); and
- Adding permission for federally recognized Indian tribes to invest and participate in investment JPAs.



We recommend Union Sanitary District (USD) edit its Policy to address the first item listed on the previous page.

While we hope we won't have to buy a security that results in zero or negative interest accrual, we think it is appropriate to have the option in case it is necessary. In the attached redlined version of the Policy, we have included our suggested edits in Section III, Part B. Prohibited Investment Vehicles and Practices.

Regarding the other three changes, USD currently places a 5% issuer limit on commercial paper and corporate notes, and we recommend USD keep the 5% issuer limit to maintain the portfolio's current level of diversification and safety. USD has less than \$100 million of investment assets and so is not eligible to increase the maximum allocation of commercial paper; in addition, the change regarding JPA participation does not require a change to USD's Policy.

Assembly Bill No. 1770

Effective since January 1, 2019, Assembly Bill No. 1770 ("AB 1770") revises California Government Code section 53601(o) to clarify requirements for the purchase of asset-backed securities (ABS) or non-agency mortgage-backed securities (MBS) in two respects:

1. First, the maturity limit language was clarified to reflect how many investors already interpret this section: that they can purchase securities with a maximum remaining maturity of five years or less.
2. Second, the bill eliminates the requirement that the issuer of these securities be rated "A" (or its equivalent) or better, as provided by a nationally recognized statistical rating organization (NRSRO). The Code still requires that the specific security be rated "AA" (or its equivalent) or better, as provided by an NRSRO.

We see these revisions as a matter of clarification for ABS and MBS investors and recommend USD incorporate the updated language into its investment policy. We believe the removal of the issuer rating criteria makes sense, since this requirement generally has no relevance to the issuers of ABS or MBS, which are organized as trusts and do not have standalone ratings. The minimum AA issue rating remains, which is an important risk management criterion. In the attached redlined version of the Policy, we have included our suggested edits in Section III, Part A, Paragraph 13.

Assembly Bill 857

Assembly Bill No. 857, which took effect on January 1, 2020, provides for the establishment of public banks by local agencies, subject to approval by the Department of Business Oversight



(DBO) and Federal Deposit Insurance Corporation (FDIC). As a part of this bill, subsection (r) was added to Code section 53601, which permits local agencies to invest in the commercial paper, debt securities, or other obligations of such public banks. At this time, we are not aware of any such public banks in existence.

We do not recommend that USD add this investment type as a permitted investment to its Policy at this time. We will continue to monitor any ongoing developments in this area, and if, at a later date, we feel it would be prudent for USD to add obligations of these public banks to its listing of authorized investments, we will make a formal recommendation at that time.

However, the addition of subsection (r) to Code 53601 impacted the language in Code Section 53601 (q), *Shares of beneficial interest issued by a joint powers authority*, an investment type currently allowed by USD's Policy. We recommend USD edit its Policy to address this change, as shown in the attached redlined version of the Policy in Section III, Part A, Paragraph 12.

Increase Investment Opportunities

Municipal Obligations: Other 49 States

Code 53601 (d) grants local agencies the right to invest in registered treasury notes or bonds of any of the other 49 states, in addition to California. We recommend USD add this language to Section III, Part A under Municipal Obligations to increase its opportunities in the municipal obligation sector.

Please let us know if you have any questions and if you would like to discuss our review further. Thank you.



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 9**

TITLE: Review and Consider Approval of Updated Policy No. 2080 - Project Expenditures (*This is a motion item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Technical Services Work Group Manager

Recommendation

Staff recommends the Board review and consider approving updates to USD's Project Expenditures policy (Policy No. 2080).

Discussion

Attached are two versions of the policy for review. The first shows the 2018 text with all deletions in red with strikethrough, and all additions in blue and underscored. The second version shows the proposed final text without edits, in final form.

The most significant updates are as follows:

- **Addition of ADU's to the Capacity Fees Definition** (Page 1). The definition is expanded to include Accessory Dwelling Units (ADU's) since they are proposed to be a new category in the upcoming revision of the District capacity fee program. This is pursuant to changes in State law that, among other things, defines ADU's and the amount of capacity fees that can be charged.
- **Addition of Plant and Pump Station Renewal and Replacement Fund Definition and Guidelines** (Pages 2, 3 and 6). This existing fund is used for some Plant and Pump Station renewal and replacement project expenditures and should be included in the definitions and internal guidelines (Appendix A). Projects include routine and emergency replacement of high cost equipment.

- **Deletion in the Sources of Funding Definition** (Page 2). This deletes the statement regarding Operating Fund's projects being subject to capitalization, which is the process of depreciating assets over time, if the projects extend the life of the asset. This statement is unnecessary since all projects, regardless of their source of funding, are reviewed to determine if the capitalization rules apply.
- **Clarification of Examples in the Structural Renewal and Replacement Fund Projects Definition** (Page 3). The number of years used in the examples may be misconstrued for the actual useful lives of pipelines or treatment facilities. This deletes the number of years used in the examples and replaces them with a reference to their useful lives.
- **Maintenance Contracts** (Pages 5, 6, and 7). This clarifies that maintenance contracts for large, complex or unique equipment acquired through CIP projects may be funded, for up to 5 years, by the Renewal and Replacement fund, and/or Capacity fund, if the maintenance contracts are included in the projects' original construction bid process. For example, if the need for a maintenance contract is identified for the future replacement of the sludge dewatering centrifuges, the maintenance contract may be equally funded by the Renewal and Replacement fund, and the Capacity fund, if it is included in the project's construction bid documents.

The remainder of the changes is primarily updates of terms and definitions, updates and clarification of current practice, deletion of some examples, and other minor changes.

Staff will be available to answer any questions the Board may have regarding the updated policy.

Background

Staff updates the District's Project Expenditures policy as part of our ongoing efforts to review and update all policies. The Project Expenditures policy was updated by the Manager of Technical Services and reviewed by the Executive Team. This policy was last updated and approved by the Board of Directors in January of 2018.

Previous Board Action

None.

PRE/SEG/mb

Attachments: Policy No. 2080 – Project Expenditures Policy and Appendices A and B, with proposed changes shown.
Policy No. 2080 – Project Expenditures Policy and Appendices A and B, final version.

Union Sanitary District Policy

Effective: January 8, 2018 <u>December 15,</u> <u>2020</u>	Project Expenditures	Policy Number 2080 Page 1 of 8
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Policy

Establish guidelines for determining the nature and funding of the District's infrastructure and non-infrastructure projects and to provide criteria for the use of the funding sources.

Purpose

To further clarify and define the various types of District's infrastructure and non-infrastructure projects and the allowable funding sources by project nature and type.

Definitions

Capacity Fees

Capacity fees are charged upon connecting to the [sanitary sewer](#) system or upon a change in use in connected properties, [the addition of an Accessory Dwelling Unit \(ADU\) meeting certain requirements](#), or upon a substantial increase in flow or loading by an industry. The fees can be used for funding debt services for capacity-related projects and may be used per the criteria attached as Appendix 'B'. The fees and expenditures are accounted for in the District's Capacity Fund.

Sewer Service Charge Fees

Sewer Service Charge fees are used to pay for the maintenance, operation, and renewal and replacement of the wastewater facilities (collection, transport, treatment, reuse and disposal of [solids and](#) wastewater) and for payment of principal and interest on debt in accordance with Federal and State Revenue Program guidelines. *(Note: this definition is derived from SSC Ordinance 31.39)*

<i>Sources of Funding</i>	<p>Projects may be funded by the Operating Fund, Special Projects Fund, Information Systems Renewal &<u>and</u> Replacement Fund, <u>Plant and Pump Station Renewal and Replacement Fund</u>, Structural Renewal and Replacement Fund (<u>Fund 80</u>), and the Capacity Fund (<u>Fund 90</u>). The Operating Fund's project may be capitalized, depending if the project extends the life of the asset. A matrix summarizing internal guidelines is attached as Appendix 'A'.</p>
<i>Operating Fund Projects</i>	<p>These are routine operations and maintenance projects, generally low in cost and do not extend the life of an asset. If the project does extend the life of an asset, it may be funded by the Structural Renewal and Replacement Fund.</p> <p>The threshold is determined during the annual budget process.</p>
<i>Special Projects</i>	<p>These are one-time only and/or non-routine projects or programs and may or may not extend the life of an asset.</p> <p>Examples include, but are not limited to Studies, Master Plans, Emergency projects, and District-wide administrative programs.</p> <p>The threshold is determined during the annual budget process.</p>

*Information Systems
Renewal and Replacement
Fund Projects*

Projects are for the replacement of existing hardware and software that has reached the end of its useful life and to fund identified projects included in the approved IT Master Plan.

The threshold is determined during the annual budget process.

*Plant and Pump Station
Renewal and Replacement
Fund Projects*

Projects are for the repair, replacement, upgrade or installation of existing infrastructure at the Alvarado Treatment Plant and Pump Stations.

The threshold is determined during the annual budget process.

*Structural Renewal and
Replacement Fund
Projects*

Projects are a non-routine upgrade of an existing asset, moderate to high in cost, and extend the life of the asset or replace the asset. Examples would be a major renovation of an existing ~~50-year~~ pipeline ~~at 40 years, extending its life for another 30 years;~~ or a major renovation or addition of a ~~25-year~~ treatment facility, prior to the end of its useful life. ~~at 25 years, extending its life for another 20 years.~~

The threshold is determined during the annual budget process.

Capacity Fund Projects

These are generally new projects that either increase capacity or extend the life and projected capacity of the collection, transport, or treatment system. These projects are moderate to high in cost and most of the time create a new asset, or extend the life of an existing asset through preservation of existing capacity. Other projects may include energy use reduction and capacity conservation projects which measurably reduce flows, loadings, or energy use, and, increase the hydraulic and treatment capacity available.

The threshold is determined during the annual budget process.

Combination Projects

Projects that include renovating and extending the life of an existing asset and also increasing capacity of the system, extending service, etc., high in cost and, depending on the nature of the project, may create a new asset. An example would be a project that replaces worn-out facilities and increases its capacity.

The threshold is determined during the annual budget process.

Procedure

The budget allocation (as necessary) and corresponding funding of each project is determined during the annual budget process in developing the 20-year capital improvement plan in consultation with the Executive Team. Upon initiation of the project, the project manager confirms the funding source, any necessary funding ratios.

Management Responsibility

The Executive Team, or its designees, are responsible for jointly developing the annual 20-year capital improvement plan and ensuring that projects are funded by the correct revenue stream.

Attachment: Internal Guideline Matrix

Reviewed by:	The Executive Team
Approved by:	Board of Directors
Author/Owner:	TS Manager
Notify Person:	TS Manager
Review Frequency:	3 years
Next Revision:	12/20213

Appendix 'A'
Internal Guidelines for Project Expenditure Funding

Project Category	Characteristics			Internal Guidelines	Possible Funding
	General Category	Cost	Effect on Life		
1. O&M	Routine operations and maintenance projects; budgeted annually.	Low	None or minor	Continue same policy re. O&M expenses. Some current O&M projects may fall into category 2.	Annual Budget, Operating Fund.
2. Special Projects	Non-routine projects; budgeted annually.	Low to Moderate	May <u>or may not</u> extend life of an asset	These are one-time, <u>and/or</u> non-routine projects.	Special Projects Fund, Capacity or Renewal and Replacement Funds.
3. Information Systems	Routine replacement of existing hardware and software and for new projects included in the latest update of the IT Master Plan.	Low to Moderate	Extends asset or replaces asset	<ol style="list-style-type: none"> 1. Larger projects are subject to IT Governance criteria. 2. New projects are reviewed and approved annually by the Board. 	Annual Budget allocation to ISR&R fund from Sewer Service Fees, based on required fund balance.
4. Renewal/ Replacement	Non-routine upgrade of existing asset.	Moderate to High	Extends asset or replaces asset	<p>Does it extend life of overall asset?</p> <p><u>May include funding maintenance contracts, for the initial period (up to five years), for equipment acquired through CIP projects, if included in the initial CIP project bid. (Re-roofing 50-year building at 10 years does not extend life of building — re-roofing is an anticipated expense and, therefore, is O&M.)</u></p>	<p>Structural Renewal/ Replacement Fund, SSC Fees, Bonds Surcharge, Assessment District, SRF, <u>or WIFIA</u> Loan or other loans.</p> <p>Connection Fees per Criteria in Appendix 'B.'</p>

5. Capacity Fund	New projects to increase capacity, preserve existing capacity, treatment, or extend service.	Moderate to High	Creates New Asset or extends life of existing assets/projected capacity	Needs to meet the legal test for connection fee funding. These are new facilities which increase capacity of system, extend service or extend life of existing system, etc. May include funding maintenance contracts, for the initial period (up to five years), for equipment acquired through CIP projects, if included in the initial CIP project bid.	Connection Fees, Bonds, SRF Loan, or other loans.
6. Combination Projects	Upgrade and increase capacity of existing assets.	Moderate to High	Extends life and capacity of asset	<ol style="list-style-type: none"> 1. Does it extend life of existing asset? 2. Does it add capacity to existing asset? 	Structural Renewal/Replacement Fund, SSC Fees, Connection Fees, Bonds, SRF Loan, Surcharge, Assessment District.
7. Plant and Pump Station	Routine and emergency acquisition and replacement of high cost plant and pump station equipment	Low to Moderate	Creates, extends or replaces asset	<ol style="list-style-type: none"> 1. Larger projects are subject to Board approval. 2. New projects are reviewed and approved annually by the Board. 	Annual Budget allocation to PPSR&R fund from Sewer Service Fees, based on required fund balance.

Appendix B

Criteria for Use of Capacity Funds

Prohibitions. The Capacity Fund may not be used for:

- Operating costs (i.e. salary and benefits, power, chemicals)
- Day-to-day maintenance of USD Facilities (maintenance equipment, tools, and labor).
- ~~Maintenance contracts~~, except for the initial period (up to five years), for equipment acquired through CIP projects, and included in the initial CIP project bid.
- Regular/recurring maintenance of capital facilities (i.e. painting, cleaning, replacement of minor parts and equipment, repairs)

Category A Projects. The Capacity Fund may be used up to 100% to fund projects and associated debt financing that:

- Provide treatment capacity in excess of the average dry weather flow (ADWF), as determined by plant characteristics and master plans.
- Provide power or other plant utilities enabling capacity to be extended beyond the ADWF (e.g., standby power, power infrastructure, IT, access, and land).
- Provide additional pumping capacity to handle average daily flows or peak wet weather flows in excess of current capacity at pump stations and lift stations.
- Provide additional pumping capacity or pipeline conveyance capacity for new developments not currently connected to USD's collection system.
- Provide additional transport system capacity to handle peak flows in excess of current pipeline capacity (e.g., wet weather flow management, water reclamation projects).
- Provide additional collection system capacity to handle peak flows in excess of current pipeline capacity.
- Conduct studies to determine capacity needs or the capacity of existing assets for future use.

Category B Projects. The Capacity Fund may be used to fund up to 50% of capital projects and associated debt financing that:

- Maintain or restore the design capacity of an existing asset.
- Extend the life of an existing asset through preservation of existing capacity.
- Extend the life and projected capacity of an existing asset.
- Assess capacity as a portion of the project scope of a study.

Limits on use of Capacity Fund for Category B projects.

- Before any Capacity funds may be used for any Category B projects, the following conditions must exist:
 - Projected funds for the next 20 years must be adequate to cover:
 - All identified Category A projects for the next 20 years
 - All previously identified Category B projects using capacity funds in the next 20 years.
 - All debt service payments due in the next 20 years.
- The balance remaining may be allocated for Funding of Category B projects giving consideration to the following criteria:
 - Does the project restore capacity to a facility previously downgraded?
 - Does the project allow for maintaining capacity of an asset whose use may be shared by future customers?
 - Does the project extend the useful life of an asset to ensure it is available for future customers?
 - Does funding the project meet the minimum fund balance criteria identified in the Reserves Policy during the life of the construction project?
 - Does the project provide or guarantee future availability of capacity to new/future customers?
 - Is the project estimated to cost greater than \$1 million?

Union Sanitary District Policy

Effective: December 15, 2020	Project Expenditures	Policy Number 2080 Page 1 of 7
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Policy

Establish guidelines for determining the nature and funding of the District's infrastructure and non-infrastructure projects and to provide criteria for the use of the funding sources.

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To further clarify and define the various types of District's infrastructure and non-infrastructure projects and the allowable funding sources by project nature and type.

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Capacity Fees

Capacity fees are charged upon connecting to the sanitary sewer system or upon a change in use in connected properties, the addition of an Accessory Dwelling Unit (ADU) meeting certain requirements, or upon a substantial increase in flow or loading by an industry. The fees can be used for funding debt services for capacity-related projects and may be used per the criteria attached as Appendix 'B'. The fees and expenditures are accounted for in the District's Capacity Fund.

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Sewer Service Charge fees are used to pay for the maintenance, operation, and renewal and replacement of the wastewater facilities (collection, transport, treatment, reuse and disposal of solids and wastewater) and for payment of principal and interest on debt in accordance with Federal and State Revenue Program guidelines. *(Note: this definition is derived from SSC Ordinance 31.39)*

<i>Sources of Funding</i>	Projects may be funded by the Operating Fund, Special Projects Fund, Information Systems Renewal and Replacement Fund, Plant and Pump Station Renewal and Replacement Fund, Structural Renewal and Replacement Fund (Fund 80) and the Capacity Fund (Fund 90). A matrix summarizing internal guidelines is attached as Appendix 'A'.
<i>Operating Fund Projects</i>	<p>These are routine operations and maintenance projects, generally low in cost and do not extend the life of an asset. If the project does extend the life of an asset, it may be funded by the Structural Renewal and Replacement Fund.</p> <p>The threshold is determined during the annual budget process.</p>
<i>Special Projects</i>	<p>These are one-time only and/or non-routine projects or programs and may or may not extend the life of an asset.</p> <p>Examples include, but are not limited to Studies, Master Plans, Emergency projects, and District-wide administrative programs.</p> <p>The threshold is determined during the annual budget process.</p>
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<i>Plant and Pump Station Renewal and Replacement Fund Projects</i>	<p>Projects are for the repair, replacement, upgrade or installation of existing infrastructure at the Alvarado Treatment Plant and Pump Stations.</p> <p>The threshold is determined during the annual budget process.</p>
<i>Structural Renewal and Replacement Fund Projects</i>	<p>Projects are a non-routine upgrade of an existing asset, moderate to high in cost, and extend the life of the asset or replace the asset. Examples would be a major renovation of an existing pipeline, or a major renovation or addition of a treatment facility, prior to the end of its useful life.</p> <p>The threshold is determined during the annual budget process.</p>

Capacity Fund Projects

These are generally new projects that either increase capacity or extend the life and projected capacity of the collection, transport, or treatment system. These projects are moderate to high in cost and most of the time create a new asset, or extend the life of an existing asset through preservation of existing capacity. Other projects may include energy use reduction and capacity conservation projects which measurably reduce flows, loadings, or energy use, and, increase the hydraulic and treatment capacity available.

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The Executive Team, or its designees, are responsible for jointly developing the annual 20-year capital improvement plan and ensuring that projects are funded by the correct revenue stream.

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Reviewed by:	The Executive Team
Approved by:	Board of Directors
Author/Owner:	TS Manager
Notify Person:	TS Manager
Review Frequency:	3 years
Next Revision:	12/2023

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4. Renewal/ Replacement	Non-routine upgrade of existing asset.	Moderate to High	Extends asset or replaces asset	<p>Does it extend life of overall asset?</p> <p>May include funding maintenance contracts, for the initial period (up to five years), for equipment acquired through CIP projects, if included in the initial CIP project bid.</p>	<p>Structural Renewal/ Replacement Fund, SSC Fees, Bonds Surcharge, Assessment District, SRF or WIFIA Loan or other loans.</p> <p>Connection Fees per Criteria in Appendix 'B.'</p>

5. Capacity Fund	New projects to increase capacity, preserve existing capacity, treatment, or extend service.	Moderate to High	Creates New Asset or extends life of existing assets/projected capacity	Needs to meet the legal test for connection fee funding. These are new facilities which increase capacity of system, extend service or extend life of existing system, etc. May include funding maintenance contracts, for the initial period (up to five years), for equipment acquired through CIP projects, if included in the initial CIP project bid.	Connection Fees, Bonds, SRF Loan, or other loans.
6. Combination Projects	Upgrade and increase capacity of existing assets.	Moderate to High	Extends life and capacity of asset	<ol style="list-style-type: none"> 1. Does it extend life of existing asset? 2. Does it add capacity to existing asset? 	Structural Renewal/Replacement Fund, SSC Fees, Connection Fees, Bonds, SRF Loan, Surcharge, Assessment District.
7. Plant and Pump Station	Routine and emergency acquisition and replacement of high cost plant and pump station equipment	Low to Moderate	Creates, extends or replaces asset	<ol style="list-style-type: none"> 1. Larger projects are subject to Board approval. 2. New projects are reviewed and approved annually by the Board. 	Annual Budget allocation to PPSR&R fund from Sewer Service Fees, based on required fund balance.

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- Maintenance contracts, except for the initial period (up to five years), for equipment acquired through CIP projects, and included in the initial CIP project bid.
- Regular/recurring maintenance of capital facilities (i.e. painting, cleaning, replacement of minor parts and equipment, repairs)

Category A Projects. The Capacity Fund may be used up to 100% to fund projects and associated debt financing that:

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- Provide power or other plant utilities enabling capacity to be extended beyond the ADWF (e.g., standby power, power infrastructure, IT, access, and land).
- Provide additional pumping capacity to handle average daily flows or peak wet weather flows in excess of current capacity at pump stations and lift stations.
- Provide additional pumping capacity or pipeline conveyance capacity for new developments not currently connected to USD's collection system.
- Provide additional transport system capacity to handle peak flows in excess of current pipeline capacity (e.g., wet weather flow management, water reclamation projects).
- Provide additional collection system capacity to handle peak flows in excess of current pipeline capacity.
- Conduct studies to determine capacity needs or the capacity of existing assets for future use.

Category B Projects. The Capacity Fund may be used to fund up to 50% of capital projects and associated debt financing that:

- Maintain or restore the design capacity of an existing asset.
- Extend the life of an existing asset through preservation of existing capacity.
- Extend the life and projected capacity of an existing asset.
- Assess capacity as a portion of the project scope of a study.

Limits on use of Capacity Fund for Category B projects.

- Before any Capacity funds may be used for any Category B projects, the following conditions must exist:
 - Projected funds for the next 20 years must be adequate to cover:
 - All identified Category A projects for the next 20 years
 - All previously identified Category B projects using capacity funds in the next 20 years.
 - All debt service payments due in the next 20 years.
- The balance remaining may be allocated for Funding of Category B projects giving consideration to the following criteria:
 - Does the project restore capacity to a facility previously downgraded?
 - Does the project allow for maintaining capacity of an asset whose use may be shared by future customers?
 - Does the project extend the useful life of an asset to ensure it is available for future customers?
 - Does funding the project meet the minimum fund balance criteria identified in the Reserves Policy during the life of the construction project?
 - Does the project provide or guarantee future availability of capacity to new/future customers?
 - Is the project estimated to cost greater than \$1 million?



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 10**

TITLE: Review and Consider Approval of Policy 2025 Fraud in the Workplace (*This is a Motion Item*)

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

Recommendation

Review and Consider Approval of Policy 2025 Fraud in the Workplace.

Discussion

There are no recommended changes to this policy other than minor administrative updates.

Background

Policy 2025, Fraud in the Workplace requires review and approval by the Board of Directors every three years.

Previous Board Action

09/12/16 Board Meeting – Policy Approved

Attachments

Policy 2025 Fraud in the Workplace – Red Line Version
Policy 2025 Fraud in the Workplace – Clean Line Version

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Fraud in the Workplace	Policy Number 2025
March 24, 2017 <u>January, 2021</u>		Page 1 of 3

Policy

It is the policy of Union Sanitary District that all District employees must, at all times, comply with all applicable laws and regulations. It is the policy of the District to identify and promptly investigate any possibility of fraudulent activity against the District and take appropriate action, including the pursuit of legal remedies.

Purpose

The purpose of this policy is to ensure employees are aware of the following: 1) the types of acts considered to be fraudulent, 2) procedures for reporting suspected fraudulent acts, 3) steps to be taken when fraud or other related dishonest activities are suspected, and 4) consequences to expect when a dishonest act is reported. Further, this policy (along with Internal Controls Policy No. 2010) delineates management's responsibility for instituting and maintaining a system of internal controls to prevent and detect fraud, misappropriations and other irregularities, and to be alert for any indications of such misconduct.

Definitions

Fraud and similar irregularities include but are not limited to:

1. Claim for reimbursement of expenses that are not job-related or authorized by the current Purchasing Policy, Travel Policy, MOU, or other management approved policy or practice.
2. Forgery or unauthorized alteration or misrepresentation of documents (including but not limited to records, checks, credit card numbers, promissory notes, timecards, independent contractor agreements, purchase orders, budgets).
3. Misappropriation of District assets (including but not limited to stealing funds, securities, supplies, furniture, equipment, tools, vehicles, inventory).
4. Accepting and keeping payment from a customer and not recording the transaction.
5. Improprieties in the handling or reporting of money, checks and credit card transactions.
6. Knowingly authorizing or receiving payment for goods not received or services not performed.
7. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software.
8. Any violation of Federal, State, or local laws related to dishonest activities or fraud.
9. Seeking or accepting anything of material value (please refer to Gratuities Policy No. 5340) from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees in violation of District policy.

Procedures for reporting workplace fraud

Employees can report wrongdoing in a safe and confidential manner, without fear of retaliation, as follows:

1. If aware of any acts of wrongdoing, employees are required to discuss this information with their Coach [or Work Group Manager](#).
- ~~2. If unable to discuss the complaint with the Coach, contact their Work Group Manager or another manager.~~
- ~~3.2.~~ If neither of the above alternatives is appropriate, the employee should contact the Business Services Work Group Manager [or General Manager](#).
- ~~4.3.~~ To make an anonymous report call the District's Fraud Hotline, ~~see Portal home page for contact information.~~
- ~~5.4.~~ The Fraud hotline representative will be instructed to contact the District's attorney, Board Audit Committee member, Human Resources, or Management, depending on the content of the complaint, when any credible call is received.
- ~~6.5.~~ For safety reasons, do not confront the person who is involved in the complaint.

~~Note:~~ Employees will be granted whistle-blower protection, per Non-Discrimination Against Whistleblowers Policy No. 6980, when acting in good faith and in accordance with this policy. When informed of a suspected impropriety, the District shall not a) dismiss or threaten to dismiss the employee reporting the impropriety, b) discipline, suspend, or threaten to suspend that employee, c) impose any penalty upon that employee, or d) intimidate or coerce an employee for that employee's role in reporting the suspected impropriety. If reporting employee is found culpable or complicit in suspected impropriety (collusion) as the result of an investigation of the matter, appropriate action will be taken, including discipline.

Investigation and Action

1. The Work Group Manager or Coach informed of any wrongdoing shall inform the BS Work Group Manager or the HR ~~Manager Administrator~~ of suspected activity involving fraud or related dishonest activity.
2. Work Group Manager and BS Work Group Manager will confer with HR and determine how best to investigate the suspected activity.
3. At the conclusion of the investigation, the investigator will report to the Work Group Manager or BS Work Group Manager, and HR ~~Manager Administrator~~. The BS Work Group Manager will inform the General Manager.
4. If evidence is uncovered showing possible dishonest or fraudulent activities, the Work Group Manager or BS Work Group Manager will proceed as follows:
 - a. Inform the Executive Team. If the case involves staff members, meet with the HR ~~Manager Administrator~~ (or his/her designated representative) to determine if disciplinary actions should be taken.
 - b. Coordinate with the District's Risk Manager regarding notification to insurers and filing of insurance claims.

- c. Take immediate action, in consultation with the General Manager, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - i. Removing the records and placing them in a secure location or limiting access to the location where the records currently exist.
 - ii. Preventing the individual suspected of committing the fraud from having access to the records
- d. Consult with the General Manager and District Board for possible referral of the case to the Alameda County District Attorney's Office for prosecution.
- 5. The BS Work Group Manager, following review of investigation results, will ensure that appropriate action is taken regarding employee misconduct.
- 6. The District will pursue every reasonable effort, including court ordered restitution, to obtain recovery of District losses from the offender or other appropriate sources.

Business Services Responsibility

The Business Services Manager is responsible for initiating fraud investigations, notifying Executive Team, and external auditors.

Employee Responsibility

Employees are responsible for refraining from fraudulent behavior and reporting any fraudulent behavior to management.

Management Responsibility

Management is responsible for being alert to and reporting fraudulent or related dishonest activities in their areas of responsibility.

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

Title	Policy #	Effective Date
Fraud in the Workplace	2025	February 12, 2013
Fraud in the Workplace	2025	March 24, 2017

Approved by: Board of Directors

Author/owner: Business Services Manager/CFO

Reviewers: Executive Team and Audit Committee

Notify Person: Business Services Manager/CFO

Revision frequency: Every 3 years

Next revision: ~~March 24, 2020~~ January 2024

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Fraud in the Workplace	Policy Number 2025
January, 2021		Page 1 of 3

Policy

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Purpose

The purpose of this policy is to ensure employees are aware of the following: 1) the types of acts considered to be fraudulent, 2) procedures for reporting suspected fraudulent acts, 3) steps to be taken when fraud or other related dishonest activities are suspected, and 4) consequences to expect when a dishonest act is reported. Further, this policy (along with Internal Controls Policy No. 2010) delineates management's responsibility for instituting and maintaining a system of internal controls to prevent and detect fraud, misappropriations and other irregularities, and to be alert for any indications of such misconduct.

Definitions

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3. Misappropriation of District assets (including but not limited to stealing funds, securities, supplies, furniture, equipment, tools, vehicles, inventory).
4. Accepting and keeping payment from a customer and not recording the transaction.
5. Improprieties in the handling or reporting of money, checks and credit card transactions.
6. Knowingly authorizing or receiving payment for goods not received or services not performed.
7. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software.
8. Any violation of Federal, State, or local laws related to dishonest activities or fraud.
9. Seeking or accepting anything of material value (please refer to Gratuities Policy No. 5340) from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees in violation of District policy.

Procedures for reporting workplace fraud

Employees can report wrongdoing in a safe and confidential manner, without fear of retaliation, as follows:

1. If aware of any acts of wrongdoing, employees are required to discuss this information with their Coach or Work Group Manager.
2. If neither of the above alternatives is appropriate, the employee should contact the Business Services Work Group Manager or General Manager.
3. To make an anonymous report call the District's Fraud Hotline.
4. The Fraud hotline representative will be instructed to contact the District's attorney, Board Audit Committee member, Human Resources, or Management, depending on the content of the complaint, when any credible call is received.
5. For safety reasons, do not confront the person who is involved in the complaint.

Employees will be granted whistle-blower protection, per Non-Discrimination Against Whistleblowers Policy No. 6980, when acting in good faith and in accordance with this policy. When informed of a suspected impropriety, the District shall not a) dismiss or threaten to dismiss the employee reporting the impropriety, b) discipline, suspend, or threaten to suspend that employee, c) impose any penalty upon that employee, or d) intimidate or coerce an employee for that employee's role in reporting the suspected impropriety. If reporting employee is found culpable or complicit in suspected impropriety (collusion) as the result of an investigation of the matter, appropriate action will be taken, including discipline.

Investigation and Action

1. The Work Group Manager or Coach informed of any wrongdoing shall inform the BS Work Group Manager or the HR Manager of suspected activity involving fraud or related dishonest activity.
2. Work Group Manager and BS Work Group Manager will confer with HR and determine how best to investigate the suspected activity.
3. At the conclusion of the investigation, the investigator will report to the Work Group Manager or BS Work Group Manager, and HR Manager. The BS Work Group Manager will inform the General Manager.
4. If evidence is uncovered showing possible dishonest or fraudulent activities, the Work Group Manager or BS Work Group Manager will proceed as follows:
 - a. Inform the Executive Team. If the case involves staff members, meet with the HR Manager (or his/her designated representative) to determine if disciplinary actions should be taken.
 - b. Coordinate with the District's Risk Manager regarding notification to insurers and filing of insurance claims.
 - c. Take immediate action, in consultation with the General Manager, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - i. Removing the records and placing them in a secure location or limiting access to the location where the records currently exist.

- ii. Preventing the individual suspected of committing the fraud from having access to the records
- d. Consult with the General Manager and District Board for possible referral of the case to the Alameda County District Attorney's Office for prosecution.
- 5. The BS Work Group Manager, following review of investigation results, will ensure that appropriate action is taken regarding employee misconduct.
- 6. The District will pursue every reasonable effort, including court ordered restitution, to obtain recovery of District losses from the offender or other appropriate sources.

Business Services Responsibility

The Business Services Manager is responsible for initiating fraud investigations, notifying Executive Team, and external auditors.

Employee Responsibility

Employees are responsible for refraining from fraudulent behavior and reporting any fraudulent behavior to management.

Management Responsibility

Management is responsible for being alert to and reporting fraudulent or related dishonest activities in their areas of responsibility.

Approved by: Board of Directors

Author/owner: Business Services Manager/CFO

Reviewers: Executive Team and Audit Committee

Notify Person: Business Services Manager/CFO

Revision frequency: Every 3 years

Next revision: January 2024

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 11**

TITLE: **Review and Consider Approval of Policy 2010, Internal Controls (*This is a Motion Item*)**

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

Recommendation

Review and Consider Approval of Policy 2010, Internal Controls.

Discussion

The only recommended changes to this policy are to clarify assigned duties by job title and to remove language regarding the use of gift cards.

Background

Policy 2010, Internal Controls., requires review and approval by the Board of Directors every three years.

Previous Board Action

09/12/16 Board Meeting – Policy Approved

Attachments

Policy 2010, Internal Controls – Red Line Version
Policy 2010, Internal Controls – Clean Line Version

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Internal Controls Policy	Policy Number 2010
March 24, 2017 <u>January 2021</u>		Page 1 of 3

Policy

It is the policy of Union Sanitary District to adhere to internal controls in order to safeguard the District's assets.

Purpose

To provide employees with the procedures for internal controls at Union Sanitary District.

Procedure

Union Sanitary District has an obligation to safeguard the District's assets, both financial and physical (infrastructure and other property). In order to protect these assets, a series of checks and balances have been put into place. These checks and balances serve to mitigate fraud, loss, and other misuse of the District's resources. Listed below are procedures currently in place:

- Signing authority – Only certain individuals are permitted to sign on certain invoices and/or accounts in accordance with the Purchasing Policy. Signing authority is updated at least annually, or when there is a change.
- An annual financial audit is performed by an independent external auditing firm.
- Employees with procurement cards are given dollar limits which they cannot exceed and restrictions on types of goods they may purchase.
- Security access to financial system – employees have access to the District's financial system, based on their authority/security level, to view specific information. They may inquire on accounts and run reports. Employees responsible for processing transactions have limited access, in that no one person (without collusion) could produce checks or commit theft of funds without the awareness of other staff. There are audit trails for any entries made to the general ledger.
- Review and release of Accounts Payable batches by other than batch preparer prior to checks being issued.
- Finance staff documents their review of the payroll check register each pay period.
- Positive Pay – This is a system set up with the bank whereby checks not issued by the District will not be paid by the bank without the District's approval.
- Use of multiple security features on accounts payable and payroll check stock.
- Rapid (daily) deposit of checks received by the District, and deposit of cash at least once per month, or when amount reaches \$500.~~00~~.
- Dual signatures for wires and transfers – Wire transfers for investments and other transactions require two staff members to successfully complete the transaction.
- Board review of monthly investment transactions and check register.
- Securities purchased from any bank or dealer are placed with an independent third party for custodial safekeeping.

- All telephone transactions for banking and securities are supported by written confirmations.
- All investment trades, where applicable, will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution before the release of District funds.
- Timely reconciliation of general ledger accounts and bank statements to ensure proper handling of all transactions.
- Passwords – Staff is required to periodically change system passwords.
- Remote access of online banking is accomplished through a dedicated virtual machine.
- There is segregation of duties, to the extent possible, throughout the accounting and related functions including Accounts Payable, Payroll, Human Resources, and General Ledger, Investments and cash handling. These controls are reviewed annually by our independent Financial Auditors.
- Accounting staff is encouraged to take periodic normal vacation periods, ensuring that no one person guards a particular function for an extended period of time without some oversight.
- The same individual that makes deposits does not reconcile the bank accounts.
- Review of non-standard journal entries by ~~Senior Accountant or Principal Financial Analyst.~~ Senior Accounting and Financial Analyst(s) or Accounting & Financial Analyst I/II(s).
- The Business Services Manager/CFO or their designee shall the FAST Coach reviews and approves all journal entries prepared by the accounting staff.
- ~~Gift card transactions (purchase, expense, distribution, and payroll) for employee recognition are reconciled monthly.~~
- The ~~Technical Services~~CIP group documents its review of bidders on the debarment list maintained by the California Department of Industrial Relations.
- The District's Audit Committee provides an independent forum for internal control oversight and reporting of fraud. In accordance with Fraud in the Workplace Policy No. 2025 a third-party hotline has been instituted for anonymous reporting.
- Continue to identify and implement new controls to address changes in technology or District practices.

The District balances internal controls with the value they provide.

Business Services Responsibility

Business Services is responsible for following the internal controls identified in the Policy.

Management Responsibility

Management is responsible for ensuring adherence to the District's Internal Controls policy.

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

Title	Policy #	Effective Date
Internal Controls Policy	2010	January 8, 2007
Internal Controls Policy	2010	March 8, 2010
Internal Controls Policy	2010	June 25, 2013
Internal Controls Policy	2010	January 11, 2020

Approved by: Board of Directors

Author/owner: Business Services Manager/CFO

Reviewers: Executive Team, Audit Committee

Notify Person: Business Services Manager/CFO

Revision frequency: Every 3 years

Next Revision: ~~March 24, 2020~~January 2024

Union Sanitary District
Policy and Procedure Manual

Effective Date:	Internal Controls Policy	Policy Number 2010
January 2021		Page 1 of 2

Policy

It is the policy of Union Sanitary District to adhere to internal controls in order to safeguard the District's assets.

Purpose

To provide employees with the procedures for internal controls at Union Sanitary District.

Procedure

Union Sanitary District has an obligation to safeguard the District's assets, both financial and physical (infrastructure and other property). In order to protect these assets, a series of checks and balances have been put into place. These checks and balances serve to mitigate fraud, loss, and other misuse of the District's resources. Listed below are procedures currently in place:

- Signing authority – Only certain individuals are permitted to sign on certain invoices and/or accounts in accordance with the Purchasing Policy. Signing authority is updated at least annually, or when there is a change.
- An annual financial audit is performed by an independent external auditing firm.
- Employees with procurement cards are given dollar limits which they cannot exceed and restrictions on types of goods they may purchase.
- Security access to financial system – employees have access to the District's financial system, based on their authority/security level, to view specific information. They may inquire on accounts and run reports. Employees responsible for processing transactions have limited access, in that no one person (without collusion) could produce checks or commit theft of funds without the awareness of other staff. There are audit trails for any entries made to the general ledger.
- Review and release of Accounts Payable batches by other than batch preparer prior to checks being issued.
- Finance staff documents their review of the payroll check register each pay period.
- Positive Pay – This is a system set up with the bank whereby checks not issued by the District will not be paid by the bank without the District's approval.
- Use of multiple security features on accounts payable and payroll check stock.
- Rapid (daily) deposit of checks received by the District, and deposit of cash at least once per month, or when amount reaches \$500.
- Dual signatures for wires and transfers – Wire transfers for investments and other transactions require two staff members to successfully complete the transaction.
- Board review of monthly investment transactions and check register.
- Securities purchased from any bank or dealer are placed with an independent third party for custodial safekeeping.
- All telephone transactions for banking and securities are supported by written confirmations.

- All investment trades, where applicable, will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution before the release of District funds.
- Timely reconciliation of general ledger accounts and bank statements to ensure proper handling of all transactions.
- Passwords – Staff is required to periodically change system passwords.
- Remote access of online banking is accomplished through a dedicated virtual machine.
- There is segregation of duties, to the extent possible, throughout the accounting and related functions including Accounts Payable, Payroll, Human Resources, and General Ledger, Investments and cash handling. These controls are reviewed annually by our independent Financial Auditors.
- Accounting staff is encouraged to take periodic normal vacation periods, ensuring that no one person guards a particular function for an extended period of time without some oversight.
- The same individual that makes deposits does not reconcile the bank accounts.
- Review of non-standard journal entries by Senior Accounting and Financial Analyst(s) or Accounting & Financial Analyst I/II(s). The Business Services Manager/CFO or their designee shall review and approve all journal entries prepared by the accounting staff.
- The Technical Services group documents its review of bidders on the debarment list maintained by the California Department of Industrial Relations.
- The District's Audit Committee provides an independent forum for internal control oversight and reporting of fraud. In accordance with Fraud in the Workplace Policy No. 2025 a third-party hotline has been instituted for anonymous reporting.
- Continue to identify and implement new controls to address changes in technology or District practices.

The District balances internal controls with the value they provide.

Business Services Responsibility

Business Services is responsible for following the internal controls identified in the Policy.

Management Responsibility

Management is responsible for ensuring adherence to the District's Internal Controls policy.

Approved by: Board of Directors

Author/owner: Business Services Manager/CFO

Reviewers: Executive Team, Audit Committee

Notify Person: Business Services Manager/CFO

Revision frequency: Every 3 years

Next Revision: January 2024

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 12**

TITLE: Consider a Resolution to Update Union Bank Signatories (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, CFO/Business Services Work Group Manager
Laurie Brenner, Finance & Acquisition Services Team Coach

Recommendation

The recommendation is for the Board to review, sign and approve the attached forms necessary to update Union Bank signatories for the District, acknowledging Mark Carlson as the new Banking Contract Officer (BCO). Forms for required signatures include:

- Bank Depositor and Treasury Management Services Agreement (Public Agency)
- Contract for Deposit of Moneys
- Funds Transfer Authorization (to add existing staff and remove retirees for wire transfers)
- Public Entity Resolution (bank provided, simple resolution)

Discussion

When the Banking Contract Officer (BCO) position is updated at a given agency, the Union Bank requires that the requesting agency “re-document” all affected accounts. Once the requisite forms and resolution are completed with “wet” signatures and returned by mail to be maintained by the bank, these changes will be facilitated in the Union Bank system.

Background

The District’s financial auditors have noted that previous signatories (although rendered unable to perform any activities) have remained on the bank’s records since the departure of the prior CFO/Business Services Work Group Manager and subordinate staff in Finance. Now that Mark

Carlson is in the role at the District, all signatories should be updated for accuracy and to enable necessary changes in the future.

Previous Board Action

The District has been banking with Union Bank since 1997, as approved via resolution.

Attachments:

Bank Depositor and Treasury Management Services Agreement (Public Agency)

Contract for Deposit of Moneys

Funds Transfer Authorization

Public Entity Resolution



BANK DEPOSITOR AND TREASURY MANAGEMENT SERVICES AGREEMENT (Public Agency)

This **Bank Depositor and Treasury Management Services Agreement (Public Agency)** (as may be modified, amended, or supplemented from time to time, this "Agreement") is entered into by the public agency set forth below (the "Public Agency"), as of the date set forth next to the signature line hereof, with MUFG Union Bank, N.A. ("Bank").

PUBLIC AGENCY

UNION SANITARY DISTRICT

The Public Agency hereby acknowledges that it has received from Bank a copy of each of the following documents: (i) Business Accounts & Services Disclosure and Agreement (the "Account Disclosure and Agreement"), (ii) Transaction Banking Services Disclosure and Agreement (the "Transaction Banking Services Disclosure and Agreement"), and (iii) Bank's schedule of fees and charges (the "Fee Schedule", and together with the Account Disclosure and Agreement and the Transaction Banking Services Disclosure and Agreement, the "Bank Agreements"). The Bank Agreements are hereby incorporated herein by reference. The Public Agency hereby agrees to the terms and conditions of the Bank Agreements and further agrees that each of the Bank Agreements may be modified, amended, or supplemented by Bank from time to time upon reasonable notice.

Account Disclosure and Agreement

The Public Agency hereby agrees that the Account Disclosure and Agreement shall govern any deposit account(s) opened by the Public Agency with Bank which is/are listed below or hereafter opened and listed below and the services thereunder shall be subject to the Fee Schedule.

Transaction Banking Services Disclosure and Agreement

The Public Agency hereby further agrees that the Transaction Banking Services Disclosure and Agreement shall govern any transaction banking services requested by the Public Agency and provided by Bank as set forth therein. The Public Agency agrees that such services shall also be governed by the Fee Schedule, any applicable user documentation, set-up forms, or related documents or other disclosures as may be provided to the Public Agency by Bank from time to time. Services requested by the Public Agency under the Transaction Banking Services Disclosure and Agreement shall commence upon Bank's approval and receipt by Bank of all properly executed forms as may be required by Bank from time to time as well as successful completion of any testing or training requirements set forth by Bank from time to time.

ACCOUNT NUMBER	TYPE	CYCLE	DATE OPENED	OPENED BY	REV EWED BY	DATE CLOSED
1. [REDACTED]	DDA		06/16/1997			
2. [REDACTED]	DDA		06/16/1997			
3.						
4.						
5.						

MAILING ADDRESS FOR ABOVE ACCOUNT(S)

5072 BENSON ROAD
UNION CITY CA 94587-2508

AREA CODE & PHONE NUMBER

510-477-7500

STREET ADDRESS

TYPE OF PUBLIC AGENCY

TAXPAYER I.D. NUMBER

94-6000787

IDENTIFICATION

BANK REFERENCE

PREVIOUS BANK

BRANCH/OFFICE

ACCOUNT OFFICER

CHANGE OF MAILING ADDRESS

AREA CODE & PHONE NUMBER

DATE RECEIVED

ENTER ACCOUNT NUMBER ►

**BANK DEPOSITOR AND
TREASURY MANAGEMENT
SERVICES AGREEMENT
(Public Agency)**

Authorized Deposit Account Signer(s) (Sign in black ink)

TYPED NAME AND TITLE

Anjali Lathi

Pat Kite

Jennifer Toy

Tom Handley

Manny Fernandez

Paul Eldredge

(LINE OUT UNUSED SPACES)

Signing instructions: It is not the Bank's general policy to offer accounts on which two or more signatures are required for withdrawals.

PREPARE AND MAIL STATEMENT AS FOLLOWS:

☐

According to Bank's schedule.

☐

At the end of the month.

☐

Other: _____

☐

Hold if not called for in 60 days, then mail. The Bank is not responsible for statements lost in transit.

I understand that you will handle deposits and accounts according to your arrangements for services of this type and according to the Contract for Deposit of Moneys between the Public Agency and Bank dated _____

I certify that:

- I am legally charged with receipt and safekeeping of the funds coming into the Treasury of the Public Agency and I am authorized to establish deposit accounts with you and to designate from time to time who is authorized to withdraw funds, initiate payment orders, execute service agreements, and otherwise give instructions on behalf of the Public Agency with respect to its deposit account(s) and treasury management services.
- The persons whose specimen signatures appear above are authorized to withdraw or transfer funds from the deposit account(s).
- For time deposit accounts, I am authorized to establish one now and other accounts later under this Agreement.

The above certification shall remain in full force and effect until Bank receives written notice of revocation from the governing body of the Public Agency or from me.

Date: _____

Signature _____

Phone Number: (510) 477-7500

Type or
Print Name Mark Carlson

Title Chief Financial Officer

(Signatory on Contract for Deposit of Moneys)

BANK FILE NUMBER	TREASURER FILE NUMBER
AGENT OF BANK FILE NUMBER	AUDITOR NUMBER

CONTRACT FOR DEPOSIT OF MONEYS

THIS CONTRACT, relating to the deposit of moneys, is made as of the 14th day of August, 2020, Mark Carlson ("Chief Financial Officer"), acting in his or her official capacity as Treasurer/ Chief Financial Officer of **UNION SANITARY DISTRICT** ("Depositor"), and MUFG Union Bank, N.A. ("Bank"), as depository and having a shareholder's equity of (\$14,851,130,000.00.) on August 14, 2020.

The Treasurer proposes to deposit in the Bank from time to time moneys in his or her custody in an aggregate amount on deposit at any one time not to exceed the total shareholder's equity of the Bank and said moneys will be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California.

The Government Code requires the Treasurer to enter into a contract setting forth the conditions upon which said moneys are deposited with the Bank.

In the judgment of the Treasurer, this contract is to the public advantage.

The parties agree as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Bank relating to the method of collateralization of Depositor's deposits.
2. This contract, but not deposits then held hereunder, is subject to termination by the Treasurer or the Bank at any time upon 30 days' written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule, or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security of the State of California (the "Administrator"), is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer. Upon notice to the Treasurer from the Administrator that the Bank failed to pay assessments, fines or penalties assessed by the Administrator, the Treasurer may withdraw Depositor's deposits from the Bank. Upon notice to the Treasurer from the Administrator that the Bank failed to pay fines or penalties assessed by the Administrator, the Treasurer may immediately withdraw authorization for the placement of pooled securities with the Agent of the Bank.
3. Interest shall accrue on any moneys so deposited as permitted by any act of the Congress of the United States or by any rule or regulation of any department or agency of the federal government. If interest may legally be paid on the account into which the moneys are deposited, then all moneys deposited shall bear interest at a rate agreed upon by the Treasurer and the Bank.
4. The Bank shall issue to the Treasurer for each inactive deposit a receipt or other evidence of deposit on a form agreed to by the Bank and the Treasurer, stating, when required, the interest to be paid, if any, the duration of the deposit, the frequency of interest payments, if any, and the terms of withdrawal. Each such form is by reference made a part of this contract.
5. The Bank will maintain at all times with the Agent of the Bank as security for Depositor's deposits (a) eligible securities of the classes described in Government Code Section 53651, except subdivisions (m) and (p), having a market value at least 10% in excess of the total amount of deposits secured by those securities, (b) eligible securities of the class described in subdivision (m) of Government Code Section 53651 having a market value at least 50% in excess of the total amount of deposits secured by those securities and (c) eligible securities of the class described in subdivision (p) of Government Code Section 53651 having a market value of at least 5% in excess of the total amount of deposits secured by those securities. If the Administrator determines that a security is not qualified to secure public deposits, the Bank will substitute other securities to comply with the requirements of this paragraph.
6. Eligible securities are those listed in Government Code Section 53651.
7. The Treasurer hereby waives security for that portion of the total amount on deposit which is insured pursuant to federal law.
8. The Agent of the Bank, which the Treasurer and the Bank hereby authorize to hold the eligible securities posted as collateral under this contract, is the Trust Department of the Bank. The Agent of the Bank has filed with the Administrator an agreement to comply in all respects with all provisions of the Local Agency Deposit Security Law as set forth in the Government Code and Local Agency Deposit Security Regulations.
9. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of the Bank, including placement with any Federal Reserve Banks or branches thereof, and the following banks or trust companies, other than the Bank:
Depository Trust Company, New York, New York;
Citibank, New York, New York

10. If the Bank fails to pay all of any moneys on deposit of the Depositor which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator. Action of the Administrator in converting the collateral required by paragraph 5 above for the benefit of the Depositor is governed by Government Code Section 53665.

11. The Bank may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of paragraph 5 above are met. The Bank shall not interchange classes of security (as defined in Government Code Section 53632.5) without the prior written approval of the Treasurer.

12. The Bank shall have and hereby reserves the right to collect the interest on the securities except in cases where the securities are liable to sale or are sold or converted in accordance with the provision of Government Code Section 53665.

13. The Bank will pay all expenses incurred in transporting eligible securities maintained as collateral for moneys on deposit to and from the Agent of the Bank. The Depositor will pay (or promptly reimburse

the Bank for or otherwise compensate the Bank for) all expenses incurred in transporting all moneys deposited with the Bank to and from the Treasurer's office. The Depositor will pay the Bank (or otherwise compensate the Bank for) the fees and charges stated in the Bank's then current Schedule of Fees (unless the Bank and the Treasurer otherwise agree) for handling, collecting and paying all checks, drafts and other exchange or securities according to the Bank's normal practices.

14. This contract, the parties hereto, and all deposits governed by this contract shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgated, all of which are by this reference made a part hereof.

IN WITNESS WHEREOF, the Treasurer in his or her official capacity has signed this contract in quadruplicate and the Bank has caused this contract to be executed in like number by its duly authorized officer.



MUFG UNION BANK, N.A.

By: Mark Carlson

By:

Name:
Title: Chief Financial Officer

Name:
Title:

Reset Form

REFERENCE NO.

1606945366



FUNDS TRANSFER AUTHORIZATION

Direct Access to Wire Services & Wires on the Web For Transaction Banking Use Only

Refer to the appropriate *Business Accounts & Services and Transaction Banking Services Disclosure and Agreement*, or *Fee Schedule* for pricing.

DATE
12/14/2020

1. Request Type

Select from list:

New or Replace Existing Setup - New Wire Transfer Service or Replace Existing Funds Transfer Authorization (Complete all Sections 1 - 7)

2. Customer Information

The undersigned "Customer" and MUFG Union Bank, N.A. ("Bank") agree that the Bank will provide wire transfer services according to the terms of the Master Funds Transfer Agreement and Security Procedures, applicable fee schedule and as specified below.

NAME AS IT APPEARS ON YOUR ACCOUNT
UNION SANITARY DISTRICT

PRIMARY PHONE NUMBER

510-477-7500

3. Select Outgoing Wire Transfer Initiation Type

Indicate how you wish to initiate wire transfers. Further descriptions appear in the Master Funds Transfer Agreement and Security Procedures. For your protection, when you set up repetitive transfers, we perform a callback only when you initially set up the parameters for the transfer but not subsequently unless you request otherwise in writing. **Additional fees apply for Authentication (SecurID) Token; refer to the appropriate Account and Services Disclosure and Agreement, or Fee Schedule for pricing.** The Authentication (SecurID) Token maybe used for multiple services and accounts.

Initiation Type (select one or more)

- ☒ **Direct Access** (Maybe used as a sole initiation type or as a backup to Wires on the Web).
IMPORTANT: Please select your Direct Access initiation method(s) from the following options:
- ☒ Telephone and Callback with Authentication (SecurID) Token
 - ☒ Facsimile and Callback with Authentication (SecurID) Token
 - ☒ Facsimile and Test Key (for Customers not residing in the U.S.)
- ☒ **Repetitive Outgoing Wire Set Up** (Funds Transfer Set Up (Form 02342) must accompany request.)
- ☒ **Drawdown/Reverse Drawdown** (Funds Transfer Set Up (Form 02342) must accompany request.)
- ☒ **Standing Instructions** (Funds Transfer Set Up (Form 02342) must accompany request.)
- ☐ **Branch, In Person**

- ☐ *Online Financial Center (Wires on the Web)
- ☐ *Online Financial Center (Wires on the Web With Foreign Currency Demand Account)
- ☐ *Transmission (EDI)
- ☐ *SWIFT (SWIFT Services Worksheet Form 01525 must accompany request)
- ☐ *Conversion Fedwire to INTL Payment:

Sender ABA Number:

*Note: For the initiation types listed directly above, additional documents are required.

4. Customer Accounts

Account Ownership must be the same as Customer Information above. Add Foreign Current Deposit Account (FCDA) if applicable. Do not add Time Certificate of Deposits (TCD).

Designated Account Number (8 or 10 digits)	Account Title	Add or Delete Account	
	UNION SANITARY DISTRICT	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete	+
	UNION SANITARY DISTRICT	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete	-

Note: To add additional rows press "+", to remove rows press "-"

5. Authorized Callers

Complete this section to designate Authorized Callers who may initiate transactions, receive callbacks and receive advices. Individual Dollar Limits can not be combined. **List in order of Callback priority, and all fields are required.**

	Printed Name	Specify Individual Dollar Limit (Select at least one)		
1	Laurie Brenner	<input checked="" type="checkbox"/> Initiate Repetitive \$ Unlimited	Add or Delete Caller: <input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete	+
	Signature	<input checked="" type="checkbox"/> Initiate Non-Repetitive \$ Unlimited	CallBack Telephone Number:	
		<input checked="" type="checkbox"/> Receive Callback \$ Unlimited	Work No.: 510-477-7647	
		<input type="checkbox"/> Same Person Callback \$ 0.00	Cell No.: 510-323-3239	
	Last four digits of TIN: 162 of 260		UB Token Number:	

Reset Form				REFERENCE NO. 1606945366
2	Lily Moreno	<input checked="" type="checkbox"/> Initiate Repetitive	\$ Unlimited	Add or Delete Caller: <input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete CallBack Telephone Number: Work No.: 510-477-7515 Cell No.: UB Token Number:
	Signature	<input checked="" type="checkbox"/> Initiate Non-Repetitive	\$ Unlimited	
	x	<input checked="" type="checkbox"/> Receive Callback	\$ Unlimited	
	Last four digits of TIN:	<input type="checkbox"/> Same Person Callback	\$ 0.00	
3	Virginia Holslag	<input checked="" type="checkbox"/> Initiate Repetitive	\$ Unlimited	Add or Delete Caller: <input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete CallBack Telephone Number: Work No.: 510-477-7512 Cell No.: UB Token Number:
	Signature	<input checked="" type="checkbox"/> Initiate Non-Repetitive	\$ Unlimited	
	x	<input checked="" type="checkbox"/> Receive Callback	\$ Unlimited	
	Last four digits of TIN:	<input type="checkbox"/> Same Person Callback	\$ 0.00	

Note: To add additional rows press "+", to remove rows press "-"

6. Agree to Terms

- **For New & Replace Existing Setups - This section needs to match all Bank Contracting Officers on the signature card or individuals authorized via the Delegation of Authority form on file.**
- **For Update & Delete Account requests - This section requires one Bank Contracting Officer on signature card or individual authorized via Delegation of Authority form.**

All Individuals With Authority Over Customer's Account(s) Should Complete This Section

By signing here, each person agrees to the terms and conditions contained in the Master Funds Transfer Agreement and Security Procedures and declares under penalty of perjury that the following is true and correct: (1) I hold the position listed next to my name. (2) Each person listed as an Authorized Signer in this "Agree To Terms" section, has authority to enter into or change any agreement with the Bank concerning funds transfers on behalf of Customer including, but not limited to, authority to add or delete Authorized Callers and designate accounts used for funds transfers. No other person's authorization is necessary to bind the Customer for purposes of fund transfers. (3) If there is only one person designated as the Authorized Caller in Section 5 above or if the "Same Person Callback" box is checked, the Authorized Signer(s) acknowledge(s) that such Authorized Caller may initiate the transfer and receive the callback. This process will not provide the usual security surrounding the validation of instructions. The Authorized Signer(s) agree(s) to be bound by any payment order, whether or not authorized, issued in Customer's name and accepted by Union Bank in compliance with the security procedure chosen. Customer agrees to indemnify and hold the Bank harmless from any loss (including, without limitation, attorneys' fees) due to or arising from the use of the security procedure chosen by customer. (4) This authorization supercedes any conflicting authorizations already in effect. (5) For partnerships I, along with any others who sign below, constitute all of the general partners necessary to bind the partnership. (6) For limited liability companies I, along with any others who sign below, constitute all Customer's members or managers necessary to bind the limited liability company.

Printed Name of Authorized Signer	Signature	Title	
Mark Carlson		Chief Financial Officer	-

Note: To add additional rows press "+", to remove rows press "-"

7. Resolution and Certification

For Secretary of Corporations or Unincorporated Associations Only
Not applicable for the following structure: LLC, LLP, GP, LP, Public Agencies

RESOLVED, that the individual(s) listed in the "Agree to Terms" section of this Funds Transfer Authorization are hereby authorized to enter into any agreement with MUFG Union Bank, N.A. ("Bank") relating to the transfer of funds from the account(s) of the customer above ("Company"), whether in person, in writing, or by means of telephone, electronic transmission, or facsimile, and are further authorized to designate others who may initiate transactions and receive callbacks and advices.

FURTHER RESOLVED, that this authorization is in addition to any other authorizations in effect and will remain in force until the Bank receives written notice of revocation at the address(es) and manner designated by the Bank.

CERTIFICATION: I certify that: (1) I am the Secretary or Assistant Secretary of the Company; (2) the resolution printed above is a complete and accurate copy of a resolution duly adopted by the Company's Board of Directors or by the Company's members (if unincorporated); (3) the resolution is in full force and has not been revoked or changed.

Printed Name of Corporate Secretary	Signature	Date
n/a		

Reset Form

REFERENCE NO.

1606945366

FOR BANK USE ONLY

By signing below, authentication has been performed as outlined in Bank policy **BPM-2002**

PREPARED BY - Print Name	EMPLOYEE NO	TITLE	SIGNATURE	DATE
APPROVED BY (OFFICER LEVEL REQUIRED) - Print Name	EMPLOYEE NO	TITLE	SIGNATURE	DATE

WIRE SERVICES DATABASE, V02-490

INPUT (Signature)	EMPLOYEE NO	VERIFY (Signature)	EMPLOYEE NO
SIGNATURE/VERIFICATION OF BANK OFFICER	EMPLOYEE NO	DATE	

©2020 MUFG Union Bank, N.A. All rights reserved.

Union Bank is a registered trademark and brand name of MUFG Union Bank, N.A.

OPTIONAL – DO NOT RETURN THIS PAGE IF ADVICE NOTICES ARE NOT SELECTED**8. DESIGNATION OF INCOMING/OUTGOING ADVICE (OPTIONAL)**Refer to the appropriate *Account and Services Disclosure and Agreement*, or *Fee Schedule* for pricing.

Note: To add additional rows press "+", to remove rows press "-"		+
1	Designated Account Number:	OR <input type="checkbox"/> Check if applies to ALL Accounts
OPTION Account can only be listed under ONE option		
Inbound Account Wire Advice		
Outbound Account Wire Advice		
Inbound/Outbound Account Wire Advice		
Fax Number (only if Fax is selected):		
Authorized person in Section 5 to receive Incoming Wire Advice by phone:		+
1	Name:	
	Telephone Number:	-



PUBLIC ENTITY RESOLUTION

California Government Code 53679 stipulates that money not under control of the treasurer but belonging to a local agency and under the control of any of its officers or employees other than the treasurer may deposit funds as active deposits or inactive deposits.

For deposits in excess of the amount insured under any federal law, a contract in accordance with Section 53649 is required.

It is resolved that the officer now or subsequently holding the position of

Chief Financial Officer	(Title)	UNION SANITARY DISTRICT	(Public Entity)
-------------------------	---------	-------------------------	-----------------

is authorized by the Governing Board under California Government Code 53649 to enter into any contract with Union Bank, N.A. relating to any deposit, which in his or her judgment is to the public advantage. Contracting requirements could include:

- Establish bank accounts and services.
- Sign, or change in writing, agreements with the Bank regarding the Public Entity's bank deposit relationship.
- Specify in writing to the Bank the individuals who are authorized in the name of and on behalf of the Public Entity to:
 - Withdraw funds from any of the Public Entity's banking accounts on the Public Entity's checks or orders.
 - Endorse and deliver to the Bank, for any purposes, and in any amount, negotiable or non-negotiable items of any kind, and owned by, or held by, or payable to the Public Entity.
 - Send, review, and/or authorize wire and electronic transfers of funds from the Public Entity accounts. Such authority may be exercised by such authorized individual acting alone, regardless of any multiple signature requirements otherwise applicable to the accounts.
 - Otherwise access the Public Entity's deposit accounts.

This authority has been granted by the Governing Board and shall remain in effect until the Bank receives written notice of revocation at the Office where the Public Entity's banking relationship is maintained.

CERTIFICATION

I, Anjali Lathi, Clerk/Secretary to the Governing Board of the above referenced Public Entity, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed by the Governing Board

on _____ (Month and date) of _____ (Year), and the resolution has not been revoked or amended.

CLERK/SECRETARY TO THE GOVERNING BOARD	SIGNATURE	DATE
Anjali Lathi	X	

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 13**

TITLE: Consider a Resolution to Accept a Sanitary Sewer Easement for Tract 8384 – Ursa Drive, Located at Ursa Drive and Plomosa Way, in the City of Fremont *(This is a Motion Item)*

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

Recommendation

Staff recommends the Board consider a resolution to accept a sanitary sewer easement for Tract 8384 – Ursa Drive, located at Ursa Drive and Plomosa Way, in the City of Fremont.

Discussion

None.

Background

The developer, Robson Homes, Inc., is constructing a residential development consisting of 17 single-family residences for Tract 8384, located on the west side of Ursa Drive at Plomosa Way, in the city of Fremont. A vicinity map is attached.

Sanitary sewer service to the residential development will be provided by new 8-inch sewer mains in the development's roadways that discharge to an existing 8-inch sewer main that resides within an existing sanitary sewer easement between two parcels at 366 and 388 Kansas Way. The roadways of the development do not meet the City of Fremont's street dimensions and structure setback requirements for public streets and were, therefore, designated as private. Robson Homes, Inc., has constructed the new 8-inch sewer mains and has granted the District a sanitary sewer easement that provides for access and maintenance of the new sewer mains.

District staff has reviewed the legal descriptions and plat maps of the easements, as well as the Grant of Easement, and recommends approval.

Previous Board Action

None.

PRE/SEG/RA/RS:mb

Attachments: Vicinity Map

Resolution Accepting Grant of Easement

GoE Recording Request with Certificate of Acceptance

Grant of Easement with Exhibits A and B



Vicinity Map: Grant of SSE, Tract 8384 - Ursa Drive, Fremont



Legend

Sewer Manholes

- Drop manhole
- End Cap
- Junction structure
- Lamphole
- Lift station
- Manhole
- New Manhole
- Riser

Sewer Mains

- New Sewer Main
- Abandoned Sewer Main
- Forcemain
- Gravity main
- Overflow main
- Siphons
- Trunk Main

Railroad / BART

- Railroad
- BART

- Public Right of Way
- Private Right of Way

New Sewer Easement

- Parcels
- Parcel (typical)
- ACFC&WCD

145.8 0 72.92 145.8 Feet

1:1,750

Printed: 11/23/2011 12:00 PM



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 8384 – URSA
DRIVE, LOCATED AT URSA DRIVE AND PLOMOSA WAY,
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 ROBSON HOMES, INC., executed on April 3, 2019, as described in the Grant of Easement for Sanitary Sewer Purposes and by the legal description and plat map, attached as Exhibit A and Exhibit B, respectively.

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

On motion duly made and seconded, this resolution was adopted by the following vote on December 14, 2020:

AYES:

NOES:

ABSENT:

ABSTAIN:

TOM HANDLEY
President, Board of Directors
Union Sanitary District

Attest:

ANJALI LATHI
Secretary, Board of Directors
Union Sanitary District

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Union Sanitary District
Attn: Regina McEvoy
5072 Benson Road
Union City, CA 94587

Record Without Fee
*Pursuant to Government Code
Section 27383*

Space Above Reserved for Recorder's Use Only

Documentary Transfer Tax \$0.00, consideration less than \$100 (R&T Code 11911)
This instrument is exempt from recording fees (Govt. Code 27383)

GRANT OF EASEMENT

BY AND BETWEEN

ROBSON HOMES, INC.

AND

UNION SANITARY DISTRICT

Effective Date: December 14, 2020

CERTIFICATE OF ACCEPTANCE

(Grant of Easement)

This is to certify that the interest in real property conveyed by the Grant of Easement for Sanitary Sewer Purposes, dated April 3, 2019, from ROBSON HOMES, INC., to UNION SANITARY DISTRICT, an independent special district ("**District**"), is hereby accepted by the undersigned officer or agent on behalf of the District pursuant to authority conferred by Resolution No. _____, dated December 14, 2020, and the District consents to recordation thereof by its duly authorized officer.

Date: _____, 20____

District

UNION SANITARY DISTRICT

Paul R. Eldredge, General Manager

ACKNOWLEDGMENT

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 Alameda) ss

On _____, 20____, before me, Regina Dyan McEvoy
(Name of Notary)

notary public, personally appeared _____
 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.

(Notary Signature)

GRANT OF EASEMENT
FOR SANITARY SEWER PURPOSES

THIS INDENTURE, made this 3rd day of April 2019, by and between Robson Homes, Inc., the Party/~~Parties~~ of the First Part, and UNION SANITARY DISTRICT, the Party of the Second Part,

WITNESSETH:

That said Party/~~Parties~~ of the First Part does hereby grant to the Party of the Second Part and to its successors and assigns forever, for the use and purposes herein stated, the rights of way and easements hereinafter described, located in the city of 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/~~Parties~~ of the First Part, for constructing, cleaning, repairing and maintaining said sanitary sewer and appurtenances; together with free ingress and egress over the land immediately adjoining for maintenance, repair and replacement as well as the initial construction of said sewer.

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



Signature

By: Mark E. Robson, President
Robson Homes, LLC, a California limited liability company;
By: Robson Properties Inc., a California Corporation, Its Manager

(Notarize)

ACKNOWLEDGMENT

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 APRIL 3 2019 before me, Susan Bunce, Notary Public
(insert name and title of the officer)

personally appeared Mark E. Robson,
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 [Signature]

(Seal)



EXHIBIT A

LEGAL DESCRIPTION
SANITARY SEWER EASEMENT GRANTED TO UNION SANITARY DISTRICT
TRACT 8384
FREMONT, CALIFORNIA

Real property situate in the City of Fremont, County of Alameda, State of California, and being all of lots A, B, C, D and a portion of lot 6 labeled as SSE – Sanitary Sewer Easement, of Tract 8384 recorded July 2nd, 20 19, under instrument # 2019125875, Alameda County Records and as shown on Exhibit B – Plat Map of Sanitary Sewer Easement Granted to Union Sanitary District.

Containing 21,120.43 square feet of land, more or less.

Attached hereto is a plat to accompany this Legal Description, and by this reference is made a part hereof.


Andrew Turner

2/19/2019
Date

L.S. No. 9104



EXHIBIT B

PLAT MAP OF SANITARY SEWER EASEMENT GRANTED TO UNION SANITARY DISTRICT
LYING ENTIRELY WITHIN THE CITY OF FREMONT, ALAMEDA COUNTY, CALIFORNIA.

DATE: JANUARY 1979

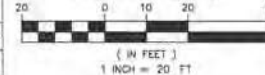


**Civil
Engineering
Associates**

Civil Engineers • Planners • Surveyors

2055 Gateway Place Suite 550
San Jose, CA 95110

GRAPHIC SCALE



CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	29.00'	40°07'06"	20.31'
C2	29.00'	46°20'13"	23.45'
C3	29.00'	87°35'45"	44.34'
C4	29.00'	46°20'13"	23.45'
C5	29.00'	34°07'28"	17.27'
C6	20.00'	20°00'12"	6.98'

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N65°05'06"E	21.00'
L9	N56°49'17"E	17.98'
L10	N87°29'51"E	37.31'
L11	N56°49'17"E	17.34'
L12	N87°29'51"E	36.93'

RADIAL BEARING TABLE	
NO.	BEARING
R3	N65°10'05"W
R4	N25°02'59"W
R5	N21°17'14"E
R6	N71°07'02"W
R7	N24°46'49"W
R8	N09°20'39"E

NOTES

- ALL DISTANCES AND DIMENSIONS SHOWN HEREON ARE IN FEET AND DECIMALS THEREOF.
- THE AREA WITHIN THE DISTINCTIVE BORDER IS 2.67 ACRES, MORE OR LESS.
- THE FOLLOWING EASEMENTS, NOT SHOWN IS HEREBY VACATED PER THIS MAP. A 6.00' EASEMENT FOR PUBLIC UTILITIES AS SHOWN ON THAT CERTAIN PARCEL MAP 2889 RECORDED ON DECEMBER 27, 1979, AS BOOK 113 PAGES 96 AND 97 OF ALAMEDA COUNTY RECORDS.

BASIS OF BEARINGS

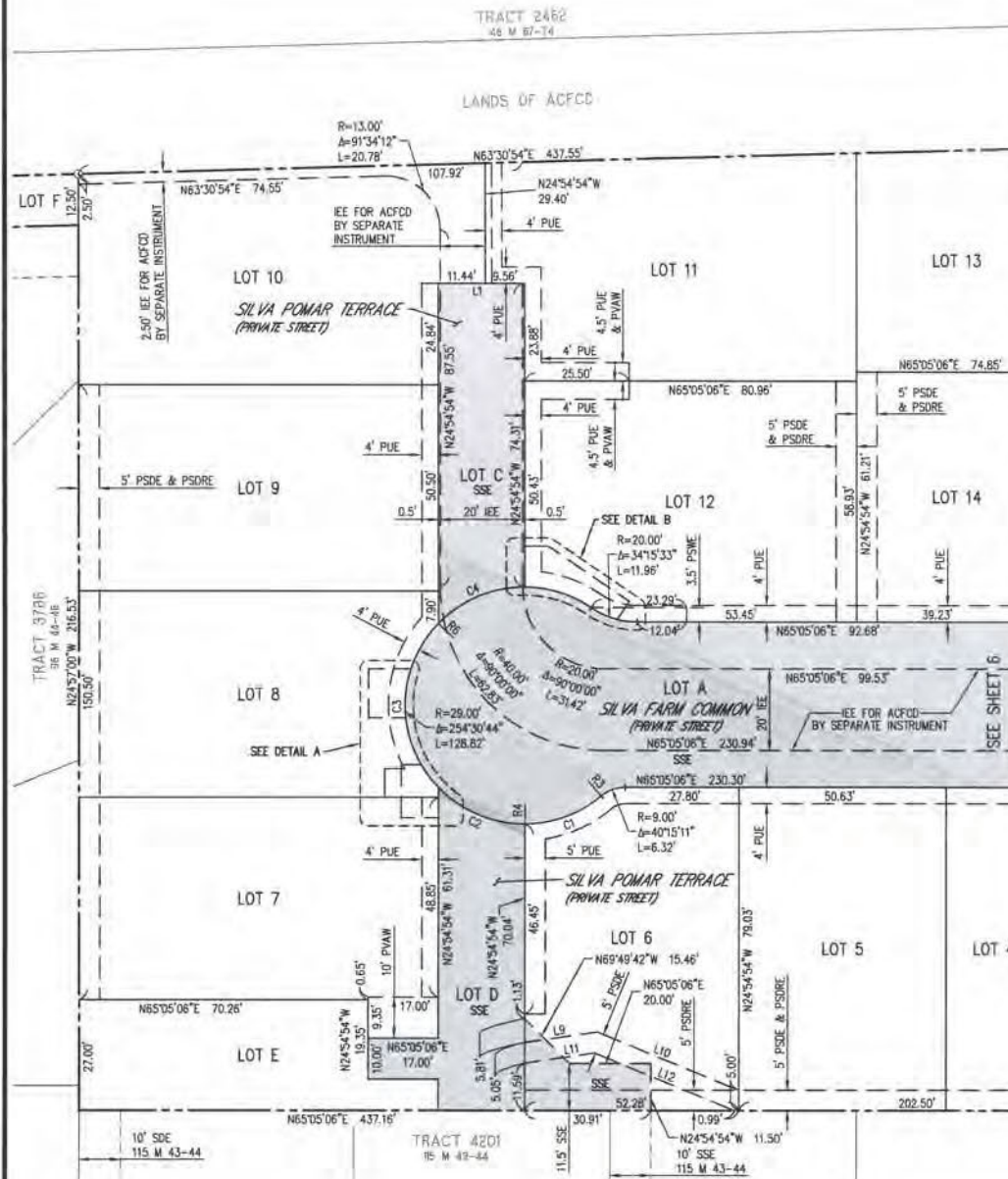
THE BEARING OF N24°53'36"W OF THE CENTERLINE OF URSA DRIVE AS SHOWN ON THAT CERTAIN TRACT 4201 RECORDED IN BOOK 115 OF MAPS AT PAGES 43-44, ALAMEDA COUNTY RECORDS, AND AS FOUND MONUMENTED, WAS TAKEN AS BASIS OF ALL BEARINGS FOR THIS MAP.

LEGEND

- DISTINCTIVE BOUNDARY
- RIGHT OF WAY
- NEW PROPERTY LINE
- EXISTING PROPERTY LINE
- CENTER LINE
- MONUMENT LINE
- NEW EASEMENT LINE
- EXISTING EASEMENT LINE
- BOUNDARY TIE
- ⊙ FOUND BRASS DISK IN CITY MONUMENT WELL (AS NOTED)
- ⊙ SET STANDARD CITY MONUMENT
- ⊙ SET 3/4" IRON PIPE OR NAIL & TAG, TAGGED LS 9104
- ⊙ RECORD DATA W/ REFERENCE

ABBREVIATIONS

- ACFCD ALAMEDA COUNTY FLOOD CONTROL DISTRICT
- EVAE EMERGENCY VEHICLE ACCESS EASEMENT
- FD FOUND
- IEE INGRESS EGRESS EASEMENT
- MON MONUMENT
- M-M MONUMENT TO MONUMENT
- NTS NOT TO SCALE
- OR OFFICIAL RECORDS
- P&T PACIFIC TELEPHONE & TELEGRAPH
- PME PRIVATE MAINTENANCE EASEMENT
- PSWE PRIVATE SIDEWALK EASEMENT
- PSDE PRIVATE STORM DRAIN EASEMENT
- PSDRE PRIVATE SURFACE DRAINAGE RELEASE EASEMENT
- PVAW PRIVATE VEHICLE ACCESSWAY
- PSE PUBLIC SERVICE EASEMENT
- PUE PUBLIC UTILITY EASEMENT
- (R) RADIAL BEARING
- RE REGISTERED ENGINEER
- SDE STORM DRAIN EASEMENT
- SF SQUARE FEET
- SSE SANITARY SEWER EASEMENT
- (T) TOTAL
- WLE WATER LINE EASEMENT



177 of 260

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 14**

TITLE: Authorize the General Manager to Execute an Agreement and Task Order No. 1 with Tanner Pacific, Inc. for the Aeration Blower No. 11 Project and Centrifuge Building Improvements Project (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Technical Services Work Group Manager
Raymond Chau, CIP Team Coach
Somporn Boonsalat, Associate Engineer
Derek Chiu, Assistant Engineer

Recommendation

Staff recommends the Board authorize the General Manager to execute an agreement and Task Order No. 1 with Tanner Pacific, Inc. (TPI) in the amount of \$258,800 to provide construction management services for the Aeration Blower No. 11 Project (Blower Project) and Centrifuge Building Improvements Project (Centrifuge Project).

Discussion

The purpose of this task order is to authorize construction management and inspection services during construction of the Aeration Blower No. 11 Project and the Centrifuge Building Improvements Project.

Staff selected TPI through a Request for Proposal process. The scope of services and fees of Task Order No. 1 with TPI are summarized below:

Task Description	Fee
Construction Phase Services: <ul style="list-style-type: none">• Construction Oversight• Project Communication• Project Reporting / Records Review	\$245,400
Project Close Out Phase Services	\$13,400
Task Order No. 1 Not to Exceed Fee	\$258,800

The total not to exceed fee of \$258,800 is 11.1 percent of the total construction amount of \$2,340,000 for both projects. For projects of this size and scope, staff expects the fee to be in the range of 10 to 12 percent. As a comparison, the final cost of construction management services for the Headworks Improvements Project, which was constructed over a 12-month period, was \$206,706, or 11.3 percent of the construction cost of \$1,827,115.

Staff has reviewed this price proposal and found it to be reasonable considering the scope of the two projects. All work under this task order, including project close out phase services, is expected to be completed by January 31, 2022.

Background

On September 28, 2020, the Board awarded the construction contract for the Blower 11 Project to Western Water Constructors, Inc. Staff issued the Notice to Proceed (NTP) for the Blower 11 Project on October 28, 2020. On November 9, 2020, the Board awarded the construction contract for the Centrifuge Project to Western Water Constructors, Inc. Staff expects to issue the NTP for the Centrifuge Project in December 2020. The construction duration of both projects is 11 months.

The two projects will be constructed concurrently at the Plant by the same contractor, and both projects have challenging construction sequences and constraints and equipment testing and startup, while the existing facilities remain in operation. This will require the District to closely monitor the field activities at several locations in the Plant, to communicate with the contractor on their schedules and plans, and to coordinate multiple system outage requests from the contractor. To effectively manage the workload of these two projects, staff decided to hire one Construction Management consultant to manage and inspect both projects.

Aeration Blower No. 11 Project

In 2016, the District completed the High Speed Aeration Blower Project at the Plant to install a new high-speed Aeration Blower No. 12 to improve the energy efficiency of the process and to evaluate it as a replacement option for the existing multistage centrifugal blowers. In 2018, the District evaluated the performance of Aeration Blower No. 12 and determined that it was operating more efficiently than the existing multistage centrifugal blowers. Staff was satisfied

with its performance and decided to install another high-speed blower to provide additional blower capacity and to increase aeration system reliability.

Carollo Engineers completed the project's design in July 2020. The project's scope includes:

- Installation of a second high-speed blower, Aeration Blower No. 11, in the East Aeration Blower Building.
- Modifications to the aeration piping system, electrical system, and other associated systems to facilitate the addition of the new high-speed blower.
- Improvements to the building's ventilation system to improve the performance of the two high-speed blowers.
- Replacement of the building's roofing membrane system.
- Seismic retrofit to the building's precast concrete panels.
- Miscellaneous structural concrete repairs to the building.

Centrifuge Building Improvements Project

The Plant's Centrifuge Building was constructed in 2002 and houses four high-speed centrifuges to dewater digested sludge. The dewatered sludge is then conveyed by a series of shafted screw conveyors to the sludge hoppers for truck loading and disposal. Staff has been experiencing maintenance challenges with the shafted screw conveyors, which have bearings that are no longer in production and are custom-made for the District. Unfortunately, the bearings wear out and fail on a frequent basis. To increase reliability of the sludge conveyance system in the Centrifuge Building, the project will replace the existing shafted conveyors with new shaftless conveyors that will not require the problematic bearings.

AECOM completed the project's design in September 2020. The project's scope includes:

- Removal of the existing shafted screws from the Horizontal Conveyor Nos. 1 and 2 and Inclined Sludge Conveyor Nos. 1 and 2.
- Modifications to the existing Horizontal Sludge Conveyor Nos. 1 and 2 trough sections for reuse.
- Extension of the existing Inclined Sludge Conveyor Nos. 1 and 2 trough sections.
- Installation of new trough liners and shaftless screws into the existing and extended troughs of the Horizontal and Inclined Sludge Conveyors.
- Replacement of conveyor supports and drive units.

Previous Board Action

Aeration Blower No. 11 Project

November 11, 2019, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Carollo in the amount of \$122,849 for final design services for the Aeration Blower No. 11 Project.

September 28, 2020, the Board awarded the construction contract for the Aeration Blower No. 11 Project to Western Water Constructors, Inc. in the amount of \$1,652,000.

October 12, 2020, the Board authorized the General Manager to execute Task Order No. 2 with Carollo in the amount of \$74,705 to provide engineering services during construction for the Aeration Blower No. 11 Project.

Centrifuge Building Improvements Project

January 14, 2019, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with AECOM in the amount of \$183,789 for preliminary design services for the Centrifuge Building Improvements Project.

September 23, 2019, the Board authorized the General Manager to execute Task Order No. 2 with AECOM in the amount of \$573,569 for final design services for the Centrifuge Building Improvements Project.

November 9, 2020, the Board awarded the construction contract for the Centrifuge Building Improvements Project to Western Water Constructors, Inc. in the amount of \$688,000.

PRE/SEG/RC/SB/DC;mb

Attachments: Agreement
Task Order No. 1

**AERATION BLOWER NO. 11 AND CENTRIFUGE
BUILDING IMPROVEMENTS PROJECTS
AGREEMENT
BETWEEN
UNION SANITARY DISTRICT
AND
TANNER PACIFIC, INC.
FOR
PROFESSIONAL SERVICES**

THIS IS AN AGREEMENT MADE AS OF _____, BETWEEN UNION SANITARY DISTRICT (hereinafter referred to as District), and TANNER PACIFIC, INC. (hereinafter referred to as Engineer).

WITNESSETH:

WHEREAS, District intends to construct the Aeration Blower No. 11 and Centrifuge Building Improvements Projects (hereinafter referred to as Projects), and,

WHEREAS, District requires certain professional services in connection with the Project (hereinafter referred as Services); and

WHEREAS, Engineer is qualified and prepared to provide such Services;

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

ARTICLE 1 - SERVICES TO BE PERFORMED BY ENGINEER

- 1.1 Specific Services and the associated scope of services, payment, schedule, and personnel will be defined in specific Task Order as mutually agreed by District and Engineer.
- 1.2 All Task Orders will by reference incorporate the terms and conditions of this Agreement, and become formal amendments hereto.

ARTICLE 2 - COMPENSATION

2.1 Compensation for consulting services performed under this Agreement shall include:

- (1) Direct labor costs, multiplied by an agreed upon fixed factor (the Multiplier), to compensate for fringe benefits, indirect costs, and profit.
- (2) Non-labor direct project charge not included in the fixed factor and acceptable, without any markup.
- (3) Subconsultant costs, with a maximum markup of 5%.

Definitions are as follows:

- (a) Direct labor is salaries and wages paid to personnel for time directly chargeable to the project. Direct labor does not include the cost of Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, and medical and retirement benefits nor the cost of the time of executive and administrative personnel and others whose time is not identifiable to the project.
- (b) Fringe benefits include Engineer's statutory and customary benefits, such as sick leave, holidays, vacations, medical and retirement benefits, incentive pay, tuition, and other costs classified as employee benefits.
- (c) Indirect costs are allocations of costs that are not directly chargeable to a specific engagement and are commonly referred to as Engineer's overhead. Indirect costs include provisions for such things as clerical support, office space, light and heat, insurance, statutory and customary employee benefits, and the time of executive and administrative personnel and others whose time is not identifiable to the Project or to any other project. Under no circumstances can the same labor costs be charged as direct labor and also appear at the same time as indirect costs, and vice versa.
- (d) The Multiplier is a multiplicative factor which is applied to direct labor costs, and compensates Engineer for fringe benefits and indirect costs (overhead) and profit.
- (e) Other non-labor direct project charges shall be included in the overhead and these charges include typical expenses as cost of transportation and subsistence, printing and reproduction,

computer time and programming costs, identifiable supplies, outside consultant's charges, subcontracts, and charges by reviewing authorities."

Alternatively, the District and the Engineer may agree to utilize the fully-encumbered hourly rates and fees for Services performed by the Engineer. These hourly rates and fees shall be based on the Engineer's rate schedule published at the time this Agreement or Task Order is executed and shall be attached to each applicable Task Order.

- 2.2 Reimbursement for mileage shall not exceed the prevailing Internal Revenue Service's standard mileage rate.
- 2.3 A *Cost Ceiling* will be established for each Task Order which is based upon estimated labor-hours and cost estimates. Costs as described above, comprising direct labor, overhead cost, and other direct costs, shall be payable up to a Cost Ceiling as specified in the Task Order. A *Maximum Fee Ceiling*, or *Task Order Firm Ceiling*, will also be established for each Task Order which includes the Cost Ceiling plus the Professional Fee.
- 2.4 Engineer shall invoice District monthly for the actual costs incurred, and a pro-rated portion of the Professional Fee for work performed during the previous month. If the Maximum Fee Ceiling is reached, the Engineer will complete the agreed-upon work for the Maximum Fee Ceiling. With District staff approval, labor hours may be reallocated within the tasks without renegotiation in such a manner so as not to exceed the Maximum Fee Ceiling.
- 2.5 The Engineer shall provide the District with a review of the budget amounts when 75 percent of the Cost Ceiling for any task has been expended. Engineer may request a revision in the Cost Ceiling for performance of this Agreement, and will relate the rationale for the revision to the specific basis of estimate as defined in the Scope of Services. Such notification will be submitted to the District at the earliest possible date. The authorized Cost Ceiling shall not be exceeded without written approval of the District.
- 2.6 The Professional Fee will not be changed except in the case of a written amendment to the Agreement which alters the Scope of Services. District and Engineer agree to negotiate an increase or decrease in Cost Ceiling and Professional Fee for any change in Scope of Services required at any time during the term of this Agreement. Engineer will not commence work on the altered Scope of Services until authorized by District.

- 2.7 Direct labor rates are subject to revision to coincide with Engineer's normal salary review schedule. Adjustments in direct labor rates shall not affect the firm ceiling without prior written authorization of the District.
- 2.8 District shall pay Engineer in accordance with each Task Order for Services.
- 2.9 Engineer shall submit monthly statements for Services rendered. District will make prompt monthly payments in response to Engineer's monthly statements.

ARTICLE 3 - PERIOD OF SERVICE

- 3.1 Engineer's services will be performed and the specified services rendered and deliverables submitted within the time period or by the date stipulated in each Task Order.
- 3.2 Engineer's services under this Agreement will be considered complete when the services are rendered and/or final deliverable is submitted and accepted by District.
- 3.3 If any time period within or date by which any of the Engineer's services are to be completed is exceeded through no fault of Engineer, all rates, measures and amounts of compensation and the time for completion of performance shall be subject to equitable adjustment.

ARTICLE 4 - DISTRICT'S RESPONSIBILITIES

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

- 4.1 Provide all criteria and full information as to District's requirements for the services assignment and designate in writing a person with authority to act on District's behalf on all matters concerning the Engineer's services.
- 4.2 Furnish to Engineer all existing studies, reports and other available data pertinent to the Engineer's services, obtain or authorize Engineer to obtain or provide additional reports and data as required, and furnish to Engineer services of others required for the performance of Engineer's services hereunder, and Engineer shall be entitled to use and rely upon all such information and services provided by District or others in performing Engineer's services under this Agreement.

- 4.3 Arrange for access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services hereunder.
- 4.4 Perform such other functions as are indicated in each Task Order related to duties of District.
- 4.5 Bear all costs incident to compliance with the requirements of this Section.

ARTICLE 5 - STANDARD OF CARE

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

ARTICLE 6 - OPINIONS OF COST AND SCHEDULE

- 6.1 Since Engineer has no control over the cost of labor, materials, equipment or services furnished by others, or over contractors', subcontractors', or vendors' methods of determining prices, or over competitive bidding or market conditions or economic conditions, Engineer's cost estimate and economic analysis shall be made on the basis of qualification and experience as a professional engineer.
- 6.2 Since Engineer has no control over the resources provided by others to meet contract schedules, Engineer's forecast schedules shall be made on the basis of qualification and experience as a professional Engineer.
- 6.3 Engineer cannot and does not guarantee that proposals, bids or actual project costs will not vary from his cost estimates or that actual schedules will not vary from his forecast schedules.

ARTICLE 7 - SUBCONTRACTING

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

ARTICLE 8 - ENGINEER-ASSIGNED PERSONNEL

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

ARTICLE 9 - OWNERSHIP OF DOCUMENTS

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

ARTICLE 10 - RECORDS OF LABOR AND COSTS

- 10.1 Engineer shall maintain for all Task Orders, records of all labor and costs used in claims for compensation under this Agreement. Records shall mean a contemporaneous record of time for personnel; a methodology and calculation of the Multiplier for fringe benefits and indirect costs; and invoices, time sheets, or other factors used as a basis for determining other non-labor Project charges. These records must be made available

to the District upon reasonable notice of no more than 48 hours during the period of the performance of this Agreement.

- 10.2 After delivery of Services (completion of Task Orders) under this Agreement, the Engineer's records of all costs used in claims for compensation under this Agreement shall be available to District's accountants and auditors for inspection and verification. These records will be maintained by Engineer and made reasonably accessible to the District for a period of three (3) years after completion of Task Orders under this Agreement.
- 10.3 Engineer agrees to cooperate and provide any and all information concerning the Project costs which are a factor in determining compensation under this Agreement as requested by the District or any public agency which has any part in providing financing for, or authority over, the Services which are provided under the Agreement.
- 10.4 Failure to provide documentation or substantiation of all Project costs used as a factor in compensation paid under Article 2 hereof will be grounds for District to refuse payment of any statement submitted by the Engineer and for a back charge for any District funds, including interest from payment; or grant, matching, or other funds from agencies assisting District in financing the Services specified in this Agreement.

ARTICLE 11 - INSURANCE

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

- 11.1 Workers' Compensation and Employer's Liability Insurance for protection of Engineer's employees as required by law and as will protect Engineer from loss or damage because of personal injuries, including death to any of his employees.
- 11.2 Comprehensive Automobile Liability Insurance. Engineer agrees to carry a Comprehensive Automobile Liability Policy providing bodily injury liability. This policy shall protect Engineer against all liability arising out of the use of owned or leased automobiles both passenger and commercial. Automobiles, trucks, and other vehicles and equipment (owned, not owned, or hired, licensed or unlicensed for road use) shall be covered under this policy. Limits of liability for Comprehensive Automobile Liability Insurance shall not be less than \$1,000,000 Combined Single Limit.

- 11.3 Comprehensive General Liability Insurance as will protect Engineer and District from any and all claims for damages or personal injuries, including death, which may be suffered by persons, or for damages to or destruction to the property of others, which may arise from the Engineer's operations under this Agreement, which insurance shall name the District as additional insured. Said insurance shall provide a minimum of \$1,000,000 Combined Single Limit coverage for personal injury, bodily injury, and property damage for each occurrence and aggregate. Such insurance will insure Engineer and District from any and all claims arising from the following:
1. Personal injury;
 2. Bodily injury;
 3. Property damage;
 4. Broad form property damage;
 5. Independent contractors;
 6. Blanket contractual liability.
- 11.4 Engineer shall maintain a policy of professional liability insurance, protecting it against claims arising out of negligent acts, errors, or omissions of Engineer pursuant to this Agreement, in an amount of not less than \$1,000,000. The said policy shall cover the indemnity provisions under this Agreement.
- 11.5 Engineer agrees to maintain such insurance at Engineer's expense in full force and effect in a company or companies satisfactory to the District. All coverage shall remain in effect until completion of the Project.
- 11.6 Engineer will furnish the District with certificates of insurance and endorsements issued by Engineer's insurance carrier and countersigned by an authorized agent or representative of the insurance company. The certificates shall show that the insurance will not be cancelled without at least thirty (30) days' prior written notice to the District. The certificates for liability insurance will show that liability assumed under this Agreement is included. The endorsements will show the District as an additional insured on Engineer's insurance policies for the coverage required in Article 11 for services performed under this Agreement, except for workers' compensation and professional liability insurance.
- 11.7 Waiver of Subrogation: Engineer hereby agrees to waive subrogation which any insurer of Engineer may acquire from Engineer by virtue of the payment of any loss. Engineer agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

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

ARTICLE 12 - LIABILITY AND INDEMNIFICATION

- 12.1 Having considered the risks and potential liabilities that may exist during the performance of the Services, and in consideration of the promises included herein, District and Engineer agree to allocate such liabilities in accordance with this Article 12. Words and phrases used in this Article shall be interpreted in accordance with customary insurance industry usage and practice.
- 12.2 Engineer shall indemnify and save harmless the District and all of their agents, officers, and employees from and against all claims, demands, or causes of action of every name or nature to the extent caused by the negligent error, omission, or act of Engineer, its agents, servants, or employees in the performance of its services under this Agreement. In no event shall Engineer's costs to defend the District exceed the Engineer's proportionate percentage of negligence or fault, based upon a final judicial determination, except that if one or more defendants in an action are unable to pay its share of defense costs due to bankruptcy or dissolution, Engineer shall meet and confer with the other defendant parties regarding defense costs.
- 12.3 In the event an action for damages is filed in which negligence is alleged on the part of District and Engineer, Engineer agrees to defend District. In the event District accepts Engineer's defense, District agrees to indemnify and reimburse Engineer on a pro rata basis for all expenses of defense and any judgment or amount paid by Engineer in resolution of such claim. Such pro rata share shall be based upon a final judicial determination of proportionate negligence or, in the absence of such determination, by mutual agreement.
- 12.4 Engineer shall indemnify District against legal liability for damages arising out of claims by Engineer's employees. District shall indemnify Engineer against legal liability for damages arising out of claims by District's employees.
- 12.5 Indemnity provisions will be incorporated into all Project contractual arrangements entered into by District and will protect District and Engineer to the same extent.

- 12.6 Upon completion of all services, obligations and duties provided for in the Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.
- 12.7 To the maximum extent permitted by law, Engineer's liability for District's damage will not exceed the aggregate compensation received by Engineer under this Agreement or the maximum amount of professional liability insurance available at the time of any settlement or judgment, which ever is greater.

ARTICLE 13 - INDEPENDENT CONTRACTOR

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

ARTICLE 14 - COMPLIANCE WITH LAWS

In performance of the Services, Engineer will comply with applicable regulatory requirements including federal, state, and local laws, rules, regulations, orders, codes, criteria and standards. Engineer shall procure the permits, certificates, and licenses necessary to allow Engineer to perform the Services. Engineer shall not be responsible for procuring permits, certificates, and licenses required for any construction unless such responsibilities are specifically assigned to Engineer in Task Order.

ARTICLE 15 - NONDISCLOSURE OF PROPRIETARY INFORMATION

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

ARTICLE 16 - TERMINATION OF CONTRACT

- 16.1 The obligation to continue Services under this Agreement may be terminated by either party upon seven days written notice in the event of

substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

- 16.2 District shall have the right to terminate this Agreement or suspend performance thereof for District's convenience upon written notice to Engineer, and Engineer shall terminate or suspend performance of Services on a schedule acceptable to District. In the event of termination or suspension for District's convenience, District will pay Engineer for all services performed and costs incurred including termination or suspension expenses. Upon restart of a suspended project, equitable adjustment shall be made to Engineer's compensation.

ARTICLE 17 - UNCONTROLLABLE FORCES

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

ARTICLE 18 - MISCELLANEOUS

- 18.1 A waiver by either District or Engineer of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- 18.2 The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way effect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void.

ARTICLE 19 - INTEGRATION AND MODIFICATION

- 19.1 This Agreement (consisting of pages 1 to 14), together with all Task Orders executed by the undersigned, is adopted by District and Engineer as a complete and exclusive statement of the terms of the Agreement between District and Engineer. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between the District and Engineer pertaining to the Services, whether written or oral.
- 19.2 The Agreement may not be modified unless such modifications are evidenced in writing signed by both District and Engineer.

ARTICLE 20 - SUCCESSORS AND ASSIGNS

- 20.1 District and Engineer each binds itself and its directors, officers, partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement.
- 20.2 Neither District nor Engineer shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, monies that may become due or monies that are due) this Agreement without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

Nothing contained in this paragraph shall prevent Engineer from employing such independent engineers, associates, and subcontractors as he may deem appropriate to assist him/her in the performance of the Services hereunder and in accordance with Article 7.

- 20.3 Nothing herein shall be construed to give any rights or benefits to anyone other than District and Engineer.

ARTICLE 21 – INFORMATION SYSTEM SECURITY

When the District determines this article is applicable, the Engineer shall obtain written approval from the District representative prior to accessing District internal systems through real-time computer connections. Upon approval, the Engineer will use only in-bound connections to accomplish a legitimate business need and a previously defined and approved task. As a condition of approval, the Engineer shall:

- a) Be running a current operating system supported by the District with up-to-date security patches applied as defined in the District COE/Non-COE document.
- b) Have anti-virus software installed on his/her personal computer with up-to-date virus signatures.
- c) Have personal firewall software installed and enabled on their computer.
- d) Understand and sign the District's Electronic Equipment Use Policy, number 2160.

The District reserves the right to audit the security measures in effect on Engineer's connected systems without prior notice. The District also reserves the right to terminate network connections immediately with all Engineer's systems not meeting the above requirements.

ARTICLE 22 – EMPLOYEE BACKGROUND CHECK

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

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

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

ARTICLE 23 - EXCEPTIONS

No exceptions.

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

UNION SANITARY DISTRICT

TANNER PACIFIC, INC.

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

By: _____
William Tanner, P.E.
CEO

Date: _____

Date: _____

By: _____
Michael K. Jaeger, P.E.
C55691
Principal/Chief Marketing Officer (CMO)

Date: _____

**Aeration Blower No. 11 and Centrifuge Building
Improvements Projects**

TASK ORDER NO. 1

to

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

TANNER PACIFIC, INC.

FOR

PROFESSIONAL SERVICES

Dated _____

1. PURPOSE

The purpose of this Task Order is to provide construction management and inspection services by Tanner Pacific, Inc. hereinafter referred to as “Engineer”, for the Aeration Blower No. 11 and Centrifuge Building Improvements Projects owned by Union Sanitary District, hereinafter referred to as “District”. The Projects are further described in the contract documents prepared by Carollo Engineers and AECOM.

2. PROJECT COORDINATION

All work related to this task order shall be coordinated through the District’s Project Managers:

- Aeration Blower No. 11: Derek Chiu
- Centrifuge Building Improvements: Somporn Boonsalat

3. SCOPE OF SERVICES

The Scope of Services associated with this Task Order is described in Exhibit A.

4. DELIVERABLES

Engineer shall provide District via Projectmates with project record documents in electronic format from within the Procore Document Management System including, daily logs of work, photos and videos of pre-construction conditions, photos of construction progress, submittals and RFI's provided to Engineer for review along with responses to these items, and final record of any modifications to the contract drawings in red line form.

5. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement. Compensation shall be on an hourly basis with a total not to exceed amount of \$258,800. The estimated hourly distribution and rates for the duration of the project is shown in Exhibit B and consistent with the Engineer's rates.

The following table summarizes all previously executed and proposed task orders and amendments under the Agreement:

Task Order / Amendment	Not to Exceed Amount	Board Authorization Required?	District Staff Approval
Task Order No. 1 – Construction Management and Inspection Services	\$258,800	Yes	Paul Eldredge
Total	\$258,800		

6. TIME OF COMPLETION

All work defined in this Task Order shall be complete in 13 months after January 1, 2021, subject to the conditions of Article 3 of the Agreement and the overall project schedule.

7. KEY PERSONNEL

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

<u>Role</u>	<u>Key Person to be Assigned</u>
Principal in Charge/ Construction Manager	Michael K. Jaeger, P.E.
Resident Engineer	Masih Hamkar
Inspector	Thomas J. (TJ) Hanson

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

IN WITNESS WHEREOF, the parties hereto have made and executed this Task Order No. 1 as of _____ and therewith incorporate it as part of the Agreement.

DISTRICT

ENGINEER

Union Sanitary District

Tanner Pacific, Inc.

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

By: _____
William Tanner, P.E.
CEO

Date: _____

Date: _____

By: _____
Michael K. Jaeger, P.E.
C55691
Principal/Chief Marketing Officer
(CMO)

Date: _____

EXHIBIT A

Aeration Blower No. 11 and Centrifuge Building Improvements Projects Task Order No. 1 Scope of Services

- I. **Resident Engineer** (RE or Engineer)
 - A. Project Responsibilities
 - 1. Construction Administration
 - a. Provide Full administrative services to manage all documentation and communications throughout the project duration.
 - b. Engineer shall manage routing all information from Procore into Projectmates.
 - c. Project Coordination: Engineer shall act as the project coordinator and the point of contact for all communications with the Contractor. Engineer shall coordinate the activities of Carollo Engineers (CE), AECOM, Union Sanitary District (District), and Contractor.
 - d. Construction Administration Services: Engineer shall provide administrative and management services. Engineer shall receive all correspondence from the Contractor and will address all inquiries from the Contractor and all construction related correspondence. CE and AECOM will be responsible for providing any design input.
 - e. Document Tracking: manage routing, track all correspondence and document from Procore into Projectmates.
 - f. Monitor the record documents being produced by the Contractor on a monthly basis to confirm they are being properly updated.
 - 2. Meetings
 - a. Prepare Agendas, facilitate and provide record of discussions for all project related meetings including the Pre-Construction meeting.
 - 3. Submittals
 - a. Receive all submittals from the Contractor, review for completeness.
 - b. If submittals are incomplete, Engineer shall return the submittal to the contractor identifying the missing information.
 - c. Manage routing through the online Procore system and coordinate all comments to and from Contractor, CE, AECOM, and District.
 - d. Engineer shall maintain a log and tracking system for submittals through Procore and input into ProjectMates. Engineer shall track the status of submittal review with AECOM and CE and the status of shop drawing resubmittals with the Contractor.
 - 4. Requests for Information (RFI)
 - a. Receive all requests for information (RFIs) from the Contractor and determine if the request is a valid RFI; if not, Engineer will return the RFI to the Contractor.
 - b. Route all other RFIs to CE, AECOM, and/or District, as applicable.
 - c. Provide response to Contractor for any administrative and general RFI's.
 - d. Review the response, verify acceptability of response, and transmit the RFI response to the Contractor.
 - e. Maintain logging and tracking of all RFI's through Procore and Projectmates.
 - f. If RFI response from AECOM and/or CE requires a Design Clarification, prepare Clarification Letter for transmittal to the

EXHIBIT A

Aeration Blower No. 11 and Centrifuge Building Improvements Projects Task Order No. 1 Scope of Services

Contractor with all appropriate details provided by AECOM and CE.

5. Clarification Letters (CL)
 - a. Review design clarification details provided by AECOM and/or CE.
 - b. After review with the District, transmit the Clarification Letter to the Contractor.
6. Change Order Preparation, Negotiation & Processing
 - a. Evaluate the merit, cost, and time impact of all changes either requested by the contractor or the District.
 - b. Prepare any change requests by District. Work with all parties to negotiate an equitable resolution.
 - c. Prepare all documentation to adjust the original contract for any and all time and cost impacts.
7. Field Orders (FO) and Field Directives (FD)
 - a. In the event that the Contractor encounters a time sensitive problem where it is not practical to take time to negotiate a settlement, the Engineer shall obtain approval from the District to issue a FO. All work done under a FO will be completed on a time and material basis. The Engineer and District will execute the FO.
8. Progress Payments
 - a. Administrate the preparation and processing of the monthly progress payments, to include, at a minimum, the following steps:
 - a. Initial review of quantities by field staff to confirm the quantities being requested for payment match those tracked by Engineer's field staff.
 - b. Verify that any and all stored materials requested for payment are properly stored on site per the manufacturers/supplier's requirements.
 - c. Prepare summary cover sheet to be executed by Contractor, Engineer, and District.
9. Scheduling
 - a. Review and work with the Contractor in their development of the initial baseline schedule and preparation of the weekly 3-week look ahead schedules.
 - b. Review monthly schedule updates for accuracy and conformance with the contract.
 - c. Provide written comments to the Contractor on the project schedule.

II. Field Inspection (RE/Inspector or Inspector)

A. Project Responsibilities

1. Field Observation (When in the field)
 - a. Provide field observation services to monitor compliance with Contract Documents.
 - b. Prepare a daily observation report documenting all field activities, field crews, Contractor equipment, and field problems.
 - c. Maintain the database, implemented by Engineer, for daily observation reports and photographs.
 - d. Provide photographic documentation of The Project prior to construction and maintain photographs of field activities for

EXHIBIT A

Aeration Blower No. 11 and Centrifuge Building Improvements Projects Task Order No. 1 Scope of Services

status monitoring of the project.

- e. Maintain a Corrective Work Item List to provide a current inventory of required corrections to aid in timely completion of such items.

III. Safety

Engineer will comply with appropriate regulatory, project and District regulations regarding necessary safety equipment or procedures used during performance of Engineer's work and shall take necessary precautions for safe operation of Engineer's work, and the protection of Engineer's personnel from injury and damage from such work.

Neither the professional activities of Engineer, nor the presence of Engineer's employees or sub-consultants at the construction/project site, shall relieve the Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending, or coordinating their work in accordance with the Contract Documents, District regulations, and any health or safety precautions required by any regulatory agencies. Engineer and its personnel have no authority to exercise any control over any Contractor or other entity or their employees in connection with their work or any health or safety precautions. Engineer will follow the District's confined space procedures for entry into any existing District confined spaces and will follow these procedures at its own risk. Engineer's reliance on the District's fixed gas detection system will be at its own risk.

IV. Testing & Training

- A. The scope and budget do not include Engineer's participation in factory witness testing.
- B. Engineer will coordinate training requirements and activities.
- C. AECOM and CE will provide design assistance during testing operations if determined necessary by the District.
- D. Engineer will work with the Contractor, AECOM, CE, and the District on the development of the Startup Plan.
- E. Engineer will provide oversight and administration of training and testing.

V. Special Inspections, Testing (USD to contract these services or the Contractor will provide under their construction contract)

- A. Schedule and coordinate special inspections, materials testing, as needed. At a minimum:
 - a. Backfill sampling and compaction testing
 - b. Concrete quality, if needed
 - c. Coating inspections, including preparation of surfaces to be coated and application of coating systems.
 - d. Field Welding Inspection
- B. USD will contract for all other design related services that are not included in Task Order No. 1. TPI will schedule and coordinate the special inspections, and material testing.

VI. Project Closeout

- A. The Contractor will furnish record drawings, which Engineer will review for accuracy and completeness
- B. Engineer will forward accepted Record Drawings to CE and AECOM to prepare final Record Drawings in CAD, for their respective projects.
- C. Final Inspection and Punch List.

EXHIBIT A

Aeration Blower No. 11 and Centrifuge Building Improvements Projects Task Order No. 1 Scope of Services

1. District, CE, and AECOM (if necessary) will participate and provide input on final inspection.
 2. Engineer will prepare and issue the punch list with input from District, CE, and AECOM.
 3. Engineer to provide District with notification when all Punch List items are complete so District may formally accept the project for record purposes.
- D.** Engineer shall provide District with project documentation electronically.

VII. Warranty Coordination

- A.** District will coordinate warranty work after the start of the warranty period.

EXHIBIT B

**Fee Schedule for Aeration Blower No. 11 and Centrifuge Building Improvements Projects
Task Order No. 1**

Personnel/ Service	Hours and Hourly Rates			2021												2022
	Hours	Rate	Amount	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Construction																
Principal/Construction Mgr	48	\$ 250	\$ 12,000	4	4	4	4	4	4	4	4	4	4	4	4	
Resident Engineer (RE)	840	\$ 155	\$ 130,200	40	40	40	80	80	80	80	80	80	80	80	80	
RE (as Inspector)	80	\$ 180	\$ 14,400		40	40										
Inspector	480	\$ 185	\$ 88,800				80	80	80	80	80	80				
Subtotal Construction			\$ 245,400													
Project Close Out																
Principal/Construction Mgr	4	\$ 250	\$ 1,000													4
RE	80	\$ 155	\$ 12,400													80
Inspector	-	\$ 185	\$ -													
Subtotal Close Out			\$ 13,400													
PROJECT TOTAL																
			\$258,800													

Monthly Hour Totals for Projects	Principal/Construction Mgr	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	RE/RE (as Inspector)	40	80	80	80	80	80	80	80	80	80	80	80	80	80	80
	Inspector	0	0	0	80	80	80	80	80	80	80	0	0	0	0	0

Notes and Assumptions:

1. Start of Services: January 1, 2021
2. Budget is based on 2020-21 billing rates that will remain constant for full period of Contract and a TPI NTP of January 1, 2021.
3. The proposed budget is based on a 13 month time frame. Should the contract run longer or more effort is required, TPI labor will be billed on a Time & Material basis in accordance with the current TPI rate sheet.
4. TPI rates include normal operating and office expenses such as telephone, computers, in-house reproduction, and travel in the Bay Area in personal vehicles. We have not budgeted for a site trailer.
5. RE (Inspector) rate shall apply when RE is performing field inspection duties as defined in Exhibit A Scope of Services.

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 15**

TITLE: Authorize the General Manager to Execute Amendment No. 1 to Task Order No. 1 with Tanner Pacific, Inc. for the Primary Digester No. 2 Rehabilitation Project *(This is a Motion Item)*

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Sami E. Ghossain, Technical Services Work Group Manager
Raymond Chau, CIP Team Coach
Derek Chiu, Assistant Engineer

Recommendation

Staff recommends the Board authorize the General Manager to execute Amendment No. 1 to Task Order No. 1 with Tanner Pacific, Inc. (TPI) in the amount of \$43,200 to provide additional construction management services for the Primary Digester No. 2 Rehabilitation Project (Project).

Discussion

The purpose of Amendment No. 1 is to authorize additional construction management services for the Project through January 31, 2021. The scope of services and fees of the amendment are summarized below:

Task Description	Fee
Construction Phase Services: <ul style="list-style-type: none">• Construction Oversight• Project Communication• Project Reporting and Records Review	\$36,000
Project Close Out Phase Services	\$7,200
Amendment No. 1 Not to Exceed Fee	\$43,200

On December 9, 2019, the Board awarded the construction contract for the Project to Kiewit Infrastructure West Co. The Notice to Proceed was issued to the contractor on January 6, 2020 with a Substantial Completion date of October 1, 2020.

On March 19, 2020, Kiewit notified the District of delays in the procurement and delivery of key construction equipment due to COVID-19. Among the equipment delayed were the actuated plug valves, digester gas flame arresters and pressure relief valves, sludge recirculation pump, and heat exchanger. The sludge recirculation pump was the last of the delayed equipment which was delivered to the site on October 2, 2020. Kiewit adjusted their construction activities and staffing to accommodate the equipment delivery, but their schedule was ultimately impacted by the equipment delays.

Testing of Primary Digester No. 2 could not begin until the sludge recirculation pump was installed. Following installation of the pump, the digester was filled with water and leak tested. A minor leak was observed inside the Heating and Mixing Building No. 1 in the concrete floor slab where the digester sludge mixing pipelines from Primary Digester No. 2 enter the building. Staff is currently evaluating the leak and considering options to address it. As a result, the Project's completion is anticipated to be January 2021.

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

Description	Amount
Task Order No. 1 – Construction Management and Inspection Services	\$138,600
Amendment No. 1 to Task Order No. 1 – Additional Construction Management and Inspection Services	\$43,200
Total for this Agreement	\$181,800

Background

On December 9, 2019, the Board awarded the construction contract for the Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530. The Project's major elements are as follows:

Primary Digester No. 2

- Replace the foam insulation on the digester dome
- Recoat the interior and exterior appurtenances of Primary Digester No. 2 (i.e. steel dome cover, center column, mixing nozzles, piping, covers, center water seal, etc.)
- Modify the digester gas piping on top of the digester
- Relocate the existing digester gas flow meter and addition of new flow meter
- Replace the water piping and sludge overflow piping at the digester

- Replace the existing viewports with new circular viewports on the digester dome
- Improve the lighting on the digester dome
- Replace the various sludge valves and electric valve actuators within Heating and Mixing Building No. 1
- Install new knife gate valves for isolation of the digester
- Replace the heat exchanger and sludge recirculation pump for the digester

Primary Clarifiers

- Repair the concrete roof beams at the Primary Clarifiers No. 1-4 Building
- Repair the deteriorated concrete walkways at Primary Clarifiers No. 5 and 6
- Replace the corroded guardrail and air duct supports at Primary Clarifiers No. 5 and 6
- Replace the scum collectors at Primary Clarifiers No. 5 and 6
- Recoat portions of the Primary Clarifiers No. 5 and 6 mechanisms

Other Improvements

- Repair concrete on the tank wall and overflow box of Secondary Digester No. 2
- Repair the secondary effluent pipeline
- Replace the Effluent Screen bearings

Previous Board Action

February 25, 2019, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Carollo Engineers, Inc. in the amount of \$212,749 for final design services for the Project.

July 22, 2019, the Board authorized the General Manager to execute Amendment No. 1 to Task Order No. 1 with Carollo Engineers, Inc. in the amount of \$38,929 to provide additional final design services for the Project.

December 9, 2019, the Board awarded the construction contract for the Project to Kiewit Infrastructure West Co. in the amount of \$3,057,530.

January 13, 2020, the Board authorized the General Manager to execute Task Order No. 2 with Carollo Engineers, Inc. in the amount of \$112,714 to provide engineering services during construction of the Project.

January 13, 2020, the Board authorized the General Manager to execute an agreement and Task Order No. 1 with Tanner Pacific, Inc. in the amount of \$138,600 to provide construction management services for the Project.

Attachment: Amendment No. 1 to Task Order No. 1

PRIMARY DIGESTER NO. 2 REHABILITATION PROJECT

AMENDMENT NO. 1

TO

TASK ORDER NO. 1

TO

AGREEMENT

BETWEEN

UNION SANITARY DISTRICT

AND

TANNER PACIFIC, INC.

FOR

PROFESSIONAL SERVICES

Dated January 14, 2020

1. PURPOSE

The purpose of this Amendment is to extend Construction Management and Inspection services for the Primary Digester No. 2 Rehabilitation Project through the anticipated delayed Project completion in January 2021.

2. PROJECT COORDINATION

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

3. SCOPE OF SERVICES

The Scope of Services associated with this Amendment are as described in Task Order No. 1, Exhibit A.

4. DELIVERABLES

Engineer shall provide the deliverables as defined in Task Order No. 1.

5. PAYMENT TO THE ENGINEER

Payment to the Engineer shall be as called for in Article 2 of the Agreement. The not to exceed fee for Amendment No. 1 to Task Order No. 1 shall be \$43,200. A summary of the anticipated distribution of cost and manpower is shown in Exhibit A.

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

Task Order / Amendment	Not to Exceed Amount	Board Authorization Required?	District Staff Approval
Task Order No. 1 – Construction Management and Inspection Services	\$138,600	Yes	Paul Eldredge
Amendment No. 1 to Task Order No. 1 – Construction Management and Inspection Services	\$43,200	Yes	Paul Eldredge
Total	\$181,800		

6. TIME OF COMPLETION

It is currently anticipated that the work under this Amendment will be completed by January 31, 2021.

All other terms and conditions of the Agreement and Task Order No. 1 remain unchanged.

Primary Digester No. 2 Rehabilitation Project

Amendment No. 1 to Task Order No. 1

Page 3

IN WITNESS WHEREOF, the parties hereto have made and executed this Amendment No. 1 to Task Order No. 1 as of _____ and therewith incorporate it as part of the Agreement.

DISTRICT

ENGINEER

Union Sanitary District

Tanner Pacific, Inc.

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

By: _____
William Tanner, P.E.
CEO

Date: _____

Date: _____

By: _____
Michael K. Jaeger, P.E.
C55691
Principal/Chief Marketing Officer
(CMO)

Date: _____

EXHIBIT A

Fee Schedule for Primary Digester No. 2 Rehabilitation Project Amendment No. 1 to Task Order No. 1

Personnel/ Service	Hours and Hourly Rates			2020			2021
	Hours	Rate	Amount	Oct-20	Nov-20	Dec-20	Jan-21
Construction							
Principal/Construction Mgr	-	\$ 225	\$ -	0	0	0	0
Resident Engr/Inspector	200	\$ 180	\$ 36,000	40	80	80	0
Project Close Out							
Principal/Construction Mgr	-	\$ 225	\$ -	0	0	0	0
Resident Engr/Inspector	40	\$ 180	\$ 7,200	0	0	0	40
AMENDMENT NO. 1 TOTAL			\$43,200				

Notes and Assumptions:

1. Amendment No. 1 budget covers work extension through Jan. 31, 2021.
2. Should the contract run longer or more effort is required, TPI labor will be billed on a Time & Material Basis in accordance with the current TPI rate sheet.
3. TPI rates include normal operating and office expenses such as telephone, computers, in-house reproduction, and travel in the Bay Area in personal vehicles. We have not budgeted for a site trailer.



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM #16**

TITLE: **Award Transportation and Beneficial Reuse and/or Disposal of Biosolids Contract to Synagro Inc. *(This is a Motion Item)***

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
 Armando Lopez, T&D Work Group Manager

Recommendation

Authorize the General Manager to execute an 18-month contract with Synagro Inc. for transportation and beneficial reuse of biosolids produced by Union Sanitary District.

Discussion

The District's existing 5-year contract with Synagro Inc. is set to expire on December 31, 2020. An Invitation for Bid (IFB) was issued on October 20, 2020 to select a service provider for a new 18-month term from January 1, 2021 through June 30, 2022, with the option of three additional 1-year extensions at the mutual discretion of both parties. The first extension term (if exercised) will be from July 1, 2022 through June 30, 2023.

Staff received bids from Synagro Inc. and Bernardini Enterprises by the November 4, 2020 deadline. Denali Water and Jess Ranch Trucking were listed as subcontractors for Synagro's Union Sanitary District proposal. Both have current DIR Registration. The bid result is summarized in the following tables:

Class B Land Application or Alternate Daily Cover						
Current Prices			Proposed Prices		Increase	
Per Wet Ton	\$35.18		Synagro	Per Wet Ton	\$54.00	53%
			Bernardini		\$85.00	142%

Class A Composting						
Current Prices			Proposed Prices			Increase
0-5000 wet tons	\$61.87		Synagro	Per Wet Ton	\$88.00	42%
5001-7500 wet tons	\$58.44		Bernardini		\$85.00	37%
7501+ wet tons	\$55.02					

The total annual costs proposed by Synagro Inc. and Bernardini Enterprises were \$1,364,400 and \$1,810,500, respectively for an annual 6,300 wet ton Class A and 15,000 wet ton Class B disposal. While the lowest proposed cost comes from our current service provider, Synagro Inc., it is a nearly 50% increase from current annual costs. This increase, caused by new regulations surrounding disposal of organic waste in landfills, was anticipated during the last budget cycle, and is accommodated for in the current fiscal year budget. Prices paid by other Bay Area agencies for biosolids disposal varies from a low-end average of \$55 per ton to a high-end average of \$70 per ton, with a maximum price of \$124 per ton. (Prices were adjusted assuming a 3% annual inflation.)

Other provisions:

- The bid continues to provide the District an opportunity to divert up to 1,000 wet tons of solids annually to an alternative facility.
- Synagro Inc. has quoted a buy back bulk price of \$30.00 per wet ton for composted Class A material. Buy back refers to the cost of delivering compost derived from biosolids back to the treatment plant. Bernardini Enterprises' buy back bulk price was listed at \$85 per wet ton.
- Subcontractor for Synagro Inc., Denali Water, will serve as the transporter of material going to Liberty Composting.

A Notice of Intent to Award was sent to Synagro Inc. on November 9, 2020. Staff recommends that the Board authorize the General Manager to execute the new 18-month contract.

Background

USD produces approximately 20,000 wet tons of biosolids annually. All biosolids have been transported and beneficially reused in accordance with EPA regulations under a contract with Synagro, Inc. A majority of the biosolids, historically (approx. 75%) have been land applied or used in a landfill as alternate daily cover. A portion of the biosolids (approx. 25%) have been

transported to Synagro's Central Valley Compost Facility in Merced County for further processing into Class A material. The Class A material commitment demonstrates to counties currently receiving the District's Class B material for land application, our willingness to utilize additional beneficial reuse options.

SB 1383 on Reducing Short-Lived Climate Pollutants (SLCP) was adopted by California in 2016 to reduce greenhouse gas production. This bill requires the Department of Resources Recycling and Recovery (CalRecycle) to adopt regulations for reducing organic waste in landfills. A primary 50% reduction in the level of disposal of organic waste from the 2014 level was required by January 1, 2020 (11.5 million tons of organic waste allowed). By January 1, 2025, a secondary target of 75% reduction in disposal of organic waste from the 2014 level is required. Enforcement of these regulations begins in 2022.

As anticipated, this law has negatively impacted Biosolids Disposal programs in California by making disposal at landfills increasingly scarce and expensive. Landfills have historically played an important role in Biosolids Disposal programs by providing a disposal site during wet weather when land application is not feasible due to muddy fields. Due to this new regulatory landscape, we anticipated an increase in cost and budgeted accordingly for the current fiscal year.

Previous Board Action

11/09/2015 Board Meeting – Authorization to General Manager to Award Transportation and Beneficial Reuse and/or Disposal of Biosolids Contract to Synagro

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 17**

TITLE: Information Regarding AB 992 Amendments to the Brown Act and Social Media Use (*This is a Direction Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Karen W. Murphy, General Counsel
Michelle Powell, Communications & Intergovernmental Relations Coordinator
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

Recommendation

Receive information on and discuss AB 992 amendments to the Brown Act and social media use and, if desired by the Board, provide direction on additional research or policy revisions as appropriate.

Discussion

AB 992 was recently adopted to amend the Brown Act effective January 1, 2021, regarding social media communications. The new legislation makes the following two main changes to the Brown Act.

1. The new regulations confirm and clarify that members of a legislative body may not use social media, such as Facebook, Instagram, Twitter and Nextdoor, to discuss among themselves business within the jurisdiction of their local agency. These discussions include communications that are posted or shared and the use of digital icons that express reactions to communications made by other members of the legislative body. The regulations do provide, however, that a member of a legislative body may engage in communications on social media platforms to answer questions, provide information to the public or to solicit information from the public. This added language acknowledges the ability of members of legislative bodies to

use social media to communicate with their constituents, while also confirming that the use of social media is governed by the Brown Act and that members of the Board cannot discuss matters within the jurisdiction of the Board on social media, including through the use of digital icons, such as likes or “smiley face” emojis.

2. The Brown Act now provides that a member of the legislative body may not respond directly to any communication on a social media platform regarding a matter within their jurisdiction that is made, posted, or shared by any other member of the legislative body. This is a change from existing law where Brown Act violations would only take place if a majority of the legislative body discusses a topic within the body’s jurisdiction. With respect to social media use, members now cannot respond to even one Board member.

In addition, any social media posts pertaining to District business are public records and can create a public forum that has to allow for comments from the public.

At the Board meeting, we will discuss the implications of these new regulations on Board members and the District’s social media sites, as well as general social media use for District business, and answer any questions you may have.

Previous Board Action

None



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

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

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM #18**

TITLE: **LEGISLATIVE UPDATE ON REGIONAL ISSUES OF INTEREST TO THE BOARD**
(This is an Information Item)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Michelle Powell, Communications and Intergovernmental Relations
Coordinator

Recommendation

Information only.

Previous Board Action

July 13, 2020 Board Meeting, the USD Board received a legislative update on regional issues.

Background

The Board was last updated on regional issues at its July 13, 2020 meeting. This report will be followed by a report on state and national issues at a future meeting. If there is any additional information or a different format desired by the Board, staff will incorporate feedback into future reports.

Following are summaries of information staff believes would be most significant to the Board. This document contains the most updated information available as of the publishing date of this staff report.

Regional News: (all voting percentages as of December 1, 2020 using County website)

Alameda County

- On November 12, 2020, the Alameda County Health Care Services Agency paused further openings of activities. At the time, the County was in the Orange Tier per the State's Blueprint for a Safer Economy but anticipated moving into a more restrictive tier. On November 16, 2020, with the surge in cases in the Bay Area, across the State, and across the Country, the Governor announced that 41 counties in California, including Alameda County, were now in the highest restrictive Purple Tier effective November 18, 2020, and were seeing their reopening efforts rolled back.

On December 3, 2020, the State announced that regional availability of intensive care unit (ICU) beds would be used to implement a Regional Stay-At-Home Order, with the order going into effect when a region's ICU availability falls below 15 percent and remaining in effect for a minimum of three weeks. On December 4, 2020, health officials from several Bay Area Counties, including Alameda County, announced they would implement the new stay-at-home order early and not wait for ICU bed capacity to reach 15 percent. Participating counties implemented the order beginning Sunday, Monday, or Tuesday of the following week. Alameda County's implementation was effective Monday, December 7, 2020, and will remain in place until January 4, 2021.

- For the November 3, 2020 National Election, 81.28 % of Alameda County registered voters returned a total of 785,215 ballots. The County's total number of registered voters was 966,088. As of December 1, 2020, County results note that 75.4% of voters did so by mail, while 5.88% turned out on Election night.
- Dublin Mayor David Haubert won the Alameda County Supervisor District 1 race with 54.12% of the vote. District 1 covers Dublin and Livermore in the Tri-Valley, as well as Fremont and part of Sunol.
- Measure V, authorizing an extension of a 6.5% utility users tax until June 30, 2033 to be collected in unincorporated areas including Ashland, Castro Valley, Cherryland, Fairview, San Lorenzo, and Sunol, and generating an estimated \$12 million per year which may fund County Services including services to unincorporated areas (e.g., Sheriff, Library, Planning, Code Enforcement), passed with 69.08% of votes cast. Current exemptions and exclusions, including exemptions for low income or lifeline utility users, were retained. (needed 50% plus 1 to pass)
- Measure W, authorizing an additional sales tax of 0.5% for 10 years generating an estimated \$150 million per year for county services including housing and services for those experiencing homelessness, mental health services, job training, social safety net, and other general fund services, thereby increasing the total sales tax rate in Alameda County from 9.25% to 9.75%, passed with 50.09% voters approving. (needed 50% plus 1 to pass)

- Bond Measure X authorizing the Alameda County Fire Department to issue up to \$90 million in bonds with bond revenue going to fund fire station repairs to maintain services and requiring an estimated property tax levy of \$15.70 per \$100,000 in assessed value passed with 66.78% of votes. (needed 66.6667% votes to pass)

Metropolitan Transportation Commission:

- Bay Area transportation agencies are developing a 600-mile Express Lanes network that is scheduled to be completed in 2035. Currently, the I-680 Sunol Express Lanes are functioning as HOV 2+ carpool lanes only from 5 a.m. to 8 p.m. until tolling begins in Spring 2021. Until then, only valid carpools and eligible clean air vehicles can use the lanes. When tolling begins in Spring 2021, single occupant vehicles can choose to pay tolls to use these lanes. Eligible Clean Air Vehicles can choose to pay half-price tolls to use these lanes. 2+ person carpools will be able to use the lanes toll-free. All types of vehicles must have the proper FasTrak toll tag as follows:
 - SOVs: Standard tag or Flex tag
 - Carpools: Flex tag
 - Clean Air Vehicles: FasTrak CAV tag
- The I-880 Express Lanes Project extending from Oakland to Milpitas opened on October 2, 2020. The northbound lane begins at Dixon Landing Road at the Fremont/Milpitas border and ends at Llewelling Blvd. in San Leandro. The southbound lane begins at Hegenberger Road in Oakland and ends at Dixon Landing Road.

Monday through Friday, 5:00 a.m. to 8:00 p.m., solo drivers must have a standard FasTrak or FasTrak Flex toll tag (set to “1”) to pay tolls to use the lane. Carpools, vanpools, and motorcycles must have a FasTrak Flex toll tag (set in the proper position) to travel toll free or at a discount. Carpool occupancy is 3 or more people. Eligible Clean Air Vehicles must apply for a FasTrak CAV tag and set it to proper position.

Bay Area Rapid Transit (BART)

- On November 19, 2020, BART’s Board of Directors voted 8-1 to offer an incentivized retirement program intended to save the agency millions at a time when revenues are down due to the coronavirus pandemic. Up to 24 weeks of base pay will be offered to full-time employees who are eligible for retirement or will be eligible by March 21, 2021. Staff also noted that it has prepared scenarios in which deep cuts to service may be necessary if the pandemic is prolonged.

Caltrans/Niles Canyon

- Caltrans began tree removal in Niles Canyon along State Route 84 from Mission Boulevard in Fremont to Interstate 680. Activities began in late November and are scheduled to continue until spring 2021. The tree removals are part of the construction

of the Niles Canyon Safety Project and the Alameda Creek Bridge Replacement Project on State Route 84, anticipated to begin construction in the Spring of 2021.

One lane of traffic may be closed at times during the work. Motorists can expect up to 15 minutes of delay during the tree removal operation.

Alameda County Water District (ACWD)

- At its December 10, 2020 meeting, ACWD's Board decided whether to proceed with a water rates proposal including a 2 percent increase effective March 1, 2021 and another 2 percent increase effective March 1, 2022 or to consider an alternative plan. A presentation from an earlier workshop noted the December 10 meeting would include consideration of Setting a Public Hearing for Commodity Rates & Service Charges and approving Prop. 218 Mailings as well as reviewing miscellaneous fees and charges. Financial workshops were held in August and October 2020 to review the allocation between fixed service charges and commodity charges in collecting revenues, the charges for dedicated fire service lines, and to provide an update on the District's current financial status.
- The District held a virtual tour of its fish passage projects in Alameda Creek on Zoom and Facebook Live on October 21, 2020. A recording of the event is posted on YouTube.
- ACWD continues activities to transition to Advanced Metering Infrastructure (AMI). AMI allows water meters to be read remotely, and with the capability of offering near real-time data, will enable customers to view and monitor water usage at any time during the billing cycle, which could more quickly identify the possibility of leaks. The AMI technology and vendor selection is complete and ACWD's contractor is preparing for deployment. Installation of AMI meters is anticipated to begin in March 2021, and to continue through the end of 2023. Cellular communications will transmit the meter readings.
- Construction of ACWD's Alvarado-Niles Pipeline Seismic Improvement Project in Union City continues. The Alvarado-Niles Pipeline Seismic Improvement Project is part of the District's \$10 million per year Main Renewal and Seismic Upgrade Program (MRSUP). Phase 1 is replacement of about 1.7 miles of the water system on Smith Street and Alvarado-Niles Road between Union City Boulevard and Santa Maria Drive, and on Alvarado-Niles Road between Almaden Boulevard and Central Avenue. Work is expected to be completed in January 2021. Phase 2 is expected to begin construction in 2021.

Ohlone College

- Greg Bonaccorsi was reelected to the Ohlone Community College District Board of Trustees with 26.12% of the vote. Rakesh Sharma (23.08%) and Lance Kwan (20.13%) also won seats. All three seats represent Area 2 of the District.

Washington Township Healthcare District

- Bond Measure XX, authorizing the Washington Township Healthcare District to issue up to \$425 million in bonds with bond revenue going to fund hospital improvements to earthquake safety, accessibility, operating rooms, intensive care for infants and patient facilities and requiring an estimated property tax levy of \$9.98 per \$100,000 in assessed value received a 67.22% yes vote. (needed 66.6667% to pass)

City of Fremont

- Mayor Lily Mei won a second term with 49.68% of the vote.
- The District 1 Council seat, unopposed, was retained by incumbent Teresa Keng with 98.59% of the vote.
- The District 5 Council Seat was retained by incumbent Raj Salwan with 79.12% of the vote.
- The District 6 council seat was won by Teresa Cox with 31.57% of the vote. This is the first election for this seat since District-based voting was adopted by the City.
- The Fremont Chamber of Commerce hosted the City's Virtual State of the City Address via Zoom on Monday, October 5, 2020. The Mayor's remarks included information about the City's COVID-19 response including City programs implemented to support the Fremont small business community and the Fremont Police Department's response denouncing the death of George Floyd through a letter to the community and subsequent actions including hosting a virtual Town Hall discussion in June to address community concerns around policing, race, and safety. Also noted were transportation infrastructure projects and construction of new affordable housing, continued development of a Trails Strategy Plan and new Parks and Recreation Master Plan, and updating the City's Climate Action Plan to help the City reach its goal of no new net greenhouse gases emitted by the year 2045.
- On August 31, 2020, the City held a Virtual Grand Opening event and virtual tour for its Housing Navigation Center (HNC), located in the rear parking lot of Fremont City Hall. The HNC will house a reduced number of 25 participants to comply with COVID-19 safety measures; once restrictions are lifted it will house 45 participants at a time.
- The City is implementing a pilot project of the Draft Preferred Design for the Centerville Complete Streets project. The Draft Preferred Design focuses on Centerville's business district along Fremont Boulevard from Thornton Avenue to Parish Avenue, and includes the following improvements:
 - Lane reduction from four lanes to three lanes (2 southbound lanes and 1 northbound lane)

- Additional on-street parking on both sides of the street
- Pop-up patios for outdoor dining and seating in on-street parking spaces at key locations
- Enhanced bike facilities with separation from both pedestrians and vehicles

The purpose of the pilot project is to test the lane reduction through striping (paint and plastic only) from Thornton Avenue to Parish Avenue and add on-street parking with some spaces dedicated to pop-up patios.

The pilot project construction is scheduled to be complete in mid-December. After construction is complete, the pilot project will be evaluated for a six-month period to observe the use of the pop-up patios, analyze traffic impacts and patterns on Fremont Boulevard and neighboring streets, and conduct pedestrian and bike counts. The City will report back to the community at the end of the six-month period and conduct an online survey to hear community feedback on the pilot.

Fremont Unified School District (FUSD):

- On November 12, 2020, the FUSD Board of Directors voted 3-2 to discontinue Fremont Police Department (FPD) School Resource Officers in District Schools after reviewing the recommendations to do so by a 25-member Task Force FUSD had convened. Mayor Lily Mei sent letters earlier in the week formally requesting the District delay its decision until City Council and the FUSD Board could collaborate, noting that despite many requests, the City was not provided the opportunity to be involved or participate in the Task Force study. FPD's Chief Kimberley Petersen expressed disappointment in the Task Force recommendations during a television interview broadcasted prior to the vote.

City of Newark

- Mayor Al Nagy was reelected with 76.86% of the vote.
- Incumbent Suzy Collazo retained her council seat with 33% of the vote.
- Measure PP, an extension of a utility users tax in the City of Newark that would have expired at the end of December 2020, passed with 71.77% of the vote. The tax rate is 3.25% and currently generates between \$2.7 million to \$3 million per year. The tax is levied on telecommunications, video, gas, and electricity services. (needed 50% +1 to pass)

Newark Unified School District (NUSD)

- On November 19, 2020, the NUSD Board voted to close Snow elementary school beginning with the 2021-22 school year, folding its students into Graham elementary school. Musick elementary school will be closed beginning with the 2022-23 school year

with its students folded into two different elementary schools. These school consolidations will save the District approximately \$1 million. The Board also voted to move all 6th graders to Newark Junior High School beginning with the 2022-23 school year, creating a middle school. The District has seen enrollment decline steadily over the last decade, resulting in less revenue. During a meeting of the City of Newark-NUSD Liaison Committee earlier in the week, Superintendent Mark Triplett noted that as NUSD faces a \$6 million budget shortfall, even the closure of two schools would leave the District with many difficult decisions to make in the future.

- At its November 19, 2020 meeting, the NUSD Board voted to pay out \$200,000 to settle a lawsuit involving a resident who was sued by the District in 2014 after refusing to return certain public records the District determined contained information subject to attorney-client privilege after their release. The resident later sued the District, claiming it had violated the California Public Records Act.

The District initially lost its lawsuit to force the return of records in Alameda County Superior Court. The lower court decision was reversed on appeal in July 2015, with the judge ordering the two sides to continue litigating the issue regarding which documents were owed to the resident. The District then unsuccessfully attempted to recoup its legal fees from the resident. A San Jose Mercury News article noted that in response to the District's actions, State Senator Bob Wieckowski authored a bill changing the wording of the Act to ensure no public agency could ever again try to "shift attorney costs onto the public records requesters" unless it is a frivolous request.

City of Union City

- Mayor Carol Dutra-Vernaci was reelected with 44.63% of the vote.
- The District 1 seat was won by Councilmember Gary Singh with 57.2% of the vote.
- Measure WW, authorizing a 5% utility users tax in the City of Union City for eight years on gas, electricity, video, and telecommunications estimated to generate \$6.1 million per year for essential services including senior support, COVID-19 recovery, emergency response, street repair, fire services, disaster preparedness, and youth violence and drug prevention programs, passed with 56.87% of voters approving. (needed 50% +1 to pass)
- At its November 24 meeting, the City Council unanimously passed a resolution authorizing the Mayor to sign a five-year agreement between the City of Union City and the Alameda County Fire Department (ACFD) for continued fire and emergency response services. ACFD had been operating on a month-to-month basis since September 2015 when the previous contract expired.

The new contract includes a commitment by the ACFD to explore a new model for providing emergency medical services with the aim to create added efficiency in

response to medical calls for service, which are a majority of all calls. The new contract also includes a response time standard of 8 minutes and 30 seconds after dispatch, as well as the sustained operation of three fire stations in the city by three personnel per shift.

- The City held a Virtual State of the City event on Monday, October 5, 2020. The Mayor's remarks included information about the City's COVID-19 response, community organizations offering food and other assistance to residents, and a "virtual recreation center" offering childcare for essential workers in Union City. Also noted were the City's Public Works challenges as the department functions with a reduced staff, the City's focus on fiscal stability and sustainability, and future development of new housing, shopping, and parks near Decoto Road and Seventh Street as well as development in the City's Station District and other locations and a planned local roadway, Quarry Lakes Parkway. The Mayor addressed City and Police Department response to the killing of George Floyd, noting that the Police Department focuses on policy and procedures, enhanced training, and open and consistent communications.

Development Summary

- Below is a summary of information regarding development in USD's service area. This information is the most up to date available as of the publishing date of this staff report.

	Planning			Entitled			Under Construction		
	Fremont	Union City	Newark	Fremont	Union City	Newark	Fremont	Union City	Newark
Single Family Dwelling Units	66	6	531	27	33	223	203	45	747
Multi-Family Dwelling Units	1,566	1,523	153	1,670	0	578	2,867	36	443
Comm/Ind (SQ FT)	2,665,754	42,801	168,440	1,080,438	40,565	3,655	540,438	3,808	119,772

- MFD Includes Duplex, Triplex, Townhomes, Condos, Apartments, Hotel rooms
- Planning (Future) = Has not been received by USD yet but has reached out to the Cities for planning
- Entitled (In review) = Has been received by USD, is either in plan review or has been approved, but has NOT paid any capacity fees
- Under Construction (Permitted) = Has been received by USD, has been approved and has paid capacity fees

Attachment: San Jose Mercury News article

Newark school district settles public records legal battle for \$200,000

Payout decision made on same night school board voted to close two schools

By **JOSEPH GEHA** | jgeha@bayareanewsgroup.com | Bay Area News Group

PUBLISHED: December 3, 2020 at 6:30 a.m. | UPDATED: December 7, 2020 at 10:18 a.m.

The Newark Unified School District will pay out \$200,000 to settle a lawsuit stemming from its bungling of a public records request more than six years ago, district officials said.

The settlement puts to rest a long-running and costly legal battle for the district involving Elizabeth Brazil, a resident who was sued by the district in 2014 after she refused to return public records the district inadvertently released to her, and who later sued the district claiming it violated the California Public Records Act.

The settlement, which will be paid to Brazil's attorney Paul Nicholas Boylan, was approved 3-0 by the school district board on Nov. 19, the same night it voted to close two elementary schools over the coming two school years to save about \$1 million amid a budget deficit. Board member Ray Rodriguez was absent.

Rodriguez, on the board since 1995, and former board member Nancy Thomas said looking back, the district could have been spared years of anguish and hundreds of thousands of dollars in legal fees if it hadn't pursued litigation against Brazil.

"What we should learn from it is that whenever someone asks for public records, we should sit down with them and talk about exactly what they want," Thomas said Monday in an interview.

Thomas resigned in 2019 claiming she was alarmed by district leadership's "shifts away from being transparent, fiscally responsible and compliant with laws and codes," she said in a statement at the time.

"We really needed to put an end to this. It's been going on forever," Rodriguez said Monday.

The lengthy legal issue included two connected cases and garnered the district negative attention in recent years for its failed attempt to try and recoup almost \$450,000 in legal fees from Brazil, a move that was slammed by transparency advocates and ultimately influenced a change in state law.

In August 2014, the district released thousands of documents to Brazil and others in the lead up to an election during a tumultuous time when some residents were blaming board members for pushing former superintendent Dave Marken out of the district.

But just hours after the release, the district claimed some of the documents, including emails, had not been reviewed properly and contained sensitive information subject to attorney-client privilege, and asked that they be returned.

When Brazil refused, the school district sued to force her to return the records, and initially lost in Alameda County Superior Court. When the district appealed the decision to the state's 1st District Court of Appeal in San Francisco, a judge reversed the lower court decision in July 2015, and ordered the two sides to continue litigating the issue of what documents were owed to her.

Because the appeal court's ruling favored the district, it argued it had "prevailed" and tried to force Brazil to pay their legal fees under the California Public Records Act, which Boylan called "utterly nonsensical."

In an April 2018 ruling, Alameda County Superior Court Judge Jeffrey Brand denied the district's bid for fees.

As a result of the school district's actions, State Sen. Bob Wieckowski of Fremont authored a bill signed into law in 2018 which changed the wording of the act to ensure no public agency could ever again try to "shift attorney costs onto the public records requesters" unless it is a frivolous request.

Brazil filed suit against the district in 2017 claiming it was still withholding records she was owed. Boylan said this week that as the case proceeded, they were able to negotiate the release of most of the records the district originally tried to keep under wraps.

Boylan said in his view, all the documents that the school officials originally claimed as privileged didn't actually contain anything that would have "disadvantaged" the district.

"The real mystery here is why the district decided to litigate this at all," he said.

The records were also reviewed by an Alameda County Grand Jury, which issued a scathing report in 2015 criticizing district leadership for showing "wanton disregard for rules and regulations governing their behavior and how they conduct the public's business."

"Too many people had read this, it can't be secret anymore. They were trying to stuff the genie back in the bottle. It can't be done," Boylan said Monday of the records.

"For some reason that's beyond me, the district decided to fight this on principle," he said.

Thomas, the former board member said the board was following advice of its attorneys at the time. But in hindsight, she said the district should have simply let the records go and learned to be more careful.

“We’re a small district and to have that kind of a burden of legal costs to prove a point, leave it to the big guys to fight something like that,” she said.

“We had to pay a lot in attorney fees to do the lawsuit, and then it was a public relations disaster when we went after Brazil for our attorney fees.”

From August 2014 through October 2017, attorneys from the Lozano Smith firm said the district owed them about \$225,000 for the legal work, according to a court filing from 2018. But the firm tried to persuade the court that because of the “extreme reasonableness of the rates” they charged, and their “outstanding results,” they should be paid \$449,000 by the district.

The total costs to the district stemming from its 2014 decision to sue Brazil were not immediately clear, and Marie dela Cruz, the district’s current chief business official, did not respond to multiple requests for comment this week.

Current board president Elisa Martinez also did not respond to multiple requests for comment.

Katherine Alberts, of Leone & Alberts, the attorney currently representing the district, did not respond to a request for comment about her charges to the district for this case.

Boylan said Brazil is a “government transparency hero in California,” and said as a result of her actions and grand jury’s report, the school district is more transparent.

“Since they were unable to roll over Elizabeth Brazil,” Boylan said, “that means any individual out there, regardless of their wealth, regardless of their economic ability or access to attorneys, can find out what’s going on.”



Summary of the EBDA Commission Meeting
Thursday, October 15, 2020, at 9:30 a.m.

- Commissioners Cutter, Johnson, Lamnin, Toy, and Walters were present. This meeting was conducted telephonically and the dial-in information for the meeting was provided in the agenda.
- Commissioner Cutter moved to approve the Commission Meeting Minutes of September 17, 2020, List of Disbursements for September 2020, and September 2020 Preliminary Treasurer's Report. The motion was seconded by Commissioner Toy and carried 5-0.
- The Commission unanimously approved the reports from the Managers Advisory, LACWMA Ad Hoc Committee, Financial Management, Operations & Maintenance, and Personnel Committees. The following items were discussed:
 - **General Managers Report**
The General Manager (GM) provided an update on State Water Board's adoption of new NPDES Permit Fees. The approved increase will be within EBDA's current budget. The GM then reported that the grant preproposal submitted to the Ocean Protection Council for continued work on the horizontal levee pilot program at Oro Loma Sanitary District (OLSD) was not successful, but the San Francisco Estuary Partnership has identified an alternative source of funding.
 - **Managers Advisory Committee (MAC)**
The GM reported on the MAC meeting of October 8, 2020, which focused on negotiations of the Livermore-Amador Valley Water Management Agency (LAVWMA) term sheet covered in Item No.10, working through a draft of operating and monitoring requirements for the Cargill Project, and beginning review of the Member Agency agreements for O&M of EBDA facilities.
 - **LAVWMA Ad Hoc Committee**
The new Ad Hoc Subcommittee to discuss negotiation of the LAVWMA Master Agreement met on October 5, 2020. The GM recapped the current status of the agreement extension and reported on the recently received draft term sheet from LAVWMA. A response to the term sheet will be submitted to LAVWMA shortly.
 - **Financial Management Committee**
The GM reported on the Financial Management Committee, which met on October 13, 2020, noting the Committee's review of the estimated credits that will be provided to the Member Agencies from unspent FY 2019/2020 funds. The GM then reviewed the resolution to suspend recycled water fees for the Skywest Golf Course for which the Committee recommended approval. The GM also reviewed the motion for the Brown and Caldwell contract amendment, as well as the resolution correcting an error in Schedule B of the Joint Powers Agreement. The Authority will review and confirm that the distributed invoices to the member agencies match the correct Schedule B fees, and any adjustments will be made as part of the year-end true-up process. The Committee recommended approval of both items.

- **Operations and Maintenance (O&M) Committee**

The O&M Manager reported on the Operations and Maintenance Committee, which met on October 13, 2020 and discussed the status of EBDA facilities. The O&M Manager reviewed NPDES compliance data and then provided an overview of current projects. At UEPS, the VFD transformer for Pump No. 2 was installed, along with new timers and upgraded programming for the cooling fans. For the HEPS MCC Project, the Authority continues to finalize paperwork with the contractor.

For OLEPS, the wet well hypochlorite project is moving forward as the Authority continues to procure product information from Calcon Systems, Inc. for upcoming equipment purchases. The Authority has also received quotes for the main electrical switchboard upgrade project, and staff expects to bring a contract to the Commission for consideration next month. OLSD's Pavement Reconstruction and Rehabilitation Project is also proceeding. EBDA's portion is expected to exceed the projected budget due to additional paving required to correct potential safety issues associated with differential settling between the wet wells and the asphalt.

At Skywest, the insurance claim for the recycled water pipeline leak has been approved, and OLSD should receive the settlement shortly.

Finally, the O&M Manager elaborated on samples taken for inspection of the Force Main during the shutdown for the due diligence phase of the Cargill Brine Project. The O&M Manager thanked the Member Agencies for all of their assistance coordinating the shutdown, and specifically thanked Mitchell and Marcus, Operations Coaches at Union Sanitary District, and Balraj with the City of San Leandro Force Main Crew.

The GM then provided an update on wastewater-based epidemiology, reporting that she attended a meeting with Alameda County Public Health, along with staff from EBMUD and UC Berkeley, to determine which areas and frequency would be most useful for SARS-CoV-2 sampling. When sampling sites are determined, the GM will coordinate with the MAC and particular Member Agency(s). UC Berkeley and wastewater associations are continuing to seek funding.

Lastly, the GM reported on the current status of the AQPI project. Sonoma County Water District expects to approve the East Bay Agreement and the lease agreement with American Tower for the East Bay radar site on November 10.

- **Personnel Committee**

The GM reported on the Personnel Committee, which met on October 12, 2020 and discussed updates to the Personnel Policy and the GM's proposed remote work arrangements. The GM reviewed the Committee's recommended changes to the Personnel Policy, which will be incorporated and brought back before the Commission for adoption next month. The GM reported that the Committee was accepting of the proposed remote work arrangements and suggested continued caution with respect to COVID exposure, particularly after travel.

- **Resolution Authorizing the General Manager to Waive Recycled Water Charges to Hayward Area Recreation and Park District (HARD) for Skywest Golf Course for July, August, and September 2020**

Commissioner Lamnin moved to approve the motion authorizing the GM to waive recycled water charges to HARD. The motion was seconded by Commissioner Cutter and carried unanimously, 5-0 by roll call vote.

Ayes: Commissioners Cutter, Johnson, Toy, Lamnin, Chair Walters
Noes: None
Absent: None
Abstain: None

- **Motion Authorizing the General Manager to Execute Amendment No. 1 to the Contract with Brown and Caldwell for Field Work Related to Acceptance of Cargill Mixed Sea Salt Brine for Discharge at the EBDA Outfall in the Amount of \$68,427, for a Total Not to Exceed Amount of \$170,560**

Commissioner Johnson moved to approve the motion authorizing the GM to execute Amendment No. 1 to the contract with Brown and Caldwell. The motion was seconded by Commissioner Cutter and carried unanimously, 5-0 by roll call vote.

Ayes: Commissioners Cutter, Johnson, Toy, Lamnin, Chair Walters
Noes: None
Absent: None
Abstain: None

- **Resolution Correcting Schedule B of the Amended and Restated Joint Exercise of Powers Agreement to Correct the Oro Loma Sanitary District Fixed Fee Percentage**

Commissioner Lamnin moved to approve the motion correcting Schedule B of the Amended and Restated JPA. The motion was seconded by Commissioner Toy and carried unanimously, 5-0 by roll call vote.

Ayes: Commissioners Cutter, Johnson, Toy, Lamnin, Chair Walters
Noes: None
Absent: None
Abstain: None

- **Items from Commission and Staff**

Vice Chair Johnson reported on the Regional Monitoring Program's annual meeting, requesting the GM forward any information on the final report that may be received in the coming months. The Vice Chair also commented on paying attention to nutrients in the San Francisco Bay as temperatures continue to rise, since nutrients in other Bays have been affected by rising temperatures.

**Directors**

Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers

Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**DECEMBER 14, 2020
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 20**

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

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

Recommendation

Information only.

Discussion

None.

Background

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

Previous Board Action

None.

**UNION SANITARY DISTRICT
CHECK REGISTER
10/31/2020-12/04/2020**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
176042	11/12/2020	143	200605	OVERAA	PRIMARY DIGESTER NO. 7	\$1,330,728.90	\$1,330,728.90
176031	11/12/2020	143	800502.2	KIEWIT INFRASTRUCTURE WEST CO	ALVARADO INFLUENT PS PUMPS AND VFDS	\$249,375.00	\$632,041.03
	11/12/2020	143	800526.6		PRIMARY DIGESTER NO. 2 REHABILITATION	\$382,666.03	
176203	12/3/2020	114	201180036	HAZEN AND SAWYER	CAMPUS BUILDINGS (ADMIN, FMC, OPS)	\$98,260.74	\$438,079.43
	12/3/2020	114	2011800210		MP - AERATION BASIN MODIFICATIONS	\$339,818.69	
176025	11/12/2020	110	3226	EAST BAY DISCHARGERS AUTHORITY	RNWL & REPL FUND ASSES FY21	\$366,000.00	\$366,000.00
175980	11/5/2020	143	201180029	HAZEN AND SAWYER	MP - AERATION BASIN MODIFICATIONS	\$229,048.93	\$279,495.53
	11/5/2020	114	201180035		CAMPUS BUILDINGS (ADMIN, FMC, OPS)	\$50,446.60	
175957	11/5/2020		2007059	ABTECH TECHNOLOGIES INC	2 BACKUP TARGET SERVERS	\$149,525.41	\$149,525.41
175970	11/5/2020	143	191795	CAROLLO ENGINEERS	PRIMARY DIGESTER NO. 2 REHABILITATION	\$9,042.66	\$120,814.18
	11/5/2020	143	191416		PRIMARY DIGESTER NO. 7	\$68,743.60	
	11/5/2020	143	191554		WAS THICKENERS	\$43,027.92	
176196	12/3/2020	143	192698	CAROLLO ENGINEERS	PRIMARY DIGESTER NO. 2 REHABILITATION	\$2,920.51	\$85,237.17
	12/3/2020	143	192341		ALVARADO INFLUENT PS PUMPS AND VFDS	\$3,731.57	
	12/3/2020	143	192388		PRIMARY DIGESTER NO. 7	\$74,241.59	
	12/3/2020	143	192431		AERATION BLOWER 11 (HIGH SPEED)	\$4,343.50	

**UNION SANITARY DISTRICT
CHECK REGISTER
10/31/2020-12/04/2020**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
176220	12/3/2020	141	220247	TANNER PACIFIC INC	TWIN FORCE MAIN RELOCATION - PHASE 2	\$19,152.50	\$81,587.50
	12/3/2020	143	220268		ALVARADO INFLUENT PS PUMPS AND VFDS	\$48,835.00	
	12/3/2020	143	220269		PRIMARY DIGESTER NO. 2 REHABILITATION	\$10,080.00	
	12/3/2020	141	220270		TWIN FORCE MAIN RELOCATION - PHASE 2	\$3,520.00	
176043	11/12/2020	143	200605E	OVERAA	PRIMARY DIGESTER NO. 7 - ESCROW PYMT	\$70,038.35	\$70,038.35
176141	11/25/2020	143	21943	DANIEL MECHANICAL SERVICE CO	PLANT ODOR CONTROL PILOT STUDY - TRAILER MOUNTED SKID	\$67,133.00	\$67,133.00
176000	11/5/2020	143	220245	TANNER PACIFIC INC	ALVARADO INFLUENT PS PUMPS AND VFDS	\$49,192.50	\$65,415.00
	11/5/2020	143	220246		PRIMARY DIGESTER NO. 2 REHABILITATION	\$16,222.50	
176174	11/25/2020	110	18087	SYNAGRO WEST LLC	OCTOBER 2020 BIOSOLIDS DISPOSAL	\$63,075.28	\$63,075.28
176163	11/25/2020	110	1492477	POLYDYNE INC	45,680 LBS CLARIFLOC C-6267	\$50,850.71	\$55,858.72
	11/25/2020	110	1493364		36,740 LBS CLARIFLOC WE-539	\$5,008.01	
176118	11/19/2020	110	99999	USP TECHNOLOGIES	2330 GALS HYDROGEN PEROXIDE	\$10,228.70	\$28,631.58
	11/19/2020	110	100012		4192 GALS HYDROGEN PEROXIDE	\$18,402.88	
176112	11/19/2020	173	16327	SYSTEMATES INC	PROJECTMATES SOFTWARE ANNUAL MAINTENANCE 1/1/21-12/31/21	\$27,910.00	\$27,910.00
176030	11/12/2020	110	9017691007	KEMIRA WATER SOLUTIONS INC	41,740 LBS FERROUS CHLORIDE	\$5,994.25	\$26,327.31
	11/12/2020	110	9017689913		46,280 LBS FERROUS CHLORIDE	\$6,440.62	
	11/12/2020	110	9017690436		48,420 LBS FERROUS CHLORIDE	\$6,786.80	
	11/12/2020	110	9017691111		49,180 LBS FERROUS CHLORIDE	\$7,105.64	

**UNION SANITARY DISTRICT
CHECK REGISTER
10/31/2020-12/04/2020**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
176044	11/12/2020	170	096020201030	PACIFIC GAS AND ELECTRIC	SERV TO 10/29/20 CATHODIC PROJECT	\$49.27	\$25,653.47
	11/12/2020	170	380420201030		SERV TO 10/29/20 CHERRY ST PS	\$334.89	
	11/12/2020	170	761520201026		SERV TO 10/26/20 NEWARK PS	\$24,694.09	
	11/12/2020	110	224720201028		SERV TO 10/21/20 CS TRAINING TRAILER	\$575.22	
176195	12/3/2020	143	11387965	BROWN & CALDWELL CONSULTANTS	PLANT GROUNDWATER WELLS MONITORING	\$3,996.17	\$25,135.05
	12/3/2020	143	11388294		PRIMARY DIGESTER NO. 7	\$21,138.88	
176087	11/19/2020	170	69893	HOTJET USA	1 TRAILER MOUNTED WASHER	\$24,431.40	\$24,431.40
176223	12/3/2020	143	183010	WOODARD & CURRAN INC	IRVINGTON BASIN MASTER PLAN UPDATE	\$22,120.75	\$23,751.95
	12/3/2020	143	183080		HEADWORKS SCREENS REPLACEMENT	\$1,631.20	
176046	11/12/2020		35045	PREFERRED BENEFIT INSUR ADMINS	NOVEMBER 2020 DELTA DENTAL STMT	\$20,557.52	\$23,718.52
	11/12/2020		35086		NOVEMBER 2020 VSP STMT	\$3,161.00	
176111	11/19/2020	173	2481	SHARESQUARED INC	PORTAL MIGRATION TO SHAREPOINT ONLINE	\$23,402.50	\$23,402.50
176040	11/12/2020	120	202100000004	CITY OF NEWARK	ENCROACHMENT PERMITS-CS THORNTON AVE PAVEMENT REHAB PR	\$23,300.00	\$23,300.00
176143	11/25/2020	173	2019393	FARALLON GEOGRAPHICS INC	PLANT GIS GEOCORTEX ENHANCEMENTS	\$750.00	\$22,750.00
	11/25/2020	173	2019386		NRB (NON RESIDENTIAL BILLING) REPLACEMENT	\$22,000.00	
176208	12/3/2020	110	9017693295	KEMIRA WATER SOLUTIONS INC	48,020 LBS FERROUS CHLORIDE	\$6,959.88	\$20,906.99
	12/3/2020	110	9017692354		48,460 LBS FERROUS CHLORIDE	\$7,041.88	
	12/3/2020	110	9017692884		48,060 LBS FERROUS CHLORIDE	\$6,905.23	
175986	11/5/2020	123	947751	LMK TECHNOLOGIES LLC	24 LMK TRAILER PIPE KITS	\$20,813.22	\$20,813.22

**UNION SANITARY DISTRICT
CHECK REGISTER
10/31/2020-12/04/2020**

Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
176073	11/19/2020	150	4894	CASA	ANNUAL MEMBERSHIP RENEWAL 1/1/21 - 12/31/21	\$20,500.00	\$20,500.00
176166	11/25/2020	171	2000166	PSC INDUSTRIAL OUTSOURCING LP	CARBON MEDIA REPLACEMENT	\$19,588.23	\$19,588.23
176117	11/19/2020	114	533620201022	US BANK CORP PAYMENT SYSTEM	MONTHLY CAL-CARD REPORT - OCT 2020	\$18,379.62	\$18,379.62
176090	11/19/2020	173	9600	LC NETWORKS INC	FIBER OPTICS CABLE INSTALLATION	\$4,705.66	\$16,565.75
	11/19/2020	173	9599		FIBER OPTICS CABLE INSTALLATION	\$11,860.09	
176052	11/12/2020	122	4445340	SC FUELS	6,124 GALS UNLEADED REGULAR GASOLINE	\$14,172.48	\$14,172.48
176003	11/5/2020	110	48773374	UNIVAR SOLUTIONS USA INC	4504 GALS SODIUM HYPOCHLORITE	\$3,253.59	\$13,801.32
	11/5/2020	110	48779213		4799.8 GALS SODIUM HYPOCHLORITE	\$3,467.27	
	11/5/2020	110	48781132		4900 GALS SODIUM HYPOCHLORITE	\$3,539.65	
	11/5/2020	110	48775292		4901.6 GALS SODIUM HYPOCHLORITE	\$3,540.81	
176092	11/19/2020	122	135263	MANSFIELD OIL CO OF GAINSVILLE	5948 GALS CARB DYED DIESEL	\$13,225.16	\$13,225.16
176059	11/12/2020	110	99836	USP TECHNOLOGIES	2818 GALS HYDROGEN PEROXIDE	\$12,371.02	\$12,371.02
176121	11/19/2020	122	69046	WEST-MARK	TRUCK T3252 REPAIR	\$10,697.65	\$10,697.65
176115	11/19/2020	110	48798188	UNIVAR SOLUTIONS USA INC	4900 GALS SODIUM HYPOCHLORITE	\$3,539.65	\$10,617.65
	11/19/2020	110	48796204		4898.2 GALS SODIUM HYPOCHLORITE	\$3,538.35	
	11/19/2020	110	48794184		4900 GALS SODIUM HYPOCHLORITE	\$3,539.65	
176180	11/25/2020	110	48807934	UNIVAR SOLUTIONS USA INC	4902.4 GALS SODIUM HYPOCHLORITE	\$3,541.38	\$10,547.14
	11/25/2020	110	48802698		4798.4 GALS SODIUM HYPOCHLORITE	\$3,466.26	
	11/25/2020	110	48804286		4899.8 GALS SODIUM HYPOCHLORITE	\$3,539.50	

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176221	12/3/2020	110	48817409	UNIVAR SOLUTIONS USA INC	4900 GALS SODIUM HYPOCHLORITE	\$3,539.65	\$10,545.78
	12/3/2020	110	48811419		4798.7 GALS SODIUM HYPOCHLORITE	\$3,466.48	
	12/3/2020	110	48811418		4900 GALS SODIUM HYPOCHLORITE	\$3,539.65	
176057	11/12/2020	110	48783031	UNIVAR SOLUTIONS USA INC	4900.9 GALS SODIUM HYPOCHLORITE	\$3,540.30	\$10,332.17
	11/12/2020	110	48790089		4900 GALS SODIUM HYPOCHLORITE	\$3,539.65	
	11/12/2020	110	48790090		4502.1 GALS SODIUM HYPOCHLORITE	\$3,252.22	
176032	11/12/2020		37432220201101	LINCOLN NATIONAL LIFE INS COMP	LIFE & DISABILITY INSURANCE - NOV 2020	\$9,195.54	\$9,195.54
175971	11/5/2020	150	1409	EAST BAY MUNI UTILITY DISTRICT	FY21 BACWA PARTICIPATION FEES	\$8,250.00	\$8,250.00
176140	11/25/2020	150	20201001	CSDA CAL SPECIAL DIST ASSOC	2021 MEMBERSHIP DUES	\$7,805.00	\$7,805.00
175956	11/5/2020	150	62505	ABACUS PRODUCTS INC	EMPLOYEE RECOGNITION ITEMS	\$3,685.89	\$7,665.55
	11/5/2020	150	62570		EMPLOYEE RECOGNITION ITEMS	\$1,905.61	
	11/5/2020	150	62625		EMPLOYEE RECOGNITION ITEMS	\$1,204.31	
	11/5/2020	150	62485		EMPLOYEE RECOGNITION ITEMS	\$869.74	
176186	12/3/2020	170	2000428476	AECOM TECHNICAL SERVICES INC	HAZMAT CONSULTING SERVICES	\$7,567.15	\$7,567.15
176062	11/19/2020		69425	3T EQUIPMENT COMPANY INC	15 PIPE PATCH KITS WINTER	\$7,319.23	\$7,319.23
176157	11/25/2020	143	27105	MCGUIRE & HESTER	EMERGENCY OUTFALL OUTLET IMPROVEMENTS	\$7,107.65	\$7,107.65
176056	11/12/2020		9484	TRI POINTE CONTRACTORS LP	REFUND # 30178	\$2,500.00	\$7,050.00
	11/12/2020		8579		REFUND # 30179	\$4,550.00	
176089	11/19/2020	110	9017691878	KEMIRA WATER SOLUTIONS INC	46,880 LBS FERROUS CHLORIDE	\$6,777.69	\$6,777.69

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175958	11/5/2020	170	2000416120	AECOM TECHNICAL SERVICES INC	HAZMAT CONSULTING SERVICES	\$6,702.93	\$6,702.93
176021	11/12/2020	173	3186751	CDW GOVERNMENT LLC	ADMIN SERVER ROOM UPS SUPPORT 1 YEAR	\$6,590.00	\$6,590.00
176026	11/12/2020	173	1722	ETHOSOFT INC	X-LIMS ANNUAL MAINTENANCE 10/1/20 - 9/30/21	\$5,712.00	\$5,712.00
175967	11/5/2020	143	11385805	BROWN & CALDWELL CONSULTANTS	STANDBY POWER SYSTEM UPGRADE	\$4,121.56	\$5,488.96
	11/5/2020	143	11385652		PLANT GROUNDWATER WELLS MONITORING	\$1,367.40	
176064	11/19/2020	170	4017274120201105	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 11/03/20 - FREMONT BLVD	\$4,962.11	\$5,187.29
	11/19/2020	170	4017275220201105		SERV TO: 11/03/20 - FREMONT BLVD	\$163.97	
	11/19/2020	170	4017420220201105		SERV TO: 11/03/20 - FREMONT BLVD	\$61.21	
176091	11/19/2020	143	6600105	LEE & RO INC	CALCIUM THIOSULFATE CHEMICAL TANK	\$5,183.10	\$5,183.10
175968	11/5/2020		257871	BURKE, WILLIAMS & SORENSON LLP	CIP - JULY 2020	\$5,158.40	\$5,158.40
176181	11/25/2020	143	19821	V&A CONSULTING ENGINEERS	CATHODIC PROTECTION IMPROVEMENTS	\$4,868.50	\$4,868.50
176020	11/12/2020		20201111	STATE OF CALIFORNIA	SALES & USE TAX 10/01/20 - 10/30/20	\$4,797.64	\$4,797.64
176105	11/19/2020	122	23890	PRIME MECHANICAL SERVICE INC	SERVICE CALL: BLDG 83	\$1,412.00	\$4,750.00
	11/19/2020	122	23889		SERVICE CALL: BLDG 82	\$2,423.00	
	11/19/2020	170	23492		MONTHLY MAINTENANCE - SEP 20	\$915.00	
176122	11/19/2020	141	180505	WOODARD & CURRAN INC	ON CALL MODELING SERVICES (NEWPARK MALL)	\$4,740.25	\$4,740.25
175994	11/5/2020	130	92019870	PFM ASSET MANAGEMENT LLC	INVESTMENT MANAGEMENT / ADVISORY SERVICES	\$4,052.34	\$4,052.34
176222	12/3/2020	170	4192213	WESTERN ENERGY SYSTEMS	2 GENERATOR SHIPPING FEES	\$4,004.10	\$4,004.10

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176095	11/19/2020		24096300	MOTION INDUSTRIES INC	1 GEARBOX	\$3,413.96	\$3,975.63
	11/19/2020	170	24095444		ASTD PARTS & MATERIALS	\$561.67	
176215	12/3/2020	173	420015	REALVNC LIMITED	SOFTWARE SUPPORT, ANNUAL, 200 LICENSES	\$3,975.00	\$3,975.00
176152	11/25/2020	173	11679081	KRONOS INC	OPTIMUM ANNUAL SUPPORT	\$3,925.04	\$3,925.04
176016	11/12/2020	173	9344750201	BRADY WORLDWIDE INC	LOTO ANNUAL SUBSCRIPTION	\$3,800.00	\$3,800.00
176213	12/3/2020	170	013720201110	PACIFIC GAS AND ELECTRIC	SERV TO 11/03/20 BOYCE RD PS	\$3,528.99	\$3,555.27
	12/3/2020	170	140120201110		SERV TO 11/02/20 IRVINGTON PS	\$26.28	
176077	11/19/2020	110	1419494	DEPARTMENT OF GENERAL SERVICES	SERV: SEP 2020 PLANT	\$3,462.01	\$3,462.01
176182	11/25/2020	123	12092	VON EUW TRUCKING	46.82 TONS 3/4" CLASS II AB & 47.2 TONS 3/4" CRUSHED	\$3,418.33	\$3,418.33
176133	11/25/2020	173	321432500	BUCKLES SMITH ELECTRIC	ROCKWELL TECH CONNECT ANNUAL SUPPORT	\$2,157.00	\$3,403.94
	11/25/2020	170	321694600		1 CIRCUIT BOARD	\$1,246.94	
176218	12/3/2020	170	71708691	ROSEMOUNT MEASUREMENT INC	1 RADAR LEVEL TRANSMITTER	\$3,378.80	\$3,378.80
176061	11/12/2020	170	3341	WELCOME BUILDING MAINTENANCE	SOLAR PANEL CLEANING	\$3,360.00	\$3,360.00
176156	11/25/2020	113	2010G45	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$999.00	\$3,341.00
	11/25/2020	113	2010D69		LAB SAMPLE ANALYSIS	\$2,167.00	
	11/25/2020	113	2010629A		LAB SAMPLE ANALYSIS	\$175.00	
176066	11/19/2020		19858	AMERICAN EAGLE PLUMBING & CON	REFUND # 30201	\$3,300.00	\$3,300.00
176080	11/19/2020		17829	HAO HAN GONG	REFUND # 30194	\$3,300.00	\$3,300.00

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176013	11/12/2020		15500655	AT&T	SERV: 09/20/20 - 10/19/20	\$22.21	\$3,254.18
	11/12/2020		15500679		SERV: 09/20/20 - 10/19/20	\$227.58	
	11/12/2020		15500657		SERV: 09/20/20 - 10/19/20	\$3,004.39	
176131	11/25/2020	122	20273	BAYSCAPE LANDSCAPE MANAGEMENT	LANDSCAPE MAINTENANCE SERVICES - OCT 2020	\$3,215.00	\$3,215.00
176006	11/5/2020		9865365583	VERIZON WIRELESS	WIRELESS SERV & TABLETS 09/21/20-10/20/20	\$3,185.90	\$3,185.90
176069	11/19/2020	143	7169	BAY AREA COATING CONSULTANT	COATINGS INSPECTION - ALVARADO INFLUENT PS PUMPS AND VFDS	\$3,133.00	\$3,133.00
176136	11/25/2020	132	1111086	CAREERS IN GOVERNMENT INC	ANNUAL MEMBERSHIP	\$3,100.00	\$3,100.00
176015	11/12/2020	120	15603781	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$8.77	\$3,078.58
	11/12/2020	120	15603780		ASTD OFFICE SUPPLIES	\$287.96	
	11/12/2020	110	15605720		27 DAILY BUSINESS DIARY	\$2,607.36	
	11/12/2020	110	15576880		ASTD OFFICE SUPPLIES	\$174.49	
175990	11/5/2020	123	782401	MISSION CLAY PRODUCTS LLC	4 CLAY COUPLINGS	\$486.23	\$3,070.36
	11/5/2020	123	782391		56 ASTD CLAY FITTINGS	\$2,584.13	
176184	11/25/2020	141	182731	WOODARD & CURRAN INC	ON CALL MODELING SERVICES (NEWPARK MALL)	\$3,040.00	\$3,040.00

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175976	11/5/2020		9678978090	GRAINGER INC	ASTD PARTS & MATERIALS	\$298.96	\$2,998.48
	11/5/2020		9660914103		ASTD PARTS & MATERIALS	\$111.73	
	11/5/2020	111	9677116940		ASTD PARTS & MATERIALS	\$48.54	
	11/5/2020		9667380621		ASTD PARTS & MATERIALS	\$303.34	
	11/5/2020		9690843025		CREDIT: ASTD PARTS & MATERIALS	\$-33.51	
	11/5/2020		9658429320		ASTD PARTS & MATERIALS	\$33.51	
	11/5/2020	122	9684392138		ASTD PARTS & MATERIALS	\$125.34	
	11/5/2020	122	9670867549		ASTD PARTS & MATERIALS	\$162.84	
	11/5/2020		9672141158		1 FACE SHIELD	\$14.98	
	11/5/2020		9690843017		CREDIT: ASTD PARTS & MATERIALS	\$-22.34	
	11/5/2020		9655681386		ASTD PARTS & MATERIALS	\$22.34	
	11/5/2020	111	9684435713		ASTD PARTS & MATERIALS	\$21.34	
	11/5/2020	122	9678680605		ASTD PARTS & MATERIALS	\$261.64	
	11/5/2020		9660847808		ASTD PARTS & MATERIALS	\$33.51	
	11/5/2020		9690842985		CREDIT: ASTD PARTS & MATERIALS	\$-111.73	
	11/5/2020		9669071954		ASTD PARTS & MATERIALS	\$53.56	
	11/5/2020	170	9686082430		ASTD PARTS & MATERIALS	\$58.22	
	11/5/2020		9671712777		ASTD PARTS & MATERIALS	\$270.40	
	11/5/2020		9690842993		CREDIT: ASTD PARTS & MATERIALS	\$-33.51	

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175976	11/5/2020	111	9666558698	GRAINGER INC	ASTD PARTS & MATERIALS	\$2.02	\$2,998.48
	11/5/2020	111	9670275404		24 AIR FILTERS	\$310.27	
	11/5/2020		9686082422		12 FACE SHIELDS	\$188.60	
	11/5/2020		9690843009		CREDIT: ASTD PARTS & MATERIALS	\$-55.86	
	11/5/2020		9681978707		ASTD PARTS & MATERIALS	\$766.13	
	11/5/2020	170	9683645254		ASTD PARTS & MATERIALS	\$112.30	
	11/5/2020		9653120395		ASTD PARTS & MATERIALS	\$55.86	
176047	11/12/2020	170	23661	PRIME MECHANICAL SERVICE INC	SERVICE CALL: BLDG 90	\$415.00	\$2,918.09
	11/12/2020	122	23493		MONTHLY MAINTENANCE - SEP 20	\$1,646.25	
	11/12/2020	122	23703		SERVICE CALL: IRVINGTON PUMP STATION	\$441.84	
	11/12/2020	122	23627		SERVICE CALL: BLDG 70	\$415.00	
176154	11/25/2020		4965962	MALLORY SAFETY AND SUPPLY LLC	3 DOZ GLV NITRILE & 300 BX GLOVES	\$2,838.07	\$2,838.07
176167	11/25/2020		7959	PULTE HOME CORPORATION	REFUND # 31205	\$2,800.00	\$2,800.00
176049	11/12/2020	120	916004358614	REPUBLIC SERVICES #916	RECYCLE & ROLL OFF - NOV 2020	\$2,759.89	\$2,759.89
176078	11/19/2020	140	1052556768	EMPLOYMENT DEVELOPMENT DEPT	UI 3RD Q 2020 - D. LEMOS	\$2,700.00	\$2,700.00
176014	11/12/2020		9973	BDS PLUMBING INC	REFUND # 30184	\$2,500.00	\$2,500.00
176103	11/19/2020		10310	PAN-CAL CORPORATION	REFUND # 30200	\$2,500.00	\$2,500.00
176135	11/25/2020		9334	CAN-AM PLUMBING INC	REFUND # 31204	\$2,500.00	\$2,500.00
176214	12/3/2020	141	8580318	QUADIENT INC	ANNUAL METER RENTAL 12/11/20 - 12/11/21	\$2,471.40	\$2,471.40

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175993	11/5/2020	170	131124	NEW IMAGE LANDSCAPING CO	LANDSCAPE MAINTENANCE - FMC - SEPT 2020	\$2,385.68	\$2,385.68
176212	12/3/2020		24096838	MOTION INDUSTRIES INC	6 FILTERS	\$146.31	\$2,335.47
	12/3/2020	170	24095928		ASTD PARTS & MATERIALS	\$85.32	
	12/3/2020	170	24096210		ASTD PARTS & MATERIALS	\$298.65	
	12/3/2020		24097167		ASTD PARTS & MATERIALS	\$538.99	
	12/3/2020	170	24095960		ASTD PARTS & MATERIALS	\$1,266.20	
176097	11/19/2020	170	119214	NEW IMAGE LANDSCAPING CO	LANDSCAPE MAINTENANCE - FMC - JUN 2020	\$2,305.00	\$2,305.00
176173	11/25/2020	173	4118095	SHAREPOINTXPERTS LLC	ALERT PLUS UPGRADE AND SUPPORT	\$2,268.94	\$2,268.94
176017	11/12/2020	121	89454	BRENNTAG PACIFIC INC	2564 LBS SODIUM HYDROXIDE	\$746.63	\$2,233.10
	11/12/2020	121	89455		5128 LBS SODIUM HYDROXIDE	\$1,486.47	
176070	11/19/2020	121	94116	BRENNTAG PACIFIC INC	3828 LBS SODIUM HYDROXIDE	\$1,109.63	\$2,220.95
	11/19/2020	121	94117		1276 LBS SODIUM HYDROXIDE	\$371.57	
	11/19/2020	121	94118		2552 LBS SODIUM HYDROXIDE	\$739.75	
176149	11/25/2020	141	DBPM900	IRON MOUNTAIN	OFF-SITE STORAGE AND SERVICE - NOV 2020	\$1,345.50	\$2,146.53
	11/25/2020	173	202227157		DATA/MEDIA OFF-SITE STORAGE - OCT 2020	\$300.00	
	11/25/2020	141	DBDB507		OFF-SITE STORAGE AND SERVICE - NOV 2020	\$501.03	

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176034	11/12/2020	113	2010871	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$290.00	\$2,123.00
	11/12/2020	113	2009440A		LAB SAMPLE ANALYSIS	\$20.00	
	11/12/2020	113	2010733		LAB SAMPLE ANALYSIS	\$540.00	
	11/12/2020	113	2009440		LAB SAMPLE ANALYSIS	\$1,073.00	
	11/12/2020	113	2010629		LAB SAMPLE ANALYSIS	\$200.00	
176048	11/12/2020	122	23150	R & S ERECTION OF S ALAMEDA	SERVICE: PM SERVICE ON GATES	\$171.25	\$2,055.58
	11/12/2020	122	23186		SERVICE: VEHICLE GATE REPAIR	\$1,884.33	
176137	11/25/2020	173	3784378	CDW GOVERNMENT LLC	VMWARE WORKSPACE ONE ANNUAL SUBSCRIPTION	\$2,054.98	\$2,054.98
176139	11/25/2020	173	111110997	COLORADO WASHINGTON INC COMCAST OF	FIBER INTERNET BACKUP - NOV 2020	\$2,040.52	\$2,040.52
176045	11/12/2020		29606408	PAN PACIFIC SUPPLY COMPANY	1 CHESTERTON SEAL	\$1,956.02	\$1,956.02
176102	11/19/2020		29606438	PAN PACIFIC SUPPLY COMPANY	1 CHESTERTON SEAL	\$1,953.16	\$1,953.16
176191	12/3/2020		15615265	AT&T	SERV: 10/13/20 - 11/12/20	\$65.98	\$1,927.31
	12/3/2020		15615266		SERV: 10/13/20 - 11/12/20	\$87.50	
	12/3/2020		15599601		SERV: 10/10/20 - 11/09/20	\$982.50	
	12/3/2020		15615262		SERV: 10/13/20 - 11/12/20	\$748.44	
	12/3/2020		15615264		SERV: 10/13/20 - 11/12/20	\$42.89	

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175962	11/5/2020		15467061	AT&T	SERV: 09/13/20 - 10/12/20	\$748.44	\$1,925.63
	11/5/2020		15467063		SERV: 09/13/20 - 10/12/20	\$42.89	
	11/5/2020		15467064		SERV: 09/13/20 - 10/12/20	\$65.98	
	11/5/2020		15435069		SERV: 09/10/20 - 10/09/20	\$980.82	
	11/5/2020		15467065		SERV: 09/13/20 - 10/12/20	\$87.50	
176033	11/12/2020	130	200803	MACLEOD WATTS INC	ACTUARIALS: OPEB VALUATION AS OF 06/30/20	\$1,900.00	\$1,900.00
176150	11/25/2020	170	13300	KAMAN INDUSTRIAL TECHNOLOGIES	1 MOTOR	\$1,878.07	\$1,878.07
176099	11/19/2020	173	100157493	OPTIV SECURITY INC	KNOWBE4 RENEWAL	\$1,802.86	\$1,802.86
176109	11/19/2020	110	20102603	S&S TRUCKING	GRIT HAULING 10/16/2020	\$949.32	\$1,766.42
	11/19/2020	110	20102716		GRIT HAULING 10/19/2020	\$817.10	
176185	11/25/2020	143	5038	WORKSMART AUTOMATION INC	HEADWORKS SCREENS REPLACEMENT	\$1,749.50	\$1,749.50
176126	11/25/2020	121	14043	AMERICAN DISCOUNT SECURITY	10/01/20 - 10/30/20 GUARD AT DISTRICT	\$1,716.00	\$1,716.00
175964	11/5/2020	173	2009250450A	AVEPOINT PUBLIC SECTOR INC	CLOUD MANAGEMENT FOR OFFICE 365	\$1,680.00	\$1,680.00
176207	12/3/2020	170	922141	KAMAN INDUSTRIAL TECHNOLOGIES	1 MOTOR	\$1,644.56	\$1,644.56
175960	11/5/2020	144	596754685384	AMAZON.COM LLC	ERGONIMIC KNEELING CHAIR	\$164.61	\$1,606.76
	11/5/2020		20201010		10/20 - ASTD OFFICE SUPPLIES	\$1,442.15	
176129	11/25/2020	110	4HZ74	BAY AREA AIR QUALITY MGMT DIST	ANNUAL PERMIT RENEWAL - SITE A2885	\$836.00	\$1,586.00
	11/25/2020	110	4JC31		ANNUAL PERMIT RENEWAL - SITE A2884	\$750.00	

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176050	11/12/2020	110	20101306	S&S TRUCKING	GRIT HAULING 10/01/2020	\$729.15	\$1,579.46
	11/12/2020	110	20101530		GRIT HAULING 10/05/2020	\$850.31	
176147	11/25/2020	170	3P3434	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$1,376.54	\$1,566.89
	11/25/2020		3P3435		ASTD PVC PARTS & MATERIALS	\$190.35	
176008	11/5/2020	173	7D2A38220201221	WIN-911 SOFTWARE	WIN911 ANNUAL SUPPORT RENEWAL	\$1,400.00	\$1,400.00
176035	11/12/2020	170	48160863	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$119.48	\$1,390.90
	11/12/2020		48304148		ASTD PARTS & MATERIALS	\$602.24	
	11/12/2020	170	47490940		ASTD PARTS & MATERIALS	\$64.88	
	11/12/2020	170	48138689		ASTD PARTS & MATERIALS	\$122.93	
	11/12/2020	170	48136810		ASTD PARTS & MATERIALS	\$481.37	
176009	11/12/2020		69420	3T EQUIPMENT COMPANY INC	1 ROOT CUTTER	\$1,309.99	\$1,309.99
175961	11/5/2020		1102432525	ARAMARK	UNIFORM LAUNDERING SERVICE	\$348.81	\$1,276.55
	11/5/2020		1102428585		UNIFORM LAUNDERING & RUGS	\$272.68	
	11/5/2020		1102428591		UNIFORM LAUNDERING SERVICE	\$346.06	
	11/5/2020		1102432520		UNIFORM LAUNDERING & RUGS	\$261.68	
	11/5/2020		1102432540		ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$47.32	
176134	11/25/2020	113	615423	CALTEST ANALYTICAL LABORATORY	24 LAB SAMPLE ANALYSIS	\$1,254.00	\$1,254.00
176161	11/25/2020		20201031	NAPA AUTO PARTS	MONTHLY AUTO PARTS STMT - OCT 2020	\$1,252.78	\$1,252.78

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175977	11/5/2020	123	1900726	GRANITE CONSTRUCTION COMPANY	7.04 TONS 1/2"WMA64-10R15LAS	\$629.24	\$1,248.64
	11/5/2020	123	1895763		6.93 TONS 1/2"WMA64-10R15LAS	\$619.40	
176036	11/12/2020	170	2092482	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - NOV 2020	\$1,245.43	\$1,245.43
176153	11/25/2020	173	21479	LOOKINGPOINT INC	ANNUAL PBX AND NETWORK SUPPORT (NEXT CARE)	\$1,225.00	\$1,225.00
176210	12/3/2020		20201203	KEVIN LANDSBOROUGH	COMPUTER NOTE	\$1,200.00	\$1,200.00
176082	11/19/2020	123	1911395	GRANITE CONSTRUCTION COMPANY	7.1 TONS 1/2"WMA64-10R15LAS	\$634.60	\$1,186.97
	11/19/2020	123	1908031		6.18 TONS 1/2"WMA64-10R15LAS	\$552.37	
176172	11/25/2020	110	20110449	S&S TRUCKING	GRIT HAULING 10/30/2020	\$1,179.33	\$1,179.33
176054	11/12/2020		731447478903	STAPLES CONTRACT & COMMERCIAL	JANITORIAL & BREAKROOM SUPPLIES	\$25.04	\$1,165.01
	11/12/2020		731578716901		JANITORIAL & BREAKROOM SUPPLIES	\$244.30	
	11/12/2020		731599588201		JANITORIAL & BREAKROOM SUPPLIES	\$504.98	
	11/12/2020		731578716902		JANITORIAL & BREAKROOM SUPPLIES	\$390.69	
175972	11/5/2020	143	715246334	FEDERAL EXPRESS CORPORATION	SHIPPING SERVICE - CIP PLANT ODOR CONTROL PILOT STUDY	\$1,131.17	\$1,131.17
176187	12/3/2020	170	9107050328	AIRGAS NCN	ASTD PARTS & MATERIALS	\$290.20	\$1,128.59
	12/3/2020	170	9107095551		4 CY ARGON	\$838.39	
176160	11/25/2020	114	2096783	MOBILE MODULAR MANAGEMENT CORP	ETSU TEMPORARY OFFICE SPACE	\$1,071.05	\$1,071.05
176211	12/3/2020	113	2011292	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$1,056.00	\$1,056.00
176100	11/19/2020	173	2	AYHAN OZCAN	NON-RESIDENTIAL DATABASE DATA EXTRACTION	\$1,050.00	\$1,050.00

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176151	11/25/2020	122	111200000806193	KELLY-MOORE PAINT COMPANY	ASTD PAINTING SUPPLIES	\$996.45	\$1,048.34
	11/25/2020	170	62600000211568		ASTD PAINTING SUPPLIES	\$51.89	
176200	12/3/2020		9696446658	GRAINGER INC	ASTD PARTS & MATERIALS	\$540.51	\$1,047.95
	12/3/2020		9700928600		ASTD PARTS & MATERIALS	\$235.84	
	12/3/2020	122	9699332343		1 HOSE CLAMP	\$34.19	
	12/3/2020		9696721514		16 DISPOSABLE RESPIRATORS	\$237.41	
176060	11/12/2020	113	8802663077	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$47.59	\$1,025.35
	11/12/2020	113	8802670255		LAB SUPPLIES	\$457.60	
	11/12/2020	113	8802560998		LAB SUPPLIES	\$520.16	
175995	11/5/2020	170	23494	PRIME MECHANICAL SERVICE INC	MONTHLY MAINTENANCE - SEP 20	\$1,008.75	\$1,008.75
176011	11/12/2020	170	737232	A-PRO PEST CONTROL INC	OCTOBER PEST CONTROL	\$1,005.00	\$1,005.00
176083	11/19/2020		12180250	HACH COMPANY	LABORATORY SUPPLIES	\$999.74	\$999.74
176018	11/12/2020		8943	BURLINGAME ENGINEERS INC	2 PRESSURE RELIEF VALVES	\$995.58	\$995.58
176027	11/12/2020	170	904655537	EVOQUA WATER TECHNOLOGIES	DI WATER SYSTEM	\$294.72	\$965.74
	11/12/2020	170	904618351		DI WATER SYSTEM	\$289.42	
	11/12/2020	170	904633999		DI WATER SYSTEM	\$381.60	
176051	11/12/2020	173	49922	SACRAMENTO COMPUTER POWER INC	CONTROL BLDG SERVER ROOM UPS ANNUAL SUPPORT	\$965.00	\$965.00
176007	11/5/2020	170	4172978	WESTERN ENERGY SYSTEMS	ASTD COGEN PARTS	\$960.14	\$960.14
176123	11/25/2020	170	9975173677	AIRGAS NCN	CYLINDER RENTAL	\$959.13	\$959.13

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175988	11/5/2020	113	2010409	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$502.00	\$957.00
	11/5/2020	113	2009A15		LAB SAMPLE ANALYSIS	\$455.00	
176098	11/19/2020	143	546062000496	NORTH AMERICAN TITLE CO INC	TITLE REPORT: EMERGENCY OUTFALL OUTLET IMPROVEMENTS	\$950.00	\$950.00
176199	12/3/2020	170	1135750	FLUID COMPONENTS INTERNATIONAL	1 FLOW METER RECALIBRATION	\$940.33	\$940.33
176189	12/3/2020	143	36545253810	ALS ENVIRONMENTAL	VOC SAMPLE EQUIPMENT AND ANALYSIS	\$940.00	\$940.00
175985	11/5/2020	113	20201102	CONGNA LI	EXP REIMB: WEF CONNECT REG & WEF/CWEA MEMBERSHIP RENEWA	\$631.00	\$937.42
	11/5/2020		20201103		TUITION REIMB: LEADERSHIP SCHL, SPRING SEMESTER 2020	\$306.42	
176165	11/25/2020	170	23849	PRIME MECHANICAL SERVICE INC	MONTHLY MAINTENANCE - OCT 20	\$915.00	\$915.00
176024	11/12/2020	173	496861	DLT SOLUTIONS, LLC	AWS CLOUD STORAGE - SEP 2020	\$891.50	\$891.50
175963	11/5/2020		9546967500	AT&T	SERV: 10/11/20 - 11/10/20	\$882.85	\$882.85
176192	12/3/2020		9327828509	AT&T	SERV: 10/11/20 - 11/10/20	\$882.85	\$882.85
176093	11/19/2020	113	2010D15	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$445.00	\$878.00
	11/19/2020	113	2010B09		LAB SAMPLE ANALYSIS	\$383.00	
	11/19/2020	113	2010B09A		LAB SAMPLE ANALYSIS	\$50.00	
176125	11/25/2020	170	36826	ALLIED FLUID PRODUCTS CORP	2 WATER TRUCK 3" SUCTION HOSE	\$867.87	\$867.87
176022	11/12/2020	150	85490	CITYLEAF INC	PLANT MAINTENANCE - SEP 2020	\$431.86	\$863.72
	11/12/2020	150	85934		PLANT MAINTENANCE - OCT 2020	\$431.86	
176176	11/25/2020		28926	THE CONSTRUCTION ZONE LLC	6 TRAFFIC SIGN STANDS	\$820.60	\$820.60

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176188	12/3/2020	110	4071038120201119	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 11/17/20-BENSON ROAD	\$89.80	\$777.81
	12/3/2020	110	4071037120201119		SERV TO: 11/17/20-BENSON ROAD	\$688.01	
176113	11/19/2020	173	12279193	TRIMBLE INC	TELOG ENTERPRISE ANNUAL SUPPORT 11/8/20-11/7/21	\$750.00	\$750.00
176081	11/19/2020	111	9680432284	GRAINGER INC	2 SAFETY SIGNS	\$19.19	\$707.31
	11/19/2020	123	9686590028		ASTD PARTS & MATERIALS	\$243.68	
	11/19/2020		9686590010		ASTD PARTS & MATERIALS	\$444.44	
176101	11/19/2020	170	898220201105	PACIFIC GAS AND ELECTRIC	SERV TO 10/29/20 FREMONT PS	\$252.33	\$698.73
	11/19/2020	170	666720201105		SERV TO 10/29/2020 PASEO PADRE PS	\$385.81	
	11/19/2020	110	892820201105		SERV TO 10/29/20 HAYWARD MARSH	\$60.59	
176170	11/25/2020	170	221867	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$690.75	\$690.75
176076	11/19/2020	141	10910	DCM CONSULTING INC	DUMBARTON TRANSIT-ORIENTED DEV & USD FORCE MAINS	\$675.00	\$675.00
176068	11/19/2020		1102439990	ARAMARK	ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$272.53	\$667.66
	11/19/2020		1102440007		UNIFORM LAUNDERING SERVICE	\$347.81	
	11/19/2020		1102440022		ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$47.32	
176209	12/3/2020	170	4519	KEN GRADY CO INC	1 SENSOR	\$664.21	\$664.21
176197	12/3/2020	132	201214687	CLAREMONT BEHAVIORAL SERVICES	DEC 2020 EAP PREMIUMS	\$657.80	\$657.80
176190	12/3/2020		1102446759	ARAMARK	ASTD DUST MOPS, WET MOPS & TERRY TOWEL	\$47.32	\$650.16
	12/3/2020	136	1102446703		UNIFORM LAUNDERING SERVICE	\$343.31	
	12/3/2020	136	1102446689		UNIFORM LAUNDERING & RUGS	\$259.53	

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176094	11/19/2020		48433054	MCMaster SUPPLY INC	ASTD PARTS & MATERIALS	\$380.09	\$645.04
	11/19/2020	170	47869573		ASTD PARTS & MATERIALS	\$33.39	
	11/19/2020	122	48443067		ASTD PARTS & MATERIALS	\$231.56	

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176028	11/12/2020	122	70904	FREMONT TEST ONLY	ANNUAL SMOG TESTING - VEHICLE T1370	\$35.00	\$645.00
	11/12/2020	122	71503		ANNUAL SMOG TESTING - VEHICLE P8365	\$35.00	
	11/12/2020	122	71234		ANNUAL SMOG TESTING - VEHICLE T1326	\$35.00	
	11/12/2020	122	71212		ANNUAL SMOG TESTING - VEHICLE T1367	\$35.00	
	11/12/2020	122	71239		ANNUAL SMOG TESTING - VEHICLE T1267	\$35.00	
	11/12/2020	122	71286		ANNUAL SMOG TESTING - VEHICLE T1373	\$35.00	
	11/12/2020	122	70909		ANNUAL SMOG TESTING - VEHICLE P8330	\$35.00	
	11/12/2020	122	71062		ANNUAL SMOG TESTING - VEHICLE T1305	\$35.00	
	11/12/2020	122	71206		ANNUAL SMOG TESTING - VEHICLE T1371	\$35.00	
	11/12/2020	122	71406		ANNUAL SMOG TESTING - VEHICLE T1066	\$35.00	
	11/12/2020	122	71127		ANNUAL SMOG TESTING - VEHICLE T1360	\$35.00	
	11/12/2020	122	70934		ANNUAL SMOG TESTING - VEHICLE T1304	\$35.00	
	11/12/2020	122	71075		ANNUAL SMOG TESTING - VEHICLE T1309	\$35.00	
	11/12/2020	122	71238		ANNUAL SMOG TESTING - VEHICLE T1358	\$35.00	
	11/12/2020	122	70897		ANNUAL SMOG TESTING - VEHICLE P8035	\$50.00	
	11/12/2020	122	71053		ANNUAL SMOG TESTING - VEHICLE T1338	\$35.00	
	11/12/2020	122	71107		ANNUAL SMOG TESTING - VEHICLE T1368	\$35.00	
	11/12/2020	122	71111		ANNUAL SMOG TESTING - VEHICLE T1271	\$35.00	

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176075	11/19/2020		380478	DALE HARDWARE INC	58 MINI ROLLER PURDY	\$328.86	\$644.41
	11/19/2020		20201025		10/20 - ASTD PARTS & MATERIALS	\$315.55	
176001	11/5/2020		28496	THE CONSTRUCTION ZONE LLC	4 TRAFFIC SIGNS	\$631.94	\$631.94
176106	11/19/2020	120	00K0036018380	NESTLE WATERS NO. AMERICA READYREFR	WATER SERVICE 10/07/20 - 11/06/20	\$629.45	\$629.45
176216	12/3/2020	171	820189965	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: R. SCHWARTZ	\$208.00	\$624.00
	12/3/2020	171	820189987		SAFETY SHOES: P. CHAPARRO	\$208.00	
	12/3/2020	171	820189986		SAFETY SHOES: A. SHONG	\$208.00	
176072	11/19/2020	173	4034367862	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	\$301.30	\$615.70
	11/19/2020	173	4034368851		MTHLY MAINTENANCE BASED ON USE	\$314.40	
176127	11/25/2020		1102443536	ARAMARK	UNIFORM LAUNDERING & RUGS	\$263.03	\$609.59
	11/25/2020		1102443539		UNIFORM LAUNDERING SERVICE	\$346.56	
176012	11/12/2020		1102436593	ARAMARK	UNIFORM LAUNDERING SERVICE	\$355.31	\$608.98
	11/12/2020		1102436590		UNIFORM LAUNDERING & RUGS	\$253.67	
175982	11/5/2020		6040986871	HILLYARD/SAN FRANCISCO	ASST JANITORIAL SUPPLIES	\$602.81	\$602.81
176159	11/25/2020	170	201145	METROMOBILE COMMUNICATIONS INC	RADIO SERVICE - NOV 2020	\$599.08	\$599.08
176132	11/25/2020	141	15637620	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$66.26	\$590.18
	11/25/2020	110	15635360		ASTD OFFICE SUPPLIES	\$478.27	
	11/25/2020	141	15628670		ASTD OFFICE SUPPLIES	\$45.65	

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175996	11/5/2020	121	820187397	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: S. NOVAK	\$194.99	\$588.68
	11/5/2020	123	820187157		SAFETY SHOES: S. BULLIS	\$207.98	
	11/5/2020	171	820186833		SAFETY SHOES: L. RIVERA	\$185.71	
176088	11/19/2020	170	615222	KAMAN INDUSTRIAL TECHNOLOGIES	ASTD PARTS & MATERIALS	\$539.64	\$571.34
	11/19/2020	170	759445		1 BUSHING	\$31.70	
175975	11/5/2020	132	116533508	FREMONT URGENT CARE CENTER	2 LAB TESTS	\$539.00	\$539.00
176074	11/19/2020	170	20201028	COMMUNICATION & CONTROL INC	UTILITY FEE/ANTENNA RENTAL	\$517.77	\$517.77
176039	11/12/2020	122	218163	NAYLOR STEEL INC	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$367.19	\$508.48
	11/12/2020	122	218191		ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$141.29	
176169	11/25/2020	144	19901	RESCUE ROOTER	REFUND # 31210	\$500.00	\$500.00
176205	12/3/2020		10658	HTN CONSTRUCTION INC	REFUND # 31209	\$500.00	\$500.00
176204	12/3/2020	120	604127242	HILLYARD/SAN FRANCISCO	ASST JANITORIAL SUPPLIES	\$25.32	\$499.60
	12/3/2020		604136773		ASST JANITORIAL SUPPLIES	\$474.28	
175989	11/5/2020		47943471	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$342.52	\$496.96
	11/5/2020	170	47772893		ASTD PARTS & MATERIALS	\$120.45	
	11/5/2020	122	47793151		ASTD PARTS & MATERIALS	\$33.99	
175981	11/5/2020	113	20201102	ALEXANDRO HERNANDEZ	EXP REIMB: CWEA AC20 CONFERENCE	\$475.00	\$475.00
176110	11/19/2020	113	20201118	JOHN SEO	EXP REIMB: SHIPMENT COST OF PFAS SAMPLES	\$444.85	\$444.85
176138	11/25/2020	150	86772	CITYLEAF INC	PLANT MAINTENANCE - NOV 2020	\$431.86	\$431.86

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176224	12/3/2020		5220	ZELAYA DESIGNS	PUBLIC OUTREACH	\$168.00	\$420.00
	12/3/2020		5219		PUBLIC OUTREACH	\$252.00	
176084	11/19/2020	170	3P3436	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$399.65	\$399.65
175992	11/5/2020	122	217950	NAYLOR STEEL INC	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$375.81	\$375.81
175974	11/5/2020	150	18601	FREMONT CHAMBER OF COMMERCE	MEMBERSHIP DUES	\$375.00	\$375.00
176177	11/25/2020	122	139908	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - UL CERTIFICATE	\$350.00	\$350.00
176175	11/25/2020		20430979	TELEDYNE ISCO INC	SAMPLING SUPPLIES	\$331.45	\$331.45
176162	11/25/2020	132	2001462	OPTIMUM TECHNOLOGIES LLC	AT HOME EMPLOYEE PORTAL	\$328.00	\$328.00
176104	11/19/2020	121	271254	PRESTIGE LENS LAB	SAFETY GLASSES - PORTEOUS	\$324.86	\$324.86
175998	11/5/2020	170	85340220201023	SAN FRANCISCO WATER DEPT	SERVICE 09/22/2020 - 10/21/20	\$320.75	\$320.75
176164	11/25/2020		160516	PREFERRED ALLIANCE INC	OCTOBER 2020 SERVICE FEE	\$318.57	\$318.57
176158	11/25/2020	170	48357865	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$151.11	\$311.01
	11/25/2020	170	48221405		ASTD PARTS & MATERIALS	\$32.60	
	11/25/2020	170	48976677		ASTD PARTS & MATERIALS	\$127.30	
176005	11/5/2020		50608	VALLEY OIL COMPANY	ASTD GREASE	\$308.40	\$308.40
176041	11/12/2020	143	2021	CITY OF NEWARK	ENCROACHMENT PERMIT & INSPECTION - CIP	\$300.00	\$300.00
176130	11/25/2020		17065	BAY AREA BARRICADE SERVICE INC	6 MARKING PAINT	\$293.50	\$293.50
176065	11/19/2020		1498787	ALLIANT INSURANCE SERVICES INC	PHYSICAL DAMAGE: 1ST QTR ENDORSEMENT	\$292.00	\$292.00

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176201	12/3/2020	170	3P3651	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$30.20	\$289.65
	12/3/2020		3P3782		ASTD PVC PARTS & MATERIALS	\$259.45	
175966	11/5/2020	130	15579950	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$5.66	\$282.34
	11/5/2020	130	15585380		ASTD OFFICE SUPPLIES	\$29.89	
	11/5/2020	130	15585350		ASTD OFFICE SUPPLIES	\$72.30	
	11/5/2020	110	15576881		ASTD OFFICE SUPPLIES	\$174.49	
176219	12/3/2020	170	85340220201119	SAN FRANCISCO WATER DEPT	SERVICE 10/22/2020 - 11/18/20	\$278.44	\$278.44
176085	11/19/2020	170	35352	HAYWARD PIPE AND SUPPLY	ASTD PARTS & MATERIALS	\$265.29	\$265.29
176168	11/25/2020	170	23297	R & S ERECTION OF S ALAMEDA	SERVICE: VEHICLE GATE REPAIR	\$256.25	\$256.25
176002	11/5/2020		2083465	TOTAL FILTRATION SERVICES INC	30 FILTERS	\$255.14	\$255.14
175984	11/5/2020	173	6042880	INTRADO LIFE & SAFETY INC	E911 ANNUAL SUBSCRIPTION	\$250.00	\$250.00
176144	11/25/2020	144	4090030207	GLACIER ICE COMPANY INC	138 7-LB BAGS OF ICE	\$248.39	\$248.39
176128	11/25/2020	170	443099	AUTO BODY TOOLMART	ASTD PARTS & MATERIALS	\$194.96	\$229.14
	11/25/2020	170	439346		ASTD PARTS & MATERIALS	\$34.18	
175979	11/5/2020		3P2730	HARRINGTON INDUSTRIAL PLASTICS	ASTD PVC PARTS & MATERIALS	\$227.52	\$227.52
176183	11/25/2020	170	17737	WESTERN MACHINE & FAB INC	1 LOCK WASHER	\$224.99	\$224.99
176096	11/19/2020	122	218288	NAYLOR STEEL INC	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$143.21	\$224.86
	11/19/2020	170	218304		ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$81.65	

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176067	11/19/2020	170	737797	A-PRO PEST CONTROL INC	PEST CONTROL - RODENTS	\$75.00	\$200.00
	11/19/2020	170	737233		PEST CONTROL - RODENTS	\$125.00	
175987	11/5/2020		4949916	MALLORY SAFETY AND SUPPLY LLC	60 PR GLOVES	\$198.84	\$198.84
175965	11/5/2020	136	23862300	BECK'S SHOES	SAFETY SHOES: R. LEBON	\$185.71	\$185.71
176023	11/12/2020	132	69348404	CONCENTRA MEDICAL CENTERS	1 LAB TEST	\$185.00	\$185.00
176038	11/12/2020		24095731	MOTION INDUSTRIES INC	10 MESH VEST	\$177.75	\$177.75
175991	11/5/2020		24095251	MOTION INDUSTRIES INC	7 BELTS	\$86.53	\$172.79
	11/5/2020	170	24094557		ASTD PARTS & MATERIALS	\$86.26	
176148	11/25/2020		13564	INDUSTRIAL FILTER MANUFACTURER	2 FILTERS	\$166.83	\$166.83
176171	11/25/2020		7879626100	RS HUGHES CO INC	ASTD SAFETY SUPPLIES	\$165.40	\$165.40
176194	12/3/2020	110	15657971	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$87.78	\$164.55
	12/3/2020	110	15657970		ASTD OFFICE SUPPLIES	\$76.77	
176142	11/25/2020		1000624249	ENVIRONMENTAL EXPRESS	LAB SUPPLIES	\$158.24	\$158.24
176120	11/19/2020	113	8802693331	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$152.06	\$152.06
175999	11/5/2020	120	20201105	SWRCB - STATE WATER RESOURCES	GRADE II CERT RENEW-R. SHENK	\$150.00	\$150.00
176010	11/12/2020	123	478726	AAA RENTALS	REPAIR: CUTTER	\$140.20	\$140.20
176145	11/25/2020	122	1841092766	GOODYEAR COMM TIRE & SERV CTRS	1 TIRE	\$139.11	\$139.11
176124	11/25/2020	170	4398	ALL ABOUT BACKFLOW	ANNUAL BACKFLOW INSPECTION- NPS	\$136.00	\$136.00
176086	11/19/2020		768520201028	HOME DEPOT CREDIT SERVICES	MONTHLY HARDWARE STMT - OCT 2020	\$135.35	\$135.35

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Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
176155	11/25/2020	170	77987599	MATHESON TRI-GAS INC	MONTHLY CYLINDER RENTAL - OCT 2020	\$134.92	\$134.92
176053	11/12/2020	141	20201031	SPOK INC	NOVEMBER 2020 PAGER SERVICE	\$133.62	\$133.62
176178	11/25/2020	122	139907	TRI-SIGNAL INTEGRATION INC	FIRE PROTECTION SERVICE - MONTHLY CHARGE MONITORING AGREE	\$133.33	\$133.33
176055	11/12/2020		2086222	TOTAL FILTRATION SERVICES INC	10 FILTERS	\$130.76	\$130.76
176029	11/12/2020	122	229424	JACK JAMES TOWING INC	TOW SERVICE: T1267 FREMONT TO PLANT	\$125.00	\$125.00
176206	12/3/2020	122	229493	JACK JAMES TOWING INC	TOW SERVICE: PA365 NEWARK TO PLANT	\$125.00	\$125.00
175997	11/5/2020		108950	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE NOV 2020	\$112.48	\$112.48
176217	12/3/2020		109401	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE DEC 2020	\$112.00	\$112.00
176079	11/19/2020	111	20201116	MICHAEL FULKERSON	EXP REIMB: TPO 1ST QTR SAFETY RECOGITION	\$54.75	\$103.86
	11/19/2020	111	20201116.1		EXP REIMB: INSOLES	\$49.11	
176019	11/12/2020	120	20201105	CALIFORNIA REGIONAL CGA	STAKEHOLDER ANNUAL MEMBERSHIP 01/01/21-12/31/21	\$100.00	\$100.00
176058	11/12/2020	136	98XW53420	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/17/20	\$99.06	\$99.06
176107	11/19/2020		7873250200	RS HUGHES CO INC	ASTD SAFETY SUPPLIES	\$95.43	\$95.43
176063	11/19/2020	170	9106671293	AIRGAS NCN	ASTD PARTS & MATERIALS	\$24.23	\$87.27
	11/19/2020	122	9106671294		ASTD PARTS & MATERIALS	\$63.04	
175959	11/5/2020	170	4088644120201022	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 10/20/20 - BOYCE ROAD	\$70.40	\$70.40
175973	11/5/2020	111	20201102	MAURICE FORTNER	EXP REIMB: RED WING SAFETY BOOT INSOLES	\$65.54	\$65.54
176114	11/19/2020	141	424788	ULTRAEX LLC	COURIER SVCS: 1 BOARDMEMBER DELIVERY - 10/07/20	\$63.13	\$63.13
176202	12/3/2020	110	1972270	HAYWARD WATER SYSTEM	WATER SERV 09/10/20 - 11/09/20	\$57.67	\$57.67

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Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
176179	11/25/2020	141	425022	ULTRAEX LLC	COURIER SVCS: 1 BOARDMEMBER DELIVERY - 10/21/20	\$47.95	\$47.95
175983	11/5/2020	123	551875	HULBERT LUMBER SUPPLY	ASTD LUMBER SUPPLIES	\$47.80	\$47.80
175969	11/5/2020	113	614836	CALTEST ANALYTICAL LABORATORY	1 LAB SAMPLE ANALYSIS	\$46.31	\$46.31
176193	12/3/2020	170	443507	AUTO BODY TOOLMART	1 HUMIDITY INDICATOR	\$41.83	\$41.83
175978	11/5/2020	130	276397	HANIGAN COMPANY INC	BUSINESS CARDS - K. KING	\$38.68	\$38.68
176146	11/25/2020	111	9691385646	GRAINGER INC	ASTD PARTS & MATERIALS	\$38.59	\$38.59
176108	11/19/2020	132	20201111	GERARDO RUIZ	EXP REIMB: LIVESCAN FEE PRE-EMPLOYMENT	\$35.00	\$35.00
176037	11/12/2020	122	7742554	MOTION & FLOW CONTROL PRODUCTS	ASTD PARTS & MATERIALS	\$34.77	\$34.77
176198	12/3/2020	120	20201231SE500344	DMV RENEWAL	REG RENEWAL: LICENSE # SE500344	\$27.00	\$27.00
176071	11/19/2020	170	40010862	BUREAU VERITAS/ANALYSTS INC	1 LAB SAMPLE ANALYSIS	\$25.15	\$25.15
176119	11/19/2020		9866005552	VERIZON WIRELESS	WIRELESS SERV 10/02/20-11/01/20	\$21.26	\$21.26
176004	11/5/2020	136	98XW53410	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/10/20	\$20.68	\$20.68
176116	11/19/2020	136	98XW53430	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/24/20	\$20.30	\$20.30

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Check No.	Date	Dept	Invoice No.	Vendor	Description	Invoice Amt	Check Am
Invoices:					Checks:		
Credit Memos :			5	-256.95			
\$0 - \$1,000 :			293	86,758.59	\$0 - \$1,000 :	126	50,935.25
\$1,000 - \$10,000 :			127	424,828.11	\$1,000 - \$10,000 :	103	313,546.48
\$10,000 - \$100,000 :			34	1,109,094.48	\$10,000 - \$100,000 :	33	986,420.98
Over \$100,000 :			7	3,047,162.96	Over \$100,000 :	7	3,316,684.48
Total:			466	4,667,587.19	Total:	269	4,667,587.19

News Feature | October 27, 2020

10,000-Gallon Wastewater Spill In Michigan Caused By "Flushable" Wipes



By Peter Chawaga



It's been well known among the wastewater treatment community for years that so-called "flushable" wipes can wreak havoc on infrastructure when consumers dispose of them through household drains. And now, the latest example of the problem posed by this sewer menace has resulted in a 10,000-gallon sewage spill in Michigan.

"Village officials reported a sewage spill happened this week in Beulah and state regulators confirmed it was because of a baby wipes clog in the pipes," the *Traverse City Record-Eagle* reported. "[Village Superintendent Brady Street] said a settling tank had a clog that created a backup which spilled from a manhole 400 feet upstream but still on site at the village's wastewater treatment plant."

Non-flushable wipes do not decompose upon entering wastewater systems — instead, they congeal together to create massive formations known as "fatbergs" to clog pipelines and treatment equipment. Some communities have sued the manufacturers of the wipes for misleading consumers into thinking flushing them won't cause harm. But, despite best efforts from these groups, a rise in the use of disinfecting wipes in the face of the novel coronavirus has led to a surge in sewer clogs.

"In May, [nearby] Macomb County said it had been removing 4,000 pounds of wipes a week at one pump station," *The Detroit News* reported in response to the Beulah wastewater spill. "Public Works Commissioner Candice Miller wants Congress to talk to manufacturers and take action. Miller said so-called flushable wipes aren't breaking down."

Within two hours of discovering the spill, authorities in Beulah had cleaned it up and spread lime on the area, assuring ratepayers that no waterways were impacted and that nobody had come into contact with the raw sewage.

A spokesperson for the Michigan Department of Environment, Great Lakes and Energy (EGLE) said that the wipes had gotten stuck in a short section of smaller-diameter wastewater pipe used to restrict flow. Sewage then backed up and overflowed through the manhole. Workers cleared the pipe with a technique known as water jetting and the pipe was unclogged.

But there is only one real, permanent fix to the issue.

"EGLE officials recommend bathroom tissue be the only paper product to be flushed down toilets to avoid these types of clogs," per the *Record-Eagle*. "Non-toilet paper products — including all wet wipes — should be thrown into the garbage and not flushed down the toilet, experts have said."

To read more about how non-flushable wipes affect wastewater systems, visit [Water Online's Flushables Solutions Center](#).