

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, MARCH 07, 2018**

A_G_E_N_D_A

Meeting to be held at 7:00 p.m. in the **Stevens Creek Office Center,
Suite 100, 20863 Stevens Creek Boulevard, Cupertino, California.**

1. ROLL CALL:

2. MINUTES:

- A. APPROVAL OF THE MINUTES OF FEBRUARY 21, 2018
- B. APPROVED MINUTES OF FEBRUARY 07, 2018

3. PERSONAL PRESENTATIONS:

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

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

4. CORRESPONDENCE:

- A. CITY OF SAN JOSE – FY 2018-19 TREATMENT PLANT CAPITAL COST AND STATE REVOLVING FUND LOAN REPAYMENTS ALLOCATION
- B. CITY OF SAN JOSE - DRAFT PROPOSED 2018-19 RWF CAPITAL BUDGET, DRAFT PROPOSED 2019-23 RWF CIP, AND DRAFT PROPOSED 2018-19 RWF O&M BUDGET

5. MEETINGS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD MARCH 8, 2018

6. REPORTS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) HELD MARCH 5, 2018

B. SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING
HELD MARCH 5, 2018

7. UNFINISHED BUSINESS:

NONE

8. NEW BUSINESS:

- A. REQUEST FOR PARTIAL PAYMENT – CCTV SOFTWARE ANNUAL SUBSCRIPTION
- B. REQUEST FOR REIMBURSEMENT – APN 393-06-027
- C. UPCOMING FY 2018-19 TREATMENT PLANT O&M ALLOCATION

9. STAFF REPORT:

- A. CASSE
- B. CITY OF CUPERTINO UPCOMING OVERLAY PROJECT

10. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL CONSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One Case

11. ADJOURNMENT:

**CUPERTINO SANITARY DISTRICT
MEETING/EVENT SCHEDULE**

MARCH 2018

- 03/05: TAC & SCCSDA Meetings
- 03/07: 1st Regular Meeting
- 03/08: TPAC Meeting
- 03/21: 2nd Regular Meeting

MARCH 2018						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5 TAC SCCSDA	6	7 1st Regular Meeting	8 TPAC	9	10
11	12	13	14	15	16	17
18	19	20	21 2nd Regular Meeting	22	23	24
25	26	27	28	29	30	31

APRIL 2018

- 04/04: 1st Regular Meeting
- 04/09: TAC Meeting
- 04/12: TPAC Meeting
- 04/18: 2nd Regular Meeting

APRIL 2018						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 1st Regular Meeting	5	6	7
8	9 TAC	10	11	12 TPAC	13	14
15	16	17	18 2nd Regular Meeting	19	20	21
22	23	24	25	26	27	28
29	30					

MAY 2018

- 05/02: 1st Regular Meeting
- 05/07: TAC Meeting
- 05/10: TPAC Meeting
- 05/15: 2nd Regular Meeting
- 05/28: Memorial Day Holiday

MAY 2018						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2 1st Regular Meeting	3	4	5
6	7 TAC	8	9	10 TPAC	11	
12	13	14	15 2nd Regular Meeting	16	17	18
19	20	21	22	23	24	25
26	27	28 HOLIDAY	29	30	31	

SANITARY BOARD MEETING
WEDNESDAY, FEBRUARY 21, 2018

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

1. ROLL CALL:

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

- A. Directors present: William A. Bosworth, John M. Gatto, Patrick S. Kwok, Angela S. Chen, and Taghi S. Saadati.
- B. Staff present: District Manager Richard K. Tanaka, Deputy District Manager Benjamin Porter, and Counsel Marc Hynes.
- C. Guests: There were none.

2. MINUTES & BILLS:

- A. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, the Minutes of Wednesday, February 07, 2018 were approved, with revisions.
- B. By consensus, the Approved Minutes of January 17, 2018 were Noted & To Be Filed.
- C. The Board reviewed the financials. The Board requested Staff to have a separate line item for credits from City of San Jose in all future financial reports. Staff is to send a letter to City of Saratoga regarding permit fees in collaboration with John Newby of WVSD. On a motion by Director Chen, seconded by Director Gatto, by a vote of 5-0-0 the payment of Bills for the month of January were approved as written.
- D. The Directors submitted their February 2018 timesheets to Staff.

3. PERSONAL PRESENTATIONS:

There were none.

4. CORRESPONDENCE:

- A. The Board reviewed payment from City of San Jose FY16-17 Third Quarter Adjustments for RWF O&M and CIP. It was Noted & To Be Filed.

5. MEETINGS:

- A. Staff plans to attend the regular meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held March 05, 2018.
- B. President Bosworth plans to attend the Santa Clara County Special Districts Association Meeting to be held March 5, 2018.

C. Director Gatto plans to attend the regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held March 08, 2018.

6. REPORTS:

There were none.

7. UNFINISHED BUSINESS:

A. The Board reviewed the final draft of the District 10-Year CIP Master Plan and discussed the scheduling of capital projects. The Master Plan will act as a guide, subject to periodic review by staff and the Board of Directors. Actual implementation of capital projects will be authorized annually based on budgeted and projected cash, immediate need for projects, technology, and other factors. Director Gatto and others complimented Staff on their efforts, and thought the Master Plan was organized and thorough. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 5-0-0, Resolution No. 1302, Adopting District 10-Year CIP Master Plan was approved.

8. NEW BUSINESS:

A. The Board discussed setting a time and place of public hearing on consideration of a rate increase.

On a motion by Director Gatto, seconded by Director Chen, by a vote of 5-0-0, Resolution No. 1303, Setting Time and Place of Public Hearing on Consideration of Rate Increase was approved. The public hearing is set to take place on April 04, 2018, starting at 7:00 p.m. in the District office.

B. Staff reminded Board to submit their Form 700 E-filing disclosure.

C. Manager Tanaka gave details on the No-Dig Trenchless Conference to be held in Palm Springs, California on March 25-29, 2018.

9. STAFF REPORTS:

A. Deputy Manager Porter reported on the Monthly Maintenance Report.

10. CLOSED SESSION:

A. President Bosworth adjourned the regular meeting session and opened the closed session at 8:17 p.m. in accordance with government code section 54956.9(d)4 to discuss anticipated litigation. President Bosworth adjourned the closed session and the regular meeting was called to order at 8:37 p.m. There was no reportable action.

11. ADJOURNMENT:

A. Director Kwok reminded the Board that he would not be able to attend the regular meeting of March 7, 2018.

B. On a motion properly made and seconded, at 8:40 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

SANITARY BOARD MEETING
WEDNESDAY, FEBRUARY 07, 2018
REVISED

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:28 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

ROLL CALL:

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

Directors present: Patrick S. Kwok, William A. Bosworth, Angela S. Chen, Taghi S. Saadati, and John M. Gatto.

Staff present: District Manager Richard K. Tanaka, Deputy District Manager Benjamin Porter, and Counsel Marc Hynes.

MINUTES & BILLS:

A. On a motion by Director Gatto, seconded by Director Chen, by a vote of 5-0-0, the Minutes of Wednesday, January 17, 2018 were approved.

B. By consensus, the Approved Minutes of January 03, 2018 were Noted & to be Filed.

PERSONAL PRESENTATIONS:

There were none.

CORRESPONDENCE:

A. The Board reviewed CASSE - General Meeting to be held February 27, 2018 at Union Sanitary District. Managers Tanaka and Porter plan on attending.

MEETINGS:

A. **Director Gatto** plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held February 08, 2018.

REPORTS:

A. Director Saadati reported on the City of Cupertino Junipero Serra Trail Project - TAC Meeting #2 held January 31, 2018. There was not much discussion on sanitary.

B. Manager Tanaka reported on Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held February 05, 2018.

C. Deputy Manager Porter and Director Saadati reported on CSRMA Pre-CASA Conference Risk Management Training Seminar held January 24, 2018, from 7:30am to 12pm in Palm Springs, Ca.

- D. The Board discussed the CASA Winter Conference held January 24-26, 2018 in Palm Springs, Ca.
1. Directors Gatto and Saadati reported on Roundtable Series.
 2. President Bosworth reported on CSRMA Board of Directors Meeting.
 3. Counsel Hynes reported on Attorney's Committee Meeting.
 4. Other Conference Topics: The Board instructed Staff to enter CuSD into Organization Structure Award.

UNFINISHED BUSINESS:

- A. The Board discussed consideration of change in meeting start time. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 5-0-0, the Board approved changing the Board Meeting time to 7:00PM instead of 7:30PM and approved Ordinance No. 121, Amending Section 3001.A of the Operations Code Relating to Start Time of Regular Board Meetings, **effective immediately**.

NEW BUSINESS:

- A. Manager Tanaka gave an overview of the Draft Master Plan 10 Year CIP Report. The Board discussed and provided inputs to staff. Board discussed the issue of the lateral rehabilitation, particularly replacements versus other alternatives, i.e. lining, pipe bursting, adding storage to alleviate I/I, and cost-sharing for lateral replacement. This topic will be agendized in the future as part of the District CIP capital project implementation.
- B. Manager Tanaka presented the Board with Smart Cover Annual Renewal. On a motion by Director Gatto, seconded by Director Chen, by a vote of 5-0-0, the Board approved renewal of Smart Cover contract.
- C. Manager Tanaka presented on the Purchase of 3 Pumps – Forum 1, Florence Pump and a spare. On a motion by Director Kwok, seconded by Director Saadati, by a vote of 5-0-0, the Board approved a budget of \$27,890.00.
- D. The Board reviewed Sewer Lateral Repair Claim for 11177 Palos Verdes Drive. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 5-0-0, the Board approved the following condition: District will pay the Able invoice in full and allow owner a credit of \$2,726 to offset the total cost of \$10,763.70. Property owner is agreeable to paying \$8,037.70 to Cupertino Sanitary District.

STAFF REPORTS:

There were none.

CLOSED SESSION:

President Bosworth adjourned the regular meeting session and opened the closed session at 9:08 p.m. in accordance with government code section 54956.9(d)4 to discuss anticipated litigation. President Bosworth adjourned the closed session and the regular meeting was called to order at 9:13 p.m.

There was no reportable action.

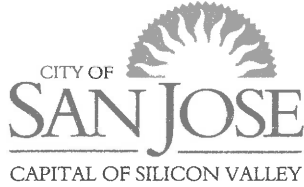
ADJOURNMENT:

Director Kwok requested to be excused from the regular meeting to be held on March 7, 2018. The Board approved.

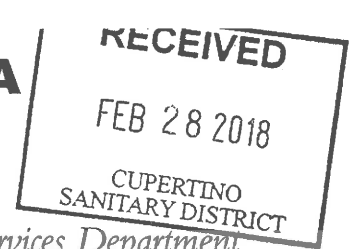
On a motion properly made and seconded, at 9:15 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board



Item 4A



Environmental Services Department

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT

February 26, 2018

TO: Tributary Agencies

SUBJECT: FY 2018-19 Treatment Plant Capital Cost and State Revolving Fund Loan Repayments Allocation

The following is submitted for your use in preparing your FY 2018-19 budgets:

- Attachment I - Treatment Plant Capital Cost Allocation: This cost allocation is for the FY 2018-19 Estimated Capital Projects on a “cash funded” basis.
- Attachment II - State Revolving Fund Loan Repayments: Attachment II contains each agency's share of SRF Loan final repayments in FY 2018-19. To date, South Bay Water Recycling has received \$73,566,018 in State Revolving Fund Loan program funds. The loan proceeds and annual repayments are originally allocated to each agency, except for the City of Milpitas, in the same proportion as its participation in the South Bay Water Recycling projects for which the loan are obtained. Starting January 1, 2009, the City of Milpitas is responsible for 0.486% of the debt service payment upon the capacity sale from Cupertino to Milpitas on January 1, 2009.

If you have any questions, please call me at (408) 975-2599 or Lillian Nguyen at (408)975-2567.

Sincerely,

LAURA BURKE
Principal Accountant
Administrative Services Division
Environmental Services Department

Attachments



ATTACHMENT I

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE - SANTA CLARA
REGIONAL WASTEWATER FACILITY (RWF)**

**CAPITAL COST ALLOCATION
FISCAL YEAR 2018-19**

Allocation of capital project costs is governed by the provisions of the Master Agreements for Wastewater Treatment, which require that these costs be allocated proportionally to the agencies based on their treatment plant capacity rights. Accordingly, the attached tables distribute the estimated FY 2018-19 capital project costs to the agencies based on their capacity rights in the 167 MGD plant.

TABLE 1 TRIBUTARY AGENCY COST ALLOCATION.

Table 1 contains each agency's share of FY 2018-19 capital project costs. Each agency's cost sharing percentage is a function of two sets of parameters including an agency's capacity percent of the overall RWF capacity (Table 4) and the RWF capacity investment percentage associate with each parameter (Table 5).

TABLE 2 FY 2018-19 ESTIMATED CAPITAL PROJECT COSTS.

Table 2 lists the projects for which the agencies will be charged in FY 2018-19.

TABLE 3 ALLOCATION OF CAPITAL COSTS.

Table 3 contains the cost allocation to the agencies based on capacity rights in the 167 MGD plant.

TABLE 4 CAPACITY ALLOCATIONS.

Table 4 contains each agency's capacity percent of the overall RWF capacity. These percentages are the basis for allocating capital costs to the agencies on Table 3.

TABLE 5 SUMMARY OF DISTRIBUTION OF CAPITAL COSTS TO PARAMETERS.

This table contains the percentages for distributing total capital costs to treatment parameters on Table 3.

TABLE 1 (Page 1 of 2)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY

TOTAL PROJECTS FROM TABLE 2
AGENCY COST ALLOCATION (1)
FISCAL YEAR 2018-19

AGENCY	TOTAL COST (rounded)	SHARE OF FY18-19 CIP BUDGET (2)
City of San Jose	65,675,900	66.135%
City of Santa Clara	15,731,900	15.842%
Subtotal	\$81,407,800	81.977%
West Valley Sanitation District	6,203,600	6.247%
Cupertino Sanitary District	4,049,100	4.077%
City of Milpitas	6,906,100	6.954%
County Sanitation District 2-3	499,800	0.503%
Burbank Sanitary District	239,600	0.241%
Total	\$99,306,000	100.000%

Notes: (1) This cost allocation will serve as the basis for estimated quarterly billings in FY 2018-19.

(2) Composite of Weighted-average sharing ratios and Project-specific sharing ratios.

TABLE 1 (Page 2 of 2)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY

SUMMARY OF TRIBUTARY AGENCY COST SHARING RATIOS (1)
FISCAL YEAR 2018-19

AGENCY	WEIGHTED - AVERAGE ALLOCATION (2)		PROJECT - SPECIFIC ALLOCATION (3)												ALL PROJECT ALLOCATION (Shares of FY18-19 Budget)	
	%	Cost Share	Headwork Improvements		New Headworks		Nitrification Clarifier Rehab.		Aeration Tanks & Blower Rehab.		Filter Rehab.		Digester & Thickener Upgrade		%	Cost Share
			%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share		
City of San Jose	65.03%	37,523,400	63.681%	171,939	833,584	67.156%	564,784	67.783%	22,404,861	63.681%	653,367	68.991%	3,524,040	66.133%	65,675,974	
City of Santa Clara	15.578%	8,988,100	15.254%	41,186	199,675	16.087%	135,290	16.237%	5,366,912	15.254%	156,506	16.527%	844,189	15.842%	15,731,858	
Subtotal	80.612%	\$46,511,500	78.935%	\$213,125	\$1,033,259	83.243%	\$700,074	84.019%	\$27,771,772	78.933%	\$809,873	85.517%	\$4,368,229	81.977%	\$81,407,832	
West Valley Sanitation District	6.591%	3,802,900	7.004%	18,911	91,682	5.975%	50,250	5.713%	1,888,507	7.004%	71,861	5.470%	279,418	6.247%	6,203,529	
Cupertino Sanitary District	4.356%	2,513,300	4.701%	12,693	61,536	3.701%	31,129	3.683%	1,217,511	4.701%	48,232	3.226%	164,805	4.078%	4,049,205	
City of Milpitas	7.661%	4,420,300	8.533%	23,039	111,697	6.435%	54,122	5.877%	1,942,517	8.533%	87,549	5.224%	266,821	6.954%	6,906,045	
County Sanitation District 2-3	0.541%	312,100	0.587%	1,585	7,684	0.459%	3,857	0.449%	148,280	0.587%	6,023	0.396%	20,248	0.503%	499,777	
Burbank Sanitary District	0.239%	137,900	0.240%	648	3,142	0.187%	1,569	0.238%	85,412	0.240%	2,462	0.166%	8,479	0.241%	239,612	
TOTAL	100%	\$57,698,000	100%	\$270,000	\$1,309,000	100%	\$841,000	100%	\$33,054,000	100%	\$1,026,000	100%	\$5,108,000	100%	\$99,306,000	

Notes:

(1) See Table 2 for the listing of capital project costs to be billed in FY18-19.

(2) Participation ratios based on Agencies' contractual capacities and rolling weighted average parameter percentages contained in Form 8A of the FY18-19 Revenue Program or Table 5.

(3) Participation ratios on Agencies' contractual capacities and the parameter allocations from Capital Project Cost Allocations Technical Memorandum, Carollo Engineers, March 2016, p. 8

TABLE 2

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
FY 2018-19 CAPITAL PROJECTS COSTS

PROJECT (1)		Process-related Projects Over \$2M			Rolling Weighted-Average Allocation (3)	FY 2018-19 ESTIMATED COST
		Estimated Costs	Design Start Date	Project-specific Allocation		
Headworks Improvements	(2)	270,000	6/20/18	270,000	0	270,000
New Headworks	(2)	1,309,000	6/20/18	1,309,000	0	1,309,000
East Primary Rehab, Seismic Retrofit, and Odor Control	(2)	1,000,000	12/29/19	0	1,000,000	1,000,000
Aeration Basin Future Modifications	(2)	0	7/1/2021	0	0	0
Nitrification Clarifier Rehabilitation	(2)	841,000	3/9/18	841,000	0	841,000
Aeration Tanks & Blower Rehabilitation (Aeration)	(2)	7,358,000	5/28/19	0	7,358,000	7,358,000
Aeration Tanks & Blower Rehabilitation (Blowers)	(2)	33,054,000	11/10/16	33,054,000	0	33,054,000
Decommissioning		469,000	7/1/19	0	469,000	469,000
Filter Rehabilitation	(2)	1,026,000	3/2/18	1,026,000	0	1,026,000
Flood Protection		273,000	3/26/19	0	273,000	273,000
New Disinfection Facilities	(2)	0	7/1/22	0	0	0
Digester and Thickener Facilities Upgrade	(2)	5,108,000	6/30/14	5,108,000	0	5,108,000
Digested Sludge Dewatering Facility	(2)	10,192,000	3/13/19	0	10,192,000	10,192,000
Energy Generation Improvements		2,144,000	5/2/16	0	2,144,000	2,144,000
Plant Electrical Reliability		4,286,000	4/26/18	0	4,286,000	4,286,000
Advanced Facility Control and Meter Replacement		1,361,000	4/3/17	0	1,361,000	1,361,000
Treatment Plant Distributed Control System		1,025,000	N/A	0	1,025,000	1,025,000
Storm Drain System Improvements		0	4/30/19	0	0	0
Urgent & Unscheduled TP Rehabilitation		500,000	N/A	0	500,000	500,000
Plant Infrastructure Improvements		1,000,000	N/A	0	1,000,000	1,000,000
Yard Piping & Road Improvements		2,327,000	12/18/19	0	2,327,000	2,327,000
Tunnel Rehabilitation		1,219,000	5/12/20	0	1,219,000	1,219,000
Fog Receiving		0	8/9/24	0	0	0
Secondary Clarifier Rehabilitation	(2)	565,000	7/17/19	0	565,000	565,000
Outfall Bridge & Levee Improvements	(2)	299,000	12/12/18	0	299,000	299,000
Final Effluent Pump Station & Stormwater Channel Improver	(2)	0	6/1/21	0	0	0
Additional Degester Upgrades	(2)	0	7/1/21	0	0	0
Support Building Improvements (Fire Life Safety Upgrades)		410,000	11/1/18	0	410,000	410,000
Support Building Improvements (HVAC Improvements)		469,000	6/13/19	0	469,000	469,000
Support Building Improvements (Support Facilities)		822,000	9/2/21	0	822,000	822,000
Facility Wide Water Systems Improvements		366,000	3/1/19	0	366,000	366,000
Payment for CWFA Trustee		5,000	N/A	0	5,000	5,000
Owner Controlled Insurance Program		4,944,000	N/A	0	4,944,000	4,944,000
PW Capital Management Costs		1,052,000	N/A	0	1,052,000	1,052,000
Preliminary Engineering		1,000,000	N/A	0	1,000,000	1,000,000
Program Management		8,258,000	N/A	0	8,258,000	8,258,000
Record Drawings		3,354,000	N/A	0	3,354,000	3,354,000
Master Plan Upgrades		3,000,000	N/A	0	3,000,000	3,000,000
TOTAL		\$99,306,000		\$41,608,000	\$57,698,000	\$99,306,000

Source: San Jose - Santa Clara Regional Wastewater Facility 2018-19 Capital Budget and 2019-23 Five-Year Capital Improvement Program.

Notes: (1) The 2018-19 Capital Projects include items with cost in excess of \$2 million. According to the Master Agreements, process related projects costing more than \$2 million should be allocated to treatment parameters based on engineering design. If a different cost allocation than the parameters was applied to the Agencies, the appropriate credit or charge will be made.

(2) Includes Process-related Projects costing more than \$2 million. These projects are allocated to treatment parameters based on the specific-project allocation in the fiscal year following start of design.

(3) Includes (a) Process-related Projects costing more than \$2 million in planning phase and (b) Projects costing less than \$2 million and/or not process-related. These projects are allocated based on the rolling weighted-average of the RWF.

TABLE 3 (Page 1 of 3)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
ALLOCATION OF CAPITAL COSTS - ALL PROJECTS (rounded)
FISCAL YEAR 2018-19

AGENCY	FLOW \$	BOD \$	SS \$	NH3 \$	TOTAL \$	PERCENT SHARE OF TOTAL COST
San Jose	33,044,000	21,051,400	5,397,900	6,182,600	65,675,900	66.135%
Santa Clara	7,915,200	5,042,900	1,292,900	1,480,900	15,731,900	15.842%
Subtotal	40,959,200	26,094,300	6,690,800	7,663,500	81,407,800	81.977%
West Valley S.D.	3,634,100	1,602,600	439,700	527,200	6,203,600	6.247%
Cupertino	2,439,000	919,800	263,800	426,500	4,049,100	4.077%
Milpitas	4,427,600	1,526,600	420,700	531,200	6,906,100	6.954%
C.S.D. No. 2-3	304,800	112,900	32,200	49,900	499,800	.503%
Burbank	124,400	45,900	14,100	55,200	239,600	.241%
TOTAL	51,889,100	30,302,100	7,861,300	9,253,500	99,306,000	100.000%

Note: Process related facilities and equipment that cost in excess of \$2 million shall be allocated to treatment parameter based on engineering design. Capital costs that are less than \$2 million and/or are not process related shall be allocated to treatment parameters using the percentages contained in the most current Revenue Program Form 8A Form 8A or Table 5.

TABLE 3 (Page 2 of 3)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
 ALLOCATION OF CAPITAL COSTS - Projects Costing Less Than \$2 Million and/or Not Process-Related (rounded)
 FISCAL YEAR 2018-19

AGENCY	FLOW \$	BOD \$	SS \$	NH3 \$	TOTAL \$	PERCENT SHARE OF TOTAL COST
San Jose	26,961,200	5,503,200	3,293,300	1,765,700	37,523,400	65.034%
Santa Clara	6,458,100	1,318,400	788,700	422,900	8,988,100	15.578%
Subtotal	33,419,300	6,821,600	4,082,000	2,188,600	46,511,500	80.612%
West Valley S.D.	2,965,100	418,900	268,300	150,600	3,802,900	6.591%
Cupertino	1,990,000	240,600	161,000	121,700	2,513,300	4.356%
Milpitas	3,612,500	399,300	256,800	151,700	4,420,300	7.661%
C.S.D. No. 2-3	248,700	29,400	19,600	14,400	312,100	.541%
Burbank	101,500	12,100	8,700	15,600	137,900	.239%
TOTAL	42,337,100	7,921,900	4,796,400	2,642,600	57,698,000	100.000%

Note: Total Capital Costs of \$57,698,000 were allocated to the treatment parameters using the following rolling weighted-average percentages contained in Table 5 or Form 8A of the FY18-19 Revenue Program:

FLOW	BOD	SS	NH3
73.377%	13.730%	8.313%	4.580%

The total cost for each treatment parameter is then reallocated to the agencies using the percentages contained in Table 4.

TABLE 3 (Page 3 of 3)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
 ALLOCATION OF CAPITAL COSTS - Process-related Facilities And Equipments That Cost In Excess Of \$2 Million (rounded)

FISCAL YEAR 2018-19

AGENCY	FLOW \$	BOD \$	SS \$	NH3 \$	TOTAL \$	PERCENT SHARE OF TOTAL COST
San Jose	6,082,800	15,548,200	2,104,600	4,416,900	28,152,500	67.661%
Santa Clara	1,457,100	3,724,500	504,200	1,058,000	6,743,800	16.208%
Subtotal	7,539,900	19,272,700	2,608,800	5,474,900	34,896,300	83.869%
West Valley S.D.	669,000	1,183,700	171,400	376,600	2,400,700	5.770%
Cupertino	449,000	679,200	102,800	304,800	1,535,800	3.691%
Milpitas	815,100	1,127,300	163,900	379,500	2,485,800	5.974%
C.S.D. No. 2-3	56,100	83,500	12,600	35,500	187,700	.451%
Burbank	22,900	33,800	5,400	39,600	101,700	.244%
TOTAL	9,552,000	22,380,200	3,064,900	6,610,900	41,608,000	100.000%

Note: The Process-related project costs of \$41,608,000 are allocated to treatment parameters on project-specific basis in the fiscal year following start of engineering design (Capital Project Cost Allocations Technical Memorandum, Carollo Engineers, March 2016, p. 8)

TABLE 4

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES
CAPACITY ALLOCATION (1)
AGENCIES' CAPACITY PERCENTS OF THE OVERALL RWF CAPACITIES
FISCAL YEAR 2018-19

167 MGD PLANT

AGENCY	FLOW		BOD		SS		NH3	
	MGD	%	Klbs/Day	%	Klbs/Day	%	Klbs/Day	%
San Jose (2)	106.348	63.681%	375.856	69.473%	333.740	68.669%	33.139	66.813%
Santa Clara (2)	25.475	15.254%	90.033	16.642%	79.945	16.450%	7.938	16.004%
Subtotal	131.823	78.935%	465.889	86.115%	413.685	85.119%	41.077	82.817%
West Valley S.D. (3) & (5)	11.697	7.004%	28.611	5.289%	27.173	5.591%	2.825	5.696%
Cupertino (6)	7.850	4.701%	16.419	3.035%	16.299	3.354%	2.287	4.611%
Milpitas (5) (6)	14.250	8.533%	27.249	5.037%	25.990	5.348%	2.847	5.740%
C.S.D. No. 2-3 (4)	0.980	0.587%	2.017	0.373%	2.000	0.412%	0.267	0.537%
Burbank	0.400	0.240%	0.815	0.151%	0.853	0.176%	0.297	0.599%
TOTAL (1)	167.000	100.000%	541.000	100.000%	486.000	100.000%	49.600	100.000%

(1) SOURCE: Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies (Revised 9/85).

(2) San Jose and Santa Clara share cost and capacity between themselves proportionally based on assessed valuations in accordance with their 1959 Agreement.

(3) Reflects transfers of West Valley S.D. capacities to San Jose & Santa Clara resulting from annexations and detachments.

(4) Agency's estimated discharge capacity as reported in its FY 2018-19 Revenue Program Report.

(5) Reflects sale of capacities from West Valley S.D. to Milpitas - July 1, 2006

(6) Reflects sale of capacities from Cupertino to Milpitas - January 1, 2009

TABLE 5 (Page 1 of 2)

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
SUMMARY of DISTRIBUTION of CAPITAL COST to PARAMETERS - ROLLING WEIGHTED AVERAGE
For Capital Projects Costing Less Than \$2 Million and/or Not Process-Related

FACILITIES	FLOW	BOD	SS	NH3	TOTAL
Primary & Secondary	Percent	38.726%	18.833%	0.000%	100%
Cost	\$26,176,800	\$23,885,400	\$11,615,800	\$0	\$61,678,000
AWTF	Percent	1.343%	1.451%	23.095%	100%
Cost	\$49,149,000	\$890,600	\$962,300	\$15,316,200	\$66,318,100
Inter. Term Improvements	Percent	42.190%	26.185%	6.500%	100%
Cost	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200
First Stage Expansion	Percent	5.501%	10.215%	0.000%	100%
Cost	\$22,900,000	\$1,494,500	\$2,775,500	\$0	\$27,170,000
South Bay Water Recycling	Percent	0.000%	0.000%	0.000%	100%
(phases 1A & 1B)	Cost	\$0	\$0	\$0	\$215,535,300
Total Original Cost	Percent (2)	13.730%	8.313%	4.580%	100%
Cost	\$335,502,200	\$62,777,600	\$38,011,500	\$20,940,300	\$457,231,600
Estimated Replacement Cost	Percent	13.730%	8.313%	4.580%	100%
(June 2017) (1)	Cost	\$1,184,561,600	\$134,200,900	\$73,937,200	\$1,614,349,900

(1) The original cost of the facilities was escalated to June 2017 replacement value using the ENR (San Francisco) construction cost index.

The June 2017 value is the current value of 'excess pooled capacity' contained in the Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies.

(2) These are the rolling weighted-average percentages used to allocate the current year capital costs to treatment parameters for projects costing less than \$2 million and/or not process-related AND for process-related projects costing over \$2 million in planning phase.

TABLE 5 (Page 2 of 2)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
 SUMMARY OF DISTRIBUTION OF CAPITAL COST TO PARAMETERS BASED ON PROJECT-SPECIFIC BASIS
 For Process-related Projects Costing Over \$2 Million - FY18-19

PROCESS UNIT (2)	FY18-19 Over \$2M Process-Related Capital Projects	(% Loading Parameters (1))			AGENCY COST SHARING PERCENTAGES PROJECT-BY-PROJECT (3)										AGENCY COST SHARING - PROJECT BY PROJECT									
		FLOW			BOD	SS	NH3	SJ	SC	WVSD	CuSD	Milpitas	CSD2-3	Burbank	Total	SJ	SC	WVSD	CuSD	Milpitas	CSD2-3	Burbank	Total	
		100	40	20																				0
Headworks Improvements	270,000	100	0	0	0	0	63,681	15,254	7,004	4,701	8,533	0.587	0.240	100	\$171,939	\$41,186	\$18,911	\$12,693	\$23,039	\$1,565	\$648	\$270,000		
New Headworks	1,309,000	100	0	0	0	63,681	15,254	7,004	4,701	8,533	0.587	0.240	100	\$833,584	\$199,675	\$91,662	\$61,536	\$111,697	\$7,684	\$3,142	\$1,309,000			
Nitrification Clarifier Rehabilitation	841,000	40	60	0	0	67,156	16,087	5,975	3,701	6,435	0.459	0.187	100	\$564,784	\$135,290	\$50,250	\$31,129	\$54,122	\$3,857	\$1,569	\$841,000			
Aeration Tanks & Blower Rehabilitation (Blow)	33,054,000	20	60	0	20	67,783	16,237	5,713	3,683	5,877	0.449	0.258	100	\$22,404,861	\$5,366,912	\$1,888,507	\$1,217,511	\$1,942,517	\$148,280	\$85,412	\$33,054,000			
Filter Rehabilitation	1,026,000	100	0	0	0	63,681	15,254	7,004	4,701	8,533	0.587	0.240	100	\$653,367	\$156,506	\$71,861	\$48,232	\$87,549	\$6,023	\$2,462	\$1,026,000			
Digester and Thickener Facilities Upgrade	5,108,000	0	40	60	0	68,991	16,527	5,470	3,226	5,224	0.396	0.166	100	\$3,524,040	\$844,189	\$279,418	\$164,805	\$266,821	\$20,248	\$8,479	\$5,108,000			
Total Estimated Costs of Process-related Projects over \$2M	\$41,608,000													\$28,152,574	\$6,743,758	\$2,400,629	\$1,535,905	\$2,485,745	\$187,677	\$101,712	\$41,608,000			

(1) Source: Parameter allocations from Capital Project Cost Allocations Technical Memorandum, Carollo Engineers, March 2016, page 8.
 (2) Process-related projects costing more than \$2M are allocated to treatment parameters on project-specific basis in the fiscal year following start of engineering design.
 (3) FY18-19 Agency cost sharing percentages based on project-specific basis.

ATTACHMENT II

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE - SANTA CLARA
REGIONAL WASTEWATER FACILITY (RWF)**

**STATE REVOLVING FUND LOAN FINAL REPAYMENTS
FISCAL YEAR 2018-19**

Loan No.	Total Loan Amount	Debt Service 100.000%	San Jose 69.225%	Santa Clara 15.409%	West Valley 8.448%	Cupertino (2) 5.081%	Milpitas (2) 0.486%	CSD 2-3 1.092%	Burbank 0.259%
110	\$ 7,523,850	Paid Off							
120	\$ 4,899,379	Paid Off							
130	\$ 5,250,994	Paid Off							
140	\$ 3,111,638	\$ 186,699	\$ 129,242	\$ 28,768	\$ 15,772	\$ 9,486	\$ 907	\$ 2,039	\$ 484
150	\$ 12,630,523	Paid Off							
160	\$ 11,778,763	\$ 706,729	\$ 489,233	\$ 108,900	\$ 59,704	\$ 35,909	\$ 3,435	\$ 7,717	\$ 1,830
170	\$ 8,732,841	\$ 523,973	\$ 362,720	\$ 80,739	\$ 44,265	\$ 26,623	\$ 2,547	\$ 5,722	\$ 1,357
180	\$ 4,532,364	Paid Off							
190	\$ 3,009,808	Paid Off							
310	\$ 6,443,637	\$ 386,620	\$ 267,638	\$ 59,574	\$ 32,662	\$ 19,644	\$ 1,879	\$ 4,222	\$ 1,001
320	\$ 5,652,221	Paid Off							
Totals	\$ 73,566,018	\$ 1,804,021	\$ 1,248,834	\$ 277,982	\$ 152,404	\$ 91,662	\$ 8,768	\$ 19,700	\$ 4,672

(1) Agencies' share of residual debt service will be invoiced in Oct. 2018 for loans #140, 160 & 170 and in April 2019 for loan #310.

(2) Milpitas assumes 0.486% of the debt service payment on and after its capacity purchase from Cupertino on January 1, 2009.



Environmental Services Department

March 1, 2018

To: City of Santa Clara and Tributary Agency Representatives

RE: Draft Proposed 2018-19 Regional Wastewater Facility (RWF) Capital Budget, Draft Proposed 2019-23 RWF Capital Improvement Program, and Draft Proposed 2018-19 RWF Operating and Maintenance O&M Budget

Dear Mr. Welling, Mr. Newby, Mr. Tanaka, and Mr. Ndah,

In accordance with the Master Agreement, we are providing you with the preliminary draft proposed budget by March 1. As a courtesy, we are also providing you project details sheets on each project.

In the draft proposed 2018-19 O&M budget document, the Proposed O&M Budget "Estimated Cost Distribution" table reflects estimates based upon mass distribution information provided by each agency to the City of San José for the fiscal year 2018-19 budget. Descriptions of the budget proposals impacting the San Jose/Santa Clara Treatment Plant Operating Fund are also included.

The number in both Draft Proposed Budgets are preliminary and are subject to change as San José works through our normal budgeting processes. The official Proposed 2018-19 Capital Budget will be published by April 23, 2018 and the official Proposed 2018-19 Operating Budget will be published on May 1, 2018. The City will present both budgets to the Treatment Plant Advisory Committee at its May 2018 meeting.

Sincerely,

Kerrie Romanow, Director
cc: Ashwini Kantak



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ENVIRONMENTAL SERVICES DEPARTMENT

SJ/SC Water Pollution Control Plant

PRELIMINARY DRAFT - 2018-2019 Operating & Maintenance Budget Summary

	2016-2017 Actual Expenses	2017-2018 Proposed Budget	2017-2018 Adopted Budget	2018-2019 Estimated Budget
Personal Services	51,197,669	\$56,877,511	57,036,603	61,300,000
Non-personal Services	25,386,138	33,233,019	33,233,019	30,900,000
Equipment	1,109,982	940,000	940,000	900,000
Inventory	390,878	400,000	400,000	400,000
Overhead	8,903,376	9,687,081	9,687,081	12,900,000
NCH Debt Service	1,118,437	1,175,345	1,175,143	1,275,175
Workers' Compensation	344,114	675,000	675,000	675,000
City Services	907,119	1,047,647	1,050,457	1,200,000
Total Operating Expenses	89,357,713	104,035,603	104,197,303	109,550,176

ESTIMATED COST DISTRIBUTION

2018-19 Estimated Total Gallons Treated (MG)	(1) Percent of Total Sewage Treated	City / District	2018-2019 Estimated
24,891.434	63.437	City of San Jose	\$69,495,346
5,077.619	15.196	City of Santa Clara	16,647,245
29,969.053	78.633	Sub-Total	\$86,142,591
3,428.330	9.075	West Valley Sanitation District	9,941,678
1,911.097	5.471	Cupertino Sanitary District	5,993,490
2,058.490	5.659	City of Milpitas	6,199,444
345.079	0.931	Sanitation District # 2 - 3	1,019,912
86.089	0.231	Burbank Sanitary District	253,061
7,829.085	21.367	Sub-Total	\$23,407,585
37,798.138	100.000	TOTAL	\$109,550,176

(1) Composite of four parameters (flow, BOD, SS, ammonia). Source 2018-2019 Revenue Program.

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SJ/SC Water Pollution Control Plant PRELIMINARY - 2018-2019 Budget Proposals

Proposal Title:

Addition: 1.0 Analyst I for Employee Services Support at the RWF

FTE: 1.0

Funding Source: SJ/SC Treatment Plant Operating Fund (513)

Est. 2018-2019 (Savings)/Cost: \$93,753

Proposal Description/Objective:

ESD has 552 FTE, with approximately 70 vacancies and one Senior Analyst and one Analyst position that support personnel activities, such as managing Worker's Compensation claims, personnel files, Return to Work cases, Qualifying Promotion processes, professional development, and employee onboarding. Over the last three years, ESD has utilized additional temporary staffing to conduct recruitments in the form of two rehired retirees (May 2014 – March 2015 and April 2015 – September 2016) and one over strength Analyst position to address Capital Improvement Program vacancies (July 2015 – December 2016.) These additional temporary staffing solutions have helped with some of the recruitment workload; however, the need is ongoing.

ESD participated in the newly developed Autonomous Hiring program, and both the Senior Analyst and Analyst are fully trained. However, due to the staffing shifts to HR as part of the Matrix program, ESD is not staffed to conduct recruitments on a regular basis. The addition of an Analyst will enable ESD to address the high volume of vacancies, as ESD has had a steady vacancy rate of over 10%, and will help address future vacancies, anticipated by retirement trend data. The new Analyst position will be located at the Regional Wastewater Facility, which has approximately 250 FTE onsite and is approximately half of the department. Full-time onsite recruitment support is critical for working with the hiring managers filling vacancies in the trades, and most of ESD's vacancies are located the Regional Wastewater Facility. The new Analyst will also serve as an onsite resource for employees and supervisors and as a liaison to Human Resources and Employee Relations, responding to questions and requests related to benefits, performance appraisals, Workers' Compensation, Return to Work, and City Policy.

Estimated (Savings)/ Cost:

2018-2019 Personal Services Total	2018-2019 Non-Personal Total	Ongoing Personal Services Total	Ongoing Non-Personal Total
\$93,753		\$102,276	

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SJ/SC Water Pollution Control Plant
PRELIMINARY - 2018-2019 Budget Proposals

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Proposal Title:

Addition: 1.0 Environmental Services Program Manager (Biosolids Management Program)

FTE: 1.0

Funding Source: SJ/SC Treatment Plant Operating Fund (513)

Est. 2018-2019 (Savings)/Cost: \$131,010

Proposal Description/Objective:

This proposal provides funding to add 1.0 Environmental Services Program Manager (ESPM) to the RWF CIP Division as a first step toward forming a Biosolids Management Team (BMT). This position will provide leadership and direct oversight of the RWF's transition from the current biosolids disposal method using 100% biosolids as Alternative Daily Cover ("ADC") on the Newby Island landfill, to a diversified disposal program, using biosolids for multiple beneficial purposes. The ESPM will also be responsible for determining the size and make-up of the Bio-Solid Management Team. For other facilities with similar programs, their teams ranged in size between three and four FTEs. Staff anticipates bringing forward additional staff proposals for the BMT in future fiscal years. The ultimate size of the BMT will be determined by analysis of program needs.

A new Digested Sludge Dewatering Facility project, currently in the planning phase, will produce a wetter "cake" biosolid product. After 2022, when this facility is operational, it will produce about 13,000 truckloads of cake per year. The City will need contracts in place to transport it off-site for beneficial uses like agricultural land application, composting, soil amendment, and other innovative technologies. The Bay Area Air Quality Management District has increased its focus on monitoring odors from current RWF biosolids operation. Tighter air restrictions may render the RWF's current disposal option costlier, making other disposition methods more appealing in the short term.

The new ESPM will research market options for biosolids beneficial use, including available treatment options, local demand, and pricing for end products made from the cake. They will procure, negotiate & manage a broad portfolio of disposition contracts.

If this proposal is approved, staff will be able to proceed with preparations for biosolids disposal to be produced by the new dewatering facility. The City will be able to manage these biosolids in a manner consistent with the recommendations of previous studies and reports. The City will be able to more closely and immediately monitor, track, and appropriately respond to changes in regulations, market, and technology. Other Divisions within ESD will be able to assist in the process sooner with their unique regulatory compliance, integrated waste management and sustainability knowledge.

If this proposal is not approved, the City may be put into a position where its biosolids management program is not ready by the time the new Dewatering Facility comes online. Delay of this staffing addition may also reduce the number of market options available and thereby increase the cost of biosolids disposal. It may also limit the City's ability to use the best and latest science and the best available technologies for managing its biosolids

Estimated (Savings)/ Cost:

2018-2019 Personal Services Total	2018-2019 Non-Personal Total	Ongoing Personal Services Total	Ongoing Non-Personal Total
\$131,010		\$142,920	

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**SJ/SC Water Pollution Control Plant
PRELIMINARY - 2018-2019 Budget Proposals**

Proposal Title:

Funding Shift in Support of Baykeeper Consent Decree Compliance Program Staffing (Continuation)

FTE: -0.5

Funding Source: SJ/SC Treatment Plant Operating Fund (513)

Est. 2018-2019 (Savings)/Cost: (\$132,348)

Proposal Description/Objective:

This proposal requests to continue the funding shift that occurred with the 2017-2018 Adopted Budget of 0.5 Environmental Services Program Manager (ESPM, PCN 00004146) in ESD's South Bay Water Recycling program to ESD's Watershed Protection Division - Stormwater Management Program through June 30, 2019 to support compliance with the Consent Decree between the City and San Francisco Baykeeper by planning, tracking, and actively facilitating the implementation of the terms of the 10-year settlement; more specifically, to provide technical support on the assessment of stormwater revenue alternatives, including a possible ballot measure; and also to ensure continued alignment of relevant activities and compliance with the City's Stormwater Permit. At the December 19, 2017 City Council meeting, staff was directed to continue this work and conduct further analysis and polling for a potential ballot initiative.

Estimated (Savings)/ Cost:

2018-2019 Personal Services Total	2018-2019 Non-Personal Total	Ongoing Personal Services Total	Ongoing Non-Personal Total
(\$132,348)		(\$132,348)	

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**SJ/SC Water Pollution Control Plant
PRELIMINARY - 2018-2019 Budget Proposals**

Proposal Title:

Hazardous Materials Mitigation at the RWF

FTE: 0.31

Funding Source: SJ/SC Treatment Plant Operating Fund (513)

Est. 2018-2019 (Savings)/Cost: \$44,508

Proposal Description/Objective:

This proposal allocates funding from the Treatment Plant Operating Fund to support efforts to mitigate the impacts of hazardous materials at the RWF. A total of .31 FTEs (.10 FTE Environmental Compliance Officer, .04 FTE Associate Engineer, and .17 FTE Associate Environmental Services Specialist) will be funded out of the Treatment Plant Operating Fund as part of this proposal.

As part of the major efforts to rebuild and rehabilitate major processes within the RWF, one of the unexpected conditions that has arisen is discovery of the presence of polychlorinated biphenyl, more commonly referred to as PCB. The initial amounts indicated, and presence within the RWF dictate the need to conduct more sampling and analysis to determine if there is sufficient data to that would require adherence to US Environmental Protection Agency (EPA) regulated PCB remediation standards. More than likely, the RWF will need to develop a disposal plan that adheres to Toxic Substances Control Act, per 40 CFR Part 761. Staff support outlined in this proposal will develop new standard operating and safety procedures to guide staff in operating within these conditions as part of the ongoing operations and maintenance activities at the RWF.

Estimated (Savings)/ Cost:

2018-2019 Personal Services Total	2018-2019 Non-Personal Total	Ongoing Personal Services Total	Ongoing Non-Personal Total
\$44,508			

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**SJ/SC Water Pollution Control Plant
PRELIMINARY - 2018-2019 Budget Proposals**

Proposal Title:

Transition the South Bay Water Recycling Program to newly established City Operating and Capital Funds

FTE: TBD

Funding Source: SJ/SC Treatment Plant Operating Fund (513)

Est. 2018-2019 (Savings)/Cost: TBD

Proposal Description/Objective:

Transfer the operating and capital budgets related to the South Bay Water Recycling Program from the San Jose-Santa Clara Treatment Plant Operating (513) and Capital (512) funds to the newly established South Bay Water Recycling Operating (570) and Capital (571) funds within the City's Wastewater family of funds.

Since its inception in 1997, the South Bay Water Recycling (SBWR) Program revenues and expenditures have been included in the two Wastewater Facility funds – Fund 512 for capital expenditures and Fund 513 for operating revenues and expenditures. Although it is possible to isolate SBWR-specific revenues and expenditures within these funds, budgeted SBWR expenditures are consolidated with all Wastewater Facility operations, resulting in overall impairment of third-party transparency and presentation of program activities.

The SBWR 2010 Infrastructure Assessment and the 2014 Strategic and Master Planning Report (Strategic Plan) identified both near term reliability improvements and a level of investment in infrastructure maintenance to extend the useful life of the distribution system. In addition, the Strategic Plan identified options to expand capacity of the recycled water system to increase both recycled water flowrates and potential revenue.

Given the near long-term objectives outlined in the Strategic Plan, by using separate City funds to isolate the SBWR Program from other Wastewater Facility activities, the City will be able to more effectively track and report on program activities in a more transparent fashion. Additionally, this approach would further support recycled water in the region and support a recycled water diversion program to maintain National Pollution Discharge Elimination System Permit compliance. Finally, the separation of SBWR activities using the newly established City Funds 570 and 571 will promote transparency pertaining to program revenues and expenditures with SBWR's many external stakeholders, such as the Santa Clara Valley Water District, City of Santa Clara, and Wastewater Facility tributary agencies.

Estimated (Savings)/ Cost:

2018-2019 Personal Services Total	2018-2019 Non-Personal Total	Ongoing Personal Services Total	Ongoing Non-Personal Total
<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>

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Water Pollution Control
2019-2023 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-Year Total
San José-Santa Clara Treatment Plant Capital Fund								
Beginning Balance	60,388,200	11,327,169	9,225,169	10,536,169	11,956,169	13,734,169	11,327,169	
Reserve for Encumbrance	155,970,229							
Transfers								
Transfer for 2009 Debt Service from the Sewer Service and Use Charge Fund (541)	5,716,000	5,369,000	5,372,000	5,371,000				16,112,000
Transfer for Plant CIP Debt Service from Sewer Service and Use Charge Fund (541)	3,363,000	5,165,000	12,040,000	19,445,000	22,782,000	28,438,000		87,870,000
Transfer for Capital Projects from Sewer Service and Use Charge Fund (541)	17,000,000	27,000,000	27,000,000	30,000,000	30,000,000	30,000,000		144,000,000
Transfer for Equipment Replacement from Sewer Service and Use Charge Fund (541)	3,090,000	1,249,000	1,083,000	1,083,000	1,083,000	1,083,000		4,332,000
Transfer from the Sewage Treatment Plant Connection Fee Fund (539)								1,249,000
TOTAL Transfers	29,169,000	38,783,000	45,495,000	55,899,000	53,865,000	59,521,000	253,563,000	
Revenue from Use of Money and Property								
Interest Income	3,240,000	4,425,000	7,285,000	8,706,000	5,219,000	4,602,000		30,237,000
TOTAL Revenue from Use of Money and Property	3,240,000	4,425,000	7,285,000	8,706,000	5,219,000	4,602,000	30,237,000	
Revenue from Local Agencies								
2009 Bond Debt Repayment	165,000	155,000	155,000	155,000				465,000
State Revolving Fund - Loan Repayment	1,374,000	555,000						555,000
WPCP Projects and Equipment Replacement	49,157,000	33,009,000	109,158,000	102,917,000	27,290,000	43,234,000		316,608,000
TOTAL Revenue from Local Agencies	50,696,000	33,719,000	109,313,000	103,072,000	27,290,000	43,234,000	316,628,000	
Revenue from the Federal Government								
U.S. Bureau of Reclamation Grant	250,000	250,000	250,000	250,000	250,000	250,000		1,250,000

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Water Pollution Control
 2019-2023 Proposed Capital Improvement Program
Source of Funds (Combined)

Estimated	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-Year Total
Other Revenue							
Calpine Metcalf Energy Center Facilities Repayment	389,000	389,000	389,000	389,000	389,000	389,000	1,945,000
TOTAL Other Revenue	389,000	389,000	389,000	389,000	389,000	389,000	1,945,000
Financing Proceeds							
Wastewater Revenue Notes	90,000,000	39,000,000	166,000,000	171,000,000	16,000,000	48,000,000	440,000,000
Bond Proceeds			171,104,000		264,933,000		436,037,000
TOTAL Financing Proceeds	90,000,000	39,000,000	337,104,000	171,000,000	280,933,000	48,000,000	876,037,000
Total San José-Santa Clara Treatment Plant Capital Funds	390,102,429	127,893,169	509,061,169	349,852,169	379,902,169	169,730,169	1,490,987,169
TOTAL SOURCES	390,102,429	127,893,169	509,061,169	349,852,169	379,902,169	169,730,169	1,490,987,169

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Water Pollution Control
 2019-2023 Proposed Capital Improvement Program
Use of Funds (Combined)

	Estimated 2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-Year Total
Water Pollution Control							
Headworks Improvements	4,472,807	270,000	13,501,000	366,000	312,000	104,000	14,553,000
New Headworks	8,226,191	1,309,000	110,036,000	2,024,000	1,902,000	633,000	115,904,000
Preliminary Wastewater Treatment	12,698,998	1,579,000	123,537,000	2,390,000	2,214,000	737,000	130,457,000
East Primary Rehabilitation, Seismic Retrofit, and Odor Control	39,882	1,000,000	11,842,000	22,176,000	686,000	684,000	36,388,000
Iron Salt Feed Station	3,664,905						
Primary Wastewater Treatment	3,704,787	1,000,000	11,842,000	22,176,000	686,000	684,000	36,388,000
Aeration Basin Future Modifications		846,000		4,274,000	770,000	440,000	6,330,000
Aeration Tanks and Blower Rehabilitation	38,976,808	40,412,000	2,069,000	61,463,000	1,228,000	955,000	106,127,000
Nitrification Clarifier Rehabilitation	4,252,620	841,000	41,530,000	1,290,000	1,275,000	1,240,000	46,176,000
Secondary Clarifier Rehabilitation		565,000	4,003,000	21,209,000	159,000	164,000	26,100,000
Secondary Wastewater Treatment	43,229,428	41,818,000	48,448,000	88,236,000	3,432,000	2,799,000	184,733,000
Filter Rehabilitation	4,605,150	1,026,000	33,324,000	1,166,000	1,090,000	454,000	37,060,000
Final Effluent Pump Station & Stormwater Channel Improvements			902,000	5,999,000	1,104,000	37,234,000	45,239,000
New Disinfection Facilities				952,000	6,179,000	722,000	7,853,000
Outfall Bridge and Levee Improvements	2,301,622	299,000	4,929,000	619,000			5,847,000
Tertiary Wastewater Treatment	6,906,772	1,325,000	39,155,000	8,736,000	8,373,000	38,410,000	95,999,000
Additional Digester Upgrades			1,191,000	6,031,000	1,298,000	51,576,000	62,096,000
Digested Sludge Dewatering Facility	4,408,185	10,192,000	1,708,000	95,819,000	1,563,000	212,000	109,494,000
Digester and Thickener Facilities Upgrade	119,798,072	5,108,000	1,910,000	1,113,000	220,000		8,351,000
FOG Receiving						313,000	313,000
Lagoons and Drying Beds Retirement	8,032						
Biosolids	124,214,289	15,300,000	4,809,000	104,963,000	3,081,000	52,101,000	180,254,000

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Water Pollution Control
2019-2023 Proposed Capital Improvement Program
Use of Funds (Combined)

	Estimated 2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-Year Total
Combined Heat and Power Equipment Repair and Rehabilitation	368,583						
Energy Generation Improvements	99,577,759	2,144,000	1,644,000				3,788,000
Plant Electrical Reliability	2,517,122	4,286,000	408,000	47,000	65,000		4,806,000
Electrical Systems and Power Generation	102,463,464	6,430,000	2,052,000	47,000	65,000		8,594,000
Advanced Facility Control and Meter Replacement	14,436,292	1,361,000	21,067,000	1,141,000	773,000	313,000	24,655,000
Treatment Plant Distributed Control System	1,557,095	1,025,000	2,000,000	1,000,000	500,000		4,525,000
Advanced Process Control & Automation	15,993,387	2,386,000	23,067,000	2,141,000	1,273,000	313,000	29,180,000
Construction-Enabling Improvements	1,485,138						
Equipment Replacement	1,664,806	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	8,315,000
Facility Wide Water Systems Improvements	2,805,184	366,000	447,000	11,217,000	608,000	621,000	13,259,000
Flood Protection	2,223,000	273,000	329,000	6,427,000	192,000		7,221,000
Plant Infrastructure Improvements	3,891,485	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Plant Instrument Air System Upgrade	3,601,180						
Storm Drain System Improvements	1,600,000		354,000	11,079,000	379,000	322,000	12,134,000
Support Building Improvements	7,110,445	1,701,000	11,391,000	1,614,000	3,795,000	2,139,000	20,640,000
Tunnel Rehabilitation	1,174,902	1,219,000	467,000	530,000	22,439,000	376,000	25,031,000
Urgent and Unscheduled Treatment Plant Rehabilitation	6,500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
Various Infrastructure Decommissioning	3,846,931	469,000	2,590,000	18,470,000	691,000		22,220,000
Yard Piping and Road Improvements		2,327,000	14,822,000	17,873,000	17,595,000	16,345,000	68,962,000
Site Facility Maintenance and Improvements	35,903,070	9,518,000	33,563,000	70,373,000	48,862,000	22,966,000	185,282,000
SBWR Extension	3,691,000						
South Bay Water Recycling	3,691,000						
Water Pollution Control - Construction	348,805,195	79,356,000	286,473,000	299,062,000	67,986,000	118,010,000	850,887,000
Debt Service Repayment for Plant Capital Improvement Projects	3,363,000	5,155,000	183,144,000	19,445,000	287,715,000	28,438,000	523,907,000
Owner Controlled Insurance Program	3,100,000	4,944,000	3,705,000	3,705,000	1,399,000	1,264,000	15,017,000

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Water Pollution Control

2019-2023 Proposed Capital Improvement Program

Use of Funds (Combined)

	Estimated 2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-Year Total
Master Plan Updates		3,000,000					3,000,000
Preliminary Engineering - Water Pollution Control	1,104,862	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Program Management - Water Pollution Control	10,157,432	8,258,000	7,307,000	7,505,000	7,507,000	7,569,000	38,146,000
Record Drawings	321,000	3,354,000	9,738,000	164,000	163,000	163,000	13,582,000
SBWR Master Plan	5,771						
General Non-Construction - Water Pollution Control	18,052,066	25,721,000	204,894,000	31,819,000	297,784,000	38,434,000	598,652,000
Water Pollution Control - Non Construction	18,052,066	25,721,000	204,894,000	31,819,000	297,784,000	38,434,000	598,652,000
Public Art Allocation	501,000						
Public Art Projects	501,000						
Capital Program and Public Works Department Support Service Costs	877,000	1,052,000	1,420,000	1,278,000	192,000	192,000	4,134,000
Payment for Clean Water Financing Authority Trustee	5,000	5,000	5,000	5,000			15,000
State Revolving Fund Loan Repayment	4,464,000	1,804,000					1,804,000
Allocations	5,346,000	2,861,000	1,425,000	1,283,000	192,000	192,000	5,953,000
City Hall Debt Service Fund	190,000	206,000	206,000	206,000	206,000	206,000	1,030,000
Clean Water Financing Authority Debt Service Payment Fund	5,881,000	5,524,000	5,527,000	5,526,000			16,577,000
Transfers to Special Funds	6,071,000	5,730,000	5,733,000	5,732,000	206,000	206,000	17,607,000
Transfers Expense	6,071,000	5,730,000	5,733,000	5,732,000	206,000	206,000	17,607,000
Equipment Replacement Reserve		5,000,000					5,000,000
Expense Reserves - Non Construction		5,000,000					5,000,000
Total Expenditures	378,775,260	118,668,000	498,525,000	337,896,000	366,168,000	156,842,000	1,478,099,000
Ending Fund Balance	11,327,169	9,225,169	10,536,169	11,956,169	13,734,169	12,888,169	12,888,169
TOTAL	390,102,429	127,893,169	509,061,169	349,852,169	379,902,169	169,730,169	1,490,987,169



February 25nd, 2018

Mr. Frank Quach
Operations Manager
Mark Thomas and Company CA
Phone: (408) 253-7071 x7304
fquach@markthomas.com

RE: GraniteNet Software Quote

Mr. Quach:

Thank you for the opportunity to quote the GraniteNet Asset Inspection and Decision Support software platform from CUES, the most trusted brand in North America for pipeline inspection technology.

For more than a decade, CUES has supplied the industry with the most innovative and extensible software platform available to help utilities and contractors alike achieve their regulatory and productivity goals. Our clients demand software that is able to be customized to meet their needs while supporting the process flows unique to their organization. GraniteNet offers unmatched flexibility to create many different types of inspections in addition to CCTV assessments such as cleaning inspections, smoke test inspections, GPS surveys, inclination surveys, hydrant inspections, light pole inspections etc. Additionally, this new software platform offers a very simple User Interface to allow people to quickly become proficient users, often in a matter of minutes.

For those organizations that desire more advanced capabilities such as GIS map (ESRI/Cartegraph) integration, CMMS integration (Cityworks, Maximo, IPS/Hansen), User Management controls, enterprise database support (Oracle & SQL), a Web-based Portal, custom Scoring formulas, etc., the CUES GraniteNet software platform can meet the needs of Mark Thomas and Company now or in the future as the requirements evolve.

The following is a short description of each GraniteNet license and the suggested modules to be included in the software package for Mark Thomas and Company. Items showing the discounted amount in red are items that are currently owned by the Mark Thomas and Company and are being upgraded from Granite XP to GraniteNet at no additional cost. Items without the discounted amount in red are software modules and services not previously owned or used by the City, hence not eligible for no cost upgrade under our software support plan policy.

Please feel free to contact me with any questions, comments or concerns.

Respectfully,

Tom Johnson
[WECO Industries](http://www.wecoindustries.com)

Office: (800) 677-6661 ext 4

GraniteNet Inspection Premium Package

GraniteNet Premium captures a wide array of data and video from robotic transporters deployed in pipelines. It is highly specialized and customizable, yet simple enough for users to learn to operate quickly.

GraniteNet has many advantages which are critical to deploying a comprehensive Capacity Assurance, Management, Operation, and Maintenance program (CMOM) that is aligned with Federal regulations. Below are some of the key features offered by the software:

- Asset based architecture
- Dynamic pipe graphs are navigable to any observation within the inspection
- CD/DVD burning
- Synchronization
- Out-of-the-box Reporting
- Reports available in HTML, ASCII and PDF formats along with the standard printed reports
- Built-in functionality to email reports
- Unlimited still images can be captured (dependent upon hard drive space)
- User customizable screen layouts and mandatory fields can be specified to meet client specifications
- Built in synchronization mechanism to allow precise data aggregation
- The ability to take additional still images (snapshots) during playback in the truck or the office.
- Tasks can be assigned and managed throughout the system

The Premium Inspection License includes the following components: GraniteNet Basic, Core Basic, Core Advanced, Main Inspection Module, Analog Video Recording Module Mainline, Video Indexing Module, Titling, Distance Acquisition, Still Image Capture Module, and Data Transfer.

GraniteNet PACP Module

A GraniteNet NASSCO 7.x certified module is available which follows the NASSCO PACP business rules and uses the PACP codes. The module also includes import and export functionality as defined by NASSCO to exchange PACP data. Entries in the GraniteNet NASSCO Standard must follow the guidelines established by NASSCO in relation to mandatory entry and format of values. The Mainline Inspection Module, included in the GraniteNet Premium Inspection Package, is required for use with the PACP Module.

Features:

- All PACP defect codes
- Code validation — required fields must have entries
- Import any PACP certified database
- Export to PACP Version 6.x database
- NASSCO's ten (10) custom fields available
- Evaluation reports including the PACP Grading

The latest NASSCO certification requirements can be found on the NASSCO web site, <http://www.nassco.org/>.

GraniteNet Software Support Plan

Perpetual Free Software Upgrades & Superior technical support provided by a high caliber team of experts that includes on-going software maintenance release updates available online for download including the latest technical documentation and at no additional charge. Professional telephone support is available Monday through Friday 8:00 AM – 5:00 PM EST as well as remote online technical support. Access to online support services including FAQ's, the CUES knowledge base, user forums and downloads are available through the Granite customer support website, <http://support.gnet.us.com>.

Granite XP to GraniteNet Legacy Data Conversion

The Granite XP to GraniteNet Conversion is a onetime consulting service to migrate Mainline, Lateral, and/or Node Inspection data from a single Granite XP database to a blank GraniteNet Database. The migration will include all Assets, Organizations, Employees, Code Systems, Inclination Data, Sonar Data, DUC Video, Analog Video, and images. The integrity of the database will be verified before and after the migration process.

Part#	GraniteNet Software & Services	Unit Price	Qty.	Subtotal	Discount	Actual
Asset IDs are shown in <i>italics</i> below for reference.						
GN901	Premium Inspection Package including: GraniteNet Basic, Core Basic, Core Advanced, Management Console, Main Inspection Module, Analog Video Recording Module Mainline, Video Indexing Module, Titling, Distance Acquisition, Still Image Capture Module, Data Transfer <i>NEW</i>	\$14,000	1	\$14,000	(\$14,000)	\$0
GN904	Office License <i>NEW</i>	\$1,250	1	\$1,250		\$1,250
GN905	Indexing Viewer License	\$45	1	\$45		\$45
GN538	Office Support Plan <i>NEW</i>	\$350	1	\$350		\$350
GN550	Granite XP to GraniteNet Data Migration	\$1,600	3	\$4,800		\$4,800
<i>*** Existing Granite XP data is to be delivered by the customer in a single, synchronized database that will be converted to GraniteNet at the standard flat rate of \$1,600.</i>						
8800002	On Site Training	\$703	3	\$2,109		\$2,109
Grand Total						\$8,554
This quote will provision Mark Thomas and Company CA with one Premium Field Inspection License, one Office License, and one Indexing Viewer License. ***Please ensure that firmware on all K2/Summit Systems is upgraded to R038 if not on this version already.						
Part#	Optional Items	Unit Price	Qty.	Subtotal	Discount	Actual

Terms: Net 30 No Tax, No Freight
 FOB: Destination
 Delivery: As Required
 This quote is valid for 60 days.

Optional Items

GraniteNet ESRI Interface Module

Developed by CUES as a registered business partner with ESRI, this optional module for GraniteNet allows users to be able to point and click on an asset from within the GraniteNet integrated map. After clicking on the asset, the asset and inspection panes are automatically populated with the asset's attribute information. The operator may initiate an inspection by simply selecting the asset on the map and right-clicking. The GraniteNet ESRI Interface also provides the ability to create a new asset in the field. The system is able to collect, store, display, manipulate and analyze data, and then link the information to the ESRI ArcGIS map file. The software provides a chronological record of every inspection completed on the asset.

GraniteNet ESRI Import Module

This optional module for GraniteNet provides a bi-directional interface between ESRI ARCGIS 10.X and the GraniteNet software. This module enables GIS features to be imported directly into GraniteNet where they can be used to verify and validate the location of utility assets.

GraniteNet ESRI Import Implementation

The implementation service of ESRI maps and map data within CCTV operations includes integration consultation, documentation, and training with the client's office staff by a CUES software division implementation specialist in accordance with the unique business requirements of the organization. CUES will work with an appointed resource/project manager from the organization to define the goals and then collaboratively create the standard operating procedures desired by the organization. Before a CUES technical resource is assigned to the implementation project, a GraniteNet ESRI Pre-Implementation Checklist must be completed by the client and submitted to CUES. Once it is received by CUES and verified that all prerequisites are met to begin the work, the appropriate implementation specialist Project Manager from CUES will be assigned to the client and the project shall be scheduled based on the order in which the Checklist was received. Due to the fluctuating availability of resources needed by both parties to complete the implementation, the actual start date for the project may vary. Generally, CUES is able to start implementations within a reasonable period from the date of receipt of a completed Pre-Implementation Checklist, but there are exceptions and no guarantee can be made as to the exact date for when the project will kick off. CUES, however, will make every effort to quickly and efficiently initiate the implementation services as soon as possible.

GraniteNet Scheduler Module

The GraniteNet Scheduler Module allows users to schedule the transfer of CCTV data and media files to perform database synchronization automatically. At specific times set by the administrator, usually each day after working hours when the network is less burdened, the office can automatically import completed inspections from the truck to the office and synchronize incomplete inspections from the office to the truck to automate the transfer and archival of data on a daily, weekly or monthly schedule. On a daily basis, supervisors can get their completed inspections sent in and CCTV crews can come to work and find their new, incomplete inspections waiting for them to get started out in the field. In addition to selecting complete or incomplete inspections, users will be able to create scheduled transfer tasks with specific pre-set filters to intelligently identify specific data to be transferred such as "*inspections by*" pipe type, operator, severity, date range, etc. Users can also schedule to send the data to an alternative destination for backup,

third party review, regulatory requirement, etc. In a typical configuration, the service is activated and started from a network-connected office machine which has GraniteNet and the GraniteNet Scheduler Module installed on it. The service will sequentially poll each vehicle and perform the synchronization tasks automatically.

The GraniteNet Scheduler can also automate report generation and GIS data import and export.

GraniteNet H.264 Module

The CUES GraniteNet H.264 Module is an optional video capture codec that allows for inspection video capture in H.264 format. This results in significant video file size reduction. The H.264 coding format is currently one of the most commonly used formats for the recording, compression, and distribution of video content via the web. This patented format is capable of providing very good video quality at substantially lower bit rates (less storage) than previous standards (i.e., half or less the bit rate of MPEG-2, H.263, or MPEG-4 Part 2), without increasing the burden on a wide variety of networks and systems.

To stream video via the GraniteNet portal, the video format must be in the H.264 (.mp4) format. CUES provides the necessary coding libraries and pays the royalties for each GraniteNet Inspection license which is activated with the H.264 module.

Part#	Optional Items	Unit Price	Qty.	Subtotal	Discount	Actual
GN521	ESRI Interface Module <i>NEW</i>	\$6,995	1	\$6,995		\$6,995
GN523	ESRI Import Module <i>NEW</i>	\$2,005	1	\$2,005		\$2,005
GN576	ESRI Implementation <i>NEW</i>	\$4,500	1	\$4,500		\$4,500
GX527	Arc Engine Run Time <i>NEW (Required for use with ESRI Interface. County can provide their own license if they have one available, through an Enterprise License Agreement, or any other means.)</i>	\$900	1	\$900		\$900
GN522	Scheduler Module <i>NEW</i>	\$1,495	1	\$1,495		\$1,495
GN560	H.264 Module <i>NEW</i>	\$380	1	\$380		\$380

Terms: Net 30 No Tax, No Freight

FOB: Destination

Delivery: As Required

This quote is valid for 60 days.



Memo

Item 8B

To: Board of Directors
From: Richard Tanaka, District Manager-Engineer
Date: March 7, 2018
Re: Sewer Inspection Fee Duplicate Charge – 20335 Argonaut Ct, Saratoga
(APN: 393-06-027)

Summary:

JC Development, hired contractor for the remodel project at 20335 Argonaut Ct. in Saratoga, is requesting a reimbursement for overcharges of sewer inspection fees.

On December 4, 2017, JC Development paid \$250 to the District for sewer inspection fees. Then, on December 22, 2017, the property owner came in to the District office and paid the same fees. Staff did not catch the duplicate charge because a letter of approval to issue building permit was not prepared after the first payment was received. No inspections have been performed thus far. Both checks have been deposited and the funds have been cleared by the bank.

Recommendation:

Approve reimbursement of \$250.00 to JC Development for duplicate charge of inspection fees.

Attachments:

1. Receipt of Fee #6181
2. Receipt of Fee #6195
3. Permit Form Approval Letter

DISTRICT MANAGER-ENGINEER
MARK THOMAS & COMPANY, INC.
RICHARD K. TANAKA

DISTRICT COUNSEL
ATKINSON FARASYN, LLP
MARC HYNES



BOARD OF DIRECTORS
ANGELA S. CHEN
JOHN M. GATTO
WILLIAM A. BOSWORTH
PATRICK S. KWOK

20863 STEVENS CREEK BOULEVARD, SUITE 100
CUPERTINO, CALIFORNIA 95014-2154
PHONE (408) 253-7071 FAX (408) 253-5173
www.cupertinosanitarydistrict.org

Receipt #: 6181
12/4/2017 12:40:00PM

Received From: JC Development
Address: PO BOX 10652, SJ 95157
Phone: 408-762-8487

Reimburse

Check / Property Information

Check No. 1881 Bank: Chase
Amount: Two Hundred, Fifty & 00/100 City Permit 17-1748
APN # 393-06-027 CuSD Permit 17-323
Property: 20335 ARGONAUT CT, Saratoga, CA95070 Bldng/Apt.

PROOF OF PAYMENT

	Account Number	Amount:
Connection Permit Fee	(405.10)	250.00
Administration, Engineering & Inspection Fees Specify: PO BOX 10652, SJ 95157	(430.10)	0.00
Connection Fees:		
Acerage	(410.10)	0.00
Front Footage	(415.10)	0.00
Additional Dwelling	(420.10)	0.00
Additional Comm/Ind/Gal	(425.10)	0.00
Discharge Permit Fees	(405.10)	0.00
Lateral Connection Fee	(440.10)	0.00
Other fees Specify: 0		0.00

Comment:

Total: 250.00

District Staff fmartinez

DISTRICT MANAGER-ENGINEER
MARK THOMAS & COMPANY, INC.
RICHARD K. TANAKA

DISTRICT COUNSEL
ATKINSON FARASYN, LLP
MARC HYNES



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20863 STEVENS CREEK BOULEVARD, SUITE 100
CUPERTINO, CALIFORNIA 95014-2154
PHONE (408) 253-7071 FAX (408) 253-5173
www.cupertinosanitarydistrict.org

Receipt #: 6195
12/22/2017 12:07:00PM

Received From: James Shin - *owner*

Address:
Phone: 650-776-4783

Check / Property Information

Check No.	2551	Bank:	B of A
Amount:	Two Hundred, Fifty Dollars & 00/100	City Permit	17-1748
APN #	393-06-027	CuSD Permit	17-323
Property:	20335 ARGONAUT DR, Saratoga, CA95070	Bldng/Apt.	

PROOF OF PAYMENT

	Account Number	Amount:
Connection Permit Fee	(405.10)	250.00
Administration, Engineering & Inspection Fees Specify:	(430.10)	0.00
Connection Fees:		
Acerage	(410.10)	0.00
Front Footage	(415.10)	0.00
Additional Dwelling	(420.10)	0.00
Additional Comm/Ind/Gal	(425.10)	0.00
Discharge Permit Fees	(405.10)	0.00
Lateral Connection Fee	(440.10)	0.00
Other fees Specify:		0.00
Comment:	Total:	250.00

District Staff fmartinez

DISTRICT MANAGER-ENGINEER
 MARK THOMAS & COMPANY, INC.
 RICHARD K. TANAKA
 DISTRICT COUNSEL
 ATKINSON • FARASYN, LLP.
 MARC HYNES



BOARD OF DIRECTORS
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 PATRICK S. KWOK
 TAGHI S. SAADATI

20863 STEVENS CREEK BOULEVARD, SUITE 100
 CUPERTINO, CALIFORNIA 95014-2154
 (408) 253-7071 PHONE • (408) 253-5173 FAX

Permit Form

Approved For Issuing
 Building/ Plumbing Permits

		Submittal #	2
Date:	12/22/2017	Cupertino Sanitary Permit #	17-323
APN:	393-06-027	Saratoga Building Permit #	17-1748
Applicant Name:	Jonghun Jeong		
Address:	20335 Argonaut Ct, Saratoga, CA		
Scope of work:	Interior Bathroom Remodel & New Tankless Water Heater		

The Cupertino Sanitary District has reviewed the plans for the subject project:

- Sanitary sewer is available and the existing building is connected to sanitary sewer, see conditions/requirements listed below.

Conditions/Requirements for permit approval:

Completed	Conditions/Requirements
✓	Cupertino Sanitary District Connection Permit Fee (\$250) is required for the subject improvements. Please do not issue any Building Permits. (O.C. 7101)
-	Update "Job Description" on Sheet T-1: <ul style="list-style-type: none"> New Property Line Sanitary Sewer Cleanout per District's Standard Detail 9
-	Cupertino Sanitary District Detail 9 (sewer lateral cleanout installation on existing sewer) shall be included on plans for District Approval. District details are available on our website at www.cupertinosanitarydistrict.org under Contractors (O.C. 5101)

Conditions/Requirements to be met during construction:

- Install new property line cleanout to District's Standard. See attached detail. Property line cleanout must be within 5 feet of the property line. Cleanout shall be the same diameter as the street portion of the service lateral. Gravity lateral is 4" diameter. **(O.C. 4101)**
 - Existing property line cleanout is ABS plastic and has a drop lateral connection*
 - Sanitary sewer lateral is located approximately 23' from the left property line*
- Cupertino Sanitary District **Initial (Visual) Inspection** required. Contractor shall leave new pipe installation exposed. Do not backfill. Owner to contact District **48 hours** prior to scheduling a District Inspector for a visual inspection. **(O.C. 5203)**
- Cupertino Sanitary District **Final (CCTV) Inspection and Approval** of the new property line cleanout, point of connection, and District lateral is required prior to clearance for City of Saratoga Final Inspection. Owner must allow District **at least 48 hours'** notice to schedule a District Inspector for a video inspection. District to provide Building Department with **written notification** upon completion of inspection. **(O.C. 7102)**

Cupertino Sanitary Permit # : 17-323
Saratoga Building Department # : 17-1748

Fees can be paid at the District office located at 20863 Stevens Creek Boulevard, Suite 100 in Cupertino, CA by cash or check (payable to “Cupertino Sanitary District”).

All conditions, requirements and recommendations are to be completed at the (owner/developer)’s expense. If you have any questions or need additional information, please call Esteban Delgadillo at 408-477-7323.

Yours very truly,



For: Richard K. Tanaka
District Manager-Engineer
MARK THOMAS

\\Cupfile01\cusd\Permits & Fees\Permits - Developments\2017\17-323_17-1748_20335 Argonaut Dr\17-323_S2_Approved_17-1748_20335 Argonaut Dr.docx

PERMITS HAVE EXPIRATION DATE OF 1 YEAR FROM DATE OF APPROVAL. IF REFILEING FOR PERMIT APPLICATION AFTER YEAR IS UP, NEW PERMIT FEES MUST BE PAID BY APPLICANT.

SUPPLYING SANITARY SEWERAGE SERVICES FOR: CITY OF CUPERTINO, PORTIONS OF THE CITIES OF SARATOGA, SUNNYVALE, LOS ALTOS AND SURROUNDING UNINCORPORATED AREAS



Environmental Services Department

March 1, 2018

TO: Tributary Agencies

SUBJECT: FY 2018-19 Revenue Program

Attached are the San Jose/Santa Clara Water Pollution Control Plant revenue program forms No. 7 through 12 for FY 2018-19. These forms are submitted to you for your use in preparing your budgets and sewer service rates.

The forms contain the distribution of the preliminary Operating and Maintenance Budget (\$109,600,000) for FY 2018-19 to the tributary agencies. Although these costs are preliminary, they are not anticipated to differ materially from the final proposed budget which will be submitted to the Treatment Plant Advisory Committee and to the San Jose City Council for adoption.

If you have any questions, please call me 975-2599 or Lillian Nguyen at 975-2567.

Sincerely,

LAURA BURKE
Principal Accountant
Administrative Services Division
Environmental Services Department

Attachments

DRAFT

DRAFT

ENVIRONMENTAL SERVICES DEPARTMENT

SJ/SC Water Pollution Control Plant

PRELIMINARY DRAFT - 2018-2019 Operating & Maintenance Budget Summary

	2016-2017 Actual Expenses	2017-2018 Proposed Budget	2017-2018 Adopted Budget	2018-2019 Estimated Budget
Personal Services	51,197,669	\$56,877,511	57,036,603	61,300,000
Non-personal Services	25,386,138	33,233,019	33,233,019	30,900,000
Equipment	1,109,982	940,000	940,000	900,000
Inventory	390,878	400,000	400,000	400,000
Overhead	8,903,376	9,687,081	9,687,081	12,900,000
NCH Debt Service	1,118,437	1,175,345	1,175,143	1,275,175
Workers' Compensation	344,114	675,000	675,000	675,000
City Services	907,119	1,047,647	1,050,457	1,200,000
Total Operating Expenses	89,357,713	104,035,603	104,197,303	109,550,176

ESTIMATED COST DISTRIBUTION

2018-19 Estimated Total Gallons Treated (MG)	(1) Percent of Total Sewage Treated	City / District	2018-2019 Estimated
24,891.434	63.437	City of San Jose	\$69,495,346
5,077.619	15.196	City of Santa Clara	16,647,245
29,969.053	78.633	Sub-Total	\$86,142,591
3,428.330	9.075	West Valley Sanitation District	9,941,678
1,911.097	5.471	Cupertino Sanitary District	5,993,490
2,058.490	5.659	City of Milpitas	6,199,444
345.079	0.931	Sanitation District # 2 - 3	1,019,912
86.089	0.231	Burbank Sanitary District	253,061
7,829.085	21.367	Sub-Total	\$23,407,585
37,798.138	100.000	TOTAL	\$109,550,176

(1) Composite of four parameters (flow, BOD, SS, ammonia). Source 2018-2019 Revenue Program.

CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT

SAN JOSE/SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
2018-19 REVENUE PROGRAM

The attached revenue program forms were prepared to show the distribution of FY 2018-19 preliminary Operating and Maintenance budget to the tributary agencies and to provide the parameter allocation percentages for agencies to use in redistributing RWF capital costs and debt service costs to their respective users. The distribution of FY18-19 preliminary capital budget was submitted to the tributary agencies in a separate packet.

The attached revenue program forms contain the following:

- Capital cost (debt service) allocation percentages by treatment parameters (Flow, BOD, SS and Ammonia) by combinations of facilities.
- Distribution of FY 2018-19 preliminary Operating and Maintenance (O & M) costs to the tributary agencies.

CAPITAL COST (DEBT SERVICE) PARAMETER ALLOCATION PERCENTAGES

Since debt-service and capital reserve expenses should be carefully matched to allocation ratios for the appropriate combination of facilities for which the funds were intended, the following forms have been maintained for each agency to use, if applicable, in allocating capital cost (debt service) to the agency's users:

- Form 10A: Parameter allocation percentages for redistributing Pre-1982 debt services (Primary, Secondary and Advance Waste Treatment Facilities)
- Form 10B: Parameter allocation percentages for redistributing Post-1982 through Pre-SBWR debt services (1982 Priority, Intermediate-Term Improvement - 143 MGD & First Stage Expansion -167 MGD)
- Form 10C: Parameter allocation percentages for redistributing SBWR debt services
- Form 10D: Parameter allocation percentages for redistributing FY18-19 capital costs and debt services

OPERATING AND MAINTENANCE COST AND REPLACEMENT ALLOWANCE

Form 12 contains the distribution of the estimated treatment plant O & M costs for FY 2018-19 to the tributary agencies. The form also contains the percentage allocation by parameter for each agency. These percentages are for the agencies' use in redistributing their costs to their respective users.

The Distribution of Replacement Allowance (Form 12B) has been omitted for FY 2018-19 because the intent is to recommend to the Treatment Plant Advisory Committee that a temporary moratorium be placed on the collection of the renewal and replacement allowance. Equipment replacement costs will be funded from reserves.

The O & M cost distribution to the tributary agencies was based on the volume and strength of sewage as reported by the agencies and shown on Form 11.

The FY 2018-19 Preliminary Operating and Maintenance cost distribution is as follows:

AGENCY	Percentage	O & M (rounded)
San Jose	63.437	\$69,526,200
Santa Clara	15.196	16,654,400
West Vallley Sanitary District	9.075	9,946,500
Cupertino	5.471	5,996,600
Milpitas	5.659	6,202,200
County Sanitation District 2-3	.931	1,020,600
Burbank	.231	253,500
Total	100%	109,600,000

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES
 DISTRIBUTION OF HISTORICAL PROJECT COSTS TO PARAMETERS for the PRIMARY & SECONDARY FACILITIES

PROCESS UNIT	ESTIMATED COST	USEFUL LIFE	(%) LOADING PARAMETERS			CAPITAL RECOVERY FACTOR %	ANNUAL CAPITAL RECOVERY COST	FLOW COST ALLOCATED TO IT 20.936%	TREATMENT PARAMETER ALLOCATION									
			FLOW	BOD	SS				NH3	FLOW COST	BOD COST	SS COST	NH3 COST					
General Plant:																		
Struct. Equip.	\$1,360,645	40	42	39	19	0.06646	\$90,400	\$7,900	\$30,000	\$35,300	\$17,200							
Administration:																		
Struct.	559,314	15	42	39	19	0.10296	57,600	5,100	19,100	22,500	10,900							
Maintenance:																		
Struct.	1,279,786	40	42	39	19	0.06646	85,100	7,400	28,300	33,200	16,200							
Laboratory:																		
Equip.	728,720	40	42	39	19	0.06646	48,400	4,300	16,100	18,900	9,200							
Air Production:																		
Equip.	39,445	10	42	39	19	0.13587	5,400	500	1,800	2,100	1,000							
Electric Power:																		
Struct. Equip.	3,141,665	40	100			0.06646	208,800	0	0	208,800	0							
Pretreatment:																		
Equip.	2,499,759	20	100			0.08718	217,900	0	0	217,900	0							
Primary Sedimentation:																		
Struct. Equip.	885,260	40	42	39	19	0.06646	58,800	5,200	19,500	22,900	11,200							
Raw Sewage Pump:																		
Equip.	1,093,092	25	42	39	19	0.07823	85,500	7,500	28,400	33,300	16,200							
Settle Sewage Pump:																		
Equip.	1,184,539	40	100			0.06646	78,700	16,500	62,200	0	0							
Secondary Clarifiers:																		
Equip.	449,975	15	100			0.10296	46,300	0	0	0	46,300							
Secondary Effluent:																		
Equip.	6,693,651	40	100	35	65	0.06646	444,900	93,100	351,800	0	0							
Settle Sewage Pump:																		
Equip.	1,186,655	25	100			0.07823	92,800	0	0	32,500	60,300							
Secondary Effluent:																		
Equip.	588,603	40	100			0.06646	39,100	8,200	30,900	0	0							
Secondary Clarifiers:																		
Equip.	347,879	20	100			0.08718	30,300	6,300	24,000	0	0							
Chlorination:																		
Equip.	194,731	20	100			0.08718	17,000	3,600	13,400	0	0							
Secondary Clarifiers:																		
Equip.	870,666	40	100			0.06646	57,900	12,100	45,800	0	0							
Chlorination:																		
Equip.	946,259	20	100			0.08718	82,500	17,300	65,200	0	0							
Secondary Clarifiers:																		
Equip.	3,629,055	40	100	100		0.06646	241,200	50,500	190,700	0	0							
Chlorination:																		
Equip.	1,322,373	25	100			0.07823	103,400	0	0	103,400	0							
Solids Handling & Disposal:																		
Equip.	1,236,481	30	100			0.07265	89,800	18,800	71,000	0	0							
Outfall Sewer:																		
Equip.	788,480	12	100			0.11928	94,000	19,700	74,300	0	0							
Activated Sludge Processing:																		
Equip.	15,043,156	40	50	50		0.06646	999,800	0	0	499,900	499,900							
Study: Sewage Treatment Feasibility																		
Equip.	3,219,811	20	50	50		0.08718	280,700	0	0	140,400	140,300							
TOTAL																		
Struct.	210,934	75	100			0.06077	12,800	2,700	10,100	0	0							
Activated Sludge Processing:																		
Equip.	9,924,376	40	75	25		0.06646	659,600	103,600	391,100	164,900	0							
Study: Sewage Treatment Feasibility																		
Equip.	2,145,192	25	100			0.07823	167,800	0	0	167,800	0							
TOTAL																		
Equip.	107,500	30	42	39	19	0.07265	7,800	700	2,600	3,000	1,500							
TOTAL	\$61,678,002						\$3,965,300	\$352,400	\$1,330,500	\$1,535,600	\$746,800							
PARAMETER ALLOCATION PERCENTAGES (1)							\$4,404,300	\$391,000	\$1,476,300	\$1,706,800	\$830,200							
							100%	8.887%	33.554%	38.726%	18.833%							

(1) These percentages are used in developing the rolling weighted-average percentages in Form 8A

DISTRIBUTION of HISTORICAL PROJECT COSTS to PARAMETERS for the ADVANCE WASTE TREATMENT FACILITIES

PROCESS UNIT	ESTIMATED COST	USEFUL LIFE	(%) LOADING PARAMETERS			CAPITAL RECOVERY FACTOR 6%	ANNUAL CAPITAL RECOVERY COST	FLOW COST ALLOCATED TO U/I 20.956%	TREATMENT PARAMETER ALLOCATIONS			
			FLOW	BOD	SS				NH3	FLOW COST	BOD COST	SS COST
NITRIFICATION FACILITIES												
Site Development: Struct Equip.	\$3,583,000	40	75	25	0.06646	\$238,100	\$37,300	\$141,300	\$0	\$0	\$0	\$59,500
Service Wing: Struct Equip.	112,000	20	100	0	0.08718	9,800	2,100	7,700	0	0	0	0
Blower Building: Struct Equip.	656,000	40	30	70	0.06646	43,600	2,700	10,400	0	0	0	30,500
Nitrification Tanks: Struct Equip.	414,000	20	30	70	0.08718	36,100	2,200	8,600	0	0	0	25,300
Tertiary Settlement Tanks: Struct Equip.	3,353,000	40	15	85	0.06646	222,800	7,000	26,400	0	0	0	189,400
Computer Additions: Equip.	5,453,000	20	15	85	0.08718	475,400	14,900	56,400	0	0	0	404,100
	9,382,000	40	80	20	0.06646	623,500	104,400	394,400	0	0	0	124,700
	3,247,000	25	50	50	0.07823	254,000	26,600	100,400	0	0	0	127,000
	7,802,000	40	100	0	0.06646	518,500	108,600	409,900	0	0	0	0
	6,552,000	25	100	0	0.07823	512,600	107,300	405,300	0	0	0	0
	179,000	20	80	20	0.08718	15,600	2,600	9,900	0	0	0	3,100
FILTRATION FACILITIES												
Site Development: Struct Equip.	5,825,000	40	80	20	0.06646	387,100	64,800	244,900	0	0	0	77,400
Service Wing: Struct Equip.	1,466,000	20	10	90	0.08718	127,800	2,700	10,100	0	0	0	115,000
Tertiary Filters: Struct Equip.	646,000	40	100	0	0.06646	42,900	9,000	33,900	0	0	0	0
Administration Building Additions: Struct Equip.	414,000	20	100	0	0.08718	36,100	7,600	28,500	0	0	0	0
Blower Bldg. Modifications: Struct Equip.	9,089,000	40	100	0	0.06646	604,100	126,500	477,600	0	0	0	0
Sludge Concentration Building Modifications: Struct Equip.	8,112,000	25	100	0	0.07823	634,600	132,900	501,700	0	0	0	0
Paint Shop: Struct Equip.	364,000	40	82	18	0.06646	24,200	4,200	15,600	0	0	0	4,400
Modifications to Existing Plant: Struct Equip.	425,000	20	67	33	0.08718	37,100	5,200	19,700	700	1,100	0	10,400
TOTAL	\$70,500,000					\$5,128,500	\$795,800	\$3,005,000	\$68,900	\$74,400	\$1,184,400	\$1,184,400
						100%	15.517%	58.594%	1.343%	1.451%	23.095%	23.095%

PARAMETER ALLOCATION PERCENTAGES (1)

(1) These percentages are used in developing the rolling weighted-average percentages in Form 8A.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
OVERALL HISTORICAL VALUE OF THE RWF (Pre - 1982, 143 MGD, 167 MGD & SBWR) AND
ROLLING WEIGHTED-AVERAGE PARAMETER ALLOCATION PERCENTAGES (For Projects Costing Less Than \$2 Million and or Not Process-related
FISCAL YEAR 2018-2019)**

FACILITIES		FLOW	BOD	SS	NH3	TOTAL
Primary & Secondary	Percent	42.441%	38.726%	18.833%	0.000%	100%
	Cost	\$26,176,800	\$23,885,400	\$11,615,800	\$0	\$61,678,000
AWTF	Percent	74.111%	1.343%	1.451%	23.095%	100%
	Cost	\$49,149,000	\$890,600	\$962,300	\$15,316,200	\$66,318,100
Inter. Term Improvements - 143 MGD	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200
First Stage Expansion - 167 MGD	Percent	84.284%	5.501%	10.215%	0.000%	100%
	Cost	\$22,900,000	\$1,494,500	\$2,775,500	\$0	\$27,170,000
South Bay Water Recycling (phases 1A & 1B)	Percent	100.000%	0.000%	0.000%	0.000%	100%
	Cost	\$215,535,300	\$0	\$0	\$0	\$215,535,300
Total Original Cost	Percent	73.377%	13.730%	8.313%	4.580%	100%
	Cost	\$335,502,200	\$62,777,600	\$38,011,500	\$20,940,300	\$457,231,600
Estimated Replacement Cost (June 2017) (1)	(2)Percent	73.377%	13.730%	8.313%	4.580%	100%
	(3) Cost	\$1,184,561,600	\$221,650,200	\$134,200,900	\$73,937,200	\$1,614,349,900

(1) The original cost of the facilities was escalated to June 2017 replacement value using the ENR (San Francisco) construction cost index. The June 2017 value is the current value of 'excess pooled capacity' contained in the Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies.

(2) These are rolling weighted-average that reflects the total capital investment in the RWF. They are used to allocate current year capital costs less than \$2 million and/or not process-related.

(3) Forms 8A (pages 1 & 2) are combined to derive parameter allocation percentages based on total RWF costs on Form 10D for use by Agencies in redistributing FY18-19 RWF capital costs to their respective users.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
SUMMARY of DISTRIBUTION of CAPITAL COST to PARAMETERS - Project-specific Basis for Process-related Projects over \$2M
FISCAL YEAR 2018-2019

PROCESS UNIT	FY18-19 Process-related Capital Project over \$2M (In Design Phase)	(%) LOADING PARAMETERS (1)			TREATMENT PARAMETER ALLOCATION				
		FLOW	BOD	SS	NEH3	FLOW COST	BOD COST	SS COST	NEH3 COST
		100	60	0	0	\$270,000	\$0	\$0	\$0
Headworks Improvements	\$270,000	100	0	0	0	\$270,000	\$0	\$0	\$0
New Headworks	\$1,309,000	100	0	0	0	\$1,309,000	\$0	\$0	\$0
Nitrification Clarifier Rehabilitation	\$841,000	40	60	0	0	\$336,400	\$504,600	\$0	\$0
Aeration Tanks & Blower Rehabilitation (Blowers)	\$33,054,000	20	60	0	20	\$6,610,800	\$19,832,400	\$0	\$6,610,800
Filter Rehabilitation	\$1,026,000	100	0	0	0	\$1,026,000	\$0	\$0	\$0
Digester and Thickener Facilities Upgrade	\$5,108,000	0	40	60	0	\$0	\$2,043,200	\$3,064,800	\$0
TOTAL	\$41,608,000	Average %			(2)	\$9,552,200	\$22,380,200	\$3,064,800	\$6,610,800
						22.958%	53.788%	7.366%	15.888%

(1) Source: Parameter allocations from Capital Project Cost Allocation Technical Memorandum, Carollo Engineers, March 2016, page 8.
(2) Forms 8A (pages 1 & 2) are combined to derive parameter allocation percentages based on total RWF costs on Form 10D for use by Agencies in redistributing FY18-19 RWF capital costs to agencies' users.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
HISTORICAL VALUE & ALLOCATION TO PARAMETERS
1982 PRIORITY and INTERMEDIATE-TERM IMPROVEMENTS
(To Increase Capacity to 143 MGD)**

FACILITIES		FLOW	BOD	SS	NH3	TOTAL
1982 Priority Improvements	Percent	100.000%	0.000%	0.000%	0.000%	100%
	Cost	\$1,551,800	\$0	\$0	\$0	\$1,551,800
Intermediate-Term Improvements:	Percent	33.276%	0.000%	0.000%	66.724%	100%
Phase I	Cost	\$2,708,700	\$0	\$0	\$5,431,300	\$8,140,000
Phase IIA	Percent	10.130%	89.117%	0.000%	0.753%	100%
	Cost	\$968,500	\$8,520,500	\$0	\$72,000	\$9,561,000
Phase IIB	Percent	40.623%	20.782%	38.595%	0.000%	100%
	Cost	\$11,500,400	\$5,883,400	\$10,926,200	\$0	\$28,310,000
Phase IIC	Percent	10.000%	90.000%	0.000%	0.000%	100%
	Cost	\$1,696,000	\$15,264,000	\$0	\$0	\$16,960,000
Process Control System	Percent	100.000%	0.000%	0.000%	0.000%	100%
	Cost	\$2,848,700	\$0	\$0	\$0	\$2,848,700
Sludge Processing	Percent	0.000%	35.000%	65.000%	0.000%	100%
	Cost	\$0	\$6,055,000	\$11,245,000	\$0	\$17,300,000
Other Engineering	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost	\$467,000	\$784,200	\$486,700	\$120,800	\$1,858,700
TOTAL 1982 PRIORITY and INTERMEDIATE TERM IMPROVEMENTS	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost (2)	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200

(1) The Capital Improvement Program (CIP) provided the facilities necessary to achieve a mean peak week treatment capacity of 143 MGD (CIP, 6/25/82 Executive Summary)

(2) The historical cost allocations from Forms 8B (pages 2&3) are combined on Form 8B (page 4) to derive allocation percentages on Form 10B

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
HISTORICAL VALUE & ALLOCATION TO PARAMETERS
FIRST STAGE EXPANSION
(To increase capacity from 143 MGD to 167 MGD)

FACILITIES (1)	FLOW	BOD	SS	NH3	TOTAL
Liquid Process	100.000%	0.000%	0.000%	0.000%	100%
Cost	\$22,900,000	\$0	\$0	\$0	\$22,900,000
Sludge Process	0.000%	35.000%	65.000%	0.000%	100%
Cost	\$0	\$1,494,500	\$2,775,500	\$0	\$4,270,000
TOTAL FIRST STAGE EXPANSION					
Percent	84.284%	5.501%	10.215%	0.000%	100%
Cost (2)	\$22,900,000	\$1,494,500	\$2,775,500	\$0	\$27,170,000

(1) Capital Improvement Program consists of Improvements to all areas of the Plant and expansion of the Liquid Process, Process Control System, Sludge Processing and Disposal to provide a capacity of 167 MGD (CIP, 6/25/82 Executive Summary)

(2) The historical cost allocations from Forms 8B (pages 2&3) are combined on Form 8B (page 4) to derive allocation percentages on Form 10B

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
HISTORICAL VALUE & ALLOCATION TO PARAMETERS

1982 PRIORITY & INTERMEDIATE-TERM IMPROVEMENTS (to 143 MGD)
and FIRST STAGE EXPANSION (to 167 MGD)

FACILITIES (1)		FLOW	BOD	SS	NH3	TOTAL
1982 Priority & Intermediate Term Improvements						
	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200
First Stage Expansion						
	Percent	84.284%	5.501%	10.215%	0.000%	100%
	Cost	\$22,900,000	\$1,494,500	\$2,775,500	\$0	\$27,170,000
TOTAL CAPITAL IMPROVEMENT PROGRAM						
	Percent	39.262%	33.423%	22.369%	4.946%	100%
	Cost (2)	\$44,641,100	\$38,001,600	\$25,433,400	\$5,624,100	\$113,700,200

(1) Comprised of the 1982 Priority & Intermediate-term Improvement Project (\$86,530,200 - Form 8B p. 2) for restoration of the Plant capacity to 143 MGD and the First Stage Expansion Project (\$27,170,000 - Form 8B p. 3) for expansion of Plant capacity to 167 MGD.

(2) Parameter cost allocation on this summary are used to derive parameter allocation percentages on Form 10B for use by Agencies to redistribute debt service costs related to 1982 Priority, Intermediate-term, First Stage Expansion to 167 MGD (pre-SBWR) to their respective users.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)

CAPACITY ALLOCATION (1)
AGENCIES' CAPACITY PERCENTS OF THE OVERALL RWF CAPACITIES
FISCAL YEAR 2018-19

AGENCY	FLOW		BOD		SS		NH3	
	MGD	%	Klbs/Day	%	Klbs/Day	%	Klbs/Day	%
San Jose (2)	107.139	64.154	377.483	69.774	335.354	69.002	33.354	67.245
Santa Clara (2)	25.664	15.368	90.423	16.714	80.331	16.529	7.990	16.109
Subtotal	132.803	79.522	467.906	86.488	415.685	85.531	41.344	83.354
W.V.S.D. (3) & (4)	11.697	7.004	28.611	5.289	27.173	5.591	2.825	5.696
Cupertino (5)	7.850	4.701	16.419	3.035	16.299	3.354	2.287	4.611
Milpitas (4) (5)	14.250	8.533	27.249	5.037	25.990	5.348	2.847	5.740
Burbank	0.400	0.240	0.815	0.151	0.853	0.176	0.297	0.599
TOTAL	167.000	100.000	541.000	100.000	486.000	100.000	49.600	100.000

(1) SOURCE: Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies (revised 9/85).

(2) San Jose and Santa Clara share cost and capacity between themselves proportionally based on assessed valuations.

(3) Reflects transfers of capacities, not reflected in the Master Agreements, to San Jose and Santa Clara resulting from annexations and detachments as of October 2012.

(4) Reflects transfers of capacities from WVSD to Milpitas - effective July 1, 2006

(5) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

NOTE: C.S.D. No. 2-3 has an agreement with San Jose/Santa Clara which entitles it to determine annually, within certain limits, its capacity requirements. The capacity requirements may vary from year to year, therefore, a fixed capacity is not presented on this form. C.S.D. No. 2-3's capacity requirements will be met from San Jose/Santa Clara's capacities shown on this form.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
DISTRIBUTION OF HISTORICAL CAPITAL COSTS

PRIMARY, SECONDARY and ADVANCE WASTE TREATMENT FACILITIES

Parameter Allocation Percentages for Use by Agencies in Redistributing Pre-1982 Debt Service to Agencies' Users

AGENCY	FLOW	BOD	SS	NHS	TOTAL
San Jose	Cost \$48,324,400	\$17,287,100	\$8,679,200	\$10,299,500	\$84,590,200
	Percent (4) 57.128	20.436	10.260	12.176	100%
Santa Clara	Cost \$11,576,100	\$4,141,100	\$2,079,000	\$2,467,300	\$20,263,500
	Percent (4) 57.128	20.436	10.260	12.176	100%
Subtotal	Cost \$59,900,500	\$21,428,200	\$10,758,200	\$12,766,800	\$104,853,700
	Percent (4) 57.128	20.436	10.260	12.176	100%
West Valley (1)	Cost \$5,275,800	\$1,310,400	\$703,200	\$872,400	\$8,161,800
	Percent (4) 64.640	16.055	8.616	10.689	100%
Cupertino (2)	Cost \$3,541,100	\$752,000	\$421,900	\$706,200	\$5,421,200
	Percent (4) 65.319	13.871	7.782	13.027	100%
Milpitas (1) (2)	Cost \$6,427,600	\$1,248,000	\$672,700	\$879,100	\$9,227,400
	Percent (4) 69.658	13.525	7.290	9.527	100%
Burbank	Cost \$180,800	\$37,400	\$22,100	\$91,700	\$332,000
	Percent (4) 54.458	11.265	6.657	27.620	100%
TOTAL (3)	\$75,325,800	\$24,776,000	\$12,578,100	\$15,316,200	\$127,996,100

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) Capital cost from Form 8B (page 1) are distributed to Agencies to derive the allocation percentages on this Form 10A.

(4) Allocation percentages for use by Agencies in allocating their pre-1982 debt service to their respective users.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES
DISTRIBUTION OF HISTORICAL CAPITAL COSTS**

**1982 PRIORITY, INTERMEDIATE-TERM (to 143 MGD) and FIRST STAGE EXPANSION (to 167 MGD)
Parameter Allocation Percentages For Use By Agencies In Redistributing Post-1982 through Pre-SBWR Debt Services to Agencies' Users.**

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost	\$28,639,100	\$17,549,500	\$3,782,000	\$76,485,900
	Percent (4)	37.444	22.945	4.945	100%
Santa Clara	Cost	\$6,860,400	\$4,203,900	\$906,000	\$18,321,900
	Percent (4)	37.444	22.945	4.945	100%
Subtotal	Cost	\$35,499,500	\$21,753,400	\$4,688,000	\$94,807,800
	Percent (4)	37.444	22.945	4.945	100%
West Valley (1)	Cost	\$3,126,700	\$2,009,900	\$320,300	\$6,878,900
	Percent (4)	45.453	20.672	4.656	100%
Cupertino (2)	Cost	\$2,098,600	\$1,153,300	\$259,300	\$4,364,200
	Percent (4)	48.087	19.545	5.942	100%
Milpitas (1) (2)	Cost	\$3,809,200	\$1,914,100	\$322,800	\$7,406,300
	Percent (4)	51.432	18.365	4.358	100%
Burbank	Cost	\$107,100	\$57,400	\$33,700	\$243,000
	Percent (4)	44.074	18.436	13.868	100%
TOTAL		\$44,641,100	\$25,433,400	\$5,624,100	\$113,700,200

- (1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.
- (2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.
- (3) Comprised of the 1982 Priority & Intermediate-term Improvement Projects (\$86,530,200 - Form 8B p.2) for restoration of the Plant capacity to 143 MGD and the First Stage Expansion Project (\$27,170,000 - Form 8B p.3) for expansion of Plant capacity to 167 MGD.
- (4) Parameter allocation percentages for use by the Agencies in redistributing debt services related to 1982 Priority, Intermediate Term Improvements and First Stage Expansion projects.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
DISTRIBUTION OF CAPITAL COSTS

SOUTH BAY WATER RECYCLING (Phases IA & IB)
Parameter Allocation Percentages for Use by Agencies in Redistributing SBWR Debt Service to Agencies' Users

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost	\$0	\$0	\$0	\$138,274,500
	Percent (3)	100.000	0.000	0.000	100%
Santa Clara	Cost	\$0	\$0	\$0	\$33,123,500
	Percent (3)	100.000	0.000	0.000	100%
Subtotal	Cost	\$171,398,000	\$0	\$0	\$171,398,000
	Percent (3)	100.000	0.000	0.000	100%
West Valley (1)	Cost	\$15,096,100	\$0	\$0	\$15,096,100
	Percent (3)	100.000	0.000	0.000	100%
Cupertino (2)	Cost	\$10,132,300	\$0	\$0	\$10,132,300
	Percent (3)	100.000	0.000	0.000	100%
Milpitas (1) (2)	Cost	\$18,391,600	\$0	\$0	\$18,391,600
	Percent (3)	100.000	0.000	0.000	100%
Burbank	Cost	\$517,300	\$0	\$0	\$517,300
	Percent (3)	100.000	0.000	0.000	100%
TOTAL		\$215,535,300	\$0	\$0	\$215,535,300

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) Comprised of capital projects necessary to reduce dry weather effluent flow the RWF to 120 million gallons per day and protect salt marsh habitat for endangered species in the South Bay as required by the Regional Water Quality Control Board Order 94-117.

(3) SBWR capital costs and related debt services are allocated to Flow parameter only.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
DISTRIBUTION OF CAPITAL COSTS - ALL PROJECTS (3)**

Parameter Allocation Percentages for Use by Agencies in Redistributing Fiscal Year 18-19 Capital Costs to Agencies' Users

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost \$33,044,000 Percent (4) 50.314	\$21,051,400 32.053	\$5,397,900 8.218	\$6,182,600 9.414	\$65,675,900 100%
Santa Clara	Cost \$7,915,200 Percent (4) 50.314	\$5,042,900 32.053	\$1,292,900 8.218	\$1,480,900 9.414	\$15,731,900 100%
Subtotal	Cost \$40,959,200 Percent (4) 50.314	\$26,094,300 32.053	\$6,690,800 8.218	\$7,663,500 9.414	\$81,407,800 100%
West Valley (1)	Cost \$3,634,100 Percent (4) 58.581	\$1,602,600 25.833	\$439,700 7.088	\$527,200 8.498	\$6,203,600 100%
Cupertino (2)	Cost \$2,439,000 Percent (4) 60.236	\$919,800 22.716	\$263,800 6.515	\$426,500 10.533	\$4,049,100 100%
Milpitas (1) (2)	Cost \$4,427,600 Percent (4) 64.111	\$1,526,600 22.105	\$420,700 6.092	\$531,200 7.692	\$6,906,100 100%
CSD 2-3	Cost \$304,800 Percent (4) 60.984	\$112,900 22.589	\$32,200 6.443	\$49,900 9.984	\$499,800 100%
Burbank	Cost \$124,400 Percent (4) 51.920	\$45,900 19.157	\$14,100 5.885	\$55,200 23.038	\$239,600 100%
TOTAL (3)	\$51,889,100	\$30,302,100	\$7,861,300	\$9,253,500	\$99,306,000

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) Forms 10D (pages 2 & 3) are combined on this Form 10D (page 1) to develop cost allocations based on total RWF costs.

(4) These are the parameter allocation percentages for use by Agencies in allocating their current year's RWF capital costs to their respective users.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
DISTRIBUTION OF CAPITAL COSTS - Process-related Facilities & Equipments That Cost in Excess of \$2 Million
FISCAL YEAR 2018-19

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost \$6,082,800 Percent 21.607	\$15,548,200	\$2,104,600	\$4,416,900	\$28,152,500
Santa Clara	Cost \$1,457,100 Percent 21.607	\$3,724,500	\$504,200	\$1,058,000	\$6,743,800
Subtotal	Cost \$7,539,900 Percent 21.607	\$19,272,700	\$2,608,800	\$5,474,900	\$34,896,300
West Valley (1)	Cost \$669,000 Percent 27.867	\$1,183,700	\$171,400	\$376,600	\$2,400,700
Cupertino (2)	Cost \$449,000 Percent 29.236	\$679,200	\$102,800	\$304,800	\$1,535,800
Milpitas (1) (2)	Cost \$815,100 Percent 32.790	\$1,127,300	\$163,900	\$379,500	\$2,485,800
CSD 2-3	Cost \$56,100 Percent 29.888	\$83,500	\$12,600	\$35,500	\$187,700
Burbank	Cost \$22,900 Percent 22.517	\$33,800	\$5,400	\$39,600	\$101,700
TOTAL (3)		\$22,380,200	\$3,064,900	\$6,610,900	\$41,608,000

- (1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.
- (2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.
- (3) Forms 10D pages 2 & 3 are combined on Form 10D page 1 to develop cost allocation based on total RWF costs.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
DISTRIBUTION OF CAPITAL COSTS
Projects Costing Less Than \$2 Million and/or Not Process-Related
FISCAL YEAR 2018-19**

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost	\$5,503,200	\$3,293,300	\$1,765,700	\$37,523,400
	Percent	71.852	8.776	4.706	100%
Santa Clara	Cost	\$1,318,400	\$788,700	\$422,900	\$8,988,100
	Percent	14.666	8.776	4.706	100%
Subtotal	Cost	\$6,821,600	\$4,082,000	\$2,188,600	\$46,511,500
	Percent	71.852	8.776	4.706	100%
West Valley (1)	Cost	\$418,900	\$268,300	\$150,600	\$3,802,900
	Percent	11.015	7.055	3.960	100%
Cupertino (2)	Cost	\$240,600	\$161,000	\$121,700	\$2,513,300
	Percent	9.573	6.406	4.842	100%
Milpitas (1) (2)	Cost	\$399,300	\$256,800	\$151,700	\$4,420,300
	Percent	9.033	5.810	3.432	100%
CSD 2-3	Cost	\$29,400	\$19,600	\$14,400	\$312,100
	Percent	9.420	6.280	4.614	100%
Burbank	Cost	\$12,100	\$8,700	\$15,600	\$137,900
	Percent	8.774	6.309	11.313	100%
TOTAL		\$7,921,900	\$4,796,400	\$2,642,600	\$57,698,000

- (1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.
- (2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.
- (3) Forms 10D pages 2 & 3 are combined on Form 10D page 1 to develop cost allocation based on total RWF costs.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)

SUMMARY OF ANNUAL LOADINGS
FISCAL YEAR 2018-19

AGENCY	FLOW		BOD		SS		NH	
	MG	%	Klbs	%	Klbs	%	Klbs	%
San Jose	24,891.434	65.853	54,439.319	65.343	49,231.586	67.669	6,842.876	70.141
Santa Clara	5,077.619	13.434	9,403.002	11.286	7,567.589	10.402	979.660	10.042
Subtotal	29,969.053	79.287	63,842.321	76.629	56,799.175	78.071	7,822.536	80.183
W.V.S.D.	3,428.330	9.070	7,557.510	9.071	6,712.680	9.226	871.866	8.937
Cupertino	1,911.097	5.056	5,488.756	6.588	4,176.456	5.740	461.237	4.728
Milpitas	2,058.490	5.446	5,531.140	6.639	4,191.730	5.761	478.660	4.906
C.S.D. No. 2-3	345.079	0.913	716.957	0.861	700.518	0.963	97.332	0.998
Burbank	86.089	0.228	176.810	0.212	174.039	0.239	24.218	0.248
TOTAL	37,798.138	100.000	83,313.494	100.000	72,754.598	100.000	9,755.849	100.000

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES (RWF)
DISTRIBUTION OF OPERATIONS & MAINTENANCE COSTS
FISCAL YEAR 2018-19**

AGENCY	FLOW	BOD	SS	NH3	TOTAL	PERCENT SHARE OF COST
San Jose	80.675% (1) Cost Percent \$23,835,800 34.283	\$14,906,200 21.440	\$15,186,700 21.843	\$15,597,500 22.434	\$69,526,200 100%	63.437%
Santa Clara	19.325% (1) Cost Percent \$5,709,700 34.283	\$3,570,600 21.440	\$3,637,800 21.843	\$3,736,300 22.434	\$16,654,400 100%	15.196%
Subtotal	100% Cost Percent \$29,545,500 34.283	\$18,476,800 21.440	\$18,824,500 21.843	\$19,333,800 22.434	\$86,180,600 100%	78.633%
West Valley	Cost Percent \$3,379,800 33.979	\$2,187,200 21.990	\$2,224,600 22.366	\$2,154,900 21.665	\$9,946,500 100%	9.075%
Cupertino	Cost Percent \$1,884,100 31.419	\$1,588,500 26.490	\$1,384,000 23.080	\$1,140,000 19.011	\$5,996,600 100%	5.471%
Milpitas	Cost Percent \$2,029,400 32.721	\$1,600,800 25.810	\$1,389,100 22.397	\$1,182,900 19.072	\$6,202,200 100%	5.659%
C.S.D. No. 2-3	Cost Percent \$340,200 33.334	\$207,600 20.341	\$232,200 22.751	\$240,600 23.574	\$1,020,600 100%	0.931%
Burbank	Cost Percent \$85,000 33.530	\$51,100 20.158	\$57,600 22.722	\$59,800 23.590	\$253,500 100%	0.231%
TOTAL (2)	\$37,264,000	\$24,112,000	\$24,112,000	\$24,112,000	\$109,600,000	100.000%

(1) San Jose and Santa Clara share cost between themselves based on assessed valuation ratios.

(2) In accordance with the State Water Resources Control Board's Revenue Program Guidelines for Wastewater Agencies, the O/M Budget is allocated 34% to Flow and 22% each to BOD, SS and NH3.