

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, APRIL 04, 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 MARCH 21, 2018
- B. APPROVED MINUTES OF MARCH 7, 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. PUBLIC HEARING:

- A. CONDUCT A PUBLIC HEARING ON PROPOSED SANITARY SEWER SERVICE CHARGE INCREASE FOR FISCAL YEAR 2018-2019
 - 1. Staff Presentation
 - 2. Open Public Hearing and Receive Testimony
 - 3. Close Public Hearing
 - 4. Board Discussion
 - 5. Adopt Ordinance No. 122 Amending Article VII, Sections 7001 through 7003, of the Cupertino Sanitary District Operations Code
 - 6. Set Public Hearing Date to Collect Sewer Charges on Tax Roll

5. CORRESPONDENCE:

NONE

6. MEETINGS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) TO BE HELD APRIL 9, 2018
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD APRIL 12, 2018

7. REPORTS:

- A. NO-DIG CONFERENCE

8. UNFINISHED BUSINESS:

NONE

9. NEW BUSINESS:

- A. ANNUAL RENEWAL OF INNOVYZE INFOCARE FOR XPSWMM
- B. ANNUAL RENEWAL OF ARC/GIS
- C. REGIONAL BOARD – ADOPTION OF UPDATED SSS-WDR

10. STAFF REPORT:

- A. NEW DEVELOPMENT PROPOSALS
- B. STATUS OF UPDATING ARC/GIS AND LUCITY DATA

11. 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

12. ADJOURNMENT:

**CUPERTINO SANITARY DISTRICT
MEETING/EVENT SCHEDULE**

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 1 st Regular Meeting	5	6	7
8	9 TAC	10	11	12 TPAC	13	14
15	16	17	18 2 nd 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
- 05/16: 2nd Regular Meeting
- 05/28: Memorial Day Holiday

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

JUNE 2018

- 06/04: SCCSDA Meeting
- 06/06: 1st Regular Meeting
- 06/11: TAC Meeting
- 06/14: TPAC Meeting
- 06/20: 2nd Regular Meeting

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

SANITARY BOARD MEETING WEDNESDAY, MARCH 21, 2018

The Sanitary Board of the Cupertino Sanitary District convened this date at 6:58 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. The Board reviewed the Minutes of March 7, 2018. On a motion by Director Gatto seconded by Director Saadati, by a vote of 4-0-1, the Minutes of Wednesday, March 07, 2018 were approved. Director Kwok abstained.
- B. By consensus, the Approved Minutes of February 21, 2018 were Noted & to be Filed.
- C. The Board reviewed the financials. On a motion by Director Chen, seconded by Director Saadati, by a vote of 5-0-0, the payment of Bills for the month of February were approved as written.
- D. The Directors submitted their March 2018 timesheets to Staff.

PERSONAL PRESENTATIONS:

There were none.

CORRESPONDENCE:

There was none.

MEETINGS:

There were none.

REPORTS:

- A. Director Gatto reported on the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held March 08, 2018.

UNFINISHED BUSINESS:

- A. Staff confirmed filing of Form 700. All Board members have completed filing.
- B. The Board reviewed request for partial payment of CCTV software annual subscription. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 5-0-0, the Board approved a reimbursement amount of \$4,277 (50%) to Mark Thomas.

NEW BUSINESS:

- A. All Board members submitted Form 470 for filing.
- B. The Board reviewed Staff's request to attend the CWEA Annual Conference to be held April 17-20, 2018 in Sacramento, Ca. Director Kwok expressed his interest in attending as well. On a motion by Director Gatto, seconded by President Bosworth, by a vote of 5-0-0, the Board approved a budget of \$1,500 for Staff and Director Kwok to attend the conference.

STAFF REPORTS:

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

CLOSED SESSION:

President Bosworth adjourned the regular meeting session and opened the closed session at 7:20 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 7:43 p.m.

There was no reportable action.

ADJOURNMENT:

On a motion properly made and seconded, at 7:46 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

SANITARY BOARD MEETING
WEDNESDAY, MARCH 07, 2018

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:03 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: William A. Bosworth, Angela S. Chen, Taghi S. Saadati, and John M. Gatto. Director Patrick S. Kwok was on excused absence.

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

MINUTES:

- A. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 4-0-0, the Minutes of Wednesday, February 21, 2018 were approved.
- B. By consensus, the Approved Revised Minutes of February 07, 2018 were Noted & to be Filed.

PERSONAL PRESENTATIONS:

There were none.

CORRESPONDENCE:

- A. The Board discussed City of San Jose FY 2018-19 Treatment Plant Capital Cost and State Revolving Fund Loan Repayments Allocation.
- B. The Board discussed 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.

MEETINGS:

- A. 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.

REPORTS:

- A. Manager Tanaka reported on Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held March 5, 2018.
- B. President Bosworth reported on the Santa Clara County Special Districts Association Meeting held March 5, 2018. Santa Clara Valley Water speaker discussed agency's role in approval of development projects.

UNFINISHED BUSINESS:

There was none.

NEW BUSINESS:

- A. The Board reviewed request for partial payment of CCTV software annual subscription. Manager Tanaka discussed the software and allocation of effort for District. Manager Tanaka requested 50% cost share. The Board instructed Staff to re-agendize and bring back with a memo.
- B. The Board reviewed request for reimbursement of duplicate charge for APN 393-06-027. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 4-0-0, reimbursement to JC Development, in the amount of \$250, was approved for duplicate charge of inspection fees.
- C. The Board reviewed City of San Jose upcoming FY 2018-19 Treatment Plant O&M Allocation. No action was taken.

STAFF REPORTS:

- A. Manager Tanaka and Deputy Manager Porter reported on CASSE.
- B. Deputy Manager Porter reported on City of Cupertino upcoming Overlay Project.

CLOSED SESSION:

President Bosworth adjourned the regular meeting session and opened the closed session at 7:52 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 8:07 p.m.

There was no reportable action.

ADJOURNMENT:

Director Chen requested to be excused from the regular meeting to be held on April 18, 2018. The Board approved. Director Gatto is to serve on Finance Committee in Director Chen's absence.

On a motion properly made and seconded, at 8:09 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board



Memo

Item 4A

To: Board of Directors

From: Richard Tanaka, District Manager-Engineer

Date: April 4, 2018

Re: PUBLIC HEARING ON PROPOSED SANITARY SEWER SERVICE CHARGE INCREASE FOR FISCAL YEAR 2018-2019

Summary:

Staff has completed a preliminary rate study projection analysis of the financial status of the Cupertino Sanitary District (District) for the next 5 years assuming a rate increase of 8% and set public hearing for April 4, 2018 in accordance with prop 218 requirements.

The District has received no protests so far.

Background:

In March 2018, the District received the San Jose/Santa Clara Regional Wastewater Facility's Fiscal Year 2018-2019 Capital Improvement Budget and Operations & Maintenance Budget. As of February 28, 2018, the current operating cash balance available for the District is \$16,066,964.15.

Public hearing:

1. Staff presentation
2. Open public hearing
3. Close public hearing
4. Board discussion
5. Adopt Ordinance No. 122
6. Set Public Hearing date to collect charges on tax roll.

Attachment:

- 1) Ordinance No. 122
- 2) Resolution No. 1304



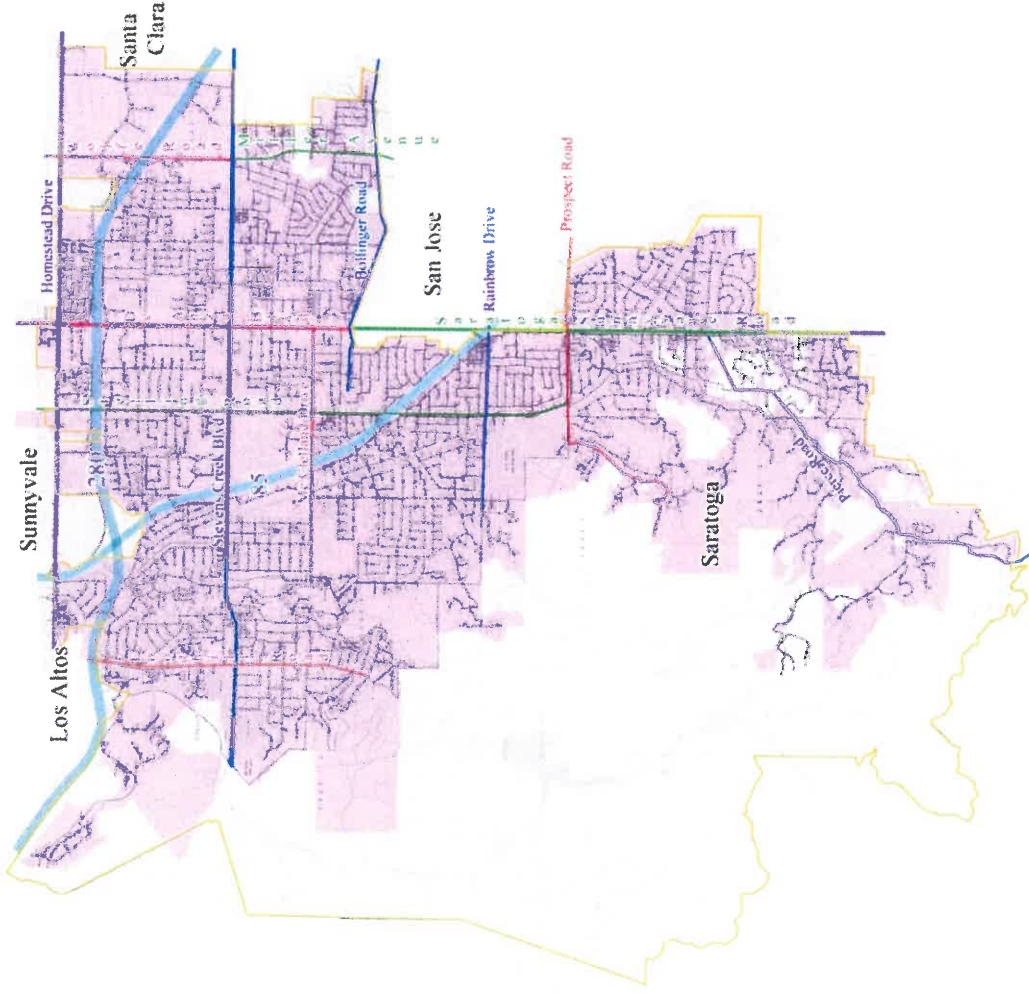
CUPERTINO SANITARY DISTRICT

PUBLIC HEARING TO CONSIDER SANITARY SEWER SERVICES RATE INCREASE FOR FISCAL YEAR 2018-2019





CUPERTINO SANITARY DISTRICT



- District was established on April 30, 1956.
- District encompasses 12.7 square miles (20,750 residential and 1,540 commercial customers).
- District owns, operates and maintains over 200 miles of sewer mains, 100 miles of lower laterals and 17 pump stations.
- Current average annual flow is 4.5 MGD; 4.0 MGD utilizes the City of Santa Clara Interceptor and 0.5 MGD uses the City of San Jose interceptor system.
- District owns 7.875 MGD capacity rights at the San Jose-Santa Clara Regional Treatment Plant



San Jose-Santa Clara Regional Treatment Facility Improvements



- The plant was constructed in 1956 and upgraded in 1964 and 1979. Water recycling facilities were introduced in 1998.
- 2013: The City of San Jose adopted the Plant Master Plan (PMP) with a cost of \$1.4 Billion over next 10 years
- 2016: Tributary agencies entered mediation with San Jose on existing agreement
- March 23, 2018: The Tributary Agencies filed a complaint against the Cities of San Jose and Santa Clara



**COST BREAKDOWN OF 10-YEAR CAPITAL
 IMPROVEMENTS
 FOR THE TREATMENT PLANT - FY 2018
 THROUGH 2028**

Tributary Discharger	%	Cost Share of \$1,400,000,000
City of San Jose	66.13%	\$925,888,265
City of Santa Clara	15.84%	\$221,785,793
City of Milpitas	6.95%	\$97,361,086
West Valley Sanitation District	6.25%	\$87,457,354
Cupertino Sanitary District	4.08%	\$57,083,560
County Sanitation District 2-3	0.50%	\$7,046,100
Burbank Sanitary District	0.24%	\$3,377,842

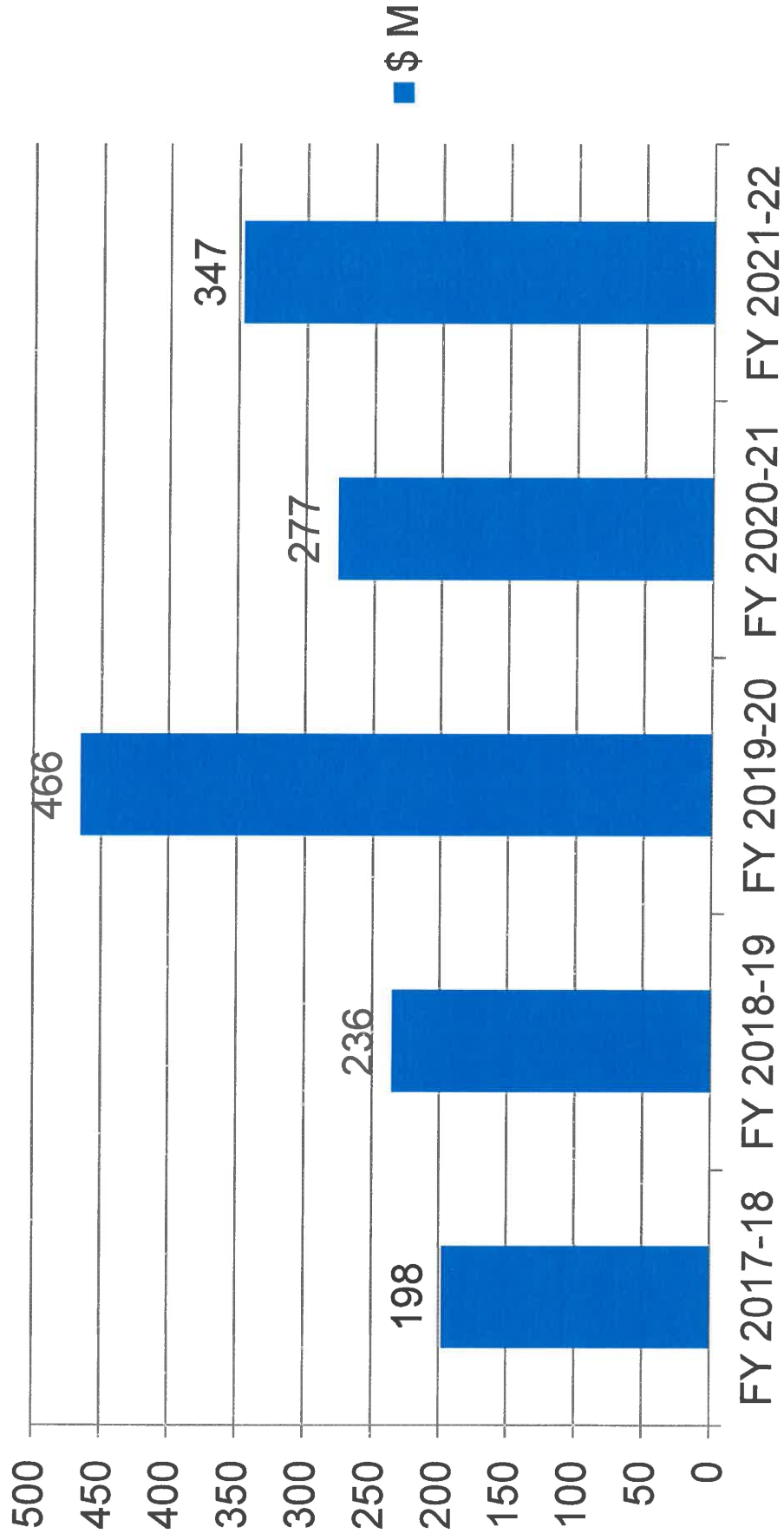


Timeline

- **2013:** Requested that San Jose provide a new agreement to cover PMP.
- **2014 and 2015:** San Jose and Tributary Agencies worked on implementation of the PMP with a financing program and a new agreement.
 - Short Term Financing– Commercial Paper
 - Long Term Bond Financing
- **Aug 2015:** San Jose determined that the long term bond financing was not a feasible option.
- **Oct 2015:** CuSD submitted a new agreement with redlined changes to San Jose.
- **Nov 2015:** San Jose provided their response to our revisions of the agreement.
- **Jan 2016:** Tributary agencies filed formal grievance with City of San Jose TPAC
- **Jan 2016-May 2017:** Mediation to resolve issues followed by administrative claim
- **February 2017 - March 2017:** Construction phase was initiated for Fiber Optic Connection, Digester Gas Compressor Upgrade, and Emergency Diesel Generators
- **March 2018:** Formal complaint filed



Plant CIP Expenditure Plan (IN MILLION DOLLARS)



ORDINANCE NO. 122

**AN ORDINANCE OF THE CUPERTINO SANITARY DISTRICT
AMENDING SECTIONS 7301, 7302 AND 7303 OF CHAPTER VII OF
THE CUPERTINO SANITARY DISTRICT OPERATIONS CODE
RELATING TO SEWER SERVICE CHARGES**

The Sanitary Board of the Cupertino Sanitary District, Santa Clara County, California, hereby ordains as follows:

SECTION 1: Sections 7301, 7302, and 7303 in Chapter VII of the Operations Code are amended to read as follows:

7301. CHARGE FOR SINGLE FAMILY UNITS:

Each Single Family Unit (as defined in Section 2109.B) shall be charged Five Hundred Eighteen Dollars and 55/100th Cents (\$518.55) per year.

7302. CHARGES FOR PARTICULAR UNITS:

A. Each Unit (as defined in Section 2109.A) of the particular uses listed below shall be charged Six Dollars and 87/100th Cents (\$6.87) per year, plus an additional annual service charge per hundred cubic feet (HCF) of sewage discharged, to be determined by the District Manager in accordance with the annual use of water by each Unit times the applicable rate to be determined by the District Manager as follows:

<u>Type of Use:</u>	<u>Service Charge:</u>
Auto Repair Shops & Service Stations	\$3.66 /HCF
Car Washes	\$3.54 /HCF
Domestic Laundry	\$3.80 /HCF
Machinery Manufacturers	\$6.22 /HCF
Motels or Hotels without Food Service	\$4.33 /HCF
Motels or Hotels with Food Service	\$7.26 /HCF
Retirement Homes with Common Dining Facilities	\$8.18 /HCF
Convalescent Hospitals	\$4.09 /HCF
Printing Plants	\$7.32 /HCF
Restaurants	\$8.85 /HCF
Retail or Professional Office	\$3.89 /HCF
Schools, Colleges, Day Care Facilities	\$5.51 /HCF

- B. Minimum Charge: In no event shall the annual service charge levied upon any Unit of the uses listed in Paragraph A above, be less than seventy-five percent (75%) of the service charge for a Single Family Unit, as set forth in Section 7301 of this Chapter.
- C. Where different types of Units are serviced by the same water meter, the District Manager shall estimate the quantity of discharge material produced by each type of Unit and calculate the additional service charge applicable to each type of Unit based upon the estimated discharge from that Unit.
- D. Whenever the District Manager determines that a Unit has been inappropriately classified as one of the types listed in Paragraph A of this Section, the District Manager may reclassify such Unit to another of the types listed in Paragraph A of this Section or require that the annual service charge for such Unit be calculated in accordance with the provisions of Section 7303 of this Chapter. Any increase or decrease in the annual service charge for the affected Unit resulting from the reclassification shall be prospective only and implemented on the next regular billing by the District for annual sewer charges. No discharger shall be entitled to a retroactive refund of charges paid, or liable for payment of additional charges, for any period prior to the effective date of the reclassification.

7303. CHARGES FOR ALL OTHER UNITS

- A. For each Unit not listed in Section 7302, the annual service charge shall be the sum of the annual Capital Cost Recovery Charge and the annual Maintenance and Operation Cost Recovery Charge, as determined by the District Manager, calculated as follows:

- (1) Capital Cost Recovery Charge:

Infiltration/Inflow (I/I)	\$7.84 per year for each unit; <i>plus</i>
Flow	\$338,601.73 per year for each million gallons per day of sewage treatment plant capacity required to treat the sewage discharged from the Unit into the sanitary sewer system; <i>plus</i>
Biochemical Oxygen Demand (BOD)	\$49,444.44 per year for each thousand pounds per day of sewage treatment plant capacity required to remove the biochemical oxygen demand contained in sewage discharged from the Unit into the sanitary sewer system; <i>plus</i>
Suspended Solids (SS)	\$45,708.90 per year for each thousand pounds per day of sewage treatment plant

capacity required to remove the suspended solids contained in the sewage discharged from the Unit into the sanitary sewer system; *plus*

Ammonia (NH₃) \$150,040.71 per year for each thousand pounds per day of sewage treatment plant capacity required to remove ammonia contained in the sewage discharge from the Unit into the sanitary sewer system.

(2) Operation and Maintenance Cost Recovery Charge:

Flow \$2,947.98 for each million gallons per year of sewage discharged from the Unit into the sanitary sewer system; *plus*

Biochemical Oxygen Demand (BOD) \$335.63 for each thousand pounds per year of biochemical oxygen demand discharged from the Unit into the sanitary sewer system; *plus*

Suspended Solids (SS) \$438.25 for each thousand pounds per year of suspended solids discharged from the Unit into the sanitary sewer system; *plus*

Ammonia (NH₃) \$3,618.46 for each thousand pounds per year of ammonia discharged from the Unit into the sanitary sewer system.

B. In determining the Capital Cost Recovery Charge and the Operation and Maintenance Cost Recovery Charge, the District Manager may utilize information on the content of discharges from particular Units provided by the treatment Plant, or other source of information deemed by the District Manager to be appropriate, or actual grab samples of such discharges taken by the District, or any combination thereof. The District Manager is authorized to modify the annual service charge from time to time, based upon such information and samples; *provided, however*, any increase or decrease in the annual service charge shall be prospective only and implemented on the next regular billing by the District for annual sewer charges. No discharger shall be entitled to a retroactive refund of charges paid, or liable for payment of additional charges, for any period prior to the effective date of the modification.

C. Where multiple Units having different flow content are serviced by the same water meter, the District Manager shall allocate the Capital Cost Recovery Charge and the Operation and Maintenance Cost Recovery Charge between each individual Unit based upon his estimate of the discharge material produced by each Unit.

SECTION 2: Upon adoption this Ordinance shall be entered in the minutes of the Sanitary Board and a summary of this Ordinance prepared by the District Counsel shall be published once in the Cupertino Courier and the Saratoga News, being newspapers of general circulation in the District. A certified copy of the full text of this Ordinance shall be posted in the office of the District Clerk.

SECTION 3: This Ordinance shall become effective July 1st, 2018.

PASSED AND ADOPTED at a regular meeting of the Sanitary Board of the Cupertino Sanitary District held on the 4th day of April, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Sanitary Board

ATTEST:

Secretary of the Sanitary Board

APPROVED AS TO FORM:

District Counsel

RESOLUTION NO. 1304

**A RESOLUTION FIXING TIME AND PLACE FOR
HEARING ON REPORT ON RATES AND CHARGES FOR
SERVICE AND FACILITIES FURNISHED BY THE DISTRICT
FOR THE FISCAL YEAR 2018-2019 AND
PROVIDING FOR NOTICE THEREOF**

CUPERTINO SANITARY DISTRICT

RESOLVED, by the Sanitary Board of the Cupertino Sanitary District, Santa Clara County, California, that

WHEREAS, this District has elected to have certain rates and charges for services and facilities furnished by it which have become delinquent and the rates and charges for services and facilities furnished by the District for the fiscal year 2018-19 collected on the tax roll of the County of Santa Clara, State of California, pursuant to Sections 5470 through 5473.11 of the Health and Safety Code of the State of California; and

WHEREAS, pursuant thereto, a report on said rates and charges will be filed with the Secretary of this District on June 6, 2018;

NOW, THEREFORE, IT IS HEREBY ORDERED that Wednesday, the 20th day of June 2018, at the hour of 7:00 o'clock P.M., at the regular meeting place of said Board, Stevens Creek Office Center, 20863 Stevens Creek, Suite 100, Cupertino, California, are hereby fixed as the time and place for hearing on the report on rates and charges for services and facilities furnished by the District filed with the Secretary of this District, pursuant to law, and the Secretary shall publish notice of said hearing and of the filing of said report, once a week for two successive weeks prior to the date set for said hearing, in both the Cupertino Courier and Saratoga News, both a newspaper of general circulation published in the District.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Cupertino Sanitary District, at a meeting thereof held on the 4th day of April 2018, by the following vote:

AYES, Members:

NOES, Members:

ABSENT, Members:

Secretary, Cupertino Sanitary District

APPROVED:

Acting President, Cupertino Sanitary District



Memo

Item 9A

To: Board of Directors
From: Richard Tanaka, District Manager-Engineer
Date: April 04, 2018
Re: ANNUAL INFOCARE RENEWAL FOR XPSWMM

Background:

XPSWMM is a hydraulic and hydrologic modeling software that combines traditional one-dimensional calculations for upstream to downstream flow with two-dimensional overland flow spreadsheet calculations.

INFOCARE is the annual maintenance service bundle for XPSWMM. Renewal benefits include:

- 1 full year of upgrades and regular updates
- 1 full year of unlimited tech support
- 1 hour of modeling consultation

Mark Thomas owns one user license for XPSWMM and it is licensed to be used in the Cupertino Office. Mark Thomas purchased the XPSWMM software two years ago for a cost of \$35,000 to support and update Cupertino Sanitary District Master Plan and potentially to be used for other clients. Currently, Mark Thomas uses the software solely for Cupertino Sanitary District to analyze the capacity of the Cupertino Sanitary District's sanitary sewer system. Staff is continuing to use it for the Master Plan which includes 10-year CIP projects and is also using it to model how our existing pipes would handle several new planning developments in the City of Cupertino. Staff would like technical support and to be constantly updated with the latest software to be able to answer our District related questions, which we have found very useful.

The total cost of the annual maintenance cost for this software is \$6,120.00 Mark Thomas is requesting that the District consider 50% reimbursement to Mark Thomas.

Board Consideration/Action:

Cupertino Sanitary District Board of Directors authorizes a reimbursement amount of \$3,060 (50%) to Mark Thomas.

Attachment:

- Invoice No. 170529800

INFOCARE INVOICE



Date: 20 March 2018

Invoice Number: 170529800

Mark Thomas & Company, Inc.
Richard Tanaka
2290 N first Street Suite 304
San Jose CA 95131
United States
P: (408) 453-5373 x241
E: rtanaka@markthomas.com

CONTRACT START DATE	CONTRACT END DATE	AUTHORIZATION	TERMS
31 May 2018	31 May 2019		Due by 31 May 2018

Qty	Product	Unit Price	Total Amount
1	Annual InfoCare for xpswmm Complete Standalone/Site Bundle License #3058	\$6,120.00	\$6,120.00
InfoCare (annual maintenance and support) must be continually maintained to receive support and upgrades. Lapsed maintenance will be subject to a surcharge. Read the Agreement here: http://www.innovyze.com/agreements/		Subtotal	\$6,120.00
		Tax	\$0.00
		TOTAL (U.S. Dollars)	\$6,120.00

Method of Payment			
Please remit payment in US Dollars to the address below and include invoice number 170529800 .			
For Direct Electronic Bank Transfer:			
Bank:	HSBC Bank	SWIFT Code:	#MRMDUS33
Account No.:	447004131	Routing transit number for ACH transfer:	#123006389
Name:	Innovyze Incorporated	Routing transit number for wire transfer:	#021001088
Remittance Advice:	uscustomerbilling@innovyze.com		

Tax has been estimated per your local regulations. Customer remains responsible for all taxes imposed by local regulations associated with this transaction. If your business is tax exempt, please forward your exemption certificate.
Overdue renewals subject to rate increase.

Frankie Martinez

From: Richard Tanaka
Sent: Tuesday, March 20, 2018 1:25 PM
To: Benjamin Porter; Frankie Martinez
Subject: FW: Your Innovyze InfoCare Renewal Invoice
Attachments: InfoCare Quotation 170529800 Mark Thomas & Company, Inc.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Please align with staff report similar to last year for SWMM annual maintenance fee.

Richard K. Tanaka
Senior Principal
(408) 477-7302 direct | (408) 838-7463 cell
MARK THOMAS

From: Jessica McCowan [mailto:jessica.mccowan@innovyze.com]
Sent: Tuesday, March 20, 2018 12:50 PM
To: Richard Tanaka <rtanaka@markthomas.com>
Cc: Ivy To <ito@markthomas.com>
Subject: Your Innovyze InfoCare Renewal Invoice

Hello Richard,

I hope you are having a productive and successful week!

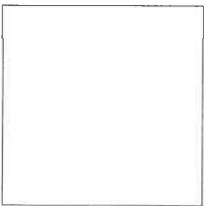
Attached please find your renewal invoice for your InfoCare (annual maintenance) contract with Innovyze. Renewal of your InfoCare contract has the following benefits

- New software releases and updates to keep you competitive in your market.
- Industry-leading, engineer-led technical support through phone and email.
- In the coming weeks you will have access to our online Support Portal to manage your tickets and to view our online Knowledge Bank so you can find helpful information quickly.

Attached is your invoice. Please respond before your expiry date to maintain your preferred rates. If I should be sending invoices to another person in your organization, please let me know. If you have any questions about the invoice, please contact us at amrenewals@innovyze.com.

Innovyze maintains a high level of investment in software development and support, which are our top priorities. We look forward to supporting you and continuing our partnership for another year!

Best regards,



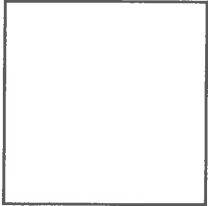
Jessica McCowan
Sales Administrator

Innovyze
6720 SW Macadam Ave., Suite 150 Tel: +1 888 554 5022
Portland, OR 97219

amrenewals@innovyze.com
www.innovyze.com

innovyze.com/contactus

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Memo

Item 9B

To: Board of Directors
From: Richard Tanaka, District Manager-Engineer
Date: April 4, 2018
Re: ARCGIS SOFTWARE ANNUAL RENEWAL

Background:

On April 16, 2014, the Board approved Staff to enter into an agreement with ESRI for the use of ArcGIS software to manage the District's assets (District maps, maintenance records, repair records, permits, assets of the District-both underground pipe system and pump stations and capital assets). The software is linked to the District's CMMS, Lucity, to provide live map and database updates.

In 2015, the Board approved Staff to continue the use of ArcGIS software. This license agreement was a commitment of a 3 year term at \$25,000 per year plus tax. A 3-year license renewal has been proposed for the same price.

Advanced features of the ArcGIS software include:

- **3D Analyst:** This allows three-dimensional visualization and analysis of the sanitary sewer system.
- **Spatial Analyst:** This is a power raster modeling and analysis features that allow us to create, query, and map.
- **Geostatistical Analyst:** Advanced statistical tools for analyzing and mapping, i.e. showing root problems, defects, maintenance statistics, CCTV, etc.
- **Network Analyst:** This will allow us to perform advanced routing and network analysis. This feature, once we have master plan with flow information, can easily find service area, flow issues or for bypassing, shortest and best routes.
- **Schematics:** This will allow us to generate, visualize and manipulate data from geodata base.
- **Publisher:** This allows us to create visual map to publish and share via ArcReader.

Recommendation:

Staff recommends the Board to approve renewal of ArcGIS Software Agreement for three years at \$25,000 each year, plus \$6,750 sales tax, totaling \$81,750.

Action:

Authorize President of the Board to execute said agreement.

Attachment: ArcGIS Agreement for Small Enterprise License Agreement.



March 30, 2018

Richard Tanaka
Cupertino Sanitary District
20863 Stevens Creek Blvd Ste 100
Cupertino, CA 95014-2110

Dear Richard,

The Esri Small Utility Enterprise Agreement (EA) is a three-year agreement that will grant your organization access to Esri® term license software on an unlimited basis including maintenance on all software offered through the EA for the term of the agreement. The EA will be effective on the date executed and will require a firm, three-year commitment.

Based on Esri's work with several organizations similar to yours, we know there is significant potential to apply geographic information system (GIS) technology in many operational and technical areas within your organization. For this reason, we believe that your organization will greatly benefit from an enterprise agreement.

An EA will provide your organization with numerous benefits including:

- A lower cost per unit for licensed software
- Substantially reduced administrative and procurement expenses
- Maintenance on all Esri software deployed under this agreement
- Complete flexibility to deploy software products when and where needed

The following business terms and conditions will apply:

- All current departments, employees, and in-house contractors of the organization will be eligible to use the software and services included in the EA.
- If your organization wishes to acquire and/or maintain any Esri software during the term of the agreement that is not included in the EA, it may do so separately at the Esri pricing that is generally available for your organization for software and maintenance.
- The organization will establish a single point of contact for orders and deliveries and will be responsible for redistribution to eligible users.
- The organization will establish a Tier 1 support center to field calls from internal users of Esri software. The organization may designate individuals as specified in the EA who may directly contact Esri for Tier 2 technical support.
- The organization will provide an annual report of installed Esri software to Esri.

- Esri software and updates that the organization is licensed to use will be automatically available for downloading.
- The fee and benefits offered in this EA proposal are contingent upon your acceptance of Esri's Small Utility EA terms and conditions.
- Licenses are valid for the term of the EA.

The terms and conditions in this Small Utility EA offer are for utilities with a total meter/subscriber count which falls under the applicable tier in the Esri EA Small Utility Program. By accepting this offer, you confirm that your organization's meter count falls within this range on the date of signature and that you are therefore eligible for this pricing. If your organization's meter/subscriber count does not fall within this range, please confirm your current meter/subscriber count, and Esri will provide a revised quotation.

This program offer is valid for 90 days. To complete the agreement within this time frame, please contact me within the next seven days to work through any questions or concerns you may have. To expedite your acceptance of this EA offer:

1. Sign and return the EA contract with a Purchase Order or issue a Purchase Order that references this EA Quotation and includes the following statement on the face of the Purchase Order: **"THIS PURCHASE ORDER IS GOVERNED BY THE TERMS AND CONDITIONS OF THE ESRI SMALL UTILITY EA, AND ADDITIONAL TERMS AND CONDITIONS IN THIS PURCHASE ORDER WILL NOT APPLY."** Have it signed by an authorized representative of the organization.
2. On the first page of the EA, identify the central point of contact/agreement administrator. The agreement administrator is the party that will be the contact for management of the software, administration issues, and general operations. Information should include name, title (if applicable), address, phone number, and e-mail address.
3. In the purchase order, identify the "Ship to" and "Bill to" information for your organization.
4. Send the purchase order and agreement to the address, email or fax noted below:

Esri	e-mail: service@esri.com fax
Attn: Customer Service SU-EA	documents to: 909-307-3083
380 New York Street	
Redlands, CA 92373-8100	

I appreciate the opportunity to present you with this proposal, and I believe it will bring great benefits to your organization.

Thank you very much for your consideration.

Best Regards,

Suzanne Timani | Senior Account Executive | Global Water Practice



Quotation # 20526551

Date: March 30, 2018

Customer # 492253 Contract #

Cupertino Sanitary District
20863 Stevens Creek Blvd Ste 100
Cupertino, CA 95014-2110

ATTENTION: Richard Tanaka
PHONE: 408 838 7463
FAX:

Environmental Systems Research Institute, Inc.
380 New York St
Redlands, CA 92373-8100
Phone: 909-793-2853 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 03/30/2018 To: 06/28/2018

Material	Qty	Description	Unit Price	Total
114761	1	Meter Counts of 10,001 to 50,000 Small Utility Term Enterprise License Agreement n- Year 1	25,000.00	25,000.00
114761	1	Meter Counts of 10,001 to 50,000 Small Utility Term Enterprise License Agreement - Year 2	25,000.00	25,000.00
114761	1	Meter Counts of 10,001 to 50,000 Small Utility Term Enterprise License Agreement - Year 3	25,000.00	25,000.00
			Item Total:	75,000.00
			Subtotal:	75,000.00
			Sales Tax:	6,750.00
			Estimated Shipping & Handling(2 Day Delivery) :	0.00
			Contract Pricing Adjust:	0.00
			Total:	\$81,750.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Suzanne Timani

Email: stimani@esri.com

Phone: (909) 793-2853 x1627

The items on this quotation are subject to and governed by the terms of this quotation and of your signed agreement with Esri, if applicable, and the most current product specific scope of use document found at <http://www.esri.com/~media/Files/Pdfs/legal/pdfs/e300.pdf>. If no such agreement covers any item, then Esri's standard terms and conditions, and current product specific scope of use, found at <http://www.esri.com/legal/software-license> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance of this quotation is limited to the terms of this quotation. State and local government entities in California or Maryland buying under the State Contract are also subject to the terms and conditions found at <http://www.esri.com/legal/supplemental-terms-and-conditions>. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. The quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri). Delivery is FOB Origin.

If sending remittance, please address to: Esri, P.O. Box 741076, Los Angeles, CA 90074-1076

Esri Use Only:
 Cust. Name _____
 Cust. # _____
 PO # _____
 Esri Agreement # _____



**SMALL ENTERPRISE AGREEMENT
 SMALL UTILITY
 (E215-2)**

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
 List of Products**

Uncapped Quantities

Desktop Software and Extensions (Single Use)

ArcGIS Desktop Advanced
 ArcGIS Desktop Standard
 ArcGIS Desktop Basic
 ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions

ArcGIS Enterprise and Workgroup (Advanced and Standard)
 ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager

Enterprise Optional Servers

ArcGIS Image Server

Developer Tools

ArcGIS Engine
 ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics
 ArcGIS Runtime (Standard)
 ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS Developer*
 Two (2) Esri CityEngine Advanced Single Use Licenses
 50 Level 1 ArcGIS Online Named Users
 50 Level 2 ArcGIS Online Named Users
 10,000 ArcGIS Online Service Credits
 50 Level 2 ArcGIS Enterprise Named Users
 2 Insights for ArcGIS for use with ArcGIS Enterprise

OTHER BENEFITS

Number of Esri User Conference Registrations provided annually	2
Number of Tier 1 Help Desk Individuals authorized to call Esri	3
Maximum number of sets of backup media, if requested**	2
Self-Paced e-Learning	Uncapped
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement (Discount does not apply to Small Enterprise Training Package)	

*Maintenance is not provided for these items

**Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with a signed sales quotation, purchase order, or other document that matches the Quotation and references this Agreement ("Ordering Document"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S ORDERING DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of Customer's Ordering Document incorporating this Agreement by reference, unless otherwise agreed to by the parties ("Effective Date").

Term of Agreement: Three (3) years

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at <http://www.esri.com/legal/software-license> and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-owned entities, either party may terminate this Agreement before any subsequent year if

Customer is unable to secure funding through the legislative or governing body's approval process.

- 3.5 Follow-on Term.** If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <http://support.esri.com/en/content/productlifecycles>. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <http://www.esri.com/legal>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.
4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.

5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download, operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee before the annual anniversary date for each year.
- b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri's federal ID number is 95-2775-732.
- c. If requested, Esri will ship backup media to the ship-to address identified on the Ordering

Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

- a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.
- b. The following information will be included in each Ordering Document:
 - (1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
 - (2) Order number
 - (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "Ownership Change"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1** If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2** If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.

9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.

Frankie Martinez

To: Richard Tanaka
Subject: RE: Sanitary Sewer Systems WDR Private Collection System Outreach Assistance

----- Original message -----

From: "Vazquez, Gil@Waterboards" <Gil.Vazquez@waterboards.ca.gov>
Date: 3/27/18 12:49 PM (GMT-08:00)
To: Richard Tanaka <rtanaka@markthomas.com>
Subject: Sanitary Sewer Systems WDR Private Collection System Outreach Assistance

Hello,

The State Water Board is in the process of reissuing the Sanitary Sewer Systems Waste Discharge Requirements Order 2006-0003-DWQ and its amendment 2013-0058-EXEC (SSS WDR). As part of the reissuance, we have started reaching out to collection system agencies through the California Water Environmental Association and California Association of Sanitation Agencies workshops. During these workshops we heard concerns with the SSS WDR regulation, or lack of, on private collection systems. Our next step is to reach out to these private collection systems to discuss the SSS WDR reissuance and possible regulation requirements. To assist our outreach, **please provide us with a list of private collection systems connected to your system along with their contact information (email preferred) by April 6, 2018.**

Please let me know if you have any questions.

Thank you,

-Gil Vazquez, P.E.
Water Resource Control Engineer
SWRCB – DWQ – NPDES
Phone: 916.322.1400
Email: gil.vazquez@waterboards.ca.gov

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.



March 28, 2018

Sent vial email to: Diana.Messina@waterboards.ca.gov and Gil.Vazquez@waterboards.ca.gov

State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

RE: Preliminary Suggestions of CASA, BACWA and SCAP on the Forthcoming Revisions to the SSS WDR

Dear Ms. Messina and Mr. Vazquez:

The California Association of Sanitation Agencies (CASA), Bay Area Clean Water Agencies (BACWA), and the Southern California Alliance of Publicly Owned Treatment Works (SCAP) (collectively referred to herein as "Associations") appreciate the opportunity to comment on the forthcoming revisions to the Sanitary Sewer System Waste Discharge Requirements (SSS WDR).

For 60 years, CASA has been the leading voice for public wastewater agencies on regulatory, legislative and legal issues. CASA is an association of local agencies, engaged in advancing the recycling of wastewater into usable water, generation of renewable energy, and other valuable resources. Through these efforts CASA's members help create a clean and sustainable environment for Californians. BACWA is a joint powers agency whose members own and operate publicly owned treatment works (POTWs) and sanitary sewer systems that collectively provide sanitary services to over 7.1 million people in the nine-county San Francisco Bay (SF Bay) Area. SCAP represents over 80 public agencies providing water and wastewater service for 19 million people in 7 counties of southern California.

We appreciate State Water Board staff's outreach activities over the last several months, including the recent listening sessions as part of multiple CWEA workshops and attending the CASA Winter Conference to discuss the SSS WDR. We also appreciate the opportunity to weigh in on potential updates in advance of language being fully developed or released. We hope this early stakeholder engagement and participation will help produce a better end product that has a significant amount of buy-in from the regulated community.

Below are a number of issues and concepts that have been raised in recent months, and the Associations' collective thoughts and suggestions as it relates to their inclusion in the SSS WDR.

Efficient and Effective Permitting

We appreciate and support the State Water Board's efforts to make the newly reissued SSS WDR more efficient and effective while cutting unnecessary regulatory costs to the municipalities governed under the order. CASA is actively examining what requirements (or frequency of requirements) in the current WDRs do not provide value to sanitary sewer system management, and we should have more comprehensive thoughts on that issue as the stakeholder process moves forward. In general, we support the increased use of templates, examples, and models

for various reports and requirements. The increased use of templates could be beneficial to many public collection system agencies, and SSMP-focused workshops and the Data Review Group CIWQS training efforts can be particularly helpful for smaller agencies. In an April 2017 letter to State Water Board staff, CASA suggested that the Water Board reexamine and clarify requirements related to the SSMP change log, the use of the pre-inspection questionnaire, and the SSO recordkeeping checklist among others. We appreciate this is being considered as part of the update, and we look forward to working with Water Board staff on modifications that will improve the clarity, efficiency and effectiveness of these regulations.

One additional item that has been raised in this context is the concept that the SSS WDR should be used to garner increased local elected official attention to collection system issues, or as a motivator to increase collection system budgets. The Associations believe that the SSS WDR is not the appropriate tool for this purpose. Additional requirements placed on some systems, while in unique circumstances may have been a catalyst for additional funding and improved system outcomes, are not a strategy that we would generally support as part of a statewide order applicable to all systems. Increasing the burdens on all permittees so that a few underperforming agencies have justification to get the financial resources to improve system outcomes is not an efficient use of the SSS WDR or local agency resources. However, we welcome the opportunity to work with State Water Board staff to find other ways to assist underperforming systems as well as small and/or disadvantaged communities.

De Minimus Threshold

There has been a significant amount of discussion regarding the establishment of a “de minimus” spill reporting threshold and either reducing or eliminating some reporting requirements for overflows that fall below that threshold. The establishment of a de minimus gallon threshold (and/or set of criteria) below which reporting is not required (or is required far less frequently) is probably the single greatest efficiency that could be built into a revised SSS WDR.

Our initial analysis of the CIWQS system flat files shows that roughly 35% of all reported overflows are less than 10 gallons in size, and approximately 50% of all reported overflows are less than 50 gallons in size. Below is a table summary of data pulled from the CIWQS flat file. A significant number of these overflows never reach waters, and many are fully recovered by the agency. In addition, Category 3 SSOs (essentially the “catch all” category under the existing SSS WDR and MRP) represent more than 80% of all overflows reported. As State Water Board staff is aware, reporting each of these smaller overflows takes a significant amount of time and energy, and very often that work is being done when the underlying incident has had no impact on public health or the environment.

Volume Range	SSOs	Percentages	Summary
0 to 10	18,752	36.5%	50% of All Reported Overflows Are Less than 50 Gallons
11 to 49	7,937	15.5%	
50 to 99	5,603	10.9%	90% of All Reported Overflows are Less Than 1000 Gallons
100 to 999	13,915	27.1%	
>1000	5,163	10.1%	
Totals	51,370	100.0%	

Volume Range	SSOs	Volumes	Percent (Volume)	Summary
0 to 10	18,752	83,281	0.03%	Only 0.11% of All Volume Is From Overflows of Less Than 50 Gallons
11 to 49	7,937	247,279	0.08%	
50 to 99	5,603	348,896	0.12%	
100 to 999	13,915	4,689,647	1.55%	98% of All Volume Is From Category 1 Overflows
>1000	5,163	296,220,804	98.22%	
Totals	51,370	301,589,907	100.00%	

We would appreciate the opportunity to work with State Water Board staff to refine this analysis, and if the results are substantially similar to our initial examination of spill size and frequency, the State Water Board should consider setting the de minimus threshold at this 50 gallon level. These overflows of 50 gallon or less represent approximately one tenth of one percent of spill volume statewide, yet constitute 50% of the reporting required under the SSS WDR. Through further stakeholder efforts we can refine what it means for a spill to be “de minimus” and what the best methods for modifying the attendant reporting obligations might be. We strongly recommend that the large SSO and collection system data now available in CIWQS be used to drive modifications to the SSS WDR reporting requirements.

Regulation of Private Systems

State Water Board staff have indicated they could consider adding the regulation of larger private collection systems to the reissued WDRs. Examples given include private homeowner associations, industrial parks, or other similarly situated facilities. Our assumption is that “private systems” is limited to these types of larger community facilities for purposes of this discussion. Because the Associations generally represent public agency collection systems and POTWs, we do not have a strong recommendation as to whether certain categories of private collection systems should be incorporated into the SSS WDR, nor the types of requirements that should be placed on those facilities if they are incorporated.

However, if the State Water Board pursues the inclusion of these types of private systems, we want to ensure that public agencies are not burdened with additional reporting or enforcement responsibilities as it relates to those newly included systems. Any new regulation must require the compliance and reporting be the responsibility of the homeowners association, large industrial complex or the underlying property owner. In addition, these privately owned systems should not be considered “satellites” of existing public collection systems, and the attendant burden of inspection or regulation of those private facilities should not fall on the local sanitation agency where those facilities are geographically located. If identifying the differences between these private facilities and public collection systems proves difficult, the State Water Board may want to consider a separate and distinct order to govern these types of facilities, though the Associations take no position on that particular approach.

Climate Change Considerations

We understand that the State Water Board feels compelled to address climate change in some manner through the SSS WDR, consistent with the Climate Change Resolution adopted in Order No. 2017-0012. CASA and the other Associations are actively engaged on issues related to climate change mitigation and adaptation, and closely tracking how climate change is incorporated into individual permits and WDRs at the state and regional level.

In the context of the SSS WDR, the primary question seems to be how (or whether) the SSMPs or audits required under the SSS WDR should incorporate system, operation, or maintenance modifications necessary to address recent or future impacts of climate change. Some examples of impacts from climate change provided include lower flows (which can lead to solids build-up, root intrusions, increased odors, etc.), increased likelihood of overflows due to higher intensity rain events, and sea level rise in coastal communities.

Several agencies have observed secondary effects of climate change already (for example, decreased flows and attendant collection system problems as a result of water conservation and drought, which itself may be a result of climate change). We anticipate if storm events become more severe in the future as a result of climate change, this too would impact collection systems. The Associations would be happy to provide additional information from various research efforts in this area that we have participated in or that are currently ongoing. However, one thing we have learned is that each circumstance is very different, and a broad or universal requirement for climate change analysis is not likely to be productive or effective. One suggestion that State Water Board staff could explore is for climate change to be examined on an agency specific basis as part of the System Evaluation and Capacity Assurance Plan (SECAP) already in place under the SSMP (Item #8). An expanded discussion of how systems operate given changing climactic conditions within this existing mechanism would likely be appropriate and could be sufficiently flexible and tailored to a local agency's circumstances. Another option would be a simple requirement for the issue to be addressed more generally in a sewer system master plan or similar document.

However, the Associations would be concerned with any requirement pertaining to climate change that is too prescriptive. Since each agency will have unique issues dependent upon its location, size, and a variety of other factors, flexibility in level of detail for analysis is crucial. There should also be some consideration of analyses and documents that have already been developed or are being developed by agencies covered under the SSS WDR. Many agencies have developed or are developing responses to climate change as part of other regulatory requirements or as a proactive measure, and we would not want any efforts under the SSS WDR to be duplicative or additive to what an agency has already developed in regard to climate change. This is particularly relevant as it relates to issues that are far broader than collection systems (e.g. sea level rise) that are often being examined on a regional or watershed basis.

We look forward to working with Water Board staff to craft a flexible solution that adequately incorporates climate change considerations into the SSS WDR but does not duplicate efforts already underway.

Audit Schedule

The Associations generally support proposed changes to the audit requirement that would move the audit to a specified period of time prior to the renewal of the SSMP. This is one of the items that CASA raised in its letter from April of 2017, where we highlighted that the existing language results in a year six audit for Enrollees coming just one year after the last SSMP re-adoption, an inefficient use of resources. In presentations it has been suggested that the audit instead occur 6 months prior to SSMP renewal, though some agencies are concerned this is an insufficient amount of time to perform a complete audit and suggest one year prior to SSMP renewal would be more appropriate. Because we represent a diverse array of agency sizes and capabilities, some of these options may be better for some than others, but in general we support a reduced audit requirement that better aligns with SSMP governing board renewal and adoption. The specific timing of this is something we can work through as stakeholder outreach occurs. We are also comfortable with the suggestion that the final audit report be certified by the agency's legally responsible official (LRO). We would also ask that the State develop general guidelines as it relates to the final audit report as there clearly is a significant diversity in opinion among the hundreds of agencies across the State as to what constitutes an acceptable final audit report.

Better QA/QC Protocol for CIWQS Data

The accuracy and reliability of data in California Integrated Water Quality System (CIWQS) has been a significant issue for the wastewater community in recent years. We appreciate that the Data Review Group (DRG) has been reconstituted and has been meeting regularly for several months to resolve some of these issues for the future. Many Association members are participating in that group and providing feedback on a regular basis. We look forward to identifying additional areas for improvements to the CIWQS system going forward as part of the SSS WDR. We also believe that going forward the significant data in the SSO related files should be used to inform regulatory needs.

Certification Issues

There has been some discussion surrounding the need for certification of collection system staff covered under the SSS WDR. Certification issues are typically handled through our fellow association, the California Water Environment Association (CWEA), though to the extent additional certification requirements may make it difficult to hire or retain adequate personnel to operate and maintain collection systems, we would have some concern about how such requirements are structured. The Associations look forward to hearing what State Water Board staff was considering in this regard and we can then formulate an appropriate position through the stakeholder process. We do recommend that if the State decides to move forward with collection system certification that this be implemented in a similar fashion to the treatment plant certification program in the past (i.e. a phased in program).

Streamlining Reporting

The Associations support streamlined spill reporting and notification, and look forward to working with State Water Board staff on various ways to make the reporting process more efficient and effective. One suggestion that has been raised is to modify the criteria for a "Category 1" spill that is fully recovered. Currently any spill that reaches waters is considered Category 1, regardless of size or whether the spill was entirely recovered. For example, if a small spill were to go to a concrete drainage channel, asphaltic concrete lined channel, culvert or pipeline that would eventually make its way to waters, that spill would automatically be categorized as "Category 1", even if the full amount of the spill was completely recovered and cleaned up before ever actually reaching waters or having any environmental impact. Requiring the heightened reporting requirements associated with Category 1 for these fully recovered overflows is not an efficient use of local agency resources. As noted above, even reporting very small overflows that have no impact on human health or the environment can result in significant staff time and energy. Modifying this requirement would be a straightforward way to streamline reporting without any impact on public health or the environment. We will also work to develop additional specific suggestions on streamlining reporting, and perhaps integrate them into the discussion of a "de minimus" threshold as described above.

Thank you for your consideration of our comments. If you have any follow up questions or comments please feel free to reach out to me directly at alink@casaweb.org or (916) 446-0388.

Sincerely,



Adam D. Link
Director of Government Affairs, CASA



Dave Williams, BACWA



Steve Jepsen, SCAP

cc: Jim Fischer, Office of Enforcement