

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, JULY 17, 2019**

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 & BILLS:

- A. APPROVAL OF THE MINUTES OF JULY 3, 2019
- B. APPROVED MINUTES OF JUNE 19, 2019
- C. PAYMENT OF BILLS AND APPROVAL OF FINANCIAL STATEMENT
- D. DIRECTORS' MONTHLY TIMESHEETS

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 HEARINGS:

- A. CONDUCT A PUBLIC HEARING ON AMENDMENT TO ORDINANCE NO. 123, PERMITS AND FEE CHARGES
 - 1. Staff Presentation
 - 2. Open Public Hearing and Receive Testimony
 - 3. Close Public Hearing
 - 4. Board Discussion
 - 5. Adopt Ordinance No. 125, Amending Ordinance No. 123 Relating to Permits and Fee Charges

- B. CONDUCT A PUBLIC HEARING ON REPORTS ON RATES AND CHARGES FOR FISCAL YEAR 2019-2020
 - 1. Staff Presentation
 - 2. Open Public Hearing and Receive Testimony
 - 3. Close Public Hearing
 - 4. Board Discussion

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5. Adopt Resolution No. 1312, Confirming Report on Rates and Charges for FY 2019-2020
6. Adopt Resolution No. 1313, Collection of Rates and Charges for FY 2019-2020

5. CORRESPONDENCE:

NONE

6. MEETINGS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) TO BE HELD AUGUST 6, 2019
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD AUGUST 8, 2019

7. REPORTS:

NONE

8. UNFINISHED BUSINESS:

- A. CSDA MEMBERSHIP
- B. STATUS OF LOAN

9. NEW BUSINESS:

- A. MOUNTAIN WINERY REQUEST FOR ANNEXATION

10. STAFF REPORT:

- A. PROSPECT PUMP STATION
- B. SILICON VALLEY FALL FESTIVAL
- C. MONTHLY MAINTENANCE REPORT

11. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara and Does 1 through 50 inclusive.

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12. NEXT MEETING:

- A. NEXT REGULAR DISTRICT BOARD MEETING IS SCHEDULED TO BE HELD ON WEDNESDAY, AUGUST 7, 2019

13. ADJOURNMENT:

**CUPERTINO SANITARY DISTRICT
MEETING/EVENT SCHEDULE**

JULY 2019

07/03: 1st Regular Meeting
 07/04: Holiday – Closed
 07/17: 2nd Regular Meeting (Public Hearing)

No TAC & TPAC meetings this month

JULY 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3 1 st Regular Meeting	4 HOLIDAY	5	6
7	8	9	10	11	12	13
14	15	16	17 2 nd Regular Meeting	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST 2019

08/05: TAC
 08/07: 1st Regular Meeting (*Kwok excused*)
 08/08: TPAC
 08/19: 2nd Regular Meeting
 08/21-23: CASA Conference

AUGUST 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6 TAC	7 1 st Regular Meeting	8 TPAC	9	10
11	12	13	14	15	16	17
18	19 2 nd Regular Meeting	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER 2019

09/02: Holiday – Office Closed
 09/04: 1st Regular Meeting
 09/09: SCCSDA Regular Meeting
 09/10: TAC
 09/12: TPAC
 09/14: Silicon Valley Fall Festival
 09/18: 2nd Regular Meeting

SEPTEMBER 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 HOLIDAY	3	4 1 st Regular Meeting	5	6	7
8	9	10	11	12 TPAC	13	14 Silicon Valley Fall Festival
15	16	17	18 2 nd Regular Meeting	19	20	21
22	23	24	25	26	27	28
29	30					

CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY, JULY 3, 2019

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

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

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

Guests present: Kitty Moore, Cupertino Planning Commission (representing self), and Osking Fluang of 862 Brent Drive, Cupertino.

2. MINUTES:

- A. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, the minutes of Wednesday, June 19, 2019 were approved as written.
- B. By consensus, the Minutes of Wednesday, June 5, 2019 are to be Noted & Filed.

3. PERSONAL PRESENTATIONS:

There were none.

4. PUBLIC HEARING:

Staff made a presentation on the sewer rate fees study. President Kwok opened the meeting for public comments. K. Moore addressed the Board and expressed that she would prefer to have development fees discussed alongside service fees. No other public comments were made. President Kwok closed the public hearing portion and the Board reviewed two written protests that were submitted to the District. After discussion by the Board, on motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, the Board approved Ordinance No. 124, Adopting Rate Increase for FY 2019-2020 with an increase of 12%.

On motion by Director Gatto, seconded by Director Chen, by a vote of 5-0-0, a public hearing to collect sewer service charges on taxroll was set for July 17, 2019.

5. CORRESPONDENCE:

There was none.

6. MEETINGS:

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There were none.

7. REPORTS:

There were none.

8. UNFINISHED BUSINESS:

There was none.

9. NEW BUSINESS:

- A. The Board discussed California Special Districts Association membership. Staff was instructed to clarify membership dues and length of membership and bring back to the next regular meeting.
- B. The Board discussed Prospect Pump Station construction. On motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the Board authorized staff to purchase pumps and electrical components. On motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, the Board authorized advertising the project to receive bids once the plans and specs are complete.

10. STAFF REPORTS:

- A. District Manager Porter reported on potential annexation of Mountain Winery.

11. CLOSED SESSION:

President Kwok adjourned the regular meeting session and opened the closed session at 8:15 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive.

President Kwok adjourned the closed session and the regular meeting was called to order at 8:26 p.m.

There was no reportable action.

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12. ADJOURNMENT:

President Kwok is excused from the regular meeting scheduled to be held on Wednesday, August 7, 2019.

On a motion properly made and seconded, at 8:30 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, JUNE 19, 2019

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

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

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

Guests present: Sasha Dansky, Principal at Mark Thomas, and Kitty Moore, Resident.

2. MINUTES & BILLS:

A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-1, the minutes of Wednesday, June 5, 2019 were approved as written. Director Chen abstained by reason of absence from the June 5, 2019 meeting.

B. By consensus, the Minutes of Wednesday, May 15, 2019 are to be Noted & Filed.

C. The Board discussed reimbursement request to Pho-Hoa Restaurant. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, reimbursement to Pho-Hoa Restaurant in the amount of \$25,900.28 was approved.

The Board reviewed the May financials for payment. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, payment of bills was approved as written.

D. The Directors submitted their May 2019 timesheets to Staff.

3. PERSONAL PRESENTATIONS:

There were none.

4. CORRESPONDENCE:

There was none.

5. MEETINGS:

There were none.

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6. REPORTS:

- A. Deputy Manager Porter reported on the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held June 11, 2019. West Valley Sanitation District General Manager John Newby requested a schedule of billings for San Jose Treatment Plant Capital costs. The request was rejected because staff and consultants indicated that they had already provided the only information currently available.
- B. Director Gatto attended the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held June 13, 2019. The committee discussed the RFP for the pretreatment facility.

7. UNFINISHED BUSINESS:

- A. Manager Tanaka presented an update on the line of credit and loan proposals for the District. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the Board elected to proceed with a loan from California Bank and Trust and approved Resolution No. 1311.

8. NEW BUSINESS:

- A. This item was moved up to after 6.A. The Board discussed draft Ordinance No. 125, amending Ordinance No. 123. The Board discussed new Ordinance 125 as written, based on the memo previously provided. Guest, K. Moore, provided background of experience after hearing about Pacific Catch and seeing sewer service charge increase on her own tax bill. The Board provided reasoning and cost justification based on treatment plant costs incurred by the District. Director Gatto suggested keeping collected fees for new connections in reserve to pay for treatment plant costs. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, a public hearing to amend Ordinance No. 123 was set to take place on Wednesday, July 17, 2019 at the District office.
- B. The Board confirmed Directors Kwok, Chen, Saadati, and Bosworth, legal counsel, and staff plan to attend the CASA 64th Annual Conference to be held August 21-23, 2019 in San Diego, CA.
- C. Directors Chen and Saadati both confirmed they plan to attend the CSRMA Risk Management Seminar to be held Wednesday, August 21, 2019 in San Diego, CA.
- D. The Board discussed the District Manager-Engineer transition. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, effective July 1, 2019 Ben Porter will become the District Manager-Engineer and Richard Tanaka will be the District Advisor and will also act in the role of facilitator in the Common Interest Group.
- E. The Board discussed the Annual Silicon Valley Fall Festival to be held September 17, 2019 in Cupertino. Staff was instructed to register for a booth and order tote bags, with a budget of \$350, to hand out to visitors.

9. STAFF REPORTS:

- A. Manager Tanaka and Deputy District Manager Porter reported on the Prospect Pump Station status and running total cost. The new estimated cost for the rehabilitation is \$2 Million.

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B. Deputy District Manager Porter reported on the monthly maintenance report.

10. CLOSED SESSION:

President Kwok adjourned the regular meeting session and opened the closed session at 8:25 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District, and the City of Milpitas v. The City of San Jose, The City of Santa Clara, and Does 1 through 50 inclusive.

President Kwok adjourned the closed session and the regular meeting was called to order at 8:37 p.m.

There was no reportable action.

11. ADJOURNMENT:

Due to calendar conflict, the regular meeting of Wednesday, August 21, 2019 is now moved to Monday, August 19, 2019.

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

CUPERTINO SANITARY DISTRICT WARRANTS PAYABLE - July 17, 2019

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 2,623.92	ADP	Directors' Salary	
18660	M&O	\$ 305,828.26	Mark Thomas & Company, Inc.	Office Rent	400.00
				Utilities	776.35
				District Sewer Capital & Support	34,918.16
				Plan Checking & Inspection	7,073.92
				Management Services	34,889.85
				Engineering Services	76,523.32
				Repairs	17,175.55
				Maintenance	128,009.37
				Emergency	6,061.74
18661	M&O	\$ 2,885.00	CSRMA	Insurance - Property	
18662	M&O	\$ 1,342.00	Alliant Insurance Services, Inc.	Insurance - Mobile Vehicle	
18663	M&O	\$ 1,070.90	Dooley Insurance Services	Insurance - Group Life & Dental	
18664	M&O	\$ 400.00	Cupertino Rotary Endowment	Operating Expense - Fall Festival	
18665	M&O	\$ 81.42	City of Cupertino	Operating Expense - False Alarm Fee	
18666	M&O	\$ 376.00	CWEA	Membership Dues	
18667	M&O	\$ 4,122.00	Atkinson Farasyn LLP	Legal - District Counsel	
18668	M&O	\$ 36,042.96	Hunton Andrews Kurth LLP	Outside Legal - Common Interest	28,113.51
				Outside Legal - CuSD Share	7,929.45
18669	M&O	\$ 3,840.00	CASA	Travel & Meetings (Staff)	1,460.00
				Travel & Meetings (BOD's)	2,380.00
18670	M&O	\$ 61.68	City of Santa Clara	Utilities	
18671	M&O	\$ 72.13	San Jose Water Co.	Utilities	
18672	M&O	\$ 4,215.31	PG&E	Utilities	
18673	M&O	\$ 2,780,047.00	City of San Jose	Treatment Plant - Capital Billing	1,245,540.00
				Treatment Plant - O&M Billing	1,534,507.00
18674	M&O	\$ 6,400.00	City of Saratoga	District Sewer & Capital Support	
18675	M&O	\$ 47,250.00	Pure Technoloies	District Sewer & Capital Support	
18676	M&O	\$ 49,116.03	PAC Machine Co.	District Equipment	
18677	M&O	\$ 48,811.86	Pan-Pacific Supply Co.	District Equipment	
18678	M&O	\$ 444.26	St. Francis Electric	Repairs	
18679	M&O	\$ 593.92	Vincent Electriect Motor Co.	Repairs	
18680	M&O	\$ 2,812.05	Du-All Safety, LLC	Repairs	887.05
				Maintenance	1,925.00
18681	M&O	\$ 7,837.07	Lucity	Maintenance (Annual Support & Maint)	7,837.07
18682	M&O	\$ 68.56	Grainger	Maintenance	
18683	M&O	\$ 135.00	Jose Silva Gardening	Maintenance	
18684	M&O	\$ 87.40	Screened Magic	Maintenance	
18685	M&O	\$ 2,164.00	Telstar Instruments	Maintenance	
18686	M&O	\$ 13,097.50	AB/JDD Plumbing Heating & AC	Maintenance	
18687	M&O	\$ 58,136.93	Able Underground Construction	District Sewer & Capital Support	3,279.38
				Maintenance	39,421.80
				Emergency	15,435.75
18688	M&O	\$ 33,537.24	Roto-Rooter	Maintenance	
TOTAL		\$ 3,413,500.40			

Note: Only June expenses recorded in June financials; July expenses will be included with July Financials

EMERGENCY DETAILS:

AB/JDD Plumbing - no emergencies this month

Able - one emergency this month

Roto-Rooter - no emergencies this month

June Expenses	623,915.50
July Expenses	2,789,584.90
	3,413,500.40

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH JUNE 2019
(12th Month of Operations - 100% into FY Operations)
 FISCAL YEAR: July 1, 2018 to June 30, 2019
EXPENSE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Expenses	Amount Payable	Total To Date Expenses	Remaining Balance	% Expended To Date	Comments
OPERATING EXPENSES								
Directors Fees	41030	\$35,000	\$26,892.00	\$2,623.92	\$29,515.92	\$5,484.08	84.3%	June Payroll
Gasoline, Oil & Fuel	41060	\$3,000	\$1,495.78	\$0.00	\$1,495.78	\$1,504.22	49.9%	None this month
Insurance	41070	\$125,000	\$127,627.11	\$0.00	\$127,627.11	(\$2,627.11)	102.1%	None this month
Memberships	41080	\$30,000	\$34,275.07	\$376.00	\$34,651.07	(\$4,651.07)	115.5%	CWEA Certification Renewal
Office Rent	41090	\$6,000	\$4,400.00	\$400.00	\$4,800.00	\$1,200.00	80.0%	June Rent
Operating Expenses	41100	\$3,000	\$2,250.83	\$81.42	\$2,332.25	\$667.75	77.7%	False Alarm Fee
Contractual Services:								
Outfall Maintenance	41113	\$70,000	\$46,535.89	\$0.00	\$46,535.89	\$23,464.11	66.5%	None this month
Treatment Plant Operation and Maintenance	41114	\$5,821,361	\$5,689,640.00	\$0.00	\$5,689,640.00	\$131,721.00	97.7%	None this month
Professional Services:								
Management Services	41121	\$500,000	\$407,315.49	\$34,889.85	\$442,205.34	\$57,794.66	88.4%	On target
Engineering Services	41122	\$800,000	\$864,943.13	\$76,523.32	\$941,466.45	(\$141,466.45)	117.7%	Over budget due to prior effort for Fee Study Report and to refine Flow Model per City of
Plan Checking and Inspection	41123	\$140,000	\$126,629.34	\$7,073.92	\$133,703.26	\$6,296.74	95.5%	Santa Clara request. April expenditure on target
Legal - District Counsel	41124	\$60,000	\$20,010.50	\$4,122.00	\$24,132.50	\$35,867.50	40.2%	Atkinson Farasyn - June Services
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$1,179,360	\$182,053.69	\$28,113.51	\$210,167.20	\$969,192.80	17.8%	Hunton Andrews for May Services
Legal - Common Interest Group (CuSD Share)	41124	\$332,640	\$51,348.49	\$7,929.45	\$59,277.94	\$273,362.06	17.8%	Hunton Andrews for May Services
Audit	41125	\$11,000	\$10,775.00	\$0.00	\$10,775.00	\$225.00	98.0%	Audit is fully paid
Printing & Publications	41130	\$15,000	\$12,317.56	\$0.00	\$12,317.56	\$2,682.44	82.1%	None this month
Repairs	41150	\$800,000	\$542,277.68	\$19,100.78	\$561,378.46	\$238,621.55	70.2%	Below budget, additional costs incurred in maintenance as opposed to repair.
Maintenance	41151	\$2,400,000	\$2,650,757.50	\$226,282.94	\$2,877,040.44	(477,040.44)	119.9%	Extent of maintenance and cost of contractors has exceeded the projected expenditure;
Travel & Meetings - Staff	41170	\$15,000	\$10,044.27	\$0.00	\$10,044.27	\$4,955.73	67.0%	None this month
Travel & Meetings - BOD	41170	\$15,000	\$15,466.77	\$0.00	\$15,466.77	(466.77)	103.1%	None this month
Utilities	41190	\$60,000	\$55,137.46	\$5,125.47	\$60,262.93	(\$262.93)	100.4%	On target
Refunds & Reimbursements:								
Miscellaneous	41201	\$15,000	\$42,478.22	\$0.00	\$42,478.22	(\$27,478.22)	283.2%	Over budget due to refunds for overpayment of fees - \$7.8K to D&B Legacy; \$34.3K to Jenny Cheung
Connector/Capacity Fees	41202	\$2,000	\$25,900.28	\$0.00	\$25,900.28	(\$23,900.28)	1295.0%	Over budget due to \$25.9K overpayment of fees by Pho Hoa Restaurant
Checking & Inspection	41203	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None to date
Emergency Funds	48000	\$250,000	\$745,584.55	\$21,497.49	\$767,082.04	(\$517,082.04)	306.8%	Over Budget due to Prospect Pump Station Failure in February
Consolidated Election	48001	\$20,000	\$18,308.00	\$0.00	\$18,308.00	\$1,692.00	91.5%	None this month
TOTAL OPERATING EXPENSES		\$12,711,361	\$11,714,464.61	\$434,140.07	\$12,148,604.68	\$562,756.32	95.6%	
CAPITAL EXPENSES								
District Sewer Capital & Support	46041	\$2,000,000	\$283,650.08	\$91,847.54	\$375,497.62	\$1,624,502.38	18.8%	Smoke Testing and Prospect Pump Station Design
Treatment Plant Capital	46042	\$3,971,546	\$4,123,051.64	\$0.00	\$4,123,051.64	(\$151,505.64)	103.8%	None this month
Outfall Capital	46042	\$60,000	\$75,425.48	\$0.00	\$75,425.48	(15,425.48)	125.7%	None this month
District Equipment	46043	\$150,000	\$140,635.61	\$97,927.89	\$238,563.50	(\$88,563.50)	159.0%	Purchase of pumps/trash pumps for back-up use
Replacement Fund	46044	\$300,000	\$0.00	\$0.00	\$0.00	\$300,000.00	0.0%	
TOTAL CAPITAL EXPENSES		\$6,481,546	\$4,622,762.81	\$189,775.43	\$4,812,538.24	\$1,669,007.76	74.2%	
TOTAL EXPENSES		\$19,192,907	\$16,337,227.42	\$623,915.50	\$16,961,142.92	\$2,231,764.08	88.4%	

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH JUNE 2019
 (12th Month of Operations - 100% into FY Operations)
 FISCAL YEAR: July 1, 2018 to June 30, 2019
REVENUE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Receipts	Current Month		Total Amount Received	%		Comments
				Receipts	Balance to Collect		Remained	Earned To Date	
JUNE									
OPERATING									
Service Charges	31010								
Handbilling		\$466,366.00	\$414,707.65	\$784.56	\$415,492.21	\$50,873.79	89.1%	Handbilling Inv. #294 - Caltrans	
Tax Roll		\$15,328,805.00	\$8,908,072.62	\$6,419,602.36	\$15,327,674.98	\$1,130.02	100.0%	FY18-19 Payment No. 2	
Permit Fees	31020	\$40,000.00	\$104,164.93	\$9,450.00	\$113,614.93	(\$73,614.93)	284.0%	Twenty-four payments this month; two hundred seven payments received to date	
Connection Fees	31031	\$25,000.00	\$108,688.88	\$0.00	\$108,688.88	(\$83,688.88)	434.8%	No payment received this month; four payments received to date	
Capacity Fees	31032	\$30,000.00	\$445,626.22	\$0.00	\$445,626.22	(\$415,626.22)	1485.4%	No payments received this month; eight payments received to date	
Pump Zone Fees	31033	\$80,000.00	\$24,525.00	\$0.00	\$24,525.00	\$55,475.00	30.7%	No payment received this month; four payments received to date	
Change In Use Fees	31034	\$200,000.00	\$186,708.46	\$0.00	\$186,708.46	\$13,291.54	93.4%	No payments received this month; seven payments received to date	
Checking & Inspection Fees	31040	\$160,000.00	\$132,681.40	\$23,050.00	\$155,731.40	\$4,268.60	97.3%	Twenty-six payments this month; two hundred twenty-three received to date; \$12K additional deposit received for Main Street (CU-15122)	
Annexation	32010	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00	0.0%	None to date	
Interest	32050	\$160,000.00	\$228,428.85	\$51,114.49	\$279,543.34	(\$119,543.34)	174.7%	FY18-19 Q3 final	
City of San Jose Credit(s)	32091	\$500,000.00	\$1,434,166.00	\$0.00	\$1,434,166.00	(\$934,166.00)	286.8%	None this month	
Legal - Common Interest Group (Tributaries)	32092.1	\$1,179,360.00	\$137,584.16	\$7,186.80	\$144,770.96	\$1,034,589.04	12.3%	CIG/Tribs - BSD and CSD 2-3 share of Milpitas Unpaid Costs through Q3 FY18-19	
Legal - Common Interest Group (2% Admin Fees)	32092.2	\$23,587.20	\$2,807.48	\$146.67	\$2,954.15	\$20,633.05	12.5%	CIG/Tribs - BSD and CSD 2-3 share of Milpitas Unpaid Costs through Q3 FY18-19	
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$30,941.53	\$0.00	\$30,941.53	(\$20,941.53)	309.4%	Includes \$20K reimbursement from Alliant Insurance for stolen generator at Cristo Rey Pump Station	
Lateral Construction	32093	\$15,000.00	\$3,000.00	\$0.00	\$3,000.00	\$12,000.00	20.0%	None this month	
TOTAL OPERATING REVENUE		\$18,220,618.20	\$12,162,103.18	\$6,511,334.88	\$18,673,438.06	(\$452,819.86)	102.49%		
Revenue Transfer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Reserve Account	
TOTAL OPERATING REVENUE		\$18,220,618.20	\$12,162,103.18	\$6,511,334.88	\$18,673,438.06	(\$452,819.86)	102.49%		

CASH ACCOUNT SUMMARY

Date	Description	Replacement Fund		Net Cash
		Balance	Fund	
July 31, 2018	Ending Balance	\$ 16,147,971.50	\$ 2,700,000.00	\$ 13,447,971.50
August 31, 2018	Ending Balance	\$ 15,711,321.00	\$ 2,700,000.00	\$ 13,011,321.00
September 30, 2018	Ending Balance	\$ 15,238,750.76	\$ 2,700,000.00	\$ 12,538,750.76
October 31, 2018	Ending Balance	\$ 11,927,789.32	\$ 2,700,000.00	\$ 9,227,789.32
November 30, 2018	Ending Balance	\$ 11,404,415.54	\$ 2,700,000.00	\$ 8,704,415.54
December 31, 2018	Ending Balance	\$ 10,837,489.79	\$ 2,700,000.00	\$ 8,137,489.79
January 31, 2019	Ending Balance	\$ 17,608,210.37	\$ 2,700,000.00	\$ 14,908,210.37
February 28, 2019	Ending Balance	\$ 18,625,507.77	\$ 2,700,000.00	\$ 15,925,507.77
March 31, 2019	Ending Balance	\$ 17,804,001.65	\$ 2,700,000.00	\$ 15,104,001.65
April 30, 2019	Ending Balance	\$ 14,357,691.42	\$ 2,700,000.00	\$ 11,657,691.42
May 31, 2019	Ending Balance	\$ 14,313,248.05	\$ 2,700,000.00	\$ 11,613,248.05
June 30, 2019	Ending Balance	\$ 20,235,726.11	\$ 2,700,000.00	\$ 17,535,726.11



Memo

Item 4.A

To: Board of Directors
From: Benjamin Porter, District Manager-Engineer
Date: July 17, 2019

Re: PUBLIC HEARING TO ADOPT ORDINANCE NO. 125 – AMENDMENT TO CHAPTER VII, “PERMITS, FEES, AND SERVICE CHARGES”

Background:

On December 5, 2018, the Cupertino Sanitary District Board of Directors adopted Ordinance No. 123 amending Chapter VII of the Operations Code “Permits, Fees, and Service Charges,” which established three new development fees as follows:

- 1) System Connection Fees
- 2) Treatment Plant Capacity Fees
- 3) Pump Zone Fee

Section 7203 (System Connection Fees), 7303 (Treatment Plant Capacity Fees), and Section 7402 (Pump Zone Fee) as stated do not provide clear direction on when these fees should be charged for renovation projects and states the decision is based on the judgment of the District Manager-Engineer. The Board requested that staff review these sections and bring it back to the Board for consideration of changes to these sections. On June 6, 2019, the Board discussed the Draft Ordinance with staff and set the Public Hearing for July 17, 2019.

Analysis:

As currently written, the fees are based on the following parameters:

- 1) System Connection Fees are based on changes of size and change in classification (or use).
- 2) Treatment Plant Capacity fees are based on wastewater generation.
- 3) Pump Station Fees are based on land use.

To date, there are five renovation projects in which we have made a calculation based on significant changes being made as follows:

- 1) A restaurant located at the Main Street, Pacific Catch. The fees calculated were \$143,640.

- 2) A restaurant located at the Homestead Square, Pho-Hoa Restaurant. The fees calculated were \$31,578.40.
- 3) Apple office building lobby remodel at 20400 Stevens Creek Blvd. Apple has paid \$4,113.60 in capacity fees but would like to dispute these new fees.
- 4) Apple office building interior remodel at 19333 Vallco Parkway (77,050 SF). Apple has paid a capacity fee of \$68,574.50 but would like to dispute these new fees.
- 5) Retail store Hongyum Art remodel (5,782 SF). They have paid a capacity fee of \$4,683.

If the new Ordinance is adopted, the following projects which have previously paid fees would be impacted:

a) System Connection Fees

For the previous projects, Pacific Catch would not be charged based on this approach. The other four renovations were not charged for system connection fees since there were no changes in size or classification (use).

For example, moving forward, if a restaurant is currently 4,000 square feet and is expanding to 5,000 square feet, the fee would be calculated as $(\$19.49/\text{SF} - \$1.27/\text{SF}) \times 1,000 \text{ SF} = \$18,220$.

b) Treatment Plant Capacity Fees

For the previous projects, no fees would be charged for Pacific Catch since the previous use and the proposed use is similar. The fee for Pho-Hoa would be \$2,871 due to the change in use from fast food to full service restaurant $(\$15.51/\text{SF} - \$14.10/\text{SF}) \times 2,036 \text{ SF} = \$2,871$. There would be no charge for Apple office remodels or the retail renovation since there will be no change in classification (land use).

The new Ordinance No. 125 includes a provision to refund previously paid fees.

Other minor changes are being made to the Ordinance 123 as follows::

- 1) Wherever word, “connection” is mentioned, replace with “development”
- 2) In residential category, delete “accessory unit”.

Board Action:

Conduct Public hearing to consider adoption of Ordinance No. 125:

1. Staff presentation
2. Open public hearing
3. Close public hearing
4. Board discussion
5. Adopt Ordinance No. 125

Attachments:

Ordinance No. 125

ORDINANCE NO. 125

**AN ORDINANCE OF THE CUPERTINO SANITARY DISTRICT
AMENDING CHAPTER VII, "PERMITS, FEES AND
SERVICE CHARGES" OF THE CUPERTINO
SANITARY DISTRICT OPERATIONS CODE RELATING
TO PERMITS AND FEE CHARGES**

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

SECTION 1: Article 2: System Connection Fees is amended by revising Sections 7200,
7201, 7202 and 7203 of the Cupertino Sanitary District Operations Code to read as follows:

ARTICLE 2: SYSTEM CONNECTION FEES

7200. PURPOSE:

The purpose of the sewer development fee is to allow the District to recover the costs associated with providing sewer collection lines in the District, excluding pump station costs. The fee is payable at the time of application for development and/or as stipulated in the Installers' Agreement.

7201. RESIDENTIAL DEVELOPMENTS:

The development fee to connect a residential property to the sewer system shall be as follows:

Single-Family Residence.....	\$11,034.00/residence
Townhouse/Condominium.....	\$9,847.00/unit
Multiple Dwelling.....	\$8,173.00/unit

The above fee is applicable for all new residential developments without consideration for existing use, except for a single-family residence. Demolishing an existing residence and reconstruction with a new single-family residence is exempt from payment of this fee.

If a townhouse/condominium and multiple dwelling has common area (recreation room, library, classroom, auditorium, lobby/offices, etc.) and food service facility, there will be

additional charges equivalent to "Office" and "Food Service" classifications as outlined in Sections 7202 and 7302.

7202. NON-RESIDENTIAL CONNECTIONS:

The fee for all new non-residential developments, redevelopments (total demolition and reconstruction of site), or change in classification shall be as follows:

Classification	Connection Fee	Unit
Hotel/Motel	\$3,544.00	Per Room
Hospital	\$4,354.00	Per Bed
Convalescent Home	\$1,620.00	Per Bed
Office	\$1.27	Per Square Foot
Commercial Retail Store (Greater than 5,000 SF)	\$1.27	Per Square Foot
Commercial Retail Store (less than 5,000 SF)	\$1.52	Per Square Foot
Commercial Market - Grocery	\$2.17	Per Square Foot
Commercial Gas Station with Car Washer	\$5.59	Per Square Foot
Commercial School/Day Care Centers	\$17.00	Per Square Foot
Commercial Laundromat	\$19.97	Per Square Foot
Full Service Restaurant	\$19.49	Per Square Foot
Cafeteria (in Office Complex)	\$15.34	Per Square Foot
Fast Food Restaurant & Food Service in Grocery Store and Residential Development	\$8.35	Per Square Foot

Office as classified above also includes multiple uses from residential developments as described in Section 7201. If a residential development, hotel, hospital, convalescent home, and/or office includes food service, there will be an additional connection fee as listed above. Area costs as shown above are calculated based on gross square feet. For a new development or redevelopment, gross square feet are determined by the outside dimensions of the building. For tenant improvements, the area is calculated by adding four inches (4") to the interior dimension for a common wall and adding eight inches (8") for non-common wall thickness. Area for cafeteria and food service in a grocery store is based on total square foot of kitchen/cooking area, cooking food storage area, sit-down eating area, 50% of the sit-down eating area located outside

the building and associated/connection service/hallway/lobby area. The District Manager-Engineer will determine the area and calculate the fees.

For other classifications not listed above, The District Manager-Engineer shall, based on standard engineering practices and methods, estimate the average daily wastewater flows (in gallons per day) for the new development, and multiply those flows by the following unit cost to arrive at the total development fee:

\$19.88 PER GALLON PER DAY

If, as a direct result of a new connection, the District is required to upgrade the hydraulic capacity of any sewer collection line serving that connection, the installer will be responsible for all direct and actual costs associated with that upgrade, in addition to its development fee as calculated above.

7203. DEMOLITION/RENOVATION:

If there is no change in size or classification (land use), no fees will be assessed. If there is a change in size, the additional increase in size will be charged based on the cost for the difference (delta) in size in accordance with Section 7202. If there is a change in classification (land use), the entire square footage will be charged based on the cost for the delta in classification in accordance with Section 7202.

SECTION 2: Article 3: Treatment Plant Capacity Fees is amended by revising Sections 7301 and 7303 of the Cupertino Sanitary District Operations Code to read as follows:

ARTICLE 3: TREATMENT PLANT CAPACITY FEES

7301. RESIDENTIAL CAPACITY FEE:

The capacity fee to connect a residential property shall be as follows:

Single Family Residence.....	\$2,712.00/unit
Townhouse/Condominium	\$2,497.00/unit
Multiple Dwelling	\$2,009.00/unit

The treatment plant capacity fee applies to the use of the treatment plant at the time the connection is made. If the use of the connection is changed and the change results in use of additional treatment plant capacity, an additional fee shall be imposed for the change in use.

7303. DEMOLITION/RENOVATION:

If there is no change in classification (land use), no fees will be assessed. If there is a change in classification (land use), a fee will be charged based on the cost for the difference (delta) in classification in accordance with Section 7302.

SECTION 3: Article 4: Pump Fee is amended by revising Section 7402 of the Cupertino Sanitary District Operations Code to read as follows:

ARTICLE 4: PUMP ZONE FEE

7402. DEMOLITION/RENOVATION:

If there are no changes in size or classification (land use), no fees will be assessed. If there is a change in size, additional increase in size would be charged based on the cost for the difference (delta) in classification in accordance with Section 7402. If there is a change in classification (land use), the entire square footage will be charged on the delta of the cost for classification in accordance with Section 7402.

SECTION 4: This ordinance shall be retroactive to December 18, 2018. Any renovation projects that have paid previous fees will be recalculated based on this ordinance and the differential in fees, if any, will be refunded to the applicant.

SECTION 5: 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 6: This Ordinance shall become effective upon expiration of the week of publication.

PASSED AND ADOPTED at a regular meeting of the Sanitary Board of the Cupertino Sanitary District held on the 17th day of July 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Sanitary Board

ATTEST:

Secretary

APPROVED AS TO FORM:

Marc Hynes, District Counsel

Date: 7/12/2019

CUPERTINO SANITARY DISTRICT REVENUE FOR FY 2019-2020

Type	FY 2019-2020	Delta (FY 2019-2020 - FY 2018-19)	Percent Differences (FY 2018-19 and FY 2017-18)	FY 2018-2019	Percent Differences (FY 2018-19 and FY 2017-18)	FY 2017-2018	Percent Differences (2017-18 and 2016-17)	FY 2016-2017	Percent Differences (FY 2015-16 and 2016-17)	FY 2015-2016
Residential	\$12,369,376.00	\$1,325,290.29	12.00%	\$11,044,085.72	8.04%	\$10,222,164.18	8.10%	\$9,456,519.94	8.77%	\$8,691,409.19
Retail/Office	\$2,129,168.59	\$396,699.79	22.90%	\$1,732,468.81	36.14%	\$1,272,598.72	15.72%	\$1,099,748.14	-5.20%	\$1,178,954.06
Laundry	\$18,059.39	\$9,787.42	118.32%	\$8,271.96	-5.68%	\$8,769.71	12.68%	\$7,782.79	15.06%	\$6,080.73
Restaurants	\$2,431,995.13	\$247,818.03	11.35%	\$2,184,177.10	9.20%	\$2,000,098.41	26.28%	\$1,583,883.91	3.06%	\$1,286,963.68
Gas Stations/Repair	\$30,304.06	\$5,624.90	22.79%	\$24,679.16	-10.66%	\$27,624.51	9.02%	\$25,338.84	8.76%	\$29,784.52
Hotel	\$240,279.36	\$49,076.77	25.67%	\$191,202.59	22.24%	\$156,419.64	7.25%	\$145,839.58	3.42%	\$139,860.02
Private School Uses	\$15,232.26	\$239.67	1.60%	\$14,992.59	18.33%	\$12,670.59	-1.38%	\$12,847.59	-8.23%	\$18,710.27
Health Care	\$313,479.08	\$67,128.28	27.25%	\$246,350.80	-4.02%	\$256,659.79	3.34%	\$248,364.16	12.96%	\$230,170.40
Misc	\$22,979.65	\$9,542.22	71.01%	\$13,437.43	-4.23%	\$14,030.46	-1.63%	\$14,262.82	3.61%	\$18,637.80
Hand-Billing	\$522,330.52	\$55,963.98	12.00%	\$466,366.53	19.53%	\$390,171.60	-0.47%	\$392,000.00	-9.86%	\$418,500.54
Total	\$18,093,204.04	\$2,167,171.34	13.61%	\$15,926,032.70	12.04%	\$14,361,207.62	10.58%	\$12,894,664.16	6.53%	\$12,019,071.21

NET REVENUE TO CUSD:
 From Tax Roll \$17,570,873.53
 Handbilling \$922,330.52
 TOTAL \$18,093,204.04

RESOLUTION NO. 1312

A RESOLUTION CONFIRMING REPORT ON RATES AND CHARGES FOR SERVICES AND FACILITIES FURNISHED BY THE DISTRICT AND DELINQUENT RATES AND CHARGES FOR THE CUPERTINO SANITARY DISTRICT FOR THE FISCAL YEAR 2019-20

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

WHEREAS, this Board did heretofore adopt its resolution providing for the collection of delinquent rates and charges on the Tax Roll, and did direct the preparation and filing of a written report containing a description of each parcel of real property receiving services and facilities from the District and the amount of the charge for each parcel for the fiscal year 2019-20.

WHEREAS, said written report was prepared and filed with the Secretary of said District on the 17th day of July 2019;

NOW, THEREFORE, IT IS ORDERED as follows:

1. That said report be, and it hereby is, adopted in full.
2. That the Secretary of this District be, and hereby is, directed to file with the County Auditor-Controller of Santa Clara County a copy of said report, upon which shall be endorsed over his signature a statement that the report had been finally adopted by the Sanitary Board of the Cupertino Sanitary District.
3. The County Auditor-Controller of Santa Clara County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the current assessment roll for the fiscal year 2019-20.

* * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution which was duly and regularly passed and adopted by the Sanitary Board of the Cupertino Sanitary District, at a meeting thereof held on the 17th day of July 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Cupertino Sanitary District

APPROVED:

President, Cupertino Sanitary District

RESOLUTION NO. 1313

**A RESOLUTION PROVIDING FOR THE COLLECTION
OF RATES AND CHARGES FOR SERVICES AND FACILITIES
FURNISHED BY THE DISTRICT AND DELINQUENT
RATES AND CHARGES FOR FISCAL YEAR 2019-20**

CUPERTINO SANITARY DISTRICT

RESOLVED, by the Sanitary Board of the Cupertino Sanitary District, Santa Clara County, California, as follows:

1. That the Cupertino Sanitary District, Santa Clara County, California, does hereby elect, pursuant to Sections 5473 and 5473a of the Health and Safety Code of the State of California, 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 established by said District pursuant to ordinances thereof duly passed and adopted by the Sanitary Board of the District, 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 said ordinances of said 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 17th day of July 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Cupertino Sanitary District

APPROVED:

President, Cupertino Sanitary District



Memo

Item 9A

To: Board of Directors

From: Benjamin Porter, District Manager-Engineer

Date: July 17, 2019

Re: MOUNTAIN WINERY ANNEXATION

Background:

The Mountain Winery (“Winery”), owned by Chateau Masson, LLC, is a property consisting of four existing parcels located at 14831 Pierce Road in unincorporated Santa Clara County North of Highway 9 and west of Pierce Road. The property is a venue used for hosting concerts in the summertime and is not connected to a community wastewater collections system. It treats its wastewater using an on-site wastewater treatment system (septic system).

On May 30, 2019 Cupertino Sanitary District Staff met with representatives from the City of Saratoga, Lexar Builders, and Kimley Horn to discuss the potential for future annexation into the Cupertino Sanitary District. The City of Saratoga is supporting the Winery’s application for annexation into its city limits.

The winery currently has a sufficiently sized septic system, with storage that exceeds twice the volume of wastewater that is generated from a sold-out concert. Concerts occur during the summer and the wastewater is sanitary wastewater generated from use of toilets and sinks by staff and patrons. The Winery is not an actual wine-producing facility.

On July 10, the Winery formally submitted paperwork requesting that the Board of Directors of the Cupertino Sanitary District approve annexation of the property into the Cupertino Sanitary District’s service area.

The submitted consisted of:

1. Cover letter formally requesting annexation
2. A copy of the Local Agency Formation Commission (LAFCO) of Santa Clara County “Application for Change of Organization or Reorganization Proposals”
3. LAFCO Indemnification Policy and Indemnification Agreement
4. LAFCO Party Disclosure Form
5. LAFCO Lobbying Disclosure Form
6. State of California Board of Equalization Statement of Boundary Change

7. Notice of Preparation of a Draft Environmental Impact Report for the Mountain Winery Annexation Project
8. Lot Line Adjustment Site Plan
9. A check for \$600 payable to the Cupertino Sanitary District for application for annexation

Analysis:

A portion of the property is within the sphere of influence of Cupertino Sanitary District. A portion is currently outside the sphere and will need LAFCO's approval for adjustment to the sphere of influence.

There is an existing 8" sanitary sewer main located just downstream of the Mountain Winery Property.

The annexation of this property into Cupertino Sanitary District will not impact the wastewater collection system, downstream capacity or treatment plant capacity at this time. In the future, if the Winery requests connection to the wastewater collection system, staff will need to perform engineering analysis to determine suitability for connection, including mitigation of impacts and connection fees. As the winery is currently operated, staff does not foresee connection to the collection system as having impact that cannot be mitigated due to the intermittent operation and use during dry season.

Recommendation:

The Board to approve Resolution No. 1314 for the proposed annexation

Attached:

- 1) Resolution No. 1314
- 2) Chateau Masson, LLC application paperwork (with attachments)

RESOLUTION NO. 1314

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CUPERTINO SANITARY DISTRICT APPROVING ANNEXATION TO THE DISTRICT OF LAND IDENTIFIED AS APN 503-46-006 AND 503-46-007 AND CONDITIONALLY ALLOWING CONNECTION OF SAID PROPERTY PENDING COMPLETION OF ANNEXATION PROCEEDINGS

WHEREAS, Chateau Masson, LLC ("the Applicant") is the owner of certain real property located at 14831 Pierce Road, Saratoga, California, identified as Assessor's Parcel Number 503-46-006 and 503-46-007 ("the Property"); and

WHEREAS, a portion of the property is within the sphere of influence within the Cupertino Sanitary District and is currently served by septic system; and

WHEREAS, pursuant to Section 56857 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000, the District is entitled to review the proposed annexation and may request that proceedings be terminated by LAFCO; and

WHEREAS, the proposed annexation was considered by the District's Board of Directors at its meeting on July 17, 2019, at which time any person interested in the matter was given an opportunity to be heard; and

WHEREAS, the Board found and determined that the District may be able to provide sanitary sewer service for the Property and no objections were raised to the proposed annexation of the Property to the District,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cupertino Sanitary District as follows:

1. The proposed annexation of the Property is hereby approved, subject to the Terms and Conditions for Annexation attached hereto as Exhibit "A" and incorporated herein by reference.
2. The District Manager is authorized and directed to transmit a copy of this Resolution to LAFCO with a request that the Terms and Conditions for Annexation attached hereto be made part of the conditions for annexation established by LAFCO.

President, Cupertino Sanitary District

I hereby certify that the foregoing is a true and correct copy of a Resolution duly and regularly passed and adopted by the Board of Directors of the Cupertino Sanitary District at a meeting held on the 17th day of July 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Cupertino Sanitary District

EXHIBIT "A"

TERMS AND CONDITIONS FOR ANNEXATION TO CUPERTINO SANITARY DISTRICT

The annexation shall be subject to the following terms and conditions:

1. In the event that pursuant to rules, regulations or ordinances of the District, as now or hereafter amended, the District shall require any payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of the District, such payment will be made to the District in the manner and at the time as provided by the rules, regulations or ordinances of the District as now or hereafter amended.
2. Upon and after the effective date of said annexation, the Property, all inhabitants within such Property, and all persons entitled to vote by reason of residing or owning land within the Property shall be subject to the jurisdiction of the District, shall have the same rights and duties as if the Property had been a part of the District upon its original formation, shall be liable for the payment of principal, interest and any other amounts which shall become due on account of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of the District and shall be subject to the levying or fixing and collection of any and all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment; and shall be subject to all of the rates, rules, regulations and ordinances of the District, as now or hereafter amended.

Cupertino Sanitary District - Monthly Maintenance Summary - June 2019

SSOs

Start Date	Location	Cause of SSO	Cat	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
6/28/2019	María Ln, Saratoga sec# 3974-5 - 3974-6	Root intrusion	3	Easement	680	0	0

PLSDs (Private Lateral Sewage Discharge)

Start Date	Location	Cause of PLSD	Cat	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
None							

Emergency Calls - Causes

Call Recd Business Hours	# of Calls	Call Recd After Hours	# of Calls	Call Recd Weekend	# of Calls
Root Intrusion	3	Debris	1	Debris	1
Onsite	3	Onsite	1	Onsite	3
Grease	0	Others	2	Offset	0
Offset	1	Pump Station	1	Pump Station	0
Total:	7	Total:	5	Total:	4

Repairs

Address	Main/Lat	Description of Work
Florence Pump Station	Pump Station	Crane motor repair
Florence Pump Station	Pump Station	Electrical repair for generator
Homestead 1 Pump Station	Pump Station	Coating for 2 wetwells & all components
20279 Northwest Sq	Lateral	Emergency spot repair of broken lateral due to heavy roots

Mainline Maintenance

Size of Pipe	4"	6"	8"	10"	12"	14"	15"	16"	18"	> 20"	Total	FY2018-19 YTD	FY2018-19 Annual Schedule	% Complete (YTD/Annual Schedule)
Mainline Cleaning (ft)	0	24,370	66,823	6,309	6,257	143	1,369	496	0	0	105,767	864,651	882,053	98%
Easement Cleaning (ft)	0	4,002	12,006	2,303	1,354	143	0	496	0	0	20,304	112,834	151,772	74%
CCTV (ft)	0	2,342	16,807	898	4,195	0	1,499	0	0	0	25,741	209,504	206,765	101%

Lateral Maintenance

Activity	# of Laterals	FY2018-19 YTD	FY2018-19 Annual schedule	% Complete (YTD/Annual schedule)
Cleaning	371	3,775	2,167	174%
CCTV	14	164	(lateral maint is ahead of schedule)	
Inspection	19	256		

FOG Inspection

	# of Inspections	YTD FY2018-19	FY2018-19 Annual Schedule	% Complete (YTD/Annual schedule)
Performed	35	435		
Completed	28	281	283	99%
Follow up Needed	2			