

**CUPERTINO SANITARY DISTRICT  
SANITARY BOARD MEETING  
WEDNESDAY, AUGUST 19, 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 AUGUST 7, 2019
- B. APPROVED MINUTES OF JULY 17, 2019
- C. PAYMENT OF BILLS AND APPROVAL OF FINANCIAL STATEMENT
- D. DIRECTOR'S 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. CORRESPONDENCE:**

NONE

**5. MEETINGS:**

- A. CASA 64<sup>TH</sup> ANNUAL CONFERENCE TO BE HELD AUGUST 21-23, 2019 IN SAN DIEGO, CA
- B. CSRMA RISK MANAGEMENT SEMINAR AT CASA CONFERENCE TO BE HELD AUGUST 21, 2019

**6. REPORTS:**

NONE

**CUPERTINO SANITARY DISTRICT  
SANITARY BOARD MEETING  
WEDNESDAY, AUGUST 19, 2019**

**7. UNFINISHED BUSINESS:**

NONE

**8. NEW BUSINESS:**

A. DISTRICT MANAGER ANNUAL RATE ADJUSTMENT

**9. STAFF REPORT:**

A. PROSPECT PUMP STATION RUNNING TOTAL

B. MONTHLY MAINTENANCE REPORT

**10. 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.

**11. NEXT MEETING:**

A. NEXT REGULAR DISTRICT BOARD MEETING IS SCHEDULED TO BE  
HELD ON WEDNESDAY, SEPTEMBER 4, 2019

**12. ADJOURNMENT:**

# CUPERTINO SANITARY DISTRICT MEETING/EVENT SCHEDULE

## AUGUST 2019

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

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

## SEPTEMBER 2019

- 09/02: Holiday – Office Closed
- 09/04: 1<sup>st</sup> Regular Meeting (*Bosworth excused*)
- 09/09: SCCSDA Regular Meeting
- 09/10: TAC
- 09/12: TPAC
- 09/14: Silicon Valley Fall Festival
- 09/18: 2<sup>nd</sup> Regular Meeting (*Chen excused*)

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

## OCTOBER 2019

- 10/02: 1<sup>st</sup> Regular Meeting
- 10/08: TAC
- 10/10: TPAC
- 10/16: 2<sup>nd</sup> Regular Meeting

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

## CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY, AUGUST 7, 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:

Acting President Chen 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. Patrick S. Kwok was on excused absence.

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

Guests present: James Wawrzyniak, Jones Hall

### 2. MINUTES:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-0, the minutes of Wednesday, July 17, 2019 were approved as written.
- B. By consensus, the Minutes of Wednesday, July 3, 2019 are to be Noted & Filed.

### 3. PERSONAL PRESENTATIONS:

There were none.

### 4. CORRESPONDENCE:

There was none.

### 5. MEETINGS:

- A. Regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) meeting to be held August 8, 2019 was canceled.

### 6. REPORTS:

There were none.

### 7. UNFINISHED BUSINESS:

- A. The Board reviewed the loan agreement and debt management policy and discussed with James Wawrzyniak from Jones Hall. Staff was instructed to delete “must be approved by the Board” bullet point in the debt management policy. James Wawrzyniak reported that Jones Hall is still evaluating if this loan can meet the Federal tax exemption with the lower interest rate.

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, AUGUST 7, 2019

On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-0, the Board approved Resolution No. 1315, approving debt management policy with changes noted above.

On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-0, the Board approved Resolution No. 1316, authorizing execution of loan agreement which provides the flexibility of either tax exempt or taxable loan.

8. NEW BUSINESS:

- A. Staff reported that tax roll filing for FY 2019-2020 was submitted to the County.

9. STAFF REPORTS:

- A. District Manager Porter and District Advisor Tanaka reported on Prospect Pump Station. The construction package is out to bid with bid opening date of August 28, 2019 and with the award of contract by the Board at the September 4, 2019 Board Meeting. Staff reported that there will be an encroachment permit fee, most likely close to \$90,000, that will need to be paid to City of Saratoga.
- B. District Manager Porter reported on Smart Ball force main condition assessment. The assessment determined that there are no major concerns with the force mains that were investigated. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 4-0-0, the Board voted to accept the report by Smart Ball.
- C. District Manager Porter and District Advisor Tanaka reported on status of flow study report through City of Santa Clara. Based on comments received from City of Santa Clara, revisions are being made to the hydraulic model future conditions and updating of the flow study report to be resubmitted to City of Santa Clara.
- D. District Manager Porter reported on Cupertino Village. The fees that were paid for connection were for building shells only.

10. CLOSED SESSION:

Acting President Chen adjourned the regular meeting session and opened the closed session at 8:01 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.

Acting President Chen adjourned the closed session and the regular meeting was called to order at 8:12 p.m.

There was no reportable action.

11. (This number was skipped on the agenda – no item 11 on the agenda)

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, AUGUST 7, 2019

12. NEXT MEETING:

A. Next regular District Board meeting is scheduled to be held on Monday, August 19, 2019.

Director Bosworth is excused from the meeting scheduled for September 4, 2019.

Director Chen is excused from the meeting scheduled for September 18, 2019.

Director Saadati is excused from the meeting scheduled for November 6, 2019.

13. ADJOURNMENT:

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

---

Secretary Pro-Tem of the Sanitary Board

---

Acting President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, JULY 17, 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 Benjamin Porter, District Advisor Richard K. Tanaka, and Counsel Marc Hynes.

Guests present: Garrett Chan and Mike Rohde from Main Street, Kitty Moore, Resident, Eric Brewer, Resident, and Sasha Dansky, Mark Thomas Principal.

## 2. MINUTES & BILLS:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, the minutes of Wednesday, July 3, 2019 were approved as written.
- B. By consensus, the Minutes of Wednesday, June 19, 2019 are to be Noted & Filed.
- C. The Board reviewed the June financials for payment. On a motion by Director Gatto, seconded by President Kwok, by a vote of 5-0-0, payment of bills was approved as written.
- D. The Directors submitted their June 2019 timesheets to Staff.

## 3. PERSONAL PRESENTATIONS:

There were none.

## 4. PUBLIC HEARINGS:

- A. The Board conducted a public hearing on amendment to Ordinance No. 123, pertaining to “permits and fee charges.” Manager Porter made a staff presentation. President Kwok opened the public hearing at 7:30 p.m. and public comments were provided by guests Garrett Chan, Mike Rohde, Eric Brewer, and Kitty Moore. President Kwok closed the public hearing at 7:40 p.m. and the Board discussed the proposed amendments. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, Ordinance No. 125, Amending Ordinance No. 123 relating to Permits and Development Fee Charges was approved.
- B. The Board conducted a public hearing on Reports and Collection of Rates and Charges for Fiscal Year 2019-2020. Manager Porter made a staff presentation. President Kwok opened the public hearing at 7:43 p.m. There were no public comments. President Kwok closed the public hearing at 7:44 p.m. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0,

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, JULY 17, 2019

Resolution No. 1312, Confirming Report on Rates and Charges for FY 2019-2020 was approved. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0, Resolution No. 1313, Collection of Rates and Charges for FY 2019-2020 was approved.

5. CORRESPONDENCE:

There was none.

6. MEETINGS:

- A. Manager Porter plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held August 6, 2019.
- B. Director Gatto plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held August 8, 2019.

7. REPORTS:

There were none.

8. UNFINISHED BUSINESS:

- A. The Board discussed California Special Districts Association (CSDA) membership. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-1-0 the Board approved membership to CSDA. President Kwok voted "No."
- B. Advisor Tanaka presented an update on the loan application for the District with the plan to bring the loan approval package to the Board on August 7, 2019 meeting.

9. NEW BUSINESS:

- A. The Board reviewed the Mountain Winery's request for annexation. On a motion by Director Bosworth, seconded by Director Gatto, by a vote of 5-0-0, the Board approved Resolution No. 1314, approving annexation of APN 503-46-006 and 503-46-007 parcels to the District and directed staff to work with LAFCO for the formal annexation.

10. STAFF REPORTS:

- A. Manager Porter and Advisor Tanaka reported on the status of Prospect Pump Station.
- B. Manager Porter reported on the status of the Silicon Valley Fall Festival to be held August 14, 2019.
- C. Manager Porter reported on the monthly maintenance report.

11. CLOSED SESSION:

President Kwok adjourned the regular meeting session and opened the closed session at 8:10 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing



CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, JULY 17, 2019

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 8:19 p.m.

There was no reportable action.

12. ADJOURNMENT:

The next regular meeting is scheduled for Wednesday, August 7, 2019. President Kwok is excused from this meeting.

On a motion properly made and seconded, at 8:20 p.m. the meeting was adjourned.

---

Secretary of the Sanitary Board

---

President of the Sanitary Board

## CUPERTINO SANITARY DISTRICT WARRANTS PAYABLE - August 19, 2019

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 2,628.80	ADP	Directors' Salary	
18689	M&O	\$ 369,467.98	Mark Thomas & Company, Inc.	Office Rent	400.00
				Utilities	776.35
				District Sewer Capital & Support	51,038.31
				Plan Checking & Inspection	14,679.66
				Management Services	35,169.69
				Engineering Services	119,018.96
				Repairs	3,208.76
				Maintenance	141,296.82
				Emergency	1,289.65
				Membership Dues	564.00
				Travel & Meetings (Staff)	2,025.78
18690	M&O	\$ 1,070.90	Dooley Insurance Services	Insurance - Group Life & Dental (Aug)	
18691	M&O	\$ 1,853.80	Bay Area News Group	Printing & Publications	
18692	M&O	\$ 89.00	CWEA	Membership Dues	
18693	M&O	\$ 5,301.00	Atkinson Farasyn LLP	Legal - District Counsel	
18694	M&O	\$ 91,276.34	Hunton Andrews Kurth LLP	Legal Outside - CIG Advance Pay	71,195.55
				Legal Outside - CuSD Share	20,080.79
18695	M&O	\$ 58.91	City of Santa Clara	Utilities	
18696	M&O	\$ 5,893.56	PG&E	Utilities	
18697	M&O	\$ 11,060.00	Alliance Engineering Consultants	District Sewer & Capital Support	
18698	M&O	\$ 8,020.00	Bess Testlab, Inc.	District Sewer & Capital Support	
18699	M&O	\$ 10,500.00	Pure Technoloies	District Sewer & Capital Support	
18700	M&O	\$ 1,581.81	St. Francis Electric	Repairs	
18701	M&O	\$ 822.00	Pfeiffer Electric Co., Inc.	Emergency	
18702	M&O	\$ 200.42	Home Depot	Maintenance	
18703	M&O	\$ 135.00	Jose Silva Gardening	Maintenance	
18704	M&O	\$ 1,193.00	Telstar Instruments	Maintenance	
18705	M&O	\$ 14,221.25	AB/JDD Plumbing Heating & AC	Maintenance	
18706	M&O	\$ 36,054.32	Roto-Rooter	Maintenance	
18707	M&O	\$ 104,110.88	Able Underground Construction	Maintenance	62,362.58
				District Sewer & Capital Support	41,748.30
18708	M&O	\$ 12,166.70	Supparod FC, Inc.		
18709	M&O	\$ 4,683.00	Hongyun Art Corp.-Tommy Suriwong		
18710	M&O	\$ 4,113.60	Marni L. B. Lopez - Apple		
18711	M&O	\$ 68,574.50	Barron Builders - Apple		
18712	M&O	\$ 143,640.00	Pacific Catch-Nouman Tarabichi		
	M&O	\$ 2,885.00	CSRMA	Insurance - Property	
	M&O	\$ 1,342.00	Alliant Insurance Services, Inc.	Insurance - Mobile Vehicle	
	M&O	\$ 1,070.90	Dooley Insurance Services	Insurance - Group Life & Dental	
	M&O	\$ 400.00	Cupertino Rotary Endowment	Operating Expense - Fall Festival	
	M&O	\$ 3,840.00	CASA	Travel & Meetings (Staff)	1,460.00
				Travel & Meetings (BODs)	2,380.00
	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
\$ (2,789,584.90) July Expenses Paid with last month submittal of expenses for June Services					

**TOTAL**                      **\$ 898,716.76**

July Expenses - for payment this submittal	898,716.76
July Expenses - already paid last submittal	2,789,584.90
<b>Total July Expenses</b>	<b>3,688,301.66</b>

**EMERGENCY DETAILS:**

**AB/JDD Plumbing** - no emergencies this month

**Able** - one emergency this month

**Roto-Rooter** - no emergencies this month

**CUPERTINO SANITARY DISTRICT**  
**MONTHLY FINANCIAL REPORT THROUGH JULY 2019**  
 (1st Month of Operations - 8% into FY Operations)  
 FISCAL YEAR: July 1, 2019 to June 30, 2020

**EXPENSE SUMMARY REPORT**

Account Name	Account Number	BUDGET	Prior Expenses	Amount Payable	Total To Date Expenses	Remaining Balance	% Expended To Date	Comments
<b>OPERATING EXPENSES</b>								
Loan Payments	41000	\$1,172,305.00	\$0.00	\$0.00	\$0.00	\$1,172,305.00	0.0%	None to date
Directors Fees	41030	\$35,000	\$0.00	\$2,628.80	\$2,628.80	\$32,371.20	7.5%	July Payroll
Gasoline, Oil & Fuel	41060	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None this month
Insurance	41070	\$135,000	\$0.00	\$6,368.80	\$6,368.80	\$128,631.20	4.7%	CSRMA (Property Ins.); Alliant (Mobile Vehicle); Dooley (Life & Dental)
Memberships	41080	\$35,000	\$0.00	\$653.00	\$653.00	\$34,347.00	1.9%	CWEA Certification Renewal for Inspectors
Office Rent	41090	\$6,000	\$0.00	\$400.00	\$400.00	\$5,600.00	6.7%	July Rent
Operating Expenses	41100	\$3,000	\$0.00	\$400.00	\$400.00	\$2,600.00	13.3%	2019 Fall Festival
<b>Contractual Services:</b>								
Outfall Maintenance	41113	\$71,000	\$0.00	\$0.00	\$0.00	\$71,000.00	0.0%	None to date
T.P. Oper. & Maint.	41114	\$6,253,614	\$0.00	\$1,534,507.00	\$1,534,507.00	\$4,719,107.00	24.5%	FY2019-20 1st Quarter Billing
<b>Professional Services:</b>								
Management Services	41121	\$500,000	\$0.00	\$35,169.69	\$35,169.69	\$464,830.31	7.0%	On target
Engineering Services	41122	\$1,000,000	\$0.00	\$119,018.96	\$119,018.96	\$880,981.04	11.9%	On target
Plan Ckg. & Insp.	41123	\$140,000	\$0.00	\$14,679.66	\$14,679.66	\$125,320.34	10.5%	On target
Legal - District Counsel	41124	\$60,000	\$0.00	\$5,301.00	\$5,301.00	\$54,699.00	8.8%	Atkinson Farasyn - July Services
Legal - Common Interest Group (CUSD Advance Pay)	41124	\$980,000	\$0.00	\$71,195.55	\$71,195.55	\$908,804.45	7.3%	Hunton Andrews for June Services
Legal - Common Interest Group (CUSD Share)	41124	\$222,000	\$0.00	\$20,080.79	\$20,080.79	\$201,919.21	9.0%	Hunton Andrews for June Services
Audit	41125	\$11,500	\$0.00	\$0.00	\$0.00	\$11,500.00	0.0%	None this month
Printing & Publications	41130	\$15,000	\$0.00	\$1,853.80	\$1,853.80	\$13,146.20	12.4%	Legal CLS for Ordinance No. 124
Repairs	41150	\$800,000	\$0.00	\$4,790.57	\$4,790.57	\$795,209.43	0.6%	On target
Maintenance	41151	\$3,000,000	\$0.00	\$255,463.38	\$255,463.38	\$2,744,536.62	8.5%	On target
Travel & Meetings Staff	41170	\$15,000	\$0.00	\$3,485.78	\$3,485.78	\$11,514.22	23.2%	CASA - Aug. 2019; ESRI - July (lodging)
Travel & Meetings BOD	41170	\$18,000	\$0.00	\$2,380.00	\$2,380.00	\$15,620.00	13.2%	CASA - Aug. 2019
Utilities	41190	\$60,000	\$0.00	\$6,728.82	\$6,728.82	\$53,271.18	11.2%	On target
<b>Refunds &amp; Reimbursements:</b>								
Miscellaneous	41201	\$50,000	\$0.00	\$0.00	\$0.00	\$50,000.00	0.0%	None to date
Connection Fees	41202	\$2,000	\$0.00	\$233,177.80	\$233,177.80	-\$231,177.80	11659%	Reimbursed five customers for Development Fees paid, per Ordinance 125
Checking & Inspection	41203	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None to date
Emergency Funds	48000	\$250,000	\$0.00	\$2,111.65	\$2,111.65	\$247,888.35	0.8%	On site stoppage calls cleared by inspectors
Consolidated Election	48001	\$0	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	None to date
<b>TOTAL OPERATING EXPENSES</b>		<b>\$14,840,419</b>	<b>\$0.00</b>	<b>\$2,320,395.05</b>	<b>\$2,320,395.05</b>	<b>\$12,520,023.95</b>	<b>15.6%</b>	
<b>CAPITAL EXPENSES</b>								
District Sewer Capital & Support	46041	\$2,000,000	\$0.00	\$122,366.61	\$122,366.61	\$1,877,633.39	6.1%	Prospect Pump Station Design, Forcemain condition assessment, Smoke Testing
Treatment Plant Capital	46042	\$14,065,406	\$0.00	\$1,245,540.00	\$1,245,540.00	\$12,819,866.00	8.9%	FY2019-20 1st Quarter Billing
Outfall Capital	46043	\$850,000	\$0.00	\$0.00	\$0.00	\$850,000.00	0.0%	None to date
District Equipment	46043	\$150,000	\$0.00	\$0.00	\$0.00	\$150,000.00	0.0%	None to date
Replacement Fund	46044	\$300,000	\$0.00	\$0.00	\$0.00	\$300,000.00	0.0%	None to date
<b>TOTAL CAPITAL EXPENSES</b>		<b>\$17,365,406</b>	<b>\$0.00</b>	<b>\$1,367,906.61</b>	<b>\$1,367,906.61</b>	<b>\$15,997,499.39</b>	<b>7.9%</b>	
<b>TOTAL EXPENSES</b>		<b>\$32,205,825</b>	<b>\$0.00</b>	<b>\$3,688,301.66</b>	<b>\$3,688,301.66</b>	<b>\$28,517,523.34</b>	<b>11.5%</b>	

NOTE: July expenses in the amount of \$2,789,584.90 have been paid with last month submittal of expenses, but were not recorded in the financials until this month's submittal

**CUPERTINO SANITARY DISTRICT**  
**MONTHLY FINANCIAL REPORT THROUGH JULY 2019**  
**(1st Month of Operations - 8% into FY Operations)**

FISCAL YEAR: July 1, 2019 to June 30, 2020

**REVENUE SUMMARY REPORT**

Account Name	Account Number	BUDGET	Prior Receipts	Current Month		Total Amount Received	Remaining Balance to Collect	% Earned To Date		Comments
				Receipts	July Receipts					
<b>OPERATING REVENUES</b>										
Service Charges	31010									
Handbilling		\$522,000.00	\$0.00	\$0.00	\$0.00	\$522,000.00		0.0%	None to date	
Tax Roll		\$17,100,000.00	\$0.00	\$0.00	\$0.00	\$17,100,000.00		0.0%	None to date	
Capital Loan		\$10,000,000.00	\$0.00	\$0.00	\$0.00	\$17,100,000.00		0.0%	None to date	
Permit Fees	31020	\$130,000.00	\$0.00	\$19,031.52	\$19,031.52	\$110,968.48		14.6%	Eighteen payments received this month	
Connection Fees	31031	\$300,000.00	\$0.00	\$0.00	\$0.00	\$300,000.00		0.0%	None to date	
Capacity Fees	31032	\$300,000.00	\$0.00	\$6,326.56	\$6,326.56	\$293,673.44		2.1%	Two payments received this month	
Pump Zone Fees	31033	\$80,000.00	\$0.00	\$0.00	\$0.00	\$80,000.00		0.0%	None to date	
Checking & Inspection Fees	31040	\$160,000.00	\$0.00	\$11,100.00	\$11,100.00	\$148,900.00		6.9%	Twenty-eight payments received this month	
Annexation	32010	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00		0.0%	None to date	
Interest	32050	\$220,000.00	\$0.00	\$0.00	\$0.00	\$220,000.00		0.0%	None to date	
City of San Jose Credit(s)	32091	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000.00		0.0%	None to date	
Legal - Common Interest Group (Tributaries)	32092.1	\$1,026,000.00	\$0.00	\$61,152.60	\$61,152.60	\$964,847.40		6.0%	CIG/Tribs - WVSD share of Milpitas Unpaid Costs through Q3 FY18-19	
Legal - Common Interest Group (2% Admin Fees)	32902.2	\$20,000.00	\$0.00	\$1,248.01	\$1,248.01	\$18,751.99		6.2%	CIG/Tribs - WVSD share of Milpitas Unpaid Costs through Q3 FY18-19	
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$0.00	\$16,757.34	\$16,757.34	(\$6,757.34)		167.6%	Forum payment for 2 wet wizard aeration systems	
Lateral Construction	32093	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00		0.0%	None to date	
<b>TOTAL OPERATING REVENUE</b>		<b>\$30,385,500.00</b>	<b>\$0.00</b>	<b>\$115,616.03</b>	<b>\$115,616.03</b>	<b>\$37,369,883.97</b>		<b>0.38%</b>		
Revenue Transfer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	Reserve Account	
<b>TOTAL OPERATING REVENUE</b>		<b>\$30,385,500.00</b>	<b>\$0.00</b>	<b>\$115,616.03</b>	<b>\$115,616.03</b>	<b>\$30,269,883.97</b>		<b>0.38%</b>		

**CASH ACCOUNT SUMMARY**

Date	Description	Balance	Replacement Fund	Net Cash
July 31, 2019	Ending Balance	\$ 16,937,841.74	\$ 2,700,000.00	\$ 14,237,841.74

**Running Total Expenses for Prospect Pump Station**

Contractor/Firm	PAYMENT MADE																	
	February-19	March-19	April-19	May-19	June-19	July-19	Aug 19	September-19	October-19									
	<b>TOTAL BY FIRM</b>																	
Mark Thomas & Co.	\$ 386,016.53	\$ 189,889.46	\$ 48,911.65	\$ 43,213.39	\$ 18,571.36	\$ 34,864.86	\$ 50,565.81											
Able Underground Construction	\$ 435,066.17	\$ 232,213.55	\$ 195,282.50	\$ 7,570.12														
Easy Fuel	\$ 3,231.28		\$ 3,231.28															
National Plant Services	\$ 10,317.50		\$ 10,317.50															
Pan Pacific Supply	\$ 20,857.22		\$ 20,857.22															
Pfeiffer Electric	\$ 73,559.87		\$ 73,559.87															
Rain for Rent	\$ 22,270.32		\$ 22,270.32															
Roto-Rooter	\$ 33,113.87		\$ 33,113.87															
Trinity Liquid Waste Svs	\$ 81,575.00		\$ 81,575.00															
Home Depot	\$ 412.99		\$ 412.99															
Grainger	\$ 377.11		\$ 377.11															
Testing Engineers	\$ 2,400.00		\$ 2,400.00															
CD Power	\$ 3,568.70		\$ 3,568.70															
PAC Machine - adapter	\$ 99.11		\$ 99.11															
Peninsula Pump Equipment	\$ 1,455.00		\$ 1,455.00															
Radman Aerial Survey	\$ 5,000.00		\$ 5,000.00															
AEC Electrical Design	\$ 11,060.00		\$ 11,060.00															
Bess Testlab Potholing	\$ 8,020.00		\$ 8,020.00															
PG&E Service Agreement	\$ -		\$ -															
Permit Fees	\$ -		\$ -															
Pure Technologies U.S., Inc.	\$ 57,750.00		\$ 57,750.00															
Able Traffic Control Design	\$ 3,312.50		\$ 3,312.50															
Shape - 3 new pumps	\$ -		\$ -															
Tedsco - Control cabinet-Elec.	\$ -		\$ -															
General Contractor	\$ -		\$ -															
Bruce Barton Pump Service	\$ 5,758.56		\$ 5,758.56															
<b>TOTAL BY MONTHS</b>	<b>\$ 1,165,221.73</b>	<b>\$ 422,103.01</b>	<b>\$ 492,309.31</b>	<b>\$ 60,906.32</b>	<b>\$ 24,329.92</b>	<b>\$ 85,427.36</b>	<b>\$ 80,145.81</b>											

Denotes design phase cost

Denotes construction phase cost

MTCO Billing	Employee Labor Hours					
	Feb	March	April	May	June	July
Engineering Inquiries/Investigatic	4,205.21	2,799.42	1,545.36			
SSMP	3,878.63	10,115.16	356.29			
Repair - Pump Station	90,780.78	25,743.83	20,861.98			
Emergency	73,589.54	6,198.09	7,468.39			
Design (CU-19104)	0.00	4,055.15	12,981.37	18,571.36	34,864.86	50,565.81
Est. total charged to others	17,435.30					
	<b>189,889.46</b>	<b>48,911.65</b>	<b>43,213.39</b>	<b>18,571.36</b>	<b>34,864.86</b>	<b>50,565.81</b>

50%  
100%  
100%  
100%  
100%



# Memo

## Item 8A

**To: Board of Directors**

**From: Benjamin Porter, District Manager-Engineer**

**Date: August 19, 2019**

**Re: DISTRICT MANAGER ANNUAL RATE ADJUSTMENT**

***Background:***

The Cupertino Sanitary District and Mark Thomas have benefited from a long-standing relationship, with Mark Thomas serving as the District Manager since the District's organization in 1956. The District and Mark Thomas have executed and renewed several contracts since that time, which detail the formula for compensation to Mark Thomas by District. The most recent management contract was executed on August 15, 2017 and it provided for the Manager to be compensated according to the following:

1. The Manager's employees' hourly rate labor plus a premium to cover overhead and profit (170%)
2. The District Manager to be billed at the fixed rate of \$240.00 per hour until June 30, 2018

The contract provided for annual adjustments to the fixed rate with the percentage increase based on the Consumer Price Index (CPI) for the San Francisco-Oakland area, but not to exceed 3% for any given year. Annual adjustments to the District Manager's billing rate require Board approval.

***Analysis:***

No adjustment was made to the District Manager's billing rate for the 2018 adjustment year. The 12-month CPI adjustments for the periods ending in June 2018 and 2019 are provided below.

Year	Annual CPI Adjustment
2018	3.9%
2019	3.2%

These CPI adjustments exceed the allowed adjustment of 3.0%. Based on two-annual adjustments of three percent, the adjusted District Manager rate would be \$254.61 per hour; this value rounded down to the nearest dollar is \$254.00 per hour.

***Recommendation:***

The Board to approve two 12-month District Manager rate increases from \$240.00 per hour to \$254.00 per hour to cover adjustment years 2018 and 2019, effective September 1, 2019 through the end of Fiscal Year 2019-20 (June 30, 2020).

***Attached:***

- 1) Mark Thomas Employment Contract

**Cupertino Sanitary District - Monthly Maintenance Summary - July 2019**

**SSOs**

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

**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	1	Debris	0	Debris	0
Onsite	0	Onsite	0	Onsite	0
Grease	0	Others	0	Offset	0
Others	5	Pump Station	2	Pump Station	2
<b>Total:</b>	<b>6</b>	<b>Total:</b>	<b>2</b>	<b>Total:</b>	<b>2</b>

**Repairs**

Address	Main/Lat	Description of Work
Cisto Rey, Homestead & Florence	Pump Station	Electrical repair for generators
Homestead Pump Station	Pump Station	Installation of pumps and valves

**Mainline Maintenance**

Size of Pipe	4"	6"	8"	10"	12"	14"	15"	16"	18"	> 20"	Total	FY2019-20 Annual Schedule	FY2019-20 Annual Schedule	% Complete (YTD/Annual Schedule)
Mainline Cleaning (ft)	0	32,929	52,911	8,409	6,440	319	2,895	0	2,786	0	106,689	962,623	106,689	11%
Easement Cleaning (ft)	0	687	7,872	3,007	584	319	1,690	0	2,786	0	16,945	138,059	16,945	12%
CCTV (ft)	0	5,057	12,305	6,830	2,866	0	6,147	0	2,496	0	35,701	206,765	35,701	17%

**Lateral Maintenance**

Activity	# of Laterals	FY2019-20 YTD	FY2019-20 Annual schedule	% Complete (YTD/Annual schedule)
Cleaning	388	388	2,555	15%
CCTV	17	17		
Inspection	22	22		

**FOG Inspection**

	# of Inspections	YTD FY2019-20	FY2019-20 Annual Schedule	% Complete (YTD/Annual schedule)
Performed	53	53		
Completed	38	38	283	13%
Follow up Needed	5			