

**CUPERTINO SANITARY DISTRICT  
SANITARY BOARD MEETING  
WEDNESDAY, DECEMBER 18, 2019**

**A\_G\_E\_N\_D\_A**

**AMENDED**

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 DECEMBER 4, 2019
- B. APPROVED MINUTES OF NOVEMBER 20, 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. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) TO BE HELD JANUARY 6, 2020
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) TO BE HELD JANUARY 9, 2020

**CUPERTINO SANITARY DISTRICT  
SANITARY BOARD MEETING  
WEDNESDAY, DECEMBER 18, 2019**

**6. REPORTS:**

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) HELD DECEMBER 9, 2019
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) HELD DECEMBER 12, 2019

**7. UNFINISHED BUSINESS:**

- A. CASA CONFERENCE – CSRMA RISK MANAGEMENT SEMINAR TO BE HELD JANUARY 21, 2020

**8. NEW BUSINESS:**

- A. ELECTION OF NEW OFFICERS AND COMMITTEE APPOINTMENT
- B. DRAFT FINANCIAL AUDIT

**9. STAFF REPORT:**

- A. PROSPECT PUMP STATION
- B. MONTHLY MAINTENANCE REPORT
- C. FLOW REPORT TO CITY OF SANTA CLARA
- D. MAIN STREET
- E. MT. WINERY ENVIRONMENTAL DOCUMENT
- F. WESTPORT (OAK CREEK) ENVIRONMENTAL DOCUMENT

**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. CALENDAR ITEMS:**

- A. NEXT REGULAR DISTRICT BOARD MEETING IS SCHEDULED TO BE HELD ON WEDNESDAY, JANUARY 1, 2020

**CUPERTINO SANITARY DISTRICT  
MEETING/EVENT SCHEDULE**

**DECEMBER 2019**

12/02: SCCSDA Meeting  
 12/04: 1<sup>st</sup> Regular Meeting  
 12/09: TAC  
 12/12: TPAC  
 12/18: 2<sup>nd</sup> Regular Meeting  
 12/25: Holiday-Office Closed

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

**JANUARY 2020**

01/01: Holiday-Office Closed  
 1<sup>st</sup> Regular Meeting  
 01/06: TAC  
 01/09: TPAC  
 01/15: 2<sup>nd</sup> Regular Meeting  
 01/21-23: CASA Conference

JANUARY 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 1 <sup>st</sup> Regular Meeting HOLIDAY	2	3	4
5	6	7	8	9 TPAC	10	11
	TAC					
12	13	14	15 2 <sup>nd</sup> Regular Meeting	16	17	18
19	20	21	22	23	24	25
		CASA CONFERENCE				
26	27	28	29	30	31	

**FEBRUARY 2020**

02/05: 1<sup>st</sup> Regular Meeting  
 02/19: 2<sup>nd</sup> Regular Meeting

FEBRUARY 2020						
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	13	14	15
16	17	18	19 2 <sup>nd</sup> Regular Meeting	20	21	22
23	24	25	26	27	28	29

## CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY, DECEMBER 04, 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, William A. Bosworth, and John M. Gatto.

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

### 2. MINUTES:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-1, the minutes of Monday, November 20, 2019 were approved. President Kwok abstained due to his absence at the meeting.
- B. By consensus, the Minutes of Wednesday, November 6, 2019 are to be Noted & Filed.

### 3. PERSONAL PRESENTATIONS:

There were none.

### 4. CORRESPONDENCE:

- A. Board reviewed City of San Jose revised FY2019-19 Operating & Maintenance Cost Sharing letter. It is to be Noted & Filed.

### 5. MEETINGS:

- A. Manager Porter plans to attend the regular meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) meeting to be held December 9, 2019.
- B. Director Gatto plans to attend the regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) meeting to be held December 12, 2019.

### 6. REPORTS:

- A. Director Bosworth reported on the regular meeting of the Santa Clara County Special Districts Association (SCCSDA) held on December 2, 2019. Items of discussion included voting on legislation as an associate and Oroville legal decisions.

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, DECEMBER 04, 2019

7. UNFINISHED BUSINESS:

- A. The Board discussed logistics of attending the CASA Winter Conference to be held January 21-23, 2020 in Indian Wells, CA. All Board Members are planning to attend the conference.

8. NEW BUSINESS:

- A. The Board discussed loan granted to owner of parcel 369-24-014 under the District's lateral loan program with a promissory note. The Board discussed securing the promissory note against a lien placed on the property. The Board directed staff to investigate making the loan a recorded lien (deed of trust) moving forward.

9. STAFF REPORTS:

- A. Advisor Tanaka presented status and issues for the Prospect Pump Station under construction using PowerPoint.
- B. Manager Porter and Advisor Tanaka reported on the City of Saratoga pavement failures as it relates to the District's mains and manholes. Board directed staff to work with City of Saratoga in resolving pavement failures.

10. CLOSED SESSION:

President Kwok requested Manager Porter and Advisor Tanaka to be excused and adjourned the regular meeting session and opened the closed session at 8:17 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.

The closed session was adjourned, staff rejoined the regular meeting and the regular meeting was called to order at 8:20 p.m.

There was no reportable action.

11. NEXT MEETING:

- A. The Next regular District Board meeting is scheduled to be held on Wednesday, December 18, 2019.
- B. The Board deferred the decision to December 18, 2019 meeting for the calendar conflict of the regular meeting to be held January 1, 2020 with New Year's Day holiday.

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, DECEMBER 04, 2019

12. ADJOURNMENT:

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

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Secretary of the Sanitary Board

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President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, NOVEMBER 20, 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, Taghi S. Saadati, John M. Gatto, and William A. Bosworth. President Kwok was on excused absence.

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

## 2. MINUTES & BILLS:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 3-0-1, the minutes of Wednesday, November 6, 2019 were approved. Director Saadati abstained due to his absence of the November 6 meeting.
- B. By consensus, the Minutes of Wednesday, October 16, 2019 are to be Noted & Filed.
- C. The Board reviewed the October financials for payment. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 4-0-0, payment of bills was approved.
- D. The Directors submitted their October 2019 timesheets to Staff.

## 3. PERSONAL PRESENTATIONS:

There were none.

## 4. CORRESPONDENCE:

- A. The Board received the Santa Clara County Registrar of Voters Schedule of Updated Fees. It is to be Noted & Filed.

## 5. MEETINGS:

- A. Bosworth plans to attend the regular meeting of the Santa Clara County Special Districts Association (SCCSDA) to be held December 2, 2019.

## 6. REPORTS:

- A. Manager Porter reported on the regular meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) meeting held November 11, 2019.

CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, NOVEMBER 20, 2019

- B. Director Gatto reported on the regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) meeting held November 14, 2019.

7. UNFINISHED BUSINESS:

There was none.

8. NEW BUSINESS:

- A. Manager Porter reported on FLYGT SCADA modem upgrade requirement. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 4-0-0, the Board approved the implementation of 4G modems for the remaining 12 pump stations prior to end of this year at the offered price of \$7,270. District staff will remove the existing 3G modems and replace them with these new 4G modems. The District will also issue a PO in the amount of \$8,730 for the 2020 annual maintenance service, which will be paid with January warrants.
- B. The Board discussed CASA Winter Conference to be held January 21-23 (Tuesday through Thursday), 2020 in Indian Wells, CA. All Board members, staff, and counsel plan to attend. Director Chen plans to attend the CSRMA pre-conference training, while Directors Bosworth and Saadati will decide after the program is posted.

9. STAFF REPORTS:

- A. Manager Porter and Advisor Tanaka both reported on the Prospect Pump Station.
- B. Manager Porter reported on the monthly maintenance report.

10. CLOSED SESSION:

Acting President Chen adjourned the regular meeting session and opened the closed session at 7:51 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.

Manager Porter and Advisor Tanaka were excused for the closed session. Closed session was adjourned and the regular meeting was called to order at 8:00 p.m. There was no reportable action. Manager Porter and Advisor Tanaka rejoined the regular meeting.

11. NEXT MEETING:

The next regular District Board meeting is scheduled to be held on Wednesday, December 4, 2019.



CUPERTINO SANITARY DISTRICT BOARD MEETING  
WEDNESDAY, NOVEMBER 20, 2019

12. ADJOURNMENT:

On a motion properly made and seconded, at 8:03 p.m. the meeting was adjourned.

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Secretary Pro-Tem of the Sanitary Board

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Acting President of the Sanitary Board

**CUPERTINO SANITARY DISTRICT**  
**MONTHLY FINANCIAL REPORT THROUGH NOVEMBER 2019**  
 (5th Month of Operations - 42% 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	\$34,500.00	\$0.00	\$34,500.00	\$1,137,805.00	2.9%	None this month
Directors Fees	41030	\$35,000	\$11,778.25	\$2,123.62	\$13,901.87	\$21,098.13	39.7%	November Payroll
Gasoline, Oil & Fuel	41060	\$3,000	\$1,431.81	\$0.00	\$1,431.81	\$1,568.19	47.7%	None this month
Insurance	41070	\$135,000	\$9,581.50	\$1,070.90	\$10,652.40	\$124,347.60	7.9%	Dooley (Life & Dental)
Memberships	41080	\$35,000	\$45,198.79	\$0.00	\$45,198.79	-\$10,198.79	129.1%	None this month
Office Rent	41090	\$6,000	\$1,600.00	\$400.00	\$2,000.00	\$4,000.00	33.3%	November Rent
Operating Expenses	41100	\$3,000	\$882.23	\$0.00	\$882.23	\$2,117.77	29.4%	None this month
Contractual Services:								
Outfall Maintenance	41113	\$71,000	\$46,535.89	\$0.00	\$46,535.89	\$24,464.11	65.5%	None this month
T.P. Oper. & Maint.	41114	\$6,253,614	\$3,069,014.00	\$0.00	\$3,069,014.00	\$3,184,600.00	49.1%	None this month
Professional Services:								
Management Services	41121	\$500,000	\$180,807.63	\$31,442.54	\$192,250.17	\$307,749.83	38.5%	On target
Engineering Services	41122	\$1,000,000	\$385,554.77	\$96,554.91	\$482,109.68	\$517,890.32	48.2%	On target
Plan Ckg. & Insp.	41123	\$140,000	\$56,209.58	\$10,066.99	\$66,276.57	\$73,723.43	47.3%	On target
Legal - District Counsel	41124	\$80,000	\$16,479.00	\$1,287.00	\$17,766.00	\$42,234.00	29.6%	Atkinson Farasyn - November Services
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$980,000	\$236,431.68	\$49,833.36	\$286,265.04	\$693,734.96	29.2%	Hunton Andrews - November billing
Legal - Common Interest Group								
(CuSD Share)	41124	\$222,000	\$66,685.85	\$14,055.56	\$80,741.41	\$141,258.59	36.4%	Hunton Andrews - November billing
Audit	41125	\$11,500	\$0.00	\$0.00	\$0.00	\$11,500.00	0.0%	None to date
Printing & Publications	41130	\$15,000	\$15,910.84	\$0.00	\$15,910.84	-\$910.84	106.1%	None this month
Repairs	41150	\$800,000	\$183,875.97	\$33,744.74	\$217,620.71	\$582,379.29	27.2%	On target
Maintenance	41151	\$3,000,000	\$1,103,252.97	\$190,736.69	\$1,293,989.66	\$1,706,010.34	43.1%	On target
Travel & Meetings Staff	41170	\$15,000	\$4,881.79	\$1,190.00	\$6,071.79	\$8,928.21	40.5%	Registration fees for CASA Conference Winter 2020
Travel & Meetings BOD	41170	\$18,000	\$6,712.54	\$3,235.00	\$9,947.54	\$8,052.46	55.3%	Registration fees for CASA Conference Winter 2020
Utilities	41190	\$60,000	\$23,733.25	\$4,801.06	\$28,534.31	\$31,465.69	47.6%	On target
Refunds & Reimbursements:								
Miscellaneous	41201	\$50,000	\$2,475.00	\$580.78	\$3,055.78	\$46,944.22	6.1%	Reimbursement for sewer service charges paid - 22465 Palm Avenue
Connection Fees	41202	\$2,000	\$233,177.80	\$0.00	\$233,177.80	-\$231,177.80	11659%	None this month
Checking & Inspection	41203	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None to date
Emergency Funds	48000	\$250,000	\$29,420.93	\$4,066.89	\$33,487.82	\$216,512.18	13.4%	Two emergencies this month
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>\$5,746,132.07</b>	<b>\$445,190.04</b>	<b>\$6,191,322.11</b>	<b>\$8,649,096.89</b>	<b>41.7%</b>	
<b>CAPITAL EXPENSES</b>								
District Sewer Capital & Support	46041	\$2,000,000	\$453,763.22	\$611,238.55	\$1,065,001.77	\$934,998.23	53.3%	Prospect Pump Station Rehab Project - Construction Phase; Smoke Testing
Treatment Plant Capital	46042	\$14,065,406	\$3,425,849.00	\$0.00	\$3,425,849.00	\$10,639,557.00	24.4%	None this month
Outfall Capital	46042	\$850,000	\$29,515.44	\$0.00	\$29,515.44	\$820,484.56	3.5%	None this month
District Equipment	46043	\$150,000	\$92,762.91	\$6,385.69	\$99,148.60	\$50,851.40	66.1%	Upgrade/rebuilt motor and pump - for Homestead Pump Station
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>\$4,001,890.57</b>	<b>\$617,624.24</b>	<b>\$4,619,514.81</b>	<b>\$12,745,891.19</b>	<b>26.6%</b>	
<b>TOTAL EXPENSES</b>		<b>\$32,205,825</b>	<b>\$9,748,022.64</b>	<b>\$1,062,814.28</b>	<b>\$10,810,836.92</b>	<b>\$21,394,988.08</b>	<b>33.6%</b>	

**CUPERTINO SANITARY DISTRICT**  
**MONTHLY FINANCIAL REPORT THROUGH NOVEMBER 2019**  
 (5th Month of Operations - 42% into FY Operations)

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

**REVENUE SUMMARY REPORT**

Account Name	Account Number	BUDGET	Prior Receipts	Current Month Receipts	Total Amount Received	Remaining Balance to Collect	% Earned To Date	Comments
<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	\$10,000,000.00	0.0%	None to date
Permit Fees	31020	\$130,000.00	\$64,715.52	\$4,500.00	\$69,215.52	\$60,784.48	53.2%	Fifteen payments received this month; Seventy-four payments received to date
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	\$9,038.56	\$0.00	\$9,038.56	\$290,961.44	3.0%	No payment received this month; Three payments received to date
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	\$38,205.00	\$8,000.00	\$46,205.00	\$113,795.00	28.9%	Twenty-two payments this month; One hundred Fifteen payments received to date
Annexation	32010	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00	0.0%	None to date
Interest	32050	\$220,000.00	\$86,575.93	\$50,240.22	\$136,816.15	\$83,183.85	62.2%	FY2019-2020 Q1 advance
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	\$116,704.70	\$0.00	\$116,704.70	\$909,295.30	11.4%	None this month
Legal - Common Interest Group (2% Admin Fees)	32902.2	\$20,000.00	\$2,381.73	\$0.00	\$2,381.73	\$17,618.27	11.9%	None this month
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$16,757.34	\$0.00	\$16,757.34	(\$6,757.34)	167.6%	\$16,757.34 received from Forum in July for 2 Wet Well Wizard lift station 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>\$334,378.78</b>	<b>\$62,740.22</b>	<b>\$397,119.00</b>	<b>\$29,988,381.00</b>	<b>1.31%</b>	
<b>TOTAL OPERATING REVENUE</b>		<b>\$30,385,500.00</b>	<b>\$334,378.78</b>	<b>\$62,740.22</b>	<b>\$397,119.00</b>	<b>\$29,988,381.00</b>	<b>1.31%</b>	Reserve Account

**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
August 31, 2019	Ending Balance	\$ 16,128,185.68	\$ 2,700,000.00	\$ 13,428,185.68
September 30, 2019	Ending Balance	\$ 15,423,633.09	\$ 2,700,000.00	\$ 12,723,633.09
October 31, 2019	Ending Balance	\$ 13,347,920.35	\$ 2,700,000.00	\$ 10,647,920.35
November 30, 2019	Ending Balance	\$ 12,602,906.70	\$ 2,700,000.00	\$ 9,902,906.70

**Running Total Expenses for Prospect Pump Station**

Contractor/Firm	PAYMENT MADE											
	February-19	March-19	April-19	May-19	June-19	July-19	August-19	September-19	October-19	November-19	December-19	
<b>TOTAL BY FIRM</b>												
Mark Thomas & Co.	\$ 559,732.31	\$ 189,889.46	\$ 48,911.65	\$ 43,213.39	\$ 18,571.36	\$ 34,864.86	\$ 50,565.81	\$ 23,523.65	\$ 21,457.37	\$ 72,732.94	\$ 56,001.82	
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										
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	\$ 108,814.70	\$ 108,814.70										
Tesco - Control cabinet-Elec.	\$ 186,725.00	\$ 186,725.00										
General Contractor	\$ -	\$ -										
Bruce Barton Pump Service	\$ 5,758.56	\$ 5,758.56										
Interstate Traffic Control	\$ 707.39	\$ 707.39										
Con-Quest Contractors, Inc.	\$ 385,242.58	\$ 385,242.58										
City of Cupertino - Permit	\$ 5,276.00	\$ 5,276.00										
City of Saratoga - Permit	\$ 77,200.00	\$ 77,200.00										
<b>TOTAL BY MONTHS</b>	\$ 2,102,903.18	\$ 422,103.01	\$ 492,309.31	\$ 60,906.32	\$ 24,329.92	\$ 85,427.36	\$ 80,145.81	\$ 105,999.65	\$ 21,457.37	\$ 199,254.64	\$ 610,969.79	

Denotes design phase cost  
Denotes construction phase cost

MTCo Billing	Employee Labor Hours											
	Feb	March	April	May	June	July	August	September	October	November	December	
Engineering Inquiries/Investigation	4,205.21	2,799.42	1,545.36									50%
SSMP	3,878.63	10,115.16	356.29									100%
Repair - Pump Station	90,780.78	25,743.83	20,861.98									100%
Emergency	73,589.54	6,198.09	7,468.39									100%
Design (CU-19104)	0.00	4,055.15	12,981.37	18,571.36	34,864.86	50,565.81	23,523.65	21,457.37	72,732.94	56,001.82		100%
Est. total charged to others	17,435.30											
<b>TOTAL</b>	<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>	<b>23,523.65</b>	<b>21,457.37</b>	<b>72,732.94</b>	<b>56,001.82</b>		

**CUPERTINO SANITARY DISTRICT  
WARRANTS PAYABLE - December 18, 2019**

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 2,123.62	ADP	Directors' Salary	
18780	M&O	\$ 324,735.16	Mark Thomas & Company, Inc.	Office Rent	400.00
				Utilities	776.35
				District Sewer Capital & Support	56,977.97
				Plan Checking & Inspection	10,066.99
				Management Services	31,442.54
				Engineering Services	96,554.91
				Repairs	5,851.68
				Maintenance	119,495.33
				Emergency	3,169.39
18781	M&O	\$ 63,888.92	Hunton Andrews Kurth LLP	Legal Outside - CIG CuSD Advance Pay	49,833.36
				Legal Outside - CuSD Share	14,055.56
18782	M&O	\$ 1,287.00	Atkinson Farasyn LLP	Legal - District Counsel (November)	
18783	M&O	\$ 1,070.90	Dooley Insurance Services	Insurance - Group Life & Dental (Dec.)	
18784	M&O	\$ 4,425.00	CASA	Travel & Meetings - Staff	1,190.00
				Travel & Meetings - BOD (plus M. Hynes)	3,235.00
18785	M&O	\$ 50.99	City of Santa Clara Utilities	Utilities	
18786	M&O	\$ 3,973.72	PG&E	Utilities	
18787	M&O	\$ 580.78	Janice Santos	Refunds & Reimbursements - Miscellaneous	
18788	M&O	\$ 6,385.69	Pan-Pacific Supply Company	District Equipment (Homestead PS)	
18789	M&O	\$ 8,000.00	Marti's Plumbing Service	Repairs	
18790	M&O	\$ 135.00	Jose Silva Gardening	Maintenance	
18791	M&O	\$ 540.73	Grainger	Maintenance	
18792	M&O	\$ 136.08	Home Depot	Maintenance	
18793	M&O	\$ 1,137.00	Mission Communications	Maintenance	
18794	M&O	\$ 749.00	Telstar	Maintenance	
18795	M&O	\$ 1,533.67	WECO Industries	Maintenance	
18796	M&O	\$ 18,445.00	AB/JDD Plumbing Heating & AC	Maintenance	18,290.00
				Emergency	155.00
18797	M&O	\$ 22,024.53	Roto-Rooter	Maintenance	13,124.43
				Repairs	8,900.10
18798	M&O	\$ 47,330.91	Able Underground Construction	Maintenance	35,595.45
				Repairs	10,992.96
				Emergency	742.50
1005	M&O	\$ 169,018.00	Tesco Controls, Inc.	District Sewer Capital & Support - Prospect	
1006	M&O	\$ 385,242.58	Con-Quest Contractors, Inc.	District Sewer Capital & Support - Prospect	

**TOTAL**                      **\$ 1,062,814.28**

**EMERGENCY DETAILS:**

**AB/JDD Plumbing** -one emergency this month

**Able** - one emergency this month

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



# CSRMA Risk Management Seminar at January 2020 CASA Conference

**January 21, 2020 - Renaissance Esmeralda Resort, Indian Wells**

Date: January 21, 2020

Time: 8:00am to 12:00noon

Location: Renaissance Esmeralda Resort, 44400 Indian Wells Lane, Indian Wells, California 92210

*Checkin and hot buffet breakfast begins at 7:00am.*

<b>7am-8am</b>	<b>CATERED BREAKFAST</b>
<b>8-8:45am</b>	<p><b>Who's Gonna' Clean Our Sewers and Run Our Plants?</b></p> <p>The wastewater industry is facing a silver tsunami. To help ensure reliable operation of collection systems and treatment plants as experienced staff retire and new staff is hired, agencies must have a comprehensive strategy that includes a plan to keep existing employees safe and healthy for as long as possible as they age and a methodical and measurable training system to help ensure new employees achieve competency as quickly as possible after hire.</p> <p style="text-align: right;"><i>David Patzer, CSRMA Risk Control</i></p>
<b>8:45-9:15am</b>	<p><b>Addressing CSRMA's Leading Cause of Workers' Compensation Injuries</b></p> <p>Soft tissue injuries due to strain and overexertion have been the leading cause of lost time injuries since the CSRMA Workers' Compensation Pool was formed in 1990. Wouldn't you like to know, quickly and easily, where these hazards exist at your agency? Mr. Freeman, after working with numerous CSRMA members collecting data, will present state-of-the-art and easy to use software that will identify tasks at your agency putting employees at high risk of sustaining this type of injury.</p> <p style="text-align: right;"><i>Don Freeman, Occumetric</i></p>
<b>9:25-10:15am</b>	<p><b>High-Level Wellness for Organizations and Individuals: Why Wellness Matters</b></p> <p>Health care costs are high and pose a real issue threatening the safety of patients, care providers and organizations. Evidence shows pursuing effectively designed wellness programs that encompass broad, even holistic, definitions of health, can greatly reduce costs, improve productivity, and increase patient satisfaction. The bottom line: organizations benefit from healthy employees.</p> <p style="text-align: right;"><i>Bruce C. Underwood, Dr.P.H. Healthy Futures, Inc.</i></p>

<p><b>10:25-11am</b></p>	<p><b>The Supreme Court's Oroville decision – Where Do We Go From Here?</b></p> <p>This session will discuss the effect on sanitation agencies of the California Supreme Court decision <i>City of Oroville v. Superior Court</i> (2019) 7 Cal.5th 1091, which addressed inverse condemnation liability for sewer backups. The Court greatly restricted inverse condemnation liability for such claims, disapproving the prior CSAA v. <i>City of Palo Alto</i> appellate case that had effectively imposed strict liability. The Oroville opinion did leave some potential for inverse condemnation liability, though, upon a showing of a "fix it when it breaks" deficient plan of maintenance. The Court also held that absence of a backflow device required by Code defeated the "design" claim under inverse condemnation law. We will discuss the interaction between this landmark case and agency design and maintenance plans, and the importance of backflow prevention ordinances, both for preventing backups and defending liability claims. We will also discuss the other, tort theories (nuisance, dangerous condition) that a claimant can pursue, including the elements of establishing liability and defenses to tort-based claims. Attendees should come away with a working knowledge of the law in this area and how it should affect agency policies.</p> <p style="text-align: center;"><b>A. Byrne Conley is an attorney with the firm of Gibbons and Conley in Pleasant Hill, CA.</b></p> <p><i>Byrne serves as General Counsel for numerous California Self-Insurance Pools covering Cities, Schools, Sanitary Districts and Recreation and Park Districts, including the California Sanitation Risk Management Authority (CSRMA). His general counsel work includes monitoring claims, ensuring Government Code and Brown Act compliance, drafting coverage documents, contracts, policy and procedure documents as well as handling coverage disputes, and public entity defense.</i></p>
<p><b>11:10-12pm</b></p>	<p><b>Organizational Resilience: SDG&amp;E's Journey with Climate Adaption.</b></p> <p>In 2003, and again in 2007, the San Diego region was impacted by wildfires causing devastation to our community and putting SDG&amp;E on a journey to respond to changes in the environment causing heightened wildfire risk. SDG&amp;E responded to this new climate norm by investing in world class meteorology, focusing on hardening its critical fire prone infrastructure, installing weather cameras and investing in aviation to reduce the risk of wildfires in the San Diego region. In addition, SDG&amp;E worked closely with communities impacted by wildfire threats and partnered with first responders and other agencies to ensure reduced impacts related to proactive safety power shutoffs necessary to induce utility related ignition sources during extreme weather conditions, which are becoming more severe, frequent and year around in nature. Finally, SDG&amp;E continues to assess its business for vulnerabilities and additional risks brought on by climate change to address things like rising sea levels, warmer temperatures and loss of marine layer causing changes in the environment and impacts to our business. SDG&amp;E strives to be the cleanest, safest and most reliable utility infrastructure company in the nation and is mission driven in its journey addressing climate change.</p> <p style="text-align: right;"><b>Michael M. Schneider</b> <b>Vice President of Risk Management and Compliance</b> <b>San Diego Gas &amp; Electric (SDG&amp;E)</b></p>

Click here to see who has already registered: [Registrant List](#)

(NOTE: It may take up to 30 minutes for names to appear on the list after they have been registered.)

# REGISTRATION

Enter registrants' names one at a time. When you enter the name of each registrant and click "Save Registrant," their name will appear in the list of the individuals you are currently registering (below). The list will appear after first registrant is entered. You will be prompted to enter registrants one at a time. Click on the trash can icon to delete any registrants.

Select Registration Option \*

CSRMA Member (\$0.00)

This registration option is only for agencies that are members of the California Sanitation Risk Management Authority (CSRMA).

Non-CSRMA (\$50.00)

This registration option is for agencies that are not members of the California Sanitation Risk Management Authority (CSRMA).

If you are not sure if your agency is a CSRMA member, click here to view a complete membership list: <http://csrma.org/template/members.asp?id=366>

Name \*

First Name

Last Name

Agency Name \*



Email

Email Address

Confirm Email

Confirm Email Address



Secure Online Registration Powered by RegFox





Cupertino Sanitary District  
2019 Board Members & Staff

President	Patrick S. Kwok
Secretary	Angela S. Chen
Secretary Pro-Tem	Taghi S. Saadati
Director	John M. Gatto
Director	William A. Bosworth
District Manager	Benjamin T. Porter
District Advisor	Richard A. Tanaka

2019 DISTRICT REPRESENTATIVES

TPAC	Director Gatto
Alternate	President Kwok
Special Districts Association	Director Bosworth
Alternate	Director Chen
CASA	President Kwok
Alternate	Director Chen
CSRMA	Director Bosworth
Alternate	Director Chen

FINANCE COMMITTEE

Director Saadati (Director in Position 3)  
Director Gatto (Director in Position 4)

TAC

Manager Porter & District Advisor Tanaka

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**CUPERTINO SANITARY DISTRICT  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2019**

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*Draft*

***HARSHWAL & COMPANY LLP***  
***Certified Public Accountants***  
***7677 Oakport Street, Suite 460***  
***Oakland, CA 94621***  
***(510) 452-5051***

**CUPERTINO SANITARY DISTRICT  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Cupertino Sanitary District  
Cupertino, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Cupertino Sanitary District, (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Cupertino Sanitary District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Cupertino Sanitary District as of June 30, 2019, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Summarized Comparative Information*

We have previously audited the District's June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of Cupertino Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cupertino Sanitary District's internal control over financial reporting and compliance.

**CUPERTINO SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

The following discussion and analysis of the Cupertino Sanitary District's (the "District") financial performance provides and overview of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the District's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- Change in Net Position at the end of FY 2018-19 is \$1,390,095 as compared to last fiscal amount of \$(2,708,160) which is an increase of \$4,098,255. A major difference between 2018 and 2019 are as follows:
  1. Total operating revenue increased by \$1,253,903 due to increased sewer service charges by 8% in the amount of 1,505,293 offset by decrease in development fees and others by \$251,390 from \$16,468,768 to \$17,722,671. City of San Jose reimbursement to the District consisted of \$400,833 for capital credit and \$1,033,333 for O&M credit. There was no major redevelopment fees collected for FY 2018-19.
  2. Interest revenue increased by \$78,345 from \$226,101 to \$304,446. This amount was increased by \$347,270 for the unrealized loss on investments of fair market value of Santa Clara County Commingled Investment Pool (GASB 31), resulting in the total non-operating revenue of a \$651,716 as compared to last fiscal year amount of \$2,377.
  3. The operating expenses decreased by \$2,195,013 for the following reasons:
    - a. Treatment plant cost decreased by \$3,768,620 primarily due to decrease at the treatment plant for capital expenditure.
    - b. District capital project expenses for this fiscal year was \$491,248 as compared to last fiscal year amount \$1,821,962, a decrease of 1,330,714. This decrease is due to the fact that District did not have any significant capital projects, such as previous fiscal year of Tantau Sewer Rehabilitation Project.
    - c. Repair and maintenance shows an amount of \$2,861,717 for this fiscal year. This year the actual recorded amount was \$3,127,118 which was reduced by \$265,401 for District sewer subsewer capital asset addition, resulting in \$2,861,717.
    - d. Engineering expenses decreased by \$112,117 or 10.7% as compared to previous fiscal year.
    - e. Management services increased by \$43,234 or 6.8% as compared to previous fiscal year.
    - f. Emergency expenses increased by \$958,957 of which \$914,413 was for Prospect Pump Station.
    - g. Miscellaneous expenses increased by \$77,972 due to refunding development fees due to changes in the adopted Ordinance No. 125
- Current Assets increased by \$2,218,756 (12%) to \$20,833,364 from \$18,614,608. This is due primarily to increase in cash of \$1,898,440 largely due to lesser Capital payments to the City of San Jose and a reduced District's capital expenditure. Moreover, the unrestricted investment is being tracked separately for the future needs to fund City of San Jose treatment plant improvement cost with an annual transfer of cash into the unrestricted capital investment fund of \$300,000, now totaling \$2,400,000.

**CUPERTINO SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

- The actual cash balance is \$18,281,735 as compared to previous fiscal year of \$16,383,295 or increase of \$1,898,440 as previously explained in the total current asset.
- Net investment in capital assets are \$25,079,720 which reflects a decrease of \$338,971 due to total new asset acquisitions of \$265,401 which was offset by annual depreciation of 604,372.
- Current liabilities increased by \$489,690 or 106% (from \$461,937 to 951,627) which is within the normal operating range for accounts payables from previous year to this fiscal year.

**USING THIS ANNUAL REPORT**

This annual report consists of two parts: Management's Discussion and Analysis and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information contained in those statements.

**Required Financial Statements**

District's financial statements report financial information about the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all District's assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts, cash disbursements and net changes in cash resulting from operating, investing, and capital and noncapital financing activities. It provides answers to questions such as, "Where did the cash come from?" "Cash was used for what purpose?" and "What was the change in cash balance during the reporting period?"

**FINANCIAL ANALYSIS OF THE DISTRICT**

One of the most important questions asked about the District finances is whether or not the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of District's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in District's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.



**CUPERTINO SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Changes in Net Position**

District's total net position increased from the previous year by \$1,390,095. The following condensed financial statements include summary figures from the statement of net position and the statement of revenue, expenses and changes in net position.

**Condensed Statements of Net Position**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>%</u>
Current assets	\$20,833,364	\$18,614,608	\$ 2,218,756	11.92 %
Capital assets, net	25,079,720	25,418,691	(338,971)	(1.33)%
Total assets	<u>45,913,084</u>	<u>44,033,299</u>	<u>1,879,785</u>	4.27 %
Current liabilities	<u>951,627</u>	<u>461,937</u>	<u>489,690</u>	106.01 %
Total liabilities	<u>951,627</u>	<u>461,937</u>	<u>489,690</u>	106.01 %
Net investment in capital assets	25,079,720	25,418,691	(338,971)	(1.33)%
Unrestricted net position	<u>19,881,737</u>	<u>18,152,671</u>	<u>1,729,066</u>	9.53 %
Total net position	<u>\$44,961,457</u>	<u>\$43,571,362</u>	<u>\$ 1,390,095</u>	3.19 %

In part, changes in District's net position can be determined by reviewing the following condensed Statement of Revenue, Expenses, and Changes in Net Position.

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>%</u>
Operating revenue	\$17,722,671	\$16,468,768	\$ 1,253,903	7.61 %
Non-operating revenue	<u>651,716</u>	<u>2,377</u>	<u>649,339</u>	DIV/0 %
Total revenues	<u>18,374,387</u>	<u>16,471,145</u>	<u>1,903,242</u>	11.56 %
Operating expenses	<u>16,984,292</u>	<u>19,179,305</u>	<u>(2,195,013)</u>	(11.44)%
Changes in net position	1,390,095	(2,708,160)	4,098,255	(151.33)%
Net Position, Beginning	43,571,362	46,240,324	(2,668,962)	(5.77)%
Restatement	-	39,198	(39,198)	(100.00)%
Net position, beginning (restated)	<u>43,571,362</u>	<u>46,279,522</u>	<u>(2,708,160)</u>	(5.85)%
Net position, ending	<u>\$44,961,457</u>	<u>\$43,571,362</u>	<u>\$ 1,390,095</u>	3.19 %

**CUPERTINO SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS**

At the end of fiscal year 2019 the District had \$25,079,720 (net of accumulated depreciation) net investment in capital assets. The assets included: land, sewage treatment plant capacity right, collection system consisting of subsurface lines and pumps, and equipment. Acquisitions for the fiscal year totaled \$265,401, while annual depreciation expense is \$604,372 or a net decrease of \$338,971. The following table summarizes District capital assets at historical costs for fiscal year ended June 30, 2019.

Land	\$ 16,897
Equipment	1,273,106
Sub Sewer System	31,870,271
Intangible Assets - Capacity Rights	<u>8,947,170</u>
Total Historical Cost of Capital Assets	<u>42,107,444</u>
Accumulated depreciation	(17,027,724)
Total capital assets	<u>\$ 25,079,720</u>

Additional information on capital assets can be found in the Note 3 to the financial statements.

**RATES AND OTHER ECONOMIC FACTORS**

The District's elected officials consider many factors when setting the fiscal budget including the economy, increased salary and benefit costs for both District operations and the City of San Jose Treatment Plant operations, as well as increased capital improvement programs. In addition, the District's operation is governed in part by the requirements and provisions of the State Water Resources Control Board (SWRCB) that require adequate funding to cover the costs of operation, maintenance, and recurring capital replacement (OM&R) to be in compliance with Sewer System Management Plant (SSMP).

The District is not subject to general economic conditions such as increase or decrease in property tax values or other types of revenues that vary with economic conditions such as sales taxes.

Accordingly, the District sets its rates to its users to cover the costs of OM&R and projected capital improvement cost plus any requirements in program costs. Increases in operating costs have been kept at or below inflationary levels in recent years for the District's portion of expenses. However, the San Jose-Santa Clara Treatment Plant expenses have increased at higher rates due to rehabilitation or replacement of the plant's older infrastructure and a need to pay cash for the capital outlay in lieu of a long term financing.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our customers and creditors with a general overview of District's finances, and demonstrate accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the District at 20863 Stevens Creek Blvd., Suite #100, Cupertino, California, 95014 or by calling (408) 253-7071.

**CUPERTINO SANITARY DISTRICT**  
**STATEMENTS OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2019**  
**(With comparative totals for June 30, 2018)**

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash	\$ 18,281,735	\$ 16,383,295
Capital unrestricted investment	2,400,000	2,100,000
Accounts receivable	9,788	15,486
Interest receivable	86,576	61,674
Prepaid expenses	55,265	54,153
Total current assets	20,833,364	18,614,608
Noncurrent assets		
Capital assets, net	25,079,720	25,418,691
Total assets	45,913,084	44,033,299
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	318,165	255,956
Other liabilities	633,462	205,981
Total liabilities	951,627	461,937
<b>NET POSITION</b>		
Net investment in capital assets	25,079,720	25,418,691
Unrestricted net position	19,881,737	18,152,671
Total net position	44,961,457	43,571,362
Total liabilities and net position	\$ 45,913,084	\$ 44,033,299

Draft

The accompanying notes are an integral part of these financial statements.

**CUPERTINO SANITARY DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(With comparative totals for year ended June 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Sewer service charges	\$ 15,737,469	\$ 14,232,176
Permits, inspection, and other fees	<u>1,985,202</u>	<u>2,236,592</u>
Total operating revenues	<u>17,722,671</u>	<u>16,468,768</u>
<b>OPERATING EXPENSES</b>		
Sewage treatment	9,812,692	13,581,312
District capital outlay	491,248	1,821,962
Management services	638,437	595,203
Engineering	1,043,329	1,155,446
Supplies	3,451	6,522
Repairs & maintenance	2,861,717	764,768
Outfall maintenance and capital	121,961	301,995
Utilities	61,764	58,004
Membership fees	37,797	29,344
Insurance	126,329	126,888
Emergency expenses	1,085,076	126,119
Depreciation	604,372	593,595
Miscellaneous	<u>96,119</u>	<u>18,147</u>
Total operating expenses	<u>16,984,292</u>	<u>19,179,305</u>
Net operating income	<u>738,379</u>	<u>(2,710,537)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	304,446	226,101
Unrealized gain/(loss) on investments fair value	<u>347,270</u>	<u>(223,724)</u>
Total non-operating revenues (expenses)	<u>651,716</u>	<u>2,377</u>
Change in net position	1,390,095	(2,708,160)
Net position, beginning of year	<u>43,571,362</u>	<u>46,240,324</u>
Restatement (Note 7)	<u>-</u>	<u>39,198</u>
Net Position, Beginning (Restated)	<u>43,571,362</u>	<u>46,279,522</u>
Net position, end of year	<u>\$ 44,961,457</u>	<u>\$ 43,571,362</u>

Draft

The accompanying notes are an integral part of these financial statements.

**CUPERTINO SANITARY DISTRICT**  
**STATEMENTS OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(With comparative totals for year ended June 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and other sources	\$ 17,728,369	\$ 16,454,316
Cash paid to suppliers and service providers	<u>(15,891,342)</u>	<u>(18,568,992)</u>
Net cash provided by operating activities	<u>1,837,027</u>	<u>(2,114,676)</u>
<b>Cash flows from investing activities:</b>		
Interest received	279,544	216,799
Unrealized gain/(loss) on investments fair value	347,270	(223,724)
Acquisitions of capital assets	<u>(265,401)</u>	<u>(2,139,779)</u>
Net cash provided by investing activities	<u>361,413</u>	<u>(2,146,704)</u>
Net change in cash	2,198,440	(4,261,380)
Cash, beginning of year	<u>18,483,295</u>	<u>22,744,675</u>
Cash, end of year	<u>\$ 20,681,735</u>	<u>\$ 18,483,295</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating Income	\$ 738,379	\$ (2,710,537)
Adjustments to reconcile change in net position to cash flows from operating activities:		
Depreciation	604,372	593,595
(Increase) decrease in operating assets:		
Accounts receivable	5,698	(14,451)
Prepaid expenses	(1,112)	2,274
Increase (decrease) in operating liabilities:		
Accounts payable	62,209	15,024
Accrued liabilities	<u>427,481</u>	<u>(581)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,837,027</u>	<u>\$ (2,114,676)</u>

The accompanying notes are an integral part of these financial statements.

**CUPERTINO SANITARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General**

The Cupertino Sanitary District (the "District") is a separate governmental unit established as a special district of the State of California. The District was organized on December 28, 1953 as County Sanitation District No. 7; and reorganized April 30, 1956 as the Cupertino Sanitary District. Through an agreement with the City of San Jose and Santa Clara for treatment and disposal services, the District provides sewage collection services to the area in and around the Cities of Cupertino and Saratoga in Santa Clara County. Revenues are derived principally from sewer service charges collected from commercial and residential users within the District.

**B. Reporting Entity**

Although the nucleus of financial reporting entity usually is a primary government, an organization other than a primary government, such as a stand-alone government, may serve as the nucleus for its financial reporting entity when the stand-alone government provides separately issued financial statements. A stand-alone government is a legally separate government organization that has a separately elected governing body and does not meet the definition of a component unit. Cupertino Sanitary District meets the criteria as a stand-alone government, and accordingly, is accounted for and reported on as though it were a primary government.

For financial reporting purposes and in conformity with the Governmental Accounting Standards Board ("GASB") Codification Section 2100 which defines the governmental reporting entity, the District includes all funds that are controlled by, or are dependent on the Board of Directors of the District. Since no other entities are controlled by, or rely upon the District, the reporting entity consists solely of the District.

**C. Fund Accounting Classification**

The financial statements of the District are presented as those of an enterprise fund under the broad category of funds called proprietary funds, which also include internal service funds. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprise, where the intent is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services can be financed from existing cash resources, cash flow from operations, the issuance of bonds, and contributed capital.

**D. Basis of Accounting**

Enterprise funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The District follows Alternative 1 of GASB 20 regarding the use of the pronouncements of the Governmental Accounting Standards Board ("GASB") and Financial Accounting Standards Board ("FASB") in its accounting. That is, the District follows: (1) all GASB pronouncements and (2) FASB pronouncements, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARB"), that do not conflict with GASB pronouncements.

**CUPERTINO SANITARY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

**D. Basis of Accounting - cont'd**

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The District first applies restricted revenues when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**E. Capital Assets and Depreciation**

Property, plant, and equipment purchased are stated at cost. Subsurface sewer lines, equipment, and land and improvements contributed to the District are stated at estimated value at time of contribution. Depreciation is provided using the straight-line method over estimated useful lives, which are 7 years for equipment; 15 years for pump stations; and 50 years for sewer collection facilities. The District's threshold for capitalization is \$5,000. Intangible assets with indefinite useful lives (capacity rights) are not depreciated.

**F. Statements of Cash Flows**

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or less, when purchased, are considered cash equivalents.

**G. Equity Classifications**

In the government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- *Net Investment in Capital Assets* — This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* — Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. The District has no restricted net position as of June 30, 2019.
- *Unrestricted Net Position* — This category represents net position of the District, not restricted for any project or other purpose.

**CUPERTINO SANITARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

**H. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

The cash balance of the District is pooled and invested by the County's Treasurer in the pooled cash investment program ("Pool") for the purpose of increasing earnings through investment activities. The County's pooled deposits and investments are regulated by California Government Code and by a County investment policy approved annually by the County Treasury Oversight Committee and the Board. At fiscal year end, the County provides the participants' the pooled investments' fair value, based on quoted market prices. The County allocates interest to the District based on the District's average daily cash balance relative to the entire Pool. The value of the participants' pool shares that may be withdrawn is determined on an amortized basis, which is different than the fair value of the participants' positions in the pool. In addition, the County's investment pool is not rated by any of the credit rating agencies.

The County's commingled pool consists of cash in bank, U.S. government and agency securities, corporate bonds, negotiable certificates of deposit, commercial paper, securities lending collateral, and deposits in the State's Local Agency Investment Fund. Additional information regarding the County's investment policy and cash and investments, including interest rate risk, credit risk, custodial credit risk categories, securities lending transactions, and maturities of the different categories of investments, can be found in the County's notes to the basic financial statements. The cash in bank is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash and investments at June 30, 2019 consists of the following:

	<u>Amount</u>
Cash and investments:	
Cash with County Treasury common pool	\$ 20,317,546
Cash in bank	364,189
Total cash and investments	\$ 20,681,735

Governmental Accounting Standards Board, Statement No. 31, "Accounting and Financial Reporting for Certain Investment and for External Investment Pools" establishes accounting and financial reporting standards for all investments held by governmental external investment pools. The statement requires governmental entities to report investments at fair value. The original cost of cash with County Treasury common pool as of June 30, 2019 is \$20,245,854.



**CUPERTINO SANITARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 - CAPITAL ASSETS**

The capital asset activity for the year ended June 30, 2019 is as follows:

	<u>June 30, 2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2019</u>
Capital assets, not being depreciated:				
Intangible assets - capacity rights	\$ 8,947,170	\$ -	\$ -	\$ 8,947,170
Land	<u>16,897</u>	<u>-</u>	<u>-</u>	<u>16,897</u>
Total capital assets, not being depreciated	<u>8,964,067</u>	<u>-</u>	<u>-</u>	<u>8,964,067</u>
Capital assets, being depreciated:				
Equipment	1,097,405	175,701	-	1,273,106
Sub Sewer System	<u>31,780,571</u>	<u>89,700</u>	<u>-</u>	<u>31,870,271</u>
Total capital assets, being depreciated	32,877,976	265,401	-	33,143,377
Less: accumulated Depreciation	<u>(16,423,352)</u>	<u>(604,372)</u>	<u>-</u>	<u>(17,027,724)</u>
Total capital assets, being depreciated, net	<u>16,454,624</u>	<u>(338,971)</u>	<u>-</u>	<u>16,115,653</u>
Capital assets, net	<u>\$ 25,418,691</u>	<u>\$ (338,971)</u>	<u>\$ -</u>	<u>\$ 25,079,720</u>

Depreciation expense for the year ended June 30, 2019 is \$604,372.

**NOTE 4 - COMMITMENTS AND CONTINGENT LIABILITIES**

The District has an agreement with the cities of San Jose and Santa Clara relating to the discharge of sewage into the San Jose-Santa Clara Regional Wastewater Facility (Plant). Total charges under this agreement for the year ended June 30, 2019 were \$9,812,692. These charges were calculated based on the District's share of budgeted Plant operating expenditures, estimated capital improvements to the Plant, and District's portion of the debt financing charges incurred by the Plant. The City of San Jose invoices the District for these charges throughout the year and then reconciles the payments made by the District to the actual expenses incurred by the wastewater plant subsequent to each fiscal year end. Prior year under or over payment made by the District versus actual expenses incurred by the treatment plant are now paid cash to the District in lieu of credit to the District in the third quarter of the subsequent year. As of end of FY 2018-19, District is required to pay cash for the treatment plant capital outlay without any long term financing. City of San Jose provided preliminary capital budgets for next 5 fiscal years, totaling \$37,885,820 with next fiscal year amount of \$14,014,037. In anticipation of this, the District has been setting aside \$300,000 annually to meet these obligations under a cash investment fund that currently has \$2,400,000. Even with setting this reserve, District will be cash short in FY 2019-20. District is currently in the process of securing \$10 million loan to fund this treatment plant cost for next fiscal year.

The District has agreements with the City of Santa Clara and City of San Jose for the cost sharing of the joint interceptor.

The District does not hold title to any plant assets, nor is it directly or legally responsible for any related outstanding long term debt moving forward. Currently, District's obligation for the payments of prior long term financing ends at end of fiscal year 2020-21.

**CUPERTINO SANITARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4 - COMMITMENTS AND CONTINGENT LIABILITIES - CONT'D**

Following is a summary of the District's share of scheduled payments related to outstanding Plant Debt issues:

Year ended June 30,	Related to the Plants 1995 Sewer Revenue Bonds	Related to the Plants State Revolving Fund Loans	Total
2019	-	-	-
2020	635,082	-	635,082
2021	634,806	-	634,806
Total	\$ 1,269,888	\$ -	\$ 1,269,888

The District is a party to various legal proceedings which normally occur in governmental operations. Management has determined that these legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

**NOTE 5 - RISK MANAGEMENT**

The District is exposed to various risk of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to third parties and natural disasters. The District pays annual premiums to purchase commercial insurance through the California Sanitation Risk Management Authority (CSRMA) Primary Insurance Program to protect against these risks.

General Liability

General Aggregate (Bodily Injury, Property Damage and Medical)	\$ 3,000,000
Products	\$ 3,000,000
Personal and Advertising Injury	\$ 1,000,000
Each Occurrence and Hired and Non-Owned Auto Liability	\$ 1,000,000

Public Officials and Management Liabilities

Wrongful Acts, Employment Practices and Employee Benefits – each Offense	\$ 1,000,000
Excess Liability per occurrence and aggregate	\$ 4,000,000

Public Entity Property Insurance

Per Schedule on file	\$ 262,734
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Crime Insurance

Government Crime Policy	\$ 2,000,000
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Mobile Vehicle Program

Per Schedule - \$1,000,000 not exceeding \$500,000 any one item

**CUPERTINO SANITARY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 6 - SUBSEQUENT EVENTS**

The District has evaluated operations for the period of time from its year end June 30, 2019 through November 25, 2019, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**NOTE 7 - PRIOR PERIOD ADJUSTMENT**

A prior period adjustment to Interest receivable was made for \$39,198 to correct the Interest receivable of Santa Clara County Commingled Investment Pool.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Cupertino Sanitary District  
Cupertino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Cupertino Sanitary District (the "District") as of and for the year ended June 30, 2019, and related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of the testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Draft



# Memo

## Item 9A

**To: Board of Directors**

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

**Date: December 18, 2019**

**Re: Prospect Pump Station**

### **Prospect Pump Station Construction Progress No. 5**

#### *ACCOMPLISHMENTS TO DATE:*

- 1) MH #1, 6" force main, and 156 feet of new 10" gravity line have been completed.
- 2) MH #3 has been completed.
- 3) Bypass system was set up and existing wetwells were pumped dry. Debris and slush were vacuumed out of wetwells to expose wetwell base in order to set the base for new MH #2.
- 4) Pump Control Cabinet arrived on site on 12/13/2019.
- 5) Contractor submitted first invoice and request for payment, which has been approved.

#### *REMAINING ACTIVITIES:*

- 1) Schedule between December 16, 2019 thru December 30, 2019
  - a. Complete installation of MH #2
  - b. Complete electrical installation
    - i. Construct electrical control cabinet pad
    - ii. Install electrical panel
    - iii. Install electrical conduits
    - iv. Install wiring, but no hook upBecause of coordination with TESCO for electrical/pump testing and upcoming Christmas and New Year falling on Wednesdays, the decision was made to defer work on drywell and wetwells until after January 1, 2020.
  - c. Continue to operate existing pumps between this period and not install full bypass system
- 2) Schedule between January 2, 2020 through January 7, 2020 – work 24/7 during this time period
  - a. Full bypass system in operation
  - b. Rehabilitate wetwells
  - c. Demo drywell piping and equipment
  - d. Install pumps and piping

- 3) Schedule between January 8, 2020 and January 10, 2020
  - a. Perform electrical and pump operation testing
  
- 4) Week of January 13, 2020 and thereafter
  - a. Demo all sidewalk and replace
  - b. Place AC slurry seal, weather permitting
  - c. Restripe and restore to existing condition
  - d. Project close-out

*OUTSTANDING ISSUES/CONCERNS:*

- 1) Request for quotations have not yet been received for:
  - a. Three (3) additional valves
  - b. Conduits for future potential Wetwell Wizard
  - c. Change due to redesign for manholes

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

**SSOs**

Start Date	Location	Cause of SSO	Cat	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
11/25/2019	10665 Grapnel Pl, Cup	Hvy roots	3	Lat	230	200	200

**PLSDs (Private Lateral Sewage Discharge)**

Start Date	Location	Cause of PSD	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
11/14/2019	20326 Via Volante, Cup	Hvy Roots	Lat	20	20	20

**Emergency Calls - Causes**

Call Rec'd Business Hours	# of Calls	Call Rec'd After Hours	# of Calls	Call Rec'd Weekend	# of Calls
Root Intrusion	2	Root Intrusion	1	Root Intrusion	0
Onsite	5	Onsite	1	Onsite	0
Debris	0	Grease	0	Grease	0
Offset	0	Others	0	Others	0
Others	0	Offset	0	Pump Station	0
<b>Total:</b>	<b>7</b>	<b>Total:</b>	<b>2</b>	<b>Total:</b>	<b>0</b>

**Repairs**

Address	Main/Lat	Description of Work
22790 Mercedes Rd, Cup	Lat	Spot repair for fixing offset of the lateral
10119 Mello Pl, Cup	Lat	Lining lateral from PLCO to main due to POC offset
Rosewood Rd T-251 - 4721-5	Main	Removed ground rod of PG&E + repaired of 5' of VCP w/SDR26 near 10464 & 10666 Rosewood Rd.
Homestead PS	PS	Upgrade & rebuilt motor and pump

**Mainline Maintenance**

Size of Pipe	4"	6"	8"	10"	12"	14"	15"	16"	18"	> 20"	FY2019-20 Annual Schedule	FY2019-20 YTD	% Complete (YTD/Annual Schedule)
Mainline Cleaning (ft)	0	33,524	21,396	5,732	0	713	0	0	0	0	61,365	501,647	52%
Easement Cleaning (ft)	0	4,414	6,244	1,257	0	0	0	0	0	0	11,915	91,376	66%
CCTV (ft)	0	3,425	5,664	1,710	0	135	0	0	0	0	10,934	100,185	48%

**Lateral Maintenance**

Activity	# of Laterals	FY2019-20 YTD	*FY2019-20 Annual schedule	% Complete (YTD/Annual schedule)
Cleaning	398	1,981	5,378	37%
CCTV	16	62		
Inspection	36	106		

**FOG Inspection**

	# of Inspections	YTD FY2019-20	FY2019-20 Annual Schedule	% Complete (YTD/Annual schedule)
Performed	33	182		
Completed	28	134	283	47%
Follow up Needed	1			

\* Added 2,823 laterals to annual schedule due to on going project to find PLCO which no prior cleaning service