

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, JUNE 17, 2020**

A_G_E_N_D_A

In accordance with Executive Order N-33-20, meeting to be held at 7:00 p.m. via teleconference [call 1 (866) 899 - 4679 Conference Access Code: 251566821] and anyone interested may also call in. The District Office at 20863 Stevens Creek Blvd, Suite 100, Cupertino is closed.

1. ROLL CALL:

2. PUBLIC HEARING:

- A. CONDUCT A PUBLIC HEARING ON COLLECTION OF SANITARY SEWER SERVICE CHARGES FOR FISCAL YEAR 2020-2021
 - 1. Staff Presentation
 - 2. Open Public Hearing and Receive Testimony
 - 3. Close Public Hearing
 - 4. Board Discussion
 - 5. Adopt Resolution No. 1324, Confirming Report on Rates and Charges for FY 2020-2021
 - 6. Adopt Resolution No. 1325, Collection of Rates and Charges for FY 2020-2021

3. MINUTES & BILLS:

- A. APPROVAL OF THE MINUTES OF MAY 20, 2020
- B. APPROVED MINUTES OF MAY 6, 2020
- C. PAYMENT OF BILLS AND APPROVAL OF FINANCIAL STATEMENT
- D. DIRECTOR'S MONTHLY TIMESHEETS

4. 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.

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5. CORRESPONDENCE:

- A. APPROVED LAFCO BUDGET FOR FY 2020-2021
- B. CASA CONFERENCE – 2020 VIRTUAL ANNUAL CONFERENCE

6. MEETINGS:

NONE

7. REPORTS:

- A. THE REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL COMMITTEE (TAC) HELD ON MAY 22, 2020
- B. THE REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) HELD ON MAY 28, 2020
- C. THE REGULAR MEETING OF THE SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION HELD ON JUNE 1, 2020

8. UNFINISHED BUSINESS:

- A. COVID-19 DISCUSSION

9. NEW BUSINESS:

- A. TAX ROLL REIMBURSEMENT – SCANDINAVIAN DESIGN
- B. ANNUAL INFOCARE RENEWAL FOR XPSWMM
- C. DRAFT DISTRICT BUDGET

10. STAFF REPORT:

- A. MONTHLY MAINTENANCE REPORT

11. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

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12. CALENDAR ITEMS:

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

13. ADJOURNMENT:

**CUPERTINO SANITARY DISTRICT
MEETING/EVENT SCHEDULE**

JUNE 2020

06/01: SCCSDA Regular Meeting
 06/03: 1st Regular Meeting
 06/08: TAC
 06/11: TPAC - Canceled
 06/17: 2nd Regular Meeting

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

JULY 2020

07/01: 1st Regular Meeting
 07/06: TAC
 07/09: TPAC
 07/15: 2nd Regular Meeting

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

AUGUST 2020

08/05: 1st Regular Meeting
 08/10: TAC
 08/13: TPAC
 08/19: 2nd Regular Meeting

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

Item 2.A.1.

Date: 6/11/2020

CUPERTINO SANITARY DISTRICT REVENUE FOR FY 2020-2021

Type	FY 2020-2021	Delta (FY 2020-2021 - FY 2019-2020)	Percent Differences (FY 2020-2021 - FY 2019-2020)	FY 2019-2020	Percent Differences (FY 2019-2020 - FY 2018-19)	FY 2018-2019	Percent Differences (FY 2018-19 and FY 2017-18)	FY 2017-2018
Residential	\$13,621,773.04	\$1,238,393.14	10.00%	\$12,383,379.90	12.13%	\$11,044,085.72	8.04%	\$10,222,164.18
Retail/Office	\$2,147,750.00	\$147,343.80	7.37%	\$2,000,406.20	15.47%	\$1,732,468.81	36.14%	\$1,272,598.72
Laundry	\$18,027.20	\$5,516.30	44.09%	\$12,510.90	51.24%	\$8,271.96	-5.68%	\$8,769.71
Restaurants	\$2,530,364.30	\$68,535.10	2.78%	\$2,461,829.20	12.71%	\$2,184,177.10	9.20%	\$2,000,098.41
Gas Stations/Repair	\$26,331.20	-\$4,923.80	-15.75%	\$31,255.00	26.65%	\$24,679.16	-10.66%	\$27,624.51
Hotel	\$255,073.20	-\$22,915.70	-8.24%	\$277,988.90	45.39%	\$191,202.59	22.24%	\$156,419.64
Private School Uses	\$6,280.70	-\$8,951.50	-58.77%	\$15,232.20	1.60%	\$14,992.59	18.33%	\$12,670.59
Health Care	\$233,821.90	-\$20,624.50	-8.11%	\$254,446.40	3.29%	\$246,350.80	-4.02%	\$256,659.79
Misc	\$22,591.90	-\$7,528.90	-25.00%	\$30,120.80	124.16%	\$13,437.43	-4.23%	\$14,030.46
Hand-Billing	\$553,714.92	\$50,337.72	10.00%	\$503,377.20	21.59%	\$414,002.28	19.53%	\$390,171.60
Total	\$19,415,728.36	\$1,445,181.66	8.04%	\$17,970,546.70	13.17%	\$15,926,032.70	12.04%	\$14,361,207.62

From Taxroll:	
Residential	\$13,621,773.04
Commercial:	\$5,240,240.40
TOTAL	\$18,862,013.44

RESOLUTION NO. 1324

A RESOLUTION CONFIRMING REPORT ON RATES AND CHARGES FOR SERVICES AND FACILITIES FURNISHED BY THE DISTRICT AND DELINQUENT RATES AND CHARGES FOR THE CUPERTINO

SANITARY DISTRICT FOR THE FISCAL YEAR 2020-21

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

WHEREAS, this Board did heretofore adopt its resolution providing for the collection of delinquent rates and charges on the Tax Roll, and did direct the preparation and filing of a written report containing a description of each parcel of real property receiving services and facilities from the District and the amount of the charge for each parcel for the fiscal year 2020-21.

WHEREAS, said written report was prepared and filed with the Secretary of said District on the 15th day of June 2020;

NOW, THEREFORE, IT IS ORDERED as follows:

1. That said report be, and it hereby is, adopted in full.
2. That the Secretary of this District be, and hereby is, directed to file with the County Auditor-Controller of Santa Clara County a copy of said report, upon which shall be endorsed over his signature a statement that the report had been finally adopted by the Sanitary Board of the Cupertino Sanitary District.
3. The County Auditor-Controller of Santa Clara County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the current assessment roll for the fiscal year 2020-21.

* * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution which was duly and regularly passed and adopted by the Sanitary Board of the Cupertino Sanitary District, at a meeting thereof held on the 17th day of June 2020, by the following vote:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

Secretary, Cupertino Sanitary District

APPROVED:

President, Cupertino Sanitary District

RESOLUTION NO. 1325

**A RESOLUTION PROVIDING FOR THE COLLECTION
OF RATES AND CHARGES FOR SERVICES AND FACILITIES
FURNISHED BY THE DISTRICT AND DELINQUENT
RATES AND CHARGES FOR FISCAL YEAR 2020-21**

CUPERTINO SANITARY DISTRICT

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

1. That the Cupertino Sanitary District, Santa Clara County, California, does hereby elect, pursuant to Sections 5473 and 5473a of the Health and Safety Code of the State of California, to have certain rates and charges for services and facilities furnished by it which have become delinquent and the rates and charges for services and facilities furnished by the District established by said District pursuant to ordinances thereof duly passed and adopted by the Sanitary Board of the District, collected on the tax roll of the County of Santa Clara, State of California, pursuant to Sections 5470 through 5473.11 of the Health and Safety Code of the State of California and said ordinances of said District.

* * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Cupertino Sanitary District, at a meeting thereof held on the 17th day of June 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Cupertino Sanitary District

APPROVED:

President, Cupertino Sanitary District

CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY, MAY 20, 2020

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. in accordance with the Executive Order N-33-20 via teleconferencing.

1. ROLL CALL:

President Chen called the meeting to order and roll call was taken, with the following members in attendance:

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

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

Public: No one conferenced in.

2. PUBLIC HEARINGS:

A. The Board conducted a public hearing for the consideration of a sewer rate increase for FY 2020-21.

1. Manager Porter presented the staff report and memo that was included in the agenda package and stated the District received 13 protest letters, of which the majority noted the current COVID-19 pandemic issue.
2. President Chen opened the public hearing. There were no public comments.
3. President Chen closed the public hearing.
4. The Board discussed implementing a 10% rate increase. The Board acknowledged the protest letters with a note that if the Board approves this new rate, it will not go into effect until July 1, 2020 and it would be the new rate in effect for FY 2020-21.
5. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 5-0-0, Ordinance No. 126, Amending Article VII, Sections 7001 through 7003, of the Cupertino Sanitary District Operations Code was approved.

B. On motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0, Resolution No. 1323, Fixing Time and Place for Public Hearing on Report on Rates and Charges FY 2020-21 was approved. The public hearing is scheduled to take place on June 17, 2020.

3. MINUTES & BILLS:

A. On a motion by Director Bosworth, seconded by Director Saadati, by a vote of 5-0-0, the minutes of Wednesday, May 6, 2020 were approved.

B. By consensus, the Minutes of Wednesday, April 15, 2020 are to be Noted & Filed.

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- C. The Board reviewed the April financials for payment. On a motion by Director Bosworth, seconded by Director Gatto, by a vote of 5-0-0, payment of bills was approved.
- D. The Board members will submit their timesheets electronically.

4. PERSONAL PRESENTATIONS:

There were none.

5. CORRESPONDENCE:

There was none.

6. MEETINGS:

- A. Manager Porter plans to attend the teleconference meeting of The San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held May 22, 2020.
- B. Director Gatto plans to attend the teleconference meeting of The San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) scheduled to be held May 28, 2020.
- C. Director Bosworth plans to attend the teleconference meeting of the Santa Clara County Special District Association to be held June 1, 2020.

7. REPORTS:

- A. Director Gatto reported on the teleconference meeting of The San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held May 7, 2020. City of San Jose reported that the treatment plant activities are ongoing, it is business as usual during this COVID-19 pandemic period, and the first phase of the Legacy Lagoon project will commence this year with a cost of \$8 million which is being reallocated without any increase to the current treatment plant operation cost.

8. UNFINISHED BUSINESS:

- A. COVID-19 discussion: Manager Porter discussed the District staff workload during this pandemic period.
- B. Advisor Tanaka reported on credit card payment status. Five payments have been processed since the date of implementation.
- C. Advisor Tanaka reported on the status of the Prospect Pump Station. The last remaining item of work, which was to complete the bike lane striping, has been completed. Kirkbrook area improvement, which involved installing two backflow preventer devices as an additional safeguard in the event of Prospect Pump Station failure, has also been completed. Staff is in the process of preparing as-builts.

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9. NEW BUSINESS:

There was none.

10. STAFF REPORTS:

A. Manager Porter reported on the monthly maintenance report.

11. CLOSED SESSION:

President Chen adjourned the regular meeting session and opened the closed session at 7:40 p.m.

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.

Advisor Tanaka was requested to remain during the closed session to answer and respond to Board's questions related to capital costs and was then excused from the closed session at 8:17 p.m.

Closed session was adjourned at 8:36 p.m. and the regular meeting was called to order. Manager Porter and Advisor Tanaka rejoined the regular meeting. There was no reportable action.

12. NEXT MEETING:

The next regular District Board meeting is scheduled to be held on Wednesday, June 3, 2020.

13. ADJOURNMENT:

On a motion properly made and seconded, at 8:39 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING WEDNESDAY, MAY 6, 2020

The Sanitary Board of the Cupertino Sanitary District convened this date at 7:00 p.m. This meeting was conducted in accordance with the Executive Order N-33-20 via teleconferencing. The District office at 20863 Stevens Creek Blvd, Suite 100, Cupertino was closed.

1. ROLL CALL:

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, William A. Bosworth, and Patrick S. Kwok.

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

Public: No public present on conference call.

2. MINUTES:

A. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0 the minutes of Wednesday, April 15, 2020 were approved.

B. By consensus, the Minutes of Wednesday, April 1, 2020 are to be Noted & Filed.

3. PERSONAL PRESENTATIONS:

There were none.

4. CORRESPONDENCE:

A. The Board reviewed LAFCO proposed budget for FY2021 and public hearing notice. It is to be Noted & Filed.

5. MEETINGS:

A. Director Gatto plans to attend the teleconference meeting of The San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) scheduled to be held May 7, 2020.

6. REPORTS:

A. Manager Porter reported on the regular meeting of The San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held May 4, 2020. Topics included: consultant fee issues, capital refunds, and COVID-19 impacts.

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7. UNFINISHED BUSINESS:

- A. Manager Porter reported on COVID-19 updates.
- B. The Board discussed tablet use for Board meetings.
- C. Advisor Tanaka reported on Cal Bank credit card setup status. The device is set up and ready to receive credit card payments from customers.

8. NEW BUSINESS:

- A. The Board reviewed the staff report and the Resolution No. 1322, Notice of Completion for Prospect Pump Station Project. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0 Resolution No. 1322 was approved.
- B. The Board reviewed the staff report and discussed the request for reimbursement of sewer service fees for Bollinger Plaza (APN 359-23-018). On a motion by Director Gatto, seconded by Director Saadati, by a vote of 5-0-0 reimbursement in the amount of \$1,645 was approved.

9. STAFF REPORTS:

- A. Manager Porter requested input for the public hearing presentation format for May 20, 2020. Staff is directed to prepare Public Hearing Presentation Staff Memo. Manager Porter will be in the District office for the public hearing to be held May 20, 2020.
- B. Manager Porter informed Board about the potential to accept sewer flows from City of Sunnyvale. Board directed staff to investigate and prepare report to the Board.
- C. Advisor Tanaka reported on the status of the Flow Report to Santa Clara, and two reports (Potential I/I Reduction and Onsite Storage) submitted to Vallco. On May 6, the Santa Clara County Judge ruled in favor of Vallco to develop the site under SB 35.

10. CLOSED SESSION:

President Chen adjourned the regular meeting session and opened the closed session at 8:08 p.m.

- 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.

Manager Porter and Advisor Tanaka were present for the portion of the discussion related to treatment plant cost, but thereafter were excused from the closed session. Closed session was adjourned at 8:28 p.m. There was no reportable action.

The regular meeting was called to order at 8:28 p.m. Manager Porter and Advisor Tanaka rejoined the regular meeting.

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11. NEXT MEETING:

The next regular District Board meeting is scheduled to be held on Wednesday, May 20, 2020.

12. ADJOURNMENT:

On a motion properly made and seconded, at 9:01 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

Item 3.C.

CUPERTINO SANITARY DISTRICT MONTHLY FINANCIAL REPORT THROUGH MAY 2020 (11th Month of Operations - 92% 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
OPERATING EXPENSES								
Loan Payments	41000	\$1,172,305	\$34,500.00	\$0.00	\$34,500.00	\$1,137,805.00	2.9%	First Payment Due 7/15/2020: \$600,416.67
Directors Fees	41030	\$35,000	\$27,541.74	\$2,626.50	\$30,168.24	\$4,831.76	86.2%	May 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	\$129,669.01	\$1,391.77	\$131,060.78	\$3,939.22	97.1%	Dooley (Life & Dental); Alliant ACIP Annual Premium
Memberships	41080	\$35,000	\$47,504.79	\$356.00	\$47,860.79	-\$12,860.79	136.7%	CWEA Membership Renewal for Inspector
Office Rent	41090	\$6,000	\$4,000.00	\$400.00	\$4,400.00	\$1,600.00	73.3%	On target
Operating Expenses	41100	\$3,000	\$1,178.43	\$2,774.55	\$3,952.98	-\$952.98	131.8%	Postage; 5 Surface Go for Board of Directors
Contractual Services:								
Outfall Maintenance	41113	\$71,000	\$46,535.89	\$0.00	\$46,535.89	\$24,464.11	65.5%	None this month. San Jose Paid, but not Santa Clara
T.P. Oper. & Maint.	41114	\$6,263,614	\$6,138,028.00	\$0.00	\$6,138,028.00	\$115,586.00	96.2%	Paid 100% for this Fiscal Year
Professional Services:								
Management Services	41121	\$500,000	\$433,325.52	\$60,665.05	\$493,990.57	\$6,009.43	98.8%	Slightly over budget-tax reimbursements, legal assistance, etc.
Engineering Services	41122	\$1,000,000	\$1,023,061.68	\$117,899.19	\$1,140,960.87	-\$140,960.87	114.1%	Overbudget: Increased services related to I/I reduction, modeling, Santa Clara Flow, Plan Ckg. & Insp.
Legal - District Counsel	41123	\$140,000	\$109,339.91	\$1,994.98	\$111,334.89	\$28,665.11	79.5%	Valico, Summysale, etc.
Legal - Common Interest Group	41124	\$60,000	\$35,343.00	\$6,939.00	\$42,282.00	\$17,718.00	70.5%	Atkinson Farasyn - May Services
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$880,000	\$552,100.08	\$89,279.80	\$641,379.88	\$338,620.12	65.4%	None this month
Legal - Common Interest Group (CuSD Share)	41124	\$222,000	\$155,720.53	\$25,181.48	\$180,902.01	\$41,097.99	81.5%	None this month
Audit	41125	\$11,500	\$11,300.00	\$0.00	\$11,300.00	\$200.00	98.3%	Paid in full
Printing & Publications	41130	\$15,000	\$24,187.72	\$3,454.60	\$27,642.32	-\$12,642.32	184.3%	Public Hearing Notice for Proposed FY20-21 Rate Increase
Repairs	41150	\$800,000	\$307,545.64	\$41,200.28	\$348,745.92	\$451,254.08	43.6%	Not many repairs to-date; more effort on Engineering and Maintenance projects
Maintenance	41151	\$3,000,000	\$2,632,483.96	\$248,848.59	\$2,881,332.45	\$118,667.55	96.0%	On target
Travel & Meetings Staff	41170	\$15,000	\$8,210.95	\$0.00	\$8,210.95	\$6,789.05	54.7%	None this month
Travel & Meetings BOD	41170	\$18,000	\$13,993.26	\$0.00	\$13,993.26	\$4,006.74	77.7%	None this month
Utilities	41190	\$60,000	\$53,708.87	\$6,079.13	\$59,788.00	\$212.00	99.6%	On target
Refunds & Reimbursements:								
Miscellaneous	41201	\$50,000	\$10,682.78	\$0.00	\$10,682.78	\$39,317.22	21.4%	None this month
Connection Fees	41202	\$2,000	\$233,177.80	\$0.00	\$233,177.80	-\$231,177.80	11659%	None this month; Reimbursed five customers in August for connection fees paid
Checking & Inspection	41203	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None to date
Emergency Funds	48000	\$250,000	\$86,977.75	\$3,215.58	\$90,193.33	\$159,806.68	36.1%	Two emergencies this month
Consolidated Election	48001	\$0	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	None to date
TOTAL OPERATING EXPENSES		\$14,840,419	\$12,121,549.02	\$812,306.50	\$12,733,855.52	\$2,106,563.48	85.8%	
CAPITAL EXPENSES								
District Sewer Capital & Support	46041	\$2,000,000	\$2,281,721.91	\$64,268.63	\$2,345,990.54	(\$345,990.54)	117.3%	Prospect Pump Station Rehab Project; Improvement - Kirkbrook PS and Tantau PS
Treatment Plant Capital	46042	\$14,065,406	\$14,014,863.00	\$0.00	\$14,014,863.00	\$50,543.00	99.6%	Paid 100% for this Fiscal Year
Outfall Capital	46042	\$850,000	\$184,701.75	\$1,422,879.00	\$1,607,580.75	(757,580.75)	189.1%	Santa Clara Joint Use FY 16/17 and FY 17/18; previously paid San Jose a reduced amount
District Equipment	46043	\$150,000	\$143,750.39	\$25,000.00	\$168,750.39	(\$18,750.39)	112.5%	Enterprise Agreement Fee Software/Maintenance 5/14/20 - 5/13/21
Replacement Fund	46044	\$300,000	\$0.00	\$0.00	\$0.00	\$300,000.00	0.0%	Will increase \$300K reserve in June 2020
TOTAL CAPITAL EXPENSES		\$17,385,406	\$16,625,037.05	\$1,512,147.63	\$18,137,184.68	(\$771,778.68)	104.4%	
TOTAL EXPENSES		\$32,205,825	\$28,746,586.07	\$2,124,454.13	\$30,871,040.20	\$1,334,784.80	95.8%	

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH MAY 2020
(11th Month of Operations - 92% 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
OPERATING REVENUES								
Service Charges	31010							
Handbilling		\$522,000.00	\$243,080.00	\$230,189.40	\$473,269.40	\$48,730.60	90.7%	Three payments received (City of Cupertino; Cupertino School Dist; Fremont School)
Tax Roll		\$17,100,000.00	\$9,735,652.20	\$0.00	\$9,735,652.20	\$7,364,347.80	56.9%	None this month. Second payment in June.
Capital Loan		\$10,000,000.00	\$10,000,000.00	\$0.00	\$10,000,000.00	\$0.00	100.0%	Received/Funded in September
Permit Fees	31020	\$130,000.00	\$88,915.52	\$2,350.00	\$91,265.52	\$38,734.48	70.2%	Five payments this month; One hundred thirty-two payments received to date
Connection Fees	31031	\$300,000.00	\$0.00	\$13,996.00	\$13,996.00	\$286,004.00	4.7%	One payment received this month
Capacity Fees	31032	\$300,000.00	\$25,294.56	\$2,500.00	\$27,794.56	\$272,215.44	9.3%	One payment this month; Five payments received to date
Pump Zone Fees	31033	\$86,000.00	\$0.00	\$0.00	\$0.00	\$86,000.00	0.0%	None to date
Checking & Inspection Fees	31040	\$160,000.00	\$75,305.00	\$3,200.00	\$78,505.00	\$81,495.00	49.1%	Seven payments this month; One hundred ninety-seven payments received to date
Annexation	32050	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00	0.0%	None to date
Interest	32010	\$220,000.00	\$248,453.20	\$44,560.22	\$293,013.42	(\$73,013.42)	133.2%	FY19-20 Q3 Advance
City of San Jose Credit(s)	32091	\$500,000.00	\$2,753,384.00	\$0.00	\$2,753,384.00	(\$2,253,384.00)	550.7%	None this month
Legal - Common Interest Group (Tributaries)	32092.1	\$1,026,000.00	\$264,696.95	\$0.00	\$264,696.95	\$761,303.05	25.8%	None this month
Legal - Common Interest Group (2% Admin Fees)	32902.2	\$20,000.00	\$5,401.96	\$0.00	\$5,401.96	\$14,598.02	27.0%	None this month
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$19,061.91	\$0.00	\$19,061.91	(\$9,061.91)	190.8%	None this month
Lateral Construction	32093	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	0.0%	None to date
TOTAL OPERATING REVENUE		\$30,385,500.00	\$23,459,255.32	\$296,795.62	\$23,756,050.94	\$6,629,449.06	78.16%	
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Reserve Account
TOTAL OPERATING REVENUE		\$30,385,500.00	\$23,459,255.32	\$296,795.62	\$23,756,050.94	\$6,629,449.06	78.16%	

CASH ACCOUNT SUMMARY

Date	Operating Fund	Replacement Fund	Comingled Fund	Cal Bank Trust Acct	Loan Balance with Interest *	Net Cash
6/30/2019 Ending Balance	\$20,235,726.11	\$2,700,000.00	\$17,635,726.11			
July 31, 2019	\$16,937,841.74	\$2,700,000.00	\$14,237,841.74		\$0.00	\$16,937,841.74
August 31, 2019	\$16,128,185.68	\$2,700,000.00	\$13,428,185.68		\$0.00	\$16,128,185.68
September 30, 2019	\$15,423,633.09	\$2,700,000.00	\$12,723,633.09		\$10,000,000.00	\$25,423,633.09
October 31, 2019	\$13,347,920.35	\$2,700,000.00	\$10,647,920.35		\$8,014,698.15	\$21,362,618.50
November 30, 2019	\$12,802,906.70	\$2,700,000.00	\$9,902,906.70		\$7,622,909.71	\$20,225,816.41
December 31, 2019	\$12,224,581.14	\$2,700,000.00	\$9,524,581.14		\$7,111,363.66	\$19,335,944.80
January 31, 2020	\$19,474,926.65	\$2,700,000.00	\$16,774,926.65		\$173,726.38	\$19,648,653.03
February 29, 2020	\$20,777,966.38	\$2,700,000.00	\$18,077,966.38		\$178,589.38	\$20,956,555.76
March 31, 2020	\$20,335,236.46	\$2,700,000.00	\$17,635,236.46	\$600,000.00	\$180,544.91	\$20,515,781.37
April 15, 2020	\$19,735,236.46	\$2,700,000.00	\$16,435,236.46		\$180,544.91	\$19,915,781.37
April 30, 2020	\$14,303,842.25	\$2,700,000.00	\$11,603,842.25	\$600,000.00	\$180,544.91	\$15,084,387.16
May 31, 2020	\$13,708,034.07	\$2,700,000.00	\$11,008,034.07	\$605,882.68	\$180,586.41	\$14,494,503.16

CALIFORNIA BANK AND TRUST ACCOUNT SUMMARY AS OF 5/30/2020

Cal Bank Activities		Total interest	Interest prorated to Loan Balance	Loan Balance w/interest	Interest prorated to \$600K District Saving	District portion of saving balance	Total saving balance	Checking Acct Balance	TOTAL AT CAL BANK
No.	Whom								
		Check Amount							
101	San Jose	\$2,180,309.00		\$10,000,000.00			\$10,000,000.00		\$10,000,000.00
102	San Jose	\$29,515.44		\$7,819,691.00			\$7,819,691.00		\$7,819,691.00
103	Tesco	\$17,707.00		\$7,790,175.56			\$7,790,175.56		\$7,790,175.56
104	Shape	\$108,814.78		\$7,772,488.56			\$7,772,488.56		\$7,772,488.56
105	Tesco	\$169,018.00		\$7,663,653.78			\$7,663,653.78		\$7,663,653.78
106	Con Quest	\$385,242.58	\$30,683.35	\$7,494,635.78			\$7,494,635.78		\$7,494,635.78
107	San Jose	\$6,966,355.00	\$30,683.35	\$7,140,076.55			\$7,140,076.55		\$7,140,076.55
	Interest through 3/31/20		\$6,823.36	\$173,721.55			\$173,721.55		\$173,721.55
	Deposit		\$41.50	\$180,544.91		\$600,000.00	\$180,544.91	\$2,996.28	\$180,544.91
	Balance as of 5/30/2020		\$179.37	\$180,586.41	\$137.87	\$600,137.87	\$780,724.28	\$5,744.81	\$783,541.19
TOTAL OR BALANCE AMOUNT		\$9,856,961.80	\$37,548.21	\$180,586.41	\$137.87	\$600,137.87	\$780,724.28	\$5,744.81	\$786,469.09

**CUPERTINO SANITARY DISTRICT
WARRANTS PAYABLE - June 17, 2020**

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 2,626.50	ADP	Directors' Salary	
18910	M&O	\$ 372,311.80	Mark Thomas	Office Rent	400.00
				Utilities	776.35
				District Sewer Capital & Support	15,715.08
				Plan Checking & Inspection	1,994.98
				Management Services	60,665.05
				Engineering Services	117,899.19
				Repairs	13,220.05
				Maintenance	156,953.81
				Emergency Funds	1,912.74
				Operating Expenses	2,774.55
18911	M&O	\$ 6,939.00	Atkinson Farasyn LLP	Legal - District Counsel (April)	
18912	M&O	\$ 356.00	CWEA	Memberships	
18913	M&O	\$ 3,454.60	Bay Area News Group	Printing & Publication	
18914	M&O	\$ 1,076.77	Dooley Insurance Services	Insurance - Group Life & Dental	
18915	M&O	\$ 315.00	Alliant Insurance Services	Insurance - ACIP Crime 7/1/20 - 7/1/21	
18916	M&O	\$ 25,000.00	ESRI	Capital - District Equipment	
18917	M&O	\$ 6,215.40	Pan-Pacific Supply Company	District Sewer Capital & Support (Tantau PS)	
18918	M&O	\$ 58.79	City of Santa Clara Utilities	Utilities	
18919	M&O	\$ 5,243.99	PG&E	Utilities	
18920	M&O	\$ 2,603.96	St. Francis Electric	Repairs	
18921	M&O	\$ 294.46	Grainger	Maintenance	
18922	M&O	\$ 18.32	Home Depot	Maintenance	
18923	M&O	\$ 230.00	Signa Mechanical	Maintenance	
18924	M&O	\$ 33,635.00	AB/JDD Plumbing Heating & AC	Maintenance	
18925	M&O	\$ 12,548.25	Roto-Rooter	Maintenance	
18926	M&O	\$ 114,186.01	Able Underground Construction	Maintenance	45,168.75
				Repairs	25,376.27
				Emergency	1,302.84
				District Sewer Capital & Support (Kirkbrook PS)	42,338.15
18927		\$ 114,461.28	Hunton Andrews Kurth LLP	Legal - Common Interest Group (Advance Pay)	89,279.80
				Legal - Common Interest Group (CuSD Share)	25,181.48
18928		\$ 600,416.66	California Bank & Trust	Loan Payment	
18929		\$ 1,422,879.00	City of Santa Clara	T.P. and Outfall Capital Improvements	
May Subtotal		\$ 2,124,454.13		As reflected on May Expenses	
Loan Payment		\$ 600,416.66		Check prepared prior to June Warrants to pay prior to due date	
TOTAL WARRANTS		\$ 2,724,870.79			

EMERGENCY DETAILS:

AB/JDD Plumbing - No emergencies this month

Able - Two emergencies this month

Roto-Rooter - No emergencies this month

Item 5.A.



**Local Agency
Formation Commission
of Santa Clara County**
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners
Rich Constantine
Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

June 8, 2020

TO: County Executive, Santa Clara County
City Managers, Cities in Santa Clara County
District Managers, Independent Special Districts in Santa Clara County

FROM: Neelima Palacherla, LAFCO Executive Officer

SUBJECT: LAFCO BUDGET FOR FISCAL YEAR 2020-2021

At its June 3, 2020 meeting, LAFCO adopted its Final Budget for Fiscal Year 2020-2021. The adopted Final Budget and the staff report are attached for your information.

Pursuant to the apportionment method specified in Government Code §56381 and §56381.6, the County Auditor-Controller will apportion LAFCO's net operating expenses to the cities, the County and the independent special districts based on the Final Budget adopted by LAFCO. Please expect to receive an invoice from the County Controller's Office in the next few days.

Should you have any questions regarding the LAFCO budget or cost apportionment, do not hesitate to contact me at (408) 993-4713 / neelima.palacherla@ceo.sccgov.org.

Thank you.

Attachments: Fiscal Year 2020-2021 Budget approved by LAFCO on June 3, 2020
Staff Report on June 3, 2020 re. Final LAFCO Budget for FY 2020-2021

cc: Board of Supervisors, Santa Clara County
City Council Members, Cities in Santa Clara County
Independent Special District Board Members
Santa Clara County Cities Association
Santa Clara County Special Districts Association

**FINAL LAFCO BUDGET
FISCAL YEAR 2020- 2021**

ITEM # TITLE	APPROVED FY 2020 BUDGET	ACTUALS Year to Date 3/10/2020	PROJECTIONS Year End 2020	FINAL FY 2021 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$772,591	\$475,304	\$732,000	\$806,845
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$346	\$5,000	\$45,000
5255800 Legal Counsel	\$72,240	\$35,235	\$70,000	\$74,622
5255500 Consultant Services	\$110,000	\$89,922	\$110,000	\$110,000
5285700 Meal Claims	\$750	\$166	\$400	\$750
5220100 Insurance	\$6,000	\$5,893	\$6,000	\$10,452
5250100 Office Expenses	\$10,000	\$1,481	\$5,000	\$10,000
5270100 Rent & Lease	\$44,478	\$33,138	\$44,478	\$46,254
5255650 Data Processing Services	\$14,825	\$10,355	\$14,825	\$20,267
5225500 Commissioners' Fee	\$10,000	\$3,000	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$0	\$200	\$2,500
5245100 Membership Dues	\$11,836	\$11,822	\$11,822	\$12,000
5250750 Printing and Reproduction	\$1,500	\$799	\$1,000	\$1,500
5285800 Business Travel	\$16,650	\$7,910	\$10,000	\$12,000
5285300 Private Automobile Mileage	\$2,000	\$637	\$1,000	\$2,000
5285200 Transportation&Travel (County Car Usage)	\$605	\$256	\$500	\$605
5281600 Overhead	\$61,183	\$30,591	\$61,183	\$30,917
5275200 Computer Hardware	\$3,000	\$0	\$1,000	\$3,000
5250800 Computer Software	\$5,000	\$0	\$2,000	\$5,000
5250250 Postage	\$2,000	\$71	\$500	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$525	\$1,000	\$2,000
5701000 Reserves	\$100,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,294,158	\$707,451	\$1,084,908	\$1,207,712
REVENUES				
4103400 Application Fees	\$35,000	\$7,585	\$15,000	\$30,000
4301100 Interest: Deposits and Investments	\$6,000	\$9,203	\$10,000	\$6,000
TOTAL REVENUE	\$41,000	\$16,788	\$25,000	\$36,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$107,446	\$202,123	\$202,123	\$187,927
NET LAFCO OPERATING EXPENSES	\$1,145,712	\$488,540	\$857,785	\$983,785
3400800 RESERVES Available	\$150,000	\$250,000	\$250,000	\$250,000
COSTS TO AGENCIES				
5440200 County	\$381,904	\$381,904	\$381,904	\$327,928
4600100 Cities (San Jose 50% + Other Cities 50%)	\$381,904	\$381,904	\$381,904	\$327,928
4600100 Special Districts	\$381,904	\$381,904	\$381,904	\$327,928

May 28, 2020



**Local Agency
Formation Commission
of Santa Clara County**
777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners
Rich Constantine
Susan Ellenberg
Sequoia Hali
Sergio Jimenez
Linda J. LeZotte
Mike Wasserman
Susan Vicklund Wilson

ITEM # 5

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: June 3, 2020
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: FY 2021 FINAL BUDGET

FINANCE COMMITTEE / STAFF RECOMMENDATION

1. Adopt the Final Budget for Fiscal Year 2020-2021.
2. Find that the Final Budget for Fiscal Year 2021 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor-Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

REVISIONS TO THE DRAFT/PRELIMINARY BUDGET

On April 8, 2020, the Commission adopted its preliminary budget for Fiscal Year 2020-2021. The preliminary budget was prepared using the best information available at that time. Since then, new information has become available for two line items which require adjustment in the LAFCO budget. Presented below are the proposed line item revisions:

5281600 Overhead Reduced from \$167,019 to \$30,917

This item is LAFCO's share of the County's FY 2021 Cost Allocation Plan. As discussed in the preliminary budget, working in cooperation with staff, the County has reviewed and reconsidered its Cost Plan to exclude those programs and allocations (totaling \$68,051) that do not provide a benefit to LAFCO. Furthermore, the County has accordingly adjusted the Roll Forward amount which is part of its Cost Plan and is calculated by comparing FY 2019 Cost Plan estimates with FY 2019 actuals. Because the FY 2019 cost estimates were higher than the actuals by \$4,649, this amount is reduced from LAFCO's FY 21 allocations. Together, these adjustments have resulted in a total reduction of \$136,102 for this line item and therefore, the County's net billing to LAFCO in FY 21 is reduced to \$30,917.

5220200 Insurance Increased from \$6,000 to \$10,452

This item is for purchasing general liability insurance for LAFCO and workers' compensation coverage for LAFCO commissioners from the Special District Risk Management Authority (SDRMA). As reported in the preliminary budget, SDRMA in mid-March 2020, notified LAFCO that it is in the process of negotiating rates on behalf of its program membership and that the 2021 renewal rates for the SDRMA property / liability program are expected to increase significantly for all members due to the increased reinsurer costs. LAFCO recently received the rate letter from SDRMA which confirmed an 85% rate increase for the property/liability program. The workers' compensation program rates remain flat, with no change for the 2020-2021 program year. The proposed Final Budget therefore includes \$9,470 for the property/liability coverage and \$981 for the workers compensation program.

Reduction in LAFCO's FY 2021 Expenditures and Operating Expenses

The proposed FY 2021 Final Budget (Attachment A) includes the above listed modifications and indicates a 7% reduction in FY 2021 overall expenditures and a 14% reduction in net operating expenses compared to the current year budget. This in turn results in a corresponding reduction in costs to LAFCO's funding agencies – the 15 cities, 17 independent special districts and the County.

LAFCO BUDGET PROCESS REQUIREMENTS

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides staffing, facilities, and services to LAFCO. The associated costs are reflected in the LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

COST APPORTIONMENT TO CITIES, DISTRICTS AND COUNTY

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. Santa

Clara LAFCO is composed of a public member, two County board members, two city council members, and since January 2013 – two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO's operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO's operational costs. Per the CKH Act, the remaining cities' share must be apportioned in proportion to each city's total revenue, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county. Each city's share is therefore based on the 2017/2018 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

The estimated apportionment of LAFCO's FY 2021 costs to the individual cities and districts is included as Attachment B. The final costs will be calculated and invoiced to the individual agencies by the County Controller's Office after LAFCO adopts the final budget.

ATTACHMENTS

- Attachment A: Final LAFCO Budget for Fiscal Year 2021
Attachment B: Costs to Agencies Based on the Final Budget

**FINAL LAFCO BUDGET
FISCAL YEAR 2020- 2021**

**ITEM #4
Attachment A**

ITEM # TITLE	APPROVED FY 2020 BUDGET	ACTUALS Year to Date 3/10/2020	PROJECTIONS Year End 2020	FINAL FY 2021 BUDGET
EXPENDITURES				
Object 1: Salary and Benefits	\$772,591	\$475,304	\$732,000	\$806,845
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$346	\$5,000	\$45,000
5255800 Legal Counsel	\$72,240	\$35,235	\$70,000	\$74,622
5255500 Consultant Services	\$110,000	\$89,922	\$110,000	\$110,000
5285700 Meal Claims	\$750	\$166	\$400	\$750
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5255650 Data Processing Services	\$14,825	\$10,355	\$14,825	\$20,267
5225500 Commissioners' Fee	\$10,000	\$3,000	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$0	\$200	\$2,500
5245100 Membership Dues	\$11,836	\$11,822	\$11,822	\$12,000
5250750 Printing and Reproduction	\$1,500	\$799	\$1,000	\$1,500
5285800 Business Travel	\$16,650	\$7,910	\$10,000	\$12,000
5285300 Private Automobile Mileage	\$2,000	\$637	\$1,000	\$2,000
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5281600 Overhead	\$61,183	\$30,591	\$61,183	\$30,917
5275200 Computer Hardware	\$3,000	\$0	\$1,000	\$3,000
5250800 Computer Software	\$5,000	\$0	\$2,000	\$5,000
5250250 Postage	\$2,000	\$71	\$500	\$2,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$525	\$1,000	\$2,000
5701000 Reserves	\$100,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,294,158	\$707,451	\$1,084,908	\$1,207,712
REVENUES				
4103400 Application Fees	\$35,000	\$7,585	\$15,000	\$30,000
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TOTAL REVENUE	\$41,000	\$16,788	\$25,000	\$36,000
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NET LAFCO OPERATING EXPENSES	\$1,145,712	\$488,540	\$857,785	\$983,785
3400800 RESERVES Available	\$150,000	\$250,000	\$250,000	\$250,000
COSTS TO AGENCIES				
5440200 County	\$381,904	\$381,904	\$381,904	\$327,928
4600100 Cities (San Jose 50% + Other Cities 50%)	\$381,904	\$381,904	\$381,904	\$327,928
4600100 Special Districts	\$381,904	\$381,904	\$381,904	\$327,928

May 28, 2020

ITEM #4
Attachment B

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the FY 2021 Final LAFCO Budget

Proposed Net Operating Expenses for FY 2021				\$983,785
JURISDICTION	REVENUE PER 2017/2018 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.3333333%	\$327,928.33
Cities Total Share			33.3333333%	\$327,928.33
San Jose	N/A	N/A	50.0000000%	\$163,964.17
Other cities share			50.0000000%	\$163,964.16
Campbell	\$62,469,004	1.9027943%		\$3,119.90
Cupertino	\$104,218,557	3.1744779%		\$5,205.01
Gilroy	\$122,687,359	3.7370342%		\$6,127.40
Los Altos	\$53,411,743	1.6269118%		\$2,667.55
Los Altos Hills	\$15,986,557	0.4869476%		\$798.42
Los Gatos	\$49,799,685	1.5168892%		\$2,487.15
Milpitas	\$189,377,374	5.7683997%		\$9,458.11
Monte Sereno	\$3,510,862	0.1069402%		\$175.34
Morgan Hill	\$98,311,510	2.9945503%		\$4,909.99
Mountain View	\$374,877,705	11.4187053%		\$18,722.58
Palo Alto	\$642,327,689	19.5651822%		\$32,079.89
Santa Clara	\$961,395,788	29.2839373%		\$48,015.17
Saratoga	\$29,306,193	0.8926612%		\$1,463.64
Sunnyvale	\$575,334,067	17.5245689%		\$28,734.01
Total Cities (excluding San Jose)	\$3,283,014,093	100.0000000%		\$163,964.16
Total Cities (including San Jose)				\$327,928.33
Special Districts Total Share		(Fixed %)	33.3333333%	\$327,928.34
Aldercroft Heights County Water District		0.06233%		\$204.40
Burbank Sanitary District		0.15593%		\$511.34
Cupertino Sanitary District		2.64110%		\$8,660.92
El Camino Healthcare District		4.90738%		\$16,092.69
Guadalupe Coyote Resource Conservation District		0.04860%		\$159.37
Lake Canyon Community Services District		0.02206%		\$72.34
Lion's Gate Community Services District		0.22053%		\$723.18
Loma Prieta Resource Conservation District		0.02020%		\$66.24
Midpeninsula Regional Open Space District		5.76378%		\$18,901.07
Purissima Hills Water District		1.35427%		\$4,441.04
Rancho Rinconada Recreation and Park District		0.15988%		\$524.29
San Martin County Water District		0.04431%		\$145.31
Santa Clara Valley Open Space Authority		1.27051%		\$4,166.36
Santa Clara Valley Water District		81.44126%		\$267,068.96
Saratoga Cemetery District		0.32078%		\$1,051.93
Saratoga Fire Protection District		1.52956%		\$5,015.86
South Santa Clara Valley Memorial District		0.03752%		\$123.04
Total Special Districts		100.00000%		\$327,928.34
Total Allocated Costs				\$983,785.00

Frankie Martinez

From: CASA <cmackelvie@casaweb.org>
Sent: Friday, May 22, 2020 1:00 PM
To: Frankie Martinez
Subject: CASA 2020 Annual Conference Update



The banner features the CASA logo in the top left corner, consisting of a green 'C' with a blue arrow and the word 'CASA' in green. The main text reads '2020 VIRTUAL ANNUAL CONFERENCE' in large, bold letters, with '2020' in blue, 'VIRTUAL' in green, and 'ANNUAL CONFERENCE' in blue. The background is a blue and white image of water waves.

Join Us in August as CASA's Annual Conference Goes Virtual

This August, we looked forward to new and familiar faces coming together to raise a toast to clean water at Squaw Creek. Alas, the current pandemic has changed a lot about how we live, work, and gather together. These new realities have forced us to make the difficult decision to transition our in-person 2020 Annual Conference in Tahoe to a virtual event.

For over 60 years CASA has been dedicated to promoting partnerships on clean water and beneficial reuse issues that protect public health and the environment. Our move to a virtual event is an effort to prioritize the health and safety of our attendees, speakers, and staff, and to ensure that our clean water community avoids the risk of exposure to SARS-CoV-2.

While the landscape of the Annual Conference may have changed, we remain committed to providing an exceptional event of the high caliber our members have come to expect. CASA staff have been hard at work conceptualizing and envisioning the layout of this new format to best suit our members' needs, and to transform our in-person conference to an even larger virtual one. **Save the dates of August 12-14 for our virtual event**, and keep an eye out for future communications about speakers, topics and other details as we move forward.

We truly wish we were able to see you all in person a few months from now, and we look forward to providing the same level of engagement, learning opportunities, and connection in a way that keeps everyone safe. Though this was not an easy decision, we believe it is the right one.

We look forward to "seeing" you there.

~ CASA Staff



Memo

Item 9A

To: Board of Directors
From: Benjamin T. Porter, District Manager-Engineer
Date: June 17, 2020
Re: Reimbursement of Sewer Service Charges for Scandinavian Designs 19900 Stevens Creek Boulevard, Cupertino (APN: 369-05-038)

Summary:

In the past, there was only one water meter serving the business establishment, “Scandinavian Designs,” located at 19900 Stevens Creek Boulevard. In situations where businesses are served by only one water meter, the District generally allocates a percentage of the water usage to irrigation, ranging from 10% to 40% range, and the remaining water usage is allocated to wastewater discharge. In April of 2019, the owner contacted the District for clarification and subsequently decided to install a separate irrigation meter on April 17, 2019.

The District now has two separate water usages for this property. When there is a separated water meter for domestic use, the District policy is to charge 100% of water usage to calculate sewer service charges. Based on one year of domestic water usage data, the District has been overcharging this customer. District staff reevaluated the original tax-roll calculation and believe it is appropriate to reduce the Sewer Service Charge for FY 2018-2019 as follows:

Year	Total Use (CCF)	Domestic Use (CCF)	Domestic as % of Total	Sewer Service Charge	Reimbursement
2020-2021	1,579	121	8%	To be included in 20-21 billing	-
2019-2020	1,303	249	19%	\$1,092.80	-
2018-2019	1,023	185*	18%	\$3,589.31 was included in the 18-19 tax bill; revised charge based on 185 CCF is \$654.71	\$2,934.60

* The estimated usage for FY 2018-2019 was calculated averaging the two most recent domestic water uses $(121+249)/2=185$. This results in 18% of the total usage for the property.

This updated calculation was presented to the property owner and they have concurred with the District's calculation.

Recommendation:

Staff recommends that the Board approve reduction of their sewer charges from \$3,589.31 to \$654.71, which results in a refund amount of \$2,934.60



Memo

Item 9B

To: Board of Directors

From: Benjamin T. Porter, District Manager-Engineer

Date: June 17, 2020

Re: ANNUAL INFOCARE RENEWAL FOR XPSWMM

Background:

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

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

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

Mark Thomas owns one user license for XPSWMM and it is licensed to be used in the Cupertino Office. Mark Thomas purchased the XPSWMM software five years ago for a cost of \$35,000 to support and update the Cupertino Sanitary District Master Plan and potentially to be used for other clients. Currently, Mark Thomas uses the software solely for Cupertino Sanitary District to analyze the capacity of the Cupertino Sanitary District's sanitary sewer system. Staff is continuing to use it for updating and calibrating the district hydraulic modelling and is also using it to model how our existing pipes would handle the City of Cupertino 2040 General Plan build out. Staff would like technical support and to be constantly updated with the latest software to be able to answer our District related questions, which we have found very useful.

The total cost of the annual maintenance cost for this software is \$6,555.00. Mark Thomas is requesting that the District consider 50% reimbursement to Mark Thomas.

Board Consideration/Action:

Cupertino Sanitary District Board of Directors authorizes a reimbursement amount of \$3,277.50 (50%) to Mark Thomas.

Attachment:

- Invoice No. Q-51513



Invoice Date: 27-February-2020

TOTAL	DUE BY	INVOICE NO.
6,555.00 USD	31-May-2020	Q-51513

Innovyze Inc
6720 SW Macadam Ave. Ste 200
Portland, Oregon 97219-2368
United States

Main: + 1 (888) 554 5022
Federal Tax ID:
59-3169325
[Terms and Conditions](#)

PRODUCT	QTY	UNIT PRICE	TOTAL
XPSWMM Complete Bundle SA InfoCare - Renewal 1-June-2020 to 31-May-2021 Serial No: 42-3058	1	6,555.00	6,555.00

SUBTOTAL	6,555.00
TAX	0.00
TOTAL	6,555.00

All values displayed are in USD

Payment Methods

By mail

Innovyze Inc
6720 SW Macadam Ave., Suite 200
Portland, Oregon 97219

Include invoice number: Q-51513

By direct electronic bank transfer

Bank	HSBC Bank
Account No.	447004131
Name	Innovyze Inc.
SWIFT Code	MRMDUS33
ACH Routing No.	123006389
Wire Transfer No.	021001088

Remit to: uscustomerbilling@innovyze.com

For Credit Card Payments call us at +1 (888) 554 5022

BILL TO	SHIP TO	AUTHORIZATION
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Mark Thomas & Company, Inc.
2290 N first Street Suite 304
San Jose, CA 95131
United States
rtanaka@markthomas.com

Mark Thomas & Company, Inc.
2290 N first Street Suite 304
San Jose, CA 95131
United States
rtanaka@markthomas.com

Main Contact:
Richard Tanaka

www.innovyze.com

The estimated tax due, is as identified, an estimate. Actual taxable amount may vary. Customer is responsible for all tax liabilities and/or obligations that result from any purchase identified on, or result from, this quotation. If customer is tax exempt, a copy of a valid exemption certificate must be provided to Innovyze.

Technical support and/or maintenance services ("Support Services") are offered pursuant to this quotation and the Innovyze Software Maintenance & Support Agreement. To receive Support Services, customer acknowledges and agrees that it must at all times continue to be party to the Innovyze Software Maintenance & Support Agreement without interruption. Customer acknowledges and agrees that in the event the Innovyze Software Maintenance & Support Agreement is not renewed or is allowed to lapse (whether as a result of non-renewal, lack of payment, or otherwise): (i) Innovyze will have no obligation to provide customer with the Support Services or any other technical support and/or maintenance of any kind; and (ii) in order to again be eligible to receive Support Services, customer will be required to pay all delinquent payment/outstanding balances due, regardless of duration, plus a twenty-five percent (25%) reinstatement fee.

Any software delivered in connection with this quotation is governed by the Innovyze Standard License Agreement.

In addition to the Company's standard terms and conditions:

- The associated terms for the above products and/or services (the "Solution Set") are, as issued herein, non-cancellable and non-refundable ("NCNR");
- Any prepayment made by customer to Company, as associated with the above Solution Set(s) is also considered non-cancellable and non-refundable ("NCNR"). Modification and/or change to a Solution Set does not alter the NCNR status.
- Customer acknowledges that the NCNR clause shall supersede any and all other applicable language, in any agreement, by and between the parties; where there is a conflict, NCNR terms shall rule.

Draft Budget for FY 2020-21
Expenses

Account Name	Account Number	FY 2019-20 Budget	FY 2019-20 Projected Expenditure	FY 2020-21 Proposed Budget	REMARKS
OPERATING EXPENSES					
Loan Payments	41000	\$1,172,305	\$634,917	\$1,200,542	Two annual loan payments
Directors Fees	41030	\$35,000	\$32,682	\$35,000	Keep same as last year
Gasoline, Oil & Fuel	41060	\$3,000	\$1,432	\$3,000	Keep same as last year
Insurance	41070	\$135,000	\$132,453	\$135,000	Keep same as last year
Memberships	41080	\$35,000	\$57,681	\$35,000	Increase by \$25K to \$60,000
Office Rent	41090	\$6,000	\$4,800	\$6,000	Keep same as last year
Operating Expenses	41100	\$3,000	\$4,282	\$3,000	Keep same as last year
Contractual Services:					
Outfall Maintenance	41113	\$71,000	\$70,536	\$71,000	Annually \$46.5K to SJ and \$24K to Santa Clara; keep same as last year
T.P. Oper. & Maint.	41114	\$6,253,614	\$6,138,028	\$8,630,553	Provided by CSJ (TPAC); 40% increase due mainly to Legacy Lagoon Phase 2
Professional Services:					
Management Services	41121	\$500,000	\$535,156	\$540,000	Increase by 8% after no increase in previous year
Engineering Services	41122	\$1,000,000	\$1,236,041	\$1,200,000	Increase to reflect elevated engineering effort for development, repairs, permitting, GIS, and Lucy as well as the cost of engineering personnel.
Plan Ckg. & Insp.	41123	\$140,000	\$120,613	\$140,000	Keep same as last year
Legal - District Counsel	41124	\$60,000	\$45,806	\$60,000	Keep same as last year
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$980,000	\$694,828	\$700,000	CUSD is lead agency for the Common Interest Group. Advance pay, but will be 100% reimbursed from other tributary agencies.
Legal - Common Interest Group (CuSD Share)	41124	\$222,000	\$195,977	\$197,000	CUSD's Allocation
Audit	41125	\$11,500	\$11,300	\$11,500	Keep same as last year
Printing & Publications	41130	\$15,000	\$27,642	\$15,000	Keep same as last year
Repairs	41150	\$800,000	\$377,808	\$800,000	Keep same as last year
Maintenance	41151	\$3,000,000	\$3,121,443	\$3,200,000	Increase to reflect 2019-20
Travel & Meetings Staff	41170	\$15,000	\$8,211	\$15,000	Keep same as last year
Travel & Meetings BOD	41170	\$18,000	\$13,993	\$18,000	Keep same as last year
Utilities	41190	\$60,000	\$64,770	\$65,000	Increase to reflect 2019-20
Refunds & Reimbursements:					
Miscellaneous	41201	\$50,000	\$11,573	\$50,000	Keep same as last year
Connection Fees	41202	\$2,000	\$233,178	\$2,000	Keep same as last year; connection fees were repaid in 2019-2020 but this is not expected again in 2020-2021.
Checking & Inspection	41203	\$3,000	\$0	\$3,000	Keep same as last year
Emergency Funds	48000	\$250,000	\$93,409	\$250,000	Keep same as last year
Consolidated Election	48001	\$0	\$0	\$20,000	November 2020 Election
TOTAL OPERATING EXPENSES		\$14,840,419	\$13,868,560	\$17,405,595	
CAPITAL EXPENSES					
District Sewer Capital & Support	46041	\$2,000,000	\$2,355,991	\$2,000,000	Keep same as last year
Treatment Plant Capital	46042	\$14,065,406	\$14,014,863	\$6,380,263	Provided by CSJ (TPAC)
Outfall Capital	46042	\$850,000	\$1,607,581	\$1,650,000	\$800K for CSJ; \$850K for CSC
District Equipment	46043	\$150,000	\$182,813	\$150,000	Keep same as year year
Replacement Fund	46044	\$300,000	\$300,000	\$300,000	Annual reserve setaside
TOTAL CAPITAL EXPENSES		\$17,365,406	\$18,461,247	\$10,480,263	
TOTAL EXPENSES		\$32,205,825	\$32,329,807	\$27,885,858	

CUPERTINO SANITARY DISTRICT

BUDGET WORKSHEET FOR FY 2020-21

Revenue

Account Name	Account Number	Budget FY 2019-20	FY 2019-20 Projected Revenue	Budget FY 2020-21 PROPOSED	REMARKS
OPERATING					
Service Charges	31010				
Handbilling		\$522,000	\$503,269	\$553,700	Estimated 10% increase
Tax Roll		\$17,100,000	\$17,099,652	\$18,673,394	Estimated 10% increase
Capital Loan		\$10,000,000	-		No loan this year
Permit Fees	31020	\$130,000	\$99,562	\$130,000	Keep same as last year
Connection Fees	31031	\$300,000	\$15,268	\$300,000	Keep same as last year
Capacity Fees	31032	\$300,000	\$30,310	\$300,000	Keep same as last year
Pump Zone Fees	31033	\$80,000	\$0	\$80,000	Keep same as last year
Checking & Inspection Fees	31040	\$160,000	\$85,642	\$160,000	Keep same as last year
Annexation	32010	\$2,500	\$0	\$2,500	Keep same as last year
Interest	32050	\$220,000	\$293,013	\$220,000	Keep same as last year
City of San Jose Credit(s)	32091	\$500,000	\$1,286,916	\$500,000	Keep same as last year
Legal - Common Interest Group (Tributaries)	32092.1	\$1,026,000	\$288,760	\$700,000	Payments from Other Tributary Agencies
Legal - Common Interest Group (2% Admin Fees)	32902.2	\$20,000	\$5,893	\$14,000	Common Interest Group Lead Agency Management
Refunds/Reimbursements - Misc.	32091	\$10,000	\$20,817	\$10,000	Keep same as last year
Lateral Construction	32093	\$15,000	\$0	\$15,000	Keep same as last year
TOTAL OPERATING REVENUE		\$30,385,500	\$19,729,104	\$21,658,594	
Revenue Transfer					
TOTAL REVENUE					
Total Expenses		\$32,205,825	\$32,329,807	\$27,885,858	
Credit to Account			\$12,600,703		
Debit from Account		\$1,820,325		\$6,227,264	
Net Operating Revenue		\$32,205,825	\$32,329,807	\$27,885,858	

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 PSD	Main/Lat	Spill Volume (Gal)	Spill Recovered (Gal)	Volume of Wash Water Used (Gal)
	None					

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	0	Root Intrusion	1	Root Intrusion	0
Onsite	1	Onsite	0	Onsite	0
Debris	0	Debris	0	Debris	0
Others	0	Others	0	Others	0
Pump Station	0	Pump Station	1	Pump Station	0
Total:	1	Total:	2	Total:	0

Repairs

Address	Main/Lat	Description of Work
Country Club Pump Station	PS	Replaced 3" valves
Country Club Pump Station	PS	Repaired pump station electric system
Tantau Pump Station	PS	Replaced guide rail
Forum 1 Pump Station	PS	Replaced guide rail
Kirbrook Pump Station	PS	Kirbrook Pump Station outfall improvement
10370 Alpine Dr	Lat	Capping of abandoned lateral

Mainline Maintenance

Size of Pipe	4"	6"	8"	10"	12"	14"	15"	16"	18"	> 20"	Total	FY2019-20 YTD	FY2019-20 Annual Schedule	% Complete (YTD/Annual Schedule)
Mainline Cleaning (ft)	0	27,112	50,875	9,327	1,569	274	1,336	496	0	0	90,989	950,068	962,623	99%
Easement Cleaning (ft)	0	2,851	3,675	2,703	988	274	233	496	0	0	11,220	148,027	138,059	107%
CCTV (ft)	0	5,404	2,100	0	0	0	0	0	0	0	7,504	171,517	206,765	83%

Lateral Maintenance

Activity	# of Laterals	FY2019-20 YTD	*FY2019-20 Annual schedule	% Complete (YTD/Annual schedule)
Cleaning	432	4,454	4,427	101%
CCTV	7	112		
Inspection	9	184		

FOG Inspection - Limited in April due to Restaurant closures (COVID -19)

	# of Inspections	FY2019-20 YTD	FY2019-20 Annual Schedule	% Complete (YTD/Annual schedule)
Performed	19	314		
Completed	13	228	283	81%
Follow up Needed	6			

*10-31-19 Added 2,823 laterals to annual schedule from investigation to locate PLCOs that had no prior cleaning service

*2-13-2020 Adjustment on Annual Lateral schedule - PLCOs w/ no prior service (1514) + PLCOs remaining in FY2019-20 schedule (373) + PLCOs already serviced July 19 - Jan 20 (2731) = 4618

*2-13-2020 Adjustment - 4618 - 191 = 4427 (PLCO lid unable to open (approx 75), PLCOs serviced by HOA (116))