

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, JUNE 20, 2018**

A_G_E_N_D_A (* Updated June 16, 2018)

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 JUNE 6, 2018
- B. APPROVED MINUTES OF MAY 9, 2018
- 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. PUBLIC HEARING:

- A. CONDUCT A PUBLIC HEARING ON REPORTS ON RATES AND CHARGES FOR FISCAL YEAR 2018-2019
 - 1. Staff Presentation – Updated Summary Sheet
 - 2. Open Public Hearing and Receive Testimony
 - 3. Close Public Hearing
 - 4. Board Discussion
 - 5. Adopt Resolution No. 1305, Confirming Report on Rates and Charges for FY 2018-2019
 - 6. Adopt Resolution No. 1306, Collection of Rates and Charges for FY 2018-2019

6. MEETINGS:

NONE

7. REPORTS:

- A. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) HELD JUNE 11, 2018
- B. REGULAR MEETING OF THE SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE (TPAC) HELD JUNE 14, 2018

8. UNFINISHED BUSINESS:

- A. CASA 63RD ANNUAL CONFERENCE TO BE HELD AUGUST 8-10, 2018 IN MONTEREY, CA

9. NEW BUSINESS:

- A. BUDGET FOR FY 2018-19

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.

12. ADJOURNMENT:

CUPERTINO SANITARY DISTRICT MEETING/EVENT SCHEDULE

JUNE 2018

- 06/04: SCCSDA Meeting
- 06/06: 1st Regular Meeting-(*Bosworth excused*)
- 06/12: TAC Meeting
- 06/14: TPAC Meeting-(*Kwok to attend*)
- 06/20: 2nd Regular Meeting & Public Hearing

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

JULY 2018

- 07/04: 1st Regular Meeting Canceled (Conflict)
- 07/17: CSRMA: Officers' Committee Meeting
- 07/18: 2nd Regular Meeting

There are no TAC/TPAC meetings scheduled

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

AUGUST 2018

- 08/01: 1st Regular Meeting
- 08/08-10: CASA Conference
- 08/07: TAC Meeting
- 08/09: TPAC Meeting
- 08/15: 2nd Regular Meeting

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

SANITARY BOARD MEETING WEDNESDAY, JUNE 06, 2018

The Sanitary Board of the Cupertino Sanitary District convened this date at 6:59 p.m. in the Stevens Creek Office Center, 20863 Stevens Creek Boulevard, Suite 100, Cupertino, California.

ROLL CALL:

Acting 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: Patrick S. Kwok, Angela S. Chen, Taghi S. Saadati, and John M. Gatto. President William A. Bosworth was on excused absence.

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

MINUTES & BILLS:

On a motion by Director Saadati, seconded by Director Chen, by a vote of 3-0-0, the Minutes of Wednesday, May 09, 2018 were approved. Director Gatto abstained.

By consensus, the Approved Minutes of April 18, 2018 were Noted & to be Filed.

PERSONAL PRESENTATIONS:

There were none.

CORRESPONDENCE:

There was none.

MEETINGS:

- A. Manager Tanaka and Deputy Manager Porter both plan to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held June 11, 2018.
- B. Director Gatto plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held June 14, 2018.

REPORTS:

- A. Acting President Kwok reported on the 2018 CWEA Annual Conference held April 17-20, 2018 in Sacramento, CA. Most of his time was spent on collection system discussion sessions. Topics included smart water meters, trenchless technology, scanning technology to locate leaks, and FELL system that has been used in the Bay Area.
- B. Manager Tanaka reported on the regular meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held May 15, 2018. Tanaka presented details of the meeting regarding Capital O&M budget, and discussed overhead increase.

- C. Acting President Kwok reported on the regular meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held May 17, 2018. Overhead increase was discussed. The budget for O&M was not voted on and deferred to a special TPAC meeting date tentatively set for June 4, 2018.
- D. Director Gatto and Manager Tanaka reported on the Special TAC/TPAC meeting held June 4, 2018 regarding 2018-2019 Proposed Operating Budget. Items of discussion at the meetings included:
- San Jose reported error in tracking legal cost recovery and misallocation of recycled water capital costs at the TAC meeting. At TPAC, San Jose reported budget will be not changed, but Tributary Agencies will not be charged for these expenses.
 - \$1.5 million discrepancies have small impact on large overhead increases still with no explanation provided by City of San Jose.
 - Manager for biosolids management
 - New accounting for SBWA
- E. Director Kwok reported on the Santa Clara County Special Districts Association meeting held June 4, 2018.

UNFINISHED BUSINESS:

- A. The Board discussed calendar conflict of regular meeting to be held on July 4, 2018. This date conflicts with the Independence Day holiday. On a motion by Director Gatto, seconded by Director Saadati, by a vote of 4-0-0, the Board agreed to cancel the meeting of July 4, 2018.

NEW BUSINESS:

- A. The Board discussed the Forum Draft Installer's Agreement and provided comments. Staff was directed to round the connection fees to the nearest dollar. Board would like to have a better understanding of what the potential costs for the onsite Forum rehabilitation will be.
- B. The Board discussed upcoming CASA Conference to be held August 8-10, 2018 in Monterey, CA. Board members, Staff, and Counsel plan to attend. Director Bosworth was not present to confirm his attendance. Director Kwok plans to attend the CSRMA Risk Management Seminar to be held on August 8, 2018. Director Chen reported she will confirm her attendance later.

STAFF REPORTS:

- A. Deputy Manager Porter provided an update on the status of CASA award application submittal.
- B. Manager Tanaka provided an update on the status of FY 2018-19 budget.

CLOSED SESSION:

Acting President Kwok adjourned the regular meeting session and opened the closed session at 8:00 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District and the City of Milpitas v. The City of San Jose, The City of Santa Clara and Does 1 through 50 inclusive.

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

There was no reportable action.

ADJOURNMENT:

On a motion properly made and seconded, at 8:14 p.m. the meeting was adjourned.

Secretary Pro-Tem of the Sanitary Board

Acting President of the Sanitary Board

SANITARY BOARD MEETING
WEDNESDAY, MAY 09, 2018

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.

ROLL CALL:

Acting 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: Patrick S. Kwok, Angela S. Chen, and Taghi S. Saadati. President William A. Bosworth and Director John M. Gatto were on excused absence.

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

MINUTES & BILLS:

- A. On a motion by Director Saadati, seconded by Director Chen, by a vote of 3-0-0, the Minutes of Wednesday, April 18, 2018 were approved.
- B. By consensus, the Approved Minutes of April 4, 2018 were Noted & to be Filed.
- C. The Board reviewed the financials. Director Chen asked when the 2018-2019 district budget will be discussed. Staff will agendaize for next regular meeting. Director Saadati asked about the purchase of vests, inspector licenses, and tax roll collection. The vests are safety/utility vests that are purchased on a regular basis as needed according to equipment wear; the inspector licenses are CWEA certifications; tax roll is collected twice per year. On a motion by Director Saadati, seconded by Director Chen, by a vote of 3-0-0 the payment of Bills for the month of April were approved as written.
- D. The Directors submitted their May 2018 timesheets to Staff.

PERSONAL PRESENTATIONS:

There were none.

CORRESPONDENCE:

- A. The Board reviewed the information related to the Special District Leadership Foundation Transparency Certificate Renewal. The Board instructed Staff to move forward with District of Distinction, Silver accreditation.
- B. California Water Boards – Stakeholder Workshop to be held May 2018 was canceled, to be rescheduled at a later date.
- C. The Board reviewed County of Santa Clara Registrar of Voters – Preparation Letter for the November 6, 2018 Election. Noted & to be Filed.

MEETINGS:

- A. Director Kwok plans to attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) to be held May 17, 2018.
- B. Staff will attend the Regular Meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) to be held May 14, 2018.

REPORTS:

There were none.

UNFINISHED BUSINESS:

- A. Board discussed Vallco Development.

NEW BUSINESS:

- A. The Board reviewed CASA Award Application and had some comments. Staff will make minor changes and submit the application.
- B. Discussion of July 4, 2018 calendar conflict was deferred to the next regular meeting.

STAFF REPORTS:

- A. Deputy Manager Porter reported on the purchase of a new pump for Prospect Pump Station.
- B. Deputy Manager Porter reported on the monthly maintenance report.

CLOSED SESSION:

Acting President Kwok adjourned the regular meeting session and opened the closed session at 7:38 p.m. in accordance with government code section Paragraph (1) of Subdivision (d) of Section 54956.9, existing litigation. Name of Case: County Sanitation District 2-3, West Valley Sanitation District, Cupertino Sanitary District, Burbank Sanitary District and the City of Milpitas v. The City of San Jose, The City of Santa Clara and Does 1 through 50 inclusive.

Acting President Kwok adjourned the closed session and the regular meeting was called to order at 7:43 p.m.

No reportable action taken at the closed session.

ADJOURNMENT:

On a motion properly made and seconded, at 7:44 p.m. the meeting was adjourned.

Secretary Pro-Tem of the Sanitary Board

Acting President of the Sanitary Board

CUPERTINO SANITARY DISTRICT

<u>WARRANT</u>					
<u>NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 1,105.39	ADP	Directors' Salary	
18396	M&O	\$ 342,298.23	Mark Thomas & Company, Inc.	Capital Outlay-Sewer Const.	480.00
				Plan Checking & Insp.	10,609.86
				Management Svcs	35,274.09
				Engineering Svcs	88,616.80
				Emergency	4,619.39
				Repairs & Maintenance	201,407.26
				Utilities	776.35
				Office Expense	400.00
				Operating Suplies	114.48
18397	M&O	\$ 1,077.15	Dooley Insurance Services	Insurance - Group Life & Dental (June)	
18398	M&O	\$ 4,349.86	PG&E	Utilities	
18399	M&O	\$ 127.50	City of Santa Clara	Utilities	
18400	M&O	\$ 39,044.50	Hunton Andrews Kurth LLP	Legal-Common Interest Group	
18401	M&O	\$ 574.58	Patrick Kwok	Travel and Meetings	
18402	M&O	\$ 100.00	CWEA	Memberships	
18403	M&O	\$ 10,462.91	Instrument Technology Corp	Capital Outlay-Equipment	
18404	M&O	\$ 728.16	B.W.S. Distributors, Inc.	Repairs & Maintenance	
18405	M&O	\$ 1,585.00	Telstar Instruments	Repairs & Maintenance	
18406	M&O	\$ 135.00	Jose Silva Gardening Service	Repairs & Maintenance	
18407	M&O	\$ 790.40	Bruce Barton Pump Service	Repairs & Maintenance	
18408	M&O	\$ 768.97	Home Depot Credit Services	Repairs & Maintenance	
18409	M&O	\$ 50,760.65	Able Underground Construction	Repairs & Maintenance	42,823.44
				Emergency	7,937.21
18410	M&O	\$ 93,628.71	Roto-Rooter	Repairs & Maintenance	93,451.50
				Emergency	177.21
18411	M&O	\$ 1,771.00	Bay Area News Group	Printing & Publication	
18412	M&O	\$ 3,622.50	Atkinson Farasyn, LLP	Legal - District Counsel	
18413	M&O	\$ 300.00	Alliant Insurance Services, Inc.	Insurance - ACIP	
TOTAL		\$ 553,230.51			

EMERGENCY DETAILS:

Able - one emergency for the month of May

Roto-Rooter - one emergency for the month of May

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH MAY 2018
 (11th Month of Operations - 92% into FY Operations)
 FISCAL YEAR: July 1, 2017 to June 30, 2018

EXPENSE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Expenses	Amount Payable	Total To Date Expenses	Remaining Balance	% Expended To Date	Comments
OPERATING EXPENSES								
Directors Fees	41030	\$40,000	\$25,850.22	\$1,105.39	\$26,955.61	\$13,044.39	67.4%	Under budget
Gasoline, Oil & Fuel	41060	\$3,000	\$1,387.09	\$0.00	\$1,387.09	\$1,612.91	46.2%	None this month; Prior expenses were fuel at flow monitoring station
Insurance	41070	\$125,000	\$123,636.50	\$1,377.15	\$125,013.65	(\$13.65)	100.0%	Commercial Crime FY17-19 2nd Installment; Directors' Insurance (projected to be slightly over budget)
Memberships	41080	\$28,000	\$21,183.11	\$100.00	\$21,283.11	\$6,716.89	76.0%	CWEA membership (P. Kwok)
Office Expense	41090	\$6,000	\$5,809.19	\$400.00	\$6,209.19	(\$209.19)	103.5%	Board Room Rent this month. Slightly over budget.
Operating Supplies	41100	\$3,000	\$197.94	\$114.48	\$312.42	\$2,687.58	10.4%	Business cards and badges for new inspectors
Contractual Services:								
Outfall Maintenance	41113	\$190,000	\$301,019.89	\$0.00	\$301,019.89	(\$111,019.89)	158.4%	None this month; Paid \$254,484 to Santa Clara (last 5 FY) and \$46,536 to SJ
Treatment Plant O&M	41114	\$5,571,000	\$5,571,112.00	\$0.00	\$5,571,112.00	(\$112.00)	100.0%	FY17-18 Paid in full
Professional Services:								
Management Services	41121	\$500,000	\$360,046.13	\$35,274.09	\$395,320.22	\$104,679.78	79.1%	On Target (under budget)
Engineering Services	41122	\$600,000	\$893,975.76	\$88,616.80	\$982,592.56	(\$382,592.56)	163.8%	Budget has been exceeded due to increased effort on Lucy, ArcGIS, Master Plan
Plan Ckg. & Insp.	41123	\$140,000	\$72,585.08	\$10,609.86	\$83,194.94	\$56,825.06	59.4%	Under Budget
Legal District Counsel	41124	\$60,000	\$21,047.74	\$3,622.50	\$24,670.24	\$35,329.76	41.1%	Atkinson Farasyn, LLP - for Period 4/16/18 - 6/13/18
Legal (Common Interest-Tributaries)	41124	\$200,000	\$31,368.75	\$9,044.50	\$40,413.25	\$129,586.75	35.2%	Huntton Andrews Kurth - FY2018 Q4
Audit	41125	\$11,000	\$10,775.00	\$0.00	\$10,775.00	\$225.00	98.0%	Final: Patel & Associates, LLP
Printing & Publications	41130	\$30,000	\$8,061.66	\$1,771.00	\$9,832.66	\$20,167.34	32.8%	Bay Area News Group - Ordinance #122
Repairs & Maintenance	41150	\$3,200,000	\$2,282,521.93	\$341,689.73	\$2,624,211.66	\$575,788.34	82.0%	On Target (under budget)
Travel & Meetings	41170	\$25,000	\$23,080.56	\$574.58	\$23,655.14	\$1,344.86	94.6%	P. Kwok - CWEA Annual Conference
Utilities	41190	\$60,000	\$46,755.60	\$5,253.71	\$52,009.31	\$7,990.69	86.7%	On Target (under budget)
Refunds & Reimbursements:								
Miscellaneous	41201	\$10,000	\$8,876.00	\$0.00	\$8,876.00	\$1,124.00	88.8%	None this month
Connection Fees	41202	\$7,000	\$250.00	\$0.00	\$250.00	\$6,750.00	3.6%	None this month
Checking & Inspection	41203	\$5,000	\$1,673.89	\$0.00	\$1,673.89	\$3,326.11	33.5%	Reimbursement for tax bill paid by Chris Tsang for 21820 Oakview Lane, for FY17-18
Emergency Funds	48000	\$250,000	\$98,634.19	\$12,733.81	\$111,368.00	\$138,632.01	44.5%	Two emergencies this month
Consolidated Election	48001	\$5,000	0.00	\$0.00	\$0.00	\$5,000.00	0.0%	None to Date
TOTAL OPERATING EXPENSES		\$11,069,000	\$9,909,828.23	\$542,287.60	\$10,452,115.83	\$611,884.17	94.4%	
CAPITAL EXPENSES								
Sewer Construction	46041	\$1,600,000	\$1,762,829.13	\$480.00	\$1,763,309.13	(\$163,309.13)	110.2%	Calabazas Construction CIP Project
T.P. & Outfall Capital Improvements	46042	\$7,220,000	\$8,010,199.82	\$0.00	\$8,010,199.82	(\$790,199.82)	110.9%	FY17-18 Paid in full and paid \$511,343 to Santa Clara (last 5 FY) for Outfall Capital
Equipment	46043	\$150,000	\$64,091.76	\$10,462.91	\$74,554.67	\$75,445.33	49.7%	Purchase of one lateral camera
Replacement Fund	46044	\$300,000	\$0.00	\$0.00	\$0.00	\$300,000.00	0.0%	Replacement Fund to be recorded in June 2018-Current Balance
TOTAL CAPITAL EXPENSES		\$9,270,000	\$9,837,120.71	\$10,942.91	\$9,848,063.62	(\$578,063.62)	106.2%	
TOTAL EXPENSES		\$20,339,000	\$19,746,948.94	\$553,230.51	\$20,300,179.45	\$38,820.55	99.8%	Over budget due to payment to Santa Clara and increased engineering as noted.

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH MAY 2018
 (11th Month of Operations - 92% into FY Operations)
 FISCAL YEAR: July 1, 2017 to June 30, 2018

REVENUE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Receipts	Current Month Receipts	Total Amount Received	Remaining Balance to Collect	% Earned To Date	Comments
MAY								
OPERATING								
Service Charges	31010							
Handbilling		\$391,562.00	\$382,825.49	\$0.00	\$382,825.49	\$8,736.51	97.8%	None this month
Tax Roll		\$13,831,326.00	\$8,058,573.44	\$0.00	\$8,058,573.44	\$5,772,752.56	58.3%	None this month
Permit Fees	31020	\$30,000.00	\$32,218.59	\$3,676.00	\$35,894.59	(\$5,894.59)	119.6%	Ten payments received this month; 96 payments received to date
Acreage	31031	\$15,000.00	\$2,856.00	\$430.00	\$3,286.00	\$11,714.00	21.9%	One payment received this month
Front Footage	31032	\$20,000.00	\$11,289.40	\$1,993.00	\$13,282.40	\$6,717.60	66.4%	One payment received this month
Additional Dwelling	31033	\$80,000.00	\$0.00	\$0.00	\$0.00	\$80,000.00	0.0%	None to Date
Additional Density	31034	\$200,000.00	\$858.24	\$0.00	\$858.24	\$199,141.76	0.4%	None this month
Checking & Inspection Fees	31040	\$160,000.00	\$69,221.11	\$2,650.00	\$71,871.11	\$88,128.89	44.9%	Nine payments received this month; 169 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	\$160,000.00	\$134,652.47	\$15,694.12	\$150,346.59	\$9,653.41	94.0%	Interest Allocation FY2017-18 Q3
City of San Jose Credit(s)	32091	\$990,000.00	\$2,088,766.00	\$0.00	\$2,088,766.00	(\$1,098,766.00)	211.0%	None this month
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$29,513.50	\$0.00	\$29,513.50	(\$19,513.50)	295.1%	None this month
Lateral Construction	32093	\$15,000.00	\$3,200.00	\$6,000.00	\$9,200.00	\$5,800.00	61.3%	Two payments received this month
Mann Drive	32094	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	Completed; Close out next fiscal year
TOTAL OPERATING REVENUE		\$15,905,388.00	\$10,813,974.24	\$30,443.12	\$10,844,417.36	\$5,060,970.64	68.18%	
Revenue Transfer		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Reserve Account
TOTAL REVENUE		\$15,905,388.00	\$10,813,974.24	\$30,443.12	\$10,844,417.36	\$5,060,970.64	68.18%	

CASH ACCOUNT SUMMARY

Date	Description	Balance	Replacement Fund	Net Cash
June 30, 2017	Ending Balance	\$ 22,464,574.90	\$ 2,100,000.00	\$ 20,364,574.90
July 31, 2017	Ending Balance	\$ 19,612,816.78	\$ 2,400,000.00	\$ 17,212,816.78
August 31, 2017	Ending Balance	\$ 18,915,222.26	\$ 2,400,000.00	\$ 16,515,222.26
September 30, 2017	Ending Balance	\$ 17,659,566.60	\$ 2,400,000.00	\$ 15,259,566.60
October 31, 2017	Ending Balance	\$ 11,730,749.16	\$ 2,400,000.00	\$ 9,330,749.16
November 30, 2017	Ending Balance	\$ 11,376,774.29	\$ 2,400,000.00	\$ 8,976,774.29
December 31, 2017	Ending Balance	\$ 10,931,524.80	\$ 2,400,000.00	\$ 8,531,524.80
January 31, 2018	Ending Balance	\$ 16,733,499.04	\$ 2,400,000.00	\$ 14,333,499.04
February 28, 2018	Ending Balance	\$ 18,466,964.45	\$ 2,400,000.00	\$ 16,066,964.45

CUPERTINO SANITARY DISTRICT REVENUE FOR FY 2018-2019

Date: 6/14/2018

Type	FY 2018-2019	Delta (FY 2018-19 and FY 2017-18)	Percent Differences (FY 2018-19 and FY 2017-18)	FY 2017-2018	Percent Differences (2017-18 and 2016-17)	FY 2016-2017	Percent Differences (FY2015-16 and 2016-17)	FY 2015-2016
Residential	\$11,043,048.62	\$820,884.44	8.03%	\$10,222,164.18	8.10%	\$9,456,519.94	8.77%	\$8,691,409.19
Retail/Office	\$1,766,843.64	\$494,244.92	38.84%	\$1,272,598.72	15.72%	\$1,099,748.14	-5.20%	\$1,178,954.06
Laundry	\$8,271.96	-\$497.75	-5.68%	\$8,769.71	12.68%	\$7,782.79	15.06%	\$6,080.73
Restaurants	\$2,186,339.98	\$186,241.57	9.31%	\$2,000,098.41	26.28%	\$1,583,883.91	3.06%	\$1,286,963.68
Gas Stations/Repair	\$24,679.16	-\$2,945.35	-10.66%	\$27,624.51	9.02%	\$25,338.84	8.76%	\$29,784.52
Hotel	\$191,202.59	\$34,782.95	22.24%	\$156,419.64	7.25%	\$145,839.58	3.42%	\$139,860.02
Private School Uses	\$14,992.59	\$2,321.99	18.33%	\$12,670.59	-1.38%	\$12,847.59	-8.23%	\$18,710.27
Health Care	\$246,350.80	-\$10,308.98	-4.02%	\$256,659.79	3.34%	\$248,364.16	12.96%	\$230,170.40
Misc	\$13,437.43	-\$593.03	-4.23%	\$14,030.46	-1.63%	\$14,262.82	3.61%	\$18,637.80
Hand-Billing	\$466,366.53	\$76,194.94	19.53%	\$390,171.60	-0.47%	\$392,000.00	-9.86%	\$418,500.54
Total	\$15,961,533.30	\$1,600,325.68	12.32%	\$14,361,207.62	10.58%	\$12,994,664.16	6.53%	\$12,019,071.21

NET REVENUE TO CUSD:

From Tax Roll \$15,340,215.10
 Handbilling \$466,366.53
 TOTAL \$15,806,581.63

Item 4A.1.

RESOLUTION NO. 1305

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 2018-19

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 2018-19.

WHEREAS, said written report was prepared and filed with the Secretary of said District on the 15th day of June 2018;

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 2018-19.

* * *

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 20th day of June 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Cupertino Sanitary District

APPROVED:

President, Cupertino Sanitary District

RESOLUTION NO. 1306

**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 2018-19**

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 20th day of June 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Cupertino Sanitary District

APPROVED:

President, Cupertino Sanitary District

County of Santa Clara

Office of the District Attorney

County Government Center, West Wing
70 West Hedding Street
San Jose, California 95110
(408) 299-7400
www.santaclara-ca.org



Jeffrey F. Rosen
District Attorney

May 29, 2018

Board of Directors
Cupertino Sanitary District
20863 Stevens Creek Boulevard, Suite 100
Cupertino, CA 95014

Dear Members of the Board:

We have received a complaint that one of your members, Angela Chen, does not hold a valid office as a member of the board of directors because she is not a resident of the Cupertino Sanitary District. (See Cal. Health & Safety Code, § 6482.) Although Ms. Chen listed 10422 Colby Avenue in Cupertino in her candidacy paperwork filed in August 2016, we have investigated and determined that Ms. Chen has not resided at that address for at least two years. Rather, Ms. Chen has resided at 1105 Di Napoli Drive in San Jose, which is outside of the District.

Although a violation of this residency requirement is not punishable as a crime, the filing of a false declaration of candidacy is a crime punishable by up to three years in the county jail. (Cal. Elections Code, § 18203.) However, the goal of the District Attorney's Office in most of these types of cases is simply to gain compliance with the law. To that end, I am writing to you in the hope that you will conduct your own inquiry and take appropriate action. Unfortunately, we cannot share the details of our investigation with you because, until we file criminal charges, those details remain confidential.

I may be reached at 408-792-2595 or by email at jo.ch.4th@gmail.com if you have any questions or concerns.

Very truly yours,

John Chase
Deputy District Attorney
Public Integrity Unit

Cc: Marc Hynes
Atkinson-Farasyn LLP
5050 El Camino Real, Ste 205
Los Altos, CA 94022

**CUPERTINO SANITARY DISTRICT
BUDGET WORKSHEET FOR FY 2018-19**

Revenue

Account Name	Account Number	Budget FY 2017-18	FY2017-18 Projected Revenue	Budget FY2018-19 PROPOSED	REMARKS
OPERATING					
Service Charges	31010				
Handbilling		\$391,562	\$382,825	\$466,366	Estimated as of 6/12/2018. Need to still collect \$8700 for current year
Tax Roll		\$13,831,326	\$13,264,803	\$15,392,220	Estimated as of 6/12/2018. Increase overall 12.7%
Permit Fees	31020	\$30,000	\$38,077	\$40,000	Estimated same revenue as last year
Acreage	31031	\$15,000	\$3,375	\$25,000	\$17K for Garrod
Front Footage	31032	\$20,000	\$13,342	\$30,000	\$25k for Garrod
Additional Dwelling	31033	\$80,000	\$0	\$80,000	Marina, DeAnza Hotel, Oaks
Additional Density	31034	\$200,000	\$1,014	\$200,000	Forum, Marina, Oaks
Checking & Inspection Fees	31040	\$160,000	\$81,807	\$160,000	Keep same as last year
Annexation	32010	\$2,500	\$0	\$2,500	Keep same as last year
Interest	32050	\$160,000	\$146,894	\$160,000	Keep same as last year
City of San Jose Credit(s)	32091	\$990,000	\$2,088,766	\$500,000	Last year CIP completed as planned, estimated at 80%
Legal - Common Interest Group (Tributaries)	32092.1		\$0	\$1,179,360	Payments from Other Tributary Agencies
Legal - Common Interest Group (2% Admin Fees)	32902.2		\$0	\$23,587	Common Interest Group Lead Agency Management
Refunds/Reimbursements - Misc.	32091	\$10,000	\$34,880	\$10,000	Keep same as last year
Lateral Construction	32093	\$15,000	\$3,782	\$15,000	Keep same as last year
TOTAL OPERATING REVENUE		\$15,905,388	\$16,059,565	\$18,284,033	
Revenue Transfer					
TOTAL REVENUE					
Total Expenses		\$20,339,000	\$19,479,589	\$19,192,907	
Credit to Account					
Debit from Account		\$4,433,612	\$3,420,024	\$908,874	
Net Operating Revenue		\$20,339,000	\$19,479,589	\$19,192,907	

Draft Budget for FY 2018-19 Expenses

Account Name	Account Number	FY 2017-18 Budget	FY 2017-18 Projected	FY 2018-19 Proposed	REMARKS
OPERATING EXPENSES					
Directors Fees	41030	\$40,000	\$29,202	\$35,000	Reduce by \$5K
Gasoline, Oil & Fuel	41060	\$3,000	\$1,387	\$3,000	Keep same as last year
Insurance	41070	\$125,000	\$120,928	\$125,000	Keep same as last year
Memberships	41080	\$28,000	\$28,783	\$30,000	Increase by 2K to \$30,000
Office Rent	41090	\$6,000	\$6,609	\$6,000	Keep same as last year
Operating Expenses	41100	\$3,000	\$234	\$3,000	Keep same as last year
Contractual Services:					
Outfall Maintenance	41113	\$190,000	\$172,536	\$70,000	This year paid SC for 4 years. Annually \$46K to SJ and \$24K to Santa Clara
T.P. Oper. & Maint.	41114	\$5,571,000	\$5,571,112	\$5,821,361	Provided by CSJ (TPAC 5/17/2018)
Professional Services:					
Management Services	41121	\$500,000	\$425,509	\$500,000	Keep same as last year
Engineering Services	41122	\$600,000	\$997,998	\$800,000	Reduce to \$800K, Last FY \$600K was reduced from prior year to be more realistic cost.
Plan Ckg. & Insp.	41123	\$140,000	\$85,759	\$140,000	Added FOG Program Services.
Legal - District Counsel	41124	\$60,000	\$24,875	\$60,000	Keep same as last year
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$0	\$90,927	\$1,179,360	Keep same as last year 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	\$0	\$15,190	\$332,640	CUSD share of \$1.5M
Audit	41125	\$11,000	\$10,775	\$11,000	Keep same as last year
Printing & Publications	41130	\$30,000	\$9,527	\$15,000	Two publications (changed vendor)
Repairs & Maintenance	41150	\$3,200,000	\$2,697,526	\$3,200,000	Keep same as last year
Travel & Meetings	41170	\$25,000	\$25,626	\$30,000	Increase to \$30K for CWEA, CASSE, BACWA, ESRI & LUCITY
Utilities	41190	\$60,000	\$55,257	\$60,000	Keep same as last year
Refunds & Reimbursements:					
Miscellaneous	41201	\$10,000	\$10,490	\$15,000	Increase to 15K - primarily for service reimbursement
Connection Fees	41202	\$7,000	\$295	\$2,000	Reduce budget
Checking & Inspection	41203	\$5,000	\$1,978	\$3,000	Reduce budget
Emergency Funds	48000	\$250,000	\$116,568	\$250,000	Keep same as last year
Consolidated Election	48001	\$5,000	\$0	\$20,000	Election this year
TOTAL OPERATING EXPENSES		\$10,869,000	\$10,499,091	\$12,711,361	
CAPITAL EXPENSES					
District Sewer Capital & Support	46041	\$1,600,000	1,564,356.30	\$2,000,000	Perform first year CIP (Needed Repairs, Cast Iron and I&J Smoke)
Treatment Plant Capital	46042	\$7,220,000	7,165,913.41	\$3,971,546	Provided by CSJ (TPAC 5/17/2018)
Outfall Capital	46042		174,484.00	\$60,000	Santa Clara past 4 year CIP, use \$60K for both CSJ & SC
District Equipment	46043	\$150,000	75,744.81	\$150,000	Keep same as year year
Replacement Fund	46044	\$300,000	-	\$300,000	Annual reserve setaside
TOTAL CAPITAL EXPENSES		\$9,270,000	\$8,980,499	\$6,481,546	
TOTAL EXPENSES		\$20,139,000	\$19,479,589	\$19,192,907	

Cupertino Sanitary District Monthly Maintenance Summary - May 2018

<u>SSOs</u>							
<u>Start Date</u>	<u>Location</u>	<u>Cause of SSO</u>	<u>Cat</u>	<u>Main/Lat</u>	<u>SSO Volume (Gal)</u>	<u>SSO Recovered (Gal)</u>	
None							

<u>Emergency Calls- Causes</u>					
<u>Call Rec'd Business Hours</u>	<u># of Calls</u>	<u>Call Rec'd After Hours</u>	<u># of Calls</u>	<u>Call Rec'd Weekend</u>	<u># of Calls</u>
Root Intrusion	1	On-Site	1	Root Intrusion	1
On-Site	2		1		1
Total:	3			Total:	1

<u>Repairs</u>		
<u>Address</u>	<u>Main/Lat</u>	<u>Description of Work</u>
Stevens Creek Blvd	Mainline	Spot mainline repair on Stevens Creek Blvd L1GF - L1-53B
Phil Ln	Mainline	52' mainline spot repair on Phil Ln 2828-5 - 2828-6 correcting sag at 36.1 from UPMH2828-5
Phil Ln	Mainline	12' mainline spot repair on Phil Ln 2828-5 - 2828-6 starts at 102.6' away from UPMH2828-5
Phil Ln	Mainline	Mainline spot repair on Phil Ln # 3 2828-5 - 2828-6 removed 11' VCP & replaced w/ne w SDR26 pipe approx. 8' away from UPMH2828-5.
1035 West Hill Ct	Lateral	Emergency spot repair of 4" broken lateral at concrete collar at manhole

<u>Mainline Maintenance</u>											
<u>Size of Pipe</u>	<u>4"</u>	<u>6"</u>	<u>8"</u>	<u>10"</u>	<u>12"</u>	<u>14"</u>	<u>15"</u>	<u>16"</u>	<u>18"</u>	<u>>20"</u>	<u>Total</u>
Mainline Cleaning (ft)	0	33,318	53,987	5,639	345	905	0	0	0	0	94,194
Easement Cleaning (ft)	0	4,397	5,658	352	0	905	0	0	0	0	11,312
CCTV (ft)	0	6,206	9,814	0	0	0	0	0	0	0	16,020

<u>Lateral Maintenance</u>	
	<u># of Laterals</u>
Cleaning	177
CCTV	15
Inspection	25

FOG Inspection

Number Performed - 5

Completed - 1

Follow-up needed - 4