

**CUPERTINO SANITARY DISTRICT
SANITARY BOARD MEETING
WEDNESDAY, MARCH 17, 2021**

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 COMMENTS

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.

3. 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.

4. MINUTES & BILLS

- A. APPROVAL OF THE MINUTES OF MARCH 3, 2021
- B. APPROVED MINUTES OF FEBRUARY 17, 2020
- C. PAYMENT OF BILLS AND APPROVAL OF FINANCIAL STATEMENT
- D. DIRECTOR'S MONTHLY TIMESHEETS

5. CORRESPONDENCE

- A. CITY OF SAN JOSE – FY21-22 REGIONAL WASTEWATER FACILITY CAPITAL COST ALLOCATION
- B. CITY OF SAN JOSE – FY21-22 REVENUE PROGRAM (O&M COST)

**CUPERTINO SANITARY DISTRICT
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WEDNESDAY, MARCH 17, 2021**

- C. LAFCO OF SANTA CLARA COUNTY - NOTICE FOR THE APRIL 7, 2021
LAFCO PUBLIC HEARING ON ITS PROPOSED FY 2022 BUDGET

6. MEETINGS

- A. NONE

7. REPORTS

- A. TELECONFERENCE MEETING OF THE SAN JOSE/SANTA CLARA
TREATMENT PLANT TECHNICAL ADVISORY COMMITTEE (TAC) HELD ON
MARCH 9, 2021
- B. TELECONFERENCE MEETING OF THE SAN JOSE/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE (TPAC) HELD ON MARCH
11, 2021

8. UNFINISHED BUSINESS

- A. COVID-19 UPDATES
- B. BUDGET DISCUSSION

9. NEW BUSINESS

- A. RATE STUDY – CONSIDERATION TO SET TIME AND PLACE FOR PUBLIC
HEARING FOR MAY 19, 2021

10. STAFF REPORT

- A. VALLCO
- B. FUTURE DEVELOPMENT PROJECTS
- C. I/I REDUCTION FOLLOW UP
- D. SEWER SYSTEM MANAGEMENT PLAN UPDATE
- E. MONTHLY MAINTENANCE REPORT

11. CALENDAR ITEMS

- A. NEXT REGULAR DISTRICT BOARD MEETING IS SCHEDULED TO BE HELD
ON WEDNESDAY, APRIL 7, 2021

12. ADJOURNMENT

CUPERTINO SANITARY DISTRICT

MEETING/EVENT SCHEDULE

MARCH 2021

03/01: Santa Clara County Special Dist. Assoc.
 03/03: 1st Regular Meeting
 03/09: TAC
 03/11: TPAC
 03/17: 2nd Regular Meeting

MARCH 2021						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 SCCSDA	2	3 1 st Regular Meeting	4	5	6
7	8	9 TAC	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	31			

APRIL 2021

04/06: TAC
 04/07: 1st Regular Meeting
 04/08: TPAC
 04/21: 2nd Regular Meeting

APRIL 2021						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6 TAC	7 1 st Regular Meeting	8 TPAC	9	10
11	12	13	14	15	16	17
18	19	20	21 2 nd Regular Meeting	22	23	24
25	26	27	28	29	30	

MAY 2021

05/05: 1st Regular Meeting
 05/11: TAC
 05/13: TPAC
 05/19: 2nd Regular Meeting

MAY 2021						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5 1 st Regular Meeting	6	7	8
9	10	11 TAC	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 MEMORIAL DAY					

**CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 03, 2021**

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 Saadati 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, Deputy District Manager Robert Woodhouse, and Counsel Marc Hynes.

District Advisor: Richard Tanaka

Public: Ashley Barnes

Chad Mosley, City Engineer for City of Cupertino, joined the meeting immediately following the Closed Session.

2. PUBLIC COMMENTS:

Ashley Barnes indicated that she was attending the meeting so she could hear the discussions related to agenda item number 10.

The Board indicated that they would move the agenda item forward to occur after the Closed Session meeting.

3. CLOSED SESSION:

President Saadati adjourned the regular meeting session and opened the closed session at 7:03 p.m. Manager Porter and Deputy Manager Woodhouse were excused from the 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.

Closed session was adjourned at 7:26 p.m. and the regular meeting was called to order. District Manager Porter and Deputy District Manager Woodhouse rejoined the regular meeting. There was no reportable action.

Chad Mosley joined the regular meeting.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 03, 2021

10. STAFF REPORTS:

- A. Mr. Nandy Kumar of Vallco contacted Director Chen and requested to speak at a future Board Meeting. Director Chen suggested, with Board concurrence, that discussion of the Vallco Installer's Agreement be adjourned to a meeting when Mr. Kumar can address the entire Board. Manager Porter reported on Vallco including discussion of letters that have been exchanged with Vallco related to a notice of violation that was issued to Vallco as a result of the District's discovery of an excavation at the Vallco Development that exposed a District sewer pipe. The District staff have investigated the exposed pipe and are working with the developer to remedy the situation. The District also requested that Vallco pay fees to the District for continued District engineering reviews and inspection services.

4. MINUTES:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0 the minutes of Wednesday, February 17, 2021 were approved.
- B. By consensus, the Minutes of Wednesday, February 3, 2021 is to be Noted & Filed.

5. CORRESPONDENCE:

- A. The Board reviewed a letter from CSDA requesting support for the Special Services Provide Essential Services Act. Manager Porter is to prepare and submit letters that support CSDA's positions.

6. MEETINGS:

- A. Manager Porter plans to attend the teleconference meeting of The San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) scheduled to be held March 8, 2021.
- B. Director Gatto plans to attend the teleconference meeting of The San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) scheduled to be held March 11, 2021.

7. REPORTS:

- A. Director Bosworth reported on the regular teleconference meeting of the Santa Clara County Special Districts Association held on March 1, 2021.

8. UNFINISHED BUSINESS:

- A. Manager Porter reported on the status of Form 700 filing. Manager Porter reported that all District Form 700s have been prepared and submitted.
- B. Manager Porter reported on COVID-19 updates. Public participant, Chad Mosley reported that Santa Clara County has opened up access for vaccinations to essential workers. Access by essential workers is now limited only by the availability of the vaccine at the distribution sites in the County.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, MARCH 03, 2021

9. NEW BUSINESS:

- A. The Board reviewed the Preliminary FY 2021-2022 Budget. Manager Porter reported that several projects have been delayed at the San Jose Santa Clara Water Pollution Control Plant, including the dewatering project and the Legacy Lagoons project. As a result, the City of San Jose will be sending lower bills to the District for the remainder of the current fiscal year. The Board asked Manager Porter to take another look at the projected costs for insurance next year, as it was learned at the CSMRA conference that insurance costs are expected to rise next year. Also, consider reducing the costs for elections to zero as there will be no election this year. The Board also asked Manager Porter to review the projected engineering costs and report back to the Board.
- B. Manager Porter presented on the Rate Study Methodology and Revenue. The Board reviewed the summary spreadsheet that displayed all the proposed rate changes for each customer use category and whether the customers were located in the pump zones or non-pump zones of the District. The Board requested Manager Porter to proceed with the rate study using the rates that distribute flows and loads across all customer types, and to include analysis for customers in the pump zones to account for higher cost to operate the pump stations than the gravity sewer systems in the District.
- C. The Board discussed the CASA Conference Call for Abstracts. The Board would like to present to CASA with more experience with the I/I Program and I/I Reduction results in the CUSD system.

10. STAFF REPORTS:

- A. This agenda item was moved up in the agenda to follow item 3. Closed Session.
- B. Manager Porter reported on the flow metering at Homestead metering station.

11. CALENDAR ITEMS:

- A. The next regular District Board meeting is scheduled to be held on Wednesday, March 17, 2021.

12. ADJOURNMENT:

On a motion properly made and seconded, at 8:50 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, FEBRUARY 17, 2021

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 Saadati 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, Deputy District Manager Robert Woodhouse, and Counsel Marc Hynes.

District Consultant: Richard Tanaka

Public: None

2. PUBLIC COMMENTS:

There were none.

3. CLOSED SESSION:

President Saadati adjourned the regular meeting session and opened the closed session at 7:01 p.m. Manager Porter and Deputy Manager Woodhouse were excused from the 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.

Closed session was adjourned at 7:34 p.m. and the regular meeting was called to order. District Manager Porter and Deputy District Manager Woodhouse rejoined the regular meeting. There was no reportable action.

4. MINUTES & BILLS:

- A. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0 the minutes of Wednesday, February 3, 2021 were approved as written.
- B. By consensus, the Minutes of Wednesday, January 20, 2021 is to be Noted & Filed.
- C. The Board reviewed January payable warrants and financial statements. The Board discussed flume metering and costs to calibrate the meter periodically. On a motion by Director Gatto, seconded by

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, FEBRUARY 17, 2021

Director Kwok, by a vote of 5-0-0, the financial statement and payment of bills were approved as written.

D. Board members will submit their February timesheets to Manager Porter.

5. CORRESPONDENCE:

There was none.

6. MEETINGS:

A. Director Bosworth plans to attend the teleconference meeting of the Santa Clara County Special Districts Association to be held on March 1, 2021.

7. REPORTS:

A. Manager Porter reported on the teleconference meeting of the San Jose/Santa Clara Treatment Plant Technical Advisory Committee (TAC) held on February 8, 2021. The dewatering capital project at the WPCP will be delayed for another year so this year's capital charges will be reduced.

B. Director Gatto reported on the teleconference meeting of the San Jose/Santa Clara Treatment Plant Advisory Committee (TPAC) held on February 11, 2021.

8. UNFINISHED BUSINESS:

A. Manager Porter reported on COVID-19 updates.

B. The Board reviewed and discussed the budget reallocation (revised). Manager Porter is authorized to make further adjustments to the budget when the final costs for the capital improvements and O&M at the Water Pollution Control Plant are known. Manager Porter will request advance notice of the planned charges for the upcoming year so the District can better develop next year's District budget. On a motion by Director Gatto, seconded by Director Bosworth, by a vote of 5-0-0 the revised budget reallocation was approved.

C. Manager Porter presented a summary of the Rate Study Methodology. District staff recommended use of the lower cost of service ~~to~~ adjust ~~to~~ the rates for residents in the pump station zones. The adjustment will only account for higher costs due to the operations and maintenance of the District's 17 pump stations, which is a similar approach used by other agencies. District staff will also use a 75% adjustment in the SFR rate for MFR customers. District staff will now proceed with the development of the rate study for the District.

D. The Board was reminded to submit Form 700 filing.

CUPERTINO SANITARY DISTRICT BOARD MEETING
WEDNESDAY, FEBRUARY 17, 2021

9. NEW BUSINESS:

- A. The Board reviewed the Board Memo regarding an insurance claim of a stolen pump station generator. On a motion by Director Gatto, seconded by Director Kwok, by a vote of 5-0-0 the Board approved submittal of insurance claim and payment of \$2,000 deductible.

10. STAFF REPORTS:

- A. Deputy Manager Woodhouse reported on Vallco. Deputy Manager Woodhouse presented slides on the overall purpose of the I/I Reduction Program and responded to questions from the Board regarding the draft Installer's Agreement and the I/I Reduction Program. The Board asked for minor revisions to the wording of the Installer's Agreement and asked District staff to investigate whether the I/I Reduction Program can be accelerated. District staff will discuss the draft Installer's Agreement with Vallco and secure their review comments on the document. The Board would like to reconsider the agreement at the next Board meeting.
- B. Manager Porter reported on the monthly maintenance report. One Category 3 SSO was reported in the District and a report was filed with CIWQS.

11. CALENDAR ITEMS:

The next regular District Board meeting is scheduled to be held on Wednesday, March 3, 2021.

12. ADJOURNMENT:

On a motion properly made and seconded, at 9:51 p.m. the meeting was adjourned.

Secretary of the Sanitary Board

President of the Sanitary Board

**CUPERTINO SANITARY DISTRICT
WARRANTS PAYABLE - March 17, 2021**

<u>WARRANT NUMBER</u>	<u>FUND</u>	<u>AMOUNT</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	
N/A	M&O	\$ 301.25	CalBank Credit Card Processing Fees	Operating Exp. - Credit Card Processing Fees	
N/A	M&O	\$ 5,155.35	ADP	Directors' Salary	
19092	M&O	\$ 330,100.40	Mark Thomas	Office Rent	400.00
				Utilities	1,052.70
				Plan Checking & Inspection	22,189.64
				Management Services	62,102.55
				Engineering Services	93,640.48
				Repairs	15,789.38
				Maintenance	128,533.78
				Emergency Funds	5,957.69
				District Sewer Capital & Support	434.18
19093	M&O	\$ 2,867.50	Armento & Hynes, LLP	Legal - District Counsel (February Services)	
19094	M&O	\$ 1,700.00	Richard K. Tanaka	Legal - Consultant Services	
19095	M&O	\$ 992.08	Dooley Insurance Services	Insurance - Group Life & Dental	
19096	M&O	\$ 384.00	CWEA	Memberships	
19097	M&O	\$ 54.93	City of Santa Clara Utilities	Utilities	
19098	M&O	\$ 4,446.76	PG&E	Utilities	
19099	M&O	\$ 91.02	San Jose Water Company	Utilities	
19100	M&O	\$ 11,600.00	Harshwal & Company LLP	Audit	
19101	M&O	\$ 1,951.40	Teledyne Instruments, Inc.	Repairs	
19102	M&O	\$ 37.77	Cupertino Supply	Maintenance	
19103	M&O	\$ 25,974.00	Hadronex, Inc. / Smartcover Systems	Maintenance	
19104	M&O	\$ 565.04	Home Depot	Maintenance	
19105	M&O	\$ 135.00	Jose Silva Gardening	Maintenance	
19106	M&O	\$ 4,550.00	WECO Industries	Maintenance	
19107	M&O	\$ 10,965.24	RotoRooter	Maintenance	
19108	M&O	\$ 49,313.75	AB/JDD Plumbing Heating & AC	Maintenance	47,662.50
				Emergency	1,651.25
19109	M&O	\$ 65,341.98	Able Underground Construction	Maintenance	60,810.75
				Emergency	4,531.23
19110	M&O	\$ 144,991.91	Hunton Andrews Kurth	CIG/Tribs - Legal (CuSD Advance Pay)	113,093.69
				CIG/Tribs - Legal (CuSD Share)	31,898.22
TOTAL WARRANTS		\$ 661,519.38			

EMERGENCY DETAILS:**AB/JDD Plumbing** - four emergencies this month**Able** - two emergencies this month**Roto-Rooter** - no emergencies this month

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH FEBRUARY 2021
(8th Month of Operations - 67% into FY Operations)
FISCAL YEAR: July 1, 2020 to June 30, 2021

EXPENSE SUMMARY REPORT - ADJUSTED BUDGET

Account Name	Account Number	BUDGET	Prior Expenses	Amount Payable	Total To Date Expenses	Remaining Balance	(#H{ shqghg# Gdwh	Comments
FEB SERVICES								
OPERATING EXPENSES								
Loan Payments	41000	\$1,200,542	\$600,639.58	\$0.00	\$600,639.58	\$599,902.42	50.0%	None this month
Directors Fees	41030	\$35,000	\$21,442.23	\$5,155.35	\$26,597.58	\$8,402.42	76.0%	On Target
Gasoline, Oil & Fuel	41060	\$3,000	\$1,040.25	\$0.00	\$1,040.25	\$1,959.75	34.7%	None this month
Insurance	41070	\$135,000	\$124,482.00	\$992.08	\$125,474.08	\$9,525.92	92.9%	Dooley Insurance - April 2021 Coverage
Memberships	41080	\$57,000	\$26,797.59	\$384.00	\$27,181.59	\$29,818.41	47.7%	CWEA Memberships
Office Rent	41090	\$6,000	\$2,800.00	\$400.00	\$3,200.00	\$2,800.00	53.3%	On Target
Operating Expenses - General	41100	\$3,000	\$49.90	\$0.00	\$49.90	\$2,950.10	1.7%	None this month
Operating Expenses - Credit Card Processing Fees	41100-1	\$3,700	3,033.56	\$301.25	\$3,334.81	\$365.19	90.1%	February Credit Card Processing Fees
Contractual Services:								
Outfall Maintenance	41113	\$71,000	\$46,535.89	\$0.00	\$46,535.89	\$24,464.11	65.5%	None this month
T.P. Oper. & Maint.	41114	\$8,630,553	\$4,819,605.00	\$0.00	\$4,819,605.00	\$3,810,948.00	55.8%	None this month
Professional Services:								
Management Services	41121	\$515,000	\$418,582.34	\$62,102.55	\$480,684.89	\$34,315.11	93.3%	Ahead of schedule
Engineering Services	41122	\$1,200,000	\$817,461.76	\$93,640.48	\$911,102.24	\$288,897.76	75.9%	On Target; slightly ahead of schedule
Plan Checking & Inspection	41123	\$200,000	\$107,439.19	\$22,189.64	\$129,628.83	\$70,371.17	64.8%	On Target
Legal - Consultant Services	41124	\$25,000	\$7,200.00	\$1,700.00	\$8,900.00	\$16,100.00	35.6%	Richard Tanaka - Consulting Services for February 2021
Legal - District Counsel	41124	\$60,000	\$35,223.00	\$2,867.50	\$38,090.50	\$21,909.50	63.5%	Marc Hynes - February Services
Legal - Common Interest Group (CuSD Advance Pay)	41124	\$980,000	\$761,042.89	\$113,093.69	\$874,136.58	\$105,863.42	89.2%	Hunton Andrews Kurth - December Legal Services
Legal - Common Interest Group (CuSD Share)	41124	\$222,000	\$214,653.12	\$31,898.22	\$246,551.34	-\$24,551.34	111.1%	Hunton Andrews Kurth - December Legal Services
Audit	41125	\$11,500	\$0.00	\$11,600.00	\$11,600.00	-\$100.00	100.9%	FY19-20 Audit - paid in full
Printing & Publications	41130	\$28,000	\$8,190.26	\$0.00	\$8,190.26	\$19,809.74	29.3%	None this month
Repairs	41150	\$800,000	\$114,962.68	\$17,740.78	\$132,703.46	\$667,296.54	16.6%	On Target
Maintenance	41151	\$3,200,000	\$1,986,906.97	\$279,234.08	\$2,266,141.05	\$933,858.95	70.8%	On Target
Travel & Meetings Staff	41170	\$15,000	\$580.00	\$0.00	\$580.00	\$14,420.00	3.9%	None this month
Travel & Meetings BOD	41170	\$18,000	\$1,450.00	\$0.00	\$1,450.00	\$16,550.00	8.1%	None this month
Utilities	41190	\$65,000	\$40,019.62	\$5,645.41	\$45,665.03	\$19,334.97	70.3%	On Target
Refunds & Reimbursements:								
Miscellaneous	41201	\$50,000	\$27,388.14	\$0.00	\$27,388.14	\$22,611.86	54.8%	None this month
Connection Fees	41202	\$2,000	\$0.00	\$0.00	\$0.00	\$2,000.00	0.0%	None to date
Checking & Inspection	41203	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	0.0%	None to date
Emergency Funds	48000	\$250,000	\$63,174.23	\$12,140.17	\$75,314.40	\$174,685.60	30.1%	Six Emergencies this month
Consolidated Election	48001	\$150,000	\$105,859.00	\$0.00	\$105,859.00	\$44,141.00	70.6%	None this month
TOTAL OPERATING EXPENSES		\$17,939,295	\$10,356,559.20	\$661,085.20	\$11,017,644.40	\$6,921,650.60	61.4%	
CAPITAL EXPENSES								
District Sewer Capital & Support	46041	\$560,000	\$176,748.39	\$434.18	\$177,182.57	382,817.43	31.6%	Prospect Pump Station Rehab
Treatment Plant Capital	46042	\$6,392,192	\$1,941,268.00	\$0.00	\$1,941,268.00	\$4,450,924.00	30.4%	None this month
Outfall Capital	46042	\$3,012,000	\$3,004,853.54	\$0.00	\$3,004,853.54	7,146.46	99.8%	None this month
District Equipment	46043	\$150,000	\$4,033.00	\$0.00	\$4,033.00	\$145,967.00	2.7%	None this month
Replacement Fund	46044	\$300,000	\$0.00	\$0.00	\$0.00	\$300,000.00	0.0%	None to date
TOTAL CAPITAL EXPENSES		\$10,414,192	\$5,126,902.93	\$434.18	\$5,127,337.11	\$5,286,854.89	49.2%	
TOTAL EXPENSES		\$28,353,487	\$15,483,462.13	\$661,519.38	\$16,144,981.51	\$12,208,505.49	56.9%	

CUPERTINO SANITARY DISTRICT
MONTHLY FINANCIAL REPORT THROUGH FEBRUARY 2021
(8th Month of Operations - 67% into FY Operations)

FISCAL YEAR: July 1, 2020 to June 30, 2021

REVENUE SUMMARY REPORT

Account Name	Account Number	BUDGET	Prior Receipts	Current Month Receipts FEB	Total Amount Received	Remaining Balance to Collect	% Earned To Date	Comments
OPERATING REVENUES								
Service Charges								
Handbilling	31010	\$553,700.00	\$3,201.49	\$0.00	\$3,201.49	\$550,498.51	0.6%	None this month
Tax Roll	31010	\$19,220,000.00	\$10,409,025.60	\$0.00	\$10,409,025.60	\$8,810,974.40	54.2%	None this month
Permit Fees	31020	\$130,000.00	\$35,963.76	\$3,750.00	\$39,713.76	\$90,286.24	30.5%	Ten payments received this month; One hundred seven payments received to-date
Connection Fees	31031	\$600,000.00	\$150,036.82	\$0.00	\$150,036.82	\$449,963.18	25.0%	None this month
Capacity Fees	31032	\$600,000.00	\$240,137.36	\$0.00	\$240,137.36	\$359,862.64	40.0%	None this month
Pump Zone Fees	31033	\$80,000.00	\$0.00	\$0.00	\$0.00	\$80,000.00	0.0%	None to date
Checking & Inspection Fees	31040	\$160,000.00	\$49,700.00	\$6,140.97	\$55,840.97	\$104,159.03	34.9%	Fourteen payments received this month; One hundred thirty-four payments received to-date
Annexation	32010	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00	0.0%	None to date
Interest	32050	\$220,000.00	\$116,379.06	\$27,226.22	\$143,605.28	\$76,394.72	65.3%	FY20-21 Q2
City of San Jose Credit(s)	32091	\$500,000.00	\$0.00	\$2,778,585.00	\$2,778,585.00	(\$2,278,585.00)	555.7%	FY19-20 O&M and Capital Credits
Legal - Common Interest Group (Tributaries)	32092.1	\$700,000.00	\$181,483.71	\$0.00	\$181,483.71	\$518,516.29	25.9%	None this month
Legal - Common Interest Group (2% Admin Fees)	32902.2	\$14,000.00	\$3,703.75	\$0.00	\$3,703.75	\$10,296.25	26.5%	None this month
Refunds/Reimbursements - Misc.	32091	\$10,000.00	\$16,420.96	\$30,415.00	\$46,835.96	(\$36,835.96)	468.4%	Insurance payment for claim on stolen generator - Tantau Pump Station
Lateral Construction	32093	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	0.0%	None to date
TOTAL OPERATING REVENUE		\$22,805,200.00	\$11,206,052.51	\$2,846,117.19	\$14,052,169.70	\$8,753,030.30	61.62%	
		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	Reserve Account
TOTAL OPERATING REVENUE		\$22,805,200.00	\$11,206,052.51	\$2,846,117.19	\$14,052,169.70	\$8,753,030.30	61.62%	

FDVK#DFFRXQW#VXPPDI

Date	Operating Fund	Replacement Fund	Comingled Fund	Cal Bank Trust Acct	Loan Balance with interest *	Net Cash
FY 2019-20 Balance	\$18,718,534.78	\$2,700,000.00	\$16,018,534.78	\$632,243.62	\$180,632.21	\$19,350,778.40
July 31, 2020	\$15,091,707.04	\$3,000,000.00	\$12,091,707.04	\$638,170.27	\$180,676.58	\$15,910,553.89
August 31, 2020	\$14,180,940.69	\$3,000,000.00	\$11,180,940.69	\$648,776.35	\$180,712.33	\$15,010,429.37
September 30, 2020	\$13,711,877.70	\$3,000,000.00	\$10,711,877.70	\$656,635.22	\$180,718.25	\$14,549,231.17
October 31, 2020	\$10,142,271.46	\$3,000,000.00	\$7,142,271.46	\$668,309.14	\$180,724.18	\$10,991,304.78
November 30, 2020	\$7,788,382.95	\$3,000,000.00	\$4,788,382.95	\$680,713.93	\$180,730.30	\$8,649,827.18
December 31, 2020	\$7,255,228.33	\$3,000,000.00	\$4,255,228.33	\$690,072.87	\$180,736.42	\$8,126,037.62
January 31, 2021	\$14,311,021.11	\$3,000,000.00	\$11,311,021.11	\$700,327.61	\$180,742.17	\$15,192,090.89
February 28, 2021	\$16,337,258.61	\$3,000,000.00	\$13,337,258.61	\$708,885.77	\$180,747.71	\$17,226,892.09

FOR CAL BANK SUMMARY, SEE ATTACHED DETAIL.

CALIFORNIA BANK AND TRUST ACCOUNT SUMMARY AS OF 2/28/2021

Cal Bank Activities				Total Interest	Interest prorated to Loan Balance	Loan Balance w/Interest	Interest prorated to \$600K District Savings	District portion of saving balance	Total Savings balance	Checking Acct Balance	TOTAL AT CAL BANK
No.	Payee	Date	Check Amount			\$10,000,000.00			\$10,000,000.00		\$10,000,000.00
101	San Jose	10/16/2019	\$2,180,309.00			\$7,819,691.00			\$7,819,691.00		\$7,819,691.00
102	San Jose	10/16/2019	\$29,515.44			\$7,790,175.56			\$7,790,175.56		\$7,790,175.56
103	Tesco	11/20/2019	\$17,707.00			\$7,772,468.56			\$7,772,468.56		\$7,772,468.56
104	Shape	11/20/2019	\$108,814.78			\$7,663,653.78			\$7,663,653.78		\$7,663,653.78
105	Tesco	12/18/2019	\$169,018.00			\$7,494,635.78			\$7,494,635.78		\$7,494,635.78
106	Con Quest	12/18/2019	\$385,242.58	\$30,683.35	\$30,683.35	\$7,140,076.55			\$7,140,076.55		\$7,140,076.55
107	San Jose	1/15/2020	\$6,966,355.00			\$173,721.55			\$173,721.55		\$173,721.55
Interest through 3/31/20				\$6,823.36	\$6,823.36	\$180,544.91			\$180,544.91		\$180,544.91
Deposit 4/16/2020						\$180,544.91		\$600,000.00	\$780,544.91	\$2,996.28	\$783,541.19
Balance as of 5/30/2020				\$179.37	\$41.50	\$180,586.41	\$137.87	\$600,137.87	\$780,724.28	\$5,744.81	\$786,469.09
Balance as of 6/30/2020				\$197.98	\$45.80	\$180,632.21	\$152.18	\$600,290.05	\$780,922.26	\$31,953.57	\$812,875.83
Balance as of 7/31/2020				\$191.84	\$44.37	\$180,676.58	\$147.47	\$600,437.52	\$781,114.10	\$37,732.75	\$818,846.85
Balance as of 8/31/2020				\$154.53	\$35.74	\$180,712.33	\$118.79	\$600,556.30	\$781,268.63	\$48,220.05	\$829,488.68
Balance as of 9/30/2020				\$25.62	\$5.93	\$180,718.25	\$19.69	\$600,576.00	\$781,294.25	\$56,059.22	\$837,353.47
Balance as of 10/31/2020				\$25.62	\$5.93	\$180,724.18	\$19.69	\$600,595.69	\$781,319.87	\$67,713.45	\$849,033.32
Balance as of 11/30/2020				\$26.47	\$6.12	\$180,730.30	\$20.35	\$600,616.04	\$781,346.34	\$80,097.89	\$861,444.23
Balance as of 12/31/2020				\$26.47	\$6.12	\$180,736.42	\$20.35	\$600,636.39	\$781,372.81	\$89,436.48	\$870,809.29
Balance as of 1/31/2021				\$24.83	\$5.74	\$180,742.17	\$19.09	\$600,655.47	\$781,397.64	\$99,672.14	\$881,069.78
Balance as of 2/28/2021				\$23.98	\$5.55	\$180,747.71	\$18.43	\$600,673.91	\$781,421.62	\$108,211.86	\$889,633.48
TOTAL OR BALANCE AMOUNT				\$9,856,961.80	\$38,383.42	\$37,709.51	\$673.91	\$600,673.91	\$781,421.62	\$108,211.86	\$889,633.48

**CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT
SAN JOSE - SANTA CLARA
REGIONAL WASTEWATER FACILITY (RWF)**

**CAPITAL COST ALLOCATION
FISCAL YEAR 2021-22**

Allocation of capital project costs is governed by the provisions of the Master Agreements for Wastewater Treatment, which require that these costs be allocated proportionally to the agencies based on their treatment plant capacity rights. Accordingly, the attached tables distribute the estimated FY 2021-22 capital project costs to the agencies based on their capacity rights in the 167 MGD plant.

TABLE 1 TRIBUTARY AGENCY COST ALLOCATION.

Table 1 contains each agency's share of FY 2021-22 capital project costs. Each agency's cost sharing percentage is a function of two sets of parameters including an agency's capacity percent of the overall RWF capacity (Table 4) and the RWF capacity investment percentage associated with each flow and wastewater strength parameter (Table 5).

TABLE 2 FY 2021-22 ESTIMATED CAPITAL PROJECT COSTS.

Table 2 lists the projects for which the agencies will be charged in FY 2021-22.

TABLE 3 ALLOCATION OF CAPITAL COSTS.

Table 3 contains the cost allocation to the agencies based on capacity rights in the 167 MGD plant.

TABLE 4 CAPACITY ALLOCATIONS.

Table 4 contains each agency's capacity percent of the overall RWF capacity. These percentages are the basis for allocating capital costs to the agencies on Table 3.

TABLE 5 SUMMARY OF DISTRIBUTION OF CAPITAL COSTS TO PARAMETERS.

This table contains the percentages for distributing total capital costs to treatment parameters on Table 3.

TABLE 1 (Page 1 of 2)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY

TOTAL PROJECTS FROM TABLE 2
 AGENCY COST ALLOCATION (1)
 FISCAL YEAR 2021-22

AGENCY	TOTAL COST (rounded)	SHARING RATIOS OF FY21-22 CIP BUDGET (2)
City of San Jose	76,816,300	65.929%
City of Santa Clara	18,561,600	15.931%
Subtotal	\$95,377,900	81.859%
West Valley Sanitation District	7,344,600	6.304%
Cupertino Sanitary District	4,733,600	4.063%
City of Milpitas	8,199,800	7.038%
County Sanitation District 2-3	604,000	0.518%
Burbank Sanitary District	254,300	0.218%
Total	\$116,514,200	100.000%

Notes: (1) This cost allocation will serve as the basis for estimated quarterly billings in FY 2021-22.
 (2) Composite of Weighted-average sharing ratios and Project-specific sharing ratios.

TABLE 1 (Page 2 of 2)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY

SUMMARY OF TRIBUTARY AGENCY COST SHARING RATIOS (1)
FISCAL YEAR 2021-22

WEIGHTED - AVERAGE ALLOCATION (2)			PROJECT - SPECIFIC ALLOCATION (3)																ALL PROJECT ALLOCATION (Shares of FY 21-22 Budget)			
ICV	% Cost Share		Headwork Improvements		New Headworks		Nitrification Clarifier Rehab.		Aeration Tanks & Blower Rehab.		Filter Rehabilitation		Outfall Bridge & Levee Improvements		Digested Sludge Dewatering Facility		Thickener Upgrade		Total Project - Specific		% Cost Share	
	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share	%	Cost Share		
e	64.891%	46,774,100	63.557%	118,216	67.031%	1,835,309	67.658%	1,049,372	63.557%	957,168	63.557%	3,885,875	68.868%	11,642,858	68.868%	9,664,275	67.612%	30,042,236	65.929%	76,816,336		
lana	15.680%	11,302,300	15.358%	28,566	16.079%	443,485	16.340%	253,570	15.358%	231,291	15.358%	938,988	16.641%	2,813,361	16.641%	2,335,260	16.335%	7,259,379	15.031%	18,561,679		
total	80.371%	\$58,076,400	78.915%	\$146,782	83.228%	\$2,278,794	84.007%	\$1,302,942	78.915%	\$1,188,463	78.915%	\$4,824,863	85.509%	\$14,456,219	85.509%	\$11,999,534	83.950%	\$37,301,615	81.860%	\$95,378,015		
s	6.597%	4,755,100	7.004%	13,027	5.975%	163,596	5.713%	88,615	7.004%	105,480	7.004%	428,225	5.470%	924,792	5.470%	767,633	5.828%	2,589,354	6.303%	7,344,454		
s	4.362%	3,144,200	4.701%	8,744	3.701%	101,344	3.683%	57,130	4.701%	70,797	4.701%	287,419	3.226%	545,455	3.226%	452,761	3.577%	1,589,417	4.063%	4,733,617		
s	7.673%	5,530,800	8.533%	15,871	6.433%	176,201	5.877%	91,149	8.533%	128,507	8.533%	521,708	5.224%	883,102	5.224%	733,028	6.007%	2,668,943	7.038%	8,199,743		
s	0.559%	402,900	0.607%	1,129	0.473%	12,956	0.467%	7,156	0.607%	9,141	0.607%	37,112	0.404%	68,368	0.404%	56,749	0.453%	201,104	0.518%	604,004		
kSD	0.238%	171,600	0.240%	446	0.187%	5,109	0.258%	4,008	0.240%	3,614	0.240%	14,674	0.166%	28,064	0.166%	23,295	0.186%	82,568	0.218%	234,168		
AL	100%	\$72,081,000	100%	\$186,000	100%	\$1,399,000	100%	\$2,738,000	100%	\$1,551,000	100%	\$6,114,000	100%	\$16,906,000	100%	\$14,033,000	100%	\$44,433,000	100%	\$116,514,000		

Table 2 for the listing of capital project costs to be billed in FY21-22.

icipation ratios based on Agencies' contractual capacities and rolling weighted average parameter percentages contained in Form 8A of the FY21-22. Revenue Program or Table 5.

icipation ratios on Agencies' contractual capacities and the parameter allocations from Capital Project Cost Allocations Technical Memorandum, Carollo Engineers, March 2016, p. 8

TABLE 2

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
FY 2021-22 CAPITAL PROJECTS COSTS

PROJECT (1)	Process-related Projects Over \$2M			Rolling Weighted-Average Allocation (3)	FY 2021-22 ESTIMATED COST
	Estimated Costs	Design Start Date	Project-specific Allocation		
Headworks Improvements	186,000	6/28/2018	186,000	0	186,000
New Headworks	1,399,000	6/28/2018	1,399,000	0	1,399,000
East Primary Rehab, Seismic Retrofit, and Odor Control	0	12/29/2021	0	0	0
Aeration Basin Future Modifications	0	5/11/2026	0	0	0
Nitrification Clarifier Rehabilitation	2,738,000	3/9/2018	2,738,000	0	2,738,000
Aeration Tanks & Blower Rehabilitation (Aeration)	(2) 2,287,000	10/22/2021		2,287,000	2,287,000
Aeration Tanks & Blower Rehabilitation (Blowers)	1,551,000	11/10/2016	1,551,000	0	1,551,000
Secondary Clarifier Rehabilitation	0	7/1/2024	0		0
Filter Rehabilitation	1,506,000	12/13/2017	1,506,000	0	1,506,000
New Disinfection Facilities	0	6/26/2026	0		0
Outfall Bridge & Levee Improvements	6,114,000	4/1/2019	6,114,000	0	6,114,000
Final Effluent Pump Station & Stormwater Channel Improvements	0	1/25/2023	0	0	0
Digested Sludge Dewatering Facility	16,906,000	10/18/2019	16,906,000		16,906,000
Digester and Thickener Facilities Upgrade	14,033,000	6/30/2014	14,033,000		14,033,000
Additional Degester Upgrades	1,191,000	5/29/2023		1,191,000	1,191,000
Fog Receiving	0	7/27/2029	0	0	0
Energy Generation Improvements	0	5/2/2016	0	0	0
Plant Electrical Reliability	1,413,000	5/1/2018	0	1,413,000	1,413,000
Advanced Facility Control and Meter Replacement	476,000	4/3/2017	0	476,000	476,000
Treatment Plant Distributed Control System	0	N/A	0	0	0
Storm Drain System Improvements	9,183,000	10/14/2020	0	9,183,000	9,183,000
Urgent & Unscheduled TP Rehabilitation	1,500,000	N/A	0	1,500,000	1,500,000
Plant Infrastructure Improvements	5,500,000	N/A	0	5,500,000	5,500,000
Legacy Lagoon Remediation	0	12/4/2019	0	0	0
Yard Piping & Road Improvements	8,294,000	2/25/2020	0	8,294,000	8,294,000
Tunnel Rehabilitation	0	1/13/2026	0	0	0
Support Building Improvements (Fire Life Safety Upgrades)	1,218,000	1/10/2019		1,218,000	1,218,000
Support Building Improvements (HVAC Improvements)	14,026,000	7/12/2019	0	14,026,000	14,026,000
Support Building Improvements (Support Facilities)		11/30/2027	0	0	0
Facility Wide Water Systems Improvements	2,859,000	1/14/2021	0	2,859,000	2,859,000
Various Infrastructure Decommissioning	0	7/2/2022	0	0	0
Flood Protection	0	12/13/2021	0	0	0
Plantwide Security System Upgrade	6,740,000	7/1/2021	0	6,740,000	6,740,000
Public Art	0	N/A	0	0	0
Payment for CWFA Trustee	5,000	N/A	0	5,000	5,000
Owner Controlled Insurance Program	3,705,000	N/A	0	3,705,000	3,705,000
PW Capital Management Costs	298,000	N/A	0	298,000	298,000
Preliminary Engineering	2,000,000	N/A	0	2,000,000	2,000,000
Program Management	11,386,000	N/A	0	11,386,000	11,386,000
Record Drawings	0	N/A	0	0	0
Master Plan Upgrades	0	N/A	0	0	0
TOTAL	\$116,514,000		\$44,433,000	\$72,081,000	\$116,514,000

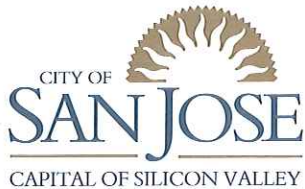
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Source: San Jose - Santa Clara Regional Wastewater Facility 2021-22 Capital Budget and 2022-26 Five-Year Capital Improvement Program.

Notes: (1) The 2021-22 Capital Projects include items with cost in excess of \$2 million. According to the Master Agreements, process related projects costing more than \$2 million should be allocated to treatment parameters based on engineering design. If a different cost allocation than the parameters was applied to the Agencies, the appropriate credit or charge will be made.

(2) Includes Process-related Projects costing more than \$2 million. These projects are allocated to treatment parameters based on the specific-project allocation in the fiscal year following start of design.

(3) Includes (a) Process-related Projects costing more than \$2 million in planning phase and (b) Projects costing less than \$2 million and/or not process-related. These projects are allocated based on the rolling weighted-average of the RWF.



Environmental Services Department

February 28, 2021

TO: Tributary Agencies

SUBJECT: FY 2021-22 Revenue Program

Attached are the San Jose/Santa Clara Water Pollution Control Plant revenue program forms No. 7 through 12 for FY 2021-22. These forms are submitted to you for your use in preparing your budgets and sewer service rates.

The forms contain the distribution of the preliminary Operating and Maintenance Budget (\$126,095,000) for FY 2021-22 to the tributary agencies. Although these costs are preliminary, they are not anticipated to differ materially from the final proposed budget which will be submitted to the Treatment Plant Advisory Committee and to the San Jose City Council for adoption.

If you have any questions, please call me 975-2599 or Lillian Nguyen at 975-2567.

Sincerely,

LAURA BURKE
Principal Accountant
Administrative Services Division
Environmental Services Department

Attachments

CITY OF SAN JOSE
ENVIRONMENTAL SERVICES DEPARTMENT

SAN JOSE/SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
2021-22 REVENUE PROGRAM

The attached revenue program forms were prepared to show the distribution of FY21-22 preliminary Operating and Maintenance budget to the tributary agencies and to provide the parameter allocation percentages for agencies to use in redistributing RWF capital costs and debt service costs to their respective users. **The distribution of FY21-22 preliminary capital budget was submitted to the tributary agencies in a separate packet.**

The attached revenue program forms contain the following:

- Capital cost (debt service) allocation percentages by treatment parameters (Flow, BOD, SS and Ammonia) by combinations of facilities.
- Distribution of FY 2021-22 preliminary Operating and Maintenance (O & M) costs to the tributary agencies.

CAPITAL COST (DEBT SERVICE) PARAMETER ALLOCATION PERCENTAGES

Since debt-service and capital reserve expenses should be carefully matched to allocation ratios for the appropriate combination of facilities for which the funds were intended, the following forms have been maintained for each agency to use, if applicable, in allocating capital cost (debt service) to the agency's users:

- Form 10A: Parameter allocation percentages for redistributing Pre-1982 debt services (Primary, Secondary and Advance Waste Treatment Facilities)
- Form 10B: Parameter allocation percentages for redistributing Post-1982 through Pre-SBWR debt services (1982 Priority, Intermediate-Term Improvement - 143 MGD & First Stage Expansion -167 MGD)
- Form 10C: Parameter allocation percentages for redistributing SBWR debt services
- Form 10D: Parameter allocation percentages for redistributing FY21-22 capital costs and debt services

OPERATING AND MAINTENANCE COST AND REPLACEMENT ALLOWANCE

Form 12 contains the distribution of the estimated treatment plant O & M costs for FY 2021-22 to the tributary agencies. The form also contains the percentage allocation by parameter for each agency. These percentages are for the agencies' use in redistributing their costs to their respective users.

The Distribution of Replacement Allowance (Form 12B) has been omitted for FY 2021-22 because the intent is to recommend to the Treatment Plant Advisory Committee that a temporary moratorium be placed on the collection of the renewal and replacement allowance. Equipment replacement costs will be funded from reserves.

The O & M cost distribution to the tributary agencies was based on the volume and strength of sewage as reported by the agencies and shown on Form 11.

The FY 2021-22 Preliminary Operating and Maintenance cost distribution is as follows:

AGENCY	Percentage	O & M (rounded)
San Jose	63.450	\$80,007,400
Santa Clara	15.332	19,332,700
West Valley Sanitary District	9.192	11,591,200
Cupertino	5.384	6,789,100
Milpitas	5.458	6,881,900
County Sanitation District 2-3	.955	1,203,600
Burbank	.229	289,100
Total	100%	126,095,000

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY													2/21
FORM No. 7A		DISTRIBUTION OF HISTORICAL PROJECT COSTS TO PARAMETERS for the PRIMARY & SECONDARY FACILITIES											
PROCESS UNIT	ESTIMATED COST	USEFUL LIFE	(%) LOADING PARAMETERS			CAPITAL RECOVERY FACTOR 6%	ANNUAL CAPITAL RECOVERY COST	FLOW COST ALLOCATED TO I/I 20.936%	TREATMENT PARAMETER ALLOCATION				
			FLOW	BOD	SS				NH3	FLOW COST	BOD COST	SS COST	NH3 COST
General Plant:	Struct. \$1,360,645	40	42	39	19	0.06646	\$90,400	\$7,900	\$30,000	\$35,300	\$17,200		
	Equip. 559,314	15	42	39	19	0.10296	57,600	5,100	19,100	22,500	10,900		
Administration:	Struct. 1,279,786	40	42	39	19	0.06646	85,100	7,400	28,300	33,200	16,200		
Maintenance:	Struct. 728,720	40	42	39	19	0.06646	48,400	4,300	16,100	18,900	9,200		
Laboratory:	Equip. 39,445	10	42	39	19	0.13587	5,400	500	1,800	2,100	1,000		
Air Production:	Struct. 3,141,665	40	100			0.06646	208,800	X	0	208,800	0		
	Equip. 2,499,759	20	100			0.08718	217,900	X	0	217,900	0		
Electric Power:	Struct. 885,260	40	42	39	19	0.06646	58,800	5,200	19,500	22,900	11,200		
	Equip. 1,093,092	25	42	39	19	0.07823	85,500	7,500	28,400	33,300	16,200		
Pretreatment:	Struct. 1,184,539	40	100			0.06646	78,700	X	16,500	62,200	0		
	Equip. 449,975	15		100		0.10296	46,300	X	0	0	46,300		
Primary Sedimentation:	Struct. 6,693,651	40	100	35	65	0.06646	444,900	X	93,100	351,800	0		
	Equip. 1,186,655	25				0.07823	92,800	X	0	32,500	60,300		
Raw Sewage Pump:	Struct. 588,603	40	100			0.06646	39,100	X	8,200	30,900	0		
	Equip. 347,879	20	100			0.08718	30,300	X	6,300	24,000	0		
Settle Sewage Pump:	Equip. 194,731	20	100			0.08718	17,000	X	3,600	13,400	0		
Secondary Effluent:	Struct. 870,666	40	100			0.06646	57,900	X	12,100	45,800	0		
	Equip. 946,259	20	100			0.08718	82,500	X	17,300	65,200	0		
Secondary Clarifiers:	Struct. 3,629,055	40	100			0.06646	241,200	X	50,500	190,700	0		
	Equip. 1,322,373	25	100			0.07823	103,400	X	0	103,400	0		
Chlorination:	Struct. 1,236,481	30	100			0.07265	89,800	X	18,800	71,000	0		
	Equip. 788,480	12	100			0.11928	94,000	X	19,700	74,300	0		
Solids Handling & Disposal:	Struct. 15,043,156	40	50	50		0.06646	999,800	X	0	499,900	499,900		
	Equip. 3,219,811	20	50	50		0.08718	280,700	X	0	140,400	140,300		
Outfall Sewer:	Struct. 210,934	75	100			0.06077	12,800	X	2,700	10,100	0		
Activated Sludge Processing:	Struct. 9,924,376	40	75	25		0.06646	659,600	X	103,600	391,100	164,900		
	Equip. 2,145,192	25	100			0.07823	167,800	X	0	167,800	0		
Study: Sewage Treatment Feasibility	107,500	30	42	39	19	0.07265	7,800		700	2,600	3,000	1,500	
Total of "x" items (used to establish %)							\$3,965,300		\$352,400	\$1,330,500	\$1,535,600	\$746,800	
TOTAL	\$61,678,002						\$4,404,300		\$391,000	\$1,476,300	\$1,706,800	\$830,200	
PARAMETER ALLOCATION PERCENTAGES (1)							100%	8.887%	33.554%	38.726%	18.833%		

(1) These percentages are used in developing the rolling weighted-average percentages in Form 8A

(1) These percentages are used in developing the rolling weighted-average percentages in Form 8A

FORM No. 7B													2/21		
SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY															
DISTRIBUTION of HISTORICAL PROJECT COSTS to PARAMETERS for the ADVANCE WASTE TREATMENT FACILITIES															
PROCESS UNIT	ESTIMATED COST	USEFUL LIFE	(%) LOADING PARAMETERS				CAPITAL RECOVERY FACTOR 6%	ANNUAL CAPITAL RECOVERY COST	FLOW COST ALLOCATED TO I/I 20.936%	TREATMENT PARAMETER ALLOCATIONS					
			FLOW	BOD	SS	NH3				FLOW COST	BOD COST	SS COST	NH3 COST		
NITRIFICATION FACILITIES															
Site Development:	Struct	40	75			25	0.06646	\$238,100	\$37,300	\$141,300	\$0	\$0	\$59,500		
	Equip.	20	100				0.08718	9,800	2,100	7,700	0	0	0		
Service Wing:	Struct	40	30			70	0.06646	43,600	2,700	10,400	0	0	30,500		
	Equip.	20	30			70	0.08718	36,100	2,200	8,600	0	0	25,300		
Blower Building:	Struct	40	15			85	0.06646	222,800	7,000	26,400	0	0	189,400		
	Equip.	20	15			85	0.08718	475,400	14,900	56,400	0	0	404,100		
Nitrification Tanks:	Struct	40	80			20	0.06646	623,500	104,400	394,400	0	0	124,700		
	Equip.	25	50			50	0.07823	254,000	26,600	100,400	0	0	127,000		
Tertiary Settlement Tanks:	Struct	40	100				0.06646	518,500	108,600	409,900	0	0	0		
	Equip.	25	100				0.07823	512,600	107,300	405,300	0	0	0		
Computer Additions:	Equip.	20	80			20	0.08718	15,600	2,600	9,900	0	0	3,100		
FILTRATION FACILITIES															
Site Development:	Struct	40	80			20	0.06646	387,100	64,800	244,900	0	0	77,400		
	Equip.	20	10			90	0.08718	127,800	2,700	10,100	0	0	115,000		
Service Wing:	Struct	40	100				0.06646	42,900	9,000	33,900	0	0	0		
	Equip.	20	100				0.08718	36,100	7,600	28,500	0	0	0		
Tertiary Filters	Struct	40	100				0.06646	604,100	126,500	477,600	0	0	0		
	Equip.	25	100				0.07823	634,600	132,900	501,700	0	0	0		
Administration Building Additions:	Struct	40	82			18	0.06646	24,200	4,200	15,600	0	0	4,400		
	Equip.	20	67	2	3	28	0.08718	37,100	5,200	19,700	700	1,100	10,400		
Blower Bldg. Modifications:	Struct	40	100				0.06646	13,800	0	0	13,800	0	0		
	Equip.	20	100				0.08718	53,600	0	0	53,600	0	0		
Sludge Concentration Building Modifications:	Struct	40		100			0.06646	11,000	0	0	0	11,000	0		
	Equip.	20		100			0.08718	15,000	0	0	0	15,000	0		
Paint Shop:	Struct	40	82			18	0.06646	16,200	2,800	10,500	0	0	2,900		
	Equip.	20	67	2	3	28	0.08718	38,300	5,400	20,300	800	1,100	10,700		
Modifications to Existing Plant:	Struct	40	100				0.06646	4,600	1,000	3,600	0	0	0		
	Equip.	20	65			35	0.08718	132,100	18,000	67,900	0	46,200	0		
TOTAL	\$70,500,000							\$5,128,500	\$795,800	\$3,005,000	\$68,900	\$74,400	\$1,184,400		
PARAMETER ALLOCATION PERCENTAGES (1)								100%	15.517%	58.594%	1.343%	1.451%	23.095%		

(1) These percentages are used in developing the rolling weighted-average percentages in Form 8A.

(1) These percentages are used in developing the rolling weighted-average percentages in Form 8A.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
OVERALL HISTORICAL VALUE OF THE RWF (Pre - 1982, 143 MGD, 167 MGD, SBWR, Plant Master Plan New or Rehabilitated Assets) AND
ROLLING WEIGHTED-AVERAGE PARAMETER ALLOCATION PERCENTAGES (For Projects Costing Less Than \$2 Million and or Not Process-related)
FISCAL YEAR 2021-22

FACILITIES		FLOW	BOD	SS	NH3	TOTAL
Primary & Secondary	Percent	42.441%	38.726%	18.833%	0.000%	100%
	Cost	\$26,176,800	\$23,885,400	\$11,615,800	\$0	\$61,678,000
AWTF	Percent	74.111%	1.343%	1.451%	23.095%	100%
	Cost	\$49,149,000	\$890,600	\$962,300	\$15,316,200	\$66,318,100
Inter. Term Improvements - 143 MGD	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200
First Stage Expansion - 167 MGD	Percent	84.284%	5.501%	10.215%	0.000%	100%
	Cost	\$22,900,000	\$1,494,500	\$2,775,500	\$0	\$27,170,000
South Bay Water Recycling -Phases 1A & 1B	Percent	100.000%	0.000%	0.000%	0.000%	100%
	Cost	\$215,535,300	\$0	\$0	\$0	\$215,535,300
Plant Master Plan (PMP) Cumulative New or Rehabilitated Assets	Percent	79.439%	10.604%	6.420%	3.537%	100%
	Cost	\$25,091,344	\$3,349,322	\$2,027,911	\$1,117,245	\$31,585,822
Total Original Cost	(3) Percent	73.769%	13.528%	8.191%	4.512%	100%
Estimated Replacement Cost (June 2020) (1)	Cost	\$360,593,540	\$66,126,922	\$40,039,411	\$22,057,545	\$488,817,419
	Percent	73.769%	13.528%	8.191%	4.512%	100%
		Cost	\$1,357,786,900	\$248,995,400	\$150,763,000	\$1,840,592,800

(1) The original cost of the facilities was escalated to June 2020 replacement value using the ENR (San Francisco) construction cost index.
The June 2020 value is the current value of 'excess pooled capacity' contained in the Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies.

(2) The value of PMP new or rehabilitated assets in Form 8B page 5 was added to the rolling weighted average at after the expected completion year of the associated project.

(3) The rolling weighted-average is intended to reflect the overall value of the RWF and its overall allocation to billable parameters. It is used to allocate current year capital costs less than \$2 million and/or not process-related to billable parameters. Once allocated to the billable parameters, these costs were distributed to each agency in Form 10D-page 3, based on their capacity ownership of each parameter.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
SUMMARY of DISTRIBUTION of CAPITAL COST to PARAMETERS - Project-specific Basis for Process-related Projects over \$2M
FISCAL YEAR 2021-22

PROCESS UNIT	FY21-22 Process-related Capital Project over \$2M (In Design Phase)	(%) LOADING PARAMETERS (1)				TREATMENT PARAMETER ALLOCATION			
		FLOW	BOD	SS	NH3	FLOW COST	BOD COST	SS COST	NH3 COST
Headworks Improvements	186,000	100	0	0	0	\$186,000	\$0	\$0	\$0
New Headworks	1,399,000	100	0	0	0	\$1,399,000	\$0	\$0	\$0
East Primary Rehab, Seismic Retrofit, and Odor Control	0	60	0	40	0	\$0	\$0	\$0	\$0
Aeration Basin Future Modifications	0	20	60	0	20	\$0	\$0	\$0	\$0
Nitrification Clarifier Rehabilitation	2,738,000	40	60	0	0	\$1,095,200	\$1,642,800	\$0	\$0
Aeration Tanks & Blower Rehabilitation (Aeration)	0	20	60	0	20	\$0	\$0	\$0	\$0
Aeration Tanks & Blower Rehabilitation (Blowers)	1,551,000	20	60	0	20	\$310,200	\$930,600	\$0	\$310,200
Secondary Clarifier Rehabilitation	0	40	60	0	0	\$0	\$0	\$0	\$0
Filter Rehabilitation	1,506,000	100	0	0	0	\$1,506,000	\$0	\$0	\$0
New Disinfection Facilities	0	100	0	0	0	\$0	\$0	\$0	\$0
Outfall Bridge & Levee Improvements	6,114,000	100	0	0	0	\$6,114,000	\$0	\$0	\$0
Final Effluent Pump Station & Stormwater Channel Improvements	0	100	0	0	0	\$0	\$0	\$0	\$0
Digested Sludge Dewatering Facility	16,906,000	0	40	60	0	\$0	\$6,762,400	\$10,143,600	\$0
Digester and Thickener Facilities Upgrade	14,033,000	0	40	60	0	\$0	\$5,613,200	\$8,419,800	\$0
Additional Degester Upgrades	0	0	40	60	0	\$0	\$0	\$0	\$0
TOTAL	\$44,433,000	Average %				\$10,610,400	\$14,949,000	\$19,563,400	\$310,200
						23.880%	33.644%	41.778%	0.698%

(1) Source: Project-specific parameter allocations from Capital Project Cost Allocation Technical Memorandum, Carollo Engineers, March 2016, page 8.

(2) Process-related projects over \$2M are allocated to billable parameters based on project-specific allocation. Once allocated to the billable parameters, these costs were distributed to each agency on Form 10D page 2, based on their capacity ownership of each parameter.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
HISTORICAL VALUE & ALLOCATION TO PARAMETERS
PRIMARY, SECONDARY and ADVANCE WASTE TREATMENT FACILITIES
(Pre-1982 Capital Costs)**

FACILITIES		FLOW	BOD	SS	NH ₃	TOTAL
Primary & Secondary	Percent (2)	42.441%	38.726%	18.833%	0.000%	100%
	Cost (1)	\$26,176,800	\$23,885,400	\$11,615,800	\$0	\$61,678,000
Advance Waste Treatment Facilities (AWTF)	Percent	74.111%	1.343%	1.451%	23.095%	100%
	Cost	\$49,149,000	\$890,600	\$962,300	\$15,316,200	\$66,318,100
	Percent	58.850%	19.357%	9.827%	11.966%	100%
	Cost (2)	\$75,325,800	\$24,776,000	\$12,578,100	\$15,316,200	\$127,996,100

(1) Historical capital costs and parameter allocation percentages of Pre-1982 facilities as reported by CH2M Hill.

(2) The historical cost allocation from this Form 8B (page 1) is distributed to Agencies to derive the allocation percentages on Form 10A for use by Agencies in allocating their Pre-1982 debt service to their respective users.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
HISTORICAL VALUE & ALLOCATION TO PARAMETERS
1982 PRIORITY and INTERMEDIATE-TERM IMPROVEMENTS
(To Increase Capacity to 143 MGD)

FACILITIES		FLOW	BOD	SS	NH3	TOTAL
1982 Priority Improvements	Percent	100.000%	0.000%	0.000%	0.000%	100%
	Cost	\$1,551,800	\$0	\$0	\$0	\$1,551,800
Intermediate-Term Improvements:	Percent	33.276%	0.000%	0.000%	66.724%	100%
	Cost	\$2,708,700	\$0	\$0	\$5,431,300	\$8,140,000
Phase I	Percent	10.130%	89.117%	0.000%	0.753%	100%
	Cost	\$968,500	\$8,520,500	\$0	\$72,000	\$9,561,000
Phase IIA	Percent	40.623%	20.782%	38.595%	0.000%	100%
	Cost	\$11,500,400	\$5,883,400	\$10,926,200	\$0	\$28,310,000
Phase IIC	Percent	10.000%	90.000%	0.000%	0.000%	100%
	Cost	\$1,696,000	\$15,264,000	\$0	\$0	\$16,960,000
Process Control System	Percent	100.000%	0.000%	0.000%	0.000%	100%
	Cost	\$2,848,700	\$0	\$0	\$0	\$2,848,700
Sludge Processing	Percent	0.000%	35.000%	65.000%	0.000%	100%
	Cost	\$0	\$6,055,000	\$11,245,000	\$0	\$17,300,000
Other Engineering	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost	\$467,000	\$784,200	\$486,700	\$120,800	\$1,858,700
TOTAL 1982 PRIORITY and INTERMEDIATE TERM IMPROVEMENTS	Percent	25.125%	42.190%	26.185%	6.500%	100%
	Cost (2)	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200

(1) The Capital Improvement Program (CIP) provided the facilities necessary to achieve a mean peak week treatment capacity of 143 MGD (CIP, 6/25/82 Executive Summary)

(2) The historical cost allocations from Forms 8B (pages 2&3) are combined on Form 8B (page 4) to derive allocation percentages in Form 10B.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF) HISTORICAL VALUE & ALLOCATION TO PARAMETERS

**1982 PRIORITY & INTERMEDIATE-TERM IMPROVEMENTS (to 143 MGD)
and FIRST STAGE EXPANSION (to 167 MGD)**

FACILITIES (1)								
1982 Priority & Intermediate Term Improvements		FLOW			BOD	SS	NH3	TOTAL
	Percent	25.125%	42.190%	26.185%	6.500%	100%		
	Cost	\$21,741,100	\$36,507,100	\$22,657,900	\$5,624,100	\$86,530,200		
First Stage Expansion		84.284%	5.501%	10.215%	0.000%	100%		
	Cost	\$22,900,000	\$1,494,500	\$2,775,500	\$0	\$27,170,000		
TOTAL CAPITAL IMPROVEMENT PROGRAM	Percent	39.262%	33.423%	22.369%	4.946%	100%		
	Cost (2)	\$44,641,100	\$38,001,600	\$25,433,400	\$5,624,100	\$113,700,200		

(1) Comprised of the 1982 Priority & Intermediate-term Improvement Project (\$86,530,200 - Form 8B p. 2) for restoration of the Plant capacity to 143 MGD and the First Stage Expansion Project (\$27,170,000 - Form 8B p. 3) for expansion of Plant capacity to 167 MGD.

(2) Parameter cost allocation on this summary are used to derive parameter allocation percentages in Form 10B for use by Agencies to redistribute debt service costs related to 1982 Priority, Intermediate-term, First Stage Expansion to 167 MGD (pre-SEWR) to their respective users.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
PLANT MASTER PLAN (PMP) NEW OR REHABILITATED ASSETS - FISCAL YEAR 2021-2022**

FACILITIES (1)		FLOW		BOD	SS	NH3	TOTAL
TOTAL PMP ASSETS as of FY20-21		Percent	80.441%	10.087%	6.107%	3.365%	100%
		Cost (2)	\$21,590,695	\$2,707,359	\$1,639,205	\$903,110	\$26,840,370
Plant Infrastructure Improvement		Percent	73.769%	13.528%	8.191%	4.512%	100%
		Cost	\$784,123	\$143,795	\$87,067	\$47,965	\$1,062,950
Plant Instrument Air System Upgrade		Percent	73.769%	13.528%	8.191%	4.512%	100%
		Cost	\$2,853,128	\$523,217	\$316,804	\$174,526	\$3,867,675
Misc. Assets Deletion		Percent	73.769%	13.528%	8.191%	4.512%	100%
		Cost	(\$136,602)	(\$25,050)	(\$15,168)	(\$8,356)	(\$185,176)
TOTAL CUMMULATIVE PMP ASSETS as of FY21-22		Percent	79.439%	10.604%	6.420%	3.537%	100%
		Cost (2)	\$25,091,344	\$3,349,322	\$2,027,911	\$1,117,245	\$31,585,822

(1) Comprised of PMP New or Rehabilitated Assets to be added to the rolling weighted average on Form 8A that is used to allocate the costs associated with non-process related projects or projects that are less than \$2M to billable parameters.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)

CAPACITY ALLOCATION (1)
 AGENCIES' CAPACITY PERCENTS OF THE OVERALL RWF CAPACITIES
 FISCAL YEAR 2021-22

AGENCY	FLOW		BOD		SS		NH3	
	MGD	%	Klbs/Day	%	Klbs/Day	%	Klbs/Day	%
San Jose (2)	106.958	64.046	376.847	69.656	334.789	68.886	33.298	67.132
Santa Clara (2)	25.845	15.476	91.059	16.832	80.896	16.645	8.046	16.222
Subtotal	132.803	79.522	467.906	86.488	415.685	85.531	41.344	83.354
W.V.S.D. (3) & (4)	11.697	7.004	28.611	5.289	27.173	5.591	2.825	5.696
Cupertino (5)	7.850	4.701	16.419	3.035	16.299	3.354	2.287	4.611
Milpitas (4) (5)	14.250	8.533	27.249	5.037	25.990	5.348	2.847	5.740
Burbank	0.400	0.240	0.815	0.151	0.853	0.176	0.297	0.599
TOTAL	167.000	100.000	541.000	100.000	486.000	100.000	49.600	100.000

(1) SOURCE: Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies (revised 9/85).

(2) San Jose and Santa Clara share cost and capacity between themselves proportionally based on assessed valuations.

(3) Reflects transfers of capacities, not reflected in the Master Agreements, to San Jose and Santa Clara resulting from annexations and detachments as of October 2012.

(4) Reflects transfers of capacities from WVSD to Milpitas - effective July 1, 2006

(5) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

NOTE: C.S.D. No. 2-3 has an agreement with San Jose/Santa Clara which entitles it to determine annually, within certain limits, its capacity requirements. The capacity requirements may vary from year to year, therefore, a fixed capacity is not presented on this form. C.S.D. No. 2-3's capacity requirements will be met from San Jose/Santa Clara's capacities shown in this form.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
DISTRIBUTION OF HISTORICAL CAPITAL COSTS**

PRIMARY, SECONDARY and ADVANCE WASTE TREATMENT FACILITIES

Parameter Allocation Percentages for Use by Agencies in Redistributing Pre-1982 Debt Service to Agencies' Users

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost	\$48,243,100	\$17,257,900	\$8,664,600	\$10,282,200
	Percent (4)	57.128	20.436	10.260	12.176
Santa Clara	Cost	\$11,657,400	\$4,170,300	\$2,093,600	\$2,484,600
	Percent (4)	57.128	20.436	10.260	12.176
Subtotal	Cost	\$59,900,500	\$21,428,200	\$10,758,200	\$12,766,800
	Percent (4)	57.128	20.436	10.260	12.176
West Valley (1)	Cost	\$5,275,800	\$1,310,400	\$703,200	\$872,400
	Percent (4)	64.640	16.055	8.616	10.689
Cupertino (2)	Cost	\$3,541,100	\$752,000	\$421,900	\$706,200
	Percent (4)	65.319	13.871	7.782	13.027
Milpitas (1) (2)	Cost	\$6,427,600	\$1,248,000	\$672,700	\$879,100
	Percent (4)	69.658	13.525	7.290	9.527
Burbank	Cost	\$180,800	\$37,400	\$22,100	\$91,700
	Percent (4)	54.458	11.265	6.657	27.620
TOTAL (3)		\$75,325,800	\$24,776,000	\$12,578,100	\$15,316,200

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) Capital cost from Form 8B (page 1) are distributed to Agencies to derive the allocation percentages on this Form 10A.

(4) Allocation percentages for use by Agencies in allocating their pre-1982 debt service to their respective users.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
DISTRIBUTION OF HISTORICAL CAPITAL COSTS**

**1982 PRIORITY, INTERMEDIATE-TERM (to 143 MGD) and FIRST STAGE EXPANSION (to 167 MGD)
Parameter Allocation Percentages For Use By Agencies In Redistributing Post-1982 through Pre-SBWR Debt Services to Agencies' Users.**

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost Percent (4)	\$28,590,800 37.444	\$26,470,500 34.668	\$17,520,000 22.945	\$3,775,700 4.945
Santa Clara	Cost Percent (4)	\$6,908,700 37.444	\$6,396,400 34.668	\$4,233,400 22.945	\$912,300 4.945
Subtotal	Cost Percent (4)	\$35,499,500 37.444	\$32,866,900 34.668	\$21,753,400 22.945	\$4,688,000 4.945
West Valley (1)	Cost Percent (4)	\$3,126,700 45.453	\$2,009,900 29.218	\$1,422,000 20.672	\$320,300 4.656
Cupertino (2)	Cost Percent (4)	\$2,098,600 48.087	\$1,153,300 26.426	\$853,000 19.545	\$259,300 5.942
Milpitas (1) (2)	Cost Percent (4)	\$3,809,200 51.432	\$1,914,100 25.844	\$1,360,200 18.365	\$322,800 4.358
Burbank	Cost Percent (4)	\$107,100 44.074	\$57,400 23.621	\$44,800 18.436	\$33,700 13.868
TOTAL		\$44,641,100	\$38,001,600	\$25,433,400	\$5,624,100

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) Comprised of the 1982 Priority & Intermediate-term Improvement Projects (\$86,530,200 - Form 8B p.2) for restoration of the Plant capacity to 143 MGD and the First Stage Expansion Project (\$27,170,000 - Form 8B p.3) for expansion of Plant capacity to 167 MGD.

(4) Parameter allocation percentages for use by the Agencies in redistributing debt services related to 1982 Priority, Intermediate Term Improvements and First Stage Expansion projects.

**SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
DISTRIBUTION OF CAPITAL COSTS**

SOUTH BAY WATER RECYCLING (Phases IA & IB)

Parameter Allocation Percentages for Use by Agencies in Redistributing SBWR Debt Service to Agencies' Users

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost	\$0	\$0	\$0	\$138,041,800
	Percent (3)	100.000	0.000	0.000	100%
Santa Clara	Cost	\$0	\$0	\$0	\$33,356,200
	Percent (3)	100.000	0.000	0.000	100%
Subtotal	Cost	\$171,398,000	\$0	\$0	\$171,398,000
	Percent (3)	100.000	0.000	0.000	100%
West Valley (1)	Cost	\$15,096,100	\$0	\$0	\$15,096,100
	Percent (3)	100.000	0.000	0.000	100%
Cupertino (2)	Cost	\$10,132,300	\$0	\$0	\$10,132,300
	Percent (3)	100.000	0.000	0.000	100%
Milpitas (1) (2)	Cost	\$18,391,600	\$0	\$0	\$18,391,600
	Percent (3)	100.000	0.000	0.000	100%
Burbank	Cost	\$517,300	\$0	\$0	\$517,300
	Percent (3)	100.000	0.000	0.000	100%
TOTAL		\$215,535,300	\$0	\$0	\$215,535,300

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) Comprised of capital projects necessary to reduce dry weather effluent flow the RWF to 120 million gallons per day and protect salt marsh habitat for endangered species in the South Bay as required by the Regional Water Quality Control Board Order 94-117.

(3) SBWR capital costs and related debt services are allocated to Flow parameter only.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)

DISTRIBUTION OF CAPITAL COSTS - ALL PROJECTS (3)

Parameter Allocation Percentages for Use by Agencies in Redistributing Fiscal Year 21-22 Capital Costs to Agencies' Users

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost Percent (3)	\$17,129,200 22.299	\$16,772,500 21.834	\$2,375,900 3.093	\$76,816,300 100%
Santa Clara	Cost Percent (3)	\$4,139,100 22.299	\$4,052,900 21.834	\$574,000 3.093	\$18,561,600 100%
Subtotal	Cost Percent (3)	\$21,268,300 22.299	\$20,825,400 21.834	\$2,949,900 3.093	\$95,377,900 100%
West Valley (1)	Cost Percent (3)	\$1,306,100 17.783	\$1,368,000 18.626	\$202,900 2.763	\$7,344,600 100%
Cupertino (2)	Cost Percent (3)	\$750,000 15.844	\$820,800 17.340	\$164,200 3.469	\$4,733,600 100%
Milpitas (1) (2)	Cost Percent (3)	\$1,243,900 15.170	\$1,308,500 15.958	\$204,500 2.494	\$8,199,800 100%
CSD 2-3	Cost Percent (3)	\$94,900 15.712	\$102,100 16.904	\$19,700 3.262	\$604,000 100%
Burbank	Cost Percent (3)	\$37,000 14.550	\$42,800 16.831	\$21,400 8.415	\$254,300 100%
TOTAL (3)		\$24,700,200	\$24,467,600	\$3,562,600	\$116,514,200

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) These are the parameter allocation percentages for use by Agencies in allocating their FY21-22 RWF capital costs and related debt services costs to their respective users.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)

DISTRIBUTION OF CAPITAL COSTS - Process-related Facilities & Equipments That Cost in Excess of \$2 Million (project-specific basis)

FISCAL YEAR 2021-22

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost \$6,743,600 Percent 22.447	\$10,366,700 34.507	\$12,725,000 42.356	\$206,900 0.689	\$30,042,200 100%
Santa Clara	Cost \$1,629,500 Percent 22.447	\$2,505,000 34.507	\$3,074,800 42.356	\$50,000 0.689	\$7,259,300 100%
Subtotal	Cost \$8,373,100 Percent 22.447	\$12,871,700 34.507	\$15,799,800 42.356	\$256,900 0.689	\$37,301,500 100%
West Valley (1)	Cost \$743,200 Percent 28.701	\$790,700 30.535	\$1,037,900 40.081	\$17,700 0.684	\$2,589,500 100%
Cupertino (2)	Cost \$498,800 Percent 31.383	\$453,700 28.545	\$622,600 39.172	\$14,300 0.900	\$1,589,400 100%
Milpitas (1) (2)	Cost \$905,400 Percent 33.923	\$753,000 28.213	\$992,800 37.197	\$17,800 0.667	\$2,669,000 100%
CSD 2-3	Cost \$64,400 Percent 32.024	\$57,400 28.543	\$77,600 38.588	\$1,700 0.845	\$201,100 100%
Burbank	Cost \$25,500 Percent 30.834	\$22,600 27.328	\$32,700 39.541	\$1,900 2.297	\$82,700 100%
TOTAL (3)	\$10,610,400	\$14,949,100	\$18,563,400	\$310,300	\$44,433,200

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) This Forms 10D page 2 (project-specific allocation) is combined with Form 10D page 3 (rolling weighted-average allocation) to derive the agency parameter allocation percentages for agencies to use in redistributing FY21-22 RWF capital costs and related debt service to their respective users.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
DISTRIBUTION OF CAPITAL COSTS (rolling weighted-average basis)
Projects Costing Less Than \$2 Million and/or Not Process-related
FISCAL YEAR 2021-22

AGENCY	FLOW	BOD	SS	NH3	TOTAL
San Jose	Cost Percent	\$33,795,100 72.252	\$6,762,500 14.458	\$4,047,500 8.652	\$2,169,000 4.637
Santa Clara	Cost Percent	\$8,166,100 72.252	\$1,634,100 14.458	\$978,100 8.652	\$524,000 4.637
Subtotal	Cost Percent	\$41,961,200 72.252	\$8,396,600 14.458	\$5,025,600 8.652	\$2,693,000 4.637
West Valley (1)	Cost Percent	\$3,724,400 78.324	\$515,400 10.839	\$330,100 6.942	\$185,200 3.895
Cupertino (2)	Cost Percent	\$2,499,800 79.505	\$296,300 9.424	\$198,200 6.304	\$149,900 4.768
Milpitas (1) (2)	Cost Percent	\$4,537,500 82.041	\$490,900 8.876	\$315,700 5.708	\$186,700 3.376
CSD 2-3	Cost Percent	\$322,900 80.144	\$37,500 9.308	\$24,500 6.081	\$18,000 4.468
Burbank	Cost Percent	\$127,600 74.359	\$14,400 8.392	\$10,100 5.886	\$19,500 11.364
TOTAL		\$53,173,400	\$9,751,100	\$3,252,300	\$72,081,000

(1) Reflects transfers of capacities from W.V.S.D. to Milpitas - effective July 1, 2006.

(2) Reflects transfers of capacities from Cupertino to Milpitas - effective January 1, 2009.

(3) This Forms 10D page 3 (rolling weighted-average allocation) is combined with Form 10D page 2 (project-specific allocation) to derive parameter allocation percentages for agencies to use in redistributing FY21-22 RWF capital costs and related debt service costs to their respective users in Form 10D page 1.

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)

SUMMARY OF ANNUAL LOADINGS
FISCAL YEAR 2021-22

AGENCY	FLOW		BOD		SS		NH	
	MG	%	Klbs	%	Klbs	%	Klbs	%
San Jose	25,499.396	67.053	54,485.240	67.076	49,760.328	68.801	6,799.224	69.989
Santa Clara	4,694.500	12.345	8,122.714	10.000	6,978.238	9.649	959.670	9.878
Subtotal	30,193.896	79.398	62,607.954	77.076	56,738.566	78.450	7,758.894	79.867
W.V.S.D.	3,469.668	9.124	7,549.745	9.295	6,760.855	9.348	878.195	9.040
Cupertino	1,898.657	4.993	5,205.624	6.409	4,058.023	5.611	460.194	4.737
Milpitas	2,028.060	5.333	4,956.070	6.101	3,885.280	5.372	494.810	5.093
C.S.D. No. 2-3	353.377	0.929	734.009	0.904	710.049	0.982	98.825	1.017
Burbank	84.974	0.223	174.486	0.215	171.714	0.237	23.893	0.246
TOTAL	38,028.632	100.000	81,227.888	100.000	72,324.487	100.000	9,714.811	100.000

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY (RWF)
DISTRIBUTION OF OPERATIONS & MAINTENANCE COSTS
FISCAL YEAR 2021-22

AGENCY		FLOW	BOD	SS	NH3	TOTAL	PERCENT SHARE OF COST
San Jose	80.539% (1) Cost Percent	\$27,415,200 34.266	\$17,220,500 21.524	\$17,527,600 21.907	\$17,844,100 22.303	\$80,007,400 100%	63.450%
Santa Clara	19.461% (1) Cost Percent	\$6,624,500 34.266	\$4,161,100 21.524	\$4,235,300 21.907	\$4,311,800 22.303	\$19,332,700 100%	15.332%
Subtotal	100% Cost Percent	\$34,039,700 34.266	\$21,381,600 21.524	\$21,762,900 21.907	\$22,155,900 22.303	\$99,340,100 100%	78.782%
West Valley	Cost Percent	\$3,911,700 33.748	\$2,578,500 22.245	\$2,593,200 22.372	\$2,507,800 21.635	\$11,591,200 100%	9.192%
Cupertino	Cost Percent	\$2,140,600 31.530	\$1,777,900 26.188	\$1,556,500 22.926	\$1,314,100 19.356	\$6,789,100 100%	5.384%
Milpitas	Cost Percent	\$2,286,400 33.224	\$1,692,500 24.593	\$1,490,200 21.654	\$1,412,800 20.529	\$6,881,900 100%	5.458%
C.S.D. No. 2-3	Cost Percent	\$398,300 33.093	\$250,800 20.837	\$272,400 22.632	\$282,100 23.438	\$1,203,600 100%	0.955%
Burbank	Cost Percent	\$95,600 33.068	\$59,600 20.616	\$65,700 22.726	\$68,200 23.590	\$289,100 100%	0.229%
TOTAL (2)		\$42,872,300	\$27,740,900	\$27,740,900	\$27,740,900	\$126,095,000	100.000%

(1) San Jose and Santa Clara share cost between themselves based on assessed valuation ratios.

(2) In accordance with the State Water Resources Control Board's Revenue Program Guidelines for Wastewater Agencies, the O/M Budget is allocated 34% to Flow and 22% each to BOD, SS and NH3.

TABLE 3 (Page 1 of 3)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
ALLOCATION OF CAPITAL COSTS - ALL PROJECTS (rounded)
FISCAL YEAR 2021-22

AGENCY	FLOW \$	BOD \$	SS \$	NH3 \$	TOTAL \$	PERCENT SHARE OF TOTAL COST
San Jose	40,538,700	17,129,200	16,772,500	2,375,900	76,816,300	65.929%
Santa Clara	9,795,600	4,139,100	4,052,900	574,000	18,561,600	15.931%
Subtotal	50,334,300	21,268,300	20,825,400	2,949,900	95,377,900	81.860%
West Valley S.D.	4,467,600	1,306,100	1,368,000	202,900	7,344,600	6.304%
Cupertino	2,998,600	750,000	820,800	164,200	4,733,600	4.063%
Milpitas	5,442,900	1,243,900	1,308,500	204,500	8,199,800	7.038%
C.S.D. No. 2-3	387,300	94,900	102,100	19,700	604,000	.518%
Burbank	153,100	37,000	42,800	21,400	254,300	.218%
TOTAL	63,783,800	24,700,200	24,467,600	3,562,600	116,514,000	100.000%

Note: Process related facilities and equipment that cost in excess of \$2 million shall be allocated to treatment parameter based on engineering design. Capital costs that are less than \$2 million and/or are not process related shall be allocated to treatment parameters using the percentages contained in the most current Revenue Program Form 8A Form 8A or Table 5.

TABLE 3 (Page 2 of 3)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
 ALLOCATION OF CAPITAL COSTS - Projects Costing Less Than \$2 Million and/or Not Process-Related (rounded)
 FISCAL YEAR 2021-22

AGENCY	FLOW \$	BOD \$	SS \$	NH3 \$	TOTAL \$	PERCENT SHARE OF TOTAL COST
San Jose	33,795,100	6,762,500	4,047,500	2,169,000	46,774,100	64.891%
Santa Clara	8,166,100	1,634,100	978,100	524,000	11,302,300	15.680%
Subtotal	41,961,200	8,396,600	5,025,600	2,693,000	58,076,400	80.571%
West Valley S.D.	3,724,400	515,400	330,100	185,200	4,755,100	6.597%
Cupertino	2,499,800	296,300	198,200	149,900	3,144,200	4.362%
Milpitas	4,537,500	490,900	315,700	186,700	5,530,800	7.673%
C.S.D. No. 2-3	322,900	37,500	24,500	18,000	402,900	.559%
Burbank	127,600	14,400	10,100	19,500	171,600	.238%
TOTAL	53,173,400	9,751,100	5,904,200	3,252,300	72,081,000	100.000%

Note: Total Capital Costs of \$72,081,000 were allocated to the treatment parameters using the following rolling weighted-average percentages contained in Table 5 or Form 8A of the FY21-22 Revenue Program:

FLOW	BOD	SS	NH3
73.769%	13.528%	8.191%	4.512%

The total cost for each treatment parameter is then reallocated to the agencies using the percentages contained in Table 4.

TABLE 3 (Page 3 of 3)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
 ALLOCATION OF CAPITAL COSTS - Process-related Facilities And Equipments That Cost In Excess Of \$2 Million (rounded)

FISCAL YEAR 2021-22

AGENCY	FLOW \$	BOD \$	SS \$	NH3 \$	TOTAL \$	PERCENT SHARE OF TOTAL COST
San Jose	6,743,600	10,366,700	12,725,000	206,900	30,042,200	67.612%
Santa Clara	1,629,500	2,505,000	3,074,800	50,000	7,259,300	16.338%
Subtotal	8,373,100	12,871,700	15,799,800	256,900	37,301,500	83.950%
West Valley S.D.	743,200	790,700	1,037,900	17,700	2,589,500	5.828%
Cupertino	498,800	453,700	622,600	14,300	1,589,400	3.577%
Milpitas	905,400	753,000	992,800	17,800	2,669,000	6.007%
C.S.D. No. 2-3	64,400	57,400	77,600	1,700	201,100	.453%
Burbank	25,500	22,600	32,700	1,900	82,700	.186%
TOTAL	10,610,400	14,949,100	18,563,400	310,300	44,433,000	100.000%

Note: The Process-related project costs of \$44,433,000 are allocated to treatment parameters on project-specific basis in the fiscal year following start of engineering design (Capital Project Cost Allocations Technical Memorandum, Carollo Engineers, March 2016, p. 8)

TABLE 4

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES
CAPACITY ALLOCATION (1)
AGENCIES' CAPACITY PERCENTS OF THE OVERALL RWF CAPACITIES
FISCAL YEAR 2021-22

167 MGD PLANT

AGENCY	FLOW		BOD		SS		NH3	
	MGD	%	Klbs/Day	%	Klbs/Day	%	Klbs/Day	%
San Jose (2)	106.141	63.557%	375.172	69.347%	333.152	68.549%	33.079	66.691%
Santa Clara (2)	25.648	15.358%	90.655	16.757%	80.501	16.564%	7.993	16.115%
Subtotal	131.789	78.915%	465.827	86.104%	413.653	85.113%	41.072	82.806%
West Valley S.D. (3) & (5)	11.697	7.004%	28.611	5.289%	27.173	5.591%	2.825	5.696%
Cupertino (6)	7.850	4.701%	16.419	3.035%	16.299	3.354%	2.287	4.611%
Milpitas (5) (6)	14.250	8.533%	27.249	5.037%	25.990	5.348%	2.847	5.740%
C.S.D. No. 2-3 (4)	1.014	0.607%	2.079	0.384%	2.032	0.418%	0.272	0.548%
Burbank	0.400	0.240%	0.815	0.151%	0.853	0.176%	0.297	0.599%
TOTAL (1)	167.000	100.000%	541.000	100.000%	486.000	100.000%	49.600	100.000%

(1) SOURCE: Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies (Revised 9/85).

(2) San Jose and Santa Clara share cost and capacity between themselves proportionally based on assessed valuations in accordance with their 1959 Agreement.

(3) Reflects transfers of West Valley S.D. capacities to San Jose & Santa Clara resulting from annexations and detachments.

(4) Agency's estimated discharge capacity as reported in its FY 2021-22 Revenue Program Report.

(5) Reflects sale of capacities from West Valley S.D. to Milpitas - July 1, 2006

(6) Reflects sale of capacities from Cupertino to Milpitas - January 1, 2009

TABLE 5 (Page 1 of 2)

2/21

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITIES
SUMMARY of DISTRIBUTION of CAPITAL COST to PARAMETERS - ROLLING WEIGHTED AVERAGE
For Capital Projects Costing Less Than \$2 Million and/or Not Process-Related

FACILITIES	FLOW	BOD	SS	NH3	TOTAL
Primary & Secondary	Percent	42.441%	18.833%	0.000%	100%
	Cost	\$26,176,800	\$11,615,800	\$0	\$61,678,000
AWTF	Percent	74.111%	1.343%	23.095%	100%
	Cost	\$49,149,000	\$962,300	\$15,316,200	\$66,318,100
Inter. Term Improvements	Percent	25.125%	42.190%	6.500%	100%
	Cost	\$21,741,100	\$22,657,900	\$5,624,100	\$86,530,200
First Stage Expansion	Percent	84.284%	5.501%	0.000%	100%
	Cost	\$22,900,000	\$1,494,500	\$0	\$27,170,000
South Bay Water Recycling (phases 1A & 1B)	Percent	100.000%	0.000%	0.000%	100%
	Cost	\$215,535,300	\$0	\$0	\$215,535,300
Addition of New or Rehabilitated Assets	Percent	79.439%	10.604%	3.537%	100%
	Cost	\$25,091,344	\$3,349,323	\$1,117,245	\$31,585,825
Total Original Cost	Percent (2)	73.769%	13.528%	4.512%	100%
	Cost	\$360,593,540	\$40,039,413	\$22,057,545	\$488,817,422
Estimated Replacement Cost (June 2020)	Percent	73.769%	13.528%	4.512%	100%
(1)	Cost	\$1,357,786,900	\$248,995,400	\$83,047,500	\$1,840,592,800

(1) The original cost of the facilities was escalated to June 2020 replacement value using the ENR (San Francisco) construction cost index. The June 2020 value is the current value of 'excess pooled capacity' contained in the Master Agreements for wastewater treatment between San Jose/Santa Clara and Agencies.

(2) These are the rolling weighted-average percentages used to allocate the current year capital costs to treatment parameters for projects costing less than \$2 million and/or not process-related AND for process-related projects costing over \$2 million in planning phase.

TABLE 5 (Page 2 of 2)

SAN JOSE - SANTA CLARA REGIONAL WASTEWATER FACILITY
SUMMARY OF DISTRIBUTION OF CAPITAL COST TO PARAMETERS BASED ON PROJECT-SPECIFIC BASIS
For Process-related Projects Costing Over \$2 Million - FY21-22

PROCESS UNIT (2)	FY21-22 Over \$2M Process-Related Capital Projects	(% Loading Parameters (1))		AGENCY COST SHARING PERCENTAGES PROJECT-BY-PROJECT (3)												AGENCY COST SHARING - PROJECT BY PROJECT					
				PROJECT-BY-PROJECT (3)												AGENCY COST SHARING - PROJECT BY PROJECT					
				FLOW	BOD	SS	NH3	SJ	SC	WVSD	CUSD	Milpitas	CSD2-3	Burbank	Total	SJ	SC	WVSD	CUSD	Milpitas	CSD2-3
Headworks Improvements	186,000	100	0	0	0	63,557	15,358	7,004	4,701	8,533	0.607	0.240	100	\$118,216	\$28,566	\$13,027	\$8,744	\$15,871	\$1,129	\$446	\$186,000
New Headworks	1,399,000	100	0	0	0	63,557	15,358	7,004	4,701	8,533	0.607	0.240	100	\$889,162	\$214,858	\$97,986	\$65,767	\$119,377	\$8,492	\$3,358	\$1,399,000
East Primary Rehab, Seismic Retrofit, and Odor	0	60	0	40	0	65,554	15,840	6,439	4,162	7,259	0.531	0.214	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aeration Basin Future Modifications	0	20	60	0	20	67,658	16,349	5,713	3,683	5,877	0.461	0.258	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nitrification Clarifier Rehabilitation	2,738,000	40	60	0	0	67,031	16,197	5,975	3,701	6,435	0.473	0.187	100	\$1,835,309	\$443,485	\$163,596	\$101,344	\$176,201	\$12,956	\$5,109	\$2,738,000
Aeration Tanks & Blower Rehabilitation (Aera	0	20	60	0	20	67,658	16,349	5,713	3,683	5,877	0.461	0.258	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aeration Tanks & Blower Rehabilitation (Blow	1,551,000	20	60	0	20	67,658	16,349	5,713	3,683	5,877	0.461	0.258	100	\$1,049,372	\$253,570	\$88,615	\$57,130	\$91,149	\$7,156	\$4,008	\$1,551,000
Secondary Clarifier Rehabilitation	0	40	60	0	0	67,031	16,197	5,975	3,701	6,435	0.473	0.187	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Rehabilitation	1,506,000	100	0	0	0	63,557	15,358	7,004	4,701	8,533	0.607	0.240	100	\$957,168	\$231,291	\$105,480	\$70,797	\$128,507	\$9,141	\$3,614	\$1,506,000
New Disinfection Facilities	0	100	0	0	0	63,557	15,358	7,004	4,701	8,533	0.607	0.240	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outfall Bridge & Levee Improvements	6,114,000	100	0	0	0	63,557	15,358	7,004	4,701	8,533	0.607	0.240	100	\$3,885,875	\$938,988	\$428,225	\$287,419	\$521,708	\$37,112	\$14,674	\$6,114,000
Final Effluent Pump Station & Stormwater Cha	0	100	0	0	0	63,557	15,358	7,004	4,701	8,533	0.607	0.240	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Digested Sludge Dewatering Facility	16,906,000	0	40	60	0	68,868	16,641	5,470	3,226	5,224	0.404	0.166	100	\$11,642,858	\$2,813,361	\$924,792	\$545,455	\$883,102	\$68,368	\$28,064	\$16,906,000
Digester and Thickener Facilities Upgrade	14,033,000	0	40	60	0	68,868	16,641	5,470	3,226	5,224	0.404	0.166	100	\$9,664,275	\$2,335,260	\$767,633	\$452,761	\$733,028	\$56,749	\$23,295	\$14,033,000
Additional Digester Upgrades	0	0	40	60	0	68,868	16,641	5,470	3,226	5,224	0.404	0.166	100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Estimated Costs of Process-related Projects over \$2M	\$44,433,000					\$30,042,236	\$7,259,379	\$2,589,354	\$1,589,417	\$2,668,943				\$201,104	\$82,568						\$44,433,000

- (1) Source: Parameter allocations from Capital Project Cost Allocations Technical Memorandum, Carollo Engineers, March 2016, page 8.
 (2) Process-related projects costing more than \$2M are allocated to treatment parameters on project-specific basis in the fiscal year following start of engineering design.
 (3) FY21-22 Agency cost sharing percentages based on project-specific basis.

From: [Abello, Emmanuel](#)
Cc: [Palacherla, Neelima](#); [Noel, Dunia](#)
Subject: Notice for the April 7, 2021 Public Hearing on the Proposed FY 2022 LAFCO Budget
Date: Thursday, March 11, 2021 10:18:57 AM

To the Clerk of the Board of Supervisors, City/Town Clerks and Independent Special District Clerks:

The Notice for the April 7, 2021 LAFCO Public Hearing on its Proposed FY 2022 Budget has been posted on the web at this link below. Please share the Notice to the members of your governing bodies. Thank you very much.

<https://santaclaralafco.org/meetings/commission-meeting-2021-04-07-201500>

NOTE: In light of COVID-19 response measures from the Governor of the State of California and the Santa Clara County Public Health Department, commencing March 17, all staff of Santa Clara LAFCO are under a "Shelter in Place" directive, working remotely from home. If you have an inquiry, we encourage you to contact us by email at LAFCO@ceo.sccgov.org.

Thank you,

Emmanuel Abello

Commission Clerk

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Commission Meeting

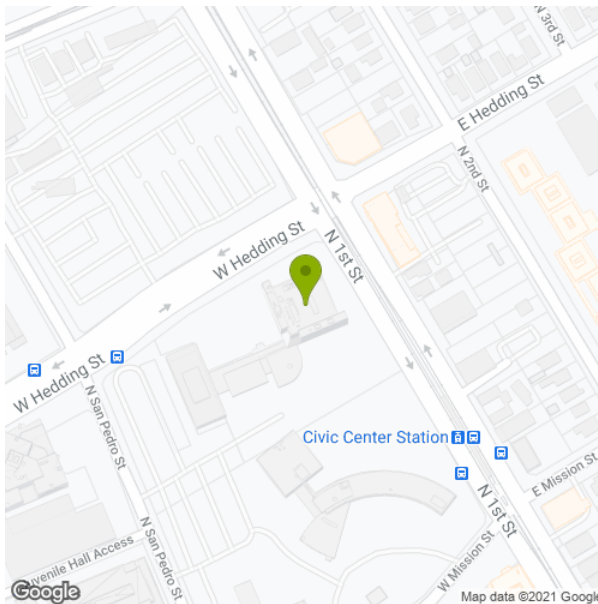
Wednesday, April 7, 2021 - 1:15 p.m.

MEETING LOCATION

Board of Supervisors' Chambers
70 West Hedding Street
San Jose, CA 95110

MEETING MATERIALS

 [Notice](#) (206.55 KB)





**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
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

NOTICE OF PUBLIC HEARING

Local Agency Formation Commission of Santa Clara County (LAFCO)

The Local Agency Formation Commission of Santa Clara County will hold a public hearing on Wednesday, April 7, 2021 at 1:15 p.m., or as soon thereafter as the matter can be heard, to consider:

1. Adoption of the Proposed Work Plan and Budget for Fiscal Year 2022
2. Dissolution of Inactive Special District - Reclamation District No.1663

Staff reports and related materials for these items will be available on the LAFCO website at SantaClaraLAFCO.org by April 2, 2021. All interested persons may attend the meeting as provided for on the agenda or may submit written comments which should be filed one day prior to the hearing by email to LAFCO@ceo.sccgov.org.

In response to COVID-19 and the shelter-in-place orders, and consistent with the Governor's Executive Order N-29-20, the meeting will be held as a virtual meeting. More information regarding public access to the meeting will be available with the publication of the meeting agenda.

March 11, 2021



Memo

Item 9A

To: Board of Directors

From: Benjamin Porter, District Manager-Engineer

Date: March 17, 2021

Re: DISTRICT RATE STUDY FOR FY 2020-21 THROUGH FY 2025-26

Summary:

Staff has completed the preliminary Cupertino Sanitary District Rate Study for the next five years evaluating financial impacts of no rate change, a rate increase to increase revenue, and changes to the District's rate structure in accordance with the Rate Study Methodology Workshops that have taken place over the last few months. This analysis will provide the necessary documentation for the Board of Directors to make the decision regarding a rate adjustment.

Background:

In March 2021, the District received the San Jose/Santa Clara Regional Wastewater Facility's Operations and Maintenance budget for Fiscal year 2021-2022 and an updated budget for the next five years for the treatment plant capital improvements.

Sewer service rates for the other agencies tributary to the San Jose treatment plant, as well in the surrounding Bay area were investigated. A comparison of the sewer rates for the Bay Area is provided below in Figure 1.

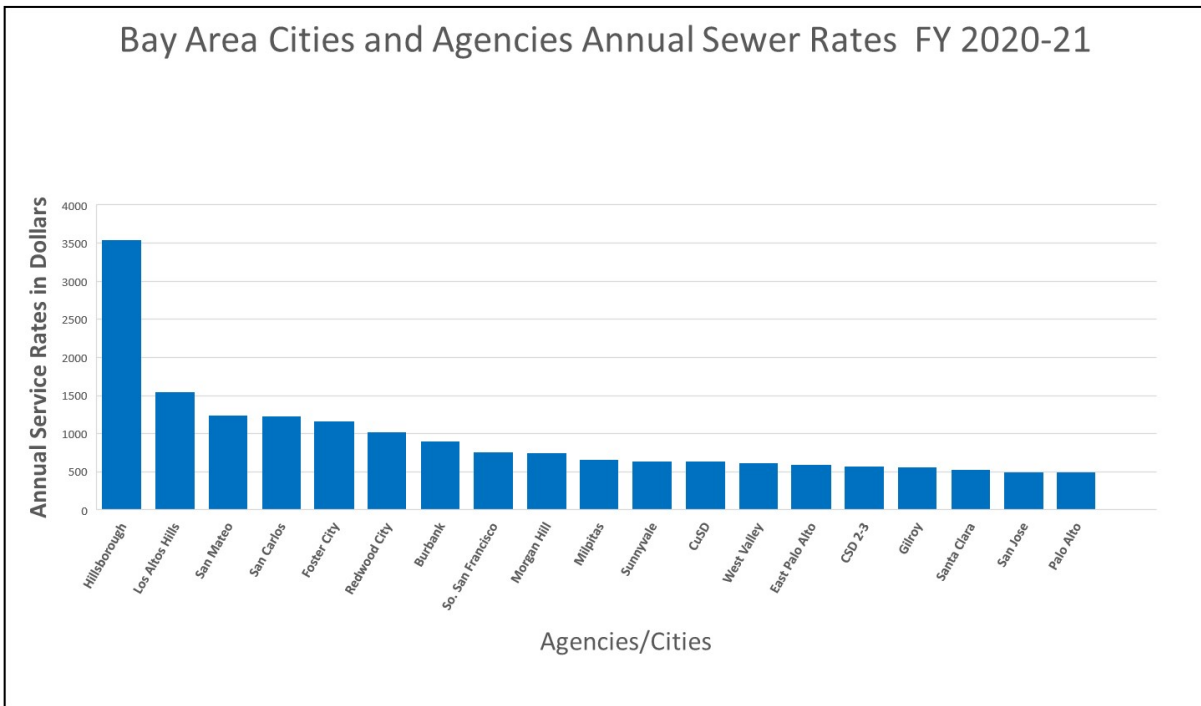


Figure 1. Bay Area Sewer Service Rates

All tributary agencies served by the San Jose/Santa Clara Regional Wastewater Facility are on the low end of service charges, when compared to the rest of the Bay Area, with the exception of the Burbank Sanitary District, which is more toward the middle of the range.

Figure 2, below provides the comparison of the seven tributary agencies service rates for 2020-2021. Cupertino Sanitary District is shown in dark blue, third from the right, and is lower than Burbank and Milpitas. West Valley has an approved rate increase that will make their Single-Family Rate greater than CuSD's.

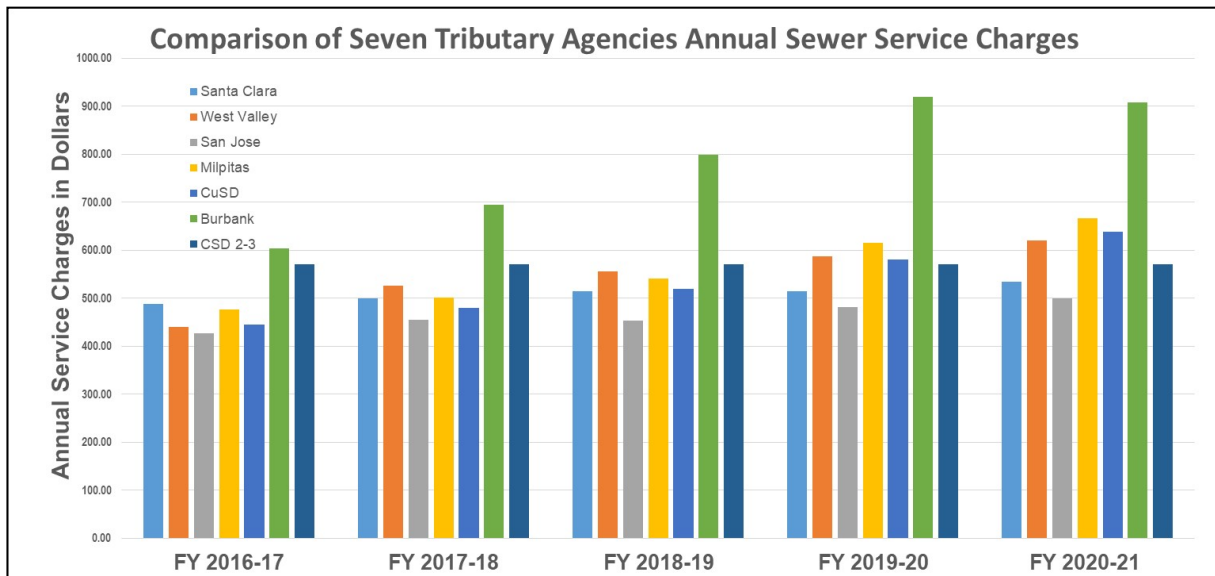


Figure 2. Tributary Agencies Service Rates

Analysis and Results:

For this rate study analysis, the following assumptions/criteria have been used:

- 1) Assume pay as you go strategy for the San Jose/Santa Clara Regional Wastewater Facility capital improvements since there are no financing opportunities available from City of San Jose.
- 2) The future expenses for the District's operation, management and maintenance is using this fiscal year's actual expenses to project the next four years of expenses.
- 3) Included \$446,000 for the anticipated invoices from the City of Santa Clara and the City of San Jose in 2022-2023 for the joint interceptor improvement costs and O&M costs.
- 4) Delayed Dewatering CIP project at the Treatment Plant to be encumbered in 2021-2022.
- 5) Delayed Legacy Lagoon Project for at least two years.
- 6) The District received a \$10 million loan to pay for Capital Projects and that money was expended for the 2019-2020 Treatment Plant Capital Improvements. The annual loan payment of \$1.2 million, split up into two payments is included in the analysis.
- 7) For the District CIP, Staff assumed a \$500k budget allocated each year to accommodate modest improvements. Further execution of Capital projects would require funding from development projects.

The District performed four alternative analyses for revenue increases without any changes to the rate structure: 0%, 5% , 10%, and 5% each year for the next five years . The cash flow projections had the following results:

- 1) **0% Increase:** If the District were to not increase rates for the next year, the District would be able to cover its expenses for Fiscal Year 2021-2022 and 2022-2023. However, when major Treatment Plant costs occur in 2023-2024, the District would not have sufficient cash reserves. Based on the Cal Bank loan agreement, it requires the District to maintain 50% of the required annual payment as a reserve. With zero revenue increase, the District would not be able to meet this loan requirement as well as potentially not have sufficient cash to pay the loan amount, unless significant revenues are generated from development fees.
- 2) **5% Increase:** With an 5% revenue increase next year, the District would be able to pay its bills through 2023-2024 but additional revenue generation would be required to sustain the district beyond 2023-2024. The District would be operating on negative funds starting in October 2024. A 5% rate increase still does not allow it to maintain adequate reserves beyond 2023-2024.
- 3) **10% Increase:** With a 10% revenue increase, the District would be able to pay its bills as projected through 2023-2024.

- 4) ***5% Revenue Increase each year for five years.*** With a 5% per year revenue increase each year for the next five years, the District would need to delay payments to San Jose to keep a positive cash position through 2024-2025 and would be projected to be out of cash in 2025-2026.

In addition, analysis was performed based on the series of rate study methodology workshops. These workshops considered making changes to the District's rate structure. The first change considered was reclassifying residential users into different categories based on Single-Family Residential, Multi-Family Residential, and Accessory Dwelling Units. Subsequent workshops considered the impact that the residential and non-residential users had on the collection system and the associated treatment plant costs based on flow and load and also considered the additional cost of service for those users who require pump stations to collect and convey the wastewater they generate.

The first part of this rate study analysis considered the requirement to raise revenue to meet the District's financial needs based on keeping the District's rate structure unchanged. Changing the rate structure would impact users based on how the user is classified regardless of whether or not a revenue increase is required (the rates for some users would increase, while others would decrease). The results of the analysis for 0% revenue increase are included in the attached rate study. The main impact on residential users is that multi-family units would pay a reduced service charge, and residential users in the pump station zones would pay an increased charge. The rates for most non-residential users would also increase, with users in the pump zone seeing a greater increase.

If a revenue increase is required, the revenue generated from each user would increase beyond the base rates determined by the methodology workshops. An analysis was also performed to determine what the rates would be for each user type based on a 5% increase in revenue requirement. This revenue would be the same as the 5% revenue increase described previously. Each user would see a 5% increase in its rate based on baseline established during the establishment of the new baseline rates. The resulting rate increase for each user with a 5% revenue increase are provided in the attached rate study.

Staff Recommendation:

Based on this analysis, staff recommends considering a 5% revenue increase for next fiscal year (FY 2021-22) to provide a sound financial plan for the District and flexibility moving forward. Additional rate increases are likely to be needed down in the future unless treatment plant costs change substantially from the current projections. There is substantial uncertainty regarding future treatment plant costs as projects have been shifted in the timeline; however, projects are only being delayed and total cost projections have been increasing. The Board should also consider whether or not a restructuring of the rates should occur at this time.

Board Action:

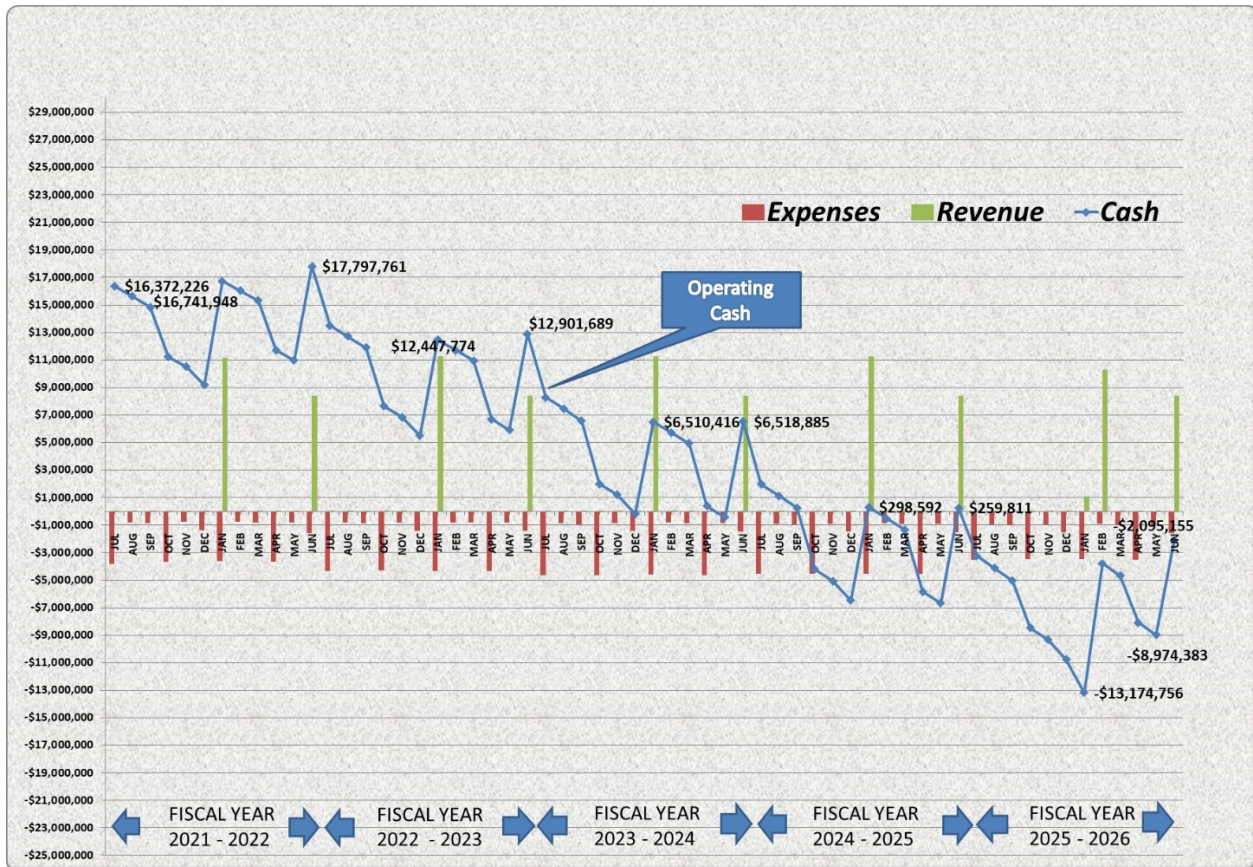
Attachment 4 includes a Resolution No. 1327 to set a public hearing date for May 19, 2021 if the board makes the decision to consider a rate adjustment.

Attachments:

1. Rate Increase Study
2. Resolution No. 1327

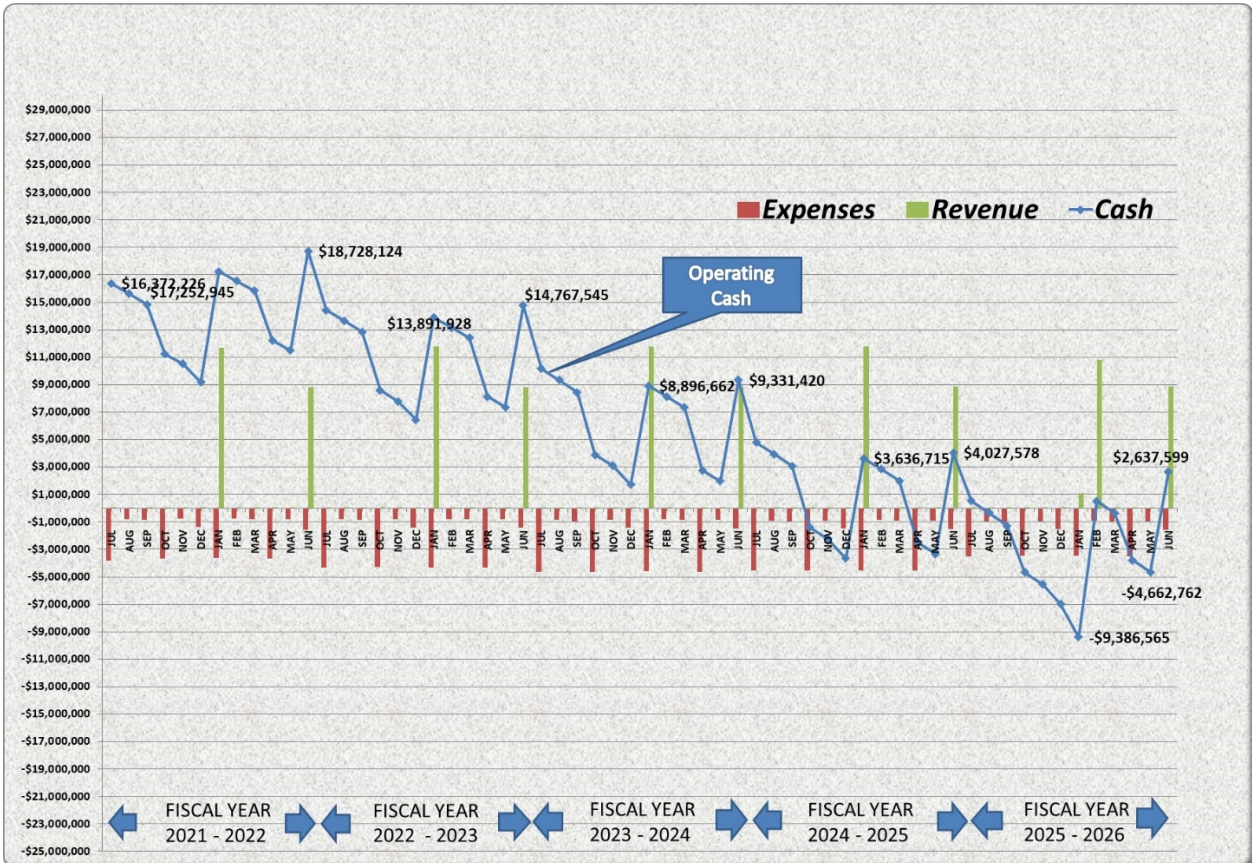
Rate Increase Study - Cupertino Sanitary District
Sewer Service Charges with 0% Rate Increase

	2020-21	2021-22	2022-2023	2023-2024	2024-2025	2025-2026
Rates (Single Residential)	\$638.86	\$638.86	\$638.86	\$638.86	\$638.86	\$638.86
Rate Increases		0%	0%	0%	0%	0%
No. of Single Units	21,345	21,345	21,345	21,345	21,345	21,345
Residential Service Charges	\$13,636,467	\$13,636,467	\$13,636,467	\$13,636,467	\$13,636,467	\$13,636,467
Commercial	\$4,727,884	\$4,727,883.50	\$4,727,883.50	\$4,727,883.50	\$4,727,883.50	\$4,727,883.50
Handbilling	\$400,983	\$400,982.50	\$400,982.50	\$400,982.50	\$400,982.50	\$400,982.50
Service Charges Subtotal	\$18,765,333	\$18,765,333	\$18,765,333	\$18,765,333	\$18,765,333	\$18,765,333
(1% Collection Fee)	(\$183,644)	(\$183,644)	(\$183,644)	(\$183,644)	(\$183,644)	(\$183,644)
Total Service Charges	\$18,581,689.20	\$18,581,689	\$18,581,689	\$18,581,689	\$18,581,689	\$18,581,689
Interest Income	\$152,153	\$84,352	\$61,825	\$28,016	\$130	\$5,089
Other Revenue	\$3,504,031	\$1,435,857	\$1,512,910	\$1,616,005	\$1,694,114	\$1,739,742
Total Yearly Revenue	\$22,237,873	\$20,101,898	\$20,156,424	\$20,225,710	\$20,275,933	\$20,326,520
Treatment Plant CIP Allocation	\$2,707,387	\$4,704,510	\$6,844,178	\$7,615,388	\$6,738,996	\$1,970,515
Loan Payments		\$1,200,542	\$1,197,188	\$1,202,625	\$1,197,375	\$1,199,563
Net Cash required for TP CIP	\$2,707,387	\$5,905,052	\$8,041,366	\$8,818,013	\$7,936,371	\$3,170,078
Treatment Plant O&M	\$6,426,141	\$6,789,100	\$7,128,555	\$7,484,983	\$7,859,232	\$8,252,193
Joint Use (CSJ/SC Payments)	\$3,051,389	\$445,581	\$93,300	\$93,300	\$46,536	\$46,536
CuSD 5 Year CIP	\$230,781	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CuSD O&M	\$8,389,779	\$8,809,268	\$9,249,731	\$9,712,218	\$10,197,828	\$10,707,720
Total Yearly Expense	\$20,805,478	\$22,449,001	\$25,012,952	\$26,608,513	\$26,539,967	\$22,676,527
Revenue/Expense Diff.	\$1,432,396	(\$2,347,103)	(\$4,856,527)	(\$6,382,804)	(\$6,264,034)	(\$2,350,007)
Cash on Hand	-	\$20,144,864	\$17,797,761	\$12,941,234	\$6,558,430	\$294,396
COH at End of FY	\$20,144,864	\$17,797,761	\$12,941,234	\$6,558,430	\$294,396	(\$2,055,611)



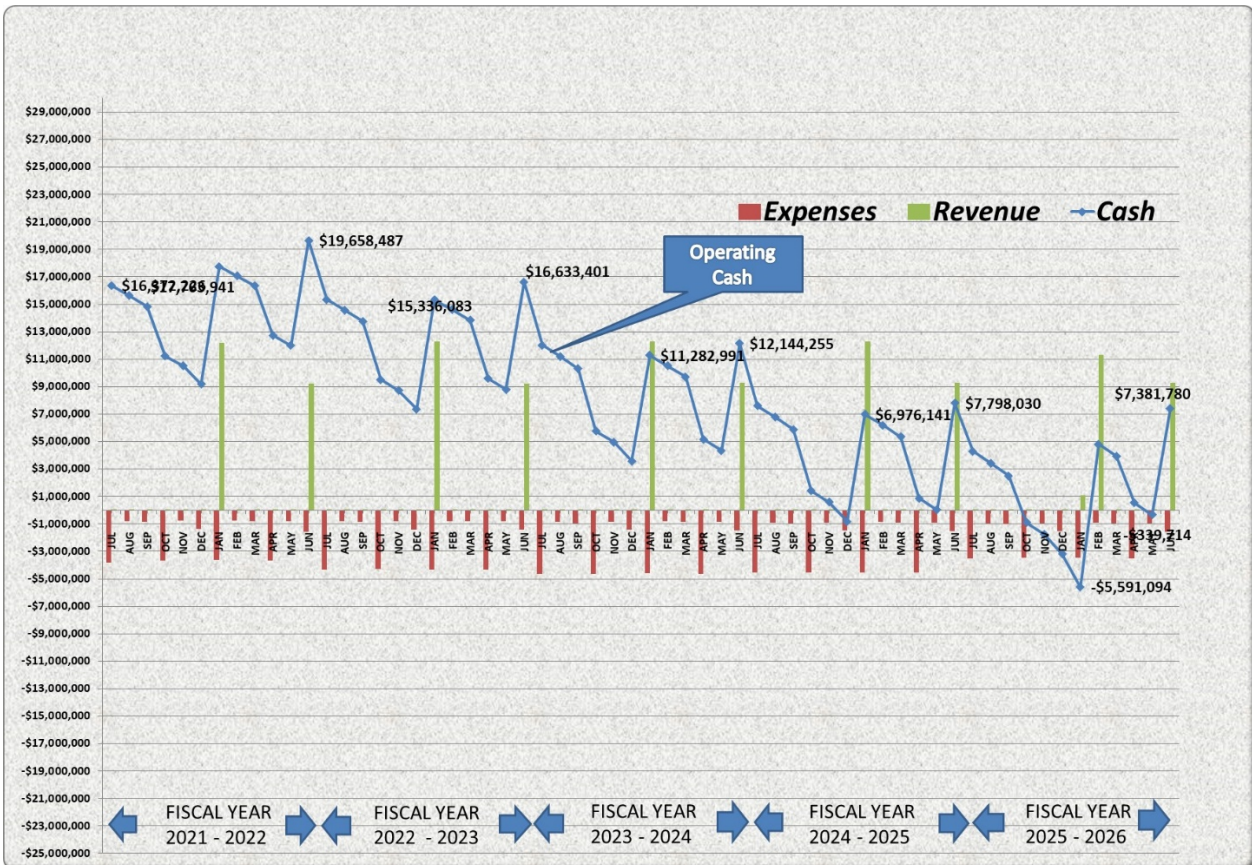
Rate Increase Study - Cupertino Sanitary District **Sewer Service Charges with 5% Rate Increase**

	2020-21	2021-22	2022-2023	2023-2024	2024-2025	2025-2026
Rates (Single Residential)	\$638.86	\$670.80	\$670.80	\$670.80	\$670.80	\$670.80
Rate Increases		5%	0%	0%	0%	0%
No. of Single Units	21,345	21,345	21,345	21,345	21,345	21,345
Residential Service Charges	\$13,636,467	\$14,318,290	\$14,318,290	\$14,318,290	\$14,318,290	\$14,318,290
Commercial	\$4,727,884	\$4,964,277.68	\$4,964,277.68	\$4,964,277.68	\$4,964,277.68	\$4,964,277.68
Handbilling	\$400,983	\$421,031.63	\$421,031.63	\$421,031.63	\$421,031.63	\$421,031.63
Service Charges Subtotal	\$18,765,333	\$19,703,599	\$19,703,599	\$19,703,599	\$19,703,599	\$19,703,599
(1% Collection Fee)	(\$183,644)	(\$192,826)	(\$192,826)	(\$192,826)	(\$192,826)	(\$192,826)
Total Service Charges	\$18,581,689.20	\$19,510,774	\$19,510,774	\$19,510,774	\$19,510,774	\$19,510,774
Interest Income	\$152,153	\$85,631	\$68,700	\$40,235	\$2,535	\$14,813
Other Revenue	\$3,504,031	\$1,435,857	\$1,512,910	\$1,621,380	\$1,710,539	\$1,773,238
Total Yearly Revenue	\$22,237,873	\$21,032,261	\$21,092,383	\$21,172,389	\$21,223,848	\$21,298,825
Treatment Plant CIP Allocation	\$2,707,387	\$4,704,510	\$6,844,178	\$7,615,388	\$6,738,996	\$1,970,515
Loan Payments		\$1,200,542	\$1,197,188	\$1,202,625	\$1,197,375	\$1,199,563
Net Cash required for TP CIP	\$2,707,387	\$5,905,052	\$8,041,366	\$8,818,013	\$7,936,371	\$3,170,078
Treatment Plant O&M	\$6,426,141	\$6,789,100	\$7,128,555	\$7,484,983	\$7,859,232	\$8,252,193
Joint Use (CSJ/SC Payments)	\$3,051,389	\$445,581	\$93,300	\$93,300	\$46,536	\$46,536
CuSD 5 Year CIP	\$230,781	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CuSD O&M	\$8,389,779	\$8,809,268	\$9,249,731	\$9,712,218	\$10,197,828	\$10,707,720
Total Yearly Expense	\$20,805,478	\$22,449,001	\$25,012,952	\$26,608,513	\$26,539,967	\$22,676,527
Revenue/Expense Diff.	\$1,432,396	(\$1,416,740)	(\$3,920,568)	(\$5,436,125)	(\$5,316,119)	(\$1,377,702)
Cash on Hand	-	\$20,144,864	\$18,728,124	\$14,807,556	\$9,371,431	\$4,055,312
COH at End of FY	\$20,144,864	\$18,728,124	\$14,807,556	\$9,371,431	\$4,055,312	\$2,677,610



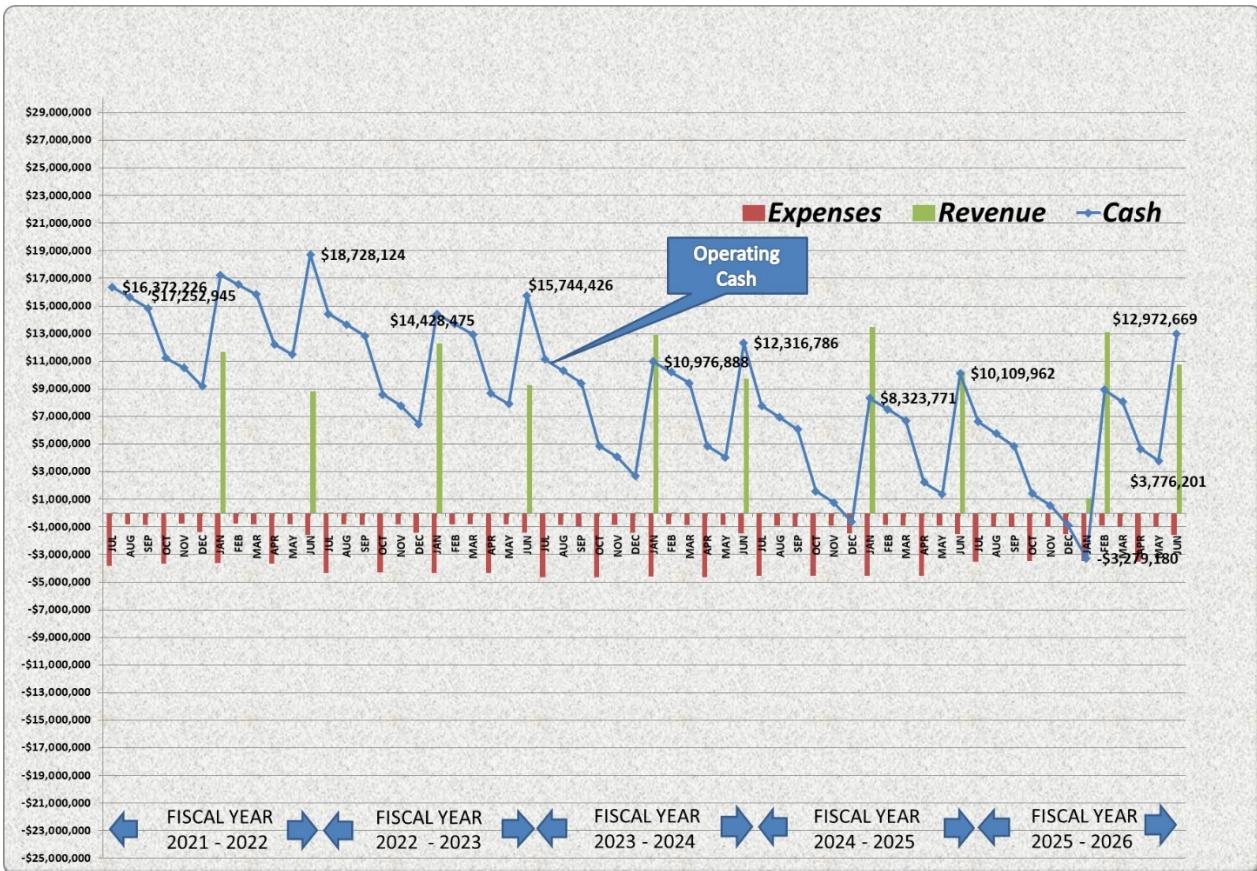
Rate Increase Study - Cupertino Sanitary District **Sewer Service Charges with 10% Rate Increase**

	2020-21	2021-22	2022-2023	2023-2024	2024-2025	2025-2026
Rates (Single Residential)	\$638.86	\$702.75	\$702.75	\$702.75	\$702.75	\$702.75
Rate Increases		10%	0%	0%	0%	0%
No. of Single Units	21,345	21,345	21,345	21,345	21,345	21,345
Residential Service Charges	\$13,636,467	\$15,000,113	\$15,000,113	\$15,000,113	\$15,000,113	\$15,000,113
Commercial	\$4,727,884	\$5,200,671.85	\$5,200,671.85	\$5,200,671.85	\$5,200,671.85	\$5,200,671.85
Handbilling	\$400,983	\$441,080.75	\$441,080.75	\$441,080.75	\$441,080.75	\$441,080.75
Service Charges Subtotal	\$18,765,333	\$20,641,866	\$20,641,866	\$20,641,866	\$20,641,866	\$20,641,866
(1% Collection Fee)	(\$183,644)	(\$202,008)	(\$202,008)	(\$202,008)	(\$202,008)	(\$202,008)
Total Service Charges	\$18,581,689.20	\$20,439,858	\$20,439,858	\$20,439,858	\$20,439,858	\$20,439,858
Interest Income	\$152,153	\$86,910	\$75,574	\$52,753	\$13,682	\$26,920
Other Revenue	\$3,504,031	\$1,435,857	\$1,512,910	\$1,626,756	\$1,726,964	\$1,806,737
Total Yearly Revenue	\$22,237,873	\$21,962,624	\$22,028,343	\$22,119,367	\$22,180,504	\$22,273,515
Treatment Plant CIP Allocation	\$2,707,387	\$4,704,510	\$6,844,178	\$7,615,388	\$6,738,996	\$1,970,515
Loan Payments		\$1,200,542	\$1,197,188	\$1,202,625	\$1,197,375	\$1,199,563
Net Cash required for TP CIP	\$2,707,387	\$5,905,052	\$8,041,366	\$8,818,013	\$7,936,371	\$3,170,078
Treatment Plant O&M	\$6,426,141	\$6,789,100	\$7,128,555	\$7,484,983	\$7,859,232	\$8,252,193
Joint Use (CSJ/SC Payments)	\$3,051,389	\$445,581	\$93,300	\$93,300	\$46,536	\$46,536
CuSD 5 Year CIP	\$230,781	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CuSD O&M	\$8,389,779	\$8,809,268	\$9,249,731	\$9,712,218	\$10,197,828	\$10,707,720
Total Yearly Expense	\$20,805,478	\$22,449,001	\$25,012,952	\$26,608,513	\$26,539,967	\$22,676,527
Revenue/Expense Diff.	\$1,432,396	(\$486,376)	(\$2,984,609)	(\$4,489,146)	(\$4,359,463)	(\$403,012)
Cash on Hand	-	\$20,144,864	\$19,658,487	\$16,673,878	\$12,184,732	\$7,825,269
COH at End of FY	\$20,144,864	\$19,658,487	\$16,673,878	\$12,184,732	\$7,825,269	\$7,422,257



Rate Increase Study - Cupertino Sanitary District
Sewer Service Charges with 5% Rate Increase For Five Years

	2020-21	2021-22	2022-2023	2023-2024	2024-2025	2025-2026
Rates (Single Residential)	\$638.86	\$670.80	\$704.34	\$739.56	\$776.54	\$815.37
Rate Increases		5%	5%	5%	5%	5%
No. of Single Units	21,345	21,345	21,345	21,345	21,345	21,345
Residential Service Charges	\$13,636,467	\$14,318,290	\$15,034,205	\$15,785,915	\$16,575,211	\$17,403,971
Commercial	\$4,727,884	\$4,964,277.68	\$5,212,491.56	\$5,473,116.14	\$5,746,771.94	\$6,034,110.54
Handbilling	\$400,983	\$421,031.63	\$442,083.21	\$464,187.37	\$487,396.73	\$511,766.57
Service Charges Subtotal	\$18,765,333	\$19,703,599	\$20,688,779	\$21,723,218	\$22,809,379	\$23,949,848
(1% Collection Fee)	(\$183,644)	(\$192,826)	(\$202,467)	(\$212,590)	(\$223,220)	(\$234,381)
Total Service Charges	\$18,581,689.20	\$19,510,774	\$20,486,312	\$21,510,628	\$22,586,159	\$23,715,467
Interest Income	\$152,153	\$85,631	\$70,042	\$48,865	\$27,352	\$30,801
Other Revenue	\$3,504,031	\$1,435,857	\$1,512,910	\$1,621,380	\$1,716,184	\$1,796,414
Total Yearly Revenue	\$22,237,873	\$21,032,261	\$22,069,265	\$23,180,873	\$24,329,695	\$25,542,682
Treatment Plant CIP Allocation	\$2,707,387	\$4,704,510	\$6,844,178	\$7,615,388	\$6,738,996	\$1,970,515
Loan Payments		\$1,200,542	\$1,197,188	\$1,202,625	\$1,197,375	\$1,199,563
Net Cash required for TP CIP	\$2,707,387	\$5,905,052	\$8,041,366	\$8,818,013	\$7,936,371	\$3,170,078
Treatment Plant O&M	\$6,426,141	\$6,789,100	\$7,128,555	\$7,484,983	\$7,859,232	\$8,252,193
Joint Use (CSJ/SC Payments)	\$3,051,389	\$445,581	\$93,300	\$93,300	\$46,536	\$46,536
CuSD 5 Year CIP	\$230,781	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CuSD O&M	\$8,389,779	\$8,809,268	\$9,249,731	\$9,712,218	\$10,197,828	\$10,707,720
Total Yearly Expense	\$20,805,478	\$22,449,001	\$25,012,952	\$26,608,513	\$26,539,967	\$22,676,527
Revenue/Expense Diff.	\$1,432,396	(\$1,416,740)	(\$2,943,687)	(\$3,427,640)	(\$2,210,272)	\$2,866,155
Cash on Hand	-	\$20,144,864	\$18,728,124	\$15,784,437	\$12,356,797	\$10,146,525
COH at End of FY	\$20,144,864	\$18,728,124	\$15,784,437	\$12,356,797	\$10,146,525	\$13,012,681



CuSD Rate Study Based on FY 2020-21 Tax Roll

	Based on 2020-21 Tax Roll			Based on 2020-21 Taxroll with 0% Rate Increase		Based on 2020-21 Taxroll with 5% Rate Increase	
	Number of Sewer EDUs / Account Count	Annual Flow Volume HCF	Current Adopted Rates: FY 2020 - 2021 \$	Revised Rates - NON Pump Station Zones \$	Revised Rates - Pump Station Zones \$	Revised Rates - NON Pump Station Zones \$	Revised Rates - Pump Station Zones \$
Residential							
Single Family	17,065	-	\$ 638.86	\$ 633.58	\$ 699.82	\$ 666.25	\$ 732.50
Multi Family	4,006	-	\$ 638.86	\$ 481.88	\$ 531.56	\$ 506.39	\$ 556.07
Accessory Dwelling Unit	274	-	\$ 638.86	\$ 467.27	\$ 516.95	\$ 491.77	\$ 541.45
Total Residential	21,345	-					
Commercial/Industrial							
Retail Professional Office	1,085	351,978	\$ 4.80	\$ 5.01	\$ 5.52	\$ 5.26	\$ 5.77
Domestic Laundry	4	1,474	\$ 4.69	\$ 4.80	\$ 5.30	\$ 5.05	\$ 5.54
Restaurant	236	227,170	\$ 10.90	\$ 11.34	\$ 12.49	\$ 11.91	\$ 13.06
Repair Shops and Service Station	25	4,965	\$ 5.23	\$ 5.48	\$ 6.05	\$ 5.76	\$ 6.33
Hotel/Motel with Food Service	5	17,171	\$ 8.94	\$ 9.31	\$ 9.31	\$ 9.78	\$ 9.78
Hotel/Motel	5	17,600	\$ 5.34	\$ 5.64	\$ 5.64	\$ 5.92	\$ 5.92
Printing Plant	2	319	\$ 9.02	\$ 7.74	\$ 7.74	\$ 8.13	\$ 8.13
Car Wash	17	3,429	\$ 4.36	\$ 4.45	\$ 4.45	\$ 4.67	\$ 4.67
Machinery Manufacturing	1	62	\$ 7.67	\$ 8.43	\$ 8.43	\$ 8.86	\$ 8.86
Total Commercial/Industrial	1,380	624,168					
Institutional							
School	3	2,500	\$ 6.79	\$ 5.93	\$ 6.54	\$ 6.23	\$ 6.84
Hand Billing School	29	43,239	\$ 6.79	\$ 6.05	\$ 6.05	\$ 6.36	\$ 6.36
Hand Billing Retail	64	54,192	\$ 4.80	\$ 5.84	\$ 5.84	\$ 6.13	\$ 6.13
Convalescent Home	7	18,973	\$ 5.04	\$ 5.11	\$ 5.67	\$ 5.39	\$ 5.94
Multiple Occupancy Units	8	14,976	\$ 10.08	\$ 9.25	\$ 10.30	\$ 9.77	\$ 10.81
Total Institutional	111	133,881					
Total Non-Residential	1,491	758,049					

CuSD Rate Study Based on FY 2020-21 Tax Roll										
Based on 2020-21 Taxroll with 0% Rate Increase										
				Based on 2020-21 Taxroll with 0% Rate Increase						
	Based on 2020-21 Tax Roll			Account for Annual Additional Cost of Service in Pump Station Zone ¹ - \$416,124 and Based on Workshop #3A - Allow Residential Revenue Change						
	Number of Sewer EDUs / Account Count	Annual Flow Volume HCF	Current Adopted Rates: FY 2020 - 2021 \$	Revised Rates - NON Pump Station Zones \$	Added Rate Due to Cost of Service in Pump Station Zone \$	Revised Rates - Pump Station Zones \$	Calculated Revenue Based on Workshop #4A \$	Rate Change wrt Current Adopted Rates - NON Pump %	Rate Change wrt Current Adopted Rates - Pump Station %	Revenue Change wrt Tax Roll 2020-21 %
Residential										
Single Family	17,065	-	\$ 638.86	\$ 633.58	\$ 66.24	\$ 699.82	\$ 11,151,734	-0.8%	9.5%	10.8%
Multi Family	4,006	-	\$ 638.86	\$ 481.88	\$ 49.68	\$ 531.56	\$ 1,963,398	-24.6%	-16.8%	-45.1%
Accessory Dwelling Unit	274	-	\$ 638.86	\$ 467.27	\$ 49.68	\$ 516.95	\$ 134,291	-26.9%	-19.1%	
Total Residential	21,345	-					\$13,249,424			
Commercial/Industrial										
Retail Professional Office	1,085	351,978	\$ 4.80	\$ 5.01	\$ 0.51	\$ 5.52	\$ 1,769,544	4.3%	14.9%	4.7%
Domestic Laundry	4	1,474	\$ 4.69	\$ 4.80	\$ 0.50	\$ 5.30	\$ 7,240	2.3%	12.9%	4.7%
Restaurant	236	227,170	\$ 10.90	\$ 11.34	\$ 1.15	\$ 12.49	\$ 2,583,159	4.0%	14.6%	4.3%
Repair Shops and Service Station	25	4,965	\$ 5.23	\$ 5.48	\$ 0.56	\$ 6.05	\$ 27,624	4.8%	15.6%	6.4%
Hotel/Motel with Food Service	5	17,171	\$ 8.94	\$ 9.31	\$ -	\$ 9.31	\$ 159,941	4.2%	4.2%	4.2%
Hotel/Motel	5	17,600	\$ 5.34	\$ 5.64	\$ -	\$ 5.64	\$ 99,297	5.7%	5.7%	5.7%
Printing Plant	2	319	\$ 9.02	\$ 7.74	\$ -	\$ 7.74	\$ 2,467	-14.2%	-14.2%	-14.2%
Car Wash	17	3,429	\$ 4.36	\$ 4.45	\$ -	\$ 4.45	\$ 15,247	2.0%	2.0%	2.0%
Machinery Manufacturing	1	62	\$ 7.67	\$ 8.43	\$ -	\$ 8.43	\$ 527	10.0%	10.0%	10.0%
Total Commercial/Industrial	1,380	624,168					\$ 4,665,047			
Institutional										
School	3	2,500	\$ 6.79	\$ 5.93	\$ 0.61	\$ 6.54	\$ 15,136	-12.7%	-3.7%	-10.8%
Hand Billing School	29	43,239	\$ 6.79	\$ 6.05	\$ -	\$ 6.05	\$ 261,745	-10.8%	-10.8%	47.1%
Hand Billing Retail	64	54,192	\$ 4.80	\$ 5.84	\$ -	\$ 5.84	\$ 316,351	21.6%	21.6%	41.8%
Convalescent Home	7	18,973	\$ 5.04	\$ 5.11	\$ 0.55	\$ 5.67	\$ 103,435	1.5%	12.4%	8.2%
Multiple Occupancy Units	8	14,976	\$ 10.08	\$ 9.25	\$ 1.04	\$ 10.30	\$ 154,195	-8.2%	2.1%	2.1%
Total Institutional	111	133,881					\$ 850,862			
Total Non-Residential	1,491	758,049					\$ 5,515,909			
Total	22,836	758,049					\$ 18,765,333			
1 - Cost of Service in Pump Station Zone - \$416,124 {Labor charges (\$340,584) + Electrical Cost (\$56,098) + SCADA (\$9,000) + Chemical Cost (\$10,442)}										

CuSD Rate Study Based on FY2020-21 Tax Roll

Based on 2020-21 Taxroll with 5% Rate Increase

				Based on 2020-21 Taxroll with 5% Rate Increase						
Based on 2020-21 Tax Roll				Account for Annual Additional Cost of Service in Pump Station Zone ¹ - \$416,124 and Based on Workshop #3A - Allow Residential Revenue Change						
	Number of Sewer EDUs / Account Count	Annual Flow Volume HCF	Current Adopted Rates: FY 2020 - 2021 \$	Revised Rates - NON Pump Station Zones \$	Added Rate Due to Cost of Service in Pump Station Zone \$	Revised Rates - Pump Station Zones \$	Calculated Revenue Based on Workshop #4A \$	Rate Change wrt Current Adopted Rates - NON Pump %	Rate Change wrt Current Adopted Rates - Pump Station %	Revenue Change wrt Tax Roll 2020-21 %
Residential										
Single Family	17,065	-	\$ 638.86	\$ 666.25	\$ 66.24	\$ 732.50	\$ 11,709,321	4.3%	14.7%	10.8%
Multi Family	4,006	-	\$ 638.86	\$ 506.39	\$ 49.68	\$ 556.07	\$ 2,061,568	-20.7%	-13.0%	-45.1%
Accessory Dwelling Unit	274	-	\$ 638.86	\$ 491.77	\$ 49.68	\$ 541.45	\$ 141,006	-23.0%	-15.2%	
Total Residential	21,345	-					\$13,911,895			
Commercial/Industrial										
Retail Professional Office	1,085	351,978	\$ 4.80	\$ 5.26	\$ 0.51	\$ 5.77	\$ 1,858,022	9.5%	20.2%	4.7%
Domestic Laundry	4	1,474	\$ 4.69	\$ 5.05	\$ 0.50	\$ 5.54	\$ 7,602	7.6%	18.2%	4.7%
Restaurant	236	227,170	\$ 10.90	\$ 11.91	\$ 1.15	\$ 13.06	\$ 2,712,317	9.3%	19.8%	4.3%
Repair Shops and Service Station	25	4,965	\$ 5.23	\$ 5.76	\$ 0.56	\$ 6.33	\$ 29,005	10.2%	20.9%	6.4%
Hotel/Motel with Food Service	5	17,171	\$ 8.94	\$ 9.78	\$ -	\$ 9.78	\$ 167,938	9.4%	9.4%	4.2%
Hotel/Motel	5	17,600	\$ 5.34	\$ 5.92	\$ -	\$ 5.92	\$ 104,262	10.9%	10.9%	5.7%
Printing Plant	2	319	\$ 9.02	\$ 8.13	\$ -	\$ 8.13	\$ 2,591	-9.9%	-9.9%	-14.2%
Car Wash	17	3,429	\$ 4.36	\$ 4.67	\$ -	\$ 4.67	\$ 16,009	7.1%	7.1%	2.0%
Machinery Manufacturing	1	62	\$ 7.67	\$ 8.86	\$ -	\$ 8.86	\$ 553	15.5%	15.5%	10.0%
Total Commercial/Industrial	1,380	624,168					\$ 4,898,299			
Institutional										
School	3	2,500	\$ 6.79	\$ 6.23	\$ 0.61	\$ 6.84	\$ 15,893	-8.2%	0.8%	-10.8%
Hand Billing School	29	43,239	\$ 6.79	\$ 6.36	\$ -	\$ 6.36	\$ 274,832	-6.4%	-6.4%	47.1%
Hand Billing Retail	64	54,192	\$ 4.80	\$ 6.13	\$ -	\$ 6.13	\$ 332,168	27.7%	27.7%	41.8%
Convalescent Home	7	18,973	\$ 5.04	\$ 5.39	\$ 0.55	\$ 5.94	\$ 108,607	6.9%	17.8%	8.2%
Multiple Occupancy Units	8	14,976	\$ 10.08	\$ 9.77	\$ 1.04	\$ 10.81	\$ 161,904	-3.1%	7.3%	2.1%
Total Institutional	111	133,881					\$ 893,405			
Total Non-Residential	1,491	758,049					\$ 5,791,705			
Total	22,836	758,049					\$ 19,703,599			

1 - Cost of Service in Pump Station Zone - \$416,124 {Labor charges (\$340,584) + Electrical Cost (\$56,098) + SCADA (\$9,000) + Chemical Cost (\$10,442)}

RESOLUTION NO. 1327

A RESOLUTION OF THE SANITARY BOARD OF THE CUPERTINO SANITARY DISTRICT OF INTENTION TO CONSIDER AN INCREASE IN SEWER SERVICE CHARGES; ESTABLISHING THE TIME AND PLACE FOR A PUBLIC HEARING ON THE PROPOSED INCREASE; AND PROVIDING FOR THE GIVING OF NOTICE OF SUCH PUBLIC HEARING AS REQUIRED BY LAW

WHEREAS, the Cupertino Sanitary District ("the District") last increased the sewer rates charged to its customers in 2020; and

WHEREAS, the District has been informed by the City of San Jose that equipment replacements, upgrades, and capital improvements to the sewerage treatment facilities utilized by the District will require significant capital expenditures as part of the Treatment Plant Master Plan Implementation and that the District's share of the cost to install these upgrades and improvements will total approximately 33.9 million dollars over the next five years; and

WHEREAS, to date, the City of San Jose has informed all tributary agencies to pay cash for the treatment plant improvements; and

WHEREAS, the cost the District pays to City of San Jose is approximately 60% of the total District's expenses; and

WHEREAS, in anticipation of the cash requirement to pay City of San Jose, the District has secured a ten-million-dollar loan late in 2019. This ten-million-dollar loan has now been exhausted; and

WHEREAS, District has a commitment to pay this loan over the nine years; and

WHEREAS, the current sewer service rates charged by the District are inadequate to cover the District's operating budget and capital expenditures and the share of costs that will be allocated to the District for upgrades and improvements to the sewerage treatment facilities will further increase the budget shortfall; and

WHEREAS, based on District Staff analysis, a proposed schedule of increased sewer service charges, a maximum amount not to exceed five (5) percent, will be presented to the Board at the public hearing; and

WHEREAS, it is the intention of the Sanitary Board to consider adoption of an ordinance to implement such increased sewer service charges, subject to compliance with the requirements of Proposition 218; and

WHEREAS, prior to the adoption of an ordinance increasing the sewer service charges, the District must conduct a public hearing, with notice thereof being given to all persons subject to the increase, and

WHEREAS a proposed form of Notice of Public Hearing has been presented to the Sanitary Board, a true copy of which is attached hereto as Exhibit "A" and incorporated herein by reference,

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

1. The District Counsel is instructed to prepare an Ordinance providing for an increase in the District's sewer service charges.
2. A public hearing to consider such Ordinance is hereby scheduled for 19th day of May 2021, commencing at 7:00 p.m.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the Sanitary Board of the Cupertino Sanitary District, at a meeting thereof held on the 17th day of March 2021, by the following vote:

AYES, and in favor thereof, Members:

NOES, Members:

ABSENT, Members:

APPROVED:

Secretary, Cupertino Sanitary District

President, Cupertino Sanitary District

EXHIBIT A

NOTICE OF PUBLIC HEARING: PROPOSED SEWER SERVICE AND USE CHARGE RATE INCREASE

On **May 19, 2021, at 7:00 PM**, the Cupertino Sanitary District Board is scheduled to conduct a teleconference public hearing on proposed increases to the Sewer Service and Use Charges via teleconference in accordance with Executive Order N-33-20 (Call-In Number: 1-866-899-4679 Access Code: 251566821). These charges are paid by residential, commercial, institutional, and industrial users of the sanitary sewer system.

At the hearing, staff will be proposing a 5% rate increase for FY 2021-2022. If the District Board adopts this proposal, there will be no annual impacts and rates will remain the same as follows:

Type of Service:

Current Rates **FY 2020-2021:**

New Rates **FY 2021-2022:**

Residential:

Single Family Residential – per unit (annual)	\$638.86	\$666.25
Single Family Residential in Pump Station Zone– per unit (annual)	\$638.86	\$732.50
Multi Family Residential – per unit (annual)	\$638.86	\$506.39
Multi Family Residential in Pump Station Zone– per unit (monthly)	\$638.86	\$556.07
Accessory Dwelling Unit – per unit (annual)	\$638.86	\$491.77
Accessory Dwelling Unit in Pump Station Zone– per unit (annual)	\$638.86	\$541.45

Commercial:

Fixed charge:	\$8.46	\$8.46
Plus additional charge per Hundred Cubic Feet (HCF) of sewage discharged:		
Auto Repair Shops & Service Stations	\$5.23	\$5.23
Car Washes	\$4.36	\$4.36
Domestic Laundry	\$4.69	\$4.69
Machinery Manufacturers	\$7.67	\$7.67
Motels/Hotels without Food Service	\$5.34	\$5.34
Motels/Hotels with Food Service	\$8.94	\$8.94
Retirement Homes with Common Dining	\$10.08	\$10.08
Convalescent Hospitals	\$5.04	\$5.04
Printing Plants	\$9.02	\$9.02
Restaurants	\$10.90	\$10.90
Retail or Professional Office	\$4.80	\$4.80
Schools, Colleges, Day Care Facilities	\$6.79	\$6.79
Hand Billing School	\$6.79	\$6.05
Hand Billing Retail	\$4.80	\$5.84

Capital Cost Recovery

Infiltration/Inflow (I/I)	\$9.66 per user / yr	\$9.66 per user / yr
Flow	\$417,157.33 per 1,000 MG/Day	\$417,157.33 per 1,000 MG/Day
Biochemical Oxygen Demand (BOD)	\$60,915.55 per 1,000 lbs /day	\$60,915.55 per 1,000 lbs /day
Suspended Solids (SS)	\$56,313.37 per 1,000 lbs /day	\$56,313.37 per 1,000 lbs /day
Ammonia (NH3)	\$184,850.16 per 1,000 lbs /day	\$184,850.16 per 1,000 lbs /day
Flow	\$3,631.91 per MG /year	\$3,631.91 per MG /year
Biochemical Oxygen Demand (BOD)	\$413.50 per 1,000 lbs /year	\$413.50 per 1,000 lbs /year
Suspended Solids (SS)	\$539.92 per 1,000 lbs /year	\$539.92 per 1,000 lbs /year
Ammonia (NH3)	\$4,457.95 per 1,000 lbs /year	\$4,457.95 per 1,000 lbs /year

While the District has made every effort to control and lower its operating and maintenance costs, the City of San Jose wastewater treatment costs continue to rise due to San Jose-Santa Clara Regional Wastewater Facility funding needs. The Plant Master Plan identifies \$1.6 billion to \$2.2 billion of critical improvements to rebuild the aging plant infrastructure and meet stricter regulations. The District's share of the cost for these upgrades and improvements is estimated to be \$38.1 million over the next five years. In order to cover the District's normal operating and capital improvement costs and the District's share of the cost to upgrade and

improve the wastewater treatment facilities, the Sanitary Board will consider sewer service charges as great as shown above. The Board may also determine that a small increase is necessary to meet current and future needs.

Protests must be in writing and received by the District prior to the close of the public hearing on **May 19, 2021**. Indicate the Assessor's Parcel Number(s) of the property(ies) you own that are subject to the proposed rate adjustment. Submit written protest to the District Clerk in the form of a letter, fax, or e-mail at:

20863 Stevens Creek Blvd. Suite 100, Cupertino, CA 95014
Fax (408) 253-5173, email bporter@cupertinosanitarydistrict.org

Cupertino Sanitary District - Monthly Maintenance Summary - February 2021

Item 10.E

SSOs

<u>Start Date</u>	<u>Location</u>	<u>Cause of SSO</u>	<u>Cat</u>	<u>Main/Lat</u>	<u>Spill Volume (Gal)</u>	<u>Spill Recovered (Gal)</u>	<u>Volume of Wash Water Used (Gal)</u>
2/8/2021	21430 Vai Ave, Cup	Roots	3	Lat	3	3	200

PLSDs (Private Lateral Sewage Discharge)

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

Emergency Calls - Causes

<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	2	Root Intrusion	1	Root Intrusion	1
Onsite	4	Onsite	2	Onsite	3
Offset	0	Offset	0	Offset	0
Debris	0	Debris	0	Grease	1
Others	3	Others	1	Others	4
Pump Station	0	Pump Station	0	Pump Station	0
Total:	9	Total:	4	Total:	9

Repairs

<u>Address</u>	<u>Main/Lat</u>	<u>Description of Work</u>
Prospect PS	PS	Pump panel modification
Homestead Fume Station	PS	Replaced Ultrasonic sensor

Mainline Maintenance

Size of Pipe	4"	6"	8"	10"	12"	14"	15"	16"	18"	> 20"	Total	FY2020-21 YTD	FY2020-21 Annual Schedule	% Complete (YTD/Annual Schedule)
Mainline Cleaning (ft)	0	27,093	87,374	6,240	6,909	0	276	476	0	0	128,368	967,888	987,432	98%
Easement Cleaning (ft)	0	1,921	18,783	1,175	988	0	0	476	0	0	23,343	137,538	159,062	86%
CCTV (ft)	0	5,785	5,161	0	0	0	0	0	0	0	10,946	108,640	207,880	52%

Lateral Maintenance

Activity	# of Laterals	FY2020-21 YTD	FY2020-21 Annual schedule	% Complete (YTD/Annual schedule)
Cleaning	335	3,169	4,247	75%
CCTV	5	70		
Inspection	9	118		

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

	# of Inspections	YTD FY2020-21	FY2020-21 Annual Schedule	% Complete (YTD/Annual schedule)
Performed	22	195		
Completed	19	145	283	51%
Follow up Needed	3			