



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

**UNION SANITARY DISTRICT BOARD MEETING/
UNION SANITARY DISTRICT FINANCING AUTHORITY
AGENDA**

**Monday, November 13, 2023
Regular Meeting - 4:00 P.M.**

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**Union Sanitary District
Administration Building
5072 Benson Road
Union City, CA 94587**

1. Call to Order.

2. Salute to the Flag.

3. Roll Call.

- Motion 4. Approve Minutes of the Union Sanitary District Board Meeting of October 23, 2023.

- Motion 5. Approve Minutes of the Union Sanitary District Special Board Meeting of October 26, 2023.

6. Written Communications.

7. Public Comment.
Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available in the Boardroom and are requested to be completed prior to the start of the meeting.

- Motion 8. Receive Presentation of the Fiscal Year 2022/23 Annual Comprehensive Financial Report (ACFR) and Direct Staff to File the ACFR *(to be reviewed by the Audit Committee)*.

- Motion 9. Authorize the General Manager to Execute a Contract Change Order with Zovich Construction Regarding Offhaul of Soil for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project *(to be reviewed by the Engineering and Information Technology Committee)*.

- Motion 10. Authorize the General Manager to Enter Into a Renewable Energy Product Purchase and Sale Agreement with Anew Environmental, LLC. *(to be reviewed by the Legal/Community Affairs Committee)*.

- Information 11. Status Report on Computer Purchase and Student Loan Program *(to be reviewed by the Budget & Finance Committee)*.

- Information 12. Status of Priority 1 Capital Improvement Program Projects *(to be reviewed by the Engineering and Information Technology Committee)*.
-
- Information 13. First Quarterly Report on the Capital Improvement Program for FY24 *(to be reviewed by the Engineering and Information Technology Committee)*.
-
- Information 14. First Quarterly Report on the Enhanced Treatment and Site Upgrade Program for FY24 *(to be reviewed by the Engineering and Information Technology Committee)*.
-
- Information 15. Check Register.
-
- Information 16. Committee Meeting Reports. *(No Board action is taken at Committee meetings):*
- a. Audit Committee – Wednesday, November 8, 2023, at 11:00 a.m.
 - Director Fernandez and Director Handley
 - b. Budget & Finance Committee – Thursday, November 9, 2023, at 2:30 p.m.
 - Director Handley and Director Kite
 - c. Engineering and Information Technology Committee – Friday, November 10, 2023, at 10:00 a.m.
 - Director Fernandez and Director Toy
 - d. Legal/Community Affairs Committee – Friday, November 10, 2023, at 11:30 a.m.
 - Director Kite and Director Lathi
 - e. Legislative Committee – will not meet.
 - f. Personnel Committee – will not meet.
-
- Information 17. General Manager’s Report *(Information on recent issues of interest to the Board)*.
-
18. Other Business:
- a. Comments and questions. *Directors can share information relating to District business and are welcome to request information from staff.*
 - b. Scheduling matters for future consideration.
-
19. Adjournment – The Board will then adjourn to a Board Workshop to be held in the Boardroom on Wednesday, November 15, 2023, at 4:00 p.m.
-
20. Adjournment – The Board will then adjourn to the next Regular Board Meeting to be held in the Boardroom on Monday, December 11, 2023, at 4:00 p.m.
-

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager’s office at (510) 477-7503 at least 24 hours in advance of the meeting.



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

AUDIT COMMITTEE MEETING
Committee Members: Director Fernandez and Director Handley

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

AGENDA
Wednesday, November 8, 2023
11:00 A.M.

Karen W. Murphy
Attorney

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

1. Call to Order

2. Roll Call

3. Public Comment
Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

4. Items to be reviewed for the Regular Board meeting of November 13, 2023:
 - Receive Presentation of the Fiscal Year 2022/23 Annual Comprehensive Financial Report (ACFR) and Direct Staff to File the ACFR

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager’s office at (510) 477-7503 at least 24 hours in advance of the meeting.



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TRI-CITY WASTEWATER

REVISED

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

BUDGET & FINANCE COMMITTEE MEETING
Committee Members: Director Handley and Director Kite

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

AGENDA
Thursday, November 9, 2023
1:30 P.M. - 2:30 P.M.

Karen W. Murphy
Attorney

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

THIS MEETING WILL BE TELECONFERENCED FROM STIRLING COURT NEAREST LAKE BOULEVARD, NEWARK, CALIFORNIA.

THE TELECONFERENCE LOCATION SHALL BE ACCESSIBLE TO THE PUBLIC.

1. Call to Order

2. Roll Call

3. Public Comment

Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.

- Alvarado Conference Room
 - Teleconference Location
-

4. Items to be reviewed for the Regular Board meeting of November 13, 2023:

- Status Report on Computer Purchase and Student Loan Program
-

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager's office at (510) 477-7503 at least 24 hours in advance of the meeting.



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

**ENGINEERING AND INFORMATION TECHNOLOGY
COMMITTEE MEETING**
Committee Members: Director Fernandez and Director Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

AGENDA
Friday, November 10, 2023
10:00 A.M.

Karen W. Murphy
Attorney

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

THIS MEETING WILL BE TELECONFERENCED FROM 4834 RICHMOND AVENUE, FREMONT, CALIFORNIA.

THE TELECONFERENCE LOCATION SHALL BE ACCESSIBLE TO THE PUBLIC.

1. Call to Order

2. Roll Call

3. Public Comment
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 - Alvarado Conference Room
 - Teleconference Location

4. Items to be reviewed for the Regular Board meeting of November 13, 2023:
 - Authorize the General Manager to Execute a Contract Change Order with Zovich Construction Regarding Offhaul of Soil for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project
 - Status of Priority 1 Capital Improvement Program Projects
 - First Quarterly Report on the Capital Improvement Program for FY24
 - First Quarterly Report on the Enhanced Treatment and Site Upgrade Program for FY24

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager's office at (510) 477-7503 at least 24 hours in advance of the meeting.



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

LEGAL/COMMUNITY AFFAIRS COMMITTEE MEETING

Committee Members: Director Kite and Director Lathi

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

AGENDA
Friday, November 10, 2023
11:30 A.M.

Karen W. Murphy
Attorney

Alvarado Conference Room
5072 Benson Road
Union City, CA 94587

**THIS MEETING WILL BE TELECONFERENCED FROM THE FOLLOWING LOCATIONS:
STIRLING COURT NEAREST LAKE BOULEVARD, NEWARK, CALIFORNIA; THE GUEST
PARKING AREA LOCATED ON OCASO CAMINO, WEST OF AND CLOSEST TO THE
INTERSECTION OF PASEO PADRE PARKWAY IN FREMONT, CALIFORNIA.**

THE TELECONFERENCE LOCATIONS SHALL BE ACCESSIBLE TO THE PUBLIC.

1. Call to Order

2. Roll Call

3. Public Comment
Public Comment is limited to three minutes per individual, with a maximum of 30 minutes per subject. If the comment relates to an agenda item, the speaker should address the Board at the time the item is considered. Speaker cards will be available and are requested to be completed prior to the start of the meeting.
 - Alvarado Conference Room
 - Teleconference Locations

4. Items to be reviewed for the Regular Board meeting of November 13, 2023:
 - Receive Information and Provide Direction Regarding Entering into a Renewable Energy Product Purchase and Sale Agreement with Anew Environmental, LLC.

5. Adjournment

Items reviewed at committee meetings will be included in the agenda packet for the upcoming Board meeting. No action will be taken at committee meetings.

The facilities at the District Offices are wheelchair accessible. Any attendee requiring special accommodations at the meeting should contact the General Manager’s office at (510) 477-7503 at least 24 hours in advance of the meeting.

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT/UNION SANITARY DISTRICT FINANCING
AUTHORITY
October 23, 2023**

CALL TO ORDER

President Fernandez called the meeting to order at 4:00 p.m.

SALUTE TO THE FLAG

President Fernandez led the salute to the flag.

ROLL CALL

PRESENT: Manny Fernandez, President
Jennifer Toy, Vice President
Pat Kite, Director
Anjali Lathi, Director

ABSENT: Tom Handley, Secretary

STAFF: Paul Eldredge, General Manager/District Engineer
Karen Murphy, District Counsel
Mark Carlson, Business Services Manager/CFO
Armando Lopez, Treatment and Disposal Services Manager
Jose Rodrigues, Collection Services Manager
Raymond Chau, Technical Services Manager
Alisa Gordon, Human Resources Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Chris Pachmayer, Fabrication Maintenance and Construction Coach
Matt Lubina Collection Services Coach
Tim Grillo, Research and Support Coach
Curtis Bosick, Capital Improvement Projects Coach
Gus Carrillo, Enhanced Treatment and Site Upgrade Program Coordinator
Trieu Nguyen, IT Administrator
Rebecca Ingalls, Administrative Specialist
Regina McEvoy, Executive Assistant to the General Manager/Board Clerk

VISITOR: Jack Alcom, Tri-City Voice

**APPROVE MINUTES OF THE UNION SANITARY DISTRICT SPECIAL BOARD
MEETING OF OCTOBER 3, 2023**

It was moved by Director Kite, seconded by Vice President Toy, to Approve the Minutes of the Special Board Meeting of October 3, 2023. Motion carried with the following vote:

AYES: Fernandez, Kite, Lathi, Toy
NOES: None
ABSENT: Handley
ABSTAIN: None

APPROVE MINUTES OF THE UNION SANITARY DISTRICT BOARD MEETING OF OCTOBER 9, 2023

It was moved by Director Lathi, seconded by Vice President Toy, to Approve the Minutes of the Special Board Meeting of October 9, 2023. Motion carried with the following vote:

AYES: Fernandez, Kite, Lathi, Toy
NOES: None
ABSENT: Handley
ABSTAIN: None

SEPTEMBER 2023 MONTHLY OPERATIONS REPORT

This item was reviewed by the Budget & Finance and Legal/Community Affairs Committees. General Manager Eldredge provided an overview of the Monthly Report, and Business Services Manager/CFO Carlson provided an overview of the financial reports.

WRITTEN COMMUNICATIONS

There were no written communications.

PUBLIC COMMENT

There was no public comment.

GENERAL DISTRICT ELECTION

- A. CONSIDER A RESOLUTION ORDERING, CALLING, PROVIDING FOR, AND GIVING NOTICE OF GENERAL ELECTION TO BE HELD IN UNION SANITARY DISTRICT, ALAMEDA COUNTY, CALIFORNIA, ON TUESDAY, MARCH 5, 2024, FOR THE PUPOSE OF ELECTING THREE DIRECTORS; AND**
- B. CONSIDER A RESOLUTION ORDERING THE CONSOLIDATION OF THE UNION SANITARY DISTRICT GENERAL ELECTION ON MARCH 5, 2024, WITH THE STATEWIDE DIRECT PRIMARY ELECTION TO BE HELD ON MARCH 5, 2024, AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA TO CONSOLIDATE THE GENERAL DISTRICT ELECTION WITH THE STATEWIDE DIRECT PRIMARY ELECTION TO BE HELD ON MARCH 5, 2024**

This item was reviewed by the Personnel Committee. District Counsel Murphy stated Alameda County will conduct its statewide direct primary election on March 5, 2024. The filing period for candidates for three District Board of Directors positions will run from November 13, 2024, up to and including December 8, 2024. Staff prepared two

resolutions for the Board's consideration. Once the resolutions have been adopted, a notice of consolidation must be filed with the Registrar of Voters. Staff recommended the Board adopt a resolution ordering, calling, providing for, and giving notice of a general election to be held in Union Sanitary District, Alameda County, California on Tuesday, March 5, 2024, for the purpose of electing three Directors; and adopt a resolution ordering the consolidation of the Union Sanitary District general election on March 5, 2024, with the statewide direct primary election to be held on March 5, 2024, and requesting the Board of Supervisors of the County of Alameda to consolidate the General District Election with the statewide direct primary election to be held on March 5, 2024; and authorize staff to notify the Registrar of Voters of the District's intention to consolidate election.

It was moved by Director Kite, seconded by Director Lathi, to Adopt Resolution No. 2999 Ordering, Calling, Providing for, and Giving Notice of a General Election to be Held in Union Sanitary District, Alameda County, California, on March 5, 2024, for the Purpose of Electing Three Directors; and Adopt Resolution No. 3000 Ordering the Consolidation of the Union Sanitary District Primary Election to be Held on March 5, 2024, and Requesting the Board of Supervisors of the County of Alameda to Consolidate the General District Election with the Statewide Direct Primary Election to be Held on March 5, 2024. Motion carried with the following vote:

AYES: Fernandez, Kite, Lathi, Toy
NOES: None
ABSENT: Handley
ABSTAIN: None

CONSIDER A RESOLUTION TO ACCEPT THE CONSTRUCTION OF THE PRIMARY DIGESTER NO. 7 PROJECT FROM C. OVERAA & CO.

This item was reviewed by the Engineering and Information Technology Committee. Capital Improvement Projects Coach Bosick stated the Board awarded the construction contract for the Project to Overaa on January 13, 2020. The Notice to Proceed was issued February 10, 2020, and the Project was initially scheduled to be completed October 11, 2021. Primary Digester No. 7 was successfully commissioned, and the Project was substantially completed May 26, 2022. Staff awaited completion of outstanding punchlist work and various administrative items before recommending Project acceptance by the Board. Staff recommended the Board consider a resolution to accept the construction of the Primary Digester No. 7 Project from C. Overaa & Co.

It was moved by Vice President Toy, seconded by Director Lathi, to Adopt Resolution No. 3001 Accepting Construction of the Primary Digester No. 7 Project Located in the City of Union City, California from C. Overaa & Co. Motion carried with the following vote:

AYES: Fernandez, Kite, Lathi, Toy
NOES: None
ABSENT: Handley
ABSTAIN: None

REVIEW AND CONSIDER APPROVAL OF UNCLASSIFIED PUBLICLY AVAILABLE PAY SCHEDULE EFFECTIVE SEPTEMBER 1, 2023

This item was reviewed by the Personnel Committee. Human Resources Manager Gordon stated the Publicly Available Pay Schedule has been designed to ensure consistency between CalPERS employers and enhance the disclosure and transparency of public employee compensation. A summary of salary changes within the proposed pay schedule was outlined in the Board meeting packet. Staff recommended the Board consider approval of the September 1, 2023, Unclassified Employees Pay Schedule which will be posted and retained in accordance with CalPERS requirements.

It was moved by Director Lathi, seconded by Vice President Toy, to Approve the September 1, 2023, Unclassified Employees Pay Schedule. Motion carried with the following vote:

AYES: Fernandez, Kite, Lathi, Toy
NOES: None
ABSENT: Handley
ABSTAIN: None

INFORMATION ITEMS:

CAL-Card 1st Quarter Fiscal Year 2024 Activity Report

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge stated the 1st Quarter CAL-Card Activity Report included transactions from June 21, 2023 through September 22, 2023. There were 290 transactions totaling \$87,313.83 during the 1st Quarter of the 2024 Fiscal Year. Staff responded to Boardmember questions regarding the CAL-Card report included in the Board meeting packet.

Board Expenses for the First Quarter of Fiscal Year 2024

This item was reviewed by the Budget & Finance Committee. General Manager Eldredge stated there were no Board expenditures during the first quarter of Fiscal Year 2024.

Report on the East Bay Dischargers Authority Commission Meeting of September 21, 2023

Director Lathi provided an overview of the EBDA Commission meeting summary included in the Board meeting packet. Director Lathi requested District staff setup a Dropbox folder for EBDA reports on topics of regional interest, regulatory issues, or emerging trends.

Check Register

Staff responded to Boardmember questions regarding the check register.

COMMITTEE MEETING REPORTS:

The Legal/Community Affairs Committee meeting was canceled. The Engineering and Information Technology, Personnel, and Budget & Finance Committees met.

GENERAL MANAGER'S REPORT:

- General Manager Eldredge stated the Enhanced Treatment and Site Upgrade Financing Update Board Workshop would be held at 4:00 p.m. on Thursday, October 26, 2023.
- Staff will provide a site tour for Alameda County Supervisor Marquez on October 25, 2023, at 2:00 p.m.
- General Manager Eldredge shared photos and videos from the two new cameras recently installed within the Plant.
- General Manager Eldredge stated anti-virus software for mobile devices will be made available for District staff.
- General Manager Eldredge provided a COVID update.
- General Manager Eldredge informed the Board that a member of the District's Information Technology team is a member of the Navy Reserves and has been called to active duty beginning January 2024.
- General Manager Eldredge stated he would be out of the office Friday, October 27, 2023.

OTHER BUSINESS:

There was no other business.

ADJOURNMENT:

The meeting was adjourned at 4:29 p.m. to a Special Board Meeting to be held in the Boardroom on Thursday, October 26, 2023, at 4:00 p.m.

The Board will then adjourn to the next Regular Meeting to be held in the Boardroom on Monday, November 11, 2023, at 4:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

TOM HANDLEY
SECRETARY

APPROVED:

MANNY FERNANDEZ
PRESIDENT

Adopted this 13th day of November 2023

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
UNION SANITARY DISTRICT
October 26, 2023**

CALL TO ORDER

President Fernandez called the special meeting to order at 4:00 p.m.

ROLL CALL

PRESENT: Manny Fernandez, President
Jennifer Toy, Vice President
Tom Handley, Secretary
Pat Kite, Director
Anjali Lathi, Director

STAFF: Paul Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Manager/CFO
Raymond Chau, Technical Services Manager
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Gus Carrillo, Enhanced Treatment and Site Upgrade Assistant Program Manager

PUBLIC COMMENT

There was no public comment.

BOARD WORKSHOP

General Manager Eldredge presented information regarding Enhanced Treatment and Site Upgrade Program financing options.

ADJOURNMENT:

The special meeting was adjourned at approximately 5:00 p.m. to the next Regular Board Meeting to be held in the Boardroom on Monday, November 13, 2023, at 4:00 p.m.

SUBMITTED:

ATTEST:

REGINA McEVOY
BOARD CLERK

TOM HANDLEY
SECRETARY

APPROVED:

MANNY FERNANDEZ
PRESIDENT

Adopted this 13th day of November, 2023



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Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 8**

TITLE: Receive Presentation of the Fiscal Year 2022/23 Annual Comprehensive Financial Report (ACFR) and Direct Staff to File the ACFR (*This is a Motion Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Workgroup Manager/CFO

Recommendation

Receive and file the Fiscal Year 2022/23 Annual Comprehensive Financial Report (ACFR) as presented.

Discussion

Attached to this staff report you will find the Fiscal Year 2022/23 ACFR as audited by Badawi and Associates, Certified Public Accountants. Highlights for year include:

- An increase in Net Position to \$482.6 million, a \$27.4 million increase from FY 2022. Contributing factors include \$19.2 million in connection fees and contributed capital as well as marginal rate increases and other inspection and development fees.
- Net Position consists of \$302.1 million invested in capital assets; \$124.3 million restricted for specifically stipulated spending agreements originated by law, contract or other agreements with external parties; and \$56.2 million unrestricted and subject to designation by the District Board of Directors for use in meeting the District's ongoing obligations.
- The District placed \$14.1 million in capital assets into service in FY 2023 compared to \$11.1 million in FY 2022. Non-current liabilities increased on the Statement of Net Position by \$18.4 million during the current fiscal year. Contributing factors included an increase in pension and other post-employment benefits liabilities of \$23.8 million and a decrease in long-term bonds payable of \$5.4 million.

- There were no significant audit findings for FY 2022/23 as stated in the attached Audit Communication Letter from our auditors, Badawi & Associates, Certified Public Accountants.

Background

Annually, the District engages an independent accounting firm to audit the financial statements and records for the previously ended fiscal year. The results of the FY 2022/23 audit were presented to the Audit Committee on 11/08/23.

This item is brought before the Board on an annual basis in compliance with the Financial Audit Policy # 2020 and industry best practices.

Previous Board Action

None.

Attachments

FY 2022/23 ACFR

Audit Communication Letter – SAS 114

Independent Auditors' Report on Internal Control – SAS 115



Union Sanitary District
Union City, California

Annual Comprehensive Financial Report



Fiscal Year Ended June 30, 2023 with Comparative
Information for Fiscal Year Ended June 30, 2022



Union Sanitary District
Union City, California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023 with Comparative
Information for Fiscal Year Ended June 30, 2022

Prepared by Business Services Work Group

Cover Page: ETSU 1A Project - New Odor Control Systems



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Introductory Section



ETSU Phase 1A - New Pump Station

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Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
**General Manager/
District Engineer**

Karen W. Murphy
Attorney

November 03 , 2023

Customers of Union Sanitary District
Board of Directors
Union Sanitary District
Union City, California

Subject: Annual Comprehensive Financial Report for the Year Ended June 30, 2023

We are pleased to present the Union Sanitary District’s (the District) Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) ended June 30, 2023 (formerly referred to as the Comprehensive Annual Financial Report). Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activities have been included.

The ACFR is presented in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

District Profile

The Reporting Entity

The District is an independent Special District and is accounted for as an enterprise fund type (proprietary fund category). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. As an enterprise fund, the District uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred, regardless of when cash is paid or received. The District considers the Union Sanitary District Financing Authority as a blended component unit of the District.

The District applies all applicable GASB pronouncements in accounting and reporting for proprietary operations. District policy requires that its financial statements be audited on an annual basis by an independent certified public accounting firm approved by the Board of Directors. The independent auditor's report for the fiscal year ended June 30, 2023 is presented in the Financial Section of this report. Please refer to the Management's Discussion and Analysis immediately following the independent auditor's report in the Financial Section for additional information about the financial statements.

District Formation and Organization

The Union Sanitary District was formed in 1918 and subsequently reorganized in 1923 to serve Newark and the Centerville area of what is now Fremont. Between 1949 and 1962, Niles, Decoto, Irvington, and Alvarado Sanitary Districts joined the Union Sanitary District. The District is empowered to own and operate wastewater facilities and the Board of Directors may prescribe, revise, and collect fees or charges for services and facilities. The District provides wastewater collection, treatment and disposal services to the residents and businesses of the cities of Fremont, Newark, and Union City, commonly referred to as the Tri-City Area, with a combined population of 343,680. The Cities are located along Interstates 680 and 880, between Oakland and San Jose in southern Alameda County.

The District is governed by a five-member Board of Directors, which is independently and directly elected by voters to staggered four-year terms. The Board appoints the General Manager to manage and oversee the day-to-day operations. At June 30, 2023, the District employed 140.45 Full Time Equivalent (FTE) staff, operates in a team-based environment, and uses the Balanced Scorecard as a model for its strategic plan and performance measurement tool.

Local Economic Condition and Outlook

Located at the northern end of Silicon Valley, the Tri-City area of Fremont, Newark and Union City has a diverse population, as well as a varied mix of employers including biotech, research and development, education, manufacturing, and retail. Summary notes of the prevailing economic conditions in the Tri-City area and the District are below, delineated by City.

The City of Fremont*

Located on the southeast side of the San Francisco Bay, Fremont is a city of 229,476 people and 74,629 households, with an area of 92-square miles. Fremont remains the fourth most populous city in the Bay Area and California's 16th largest city. With its moderate climate and its proximity to major universities, shopping areas, recreation and cultural activities, employment centers, major airports, and the Bay Area Rapid Transit system, Fremont captures metropolitan living at its best.

Fremont is conveniently served by Interstates 680 and 880, as well as rail transport lines including Altamont Commuter Express (ACE), Amtrak Capitol Corridor, and the Bay Area Rapid Transit (BART) system. Fremont also has easy access to the San Jose Airport, Oakland Airport, San Francisco Airport, and the Port of Oakland. Fremont is home to a broad variety of innovative firms including over 1,700 high tech, life science, and clean technology firms. The city has a broad range of quality, affordable business locations; a superior workforce; and a wide variety of tax benefits and incentive programs for businesses.

Fremont is one of the most ethnically and culturally diverse cities in the Bay Area. Residents are attracted to Fremont for its nationally recognized high-ranking public schools, its numerous well-kept parks, and a variety of recreational amenities, including beautiful Lake Elizabeth, Central Park, and Mission San José (California's 14th mission). Fremont is described as a wonderful community to live, work, and play.

The City of Newark*

Newark has an area of 14 square miles and a population of 47,459. Newark was incorporated in 1955 and is located 35 miles south of San Francisco and next to many high-tech hubs, including easy access to highways 880, 580, 680, and the Dumbarton Corridor places Newark in an ideal location. Newark has evolved from its days enriched in agriculture, manufacturing, and railroad to today's expansion of high-tech, biotech, and the health sciences.

Although Newark has grown significantly, it still manages to keep a small, hometown community charm that citizens say they love about Newark. The City of Newark has a wide variety of programs and services to meet the community's needs.

The City of Union City*

Union City is 18 square miles in area, boasting a diverse and unified people, excellent educational institutions, unsurpassed quality of life, strong economy, and world-renowned location in the San Francisco Bay Area. Incorporated in 1959, the city proudly maintains a small-town feel while being in the center of the Bay Area, with San Francisco and Silicon Valley just minutes away. Union City has grown into an ethnically diverse community of 66,754 residents, and the highly regarded New Haven Unified School District serves about 10,400 K-12 students. The community offers a variety of housing, with affordable and upscale homes available in many charming neighborhoods throughout the city. The transit-oriented Station District, located around the Union City BART station, boasts housing and business development opportunities with easy, convenient access to major public transit running throughout the Bay Area. Union City also offers many wonderful parks, sports fields, community centers, and a variety of recreation programs and social services for residents of all ages.

*Information adapted from the respective city's website and the US Census Bureau

Major Projects or Initiatives

During fiscal year 2023, the District continued, completed, or initiated several significant projects:

Enhanced Treatment & Site Upgrade (ETSU) Program - The District developed the Enhanced Treatment and Site Upgrade (ETSU) Program to upgrade and bring infrastructure up to current standards and to address impending regulatory requirements and preserve capacity needed to meet the General Plans of the Cities served. The Program is a roadmap for the treatment plant's infrastructure over the next 40 to 50 years. These include improvements to the aeration basins and relocation of operations, maintenance, and administrative facilities. The first step in the project, Aeration Basin Modifications, began construction in January of 2022 followed by the Campus Building project in June. The ETSU project is expected to last through calendar year 2029.

Standby Power Generation System Upgrade - The District's current emergency power facilities are beyond their useful life. This project began construction in the spring of 2022 and is expected to be completed in 2025.

Wastewater Based Disease Surveillance – WastewaterSCAN is a national effort to provide a leading approach for monitoring diseases through communities' wastewater to inform public health responses locally and nationally. Scientists at Stanford University and Emory University, the life sciences company Verily, and local wastewater and public health officials partner to produce actionable data about COVID-19, Monkeypox, and other pathogens. The District is participating in this program through January of 2024, which is when the program is expected to conclude. The District will continue to participate in the program if it is extended.

BACWA Watershed Permit 3.0 - Nutrient discharges by municipal Publicly Owned Treatment Works (POTWs) in the San Francisco Bay (SF Bay) Region are governed by the second Nutrient Watershed Permit, which was adopted by the San Francisco Bay Regional Water Quality Control Board in May of 2019. The key tenants are:

- Nutrient Monitoring
- Reporting
- Support for Scientific Studies
- Special Studies

Since the adoption of the second Watershed Permit, the District through the Bay Area Clean Water Agencies (BACWA) and the Regional Water Board have been meeting regularly to discuss the key tenets of the third Watershed Permit, which will be reissued in 2024 and will have a five-year term (through 2029).

Future Projects or Initiatives

The primary focus for the next 5-10 years will be additional projects associated with the ETSU program as well as the capital program.

The District will continue to focus on the Strategic Planning Initiative in FY 2024. As an organizational management activity, the strategic planning process is used to set priorities, focus energy and resources, strengthen operations, and ensure that employees and other stakeholders are working toward common goals. Our District maintains a three year plan, with a mid-way opportunity to assess the strategy.

The District is will also be focusing on the following issues/projects over the next several years:

- Biosolids management
- Energy resiliency
- Nutrient reduction
- PFAS/PFOA

Financial Information

Accounting System

District financial records are maintained on the accrual basis of accounting as required by GASB Section 1600.125. Accrual basis accounting recognizes transactions, events, and circumstances when they occur, rather than when cash is received or paid.

Internal Controls

While developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed to give reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The District's internal controls include but are not limited to positive pay, fraud protection checks, timely bank reconciliations, segregation of duties wherever possible, dual approvals on wires, an anonymous fraud hotline, and financial system security.

Budgetary Controls

Budgetary controls are maintained by the District to ensure compliance with the annual budget adopted by the Board of Directors. All financial activities for the fiscal year are included in the annual budget, along with a twenty-year capital improvement projects plan. Budgetary control is maintained at the Work Group (department) level for administrative and operating budgets, and at the project level for capital improvements. Monthly budget reports are provided to the Executive Team and Board of Directors, and the Executive Team conducts a detailed quarterly review, as well.

Rate Structure

The District receives its revenue from four primary sources: sewer service charges; capacity fees; other minor operating revenues such as permits, inspections and outside work that is performed in cooperation with other municipalities; and interest earnings on reserve funds.

Sewer Service Charge

The sewer service charge has historically been collected on the annual property tax bill. Sewer service charges to be collected are provided to the County of Alameda in August of each fiscal year. The District receives its primary payments of funds in December (50%) and April (45%), and the remainder in September, and receives all amounts billed as part of the County's "Teeter" plan.

The sewer service charge is divided into four primary categories of customers: residential, commercial, institutional, and industrial. The calculation of the sewer service charge for the commercial, institutional, and industrial customers is based upon their average flow, as well as contribution of their projected suspended solids (SS) and chemical oxygen demand (COD). The District has a sampling program to periodically test the effluent from its industrial customers. Flow for industrial users is based on water use records from the Alameda County Water District.

The annual residential fee for FY 2023 was \$530.21 for a single-family dwelling and \$467.24 for a multi-family dwelling.

Connection Fees

In FY 2023 the District charged a sewer connection fee of \$10,027 for a residential equivalent dwelling unit (EDU). The charges for commercial, industrial, and office use are based on factors such as square footage, flow, COD, and suspended solids. Revenues from capacity fees are used to fund capital projects and upgrades that preserve or increase the system's capacity. Collected capacity fee revenues may not fund ongoing operating costs.

Interest Income

The District earns interest on its portfolio of investments, including the Local Agency Investment Fund (LAIF), and the California Asset Management Program (CAMP), which is allocated to the major funds (Capacity and Sewer Service) monthly by percentage of fund balance.

Other Information

Independent Financial Audit – California state statutes require an annual independent audit of the books of accounts and financial records of the District. The firm Badawi & Associates was contracted to conduct this year's audit. The Board Audit Committee receives and reviews the audited financial statements. The audit opinion is included in the Financial Section of this report.

Financial Policies – The District maintains a rotation schedule for updating and reviewing policies. In fiscal year 2023, the District reviewed and/or updated the following important financial policies:

Investments; Financial Audit; Procurement; Reserves, Allocations and Fund Balance; and Debt Management.

East Bay Dischargers Authority (EBDA) – The District is a member of EBDA. Founded in 1974, EBDA is a five-member Joint Powers Authority (JPA) formed to plan, design, construct, and operate regional facilities to collect, transport and discharge treated effluent to deep waters of San Francisco Bay. Treated effluent from the District's Alvarado Wastewater Treatment Plant is pumped to the EBDA System and discharged into the Bay southwest of Oakland International Airport. Frequent testing of the treated wastewater confirms compliance with regional permit requirements. The other member agencies are Castro Valley Sanitary District, Oro Loma Sanitary District, City of Hayward, and City of San Leandro.

District Financing Authority – The District is a member of the Alameda County Water District (ACWD) Financing Authority. The Authority was organized to aid ACWD in the financing of capital projects via a bond sale or other mechanisms requiring an issuing agency authority. The District has one Board member on the governing body of the Authority.

Union Sanitary Financing Authority (USDFA) – During FY 2020, the District formed the USDFA. The creation of this JPA to issue revenue bonds provides savings benefits to the District's ratepayers. The Authority was utilized during FY 2022 for the issuance of the 2021A bonds and the Water Infrastructure Finance and Innovation Act (WIFIA) loan through the US EPA.

Awards Received - During the past year, the District received the following recognition:

- National Association of Clean Water Agencies (NACWA) - Peak Performance Awards 1993 – 2022; USD's Alvarado Treatment Plant in Union City has been recognized for 30 consecutive years by NACWA (and its predecessor, AMSA) for outstanding performance.
- National Association of Clean Water Agencies – Excellence in Management Platinum Recognition
- Government Finance Officers Association (GFOA) – Excellence in Financial Reporting.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,

DocuSigned by:
Paul R. Eldredge
91F3D7DCBD12473...

Paul R. Eldredge, P.E.
General Manager/District Engineer

DocuSigned by:
Mark Carlson
0B4326FB327F4BF...

Mark Carlson, CPA
CFO/Business Services Manager

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VISION/MISSION STATEMENT April 10, 2017

To safely and responsibly collect and treat wastewater, and to recover resources from process waste streams, while protecting human health and improving the environment in a way that benefits the Tri-Cities and all USD stakeholders.

How we continue to accomplish our Vision:

Commitment to safety:

- Continually reviewing our safety program for opportunities to improve
- Focusing on protecting employees and the community in all our activities
- Allocating resources to ensure safe operations (equipment, training, staff)
- Collaboratively promoting a safe work environment

Responsibility:

- Being accountable for our actions and decisions
- Being fiscally prudent
- Maintaining and upgrading infrastructure
- Anticipating and meeting future District and stakeholder needs
- Compliance with laws and regulations (local, state, federal)
- Effective asset management
- Effective use of technology
- Looking for innovative ways to reduce or reuse our waste streams

Collect, treat, and recover/reuse wastewater:

- Providing capacity in the collection system and plant
- Regulating connections
- Increasing efforts for resource recovery (biogas, biosolids, etc.)
- Exploring ways to maximize water reclamation and reuse potential

Human health and environmental stewardship

- Preventing sewer spills and back-ups
- Limiting health risks through treatment of wastewater
- Responding to emergencies
- Enhancing water quality in the San Francisco Bay estuary
- Meeting or exceeding all water and air quality standards
- Promoting pollution prevention and pretreatment through outreach and educational programs
- Maximizing use of green energy sources when feasible
- Working towards energy neutrality

We benefit our stakeholders by:

- | | | |
|-----------|---|--|
| Community | } | <ul style="list-style-type: none"> • Complying with all local, state, and federal regulations, protecting the environment and controlling odors • Communicating with the public and bringing awareness about wastewater issues • Responding to emergencies and providing mutual aid • Participating in community outreach activities • Contributing to the wastewater treatment profession by participating in professional associations, partnering with other agencies and organizations, and sharing best practices • Working cooperatively with cities and other government agencies |
| Customer | } | <ul style="list-style-type: none"> • Providing award-winning, reliable service • Being fiscally responsible and cost effective, and providing value • Promptly responding to customers' needs • Being professional and courteous • Proactively and creatively meeting customer needs • Supporting businesses through permitting, education and by providing capacity |
| Employees | } | <ul style="list-style-type: none"> • Providing a safe work environment • Recognizing employee contributions • Encouraging cooperation and collaboration • Demonstrating equality and fairness • Valuing employee input, and offering opportunities for involvement and creativity • Providing training and resources • Providing competitive wages and benefits in a stable work environment • Communicating and sharing information openly and honestly |

Board of Directors



Manny Fernandez



Jennifer Toy



Tom Handley



Pat Kite



Anjali Lathi



Principal Officials

As of June 30, 2023

		City Represented	Year Elected	Term Expires
Manny Fernandez	President	Union City (Ward 1)	2011 (Appointed)	2024
Jennifer Toy	Vice President	Fremont (Ward 3)	1998	2026
Tom Handley	Secretary	Fremont (Ward 3)	2007	2026
Pat Kite	Board Member	Newark (Ward 2)	1991	2024
Anjali Lathi	Board Member	Fremont (Ward 3)	2002	2024

Karen W. Murphy

General Counsel

Staff

Paul Eldredge

General Manager/District Engineer

Armando Lopez

Treatment & Disposal Services Manager

Robert Simonich

Maintenance & Technology Services Manager

Mark Carlson

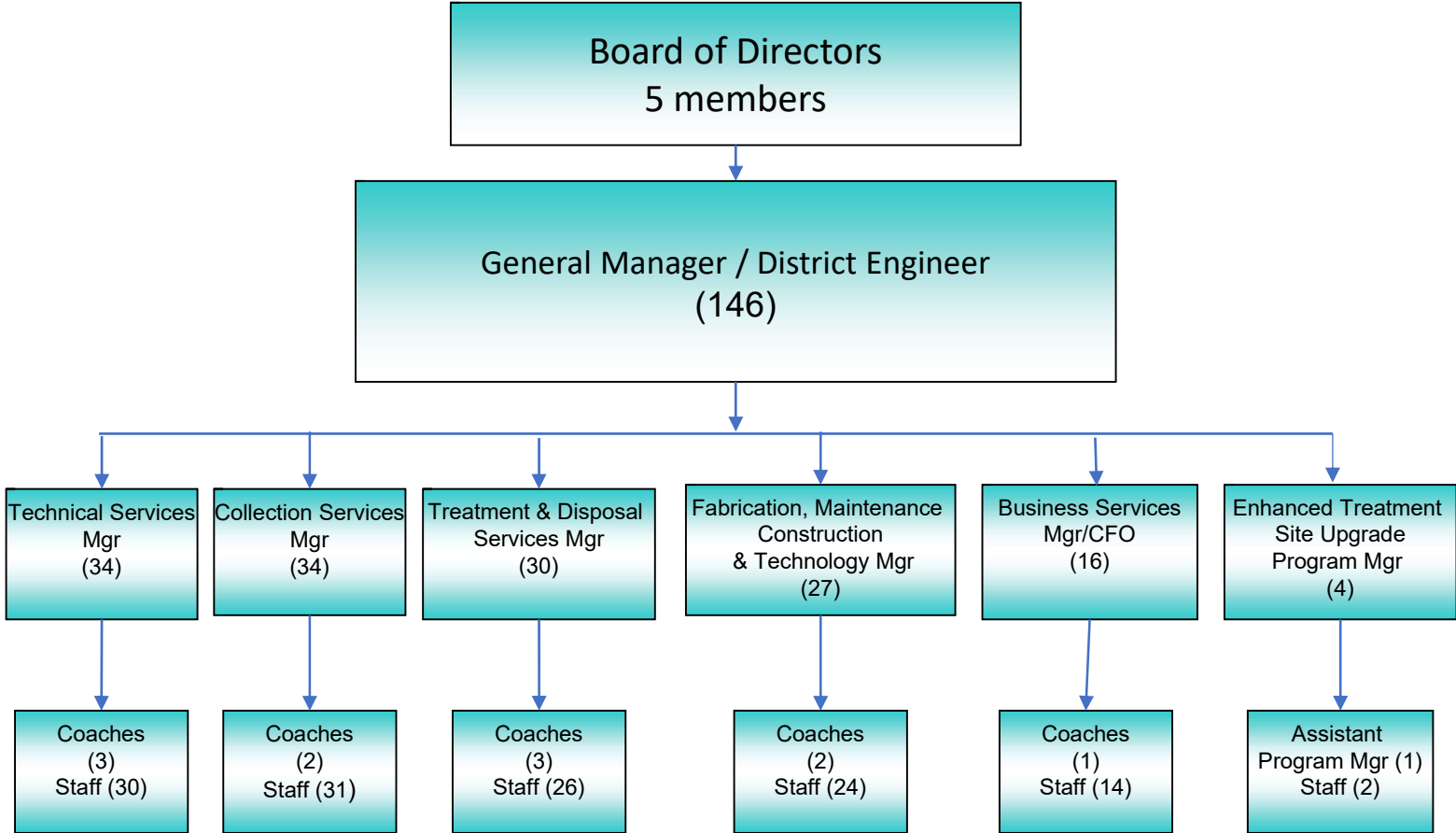
Business Services Manager/Chief Financial Officer

Raymond Chau

Technical Services Manager

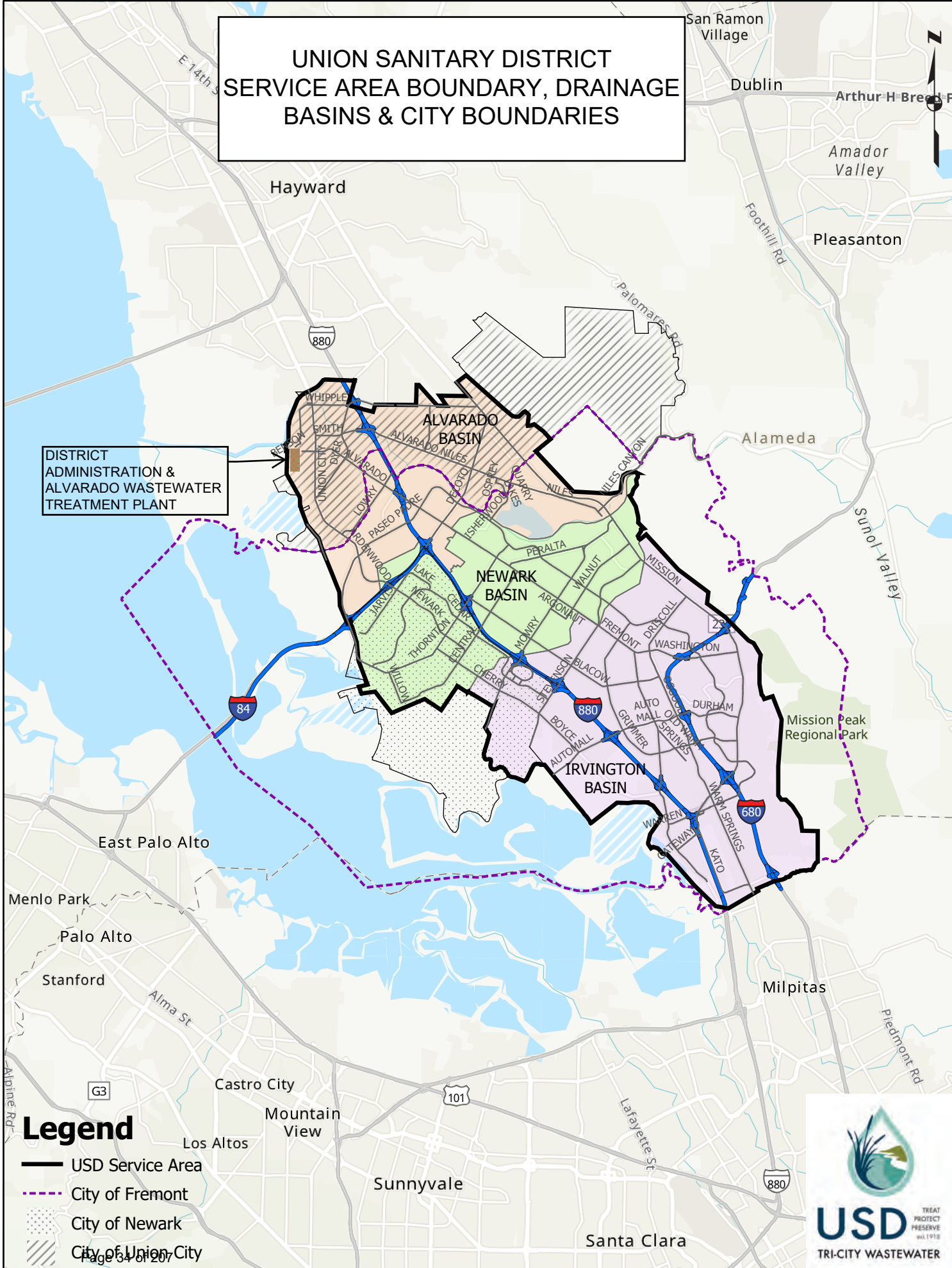
Jose Rodrigues

Collection Services Manager







*145.45 Positions allocated in FY2023
Full Time Equivalent positions in FY2023 is 140.45

UNION SANITARY DISTRICT SERVICE AREA BOUNDARY, DRAINAGE BASINS & CITY BOUNDARIES



DISTRICT
ADMINISTRATION &
ALVARADO WASTEWATER
TREATMENT PLANT

Legend

-  USD Service Area
-  City of Fremont
-  City of Newark
-  City of Union City





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Union Sanitary District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section



ETSU Phase 1A - Aeration Basin Modification Project, New Aeration Basin 8

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Union Sanitary District
Union City, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Union Sanitary District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the East Bay Dischargers Authority, which represent 1.64 percent of the assets and 0.04 percent of the revenues of the District as of June 30, 2023. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the East Bay Dischargers Authority, are based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefit schedules on pages 5-10 and 54-61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary schedules of operating expenses before depreciation and schedule of insurance coverage are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

The basic financial statements of the District as of and for the year ended June 30, 2022, were audited by other auditors whose report dated November 7, 2022 expressed an unmodified opinion on those statements. We do not express any opinion on those financial statements or the summarized comparative information presented herein.

Other Information

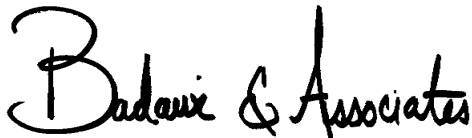
Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the

To the Board of Directors
of the Union Sanitary District
Union City, California
Page 4

financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 3, 2023

UNION SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

This section of the District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2023. This information is presented in conjunction with the audited financial statements which follow this section.

The District, which was established in 1918 and subsequently reorganized in 1923, is empowered to own and operate wastewater facilities and the Board of Directors may prescribe, revise, and collect fees or charges for services and facilities of the District in connection with its wastewater system.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2023, by \$482.6 million (net position). Net position consists of \$302.1 million invested in capital assets, \$124.3 million restricted net position, and \$56.2 million in unrestricted net position.
- The District's total net position increased by \$27.4 million during the fiscal year ended June 30, 2023. Contributing factors include \$19.2 million in connection fees and contributed capital as well as marginal rate increases and other inspection and development fees.
- Non-current liabilities increased on the Statement of Net Position by \$18.4 million during the current fiscal year. Contributing factors included an increase in pension and other post-employment benefits liabilities of \$23.8 million and a decrease in long-term bonds payable of \$5.4 million.
- The District placed \$14.1 million in capital assets into service compared to \$11.1 in the previous year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The District's financial statements include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These provide information about the activities of the District as a whole and present a long-term view of the District's property, debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure.

- **Statement of Net Position** – Includes all District assets, liabilities, deferred outflows of resources, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return; evaluating the capital structure of the District; and assessing the liquidity and financial flexibility of the District.
- **Statement of Revenues, Expenses and Changes in Net Position** – All of the current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of District operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.
- **Statement of Cash Flows** – The primary purpose of this statement is to provide information about District cash receipts, cash disbursements and net changes in cash resulting from operations, investments, and capital and non-capital financing activities. It illustrates the source of revenue, purposes for which it was used, and change in cash balance during the reporting period.

UNION SANITARY DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Reporting the District as a Whole

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position

DISTRICT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities.

The largest portion of the District’s Net Position (62.6%) reflects its investment in capital assets (net of accumulated depreciation) less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Table 1 – Condensed Statement of Net Position

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Dollar Change FY23 to FY22	Percent Change FY23 to FY22
Current and other assets	\$ 300,010,754	\$ 320,760,547	\$ 209,857,551	\$ (20,749,793)	-6.5%
Capital Assets	428,685,363	373,291,203	354,894,318	55,394,160	14.8%
Total Assets	<u>728,696,117</u>	<u>694,051,750</u>	<u>564,751,869</u>	<u>34,644,367</u>	5.0%
Deferred outflows of resources	<u>20,493,442</u>	<u>10,195,637</u>	<u>10,436,854</u>	<u>10,297,805</u>	101.0%
Current liabilities	31,596,743	19,475,072	14,875,349	12,121,671	62.2%
Long-term liabilities	234,159,135	215,731,139	127,471,056	18,427,996	8.5%
Total liabilities	<u>265,755,878</u>	<u>235,206,211</u>	<u>142,346,405</u>	<u>30,549,667</u>	13.0%
Deferred inflows of resources	<u>820,013</u>	<u>13,797,976</u>	<u>1,368,453</u>	<u>(12,977,963)</u>	-94.1%
Net Position:					
Net investment in capital assets	302,099,845	292,113,978	290,100,929	9,985,867	3.4%
Restricted	124,255,767	124,897,268	91,707,599	(641,501)	-0.5%
Unrestricted	56,258,056	38,231,954	49,665,337	18,026,102	47.1%
Total net position	<u>\$ 482,613,668</u>	<u>\$ 455,243,200</u>	<u>\$ 431,473,865</u>	<u>\$ 27,370,468</u>	6.0%

Net position of the District’s business type activities increased 6.0% to \$482.6 million, of which \$302.1 million is invested in capital assets such as equipment, buildings, and infrastructure. Of the remaining total, \$124.3 million is restricted to specifically stipulated spending agreements originated by law, contract, or other agreements with external parties. The remaining \$56.2 million is subject to designation for specific purposes as approved by the District Board of Directors and may be used to meet the District’s ongoing obligations.

UNION SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Table 2 – Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Dollar Change FY23 to FY22	Percent Change FY23 to FY22
Operating Revenues:					
Sewer service charges (SSC)	\$ 77,986,322	\$ 73,822,317	\$ 62,142,806	\$ 4,164,005	5.6%
Other revenues	<u>2,016,561</u>	<u>2,904,824</u>	<u>1,318,109</u>	<u>(888,263)</u>	-30.6%
Total operating revenues	<u>80,002,883</u>	<u>76,727,141</u>	<u>63,460,915</u>	<u>3,275,742</u>	4.3%
Operating Expenses:					
Depreciation	16,133,324	16,411,378	16,514,431	(278,054)	-1.7%
Sewage treatment	28,978,541	20,862,815	21,742,446	8,115,726	38.9%
Sewage collection and engineering	20,869,937	14,258,113	16,426,192	6,611,824	46.4%
General and administration	<u>9,684,617</u>	<u>11,059,626</u>	<u>8,824,714</u>	<u>(1,375,009)</u>	-12.4%
Total operating expenses	<u>75,666,419</u>	<u>62,591,932</u>	<u>63,507,783</u>	<u>13,074,487</u>	20.9%
Non-operating Revenues (Expenses):					
Investment income and net gains (losses)	7,478,473	1,504,181	1,575,106	5,974,292	397.2%
Unrealized investment income (loss)	1,750,746	(4,899,280)	(1,336,734)	6,650,026	-135.7%
Gain/(loss) on retirement of capital assets	(12,711)	14,969	(5,840)	(27,680)	-184.9%
Investment in East Bay Dischargers Authority gain/(loss)	36,382	(1,219,804)	7,355,380	1,256,186	-103.0%
Interest and fiscal charges	(4,451,379)	(5,275,070)	(2,099,211)	823,691	-15.6%
Lease revenue	<u>12,239</u>	<u>12,728</u>	<u>13,197</u>	<u>(489)</u>	-3.8%
Total Net non-operating revenues (expenses)	<u>4,813,750</u>	<u>(9,862,276)</u>	<u>5,501,898</u>	<u>14,676,026</u>	-148.8%
Income Before Contributed Capital	9,150,214	4,272,933	5,455,030	4,877,281	114.1%
Capital Contributions					
Connection fees	7,371,192	11,145,152	9,358,209	(3,773,960)	-33.9%
Contributed capital	<u>11,836,917</u>	<u>8,374,513</u>	<u>12,360,959</u>	<u>3,462,404</u>	41.3%
Total Net Capital Contributions	<u>19,208,109</u>	<u>19,519,665</u>	<u>21,719,168</u>	<u>(311,556)</u>	-1.6%
Change in Net Position	<u>28,358,323</u>	<u>23,792,598</u>	<u>27,174,198</u>	<u>4,565,725</u>	19.2%
Beginning Net Position	455,243,200	431,473,865	405,190,374	23,769,335	5.5%
Prior period adjustment	<u>(987,855)</u>	<u>(23,263)</u>	<u>(890,707)</u>	<u>(964,592)</u>	4146.5%
Restated Net Position, Beginning of Year	<u>454,255,345</u>	<u>431,450,602</u>	<u>404,299,667</u>	<u>22,804,743</u>	5.3%
Ending Net Position	<u>\$ 482,613,668</u>	<u>\$ 455,243,200</u>	<u>\$ 431,473,865</u>	<u>\$ 27,370,468</u>	6.0%

The District's increase in net position of \$27.4 million is primarily due to the following:

- A marginal rate increase in sewer service charges and investment returns.
- The District received \$7.4 million in connection fees and \$11.8 million in contributed capital as a result of ongoing residential development activity within the service area.

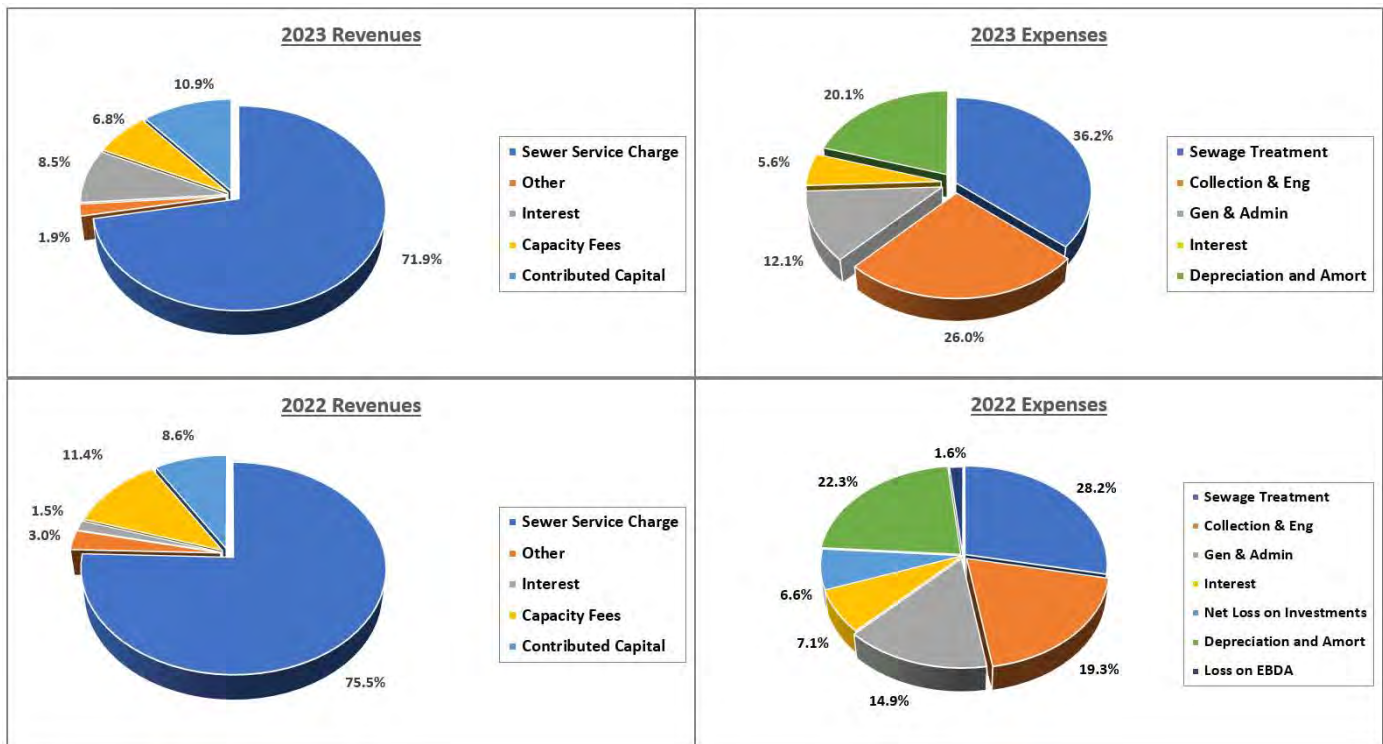
UNION SANITARY DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2023

Overall, the District’s operating revenues increased 4.3% or \$3.3 million from FY 2022. Sewer service revenues for the year increased by 5.6% or \$4.2 million. Other operating revenues decreased by 30.6% or \$0.9 million from prior year as the result of a decrease in permits and compliance fees received from the service area. For both commercial and residential development, connection fee revenues decreased 33.9%, or \$3.8 million from prior year as a result. Contributed capital increased 41.3% or \$3.5 million.

The gain on equity investment in East Bay Dischargers Authority (EBDA) was \$.04 million. Investment income increased by \$12.6 million resulting in a \$9.2 million gain in FY 2023. Aside from unrealized gains and losses, the District had positive earned interest of \$7.5 million for FY 2023. Higher returns from LAIF, CAMP, and managed portfolio investments resulted in a weighted investment yield at June 30, 2023, of 4.13%, with a weighted average portfolio life of 261 days compared to a weighted investment yield at June 30, 2022, of 1.16%, with a weighted average portfolio life of 289 days.

The District’s operating expenses, before depreciation, increased from the prior year by \$13.4 million.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2023, the District had \$428.7 million invested in a broad range of capital assets, including facilities and equipment for the plant, collections, and administrative facilities. This amount represents a net increase of \$55.4 million compared to the prior year. The net change consisted of total additions of \$72.5 million, net deletions and adjustments of \$1.0 million and depreciation of \$16.1 million.

UNION SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

The District has outstanding construction contract commitments on capital projects approximating \$195.3 million at June 30, 2023. During the year ended June 30, 2023, major projects and related activity included:

Table 3 – Additions to CIP

Campus Building (Admin, FMC, Ops)	\$ 25,644,677
MP - Aeration Basin Modifications	14,262,571
Standby Power System Upgrade	10,041,309
Aeration Basin No. 8	4,638,273
ETSU 1A - Plant 12kV Switchgear	1,731,075
ETSU 1A - Blower 7-10 Replacement	1,272,622
ETSU Phase 1B Project	970,146
Alvarado Influent PS Pumps and VFDs	470,396
ETSU Phase 1A - Campus-Site Drainage Improvements	249,648
Aeration Blower 11 (High Speed)	223,893
ETSU 1A - Aeration Internal Lift Pumps	133,543
Pump Stations Chemical System Improvements	129,972
WAS Thickeners	126,647
Emergency Outfall Outlet Improvements	82,511
Centrifuge Building Improvements	70,088
Others	252,767
Total	<u>\$ 60,300,138</u>

This year's additions (placed into service) included:

Table 4 – Total CIP Placed into Service

Calcium Thiosulfate Chemical Tank	\$ 1,140,959
Cathodic Protection Improvements - Plant	734,477
Total	<u>\$ 1,875,436</u>

More detailed information about the District's capital assets is presented in Note 2 to the financial statements.

Debt Administration

At year-end, the District had \$173.1 million in debt outstanding versus \$178.4 million last year.

Other obligations include accrued vacation pay and sick leave. More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.

UNION SANITARY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

NEW SIGNIFICANT ACCOUNTING STANDARDS IMPLEMENTED

In fiscal year 2023, the following Governmental Accounting Standards Board (GASB) pronouncements impacted the District:

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

NEXT YEAR'S BUDGET AND RATES

The Board of Directors adopted the FY 2024 Budget with total appropriations of \$162.9 million which is an increase over the prior year budget of \$25.0 million. Of that amount, \$84.6 million has been appropriated for capital projects (both for design and construction) such as the Enhanced Treatment & Site Upgrade (ETSU) program, series of prior Master Plan (MP) projects, Standby Power Generation System Upgrade, and Forcemain Corrosion Repairs to name a few. The budget also includes \$4.2 million in special projects (including some new and some continuing efforts) such as property acquisitions, Alvarado Basin capacity and condition assessment, digester efficiency, and various other project studies. To stay competitive with the market, the appropriations include a cost of living increase of 4.2% for employees.

This budget also includes certain rate increase as part of an approved five-year rate plan that became effective on July 1, 2021. Total estimated revenues for FY 2024 are \$110.8 million which is an increase of \$23.6 million over the prior year budget and includes \$12.3 million in projected state revolving fund loan proceeds. The balance of the increase is largely attributable to increases in Sewer Service Charges and investment earnings. Major revenue items are sewer service charges of \$84.2 million, capacity fee revenues of \$8.4 million, interest earnings of \$4.5 million, and other revenues of \$1.4 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at (510) 477-7500.

BASIC FINANCIAL STATEMENTS

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Union Sanitary District

Statement of Net Position

June 30, 2023 (with comparative information for June 30, 2022)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,957,167	\$ 64,751,949
Investments	205,201,101	128,308,418
Receivables:		
Accounts, net	5,529,418	6,978,714
Accrued interest	248,351	491,838
Lease	46,883	59,363
Inventories	933,496	949,649
Prepaid expenses	38,576	42,690
Total current assets	<u>216,954,992</u>	<u>201,582,621</u>
Noncurrent assets:		
Nondepreciable capital assets		
Land and improvements	5,395,903	5,395,903
Construction in progress	145,520,007	88,083,164
Capacity permits and easements	6,415,898	6,415,898
Depreciable capital assets		
Utility plant in service	715,526,522	701,677,460
Less: accumulated depreciation	(444,193,363)	(428,325,087)
Intangible right-to-use assets, net	20,396	43,865
Net capital assets	<u>428,685,363</u>	<u>373,291,203</u>
Other assets:		
Restricted cash and cash equivalents	3,572,498	1,357,570
Restricted investments	67,554,090	105,927,563
Investment in East Bay Dischargers Authority	11,929,174	11,892,793
Total other assets	<u>83,055,762</u>	<u>119,177,926</u>
Total assets	<u>728,696,117</u>	<u>694,051,750</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension	17,230,476	7,944,983
Deferred outflows of resources related to OPEB	3,262,966	2,250,654
Total deferred outflows of resources	<u>20,493,442</u>	<u>10,195,637</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expense	19,124,304	6,824,233
Accrued payroll and related expenses	1,144,234	1,144,262
Interest payable	1,670,897	1,724,362
Customer deposits	3,451,822	3,742,596
Accrued compensated absences	1,483,045	1,487,952
Bonds payable, current portion	4,705,000	4,530,000
Lease payable, current portion	17,441	21,667
Total current liabilities	<u>31,596,743</u>	<u>19,475,072</u>
Noncurrent liabilities:		
Bonds payable	168,440,790	173,821,348
Net pension liability	62,022,358	39,420,078
Net OPEB liability	3,692,996	2,469,281
Lease payable	2,991	20,432
Total noncurrent liabilities	<u>234,159,135</u>	<u>215,731,139</u>
Total liabilities	<u>265,755,878</u>	<u>235,206,211</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension	345,982	12,055,141
Deferred inflows of resources related to OPEB	440,392	1,699,105
Deferred inflows of resources related to leases	33,639	43,730
Total deferred inflows of resources	<u>820,013</u>	<u>13,797,976</u>
NET POSITION		
Net investment in capital assets	302,099,845	292,113,978
Restricted for:		
Capacity purposes	116,391,069	119,247,498
Debt service	4,288,560	4,287,201
Funds held for faithful performance	3,576,138	1,362,569
Unrestricted	56,258,056	38,231,954
Total net position	<u>\$ 482,613,668</u>	<u>\$ 455,243,200</u>

See accompanying Notes to Basic Financial Statements.

Union Sanitary District

Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2023 (with comparative information for the year ended June 30, 2022)

	2023	2022
OPERATING REVENUES:		
Sewer service charges (SSC)	\$ 77,986,322	\$ 73,822,317
Other operating revenues	2,016,561	2,904,824
Total operating revenues	<u>80,002,883</u>	<u>76,727,141</u>
OPERATING EXPENSES:		
Sewage treatment	28,978,541	20,862,815
Sewage collection and engineering	20,869,937	14,258,113
General and administrative	9,684,617	11,059,626
Total operating expenses before depreciation and amortization	<u>59,533,095</u>	<u>46,180,554</u>
Depreciation and amortization	16,133,324	16,411,378
Total operating expenses	<u>75,666,419</u>	<u>62,591,932</u>
OPERATING INCOME (LOSS)	<u>4,336,464</u>	<u>14,135,209</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss) and realized gains and (losses)	7,478,473	1,504,181
Unrealized investment gain (loss)	1,750,746	(4,899,280)
Interest and fiscal charges	(4,451,379)	(5,275,070)
Lease revenue	12,239	12,728
Gain (loss) on equity investment in East Bay Dischargers Authority	36,382	(1,219,804)
Gain (loss) on disposal of capital assets	(12,711)	14,969
Total nonoperating revenues (expenses)	<u>4,813,750</u>	<u>(9,862,276)</u>
Income before contributed capital	9,150,214	4,272,933
Connection fees and other contributed capital	19,208,109	19,519,665
Change in net position	<u>28,358,323</u>	<u>23,792,598</u>
NET POSITION:		
Beginning of fiscal year	455,243,200	431,473,865
Restatements	(987,855)	(23,263)
Beginning of fiscal year, as restated	<u>454,255,345</u>	<u>431,450,602</u>
End of fiscal year	<u>\$ 482,613,668</u>	<u>\$ 455,243,200</u>

Union Sanitary District

Statement of Cash Flows

For the year ended June 30, 2023 (with comparative information for the year ended June 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers and users	\$ 81,452,179	\$ 76,323,701
Payments to suppliers for goods and services	(37,528,140)	(17,290,973)
Payments to employees for services	(9,129,234)	(31,771,274)
Receipts from (return of) customer deposits	(290,774)	(125,546)
Net cash provided by (used in) operating activities	34,504,031	27,135,908
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from capital debt	-	110,626,705
Capital contributions	7,371,192	11,145,152
Acquisition and construction of capital assets	(60,706,664)	(26,457,013)
Principal paid on capital debt	(4,530,000)	(2,575,000)
Interest and fiscal charges paid on capital debt	(5,180,401)	(4,916,914)
Principal paid on lease liability	(21,667)	(25,695)
Collections on lease receivable	12,480	14,628
Proceeds from sales of capital assets	15,532	14,969
Net cash provided by (used in) noncapital financing activities	(63,039,528)	87,826,832
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturity (purchase) of investments	(36,768,464)	(55,044,934)
Interest received	7,724,107	1,253,911
Net cash provided by (used in) investing activities	(29,044,357)	(53,791,023)
Net cash flows	(57,579,854)	61,171,717
CASH AND CASH EQUIVALENTS - Beginning of year	66,109,519	4,937,802
CASH AND CASH EQUIVALENTS - End of year	\$ 8,529,665	\$ 66,109,519
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 4,336,464	\$ 14,135,209
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	16,133,324	16,411,378
Increase (decrease) in pension related items	1,607,628	(3,062,340)
Increase (decrease) in OPEB related items	(1,047,310)	(1,458,012)
(Increase) decrease in accounts receivable	1,449,296	(403,440)
(Increase) decrease in inventories and other	20,267	(163,711)
Increase (decrease) in accounts payable and accrued expenses	12,300,071	1,981,242
Increase (decrease) in accrued liabilities	(28)	(16,580)
Increase (decrease) in customer deposits	(290,774)	(125,546)
Increase (decrease) in compensated absences	(4,907)	(162,292)
Total adjustments	30,167,567	13,000,699
Net cash provided by (used in) operating activities	\$ 34,504,031	\$ 27,135,908
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Contributions of capital assets	11,836,917	8,374,513
Gain (loss) on disposal of capital assets	(12,711)	14,969
Increase (decrease) in equity in East Bay Dischargers Authority	36,382	(1,219,804)
Amortization of premiums on long-term debt	(675,557)	(613,771)
Restatement of equity due to CIP adjustment	(987,855)	(23,263)

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NOTES TO BASIC FINANCIAL STATEMENTS

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Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Union Sanitary District (the “District”) operates pursuant to Division 6 of the Health and Safety Code of the State of California (Sanitary District Act of 1923, as amended). The District, which was established in 1918 and subsequently reorganized in 1923, is empowered to own and operate wastewater facilities, and the Board of Directors may prescribe, revise and collect fees or charges for services and facilities of the District in connection with its wastewater system.

The District is governed by a five-member Board of Directors elected by wards for four-year staggered terms. The election is at-large and non-partisan. The Board appoints the General Manager to manage and oversee the day-to-day operations.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to enterprise governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. The GASB establishes standards for external financial reporting for all state and local governmental entities, which require a management and discussion and analysis section, a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets, restricted, and unrestricted.

The Financial Reporting Entity

For financial reporting purposes component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable, and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District considered all potential component units in determining what organizations should be included in the financial statements. The District includes all funds that are controlled by, or dependent upon the Board of Directors of the District.

On January 13, 2020, the District entered into a joint powers’ agreement with the California Municipal Finance Authority to create the Union Sanitary District Financing Authority, a blended component unit of the District. The authority is authorized to buy, sell, lease, and use property and to incur indebtedness for public purposes pursuant to the California Health and Safety Code, the California Government Code and other laws of the State of California. This agreement was made for the purpose of assisting in the financing and refinancing of capital improvement projects of the District and to finance working capital for the District and financing other authorized costs. The activities of the authority are blended in the District’s financial statements.

In addition, the District’s share of a Joint Powers Authority (East Bay Dischargers Authority) is reflected based upon the District’s proportionate share of its investment in the discharge facilities in the Authority (see Note 5).

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Basis of Accounting and Measurement Focus

The financial statements of the District are presented as those of an enterprise fund under the broad category of funds called proprietary funds, which also include internal service funds. All proprietary funds utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred, or economic asset utilized.

Enterprise funds account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The acquisition and capital improvement of the physical plant facilities requires that these goods and services be financed from existing cash resources, cash flow from operations, the issuance of debt, and contributed capital.

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

B. Cash and Cash Equivalents

The District considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired, to be cash equivalents. As of June 30, 2023, cash equivalents consist of U.S. Treasury funds in a sweep account and money market funds.

Certain cash and cash equivalents have been placed into escrow according to the requirements of ongoing construction contracts. Accordingly, such cash and cash equivalents have been classified as restricted in the accompanying financial statements.

C. Investments

Investments, which consist of short-term, fixed-income securities at June 30, 2023, are recorded at fair value using quoted market prices. The related net realized and unrealized gains (losses) on investments are recognized in the accompanying statement of revenues expenses, and changes in net position.

D. Inventory

Inventory is held for consumption and is recorded at cost using the first-in-first-out (FIFO) basis.

E. Capital Assets

Capital assets, including costs of addition to utility plant and major replacements of property, are capitalized and stated at cost. The District's capitalization threshold is \$10,000. Such capital costs include materials, direct labor, transportation, and such indirect costs as interest and contracted engineering. Contributed property is recorded at acquisition value as of the date of donation. Repairs, maintenance, and minor replacements of property are charges to expense.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Depreciation

The purpose of depreciation is to spread the cost of capital assets equitably among all customers over the life of those assets. The amount charged to depreciation expense each year represents that year's pro rata share of capital asset costs.

Depreciation of all capital assets in service is charged as an expense against operations each year. Accumulated depreciation, the total amount of depreciation taken over the years, is reported on the statement of net position as a reduction in the gross value of the capital assets.

Depreciation of capital assets in service is calculated using the straight-line method, dividing the cost of the asset by its expected useful life in years. The result is charged to expense each year until the asset is fully depreciated. It is the District's policy to utilize the half-year convention when calculating depreciation. The District has assigned the following useful lives to capital assets:

	Useful Lives
Sewage collection facilities	50 - 115 years
Sewage treatment structures	10 - 50 years
Administrative facilities	10 - 35 years
General equipment	3 - 35 years

The aggregate provision for depreciation was 2.99 percent of average depreciable plant during the year ended June 30, 2023.

G. Compensated Absences

Compensated absences, including accumulated unpaid vacation, sick pay, and other employee benefits, are accounted for as expenses in the year earned. The liability for compensated absences includes the vested portions of vacation, sick leave, and compensated time off. The liability for compensated absences is determined annually.

H. Net Position

Net position is measured on the full accrual basis and is the excess of all the District's assets and deferred outflows over all its liabilities and deferred inflows. Net position is classified into the following components: net investment in capital assets, restricted and unrestricted. Restricted net position describes the portion of net position which is restricted as to use by the terms and conditions of agreement with outside parties, governmental regulations, laws, enabling legislation or other restrictions which the District cannot unilaterally alter. It is the District's policy to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Net Position, Continued

The following categories of restricted net position are described as follows:

Net Position Restricted for Capacity Purposes – restricted for activities related to increases in the capacity of the collection and/or treatment systems.

Net Position Restricted for Debt Service – the bond trustee requires a contingency reserve for outstanding bond balances.

Net Position Restricted for Funds Held for Faithful Performance – Certain cash and cash equivalents have been placed into escrow according to the requirements of ongoing construction contracts. Accordingly, net position relating to such cash and cash equivalents have been classified as restricted in the accompanying financial statements.

I. Classification of Revenues and Expenses

Operating revenues consist primarily of sewer service charges to customers, which are billed and collected on behalf of the District by Alameda County (the County) as a separate component of semiannual property tax billings. Property taxes are levied on March 1 and are due in equal installments on November 1 and February 1. The County remits to the District those charges which are placed on the property tax roll and handles all delinquencies, retaining interest and penalties.

Non-operating revenues consist of investment income and special charges that can be used for either operating or capital purposes.

Capital contributions consist of contributed capital assets, connection, and capacity fees that are legally restricted for capital expenditures by State law or by Board actions that established those charges. Connection and capacity fees represent a one-time contribution of resources to the District, imposed on contractors and developers for the purpose of financing capital improvements.

Operating expenses are those expenses that are essential to the primary operations of the District. Operating expenses include costs related to wastewater collection and treatment, as well as engineering and general and administrative expenses. Other expenses such as investment losses, interest expense, and loss on retirement of capital assets are reported as non-operating expenses.

J. Use of Estimates

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

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. *Deferred Outflows/Inflows of Resources*

Deferred outflows of resources represent a consumption of net assets that applies to future reporting periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods. A deferred outflow of resources has a positive effect on net position, similar to assets, and a deferred inflow of resources has a negative effect on net position, similar to liabilities. The District has certain items relating to leases and the net pension and net OPEB liabilities, which qualify for reporting as deferred outflows of resources and deferred inflows of resources.

L. *Pensions*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous Plan of Union Sanitary District (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by California Public Employees Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. *Other Post-Employment Benefit (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan ("OPEB Plan"), the assets of which are held by CalPERS, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

N. *Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Recognition of Deferred Outflows and Deferred Inflows of Resources, Continued

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earning on OPEB plan investments	5 years
All other Amounts	Expected average remaining service lifetime (EARSL) (6.77 years at June 30, 2022)

O. Leases

Lessee: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use asset (lease asset) in the financial statements. The District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the intangible right-to-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Intangible right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Leases, Continued

Lessor: The District is a lessor for a noncancellable lease of a cell tower site. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

P. Implementation of New Accounting Standards

During the year ended June 30, 2023, the District implemented the following new accounting standards issues by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 91, Conduit Debt Obligation. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligation, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements – often characterized as leases – that are associated with conduit debt obligations. The requirements of this statement did not apply to the District during current fiscal year.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Implementation of New Accounting Standards, Continued

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement did not apply to the District during current fiscal year.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a tight-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this statement did not apply to the District during current fiscal year.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements, from which this selected financial data was derived.

2. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, is summarized as follows:

	Balance June 30, 2022	Adjustment*	Adjusted Balance	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated:							
Land and improvements	\$ 5,395,903	\$ -	\$ 5,395,903	\$ -	\$ -	\$ -	\$ 5,395,903
Construction in progress	88,083,164	(987,859)	87,095,305	60,300,138	-	(1,875,436)	145,520,007
Capacity permits and easements	6,415,898	-	6,415,898	-	-	-	6,415,898
Total capital assets, not being depreciated	99,894,965	(987,859)	98,907,106	60,300,138	-	(1,875,436)	157,331,808
Capital assets, being depreciated:							
Sewage collection facilities	470,660,904	-	470,660,904	11,836,918	-	-	482,497,822
Sewage treatment facilities	135,805,474	-	135,805,474	-	(123,499)	1,875,436	137,557,411
District facilities	78,854,436	-	78,854,436	25,070	(18,384)	-	78,861,122
General equipment	8,694,203	-	8,694,203	193,501	(95,813)	-	8,791,891
Fleet	7,662,443	-	7,662,443	176,662	(20,829)	-	7,818,276
Intangible right-to-use assets	144,302	-	144,302	-	(45,520)	-	98,782
Total capital assets, being depreciated	701,821,762	-	701,821,762	12,232,151	(304,045)	1,875,436	715,625,304
Less accumulated depreciation for:			-				
Sewage collection facilities	(287,551,225)	-	(287,551,225)	(9,017,604)	-	-	(296,568,829)
Sewage treatment facilities	(87,117,421)	-	(87,117,421)	(4,237,728)	102,916	-	(91,252,233)
District facilities	(40,292,219)	-	(40,292,219)	(2,071,113)	10,723	-	(42,352,609)
General equipment	(7,606,613)	-	(7,606,613)	(298,415)	95,813	-	(7,809,215)
Fleet	(5,757,608)	-	(5,757,608)	(473,698)	20,829	-	(6,210,477)
Intangible right-to-use assets	(100,438)	-	(100,438)	-	22,052	-	(78,386)
Total accumulated depreciation	(428,425,524)	-	(428,425,524)	(16,098,558)	252,333	-	(444,271,749)
Total capital assets being depreciated, net	273,396,238	-	273,396,238	(3,866,407)	(51,712)	1,875,436	271,353,555
Total capital assets	\$ 373,291,203	\$ (987,859)	\$ 372,303,344	\$ 56,433,731	\$ (51,712)	\$ -	\$ 428,685,363

Construction work in progress consists primarily of the direct construction costs associated with numerous District projects plus related construction overhead. The District has outstanding construction contract commitments on capital projects approximating \$195.3 million at June 30, 2023.

* Adjustments to remove prior year additions to construction-in-progress (CIP). These costs have been determined not capitalizable and an adjustment was necessary to properly state capital assets.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CASH AND INVESTMENTS

A. Summary of Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments at June 30, 2023, are detailed as follows:

Cash and cash equivalents	\$ 4,957,167
Restricted cash and cash equivalents	3,572,498
Investments	205,201,101
Restricted Investments	67,554,090
	<u>281,284,856</u>
Total cash and cash equivalents and investments	<u>\$ 281,284,856</u>

B. Authorized Investments by the District

The District's investment policy and the California Government Code allow the District to invest in the following investments, with certain limiting provisions that address interest rate, risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Remaining Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agencies Obligations (a)	5 years	N/A	None	None
Banker's Acceptances (b)	180 days	A-1	40%	5%
Certificates of Deposit	5 years	N/A	20%	5%
Negotiable Certificates of Deposit	5 years	N/A	30%	5%
Repurchase Agreements (c)	90 days	A-1 / A	10%	5%
Commercial Paper	270 days	A-1 / A	25%	5%
Local Agency Investment Fund (LAIF)- Unrestricted	N/A	N/A	70%	None
Corporate Notes (d)	5 years	A	30%	5%
Mortgage Pass-through and Asset- Backed Securities	5 years	AA	20%	5%
Money Market Funds	N/A	AAA _m	20%	5%

a) Securities issued by agencies sponsored by the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC). There is an exception with federal agency mortgage-backed securities, which are limited to 20% of the portfolio.

b) Bankers Acceptances issued by institutions the short term obligations of which are rated at a minimum of "P1" by Moody's Investor Services (Moody's) and A1 by Standard & Poor's, Inc. (S&P); or if the short term obligations are unrated, the long-term obligations of which are rated a minimum of "A" by S&P.

c) Repurchase agreements must be collateralized with U.S. Treasury Obligation or U.S. Agency Securities, which must maintain a market value of at least 102% of the principal of the repurchase agreement.

d) Securities shall be issued by corporations rated a minimum of "A" by S&P.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2023:

	Maturities of			
	12 Months Or Less	12 to 24 Months	25 to 60 Months	Total
U.S. Treasury Obligation	\$ 16,439,407	\$ 6,032,910	\$ 26,653,980	\$ 49,126,297
U.S. Treasury Obligation - Restricted	40,184,118	-	-	40,184,118
U.S. Agency Obligations:				
FCB	1,605,615	-	-	1,605,615
FHLB	-	518,017	-	518,017
FHLB - Restricted	22,468,833	-	-	22,468,833
FHLMC	516,355	-	1,973,639	2,489,994
FNMA	1,045,185	3,234,213	2,264,470	6,543,868
FACM	-	-	479,902	479,902
Corporate Notes	-	1,682,637	5,146,608	6,829,245
Certificate of Deposit	5,000	686,641	-	691,641
Asset-Backed Securities	3,086	-	715,133	718,219
Commercial Paper	-	772,456	-	772,456
Investments Cash Balance	376,160	-	-	376,160
Investments Cash Balance - Restricted	461,453	-	-	461,453
LAIF - Unrestricted	1,612,876	-	-	1,612,876
LAIF - Restricted	140,622	-	-	140,622
California Asset Management Program Pool	137,735,877	-	-	137,735,877
Total Investments	222,594,587	12,926,874	37,233,732	272,755,193
Cash in bank	4,957,167	-	-	4,957,167
Restricted cash	3,572,496	-	-	3,572,496
Total Cash and Investments	\$ 231,124,250	\$ 12,926,874	\$ 37,233,732	\$ 281,284,856

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CASH AND INVESTMENTS, Continued

D. Local Agency Investment Fund (LAIF) Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The unrestricted portion of LAIF's balance is available for withdrawal on demand and is based in the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The restricted portion of LAIF's balance may only be withdrawn once a month. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills and corporations. The carrying value of LAIF approximates fair value. At June 30, 2023, the District had two accounts with LAIF, consisting of \$1,612,876 in unrestricted investments, and \$140,622 in restricted investments specific to the proceeds from the issuance of the Series 2020A Revenue Bonds, further discussed in footnote 6. At June 30, 2023, these investments mature in an average of 260 days.

E. California Asset Management Program (CAMP) Pool

The District is a voluntary participant in the California Asset Management Program (CAMP) Pool. CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 72 requirements. At June 30, 2023, the fair value was approximate to the District's cost. As of June 30, 2023, the District investment in CAMP is \$137,735,877.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CASH AND INVESTMENTS, Continued

F. Credit Risk, Continued

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the actual rating as of June 30, 2023, for each investment type:

Investment Type	Aaa	A1	A2	A3	Total
U.S. Treasury Obligation	\$ 49,126,297	\$ -	\$ -	\$ -	\$ 49,126,297
US Treasury Obligations - Restricted	20,598,672	15,416,477	-	-	36,015,149
U.S. Agency Obligations					
FFCB	1,605,615	-	-	-	1,605,615
FHLB	518,017	-	-	-	518,017
FHLB - Restricted	-	22,468,833	-	-	22,468,833
FHLMC	2,489,994	-	-	-	2,489,994
FNMA	6,543,868	-	-	-	6,543,868
FACM	479,902	-	-	-	479,902
Commercial paper	772,456	-	-	-	772,456
Corporate Notes	684,901	3,603,602	2,272,830	267,912	6,829,245
Certificates of Deposit	-	686,641	-	-	686,641
Asset-Backed Securities	718,219	-	-	-	718,219
Totals	\$ 83,537,941	\$ 42,175,553	\$ 2,272,830	\$ 267,912	\$ 128,254,236

Exempt from credit rate disclosure

U.S. Treasury Obligations

Not Rated

Asset-Backed Securities

Certificate of Deposits

Investments Cash Balance

Investments Cash Balance - Restricted

US Treasury Obligations - Restricted

California Local Agency Investment Fund (LAIF) - Unrestricted

California Local Agency Investment Fund (LAIF) - Restricted

California Asset Management Program (CAMP)

Cash and cash equivalents

Cash in Bank

Restricted Cash

Total Cash, Cash Equivalents and Investments

5,000
376,160
461,453
4,168,969
1,612,876
140,622
137,735,877
4,957,167
3,572,496
\$ 281,284,856

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CASH AND INVESTMENTS, Continued

G. Concentration of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer.

As of fiscal year ended June 30, 2023, none of the District's investments had concentrations in any single issuer greater than 5 percent.

H. Custodial Credit Risk

Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy, as well as the California Government Code, requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2023, the District's total bank balance of \$6,229,423 was either collateralized or insured by the Federal Deposit Insurance Corporation (FDIC). Certificates of Deposit were also collateralized.

Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. However, the District's policy states that all security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery, or by third party custodial agreement as required by CGC Section 53601. The collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC Section 53601(i) (2).

4. FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. FAIR VALUE MEASUREMENTS, Continued

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Local Agency Investment Funds/State Investment Pools (LAIF) and California Asset Management Program (CAMP) pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The District reports its investment in CAMP on an amortized cost basis. The balance of LAIF's unrestricted portion and CAMP are available for withdrawal on demand. The balance of LAIF's restricted portion may only be withdrawn once a month.

The District's fair value measurements are as follows at June 30, 2023:

Investment Type	Fair Value	Level 1 Inputs	Level 2 Inputs	Uncategorized
US Treasury Obligations	\$ 49,126,297	\$ 49,126,297	\$ -	\$ -
US Treasury Obligations - Restricted	40,184,118	40,184,118	-	-
US Agency Obligations				
FFCB	1,605,615	-	1,605,615	-
FHLB	518,017	-	518,017	-
FHLB - Restricted	22,468,833	-	22,468,833	-
FHLMC	2,489,994	-	2,489,994	-
FNMA	6,543,868	-	6,543,868	-
FACM	479,902	-	479,902	-
Corporate Notes	6,829,245	-	6,829,245	-
Certificate of Deposit	691,641	-	691,641	-
Asset-Backed Securities	718,219	-	718,219	-
Commercial Paper	772,456	-	772,456	-
LAIF - Unrestricted	1,612,876	-	-	1,612,876
LAIF - Restricted	140,622	-	-	140,622
California Assset Management Program Pool	137,735,877	-	-	137,735,877
Totals	\$ 271,917,580	\$ 89,310,415	\$ 43,117,790	\$ 139,489,375

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. JOINT VENTURES

A. Alameda County Water District Financing Authority

The Alameda County Water District Financing Authority, a Joint Powers Authority, was established through Joint Exercise of Powers Agreement between the Alameda County Water District (ACWD) and Union Sanitary District (USD) on November 14, 2011 for the purpose of assisting in the financing and refinancing of capital improvement projects of the ACWD and to finance working capital for the ACWD. The assets, debts, liabilities, and obligations of the Authority do not constitute assets, debts, liabilities, and obligations of Union Sanitary District. The Authority is administered by the Board, which consists of one member from Union Sanitary District and five members from the Alameda County Water District.

B. Investment in East Bay Dischargers Authority

The District has an 42.1 percent interest in East Bay Discharges Authority (EBDA), a Joint Powers Authority established under the Joint Exercise of Powers Act of the State of California. As a separate legal entity, EBDA exercises full power and authority within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of EBDA are not those of the District and the other participating entities.

EBDA constructed and operates an export pumping facility through which all treated wastewater in the area is discharged. The other participants (and their ownership percentages) are the City of Hayward (14.72 percent), the City of San Leandro (13.74 percent), Oro Loma Sanitary District (19.44 percent), and Castro Valley Sanitary District (10.30 percent). The District has rights to 42.1 percent of EBDA’s capacity.

EBDA is governed by a board of directors consisting of representatives from each member agency. The board controls the operations of EBDA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the Board.

Because the District has the ability to exercise influence over operating and financial policies of EBDA, the District’s proportionate share of EBDA’s net position, excluding sole use of facilities, and the District’s share of its undivided ownership (42.1 percent) in EBDA’s total net equity, has been recorded as an investment in EBDA accounted for under the equity method.

Summary financial information for EBDA, as of June 30, 2022, and for the years then ended, the most recent audited information available, is as follows:

	2022
Total assets and deferred outputs	\$ 30,208,384
Total liabilities and deferred inflows	(1,873,053)
Net position value of EBDA	<u>\$ 28,335,331</u>
District's share at 42.1%	<u>\$ 11,929,174</u>
Net gain on equity investment in EBDA	<u>\$ 36,382</u>

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. JOINT VENTURES

B. Investment in East Bay Dischargers Authority, Continued

EBDA has no outstanding debt.

During fiscal year ended June 30, 2023, the District was charged \$1,455,384 by EBDA primarily for operating costs. Such costs are included in the wastewater treatment expenses by the District for financial reporting purposes.

The financial statement for EBDA may be obtained from the EBDA, 2651 Grant Avenue, San Lorenzo, California 94580-1841.

6. LONG-TERM OBLIGATIONS

Long-term obligations at June 30, 2023, are summarized as below:

	Maturity Date	Interest Rate	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
Public Offerings:							
Series 2020A Revenue Bonds	9/1/2050	4.00%	\$ 59,295,000	\$ -	\$ 2,670,000	\$ 56,625,000	\$ 2,780,000
Premium - Series 2020A Revenue Bonds			8,738,580	-	304,835	8,433,745	-
Series 2021A Revenue Bonds	9/1/2051	2.25%	99,505,000	-	1,860,000	97,645,000	1,925,000
Premium - Series 2021A Revenue Bonds			10,812,768	-	370,723	10,442,045	-
			<u>\$178,351,348</u>	<u>\$ -</u>	<u>\$ 5,205,558</u>	<u>\$173,145,790</u>	<u>\$ 4,705,000</u>

A. Series 2020A Revenue Bonds

During February 2020, the Union Sanitary District Financing Authority (USDFA) issued \$64,160,000 in revenue bonds. The interest rate on the loan is 4.0 percent and will be payable in thirty annual installments beginning September 1, 2020. The purpose of the bonds is to finance improvements to the wastewater system, pay off the District's obligations under various prior loan agreements with the California State Water Resources Control Board, proceeds of which were originally used to finance improvements to the wastewater system. The outstanding balance from this public offering contains a provision that in the occurrence or continuation of any event of default the trustee, at the written direction of the bond owners, must declare the principal of the bonds, together with the accrued interest, to be due and payable immediately and may exercise any other remedies available to the trustee and bond owners in law or at equity to enforce the rights of the bond owners. In addition, upon the occurrence and during the continuation of an event of default, interest on the bonds shall accrue at the default rate.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. LONG-TERM OBLIGATIONS, Continued

B. Series 2021A Revenue Bonds

During August 2021, the Union Sanitary District Financing Authority (USDFA) issued \$99,505,000 in revenue bonds. The interest rate on the loan is 2.25 percent and will be payable in thirty annual installments beginning September 1, 2022. The purpose of the bonds is to finance improvements to the wastewater system, specifically the District’s Enhanced Treatment and Site Upgrade Program (ETSU). The outstanding balance from this public offering contains a provision that in the occurrence or continuation of any event of default the trustee, at the written direction of the bond owners, must declare the principal of the bonds, together with the accrued interest, to be due and payable immediately and may exercise any other remedies available to the trustee and bond owners in law or at equity to enforce the rights of the bond owners. In addition, upon the occurrence and during the continuation of an event of default, interest on the bonds shall accrue at the default rate.

C. Debt Service Requirements

Future annual repayment requirements as of June 30, 2023, are as follows:

Fiscal Year Ended				
	June 30,	Principal	Interest	Total
2024	\$ 4,705,000	\$ 4,987,638	\$ 9,692,638	
2025	4,015,000	4,813,238	8,828,238	
2026	4,175,000	4,649,438	8,824,438	
2027	4,345,000	4,479,038	8,824,038	
2028	4,530,000	4,290,188	8,820,188	
2029-2033	25,430,000	18,373,662	43,803,662	
2034-2038	25,540,000	13,117,938	38,657,938	
2039-2043	26,345,000	8,878,988	35,223,988	
Thereafter	55,185,000	6,081,581	61,266,581	
Totals	<u>\$154,270,000</u>	<u>\$ 69,671,709</u>	<u>\$223,941,709</u>	

7. COMPENSATED ABSENCES

A summary of the changes in compensated absences for the year ended June 30, 2023, is as follows:

Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amount due within one year
\$ 1,487,952	\$ 1,444,281	\$ 1,449,188	\$ 1,483,045	\$ 1,483,045

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent employees are eligible to participate in the District’s separate Miscellaneous Plan, agent multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at <https://www.calpers.ca.gov/page/employers/actuarial-resources/public-agency-actuarial-valuation-reports>.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at the measurement date, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50+	52+
Monthly benefits, as a % of annual salary	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rate	8%	6.25%
Required employer normal contribution rate	10.200%	12.500%
Required employer payment of the Unfunded Liability	\$4,830,090	-

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Employees Covered

As of the June 30, 2022 measurement date, the following employees were covered by the benefit terms of the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	208
Inactive employees entitled to but not yet receiving benefits	65
Active employees	<u>137</u>
Totals	<u><u>410</u></u>

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

As of the measurement date for classic members, the average employee contribution rate was 8.0 percent of annual payroll, and the District's average rate was 10.2 percent of annual payroll. As of the measurement date for PEPRA members, the average employee contribution rate was 6.25 percent of annual payroll, and the District's average rate was 12.500 percent of annual payroll. The total contribution to the plan was \$6,758,524 for the year ended June 30, 2023.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022.

A summary of principal assumptions used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions.

	Miscellaneous
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal cost method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected Salary increases	Varies of Entry Age and Service
Mortality rate table (1)	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate generational mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2022, was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the 20 years using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The target allocation for the June 30, 2022, measurement date was as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a,b)
Global equity - cap-weighted	30%	4.54%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

(a) An expected inflation of 2.3% used for this period

(b) Figures are based on the 2021-22 asset liability management study

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the District are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021 (Measurement Date)	\$ 168,888,590	\$ 129,468,512	\$ 39,420,078
Change in the year:			
Service cost	3,739,424	-	3,739,424
Interest on total pension liability	11,807,804	-	11,807,804
Changes of assumptions	5,344,555	-	5,344,555
Differences between expected and actual experience	(469,547)	-	(469,547)
Contribution-employer	-	6,168,380	(6,168,380)
Contribution-employee	-	1,535,529	(1,535,529)
Net investment income	-	(9,803,302)	9,803,302
Administrative expenses	-	(80,651)	80,651
Benefit payments, including refunds of employee contributions	(9,011,428)	(9,011,428)	-
Net changes	11,410,808	(11,191,472)	22,602,280
Balance at June 30, 2022 (Measurement Date)	\$ 180,299,398	\$ 118,277,040	\$ 62,022,358

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District for the Plan, calculated using the discount rate, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	Miscellaneous
1% Decrease	5.90%
Net Pension Liability	\$ 85,050,750
Current Discount Rate	6.90%
Net Pension Liability	\$ 62,022,358
1% Increase	7.90%
Net Pension Liability	\$ 42,855,846

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

8. PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Pension Plan Fiduciary Net Position

Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expense and Deferred Outflows/(Inflows) of Resources Related to Pensions

For the year ended June 30, 2023, the District recognized pension expense of \$8,331,313. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Pension contributions subsequent to measurement date	\$ 6,758,524	\$ -
Differences between expected and actual experience	597,318	(345,982)
Changes in assumptions	3,938,093	-
Net differences between projected and actual earnings on plan investments	5,936,541	-
	<u>\$ 17,230,476</u>	<u>\$ (345,982)</u>

The amount of \$6,758,524 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows of Resources
	<u> </u>
2024	\$ 2,693,700
2025	2,256,605
2026	1,440,375
2027	3,735,290
Total	<u>\$ 10,125,970</u>

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. OTHER RETIREMENT BENEFITS

A. Post-Employment Healthcare Benefit (OPEB)

Plan Description

The District’s defined benefit post-employment healthcare plan provides medical benefits to employees who satisfy the requirements for retirement under CalPERS (attained age 50 with five years of service or satisfaction of the requirements for a disability retirement.) The amount of the retiree’s medical benefit is dependent upon both years of service with the District and the year the employee retires.

The District contracts with CalPERS to administer its retiree health benefit plan (an agent multiple-employer plan) and to provide an investment vehicle, the California Employers’ Retiree Benefit Trust Fund, to prefund future OPEB costs. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees’ Retirement Law. The District chooses among the menu of benefit provisions and adopts certain benefit provisions by Board resolution. CalPERS issues a separate Annual Comprehensive Financial Report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California, 95814.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	145
Inactive employees or beneficiaries currently receiving benefits	106
Inactive employees entitled to but not yet receiving benefits	33
	284
	284

Contributions

The Plan and its contribution requirements are established by Memorandum of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2022, the District’s contributions were \$1,585,134 in total payments, which were recognized as a reduction to the OPEB liability.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. OTHER RETIREMENT BENEFITS, Continued

A. Post-Employment Healthcare Benefit (OPEB), Continued

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, that was used to determine the June 30, 2023, total OPEB liability, based on the following actuarial methods and assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial funding method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	5.60%
Inflation	2.50%
Salary increases	3.00% per year, used only to allocated to costs of benefits between service years
Investment rate of return	5.60%
Mortality rate*	MacLeod Watts Scale 2020, applied generationally from 2015
Pre-retirement turnover*	MacLeod Watts Scale 2020, applied generationally from 2015
Healthcare trend rate	Medical plan premiums are assumed to increase once each year, with the assumed medical inflation of 5.70% and ultimate trend of 4.00% per year

Notes:

Healthcare trend was developed using the Getzen Model 2021_b published by the Society of Actuaries.

*MacLeod Watts Scale 2020 was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2019 Report, published in October 2019 and (2) the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published in April 2019. Scale MP-2019 can be found at the SOA website and the projection scales used in the 2019 Social Security Administrations Trustees Report at the Social Security Administration

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. OTHER RETIREMENT BENEFITS, Continued

A. Post-Employment Healthcare Benefit (OPEB), Continued

Net OPEB Liability, Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Real Return Years 1-5*	Expected Real Return Years 6 -20**
Global equity	34.00%	4.40%	4.50%
Fixed income	41.00%	-1.00%	2.20%
Treasury inflation protected securities	5.00%	-1.80%	1.30%
Global real estate (REITs)	17.00%	3.00%	3.90%
Commodities	3.00%	0.80%	1.20%
Total	100.00%		

* A general inflation rate of 2.40% were used for these periods.

** A general inflation rate of 2.30% were used for these periods.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.60 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. OTHER RETIREMENT BENEFITS, Continued

A. Post-Employment Healthcare Benefit (OPEB), Continued

Changes in the OPEB Liability, Continued

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021 (Measurement Date)	\$ 13,337,073	\$ 10,867,792	\$ 2,469,281
Change in the year:			
Service cost	474,042	-	474,042
Interest on total OPEB liability	761,255	-	761,255
Changes due to investment experience	-	(2,132,339)	2,132,339
Changes in assumptions	77,922		77,922
Contribution-employer	-	1,585,134	(1,585,134)
Net investment income	-	639,655	(639,655)
Administrative expenses	-	(2,946)	2,946
Benefit payments, including refunds of employee contribution	(675,134)	(675,134)	-
Net changes	638,085	(585,630)	1,223,715
Balance at June 30, 2022 (Measurement Date)	\$ 13,975,158	\$ 10,282,162	\$ 3,692,996

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
Net OPEB Liability	\$ 5,402,617	\$ 3,692,996	\$ 2,254,650

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. OTHER RETIREMENT BENEFITS, Continued

A. Post-Employment Healthcare Benefit (OPEB), Continued

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 2,798,990	\$ 3,692,996	\$ 4,805,363

OPEB Plan Fiduciary Net Position

CalPERS issues a separate Annual Comprehensive Financial Report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California, 95814.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$573,724. As of fiscal year ended June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 1,621,034	\$ -
Changes of assumptions	616,590	204,594
Differences between expected and actual experience	-	235,798
Net difference between projected and actual earnings on OPEB plan investments	1,025,342	-
Total	<u>\$ 3,262,966</u>	<u>\$ 440,392</u>

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. OTHER RETIREMENT BENEFITS, Continued

A. Post-Employment Healthcare Benefit (OPEB), Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The \$1,621,034 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Deferred Inflows of Resources
2024	\$ 102,308
2025	206,679
2026	241,017
2027	547,124
2028	95,550
Thereafter	8,862
Total	<u>\$ 1,201,540</u>

B. 401(a) Plans

The District sponsors two internal Revenue Code Section 401(a) money purchase retirement plans for unclassified employees through the MissionSquare Retirement Corporation. The plans were established and can be amended by Board resolution and, for certain terms, by participant agreement. Eligibility for participation in a particular plan is dependent on job classification. Within each plan, participating employees contribute the same dollar amount of \$3,000 per year for employees under the management plan, and \$1,850 for employees under the professional plan, and the District makes matching contributions on their behalf. The District and the participants each contributed a total of \$6,000 and \$12,665 to the plans for the year ended June 30, 2023.

C. Deferred Compensation Plan

District employees may defer a portion of their compensation under a District sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distribution. Distributions may be made only at termination, retirement, death, or, in an emergency, as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District assets and are not subject to District control, they have been excluded from these general-purpose financial statements.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. LEASES

A. Lease Receivable

The District is reporting a lease receivable of \$46,883 at June 30, 2023. For 2023, the District recognized lease revenue of \$10,092 and interest revenue of \$2,147 related to lease payments received. This lease is summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Cell Site	\$ 46,883	\$ 10,092	\$ 2,147

Cell Site Lease - In November 2006, the District entered into a five-year renewable lease agreement with AT&T for the use of land for a cellular signal broadcast tower. The lease was renewed three times in 2011, 2016, and 2021 increasing the term to a total of 20 years. Based on these agreements, the District is receiving monthly payments through October 2026. The District is in negotiations regarding whether the lease will be extended. There is no additional renewal lease agreement, nor a reasonable basis upon which to estimate future payments, at this time.

The future lease revenue and related interest payments are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 12,989	\$ 1,639	\$ 14,628
2025	13,518	1,110	14,628
2026	14,069	559	14,628
2027	6,307	59	6,366
Totals	\$ 46,883	\$ 3,367	\$ 50,250

B. Lease Payable

The District is reporting lease payables of \$20,432 at June 30, 2023. For 2023, the District recognized lease principal expense of \$21,667 and interest expense of \$363 related to lease payments paid. Lease agreements are summarized as follows:

Lease	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance as of June 30, 2023
ETSU Trailer	12/9/2019	3 years	\$ 976	4.00%	\$ 33,165	\$ -
FMC Trailer	9/20/2018	3 years	1,135	4.00%	87,078	20,432
Total lease agreements						\$ 20,432

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. LEASES, Continued

B. Lease Payable, Continued

The Enhanced Treatment Site Upgrade (ETSU) Trailer was leased to provide a temporary workspace during the ETSU process starting in 2019. The lease did not include terms for renewal. There is no explicit interest rate on the agreement, so an implicit rate was used. The lease was repaid during the year ended June 30, 2023 and there was no amount payable at June 30, 2023.

The FMC Trailer was leased for work being performed to expand the Fabrication, Maintenance, and Construction department. The lease began in August 2018 for a term of three years with no explicit interest rate, so an implicit rate of 4.00% was used. This lease was renewable for up to three years and the District reasonably expects to exercise all 3 years of extensions. The District will not acquire the equipment at the end of the lease term.

Annual requirements to amortize long-term obligations and related interest are as follows:

Fiscal Year Ended				
June 30,	Principal	Interest	Total	
2024	\$ 17,441	\$ 325	\$	17,766
2025	2,991	15		3,006
Totals	<u>\$ 20,432</u>	<u>\$ 340</u>	<u>\$</u>	<u>20,772</u>

11. RISK MANAGEMENT

The District is a member of the California Sanitation Risk Management Authority (CSRMA). CSRMA covers general liability and workers’ compensation claims. In addition, commercial insurance is purchased for excess liability, property, and employee dishonesty coverage. The District has a \$500,000 deductible for general liability coverage, and no deductible for workers’ compensation coverage.

Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims. The District’s liability for uninsured claims is limited to general liability claims, as discussed above. Settled claims have not exceeded coverage in any of the past three years.

Union Sanitary District
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

12. COMMITMENTS AND CONTINGENT LIABILITIES

The District is contingently liable in connection with claims and contracts arising in the normal course of its activities. District management is of the opinion that the ultimate outcome of such matters will not have a significant effect on the financial position of the District.

Construction Contracts

The following material construction commitments existed at June 30, 2023:

Project Name	Total Committed Amount	Expenses to Date as of June 30, 2023	Remaining Commitment
MP - Aeration Basin Modifications	\$ 104,221,939	\$ 26,731,023	\$ 77,490,916
Campus Buildings (Admin, FMC, Ops)	83,048,444	31,389,665	51,658,779
Primary Digester No. 7	28,495,356	27,595,513	899,843
Standby Power System Upgrade	27,623,992	13,635,663	13,988,329
Aeration Basin No. 8	18,099,932	4,882,327	13,217,604
Cogeneration Project	15,080,010	12,019,034	3,060,976
Alvarado Influent PS Pumps and VFDS	11,499,812	10,484,958	1,014,854
ETSU 1A - Plant 12kV Switchgear	8,993,129	1,813,738	7,179,391
ETSU Phase 1B Project	8,158,030	3,740,359	4,417,671
Plant Miscellaneous Improvements	6,625,043	293,011	6,332,032
ETSU Phase 1A - Campus Site Drainage Improvements	6,588,769	262,787	6,325,982
Irvington Basin RCP Rehabilitation	6,423,869	5,809,091	614,778
ETSU 1A - Blower 7-10 Replacement	4,429,880	2,181,694	2,248,186
ETSU 1A - Aeration Internal Lift Pumps	3,915,079	140,572	3,774,507
Primary Digester No. 2 Rehabilitation	3,599,816	3,588,311	11,505
Emergency Outfall Outlet Improvements	2,469,675	2,467,213	2,462
Aeration Blower 11 (High Speed)	2,205,030	2,200,255	4,775
Force Main Corrosion Repairs Project Phase 3	1,723,097	1,380,955	342,142
Centrifuge Building Improvements	1,612,580	1,609,668	2,912
WAS Thickeners	1,378,988	1,254,565	124,423
Pump Stations Chemical System Improvements	1,049,664	765,869	283,795

13. RESTATEMENT OF PRIOR YEAR BALANCES

The various restatements of beginning net position and the reasons for each are as follows:

Beginning Net Position, as Previously Reported	\$ 455,243,200
Restatement (1)	(987,855)
Beginning Net Position, as Restated	\$ 454,255,345

(1) Beginning net position of the District was restated due to the removal of prior year additions to construction-in-progress (CIP). These costs have been determined not capitalizable and an adjustment was necessary to properly state capital assets.

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REQUIRED SUPPLEMENTARY INFORMATION

Union Sanitary District
Required Supplementary Information
For the year ended June 30, 2023

Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan
*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years***

Measurement Period	6/30/2022	6/30/2021	6/30/2020	6/30/2019
TOTAL PENSION LIABILITY				
Service cost	\$ 3,739,424	\$ 3,214,913	\$ 3,048,341	\$ 2,910,836
Interest on total pension liability	11,807,804	11,444,368	10,992,856	10,488,921
Differences between expected and actual experience	(469,547)		1,629,169	2,872,889
Changes in assumptions	5,344,555	610,315	-	-
Benefit payments, including refunds of employee contributions	(9,011,428)	(8,448,628)	(8,391,292)	(7,707,967)
Net change in the total pension liability	11,410,808	6,820,968	7,279,074	8,564,679
Total pension liability - beginning	168,888,590	162,067,622	154,788,548	146,223,869
Total pension liability - ending (a)	\$ 180,299,398	\$ 168,888,590	\$ 162,067,622	\$ 154,788,548
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 6,168,380	\$ 5,490,414	\$ 4,859,547	\$ 4,156,261
Contributions - employee	1,535,529	1,746,543	1,405,189	1,343,915
Net investment income	(9,803,302)	24,166,100	5,160,715	6,526,074
Benefit payments	(9,011,428)	(8,448,628)	(8,391,292)	(7,707,967)
Net Plan to Plan Resource Movement	-	-	-	231
Administrative expense	(80,651)	(106,507)	(146,238)	(70,995)
Net change in plan fiduciary net position	(11,191,472)	22,847,922	2,887,921	4,247,519
Plan fiduciary net position - beginning	129,468,512	106,620,590	103,732,669	99,485,150
Plan fiduciary net position - ending (b)	\$ 118,277,040	\$ 129,468,512	\$ 106,620,590	\$ 103,732,669
Net pension liability - ending (a) - (b)	\$ 62,022,358	\$ 39,420,078	\$ 55,447,032	\$ 51,055,879
Plan fiduciary net position as a percentage of the total pension liability	65.60%	76.66%	65.79%	67.02%
Covered payroll	\$ 19,629,523	\$ 18,669,646	\$ 17,429,049	\$ 16,612,465
Net pension liability as a percentage of covered payroll	315.96%	211.15%	318.13%	307.33%

Notes to the Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
\$ 2,751,248	\$ 2,818,370	\$ 2,413,856	\$ 2,285,511	\$ 2,338,837
9,904,222	9,548,343	9,157,444	8,707,550	8,205,194
810,456	900,525	621,331	1,118,325	-
(1,225,530)	7,589,483	-	(2,041,756)	-
(7,153,133)	(6,728,358)	(6,122,564)	(5,472,643)	(4,871,998)
5,087,263	14,128,363	6,070,067	4,596,987	5,672,033
141,136,606	127,008,243	120,938,176	116,341,189	110,669,156
<u>\$ 146,223,869</u>	<u>\$ 141,136,606</u>	<u>\$ 127,008,243</u>	<u>\$ 120,938,176</u>	<u>\$ 116,341,189</u>
\$ 3,473,052	\$ 3,203,124	\$ 2,770,226	\$ 2,536,676	\$ 2,428,874
1,296,037	1,256,350	1,206,505	1,187,621	1,356,767
7,910,460	9,631,126	490,693	2,002,533	13,223,974
(7,153,133)	(6,728,358)	(6,122,564)	(5,472,643)	(4,871,998)
(231)	-	-	(8,501)	-
(426,382)	(128,674)	(54,156)	(100,081)	-
5,099,803	7,233,568	(1,709,296)	145,605	12,137,617
94,385,347	87,151,779	88,861,075	88,715,470	76,577,853
<u>\$ 99,485,150</u>	<u>\$ 94,385,347</u>	<u>\$ 87,151,779</u>	<u>\$ 88,861,075</u>	<u>\$ 88,715,470</u>
<u>\$ 46,738,719</u>	<u>\$ 46,751,259</u>	<u>\$ 39,856,464</u>	<u>\$ 32,077,101</u>	<u>\$ 27,625,719</u>
68.04%	66.88%	68.62%	73.48%	76.25%
\$ 15,527,984	\$ 15,609,052	\$ 14,930,759	\$ 14,256,824	\$ 14,003,333
301.00%	299.51%	266.94%	224.99%	197.28%

Union Sanitary District
Required Supplementary Information
For the year ended June 30, 2023

*Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan - Last 10 Years***
Schedule of Plan Contributions

	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Actuarial Determined Contribution	\$ 6,168,380	\$ 5,490,414	\$ 4,859,547	\$ 4,156,261
Contribution in relation to the Actuarially Determined Contribution	(6,168,380)	(5,490,414)	(4,859,547)	(4,156,261)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,629,523	\$ 18,669,646	\$ 17,429,049	\$ 16,612,465
Contributions as a percentage of covered payroll	31.42%	29.41%	27.88%	25.02%

Notes to Schedule:

Valuation date June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method :	Entry Age Actuarial Cost Method
Amortization method:	For details, see June 30, 2019 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

**Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.



<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
\$ 3,473,052	\$ 3,203,124	\$ 2,770,226	\$ 2,536,676	\$ 2,428,874
<u>(3,473,052)</u>	<u>(3,203,124)</u>	<u>(2,770,226)</u>	<u>(2,536,676)</u>	<u>(2,428,874)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 15,527,984</u>	<u>\$ 15,609,052</u>	<u>\$ 14,930,759</u>	<u>\$ 14,256,824</u>	<u>\$ 14,003,333</u>
22.37%	20.52%	18.55%	17.79%	17.34%

Union Sanitary District
Required Supplementary Information
For the year ended June 30, 2023

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Fiscal Years ⁽¹⁾

Measurement Period	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total OPEB Liability				
Service cost	\$ 474,042	\$ 382,999	\$ 371,844	\$ 401,584
Interest on the total OPEB liability	761,255	765,839	738,140	808,836
Differences between expected and actual experience	-	(41,940)	-	(401,695)
Changes of assumptions	77,922	780,862	-	(390,123)
Benefit payments	(675,134)	(647,717)	(715,232)	(666,223)
Net change in the total OPEB liability	638,085	1,240,043	394,752	(247,621)
Total OPEB liability - beginning	13,337,073	12,097,030	11,702,278	11,949,899
Total OPEB liability - ending (a)	\$ 13,975,158	\$ 13,337,073	\$ 12,097,030	\$ 11,702,278
Plan Fiduciary Net Position				
Contribution - employer	\$ 1,585,134	\$ 1,356,071	\$ 1,623,254	\$ 1,546,756
Net investment income	(1,492,684)	1,709,097	427,895	457,085
Benefit payments	(675,134)	(647,717)	(715,232)	(666,223)
Administrative expense	(2,946)	(3,178)	(3,694)	(1,324)
Other expenses	-	-	-	-
Net change in plan fiduciary net position	(585,630)	2,414,273	1,332,223	1,336,294
Plan fiduciary net position - beginning	10,867,792	8,453,519	7,121,296	5,785,002
Plan fiduciary net position - ending (b)	\$ 10,282,162	\$ 10,867,792	\$ 8,453,519	\$ 7,121,296
Net OPEB Liability - ending (a) - (b)	\$ 3,692,996	\$ 2,469,281	\$ 3,643,511	\$ 4,580,982
Plan fiduciary net position as a percentage of the total OPEB liability	73.57%	81.49%	69.88%	60.85%
Covered-employee payroll	\$ 18,485,078	\$ 18,283,088	\$ 17,128,676	\$ 16,144,722
Net OPEB liability as a percentage of covered-employee payroll	19.98%	13.51%	21.27%	28.37%

Notes to Schedule:

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 388,943	\$ 420,836
773,775	832,649
-	(716,909)
-	(761,859)
<u>(642,551)</u>	<u>(592,698)</u>
520,167	(817,981)
11,429,732	12,247,713
<u>\$ 11,949,899</u>	<u>\$ 11,429,732</u>

\$ 920,935	\$ 767,866
326,192	355,878
(642,551)	(592,698)
(2,789)	(2,557)
<u>(6,865)</u>	-
594,922	528,489
5,190,080	4,661,591
<u>\$ 5,785,002</u>	<u>\$ 5,190,080</u>
<u>\$ 6,164,897</u>	<u>\$ 6,239,652</u>

48.41%	45.41%
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\$ 15,199,914	\$ 15,018,359
---------------	---------------

40.56%	41.55%
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Union Sanitary District
Required Supplementary Information
For the year ended June 30, 2023

*Schedule of OPEB Contributions - Last 10 Fiscal Years**

Fiscal Year Ended	2023	2022	2021	2020
Actuarially determined contribution	\$ 518,359	\$ 581,223	\$ 708,354	\$ 908,022
Contributions in relation to actuarially determined contributions	(1,621,034)	(1,585,134)	(1,356,071)	(1,623,254)
Contribution deficiency (excess)	<u>\$ (1,102,675)</u>	<u>\$ (1,003,911)</u>	<u>\$ (647,717)</u>	<u>\$ (715,232)</u>
Covered employee payroll	\$ 18,918,859	\$ 18,485,078	\$ 18,283,088	\$ 17,128,676
Contributions as a percentage of covered employee payroll	8.57%	8.58%	7.42%	9.48%
Percent of ADC contributed	312.72%	272.72%	191.44%	178.77%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule

Methods and assumptions used to determine contributions:

Valuation date used	6/30/2021	6/30/2021	6/30/2019	6/30/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of Pay	Level % of Pay	Level % of Pay	Level % of Pay
Amortization period	30 yr closed 16 remaining	30 yr closed 17 remaining	30 yr closed 18 remaining	30 yr closed 19 remaining
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.50%	2.75%
Healthcare cost trend rates	5.8% in 2021 to 4% in 2076 or later	5.8% in 2021 to 4% in 2076 or later	6.5% in 2021 to 4% in 2076 or later	7.5% in 2018 to 5%, step 0.5%
Salary increases	3.00%	3.00%	3.00%	3.25%
Investment rate of return	6.20%	6.20%	6.30%	6.73%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	CalPERS 2017	CalPERS 2017	CalPERS 2017	CalPERS 2014
Mortality improvement	MW Scale 2020 generational	MW Scale 2020 generational	MW Scale 2020 generational	MW Scale 2017 generational



<u>2019</u>	<u>2018</u>
\$ 880,553	\$ 988,550
<u>(1,546,756)</u>	<u>(923,656)</u>
<u>\$ (666,203)</u>	<u>\$ 64,894</u>
\$ 16,144,722	\$ 15,506,456
9.58%	5.96%
175.66%	93.44%

6/30/2017	6/30/2017
Entry Age	Entry Age
Normal	Normal
Level % of	Level % of
Pay	Pay
30 yr closed	30 yr closed
20 remaining	21 remaining
Market Value	Market Value
2.75%	2.75%

7.5% in 2018	7.5% in 2018
to 5%, step	to 5%, step
0.5%	0.5%
3.25%	3.25%
6.73%	6.73%
From 50 to 75	From 50 to 75
CalPERS 2014	CalPERS 2014
MW Scale	MW Scale
2017	2017
generational	generational

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SUPPLEMENTARY INFORMATION

Union Sanitary District
Schedule of Operating Expenses before Depreciation
For the years ended June 30, 2023 and 2022

	2023			Total
	Sewage Treatment	Sewage Collection & Engineering	General & Administrative	
Salaries and wages	\$ 7,796,968	\$ 9,213,522	\$ 3,682,366	\$ 20,692,856
Employee Benefits	4,746,271	5,685,495	2,411,453	12,843,219
Recruitment and development	98,665	105,847	237,826	442,338
Temporary help	41,654	80,283	79,580	201,517
Repairs and maintenance	2,191,523	741,485	12,285	2,945,293
Operating supplies	3,752,143	355,678	-	4,107,821
Office and safety supplies	182,092	260,582	441,271	883,945
Insurance	-	-	705,518	705,518
Contractual services	1,593,786	64,300	-	1,658,086
Professional services	196,247	92,052	1,556,357	1,844,656
Utilities	2,733,730	87,044	140,768	2,961,542
East Bay Dischargers Authority	-	-	-	-
operating charges	1,455,384	-	-	1,455,384
Non-capital projects	4,109,312	4,109,312	379,689	8,598,313
Sewer Service charge	-	-	-	-
administrative fee	37,504	37,504	37,504	112,512
Rents/Leases	43,262	36,833	-	80,095
Total	\$ 28,978,541	\$ 20,869,937	\$ 9,684,617	\$ 59,533,095

2022

	Sewage Treatment	Sewage Collection & Engineering	General & Administrative	Total
\$	7,380,684	\$ 8,981,611	\$ 3,768,638	\$ 20,130,933
	2,603,093	3,169,361	4,245,300	10,017,754
	39,864	62,773	212,797	315,433
	9,405	21,735	56,171	87,311
	1,810,502	643,967	14,562	2,469,031
	2,687,832	250,015	-	2,937,847
	150,710	186,405	269,018	606,133
	-	-	627,134	627,134
	1,422,015	86,172	-	1,508,187
	185,569	102,986	1,345,985	1,634,540
	2,412,289	91,768	146,352	2,650,410
	-	-	-	-
	1,485,410	-	-	1,485,410
	595,934	595,934	336,427	1,528,295
	-	-	-	-
	37,242	37,242	37,242	111,726
	42,266	28,144	-	70,410
\$	20,862,815	\$ 14,258,113	\$ 11,059,626	\$ 46,180,554

Union Sanitary District
Schedule of Insurance Coverage
For the years ended June 30, 2023 and 2022

The District's insurance policies and coverages in effect at June 30, 2023 are as follows:

General liability (pooled liability program)	
Bodily injury, property damage, and personal injury	\$ 15,500,000
Public entity errors and omissions and other related practices	15,500,000
Employment related practices	15,500,000
	Insured Value
Auto physical damage (primary insurance program)	\$ 3,014,700
Workers' compensation	1,750,000
Group health and life	Contract
Employee disability and salary continuance	Contract
Property insurance, all property	\$ 296,245,318
Accounts receivable	No sublimit
Employee dishonesty bond coverages:	
Public employee dishonesty bond	\$ 2,000,000
Forgery and alteration	\$ 2,000,000
Computer fraud	\$ 2,000,000

Statistical Section



ETSU Phase 1A - Campus Project

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The Statistical Section of Union Sanitary District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

UNION SANITARY DISTRICT

Changes in Net Position and Statement of Net Position by Component
Fiscal Years 2023 - 2019

Changes in Net Position	2023	2022	2021	2020	2019
Operating revenues					
Sewer service charges (SSC)	\$ 77,986,322	\$ 73,822,317	\$ 62,142,806	\$ 60,216,149	\$ 57,330,651
Other operating revenues	2,016,561	2,904,824	1,318,109	1,460,111	2,188,027
Total operating revenues	<u>80,002,883</u>	<u>76,727,141</u>	<u>63,460,915</u>	<u>61,676,260</u>	<u>59,518,678</u>
Operating expenses					
Sewage treatment	28,978,541	20,862,815	21,742,446	21,815,870	19,339,187
Sewage collection and engineering	20,869,937	14,258,113	16,426,192	16,596,589	14,519,186
General and administration	9,684,617	11,059,626	8,824,714	8,858,612	8,044,226
Total operating expenses before depreciation	<u>59,533,095</u>	<u>46,180,554</u>	<u>46,993,352</u>	<u>47,271,071</u>	<u>41,902,599</u>
Depreciation and amortization	16,133,324	16,411,378	16,514,431	16,819,345	17,857,275
Total operating expenses	<u>75,666,419</u>	<u>62,591,932</u>	<u>63,507,783</u>	<u>64,090,416</u>	<u>59,759,874</u>
Operating income (loss)	<u>4,336,464</u>	<u>14,135,209</u>	<u>(46,868)</u>	<u>(2,414,156)</u>	<u>(241,196)</u>
Nonoperating Revenues (Expenses)					
Investment income (loss)	7,478,473	1,504,181	1,575,105	3,369,382	2,657,356
Unrealized investment income (loss)	1,750,746	(4,899,280)	(1,336,731)	1,699,925	1,439,902
Interest and fiscal charges	(4,451,379)	(5,275,070)	(2,099,211)	(1,841,089)	(992,721)
Lease revenue	12,239	12,728	13,197	-	-
Gain (Loss) on disposal of capital assets	(12,711)	14,969	(5,840)	(45,982)	(6,606,751)
Gain (Loss) on equity investment in EBDA	36,382	(1,219,804)	7,355,380	(62,484)	(170,591)
Net Non-Operating Revenues (Expenses)	<u>4,813,750</u>	<u>(9,862,276)</u>	<u>5,501,900</u>	<u>3,119,752</u>	<u>(3,672,805)</u>
Income (Loss) before contributed capital	9,150,214	4,272,933	5,455,032	705,596	(3,914,001)
Connection fees and other contributed capital	19,208,109	19,519,665	21,719,168	19,761,607	17,896,415
Change in Net Position	28,358,323	23,792,598	27,174,200	20,467,203	13,982,414
Net Position, Beginning of fiscal year	455,243,200	431,473,865	405,190,372	385,331,061	371,508,117
Prior period adjustment - non-CIP project cost	(987,855)	(23,263)	(890,707)	(607,890)	(159,470)
Net Position, End of fiscal year	<u>\$482,613,668</u>	<u>\$455,243,200</u>	<u>\$431,473,865</u>	<u>\$405,190,374</u>	<u>\$385,331,061</u>
Statement of Net Position by Component					
Net investment in capital assets	\$302,099,845	\$292,113,978	\$290,100,929	\$283,568,402	\$284,632,017
Restricted	124,255,767	124,897,268	91,707,599	66,590,701	69,264,549
Unrestricted	<u>56,258,056</u>	<u>38,231,954</u>	<u>49,665,337</u>	<u>55,031,271</u>	<u>31,434,495</u>
Total USD Net Position	<u>\$482,613,668</u>	<u>\$455,243,200</u>	<u>\$431,473,865</u>	<u>\$405,190,374</u>	<u>\$385,331,061</u>

UNION SANITARY DISTRICT

Changes in Net Position and Statement of Net Position by Component
Fiscal Years 2018 - 2014

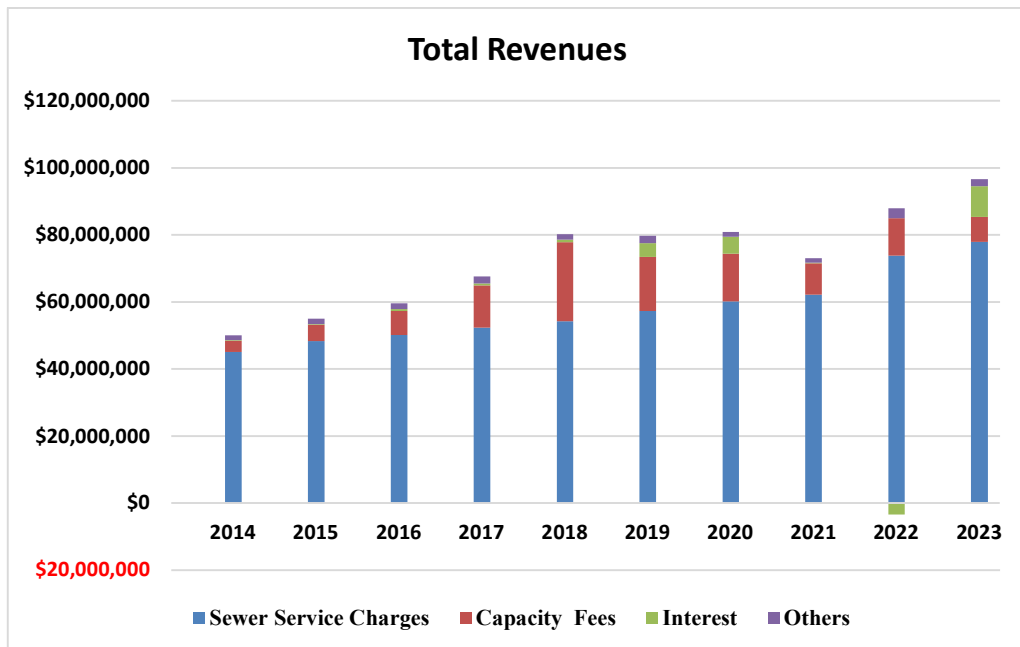
Changes in Net Position	2018	2017	2016	2015	2014
Operating revenues					
Sewer service charges (SSC)	\$ 54,260,096	\$ 52,384,709	\$ 50,112,564	\$ 48,379,254	\$ 45,139,420
Other operating revenues	1,631,870	2,154,364	1,791,782	1,581,031	1,370,017
Total operating revenues	<u>55,891,966</u>	<u>54,539,073</u>	<u>51,904,346</u>	<u>49,960,285</u>	<u>46,509,437</u>
Operating expenses					
Sewage treatment	18,657,355	16,964,901	15,464,775	14,956,369	15,410,523
Sewage collection and engineering	14,173,382	12,101,081	11,296,680	10,763,530	10,869,755
General and administration	7,611,460	6,844,559	6,848,244	6,910,857	6,634,688
Total operating expenses before depreciation	<u>40,442,197</u>	<u>35,910,541</u>	<u>33,609,699</u>	<u>32,630,756</u>	<u>32,914,966</u>
Depreciation and amortization	<u>17,003,398</u>	<u>17,036,880</u>	<u>17,379,112</u>	<u>17,899,765</u>	<u>17,219,109</u>
Total operating expenses	<u>57,445,595</u>	<u>52,947,421</u>	<u>50,988,811</u>	<u>50,530,521</u>	<u>50,134,075</u>
Operating income (loss)	<u>(1,553,629)</u>	<u>1,591,652</u>	<u>915,535</u>	<u>(570,236)</u>	<u>(3,624,638)</u>
Nonoperating Revenues (Expenses)					
Investment income (loss)	1,436,216	720,067	441,426	130,369	159,661
Unrealized investment income (loss)	(735,360)	(237,725)	55,013	30,421	20,380
Interest and fiscal charges	(1,479,413)	(860,316)	(916,968)	(971,695)	(1,106,609)
Lease revenue	-	-	-	-	-
Gain (Loss) on disposal of capital assets	-	(432,674)	(30,472)	(1,165,160)	(796,735)
Gain (Loss) on equity investment in EBDA	(90,325)	(52,458)	(160,540)	(86,652)	(92,180)
Net Non-Operating Revenues (Expenses)	<u>(868,882)</u>	<u>(863,106)</u>	<u>(611,541)</u>	<u>(2,062,717)</u>	<u>(1,815,483)</u>
Income (Loss) before contributed capital	(2,422,511)	728,546	303,994	(2,632,953)	(5,440,121)
Connection fees and other contributed capital	31,338,298	16,560,652	9,096,373	9,595,219	4,201,932
Change in Net Position	28,915,787	17,289,198	9,400,367	6,962,266	(1,238,189)
Net Position, Beginning of fiscal year	351,734,929	334,445,731	325,045,364	349,745,533	350,983,722
Prior period adjustment - non-CIP project cost	(9,142,599)	-	-	(31,662,435)	-
Net Position, End of fiscal year	<u>\$ 371,508,117</u>	<u>\$ 351,734,929</u>	<u>\$ 334,445,731</u>	<u>\$ 325,045,364</u>	<u>\$ 349,745,533</u>
Statement of Net Position by Component					
Net investment in capital assets	\$ 296,442,688	\$ 294,906,308	\$ 295,355,262	\$ 297,462,404	\$ 299,269,526
Restricted	55,373,688	34,360,257	25,075,327	19,808,500	17,622,778
Unrestricted	<u>19,691,741</u>	<u>22,468,364</u>	<u>14,015,142</u>	<u>7,774,460</u>	<u>32,853,229</u>
Total USD Net Position	<u>\$ 371,508,117</u>	<u>\$ 351,734,929</u>	<u>\$ 334,445,731</u>	<u>\$ 325,045,364</u>	<u>\$ 349,745,533</u>

UNION SANITARY DISTRICT

District-Wide Revenues and Other Financing Sources

<u>Fiscal Year</u>	<u>Sewer Service Charges</u>	<u>Capacity Fees</u>	<u>Interest</u>	<u>Others*</u>	<u>Total Revenues</u>
2023	\$77,986,322	\$7,371,192	\$9,229,219	\$2,016,561	\$96,603,294
2022	73,822,317	11,145,152	(3,395,093)	2,904,824	84,477,200
2021	62,142,806	9,358,209	238,374	1,318,109	73,057,498
2020	60,216,149	14,179,465	5,069,307	1,460,111	80,925,032
2019	57,330,651	16,158,027	4,097,258	2,188,027	79,773,963
2018	54,260,096	23,623,947	700,856	1,631,870	80,216,769
2017	52,384,709	12,595,637	482,342	2,154,364	67,617,052
2016	50,112,564	7,233,338	496,439	1,791,782	59,634,123
2015	48,379,254	4,820,637	160,790	1,581,031	54,941,712
2014	45,139,420	3,315,007	180,071	1,370,017	50,004,515

*Others includes inspection fees, permits, external work orders, discounts, and miscellaneous

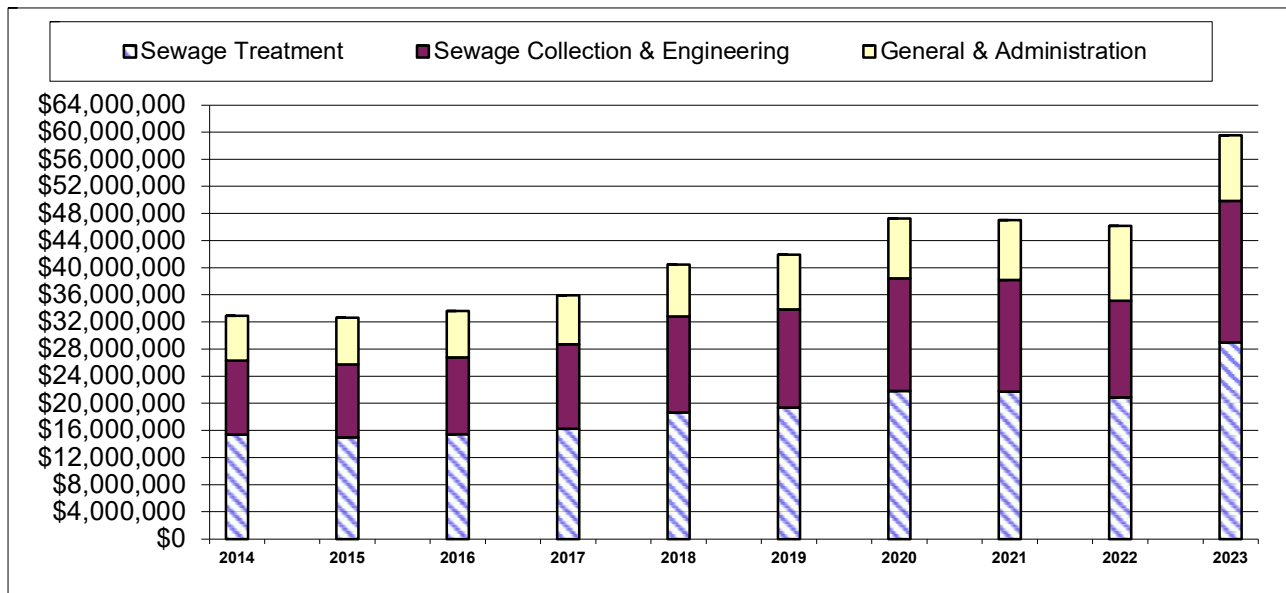


The District's main source of revenue is sewer service charges, which are collected on behalf of the District by Alameda County, on the tax rolls as part of the Teeter Plan.

UNION SANITARY DISTRICT

Operating Expenses By Major Function

<u>Fiscal Year</u>	<u>Sewage Treatment</u>	<u>Sewage Collection & Engineering</u>	<u>General & Administration</u>	<u>Total Operating Expenses</u>
2023	\$28,978,541	\$20,869,937	\$9,684,617	\$59,533,095
2022	20,862,815	14,258,113	11,059,626	46,180,554
2021	21,742,446	16,426,192	8,824,714	46,993,352
2020	21,815,870	16,596,589	8,858,612	47,271,071
2019	19,339,187	14,519,186	8,044,226	41,902,599
2018	18,657,355	14,173,382	7,611,460	40,442,197
2017	16,252,881	12,462,391	7,195,269	35,910,541
2016	15,464,775	11,296,680	6,848,244	33,609,699
2015	14,956,369	10,763,530	6,910,857	32,630,756
2014	15,410,523	10,869,755	6,634,688	32,914,966



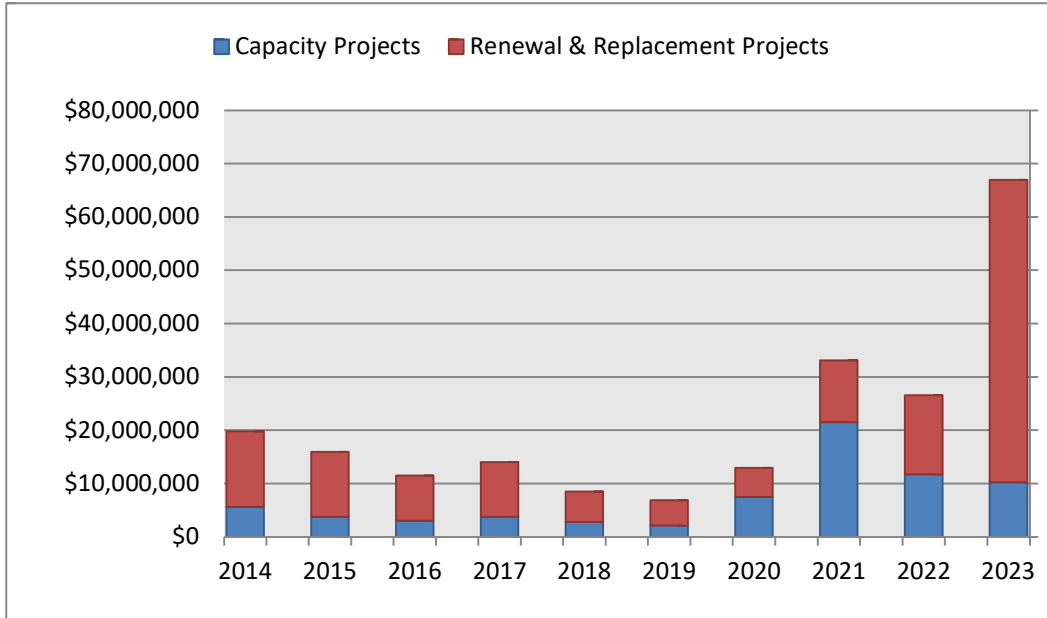
Operating expenses are the day-to-day expenses to run the District, including labor, benefits, chemicals, utilities, parts and materials, and other supplies. Depreciation, a non-cash operating expense, is not included here. Capital expenditures are not included in operating expenses.

General & Administration includes Business Services, Information Technology, Information System Renewal and Replacement, and retiree medical benefits.

UNION SANITARY DISTRICT

Capital Expenditures

<u>Fiscal Year</u>	<u>Capacity Projects</u>	<u>Renewal & Replacement Projects</u>	<u>Total Capital Expenditures</u>
2023	\$10,249,515	\$56,652,197	\$66,901,712
2022	11,721,479	14,840,229	26,561,708
2021	21,520,168	11,598,759	33,118,927
2020	7,501,176	5,439,604	12,940,781
2019	2,116,500	4,763,583	6,880,082
2018	2,828,376	5,666,366	8,494,742
2017	3,734,780	10,310,989	14,045,769
2016	3,037,012	8,466,899	11,503,911
2015	3,755,472	12,194,927	15,950,399
2014	5,592,023	14,195,068	19,787,091



Capacity projects provide new or expanded facilities (equipment, processes, buildings, pipelines, etc.) to accommodate increased wastewater flows or to provide reliability in the collection, treatment and disposal systems.

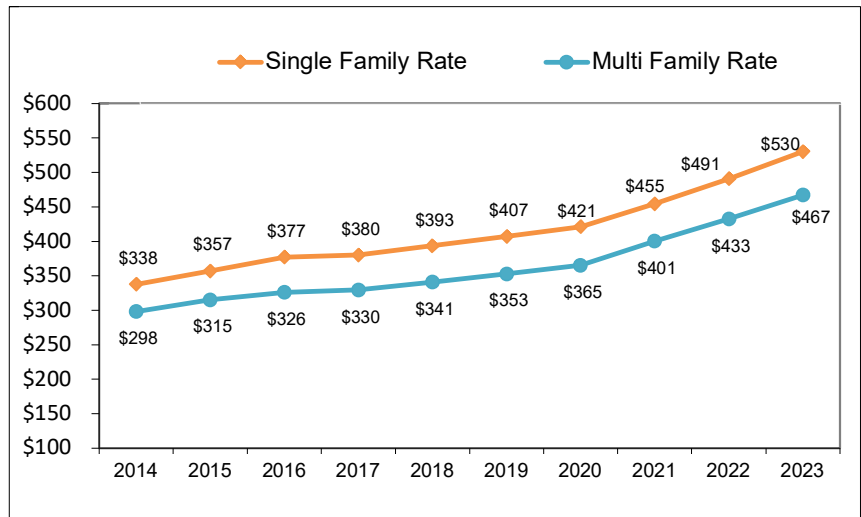
Structural renewal & replacement projects provide rehabilitation, replacement, or upgrade of existing facilities to prolong the useful life of the assets and to maintain the current service level of the facilities.

UNION SANITARY DISTRICT

Current and Historical Fees As of June 30, 2023 Last Ten Years

Sewer Service Charge Rates

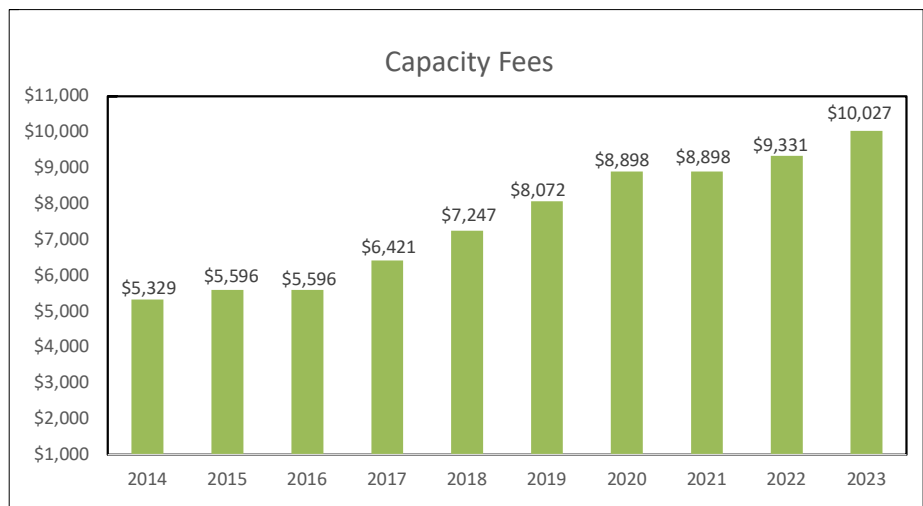
	Single Family Rate	Multi - Family Rate	Single Family Rate Percentage Change
FY 2023	\$530.21	\$467.24	8.0%
FY 2022	490.93	432.63	8.0%
FY 2021	454.57	400.58	7.9%
FY 2020	421.37	365.32	3.5%
FY 2019	407.12	352.97	3.5%
FY 2018	393.35	341.03	3.5%
FY 2017	380.05	329.50	0.8%
FY 2016	377.00	326.00	5.6%
FY 2015	357.02	315.25	5.7%
FY 2014	337.76	298.25	5.7%



The fees above are for Single and Multi-Family units. A property with multiple housing units such as an apartment complex is charged \$467.24 for each dwelling unit on the property. Fees for commercial and industrial customers are based on the volume and strength of the wastewater being treated.

Capacity Fee Rates

	Capacity Fee	Percentage Change
FY 2023	\$10,027.00	7.5%
FY 2022	9,331.00	4.9%
FY 2021	8,897.71	0.0%
FY 2020	8,897.71	10.2%
FY 2019	8,072.20	11.4%
FY 2018	7,246.69	12.9%
FY 2017	6,421.17	14.8%
FY 2016	5,595.66	0.0%
FY 2015	5,595.66	5.0%
FY 2014	5,329.20	10.0%



The capacity fees shown are per dwelling unit. Other categories such as restaurants, warehouses, and mixed-use commercial facilities are based on square footage and other factors as per the Capacity Fee Ordinance.

UNION SANITARY DISTRICT

Ten Principal Industrial Rate Payers by Levy
Current Year and Nine Years Ago

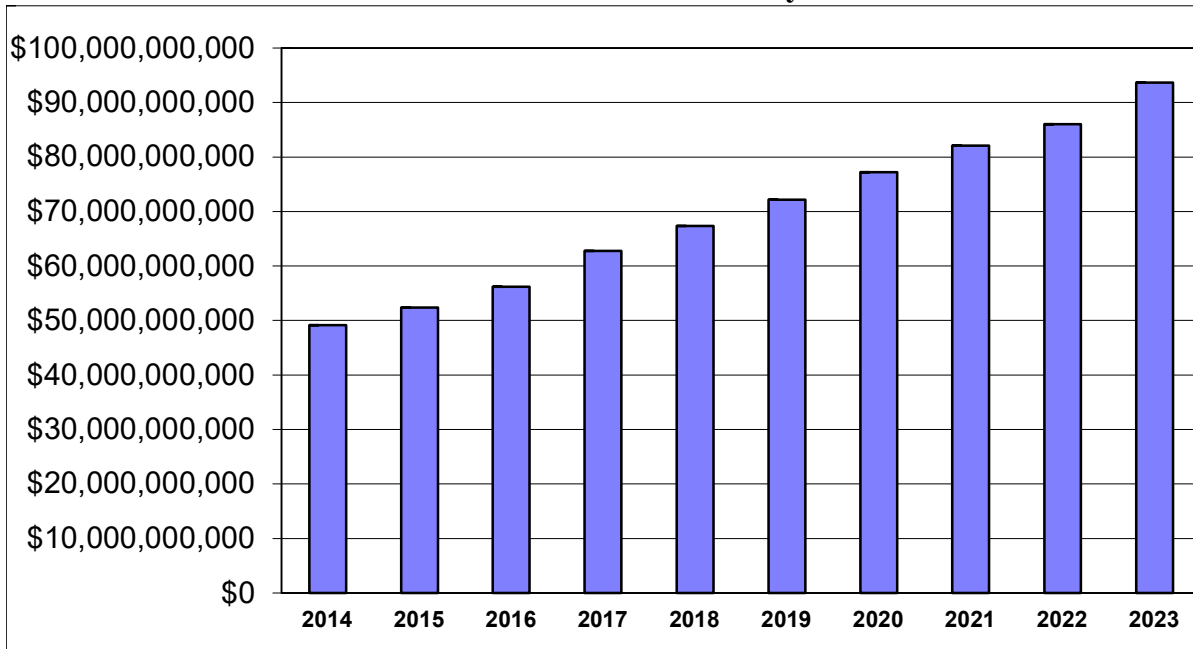
Rate Payer	2022-23			2013-14		
	Total Annual Billing	Rank	% of Total Annual Billings	Total Annual Billing	Rank	% of Total Annual Billings
Tesla	\$ 1,865,719	1	2.39%	\$ 137,788	4	0.31%
Mission Linen Supply	366,094	2	0.47%	-	-	-
Lam Research	346,268	3	0.44%	-	-	-
Western Digital	305,721	4	0.39%	260,023	1	0.58%
Boehringer Ingeheim	245,876	5	0.32%	-	-	-
Washington Hospital	227,849	6	0.29%	148,743	2	0.33%
Fairfield Apartments / Mixed Use	197,643	7	0.25%	-	-	-
Union Square Shopping Center	183,368	8	0.24%	-	-	-
US Pipe	181,897	9	0.23%	-	-	-
Ranch 99/Newark	154,337	10	0.20%	-	-	-
Seagate Technology	-	-	-	140,016	3	0.31%
Ranch 99 Warms Springs Shopping	-	-	-	112,329	5	0.25%
Gateway Plaza	-	-	-	101,416	6	0.22%
Kaiser Hospital	-	-	-	99,174	7	0.22%
Pacific Commons (Area 4)	-	-	-	99,159	8	0.22%
The Benton in Fremont	-	-	-	96,037	9	0.21%
Pacific Commons (Kohls/Old Navy Area)	-	-	-	90,880	10	0.20%
Total annual billing largest ten	<u>\$ 4,074,771</u>		<u>5.22%</u>	<u>\$ 1,285,566</u>		<u>2.85%</u>
Total ALL annual billings	<u>\$77,986,322</u>			<u>\$45,139,420</u>		

UNION SANITARY DISTRICT

Fiscal Year Assessed Valuation for All Properties in the Tri-City Area Valuation of taxable property within Union Sanitary District

Fiscal Year	Assessed Values	% Change
2023	\$93,624,333,851	8.85%
2022	86,011,306,367	4.77%
2021	82,091,519,505	6.34%
2020	77,195,891,174	6.95%
2019	72,179,061,738	7.21%
2018	67,322,355,237	7.29%
2017	62,748,855,394	11.69%
2016	56,180,082,061	7.25%
2015	52,380,183,178	6.64%
2014	49,120,298,326	4.06%

Assessed Valuation for Tri-City Area



Includes property in Fremont, Newark, and Union City.

UNION SANITARY DISTRICT

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>State Revolving Fund Loans</u>	<u>Revenue Bonds</u>	<u>Principal Total</u>	<u># of Parcels</u>	<u>Total Debt/ Parcel</u>
2023	\$0	\$173,145,790	\$173,145,790	102,392	\$1,691
2022	0	178,351,348	178,351,348	101,931	1,750
2021	0	70,913,414	70,913,414	101,456	699
2020	0	73,508,249	73,508,249	101,056	727
2019	39,055,508	0	39,055,508	97,870	399
2018	41,925,514	0	41,925,514	97,183	431
2017	44,272,413	0	44,272,413	95,997	461
2016	43,070,909	0	43,070,909	95,254	452
2015	41,861,476	0	41,861,476	94,768	442
2014	39,488,115	0	39,488,115	94,877	416

UNION SANITARY DISTRICT

Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements	Debt Coverage % ⁽³⁾
2023	\$96,603,294	\$59,533,095	\$37,070,199	\$4,288,560	864%
2022	84,477,200	46,180,554	38,296,646	4,287,201	893%
2021	73,057,498	46,993,352	26,064,146	3,887,201	671%
2020	80,925,032	47,271,071	33,653,961	3,399,270	990%
2019	79,773,963	41,902,599	37,871,364	3,902,080	971%
2018	80,216,769	40,442,197	39,774,572	3,902,080	1019%
2017	67,617,052	35,910,541	31,706,511	3,127,110	1014%
2016	59,634,122	33,609,699	26,024,423	3,127,110	832%
2015	54,941,712	32,630,756	22,310,956	3,127,110	713%
2014	50,004,485	32,914,966	17,089,519	4,086,647	418%

(1) Includes sewer service charges, connection fees, other operating revenues, and interest.

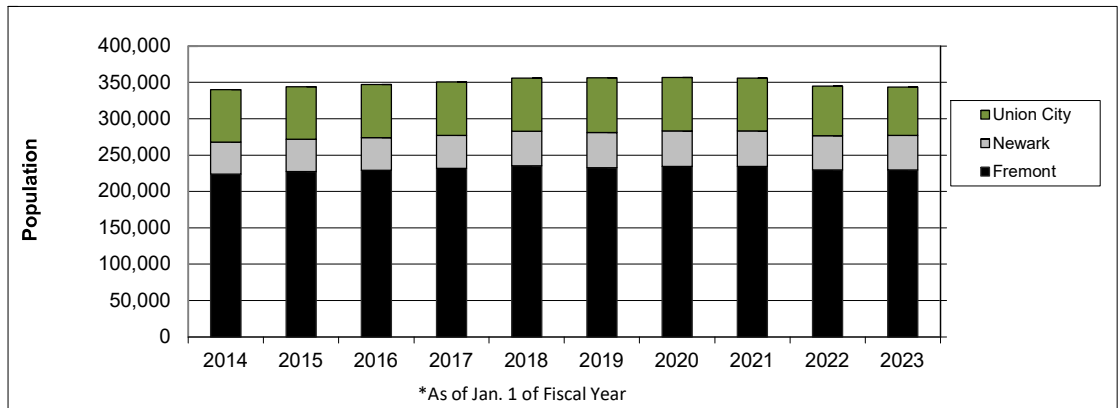
(2) Excludes depreciation; operating expenses do not include capital project expenditures.

(3) According to the District's Debt Management Policy, the targeted minimum debt service coverage ratio is 150%, which is higher than the standard 120% typically used to secure revenue bonds.

UNION SANITARY DISTRICT

Demographics
Population of Service Area Served*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fremont	229,467	229,476	234,239	234,220	232,532	235,439	231,664	229,324	227,582	223,972
Newark	47,459	47,229	48,859	48,966	48,712	47,467	45,422	44,733	44,284	43,856
Union City	66,754	68,150	72,779	73,637	74,916	72,991	73,452	72,952	72,412	72,155
Total	343,680	344,855	355,877	356,823	356,160	355,897	350,538	347,009	344,278	339,983
Total % Change	-0.34%	-3.10%	-0.27%	0.19%	0.07%	1.53%	1.02%	0.79%	1.26%	1.61%



UNION SANITARY DISTRICT

Demographics
Per Capita Income and Unemployment Rate
(Calendar Year)

	Per Capita Income	Unemployment Rate
2022 Fremont	\$64,320	2.6%
Newark	N/A	3.1%
Union City	N/A	3.2%
2021 Fremont	64,320	4.9%
Newark	48,053	5.5%
Union City	N/A	6.0%
2020 Fremont	55,950	7.0%
Newark	40,790	8.2%
Union City	84,418	8.8%
2019 Fremont	57,850	2.6%
Newark	36,958	2.7%
Union City	81,171	2.9%
2018 Fremont	55,521	2.7%
Newark	33,591	2.8%
Union City	77,233	2.9%
2017 Fremont	49,740	3.3%
Newark	32,301	2.9%
Union City	71,947	3.4%
2016 Fremont	46,899	3.9%
Newark	31,358	3.6%
Union City	67,798	4.3%
2015 Fremont	43,563	3.7%
Newark	31,043	4.1%
Union City	62,926	4.4%
2014 Fremont	40,562	4.6%
Newark	30,572	5.0%
Union City	58,175	5.9%
2013 Fremont	43,504	5.8%
Newark	29,390	5.3%
Union City	56,365	7.4%

Number of Persons in Household:	1	2	3	4	5	6	7	8	
Alameda County Area Median Income: \$142,800	Acutely Low	15000	17100	19250	21400	23100	24800	26550	28250
	Extremely Low	30000	34300	38600	42850	46300	49750	53150	56600
	Very Low Income	50000	57150	64300	71400	77150	82850	88550	94250
	Low Income	76750	87700	98650	109600	118400	127150	135950	144700
	Median Income	99950	114250	128500	142800	154200	165650	177050	188500
	Moderate Income	119950	137100	154200	171350	185050	198750	212450	226200

Sources: ACFR Reports - Fremont, Newark, Union City; Employment Development Department State of California Department of Housing and Community Development (www.hcd.ca.gov).

UNION SANITARY DISTRICT

Demographics
Major Employers in District Service Area

Employer Name	Type of Business	Percent of Total Employees as of fiscal year ended June 30,*									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fremont											
Tesla Motors	Auto Manufacturer	N/A	20.07%	13.68%	12.12%	12.31%	3.17%	3.12%	3.12%	2.68%	2.75%
Lam Research	Technology	N/A	2.74%	2.37%	2.33%	2.46%	2.72%	2.68%	2.68%	2.68%	2.75%
Washington Hospital	Healthcare	N/A	2.19%	2.14%	2.05%	2.46%	2.72%	2.68%	2.68%	2.68%	2.75%
Kaiser Permanente Medical Group	Healthcare	N/A	1.46%	1.46%	1.58%	2.46%	0.68%	0.67%	0.67%	0.67%	0.69%
Synnex Corporation	Information Technology	N/A	1.23%	1.23%	1.17%	N/A	0.66%	0.67%	N/A	N/A	N/A
Newark											
Logitech	Computer Accessories	N/A	2.49%	2.66%	2.54%	2.36%	2.40%	2.70%	3.00%	3.00%	3.10%
Amazon Fulfillment Center	Warehousing	N/A	2.21%	1.70%	0.84%	0.80%	0.80%	1.00%	1.00%	N/A	N/A
WorldPac Inc	Wholesale Distributor	N/A	1.78%	1.78%	1.05%	1.18%	0.90%	0.90%	0.90%	N/A	N/A
Newark Unified School District	Education	N/A	1.55%	1.64%	3.72%	3.46%	3.70%	4.00%	4.20%	3.10%	3.20%
KNT Manufacturing	Manufacturing	N/A	1.44%	1.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Union City											
New Haven Unified School District	Education	N/A	N/A	N/A	3.58%	3.23%	3.19%	3.30%	3.10%	3.01%	3.01%
Abaxis Inc	Biotech	N/A	N/A	N/A	1.55%	1.08%	1.07%	1.10%	1.20%	1.11%	1.11%
Walmart Inc	Retailer	N/A	N/A	N/A	1.09%	1.44%	1.43%	1.10%	1.20%	2.34%	2.34%
Masonic Home for Adults	Continuing Care Retirement Community	N/A	N/A	N/A	1.02%	1.35%	1.33%	1.26%	N/A	N/A	N/A
City of Union City	Government	N/A	N/A	N/A	0.95%	0.85%	0.83%	0.92%	1.27%	0.98%	0.96%

* Some employers report as of December 31.

N/A = More statistics will be added as the data becomes available.

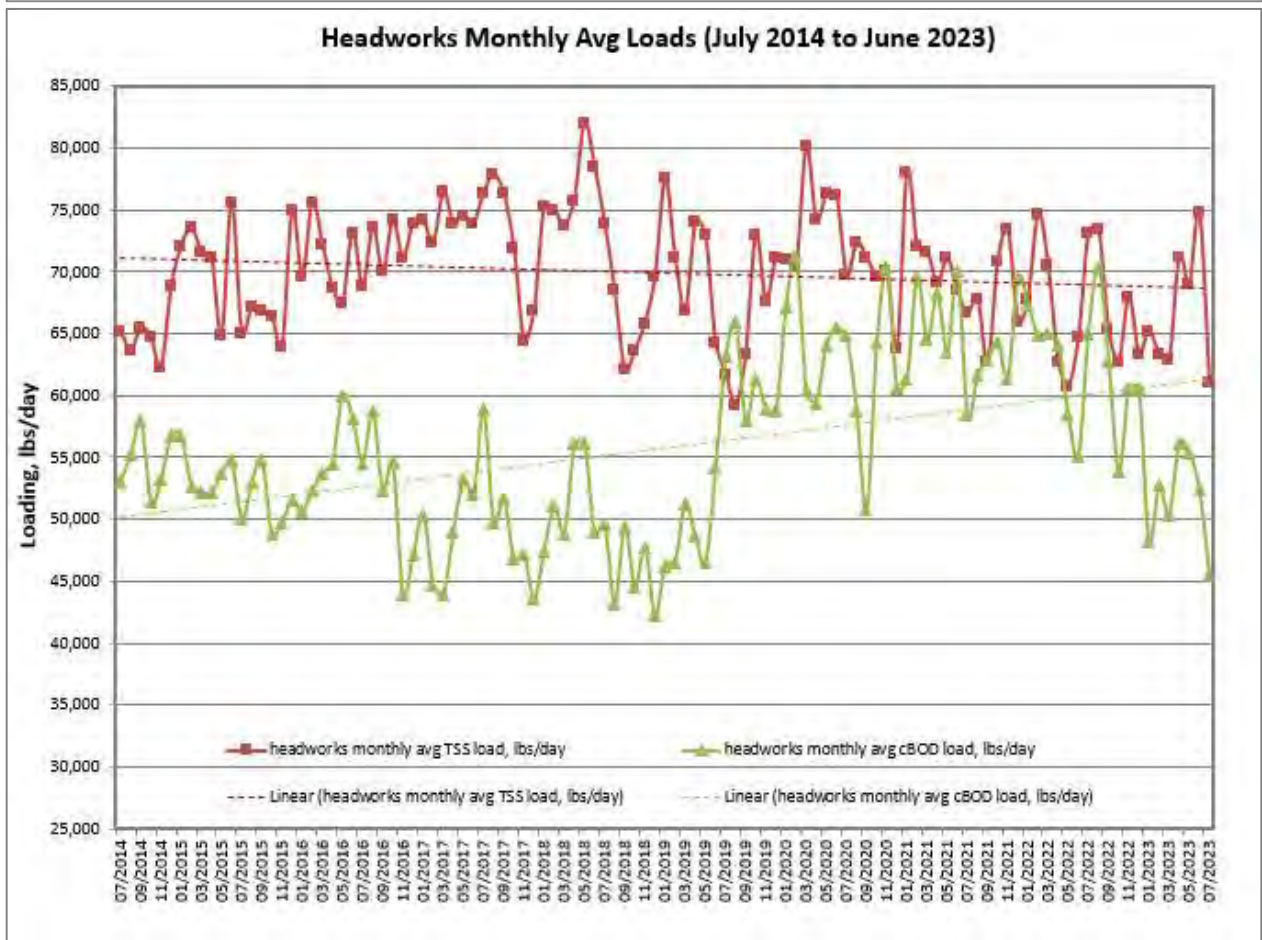
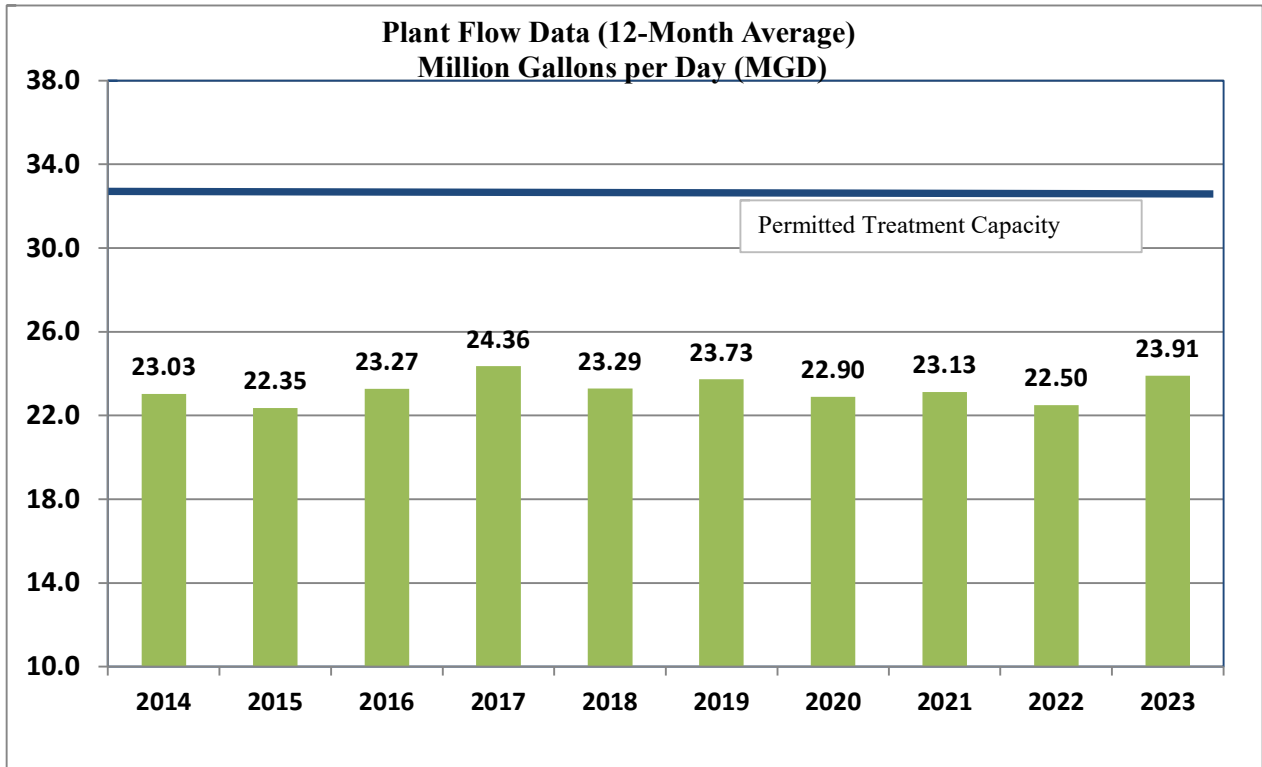
UNION SANITARY DISTRICT

Full-time Equivalent District Employees by Function/Program
Last 10 Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
System operations and maintenance (CS Support, FMC, T&D, Warehouse	56.45	53.45	54.45	53.45	54.45	55.45	52.45	53.45	53.45	50.45
Engineering and construction (CIP, ETSU)	13.00	12.00	13.00	11.00	9.00	8.00	9.00	10.00	8.00	8.00
Collections System Maintenance (CS)	25.00	23.00	25.00	26.00	25.00	25.00	25.00	25.00	23.00	23.00
Office of the General Manager (GM)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	1.00
Finance (FAST)	5.00	5.00	5.00	5.00	6.00	5.00	3.00	5.00	5.00	5.00
Information systems (IT)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administration department (Adm Specialist, Purchasing, non-HR OST)	14.00	14.00	14.00	15.00	12.00	13.00	13.00	14.00	13.00	14.00
Customer and community services (Rest of TS)	18.00	20.00	20.00	20.00	21.00	21.00	20.00	20.00	18.00	19.00
Human resources (HR)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Total # of Employees	140.45	136.45	140.45	139.45	136.45	136.45	131.45	136.45	131.45	128.45
Average years of service of employees as of June 30:	10.33	10.39	10.76	10.20	10.20	10.41	10.60	10.54	11.25	11.97

CIP = Capital Improvements Projects Team
ETSU = Enhanced Treatment & Site Upgrade
FAST = Finance & Acquisition Services Team
FMC = Fabrication, Maintenance and Construction
OST = Organizational Support Team
T&D = Treatment & Disposal Work Group
TS = Technical Services Work Group

UNION SANITARY DISTRICT
 Operating Indicators by Function/Program
 Average Daily Flow



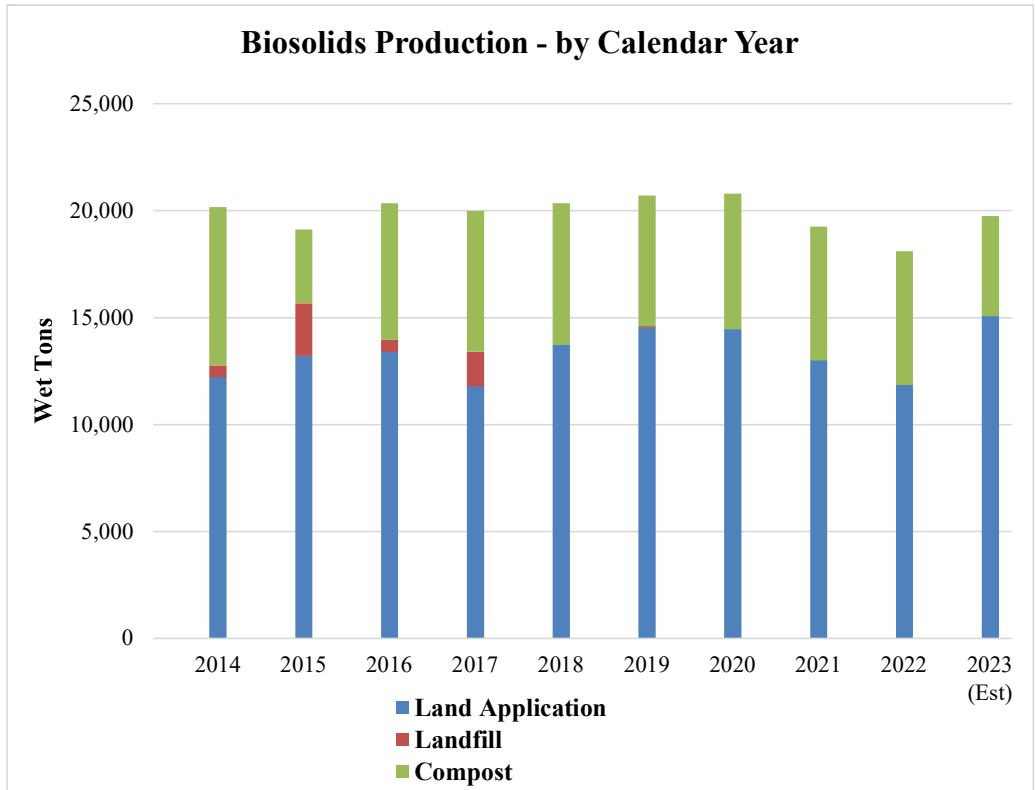
UNION SANITARY DISTRICT

Operating Indicators - Biosolids
Last Ten Calendar Years

Function/Program

Biosolids

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (Est)
Land Application	12,212	13,212	13,395	11,784	13,733	14,529	14,452	12,995	11,847	15,060
Landfill	545	2,450	563	1,624	0	72	0	0	0	0
Compost	7,414	3,470	6,399	6,584	6,615	6,103	6,342	6,262	6,271	4,691
Total (in Wet Tons)	20,171	19,132	20,357	19,992	20,347	20,704	20,793	19,257	18,117	19,752



UNION SANITARY DISTRICT

Miscellaneous Statistics

6/30/2023

Governing Body:	Elected 5-Member Board of Directors Fremont - 3 Members Newark - 1 Member Union City - 1 Member
Governmental Structure:	Established in 1918 and reorganized in 1923 under the Sanitary District Act
Staff:	140.45 full-time equivalent employees
CEO:	General Manager
CFO:	Business Services Manager
Authority:	California Health and Safety Code Section 4700 et. Seq.
Services:	Wastewater collection, treatment and disposal
Service Area:	60.2 square miles (Annexed areas - Fremont, Newark and Union City)
Total Population Served:	343,680
Number of Parcels	102,392 (91,692 Residential; 3,113 Non-Residential; 7,587 Other (vacant land))
Collection & Transport System:	Total miles of pipeline - 839, including the force main and all gravity sewers (including trunk mains) Number of pumping stations - 7 Pump Stations: Irvington, Newark, Alvarado Lift Stations: Fremont, Boyce, Paseo Padre, Cherry Street 17,300 manholes
Permitted Plant Treatment Capacity (ADWF)	33 million gallons per day (mgd)
Type of Treatment:	Secondary
Sewer Service Charge:	\$530.21 annually per single family residential dwelling unit

Source: USD Treatment Disposal, Collections Work Groups, CA Dept. of Finance

Union Sanitary District

Union City, California

*Auditor's Communication with
Those Charged with Governance*

For the year ended June 30, 2023





November 3, 2023

To the Board of Directors
of the Union Sanitary District
Union City, California

We have audited the financial statements of the Union Sanitary District (the "District") as of and for the year ended June 30, 2023, and have issued our report thereon dated November 3, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 16, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- *Risk of Management Override of Internal Controls* – A risk of management override of internal controls exists at any entity where management can change or decide not to perform that entity's internal controls.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are capital asset depreciation and useful life, and pension plan and other post-employment benefits (OPEB) plan assumptions.

Management's estimate of capital assets depreciation and useful life, and pension and OPEB plan assumptions are based on historical useful lives of such assets, and actuarial assumptions, respectively. We evaluated the key factors and assumptions used to develop the estimate of capital assets depreciation and useful life, and pension and OPEB plan assumptions and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- Summary of Significant Accounting Policies
- Cash and Investments and Fair Value Measurements
- Joint Ventures
- Long-term Debt
- Capital Assets
- Pension Plan
- Other Post-Employment Benefits
- Commitments and Contingent Liabilities
- Restatement of Prior Year Balances

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements identified by us as a result of our audit procedures and corrected by management that were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 3, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Required Supplementary Information

We applied certain limited procedures to the management's discussion and analysis and required pension and other post-employment benefit schedules which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information

We were engaged to report on the supplementary schedules of operating expenses before depreciation and schedule of insurance coverage which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

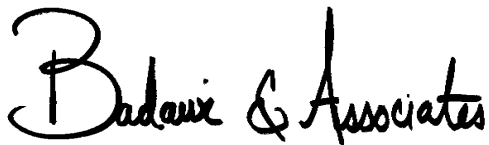
To the Board of Directors
of the Union Sanitary District
Union City, California
Page 5

Other Information Included in the Annual Comprehensive Financial Report

Pursuant to professional standards, our responsibility as auditors for the introductory section and statistical section, whether financial or nonfinancial, included in the District's annual comprehensive financial report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors, and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 3, 20223



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

Independent Auditor's Report

To the Board of Directors
of the Union Sanitary District
Union City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the of Union Sanitary District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2023.

Report on Internal Control over Financial Reporting

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

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

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

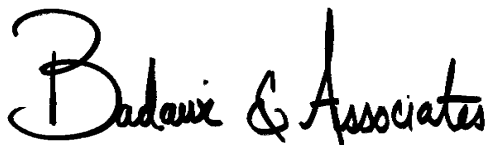
To the Board of Directors
of the Union Sanitary District
Union City, California
Page 2

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 3, 2023



Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 9**

TITLE: **Authorize the General Manager to Execute a Contract Change Order with Zovich Construction Regarding Off Haul of Soil for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project (*This is a Motion Item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Gus Carrillo, Enhanced Treatment and Site Upgrade Assistant Engineer
ETSU Steering Committee (Armando Lopez, Raymond Chau, Robert Simonich)

Recommendation

Staff recommends the Board authorize the General Manager to execute contract change order No. 08 with Zovich Construction (Zovich) in the amount of \$211,685.00 for additional costs associated with off haul of soil for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project (Project).

Discussion

The Board awarded the construction contract for the Project to Zovich Construction on June 13, 2022, in the amount of \$76,375,000.00. The Project includes significant grading and excavations for the new Campus Site which will generate an estimated 20,700 cubic yards of excess soil to be hauled offsite and disposed of.

To date the Contractor's grading and excavation activities have generated approximately 18,000 cubic yards (or 87 percent) of the total estimated soil. The majority of the soil has already been off hauled from the site. The remainder of the soil will be generated as the sitework is completed. Due to the space constraints of the site and as excavations are performed, the soil needs to be stockpiled, tested, and analyzed to confirm the proper disposal methods prior to off haul and

disposal. A summary of the various stockpiles created and analyzed to date is included in the background section of this report.

The Campus construction site was formerly used for a combination of industrial and residential uses prior to District ownership. A more detailed history of the site is included in the background section of this report. Recent analysis of one of the stockpiles (labeled as Stockpile D) has indicated that the soil has concentrations of lead, chrome, and copper that exceed Class II landfill disposal limits and require disposal at a Class I landfill. In general disposal at a Class I landfill is for material with higher levels of contaminants and costs of disposal at a Class I landfill are higher than a Class II or III landfill.

Pursuant to the contract documents, Zovich is entitled to additional compensation for the cost to remove any soil requiring disposal at a Class I landfill over the cost to dispose of soil at a Class II landfill. Staff issued a Request for Quotation (RFQ) for the additional costs to dispose of approximately 1,600 cubic yards of soil from Stockpile D. However, negotiations with Zovich for an agreed upon price have stalled with both sides apparently far apart.

The contract allows for the District to execute a unilateral change order in order to keep the Project progressing and requires Zovich to promptly commence extra work required. Staff and the construction management consultants arrived at the proposed change order amount using the rates for trucking and disposal cost that Zovich has provided for its subcontractors to dispose at a Class I landfill versus a Class II landfill. Applying this overage in the rate to the estimated soil amount (1600 cubic yards) plus the contract markups on the additional costs to Zovich, the change order amount comes to \$211,685.00.

Although the soil contaminants were likely generated by past owners of the property, the District as the current owner of the property is responsible for the proper disposal of the soil from the site. All soil will be handled, hauled, and disposed of in accordance with all applicable federal, state, and local regulations.

This Change Order will bring the total change orders executed to date on this project to \$(98,722.18) or 0.13% of the contract amount. A summary of the change orders to date can be found in the background section of the report.

Background

The ETSU Program is the culmination of the District's planning efforts and is based on the outcomes and findings of the Plant Solids System/Capacity Assessment – Phases 1 and 2, Administration/Control/FMC Buildings Evaluation, the Effluent Management Study and the Secondary Treatment Process Improvements evaluation. The Program includes projects recommended for implementation that will be phased to address both immediate drivers (poor sludge settleability, treatment capacity, effluent disposal, and aging infrastructure), while

preparing for future requirements such as nutrient regulations for discharge in the Bay that are currently being considered by the Regional Water Quality Control Board.

The Phase 1 and 2 projects included in this program were presented to the Board during the workshop held on May 8, 2019 and are summarized in the Final Report which was approved by the Board on August 26, 2019. A third phase of projects was briefly outlined that covered the timeframe from 2040 to 2058 and included potentially stricter nutrient limits in the more distant future. The projects identified in the ETSU Program and modified by the 30% design report to be implemented in the near-term (the next seven to ten years) are included in Phase 1 and are summarized in the table below.

Phase 1A	Aeration Basin Modifications	Retrofitting existing Aeration Basins 1 through 7 and construction of an 8 th aeration basin with the flexibility to operate initially with an anaerobic selector during the implementation phase and transitioning to a biological nutrient removal (BNR) process following completion.
Phase 1A	Campus Building (Admin, FMC, Ops)	Construction of a new combined Campus Building, including associated site and utility improvements.
Phase 1B	Secondary Clarifiers	Construction of four new 160-foot diameter secondary clarifiers, mixed liquor control box, and centralized RAS pump station.
Phase 1B	Effluent Facilities	Construction of new chlorination/dechlorination contact basins, effluent pump stations, and relocation of existing effluent force main.
Phase 1C	Plant Equalization Storage	Retrofitting existing Secondary Clarifiers 1 through 4 to operate as primary effluent equalization basins.

The full version of the ETSU Program report, including appendices, can be found at the following link: <https://unionsanitary.ca.gov/ETSU>.

ETSU Phase 1A Project

Staff developed a Phase 1A Project scope which includes the Aeration Basin Modifications project and the Campus Building project. These two projects were being designed together for the initial construction because they are the first two concurrent projects that must be constructed to facilitate the construction of the remainder of Phase 1 program. However, due to a number of factors including the Covid 19 pandemic the design of the Aeration Basins Modifications Project was able to be completed prior to the Campus Building Project.

The major scope items for the Campus Building Project are as follows:

- Construction of the new 65,000 SF Campus Building which includes administrative, laboratory, machine shop, painting booth, treatment plant operations control room, and other support areas.
- Construction of a new Storm Drain Pump Station
- Construction of Electric Vehicle Charging Stations including EV Chargers for USD's vehicle fleet and public parking areas.
- Construction of 435+ kW Photovoltaic systems including PV systems over the building main entrance (canopy), parking lot-based (carport), and rooftop-based systems.

ETSU Phase 1A Campus Project Site History

The ETSU Phase 1A – Campus Building Project consists of the construction of a new Building and related site improvements located on properties purchased by the District in 1996. At the time of purchase, the District commissioned a consultant to conduct an Environmental Site Assessment of ten parcels immediately north of the existing wastewater treatment plant. A portion of the subject parcels now make up the immediate area of the new Campus Building site. These properties were used for a combination of industrial and residential uses.

The District's consultant analyzed historic records of the sites dating back to 1896 noticing that the site usage included a salt works company, towing lot, trucking company, pallet storage company, residential homes and warehouses. The conclusion of the Phase 1 Environmental Site Assessment noted that there was no evidence of recognized environmental conditions in connection with the properties, except for potential surface soil contamination from the storage of waste oil.

After purchasing the parcels the District demolished all existing structures and then tested for and disposed of applicable hazardous waste as needed. The site had remained barren since the completion of the site demolition and clean-up project in 1999 until starting construction on the new Campus Building in August 2022.

ETSU Phase 1A Campus Project Soil Excavation and Off Haul Status Summary

The Contract documents require the Contractor to develop a soil management plan that addresses soil disposal. The plan includes tracking where soil comes from on the Campus site and then conducting detailed analysis of samples. This information is then reviewed by the proposed receiving landfill and the soil management experts that work for the design engineer to determine an appropriate location for disposal.

A summary of the various stockpiles created and analyzed to date as well as remaining excavations that will produce soil stockpiles for off-haul is included in the following table.

Stockpile Name	Description	Estimated Quantities (Cubic Yards)	Soil Disposal Classification
A	General Site Grading & Foundation	7,980	"Clean"
B, Segments 1-4	Building Grading and temporary parking area site Grading	2,000	Class II
B, Segments 5-6		800	TBD
B, Segments 7-8		1,200	Class II
C	Utility Trenches on the North Side of Campus Building	3,000	Class II
D	Storm Sewer Trenches – South of Campus Building	1,600	Class I
E	SDPS Excavation - Top 10 Feet	700	Class II
F	SDPS Excavation - Below 10 Feet	700	Class II
To Be Determined (TBD)	Detention Basin, Sanitary Sewer, Water Mains, Electrical Duct-banks, Irrigation, new Roadway Construction – South & Southwest of Campus Building	2,700	TBD

ETSU Phase 1A Campus Project Change Order Status

A summary of the executed change orders to date can be found in the table below.

No.	Status	Contract Change Order Title	Contract Time Adjustment, Calendar Days	Cost of Change
1	Executed	Flood Insurance Coverage Reduction	0	\$(326,655.75)
2	Executed	Delete EV Charging Stations & Building Main Entrance PV System	0	\$(250,000.00)
3	Executed	Add the Union Sanitary District's Electric Vehicle Charging Station Project	0	\$250,000.00
4	Executed	Existing Irrigation Main Modification	0	\$1,189.91

5	Executed	Modifications to new Medium Voltage Transformers	0	\$12,003.66
6	Executed	Additional Corner Rebar for CMU Walls – Trash & Generator Enclosure	0	410.00
7	Executed	SDPS Relocation Survey Services	0	\$2,645.00
8	Proposed	Off Haul and Disposal of Class I Soil – Stockpile D- (Unilateral)	0	\$211,685.00
Total				\$ (98,722.18)

Previous Board Action

August 26, 2019, the Board Adopted Resolution 2864 Approving the District’s Final Report for the Enhanced Treatment & Site Upgrade Program.

June 13, 2022, the Board awarded the construction contract for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project to Zovich Construction in the amount of \$76,375,000.00.

August 22, 2022 the Board authorized the General Manager to Execute Contract Change Order No. 1 with Zovich Construction for the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project

September 12, 2022 the Board authorized the General Manager to Execute certain Documents with Zovich Construction and the Bay Area Air Quality Management District for the Clean Air Charge! Program and the Enhanced Treatment and Site Upgrade Program Phase 1A Campus Building Project. These documents included Change Orders Nos. 2 and 3.

PRE/RP/GC

Attachments:

CCO No. 008 – Off Haul and Disposal of Class 1 Soil – Stockpile D

CONTRACT CHANGE ORDER No. 008

ETSU Phase 1A – Campus Building Project

Item: Off Haul and Disposal of Class 1 Soil – Stockpile D

Contractor is hereby directed to make the herein described changes from the plans and specifications or do the following work not included in the plans and specifications of this contract. All new work herein described shall be done in accordance with the applicable provisions of the plans and specifications, except as specifically modified by this Contract Change Order.

DESCRIPTION OF CHANGE:

Provide the labor, materials, and equipment necessary to off haul and dispose of the Class 1 material in stockpile D in accordance with the attached Request for Quotation 35. The cost of this Change is based on an estimate quantity of 1,600 CY (2,080 TONS) of material to be removed at a unit rate of \$132.30/CY (\$101.77/TON), including all applicable markups. The unit rate reflects the increase in costs to off haul and dispose of Class 1 material over the costs to off haul and dispose of Class 2 material. A reconciling Change Order will be issued once the off haul is complete and the final quantities are known.

REFERENCE: Request for Quotation (RFQ) 35, dated 08/15/23
ZCI Potential Change Order #136
Vanir CRM Letter, dated 09/18/23
ZCI Response Letter, issued 10/09/23.

COST OF CHANGE: \$ 211,685.00

CONTRACT TIME AJUSTMENT: 0 Days

We, the undersigned Contractor, have given careful consideration to all aspects of the change proposed and hereby agree. This Contract Change Order constitutes full and complete compensation for all labor, equipment, materials, overhead, profit, any and all indirect costs and time adjustment, including any delay and rescheduling, required to perform the above-described change and will accept this Contract Change Order as full and final payment.

This document supplements the Contract Documents, and all provisions of the Contract Documents will apply thereto. It is understood that the Contract Change Order shall be effective when fully executed by the District.

ACCEPTED:

Zovich Construction Co.
Contractor:

By: Issued Unilaterally per Section 01035-2.1
Ante Zovich

Date: _____

RECOMMENDED FOR ACCEPTANCE:

Vanir
Construction Manager:

By: _____
Inskip James, P.E.

Date: _____

Union Sanitary District
ETSU Assistant Program Manager:

By: _____
Gus Carillo, P.E.

Date: _____

Union Sanitary District
ETSU Program Manager:

By: _____
Ric Pipkin, P.E.

Date: _____

APPROVAL:

The Contractor shall not commence with the above-described work of this change order prior to the approval by the District's Authorized Representative.

Union Sanitary District
Authorized Representative:

By: _____
Paul R. Eldredge, P.E.
General Manager/District Engineer

Date: _____



USD TREAT
PROTECT
PRESERVE
est. 1918
TRI-CITY WASTEWATER

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 10**

TITLE: **Authorize the General Manager to Enter Into a Renewable Energy Product Purchase and Sale Agreement with Anew Environmental, LLC. (*This is a Motion Item*)**

SUBMITTED: Paul R. Eldredge, General Manager, District Engineer
Karen W. Murphy, District Counsel
Mark Carlson, CFO, Business Services Workgroup Manager

Recommendation

Staff recommends the Board authorize the General Manager to enter into a renewable energy product purchase and sale agreement with Anew Environmental, LLC (Anew) and to execute other documents necessary to effectuate the purchase and sale.

Discussion

As a producer of renewable energy through its methane powered cogen engines, the District is eligible to participate in the sale of Renewable Energy Credits (REC's) on the open compliance markets. REC's are market-based instruments that represent the property rights to the environmental, social, and other non-power attributes of renewable electricity generation which can be tracked on the compliance market as a certificate that verifies that clean energy has been created. These certificates can then be purchased by companies that are looking to offset their carbon based footprint. Anew is an aggregator of REC's and serves to bring together sellers and buyers of REC's in the compliance market.

The District's cogen engines produce REC's with an estimated market value of between \$30,000 and \$40,000 annually. Anew has proposed to purchase these credits from the District to resell on the open compliance market. The District had looked into the sale of its REC's in the past; however, at that time the market conditions were not favorable for smaller producing entities like the District. Since that time, market conditions have improved and have made the sale and purchase of REC's economically viable for an agency such as USD.

Some of the key components of the proposed contract (attached) are:

- Contract term a fixed guaranteed rate for 10 years.
- The District is under no obligation to deliver REC's to Anew in the event of cogen downtime or other factors that would reduce or terminate energy production. There are no penalties associated with this contract.
- The District will continue to utilize the energy produced to offset PG&E energy purchases.
- Anew will purchase all REC's produced from the two cogen engines currently in operation and from any additional cogen engines added during the term of the contract.
- Staff commitment is minimal and consists of monthly reporting on energy output with a related billing to Anew.

Staff is asking for the Board to authorize the General Manager to enter into the proposed contract with Anew.

Background

The District has been working on this project since July of 2022. A Board workshop was held on October 3, 2023 to seek input and direction from the Board on pursuing a formal contract with ANEW. The Board directed staff to bring the item back to an upcoming Board meeting for consideration.

Previous Board Action

10/03/23 – Board workshop to discuss REC's

Attachments

Proposed contract with Anew Environmental, LLC

**RENEWABLE ENERGY PRODUCT
PURCHASE AND SALE AGREEMENT (“Agreement”)**

Buyer:	Anew Environmental, LLC, a Delaware limited liability company (“ Buyer ”)	Address: 3200 Southwest Freeway, Suite 1310 Houston, TX 77027
Buyer Contact:	Contract Administrator	Contact Telephone Number: 281-207-7200 Contact E-mail: legal@anewclimate.com
Seller:	Union Sanitary District, a California Sanitary District (“ Seller ”)	Address: 5072 Benson Rd Union City, CA 94587
Seller Contact:	Business Services Workgroup Manager	Contact Telephone Number: 510-477-7500 Contact E-mail: markc@unionsanitary.ca.gov
Transaction:	Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the quantity of Product specified below for the duration of the Term in accordance with this Agreement.	
Term:	December 1, 2023 through December 1, 2033. Absent termination according to its terms, this contract shall terminate at the end of its term, unless otherwise agreed by the Parties in writing.	
Project:	The Union Sanitary District generation units, together with all additional units Seller may install, located at the Alvarado Treatment Plant facility, as those units may be modified, upgraded, expanded, supplemented, or replaced from time to time.	
Product:	Each unit of renewable energy rights transferred and sold to Buyer by Seller under this Agreement (the “ Product ”) represents all environmental attributes associated with, and all rights, benefits, claims, certificates or credits of any kind attributable to, the generation and delivery to the electricity grid of one (1) megawatt-hour (MWh) of renewable electricity from biogas from the Project. For the purposes of this Agreement, “Product” includes (i) with respect to any renewable energy disclosure requirements, emission requirements or renewable portfolio standard or other renewables program, the right to report ownership of the environmental attributes associated with 1 MWh of renewable generation including the right to create renewable energy certificates (RECs) or evidence of the Product in any other form; and (ii) all avoided greenhouse gas emissions or GHG emission reductions attributable to the renewable electricity; and (iii) any and all rights to claim the renewable electricity for use as transportation vehicle fuel under any applicable environmental or low carbon fuel program.	
Quantity:	Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller all of the Product attributable to electricity produced by the Project during the Term on a unit contingent basis plus additional Product attributable to electricity produced by the Project prior to the effective date of this Agreement that Seller has or will establish in Seller’s account with the registry (the “ Contract Quantity ”). For the removal of doubt, Seller makes no guaranty that the Project will produce any Product.	
Contract Price:	Buyer agrees to pay Seller per unit of Product (the “ Unit Price ”) delivered by Seller to Buyer during the Term of this Agreement set forth in a Payment Summary agreed to in writing by Buyer and Seller (“Payment Summary”).	
Delivery:	<p>Buyer, on behalf of Seller, shall assist Seller to establish an account with a REC Registry, as set forth in Contract Price above, of Buyer’s reasonable choice and Buyer shall assist Seller to register the Product with that registry. Seller shall cooperate with Buyer to establish Seller’s account and to register the Product with that registry. Buyer shall pay fees as set forth in the Payment Summary. The Product shall be delivered in accordance with the rules and procedures of the registry.</p> <p>With respect to Product attributable to electricity produced by the Project prior to the effective date of this Agreement, Seller shall cooperate with Buyer to deliver the Product within 90 days of the effective date or such later date as can be accommodated by the applicable registry. With respect to Product attributable to electricity produced by the Project after the effective date of this Agreement, Seller shall cooperate with Buyer to deliver the Product within 10 days after the end of the month in which the Product was created, or such later date as can be accommodated by the registry. Seller agrees to (i) provide Buyer with any data or documentation reasonably requested by Buyer or the registry in connection with delivery of Product, (ii)</p>	

	execute any document reasonably requested by Buyer or the registry in connection with delivery of the Product and (iii) cooperate with any reasonable request of Buyer to facilitate delivery of the Product.
Payment:	<p>Seller shall invoice Buyer and Buyer shall pay invoices as set forth in the Payment Summary.</p> <p>All funds to be paid to Seller shall be rendered in the form of immediately available funds (U.S. Dollars) by wire transfer or in such other form as agreed to by the parties. If Buyer fails to remit any amount payable by it when due, interest on such unpaid portion shall accrue at a rate equal to the prime interest rate in effect at the time as published in <i>The Wall Street Journal</i> plus two percent (2%) from the date payment is due to the date of payment.</p> <p>Seller shall provide Buyer with banking instructions for payment of funds.</p>
New Markets:	Notwithstanding anything in this Agreement to the contrary, at any time during the term, Buyer and Seller may agree in a writing signed by both parties, without further action or approval of Seller's Board of Directors, to take the Product to one or more New Markets, instead of the REC market, where "New Market" means any market for the Product other than the REC market, whether now existing or yet to be developed. If the parties agree to take the Product to a New Market, (i) Buyer will assist Seller in establishing a registry account for such New Market, as applicable; (ii) Seller will assist Buyer in registering the Product with that registry, as applicable; and (iii) Buyer will pay Seller the Unit Price agreed to by the parties in a separate Payment Summary for such New Market (such Payment Summary may be referred to as a "New Market Payment Summary") for each unit of Product sold in such New Market in accordance with the terms of this Agreement.
Additional Terms and Conditions:	<p><u>Taxes.</u> Seller shall be responsible for all taxes applicable to the Product for all periods prior to transfer of title of the Product to Buyer. Buyer shall be responsible for all taxes applicable to the Product for all periods from and after Delivery of the Product from Seller to Buyer. In no event shall either party be responsible for any income taxes of the other party.</p> <p><u>Mutual Representations and Warranties.</u> Each party represents and warrants to the other party as of the date of this Agreement, and as of the date of each delivery of Product hereunder that (i) it has, and at all times during the term of this Agreement will have, all necessary power and authority to execute, deliver, and perform its obligations under this Agreement; (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action and does not violate any of the terms or conditions of its governing documents, or any contract to which it is a party, or any law or other legal or regulatory determination applicable to it; (iii) there is no pending or (to its knowledge) threatened litigation, arbitration, or administrative proceeding that materially adversely affects its ability to perform its obligations under this Agreement; (iv) it will comply with the rules of the applicable registry throughout the term of this Agreement.</p> <p><u>Representations and Warranties of Seller.</u> Seller represents and warrants to Buyer that, with respect to the Product delivered to Buyer hereunder: (i) it has not sold, transferred, or otherwise disposed of any Product sold hereunder except as provided herein; (ii) each Product sold hereunder meets the specifications set forth in this Agreement; (iii) Seller has good and marketable title to the Product; (iv) all right, title and interest in and to the Product is free and clear of any liens, taxes, claims, security interests, or other encumbrances, and upon receipt of the Product by Buyer, Buyer shall have all right, title, and interest in and to such Product; and (v) it will not take any intentional action to cease all generation of Product during the Term, except as necessary, in Seller's sole discretion, to (a) comply with applicable law, (b) perform maintenance on the units, (c) repair, upgrade, replace, or retire all or a portion of the units, or (d) cease operation of the units consistent with the needs of the Seller's wastewater system and Seller's obligation to prudently operate the wastewater system.</p> <p>SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE. BUYER ASSUMES ALL RISK THAT A CHANGE IN LAW OR OTHER GOVERNMENTAL ACTION MAY MATERIALLY REDUCE, OR ELIMINATE, THE VALUE OF THE PRODUCT.</p> <p><u>Project Access.</u> Upon reasonable notice, as determined by the Seller, Seller shall provide Buyer or its designated agent or representative with access to the Project and to all Product-related documents, records, reports, and data reasonably necessary to document, or verify, as the case may be, the Contract Quantity, expected production, quality, validity, or acceptability of the Product. Any access to the Project and other facilities of</p>

Seller necessary to access the Project shall be subject to the safety requirements, security procedures, requirements that visitors maintain insurance, and any other generally applicable measures utilized by Seller in connection with commercial visits to its facilities.

Event of Default. For purposes of this Agreement, a party shall be in default (each of the following, an “Event of Default”) if: (i) such party fails to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) business days of receipt of written notice from the other party; (ii) such party materially breaches any covenant or obligation under this Agreement and such breach is not cured or otherwise remedied within five (5) business days of written notice of such breach from the other party; (iii) if any representation or warranty made by such party pursuant to this Agreement proves to have been misleading or false in any material respect when made or repeated, and such representation or warranty isn’t corrected or otherwise remedied within five (5) business days of written notice of such representation; (iv) such Party makes an assignment or any general arrangement for the benefit of its creditors; files a petition or otherwise commences, authorizes or acquiesces in the commencement of a case, proceeding or cause under Title 11 of the United States Code or any insolvency or similar law for the protection of creditors; has such a petition filed against it; or otherwise becomes bankrupt or insolvent (however evidenced); (v) if a liquidator, receiver, trustee, conservator or similar official is appointed with respect to such party or any substantial proportion of its property or assets; (vi) such party is generally unable, or admits in writing of its general inability, to pay its debts as they fall due; or (vii) such party repudiates any obligation under this Agreement.

Remedies upon Default. If an Event of Default occurs on the part of either party and is continuing, the non-defaulting party may exercise any or all of the following remedies: (i) upon two (2) business days’ written notice to the defaulting party, terminate this Agreement and liquidate all forward positions directly related thereto (calculating damages for such terminated forward positions, if any, based on the then-applicable market price for such positions as determined by the non-defaulting party in a commercially reasonable manner), (ii) withhold any payments and performance due in respect of this Agreement, and (iii) and subject to the Limitation in Liability set forth below, exercise such other remedies available at law or in equity.

Failure to Deliver/Receive. Notwithstanding anything in this Agreement to the contrary, the remedies set forth in this section are the exclusive monetary remedies of the performing party for the other party’s failure to (i) take delivery of all or any portion of the quantity of Product specified herein or (ii) deliver all or any portion of the quantity of Product specified herein, as applicable.

If Buyer fails to accept delivery of all or any portion of the quantity of Product specified herein and such failure is not excused under the terms of this Agreement, Buyer shall pay Seller, within five (5) business days of invoice receipt, an amount equal to the sum of (i) the Unit Price multiplied by the quantity of any Product delivered to Buyer for which Seller has not been paid; plus (ii) the positive difference, if any, obtained by subtracting the market price for the Product per unit, as determined by Seller in a commercially reasonable manner, from the Unit Price multiplied by the quantity of Product meeting the requirements of this Agreement Buyer failed to accept; plus (iii) reasonable third party fees (including broker fees) and legal costs incurred by Seller in enforcement of its rights under this Agreement; plus (iv) interest as described herein. All determinations must be made in a commercially reasonable manner and Seller is not required to enter into an actual replacement transaction in order to determine the market price. For the avoidance of doubt, if Seller determines in a commercially reasonable manner that the Unit Price does not exceed the market price per unit of the Product, the amount added in subsection (ii) above shall be zero (0) and not a negative number.

If Seller produces but fails to deliver all or any portion of the Contract Quantity of Product to Buyer specified herein and such failure is not excused under the terms of this Agreement, then Seller shall pay Buyer, within five (5) business days of invoice receipt, an amount equal to (i) the positive difference, if any, obtained by subtracting the Unit Price from the market price of the Product per unit, as determined by Buyer in a commercially reasonable manner, multiplied by the quantity of Product Seller failed to deliver; plus (ii) reasonable third party fees (including broker fees) and legal costs incurred by Buyer in enforcement of its rights under this Agreement. In no event does the foregoing relieve Buyer of its obligation to pay Seller the Unit Price multiplied by the quantity for any Product delivered to Buyer for which Seller has not been paid. All determinations must be made in a commercially reasonable manner and Buyer is not required to enter into an actual replacement transaction in order to determine the market price. For the avoidance of doubt, if Buyer

determines in a commercially reasonable manner that the Unit Price exceeds the market price per unit of the Product, the amount added in subsection (ii) above shall be zero (0) and not a negative number.

LIMITATION OF LIABILITY. THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED HEREIN SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OR DEFAULT ARISING FROM ANY PROVISION FOR WHICH AN EXPRESS REMEDY IS PROVIDED HEREIN, SUCH REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, INCLUDING ANY INDEMNIFICATION OBLIGATIONS RELATING THERETO. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, LIABILITY SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY. SUCH DIRECT, ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING LOST PROFITS (EXCEPT TO THE EXTENT THAT THE PAYMENTS REQUIRED TO BE MADE PURSUANT TO THIS AGREEMENT ARE DEEMED TO BE SUCH DAMAGES) OR BUSINESS INTERRUPTION DAMAGES, WHETHER BASED ON STATUTE, CONTRACT, TORT, UNDER ANY INDEMNITY OR OTHERWISE, WITHOUT REGARD TO CAUSE OR THE NEGLIGENCE OF ANY PARTY, WHETHER SOLE, JOINT, ACTIVE OR PASSIVE, AND EACH PARTY HEREBY RELEASES THE OTHER PARTY FROM ANY SUCH LIABILITY, EVEN IF DURING THE TERM HEREOF IT ADVISES THE OTHER OF THE POSSIBILITY OF SUCH DAMAGES. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS AND ARE NOT A PENALTY.

Confidentiality. The parties acknowledge and agree that Seller is a California public agency and subject to the California Ralph M. Brown Act and California Public Records Act and that this Agreement and payments made hereunder are public records under state law. However, each party agrees to keep the other party's proprietary and banking information and any other information marked by a party as "confidential" ("**Confidential Information**") confidential to the extent permitted by law and not to use such information for any purpose other than in furtherance of the transaction contemplated by this Agreement with the other party hereto; provided that "Confidential Information" does not include: (i) information that is required to be disclosed or produced by Seller, as determined in Seller's sole and absolute discretion, pursuant to federal, state or local law, including without limitation, the California Ralph M. Brown Act and California Public Records Act; (ii) information that is or becomes generally available to the public other than as a result of a disclosure by either party in violation of this Agreement; (iii) information that was already known by either party on a non-confidential basis prior to the execution of this Agreement; (iv) information that becomes available to either party on a non-confidential basis from a source other than the other party where such source is not known by the receiving party to be subject to a confidentiality obligation with respect to such information; or (v) information that is independently derived by a party without use of or reference to the other party's Confidential Information. Notwithstanding the restrictions on use and disclosure of Confidential Information set forth in this Agreement, a receiving party is permitted to disclose Confidential Information (a) to any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such party, and it and their respective employees, contractors, agents, representatives, advisors, members and managers that both (1) have agreed in writing to the obligations of confidentiality and restrictions on use of such Confidential Information substantially similar to those contained in this Agreement and (2) need to know such information in connection with the transaction(s) contemplated by this Agreement; and (b) to any registry, administrator or other third party to whom disclosure is required in connection with a party's performance of its obligations hereunder. In the case of any disclosure required pursuant to clause (b) hereunder, the disclosing party agrees to use reasonable efforts to obtain confidential treatment of such disclosed information. In the event that Seller determines that any Confidential Information is required to be produced under state law, Seller shall notify Buyer at least ten calendar days prior to such release to enable Buyer to file an action to limit or halt the production.

Indemnification. Except as prohibited or limited by applicable law, and subject to the Limitation in Liability set forth above, each party agrees to indemnify and hold harmless the other party and its affiliates and their respective directors, officers, employees, agents and successors and permitted assigns, from and against any

and all third-party claims, losses, liabilities, damages, judgments, liens, awards, fines, penalties, costs and expenses of every kind, including without limitation reasonable attorneys' fees and disbursements ("**Claims**"), in any case caused by or resulting from or out of (i) a material breach by the indemnifying party of a representation, warranty or obligation under this Agreement or (ii) the gross negligence or willful misconduct of the indemnifying party (any of items (i) and (ii) being referred to herein as a "**Breach**"), in each case in proportion to and only to the extent of the indemnifying party's degree of fault.

Notices. All notices, demands, and other communications hereunder shall be effective only if given in writing and shall be deemed given (i) when delivered in person; (ii) when delivered by private courier (with confirmation of delivery); (iii) when transmitted by facsimile or e-mail (with confirmation of transmission); or (iv) five (5) business days after being deposited in the United States mail, first-class, registered or certified, return receipt requested, with postage paid. For purposes hereof, all notices, demands and other communications shall be sent to the contacts and addresses above (or to such other address furnished in writing by one party to the other party).

Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Neither party may transfer or assign this Agreement, in whole or in part, without the other party's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed; provided that Seller agrees to grant such consent in the context of a merger or sale of all or substantially all of Buyer's assets or the assets of a business unit of Buyer to which this Agreement relates; and provided further that the successor in interest agrees in writing to assume all of Buyer's rights and obligations hereunder. Notwithstanding the foregoing, Buyer may, without the consent of Seller, assign its rights and obligations under this Agreement to an Affiliate, as defined below, of Buyer so long as such affiliate entity agrees to assume all rights and obligations of Buyer hereunder and Buyer provides written notice of such assignment or transfer to Seller. Upon any transfer or assignment permitted by this Agreement, the assignor shall be released from its obligations hereunder to the extent such obligations are assumed by the assignee. "Affiliate" means any entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, Buyer. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Amendment. This Agreement may be amended at any time, but only by a written agreement signed by both parties.

No Waiver. No delay or omission by a party in the exercise of any right under this Agreement shall be taken, construed, or considered as a waiver or relinquishment thereof. If any of the terms and conditions herein are breached and thereafter waived in writing by a party, such waiver is limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

Severability. If any provision or portion of this Agreement is found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely representing the intention of the Parties as expressed herein.

Complete Agreement. This Agreement represents the parties' final and mutual understanding concerning its subject matter with respect to the transactions contemplated hereunder and replaces and supersedes any prior agreements or understandings with respect to the transactions contemplated hereunder, whether written or oral.

No Relationship. Nothing in this Agreement shall be construed to constitute a joint venture, fiduciary relationship, partnership or other joint undertaking between the parties.

Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, EXCLUDING ANY CHOICE OF LAW OR CONFLICTS OF LAW RULES OR PRINCIPLES THAT WOULD PERMIT OR REQUIRE THE APPLICATION OF THE LAWS OF A DIFFERENT JURISDICTION.

Dispute Resolution. Any dispute between the parties arising under or pertaining to this Agreement shall be referred to senior representatives of the parties authorized to resolve such dispute for informal dispute resolution discussions as soon as practicable. If the designated representatives do not reach a mutually

acceptable resolution of the dispute within thirty (30) days of such referral, either party may bring an appropriate action at law or in equity in the state courts located in Alameda County, California, or the U. S. District Court for the Northern District of California. Each party waives any objection which it may have at any time to the laying of venue of any such proceedings brought in any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such proceedings, that such court does not have any jurisdiction over such party. Nothing in this Agreement to the contrary shall, or is intended to, prevent either party from bringing an action in equity to seek injunctive relief if necessary to avoid irreparable harm. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. Facsimile or PDF transmission of any signed original document, and retransmission of any facsimile or PDF transmission, will be the same as delivery of any original document.

Forward Contract; Non-Utility Acknowledgement. The parties acknowledge and agree that they intend for this Agreement to constitute a “forward contract” as defined in Section 101(25) of Title 11 of the United States Code (§§ 101, *et seq.*, the “**Bankruptcy Code**”) and/or a “commodities contract” as defined in Section 761(4) of the Bankruptcy Code, as such terms are used in Section 556 of the Bankruptcy Code. Each party further agrees that, for purposes of this Agreement, the other party is not a “utility” as such term is used in Section 366 of the Bankruptcy Code, as Buyer and Seller do not provide utility service to one another, and each party waives and agrees not to assert the applicability of the provisions of such Section 366 in any bankruptcy case wherein such party is a debtor.

Further Assurances. Each party shall provide the other party any reasonably requested information or documentation required to effect a transfer of Product pursuant to the terms of this Agreement, will cooperate to cause a transfer to occur, and will otherwise comply with any and all applicable procedures and requirements of applicable law relating to the transfer.

[signature page follows]

By signing below, the parties agree to be bound by the terms and conditions contained in this Agreement.

Anew Environmental, LLC	Union Sanitary District
<i>Signature:</i> _____ <i>Title:</i> _____	<i>Signature:</i> _____ <i>Title:</i> _____
<i>Printed Name:</i> _____ <i>Date:</i> _____	<i>Printed Name:</i> _____ <i>Date:</i> _____
<i>Approved as to Form:</i> _____	<i>Approved as to Form:</i> _____
_____ Attorney for Anew	_____ District General Counsel



**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM #11**

TITLE: Status Report on Computer Purchase and Student Loan Program (*This is an Information Item*)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Mark Carlson, Business Services Workgroup Manager/CFO

Recommendation
Information only.

Discussion

Computer Purchase Loan Program

Since inception, employees have utilized the program 405 times to purchase computer related equipment totaling \$958,243 with an average purchase of \$2,366. The current terms of the program allow an employee to borrow a maximum of \$3,300 for up to 3 years and to repay the loan through payroll deductions. The program has a maximum District wide loan limit of \$50,000 (including student loan maximum of \$15,000).

As can be seen in the chart below, there are currently 10 outstanding loans for a total of \$6,998 with an average outstanding loan balance of \$700. During the year there was 1 new loan granted and 7 loans paid off.

Employee Computer Loan Program		
	Dollars	Quantity
Balance July 1, 2021	\$ 17,027	16
New Loans	1,206	1
Payments & Adjustments	(11,235)	(7)
Balance June 30, 2022	<u>\$ 6,998</u>	<u>10</u>

Student Loan Program

Employees have not taken advantage of the program since its inception.

Background

The Computer Purchase Loan Program was authorized by the Board of Directors in 1989 and provides an opportunity for employees to receive an interest free loan for the purchase of approved technology related equipment.

The Student Loan Program was created in 1995 and allows for a maximum annual interest free loan of up to \$3,000 for qualifying education expenses.

Previous Board Action

None



USD TREAT
PROTECT
PRESERVE
est. 1918
TRI-CITY WASTEWATER

Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 12**

TITLE: **Status of Priority 1 Capital Improvement Program Projects (*This is an Information Item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Raymond Chau, Technical Services Work Group Manager

Recommendation

Information only.

Discussion

In June 2023, the Board approved the Capital Improvement Program (CIP) budget for Fiscal Year 2024 (FY24) in the amount of \$84,554,100 for the planning, design, and construction of 34 CIP projects.

For FY24, 20 projects were ranked as Priority 1 projects, and the remaining 14 were ranked as Priority 2 or Priority 3 projects. The status of the Priority 1 CIP projects was reviewed by the Executive Team, and the status report is attached for the Board's review.

Several Priority 1 projects continued construction activities into the first quarter of FY24:

- Enhanced Treatment and Site Upgrade (ETSU) Phase 1A – Aeration Basins Modifications Project and Campus Project
- Standby Power Generation System Upgrade Project

At the September 25, 2023 meeting, the Board awarded the construction contract for the Force Main Corrosion Repairs Project – Phase 4. It is estimated the Notice to Proceed will be issued to the contractor in the second quarter.

Staff completed the consultant selection process for the space assessment needs portion of the Field Operations Building Seismic Upgrade and Leak Repairs project. It is estimated the development of the consultant's scope and fee will be completed in the second quarter.

In the first quarter, the cleaning and condition assessment of Digester No. 6 was completed. It is estimated the consultant's predesign services will be completed by winter 2023, followed by the start of final design services.

Background

The CIP projects were ranked as Priority 1, 2, or 3 projects based on criteria prepared by staff and approved by the Executive Team. A copy of the criteria used to prioritize the projects is attached for the Board's reference. The criteria have been updated to include the studies utilized in identifying projects and to reference example projects from the current CIP budget.

Also attached is a summary of the ongoing CIP projects at the District during FY24.

Previous Board Action

None.

Attachments: Priority 1 CIP Projects for FY24 – Status Report
Summary of CIP Projects for FY24
CIP Project Criteria

Priority 1 CIP Projects for FY24 – Status Report

	CIP Project	Planned Milestones	Status after 1st Quarter	Status after 2nd Quarter	Status after 3rd Quarter	Status after 4th Quarter
1	Field Operations Building Seismic Upgrade and Leak Repairs	Complete building space programming and systems evaluation by June 2024.	Consultant selection process is complete.			
2	Central Avenue Sanitary Sewer Relocation	Complete the design by June 2024.	Cost sharing agreement is under review.			
3	Cherry St. PS	<ol style="list-style-type: none"> 1. Delivery of the portable generator by February 2024. 2. Complete in-house improvements by June 2024. 	In-house improvements to install a portable generator is in progress.			
4	Cogen Engine No. 2 60K Block Replacement	Complete block replacement by June 2024.	Procurement of engine block is ongoing.			
5	Digester No. 6 Insp. and Rehab.	Complete predesign evaluation report by March 2024.	Digester cleaning and condition assessment is complete.			
6	Digester No. 7	Complete project closeout by December 2023.	Project closeout is ongoing. Board acceptance is estimated to take place in October 2023.			

Priority 1 CIP Projects for FY24 – Status Report

	CIP Project	Planned Milestones	Status after 1st Quarter	Status after 2nd Quarter	Status after 3rd Quarter	Status after 4th Quarter
7	ETSU – Phase 1A – Aeration Basin Modifications	Complete startup of the first two modified east aeration basins by June 2024.	Contractor completed placement of the new concrete top deck for two east aeration basins.			
8	ETSU – Phase 1A – Aeration Basin No. 8	Complete concrete placement for Aeration Basin 8 by June 2024.	Contractor began concrete placement for the basin 8 base slab.			
9	ETSU – Phase 1A – Aeration Internal Lift Pumps	Start-up two new lift pumps by June 2024.	New manufacturer submittal received and under review			
10	ETSU – Phase 1A – Blower 7-10 Replacement	Start-up two new blowers by June 2024.	Detailed planning to begin demolition in the blower room underway.			
11	ETSU – Phase 1A – Plant 12kV Switchgear	Acquire PG&E approvals for new Switchgear and confirm delivery date by June 2024.	PG&E review of manufacturer submittal continued.			
12	ETSU – Phase 1A – Campus Building	Begin building commissioning process by June 2024.	Building framing and utility installation is ongoing			

Priority 1 CIP Projects for FY24 – Status Report

	CIP Project	Planned Milestones	Status after 1st Quarter	Status after 2nd Quarter	Status after 3rd Quarter	Status after 4th Quarter
13	ETSU – Phase 1A – Site Drainage Improvements	Complete concrete placement for new storm drain pump station by June 2024.	Deep excavation for pump station is complete. Formwork for concrete placement had commenced.			
14	ETSU – Phase 1B – Effluent Facilities	Complete design of project by June 2024.	Development of 95% design by consultant is ongoing.			
15	ETSU – Phase 1B – Secondary Clarifiers	Complete design of project by June 2024.	Development of 95% design by consultant is ongoing.			
16	Force Main Corrosion Repairs – Phase 3	Release retention and close project by November 2023.	Project closeout is ongoing. Retention release is estimated to take place in October 2023.			
17	Force Main Corrosion Repairs – Phase 4	1. Award construction contract by September 2023. 2. Complete site access improvements by April 2024.	Construction contract was awarded on September 25, 2023.			
18	Secondary Digester No. 1 Insp. and Rehab.	Project combined with Digester No. 6 Insp. and Rehab.	Digester cleaning and condition assessment is complete.			

Priority 1 CIP Projects for FY24 – Status Report

	CIP Project	Planned Milestones	Status after 1st Quarter	Status after 2nd Quarter	Status after 3rd Quarter	Status after 4th Quarter
19	Standby Power Generation System Upgrade	<ol style="list-style-type: none"> 1. Complete the replacement of Substation No. 2 by April 2024. 2. Complete all available construction work by June 2024. Remaining work to resume following the commissioning of new 12 kV Switchgear. 	Installation of diesel tank, fuel piping, and mechanical systems at Standby Power Building is complete. Substation No. 2 enclosure and transformers is set and anchored.			
20	WAS Thickeners	Complete the design by June 2024.	Began drafting the consultant contract to complete the design.			

SUMMARY OF CIP PROJECTS FOR FY24

Project Type	Number of Projects	Project Name
Administrative Facilities	4	<ol style="list-style-type: none"> 1. Cathodic Protection Improvements 2. ETSU – Phase 1A – Campus Building 3. Field Operations Building Seismic Upgrade and Leak Repairs 4. Solar Panels/Inverters Replacement at Irvington
Collection System	3	<ol style="list-style-type: none"> 1. Central Avenue Sanitary Sewer Relocation 2. FY 23 Cast Iron/Piping Lining 3. Gravity Sewer Rehabilitation/Replacement
Transport System	7	<ol style="list-style-type: none"> 1. Cherry St. PS 2. Force Main Corrosion Repairs – Phase 3 3. Force Main Corrosion Repairs – Phase 4 4. Force Main Stabilization at Alameda Creek 5. Newark PS/Irvington PS Portable VFD 6. Newark and Irvington PS Chemical System Improvements 7. Stevenson Blvd. Lift Station
Treatment Plant	20	<ol style="list-style-type: none"> 1. Alvarado Influent PS Improvements 2. Alvarado Influent Valve Box Gate Valves 1-2 3. Cogen Engine No. 2 60K Block Replacement 4. Digester No. 6 Inspection and Rehabilitation 5. Digester No. 7 6. ETSU – Phase 1A – Aeration Basin Modifications 7. ETSU – Phase 1A – Aeration Basin No. 8 8. ETSU – Phase 1A – Aeration Internal Lift Pumps 9. ETSU – Phase 1A – Blower 7-10 Replacement 10. ETSU – Phase 1A – Plant 12kV Switchgear (SWGR-SE) 11. ETSU – Phase 1A – Site Drainage Improvements 12. ETSU – Phase 1B – Secondary Clarifiers 13. ETSU – Phase 1B – Effluent Facilities 14. ETSU – Phase 1B – Switchboard 4 Replacement 15. Miscellaneous Improvements 16. PLC Replacement

SUMMARY OF CIP PROJECTS FOR FY24

Project Type	Number of Projects	Project Name
		17. Secondary Digester No. 1 Inspection and Rehabilitation 18. Standby Power Generation System Upgrade 19. Switchboard 3 and MCC 25 Replacement 20. WAS Thickeners

Total: 34

CIP PROJECT CRITERIA

Priority 1 Projects

1. Project to repair or prevent an imminent critical infrastructure failure that could result in a threat to the public or result in permit non-compliance.
2. A project designed to address public health and safety or employee health and safety.
3. Project to provide additional capacity to allow connection to the District system or to prevent a potential wet weather overflow from occurring.
4. Projects that have a deadline tied to receiving a loan or grant funding.
5. Projects where we have made a timeline commitment to a customer or other outside stakeholder.
6. A project in which the District may suffer financial losses or claims should the project be delayed.
7. A project which is part of a sequence of projects whose delay could result in delays to other projects at USD or other agencies.
8. A project in which an internal commitment has been made to provide a facility that significantly impacts another group from efficiently and effectively carrying out their core work. (Not a “nice to have” type project).

These criteria can apply to a study, design, or construction project.

Priority 2 Projects

1. These are planned projects related to the replacement of electrical and mechanical equipment identified by the Plant Asset Condition Assessment Study and the Pump Station Asset Condition Assessment Study – this equipment is not in imminent danger of failure but needs to be replaced at a future date.
2. These are planned pipeline rehab/replacement projects that are identified either by the drainage basin capacity and condition assessment studies or by the Maintenance staff and need to be completed to improve the condition of existing sewers to safeguard against potential maintenance problems – these pipelines are not in imminent danger of failure.
3. These projects do not have any immediate negative impacts on either other agencies or other projects.
4. Examples: Cast Iron/Pipe Lining, Gravity Sewer Rehabilitation/Replacement, Irvington PS Pumps and VFDs Replacement, and Primary Clarifiers 5 and 6 Rehabilitation.

CIP Project Criteria

Priority 3 Projects

1. These are capacity projects identified by the master plans, capacity studies, and drainage basin capacity and condition assessment studies that will address future capacity needs of the District.
2. These projects are place holders and need to be defined at a future date.
3. The District will not suffer any financial loss or claim if these projects are delayed.
4. Examples: Force Main Rehabilitation, Standby Power Generator No. 4, Thickeners 3 and 4 Rehabilitation, and Waste Recycling and Alternative Energy.



**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 13**

TITLE: **First Quarterly Report on the Capital Improvement Program for FY24 (*This is an Information Item*)**

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Raymond Chau, Technical Services Work Group Manager

Recommendation
Information only.

Discussion

In June 2022, the Board approved the Capital Improvement Program (CIP) budget for Fiscal Year 2024 (FY24) in the amount of \$84,554,100 for the design and construction of 34 CIP projects. The expenditures through the first quarter of FY24 are shown in the attached budget graphs.

The total CIP expenditures through September 30, 2023 were above the cash flow estimates for the first quarter by approximately \$122,000, or 1.8 percent. The Enhanced Treatment and Site Upgrade (ETSU) Phase 1A Aeration Basin Modifications and Campus projects continued construction activities this quarter. The Aeration Basin Modifications project continued to experience delays due to procurement challenges, unforeseen field conditions, and the pace of the contractor’s work. The Plant 12 kV switchgear delays could affect the schedule of other projects, including the Standby Power project. To mitigate these schedule impacts, management continues to meet with the Aeration Basin Modifications project’s contractor to discuss concepts such as re-sequencing construction activities to reduce the remaining schedule. Staff is also discussing scheduling issues with the Standby Power project’s contractor associated with the 12 kV switchgear.

There were several projects that continued construction activities into the first quarter. The construction projects with the larger variances through the first quarter are:

- ETSU Phase 1A Aeration Basin Modifications +\$166,000
- ETSU Phase 1A Campus Building -\$99,000
- Standby Power Generation System Upgrade +\$356,000

Background

The total CIP expenditures between July 1, 2023 and September 30, 2023 were above the cash flow estimates for the first quarter by approximately \$122,000. The projects with the larger variances from their budgets are listed in the table below.

Project	Approximate Variance through the First Quarter (x \$1,000)	Comment
ETSU – Phase 1A <ul style="list-style-type: none"> • Aeration Basin Modifications • Aeration Basin No. 8 • Aeration Internal Lift Pumps • Blower 7-10 Replacement • Plant 12kV Switchgear 	+166	The Contractor completed placement of new decks for Aeration Basin 1 & 3 and has started preparation for above deck piping and equipment. The Contractor completed excavation activities associated with the new Aeration Basin 8 and commenced construction of floor and walls. The Contractor continued installation of underground utilities for the new 12 kV Switchgear.
ETSU – Phase 1A <ul style="list-style-type: none"> • Campus Building • Site Drainage Improvements 	-99	The Contractor completed most of the exterior sheathing activities and began interior framing and rough installation of building utilities. The Contractor continued installation of new storm drain and sanitary sewer underground piping.
ETSU – Phase 1B <ul style="list-style-type: none"> • Secondary Clarifiers • Effluent Facilities • Switchboard 4 Replacement 	-244	Phase 1B design workshops with staff are ongoing. The 95% design submittal is scheduled for December 2023, slightly behind schedule.
Digester No. 6 Inspection and Rehabilitation <ul style="list-style-type: none"> • Secondary Digester No. 1 Inspection and Rehabilitation 	-101	Dewatering, cleaning, scaffolding installation, and condition assessment of Primary Digester No. 6 was completed in the first quarter.

Project	Approximate Variance through the First Quarter (x \$1,000)	Comment
		It is estimated the invoice for the work will be processed in the second quarter.
Standby Power Generation System Upgrade	+356	<p>The Contractor completed the installation of the above ground diesel tank, fuel pump and piping systems, acoustical wall insulation, HVAC equipment, generator paralleling switchgear, and electrical transformers at the new Standby Power Building slightly ahead of schedule.</p> <p>The Contractor also completed the construction of new concrete foundations and placement of the Substation No. 2 enclosure and transformers.</p>
Other Projects	+44	
Total Variance through the First Quarter	+122	

The “Other Projects” category include the following projects that were in planning, design, construction, or closeout phase during FY24:

1. Alvarado Influent Pump Station Improvements
2. Alvarado Influent Valve Box Gate Valves 1-2
3. Cathodic Protection Improvements
4. Central Avenue Sanitary Sewer Relocation
5. Cherry Street Pump Station
6. Cogen Engine Block No. 2 60K Block Replacement
7. Digester No. 7
8. Field Operations Building Seismic Upgrade and Leak Repairs
9. Force Main Corrosion Repairs – Phase 3
10. Force Main Corrosion Repairs – Phase 4
11. Force Main Stabilization at Alameda Creek
12. FY 23 Cast Iron/Piping Lining
13. Gravity Sewer Rehabilitation/Replacement

14. Irvington Pump Station Pumps and VFDs – Portable VFD
15. (Plant) Miscellaneous Improvements
16. Newark and Irvington Pump Station Chemical System Improvements
17. PLC Replacement
18. Solar Panels/Inverters Replacement at Irvington
19. Stevenson Boulevard Lift Station
20. Switchboard 3 and MCC Replacement
21. WAS Thickeners

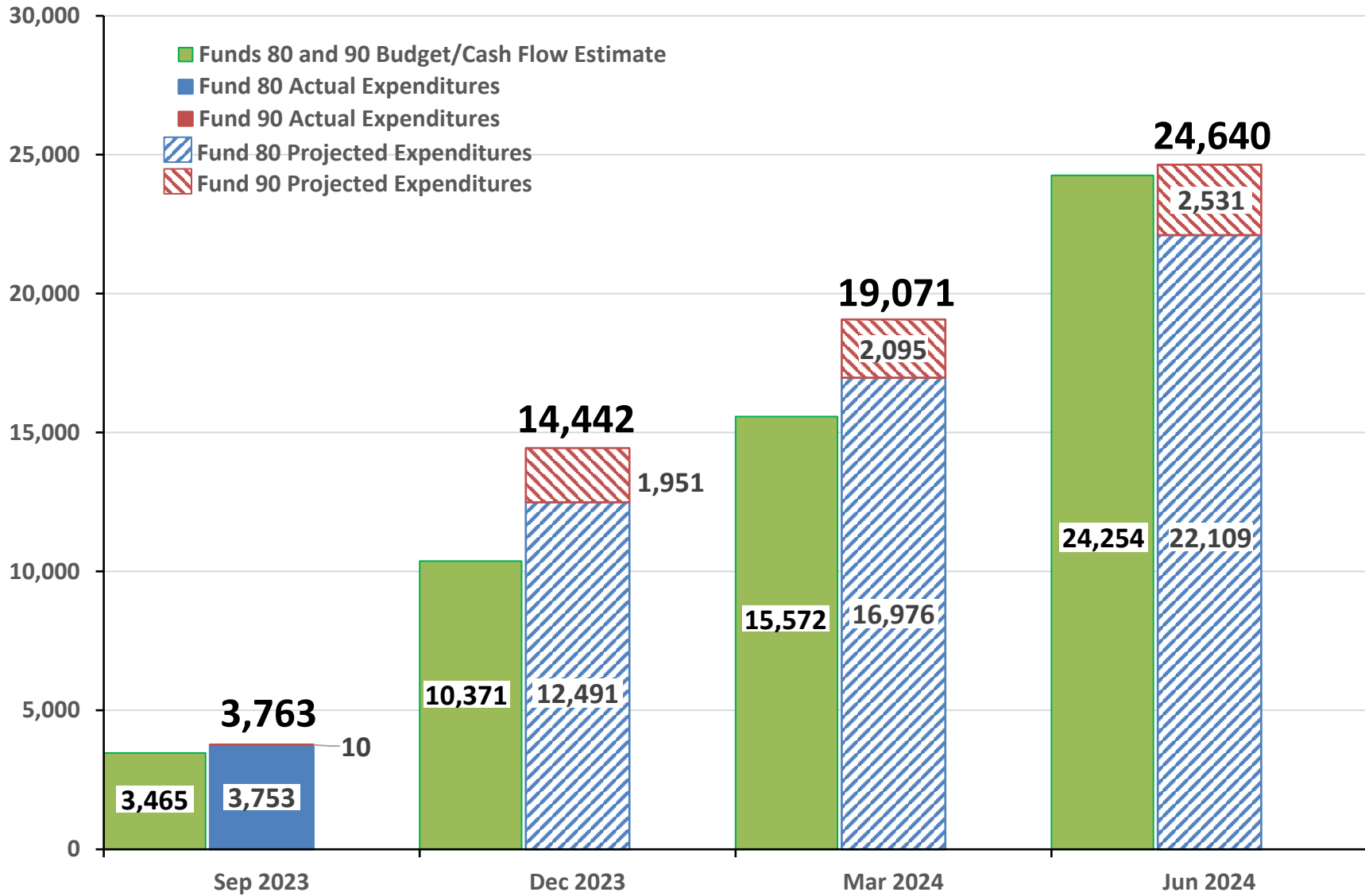
The attached graphs depict actual expenditures versus approved budget and cash flow estimates for the Capacity Fund 90, the Renewal and Replacement Fund 80, and the two combined funds. The graphs show the expenditures of the ETSU projects, the CIP projects without the ETSU projects, and the combined projects from both programs.

Previous Board Action

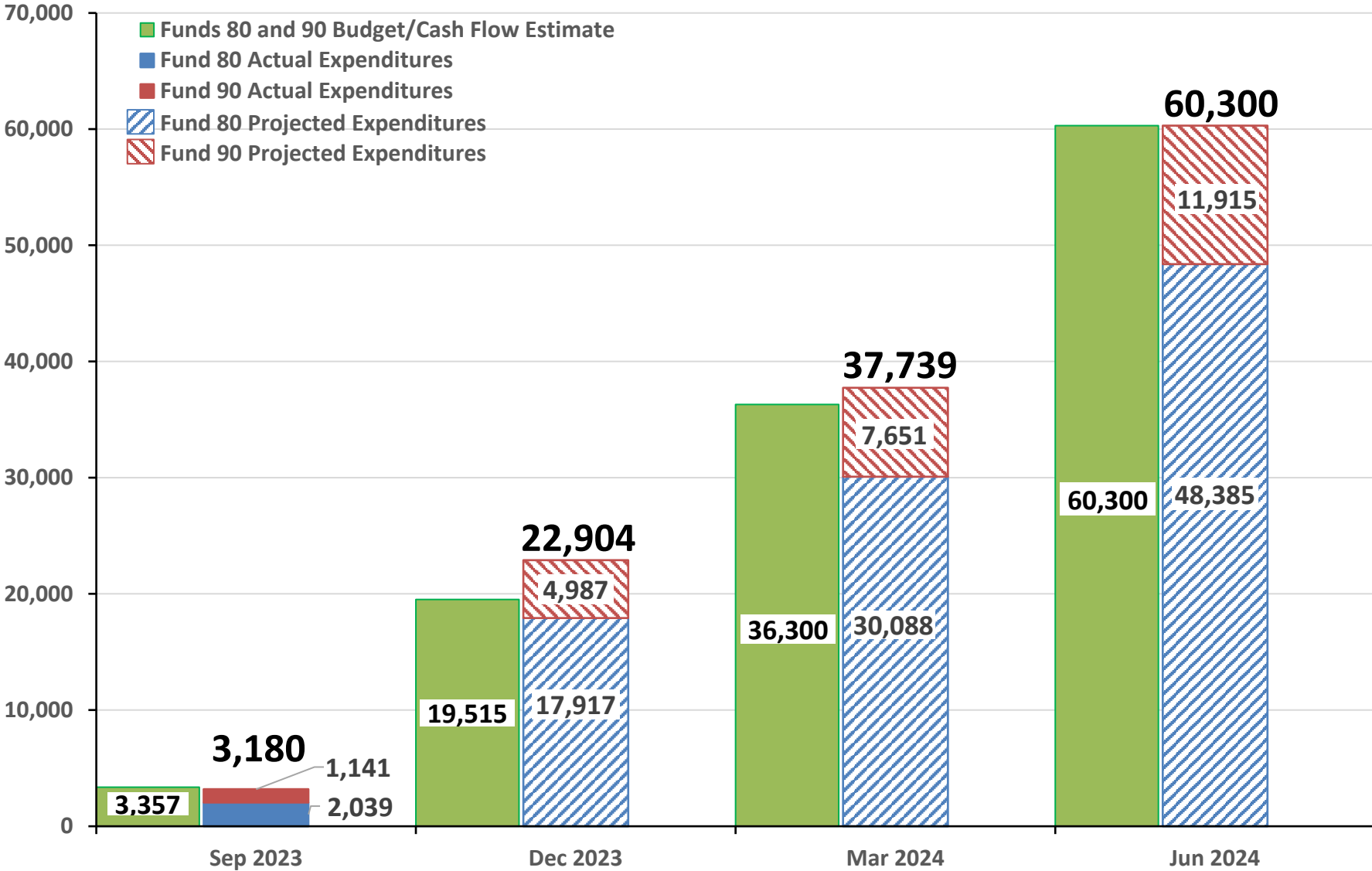
None.

Attachments: Budget Graphs

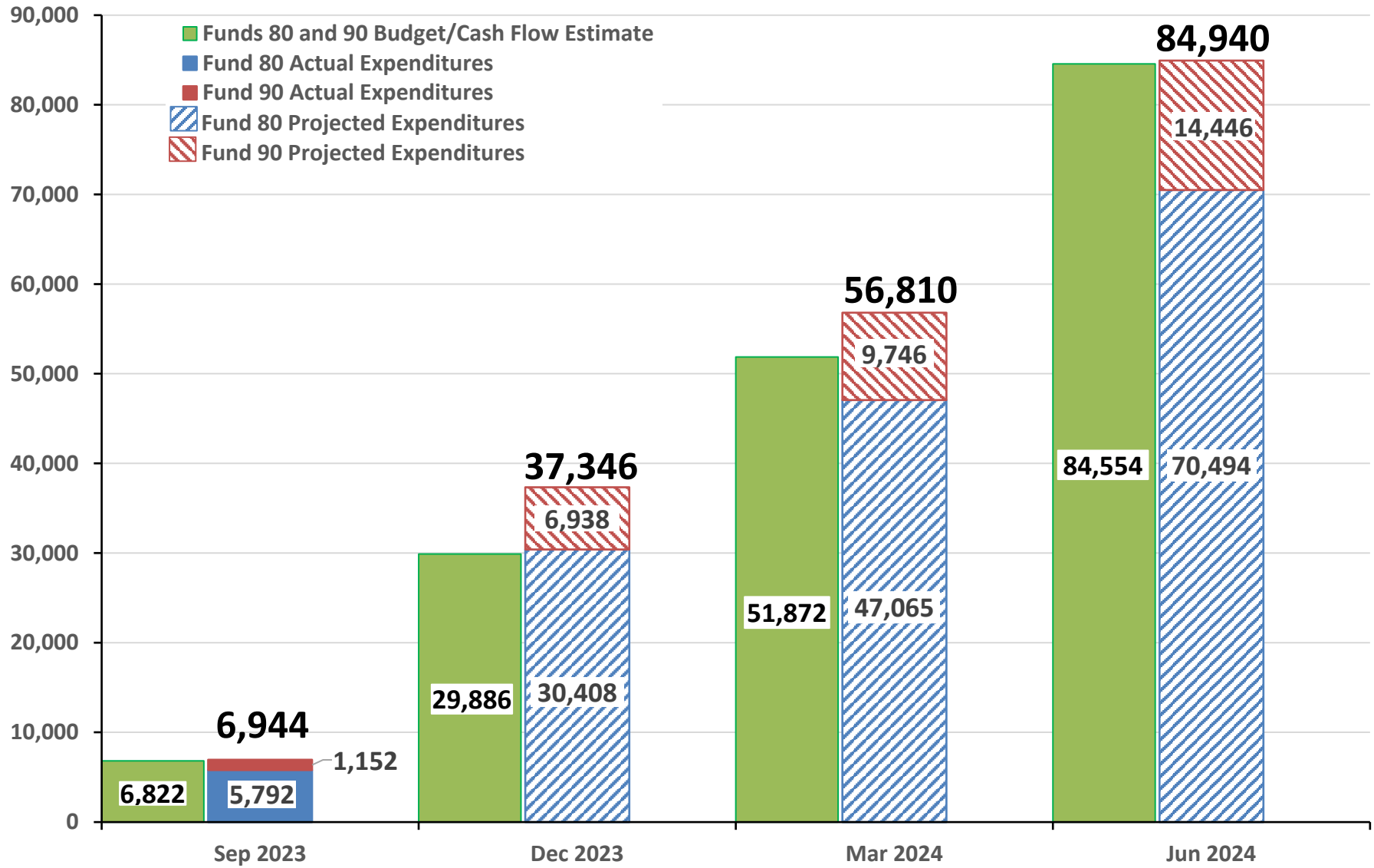
CIP Budget vs. Actual (Does Not Include ETSU) (x \$1,000)



ETSU Budget vs. Actual (x \$1,000)



CIP and ETSU Combined Budget vs. Actual (x \$1,000)





Directors
Manny Fernandez
Tom Handley
Pat Kite
Anjali Lathi
Jennifer Toy

Officers
Paul R. Eldredge
*General Manager/
District Engineer*

Karen W. Murphy
Attorney

**NOVEMBER 13, 2023
BOARD OF DIRECTORS MEETING
AGENDA ITEM # 14**

TITLE: First Quarterly Report on the Enhanced Treatment and Site Upgrade Program for FY24 (This is an information item)

SUBMITTED: Paul R. Eldredge, General Manager/District Engineer
Ric Pipkin, Enhanced Treatment and Site Upgrade Program Manager
Gus Carrillo, Enhanced Treatment and Site Upgrade Assistant PM
ETSU Steering Committee (Armando Lopez, Raymond Chau, Robert Simonich)

Recommendation

Information only.

Discussion

Staff prepared the attached Enhanced Treatment and Site Upgrade (ETSU) Quarterly Program Management Report for the first quarter of fiscal year 2024. Part 1 of the report provides an executive summary of the ETSU Program status, and the Program Dashboard as currently shown on the District Website. These reports are coordinated to coincide with the CIP quarterly reports to the Board.

Background

Staff and its consultants developed the “Alvarado Wastewater Treatment Plant (WWTP) Enhanced Treatment and Site Upgrade (ETSU) Quarterly Program Management (PM) Report” to provide the Board and interested public an overview document for tracking the progress of the ETSU program. This report looks at five key performance indicators, which include:

- Schedule
- Progress
- Budget
- Cashflow

- Reportable accidents

The format for the Alvarado WWTP ETSU Quarterly PM Report was developed with input from both the ETSU Steering Committee and the ETSU Ad Hoc Board Committee. The report includes an informational dashboard which is posted on the District’s website at the following address: <https://unionsanitary.ca.gov/ETSU>. Staff began utilizing the report beginning with the first Quarter of FY 22. ETSU quarterly reports will be coordinated to coincide with the CIP quarterly reports.

The ETSU Program is the culmination of the District’s planning efforts and is based on the outcomes and findings of the Plant Solids System/Capacity Assessment – Phases 1 and 2, Administration/Control/FMC Buildings Evaluation, the Effluent Management Study and the Secondary Treatment Process Improvements evaluation. The program includes projects recommended for implementation that will be phased to address both immediate drivers (poor sludge settleability, treatment capacity, effluent disposal and aging infrastructure), while preparing for future requirements such as nutrient regulations for discharge in the Bay that are currently being considered by the Regional Water Quality Control Board.

The Phase 1 and 2 projects included in this program were presented to the Board during the workshop held on May 8, 2019, and are summarized in the Final Report which was approved by the Board on August 26, 2019. A third phase of projects was briefly outlined that covered the timeframe from 2040 to 2058 and included potentially stricter nutrient limits in the more distant future. The projects identified in the ETSU Program and modified by the 30% design report to be implemented in the near-term (the next seven to ten years) are included in Phase 1 and are summarized in the table below.

Phase 1A	Aeration Basin Modifications	Retrofitting existing Aeration Basins 1 through 7 and construction of an 8 th aeration basin with the flexibility to operate initially with an anaerobic selector during the implementation phase and transitioning to a biological nutrient removal (BNR) process following completion of the Phase 1B Project.
Phase 1A	Campus Building (Admin, FMC, Ops)	Construction of a new combined Campus Building, including associated site and utility improvements.
Phase 1B	Secondary Clarifiers	Construction of four new 160-foot diameter secondary clarifiers, mixed liquor control box, and centralized RAS pump station.
Phase 1B	Effluent Facilities	Construction of new chlorination/dechlorination contact basins, effluent pump stations, and relocation of existing effluent force main.

Phase 1C	Plant Equalization Storage	Retrofitting existing Secondary Clarifiers 1 through 4 to operate as primary effluent equalization basins.
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The full version of the ETSU Program report, including appendices, can be found at the following link: <https://unionsanitary.ca.gov/ETSU>.

Previous Board Action

None

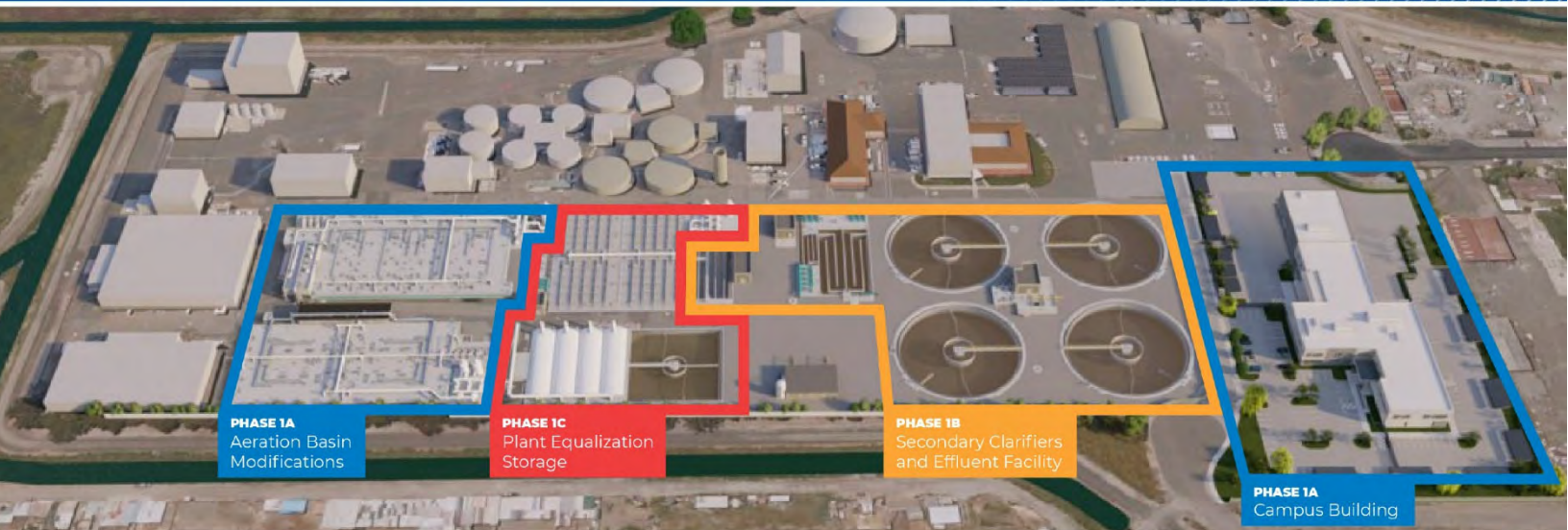
PRE/RP/CB

Attachment: Alvarado WWTP ETSU Quarterly PM Report for Fiscal Year 24 Quarter No. 1



USD TREAT
PROTECT
PRESERVE
est. 1918
TRI-CITY WASTEWATER

Alvarado Wastewater Treatment Plant Enhanced Treatment and Site Upgrade Quarterly Program Management Report



Fiscal Year 2024 – Quarter No. 1

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Enhanced Treatment and Site Upgrade Program

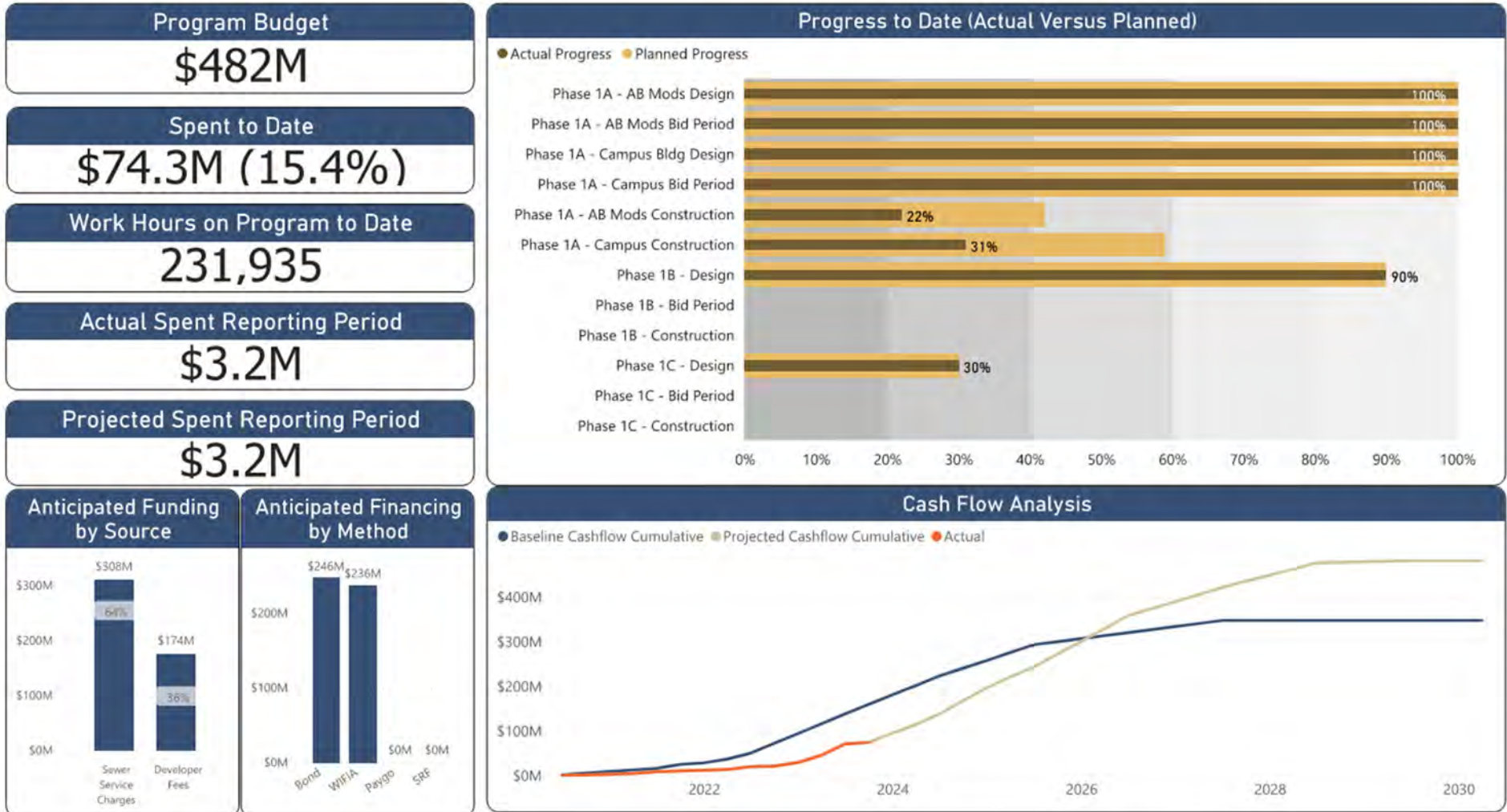







Figure 1-1: Program Dashboard

1.1 Program Management Status Summary

Table 1-1 provides a summary of the ETSU Program as of Fiscal Year 2024 – Quarter No. 1.

Table 1-1: Program Summary

Key Performance Indicator	Description	Current	Variance	Status	Comment
1. Schedule	Relationship between planned and actual schedule	Milestone on schedule	N/A		There are no approved changes to the planned construction schedule. See Part 1.3 Program Management Key Concerns for potential construction delays
2. Progress	Progress to Date	In progress	N/A		Aeration Basin Modifications and Campus Field construction activities continued.
3. Budget	Relationship between planned and actual budget	Within budget	None		Funds spent to date are within planned budget.
4. Cashflow	Actual funds spent versus projected for period	Matched Projected	None		Projected costs matched actual costs for the quarter.
5. Reportable Accidents	Number of OSHA reportable accidents for District staff associated with ETSU	0	N/A		There are no reportable accidents to date.

1.1.1 Schedule

A summary of the program schedule is presented in Table 1-2.

Table 1-2: Program Schedule Summary

Program Phase Milestone	Planned Milestone Start Date	Variance	Status	Actual Milestone Start Date
Phase 1A – Aeration Basin Modifications (AB Mods) Design	January 2020	None	■	January 2020
Phase 1A – Campus Building Design ¹	March 2020	2 months	■	May 2020
Phase 1A – AB Mods Bid Period	September 2021	None	■	September 2021
Phase 1A – Campus Building Bid ² Period	December 2021	3 months	■	March 2022
Phase 1A – AB Mods Construction	January 2022	None	■	January 2022
Phase 1A – Campus Building Construction	July 2022	None	■	June 2022
Phase 1B – Secondary Clarifiers and Effluent Facilities (SC and EF) Design	January 2021	None	■	January 2021
Phase 1B – SC and EF Bid Period	May 2024	None	■	TBD
Phase 1B – SC and EF Bid Construction	August 2024	None	■	TBD
Phase 1C – Primary Effluent Equalization (PE EQ) Design	August 2024	None	■	TBD
Phase 1C – PE EQ Bid Period	August 2027	None	■	TBD
Phase 1C – PE EQ Construction	November 2027	None	■	TBD

■ Milestone on schedule

■ Milestone within 2 months of schedule













■ Milestone >2 months behind schedule

1. The start of the Campus design was delayed due to the onset of the Covid 19 Pandemic
2. The Campus bid was behind schedule for a variety of reasons, specifically the amount of additional time required to finalize the interior layouts and fit and finish.

1.1.2 Progress

Table 1-3 summarizes the progress of the ETSU Program as of Fiscal Year 2024 – Quarter No. 1.

Table 1-3: Program Progress





Program Phase Milestone	Progress to Date	Status
Phase 1A – AB Mods Design	100%	
Phase 1A – Campus Building Design	100%	
Phase 1A – AB Mods Bid Period	100%	
Phase 1A – Campus Building Bid Period	100%	
Phase 1A – AB Mods Construction	22%	
Phase 1A – Campus Building Construction	31%	
Phase 1B – SC and EF Design	90%	
Phase 1B – SC and EF Bid Period	0%	
Phase 1B – SC and EF Bid Construction	0%	
Phase 1C – PE EQ Design	30%	
Phase 1C – PE EQ Bid Period	0%	
Phase 1C – PE EQ Construction	0%	




-  Complete
-  In Progress
-  Not Started

1.1.3 Budget

Table 1-4 summarizes the budgeted amounts and funds spent to date for the ETSU Program.

Table 1-4: Program Budget Summary

Program Phase	Funds Spent to Date	Program Budget	Funds Spent vs. Baseline Budget to Date	Budget Status
Phase 1A – Aeration Basin Modifications	\$38.28 M	\$144.4M	26.5 %	
Phase 1A – Campus Building	\$32.13 M	\$97.14M	33 %	
Phase 1B – SC and EF	\$3.92 M	\$200.7M	2 %	
Phase 1C – PE EQ	\$0	\$39.6M	0%	

-  *Estimated cost within planned budget*
-  *Estimated cost within 5% of planned budget*
-  *Estimated cost greater than 5% of planned budget*

1.1.4 Funding

Table 1-5 summarizes the anticipated funding sources and funds spent to date for the ETSU Program.

Table 1-5: Summary of Funding Sources

Funding Source	Funds Spent to Date from Sources	Anticipated Funding Amount (Percent of Total Funding)	Comments
District Funds	\$10.4 M	\$0 (0%)	District funds used to pay for design services prior to Sept. 2021.
Bonds	\$ 63.92 M	\$146M (30%)	Bond funding is assumed to be baseline funding source.
CWSRF	\$0	\$100M (21%)	CWSRF applications for Phases 1A, 1B, and 1C were resubmitted in Dec. 2022. Phase 1A and 1B are tentatively approved for CWSRF funding.
WIFIA	\$0	\$236M (49%)	WIFIA loan closed in Dec. 2021; low interest funding for 49% of program.


1.1.5 Reportable Accidents

Table 1-6 summarizes the OSHA reportable accidents for District staff associated with the ETSU program.

Table 1-6 Reportable Accidents

Reportable Accident	Program Phase	Incident Description	Date Reported	Cause	Resolution	Follow Up Status
Issue No. 1	N/A	N/A	N/A	N/A	N/A	N/A

 *Follow Up Complete*

 *Follow Up in Progress*

 *Follow Up Required*

1.2 Major Accomplishments During Reporting Period

Table 1-7 summarizes major program accomplishments during Fiscal Year 2024 – Quarter No. 1.

Table 1-7: Major Program Accomplishments

Activity	Status	Next Milestone
Phase 1A – Aeration Basin Modifications	The Contractor completed placement of new decks for Aeration Basin 1 & 3 and has started preparation for above deck piping and equipment. The Contractor continued underground utilities for the new 12 kV Switchgear on the north side of the plant. The Contractor completed excavation activities associated with the new Aeration Basin 8 and commenced construction of floor and walls.	Construction final completion schedule for January 2026.
Phase 1A – Campus Building	The Contractor completed most of the exterior sheathing activities and began interior framing and rough installation of building utilities. The Contractor continued installation of new storm drain and sanitary sewer underground piping.	Move-in anticipated late 2024
Phase 1B – Secondary Clarifier and Effluent Facilities	Phase 1B design workshops with staff ongoing. 95% Design submittal expected December 2023.	Design completion anticipated June 2024.

1.3 Program Management Key Concerns

Table 1-8 summarizes the status of key program elements that could impact the overall success of the ETSU Program.

Table 1-8: Program Key Concerns

Activity	Status	Comments
Modifications to ACWD Water Main	The submittal to the Fire Marshall continued to be revised to meet the fire marshal requirements. Once approved, the plans will then be submitted to ACWD to finalize approval of the new water main.	ACWD’s review and approval of new water main, meters, and easement must be completed prior to construction of the new lines during the Campus Building project.
Electrical Equipment Delays	<p>Phase 1A AB Mods major electrical equipment construction submittal process continued during this quarter. Electrical Equipment delays are anticipated to delay the project and the Campus and Stand-by Power Projects. Staff is holding talks at the executive level with the Contractor to discuss schedule mitigation concepts and impacts.</p> <p>PG&E provided comments in August 2023 on the submittal provided to them in February 2023 for the remaining switchgear that requires approval. The Contractor and designer responded to PG&E comments in September 2023.</p> <p>Staff is still awaiting confirmed delivery dates for other electrical equipment from manufacturers.</p> <p>Preliminary delivery dates for some Campus electrical equipment may also cause a delay in the Campus completion. Staff has developed a plan to mitigate the impact of PG&E delays on the Campus project and is awaiting pricing from contractors to implement plan.</p>	<p>No delivery date will be provided by supplier until submittal is approved by PG&E.</p> <p>Preliminary delivery dates from suppliers are expected to cause delays to construction schedule. Extent of delay will be evaluated once delivery dates determined.</p>

Detailed Program Management Information

1.4 Detailed Program Costs

The following tables show the detailed costs to date for contracts for each element of the ETSU Program.

Table 2-1: Phase 1A – Aeration Basin Modifications Cost Summary (through September 2023)

Consultant / Contractor	Phase	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Hazen and Sawyer	Design	\$ 7,575,893.21	\$7,601,955	99.65 %
Jacobs Engineering	Design	\$ 10,683	\$10,703	99.8 %
Psomas	Design/Construction	\$ 1,707,491.93	\$6,777,552	25.19 %
W. M. Lyles	Construction	\$ 27,049,679.07	\$121,040,201	22.35 %
Hazen and Sawyer	Construction	\$ 1,632,215.65	\$3,924,756	41.59 %

Table 2-2: Phase 1A – Campus Building Cost Summary (through September 2023)

Consultant / Contractor	Phase	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Hazen and Sawyer (Burks Toma Architects)	Design	\$3,730,672.35	\$3,737,412	99.8 %
Psomas	Design/Construction	\$2,147,153.31	\$4,208,731	51.02 %
Zovich Construction	Construction	\$ 23,703,524.04	\$ 76,375,000	31.04 %
Hazen and Sawyer (Burks Toma Architects)	Construction	\$ 1,972,556.29	\$ 4,649,745	42.42 %

Table 2-3: Phase 1B – SC and EF Cost Summary (through September 2023)

Consultant / Contractor	Phase	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Hazen and Sawyer	Design	\$ 3,764,546.77	\$7,960,952	47.29 %
HDR, Inc.	Design	\$ 91,997.43	\$ 126,327.00	72.8 %
Woodard & Curran	Design	\$ 17,666.25	\$ 24,900.00	70.9 %

Table 2-4: Phase 1C – Plant Equalization Summary (through September 2023)

Consultant / Contractor	Phase	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)
Hazen and Sawyer	Design	\$ TBD	\$ TBD	0.0 %

Table 2-5: Miscellaneous Program Cost Summary (through September 2023)

Miscellaneous Program Costs	Actual Expenditures to Date	Comments
Phase 1A – AB Mods	\$ 305,561.38	Includes Permits, Time Lapse Equipment, and Contract Documents Printing Cost
Phase 1A – Campus Building & SDPS	\$ 577,029.30	Includes, Permits, Time Lapse Equipment, and Contract Documents Printing Cost
Phase 1B – Secondary Clarifiers	\$45,850.83	Includes Permits, Legal Fees, and Temporary Dechlorination System.

1.5 Program Milestone Schedule

Phase	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1A - AB Mods Design	█									
1A - AB Mods Bid Period		█								
1A - AB Mods Construction			█							
1A - Campus Design	█	█								
1A - Campus Bid Period			█							
1A - Campus Construction			█	█						
1B - Design		█								
1B - Bid Period					█					
1B - Construction					█					
1C - Design					█					
1C - Bid Period								█		
1C - Construction									█	

2. Program Key Performance Indicator Descriptions

Five (5) KPIs were established to gauge the progress of the program. These KPIs represent various success factors associated with program management and delivery phases and are summarized in Figure 3-1 and Table 3-1.

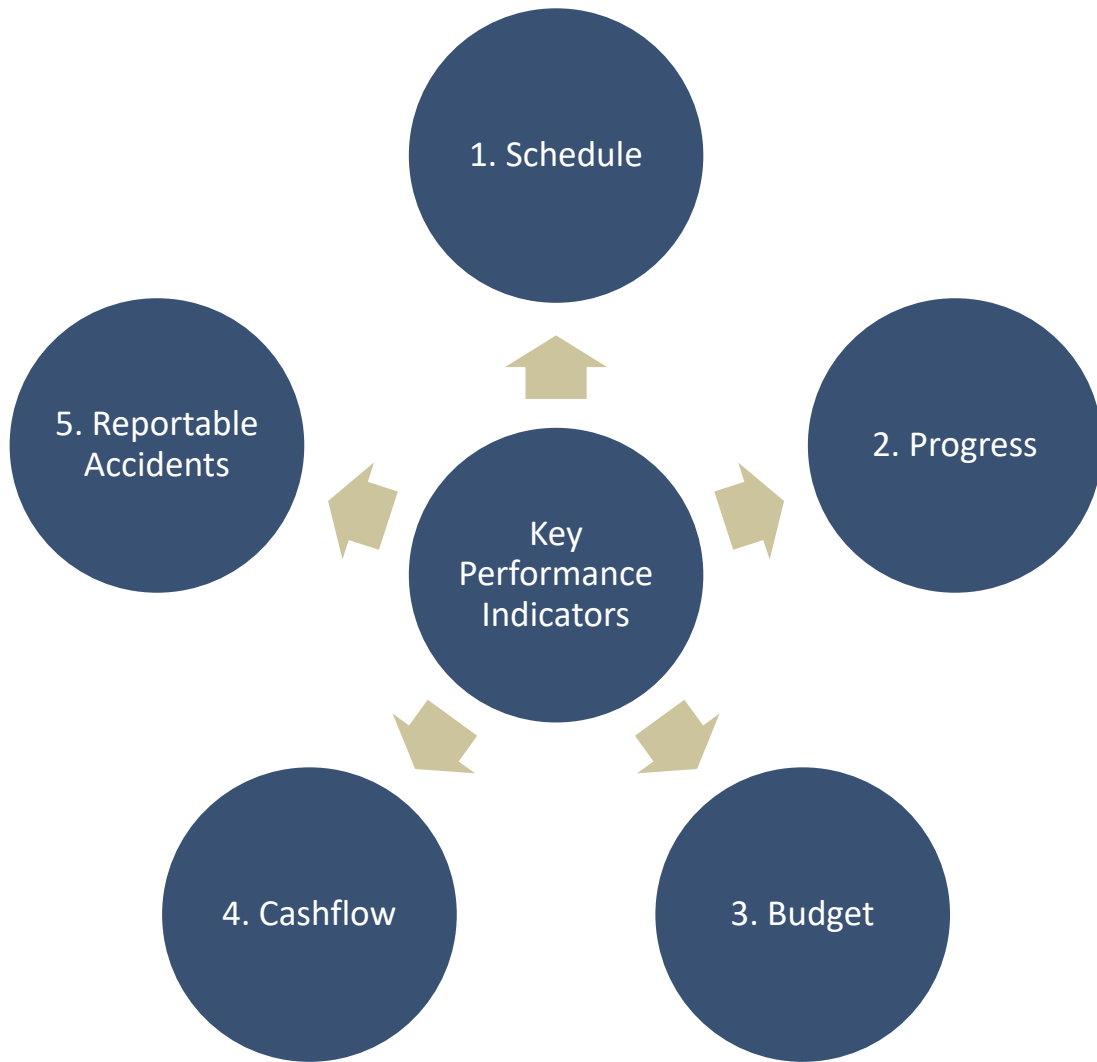





Figure 3-1: Key Performance Indicators of the ETSU Program

Table 3-1: Key Performance Indicator Metrics

Key Performance Indicator	Description	Overall Program Status		
				
1. Schedule	Relationship between planned and actual schedule	Milestone on schedule	Milestone within 2 months of schedule	Milestone >2 months behind schedule
2. Progress	Progress to Date	Complete	In Progress	Not Started
3. Budget	Relationship between planned and actual budget	Funds spent are within planned Budget	Funds spent are within 5% of planned Budget	Funds spent are >5% above planned Budget
4. Cashflow	Actual funds spent versus projected for period	Funds spent are within +/- 10% of projected spent	Funds spent are within +/- 20% of projected spent	Funds spent are more than +/- 20% of projected spent
5. Reportable Accidents	Number of OSHA reportable accidents for District staff associated with ETSU	0	1-2	>2

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185666	10/26/2023	114	800532.16	W.M. LYLES CO	MP - AERATION BASIN MODIFICATIONS	\$2,354,964.43	\$2,354,964.43
185670	10/26/2023	114	800545.10	ZOVICH CONSTRUCTION	CAMPUS BUILDINGS (ADMIN, FMC, OPS)	\$1,806,339.58	\$1,806,339.58
185589	10/19/2023	143	230070	OVERAA	PRIMARY DIGESTER NO. 7	\$1,436,374.00	\$1,436,374.00
185699	11/2/2023	114	2011800432	HAZEN AND SAWYER	ETSU PHASE 1B PROJECT	\$425,063.13	\$644,439.04
	11/2/2023	114	2011801019		MP - AERATION BASIN MODIFICATIONS	\$50,394.13	
	11/2/2023	114	2011801114		CAMPUS BUILDINGS (ADMIN, FMC, OPS)	\$168,981.78	
185577	10/19/2023	143	800501.25	KIEWIT INFRASTRUCTURE WEST CO	ALVARADO INFLUENT PS PUMPS AND VFDS	\$423,825.92	\$423,825.92
185667	10/26/2023	114	800532.16E	W.M. LYLES CO	MP - AERATION BASIN MODIFICATIONS - ESCROW	\$123,945.50	\$123,945.50
185702	11/2/2023	143	W8Y07900011	JACOBS ENGINEERING GROUP, INC	PUMP STATIONS CHEMICAL SYSTEM IMPROVEMENTS	\$20,013.75	\$122,630.95
	11/2/2023	143	W8Y07900012		PUMP STATIONS CHEMICAL SYSTEM IMPROVEMENTS	\$102,617.20	
185592	10/19/2023	110	1774470	POLYDYNE INC	42,200 LBS CLARIFLOC WE-539	\$11,684.13	\$101,311.89
	10/19/2023	110	1776360		44,960 LBS CLARIFLOC C-6267	\$89,627.76	
185671	10/26/2023	114	800545.10E	ZOVICH CONSTRUCTION	CAMPUS BUILDINGS (ADMIN, FMC, OPS) - ESCROW	\$95,070.50	\$95,070.50
185594	10/19/2023	143	200671	PSOMAS CORP	STANDBY POWER SYSTEM UPGRADE	\$65,790.50	\$75,926.25
	10/19/2023	143	200673		PLANT MISCELLANEOUS IMPROVEMENTS	\$10,135.75	

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185698	11/2/2023	110	923382	HASA INC	4760 GALS SODIUM HYPOCHLORITE	\$14,986.93	\$73,243.90
	11/2/2023	110	924082		4655 GALS SODIUM HYPOCHLORITE	\$14,656.34	
	11/2/2023	110	924626		4435 GALS SODIUM HYPOCHLORITE	\$13,963.66	
	11/2/2023	110	924627		4556 GALS SODIUM HYPOCHLORITE	\$14,344.63	
	11/2/2023	110	925210		4857 GALS SODIUM HYPOCHLORITE	\$15,292.34	
185619	10/26/2023	143	331652201	BUCKLES SMITH ELECTRIC	PLC REPLACEMENT	\$67,498.14	\$67,498.14
185686	11/2/2023	170	57326	CARBON ACTIVATED CORPORATION	GAS SKID MEDIA EXCHANGE	\$66,356.00	\$66,356.00
185714	11/2/2023	143	800516.8	POWER ENGINEERING CONSTRUCTION	FORCE MAIN CORROSION REPAIRS PROJECT PHASE 3	\$55,993.11	\$55,993.11
185703	11/2/2023	170	1237822	JM SQUARED ASSOCIATES INC	ASTD RAS PUMP PARTS	\$49,024.66	\$49,024.66
185581	10/19/2023	141	48689	MARK THOMAS & CO INC	ASTD JANITORIAL SUPPLIES	\$47,930.47	\$47,930.47
185561	10/19/2023	150	307160	BURKE, WILLIAMS & SORENSON LLP	GENERAL LEGAL - AUG 2023	\$765.44	\$47,882.99
	10/19/2023	150	307899		GENERAL LEGAL - AUG 2023	\$10,690.63	
	10/19/2023	150	307901		ETSU - AUG 2023	\$11,031.68	
	10/19/2023	150	307902		STANDBY POWER PROJECT - AUG 2023	\$1,397.76	
	10/19/2023	143	308502		CIP - AUG 2023	\$3,128.32	
	10/19/2023	150	308503		CLAIMS - AUG 2023	\$20,869.16	
185606	10/19/2023		533620230922	US BANK CORP PAYMENT SYSTEM	MONTHLY CAL-CARD REPORT - SEP 2023	\$40,447.63	\$40,447.63
185684	11/2/2023	150	309063	BURKE, WILLIAMS & SORENSON LLP	CLAIMS - SEP 2023	\$39,805.48	\$39,805.48
185602	10/19/2023	171	11194	TEC ASSOCIATES INC	NEW DRAGER GAS DETECTION SYSTEM- FLS, PPLS, HW & CEN	\$31,240.83	\$31,240.83

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185573	10/19/2023	110	922272	HASA INC	4608 GALS SODIUM HYPOCHLORITE	\$14,508.36	\$28,852.99
	10/19/2023	110	922576		4556 GALS SODIUM HYPOCHLORITE	\$14,344.63	
185687	11/2/2023	143	42003	CAROLLO ENGINEERS	PLANT MISCELLANEOUS IMPROVEMENTS	\$22,802.09	\$26,237.55
	11/2/2023	143	42478		WAS THICKENERS	\$3,435.46	
185705	11/2/2023	114	120804	KBM-HOGUE	ETSU PHASE 1 - CAMPUS BLDG FURNITURE PLANNING, SELEC	\$24,725.21	\$24,725.21
185669	10/26/2023	143	224943	WOODARD & CURRAN INC	ALVARADO INFLUENT VALVE BOX REHABILITATION	\$20,420.08	\$20,420.08
185736	11/2/2023	173	68582	WUNDERLICH-MALEC SYSTEMS INC	SCADA UPGRADE	\$5,950.00	\$20,050.10
	11/2/2023	173	69023		SCADA UPGRADE	\$14,100.10	
185576	10/19/2023	110	9017805925	KEMIRA WATER SOLUTIONS INC	43,260 LBS FERROUS CHLORIDE	\$9,124.07	\$18,858.29
	10/19/2023	110	9017806556		45,820 LBS FERROUS CHLORIDE	\$9,734.22	
185588	10/19/2023	173	173211	OPTM	SENTINELONE RENEWAL	\$18,116.15	\$18,116.15
185728	11/2/2023		11214	TEC ASSOCIATES INC	4 GAS DETECTION SYSTEMS - FLS, PPLS, HW & CENT	\$17,857.16	\$17,857.16
185638	10/26/2023	110	909742.1	HASA INC	4604 GALS SODIUM HYPOCHLORITE	\$269.75	\$14,737.18
	10/26/2023	110	922702		4595 GALS SODIUM HYPOCHLORITE	\$14,467.43	

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185590	10/19/2023	170	013720231011	PACIFIC GAS AND ELECTRIC	SERV TO 10/04/23 BOYCE RD PS	\$4,038.25	\$12,817.89
	10/19/2023	170	096020231005		SERV TO 09/28/23 CATHODIC PROJECT	\$8.78	
	10/19/2023	170	140120231010		SERV TO 10/02/23 IRVINGTON PS	\$7,356.99	
	10/19/2023	170	380420231005		SERV TO 09/28/23 CHERRY ST PS	\$553.23	
	10/19/2023	170	666720231005		SERV TO 09/28/23 PASEO PADRE PS	\$496.70	
	10/19/2023	170	898220231005		SERV TO 09/28/23 FREMONT PS	\$363.94	
185570	10/19/2023	110	1425870	DEPARTMENT OF GENERAL SERVICES	SERV: AUG 2023 PLANT	\$12,452.53	\$12,452.53
185713	11/2/2023	110	1778493	POLYDYNE INC	41,080 LBS CLARIFLOC WE-539	\$11,374.03	\$11,374.03
185640	10/26/2023	110	9017806844	KEMIRA WATER SOLUTIONS INC	46,980 LBS FERROUS CHLORIDE	\$11,323.49	\$11,323.49
185652	10/26/2023	171	489734	RKI INSTRUMENTS INC	5 BEACON 410A CHANNEL CONTROLLERS	\$10,798.13	\$10,931.03
	10/26/2023	170	491710		ASTD PARTS & MATERIALS	\$132.90	
185664	10/26/2023	114	22832	V&A CONSULTING ENGINEERS	CORROSION INSPECTION	\$10,000.00	\$10,000.00
185734	11/2/2023	170	172107	VALLEY OIL COMPANY	775 GALS DYED DIESEL FUEL - NEWARK	\$4,275.86	\$9,460.62
	11/2/2023	170	172108		199 GALS DYED DIESEL FUEL - BOYCE	\$1,092.98	
	11/2/2023	170	172109		745 GALS DYED DIESEL FUEL - FREMONT	\$4,091.78	
185706	11/2/2023	173	1196965	KRONOS SAASHR INC	CREDIT: KRONOS CLOUD HOSTING FEE	\$-3,959.01	\$9,132.69
	11/2/2023	173	1196971		CREDIT: KRONOS ANNUAL SUPPORT	\$-2,170.80	
	11/2/2023	173	12108374		UKG READY SUBSCRIPTION 09/01/23 - 07/31/24	\$15,262.50	
185562	10/19/2023		20231018	STATE OF CALIFORNIA	SALES & USE TAX 09/01/23 - 09/30/2023	\$8,419.09	\$8,419.09

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185567	10/19/2023	110	20232230	COMPACTOR MANAGEMENT COMPANY	HAULING AND DISPOSAL OF SEWER DEBRIS	\$8,020.00	\$8,020.00
185716	11/2/2023		73986	R.D. KINCAIDE INC	10 PATCH KITS	\$7,890.94	\$7,890.94
185648	10/26/2023	130	13929420	PFM ASSET MANAGEMENT LLC	INVESTMENT MANAGEMENT / ADVISORY SERVICES	\$7,677.95	\$7,677.95
185625	10/26/2023	110	20232585	COMPACTOR MANAGEMENT COMPANY	HAULING AND DISPOSAL OF SEWER DEBRIS	\$7,547.20	\$7,547.20
185553	10/19/2023		17876	APGN INC	12 FILTERS	\$6,776.31	\$6,776.31
185691	11/2/2023	173	2023360	FARALLON GEOGRAPHICS INC	SSC EDITOR REFACTOR TO DIRECT DATABASE INTERACTION	\$6,500.00	\$6,500.00
185548	10/19/2023	173	2309035	ABTECH TECHNOLOGIES INC	BACKUP SYSTEM NETWORK ADAPTERS	\$2,996.05	\$5,992.10
	10/19/2023	173	2309036		BACKUP SYSTEM NETWORK ADAPTERS	\$2,996.05	

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185695	11/2/2023	170	9841730725	GRAINGER INC	ASTD PARTS & MATERIALS	\$76.42	\$5,896.86
	11/2/2023	170	9845631770		ASTD PARTS & MATERIALS	\$31.05	
	11/2/2023		9845721415		ASTD PARTS & MATERIALS	\$940.62	
	11/2/2023	170	9845856021		ASTD PARTS & MATERIALS	\$38.85	
	11/2/2023	171	9846574946		ASTD PARTS & MATERIALS	\$342.65	
	11/2/2023	170	9846709245		ASTD PARTS & MATERIALS	\$50.87	
	11/2/2023		9847102903		ASTD PARTS & MATERIALS	\$1,670.81	
	11/2/2023	170	9849240883		ASTD PARTS & MATERIALS	\$284.18	
	11/2/2023	111	9849240891		ASTD PARTS & MATERIALS	\$92.07	
	11/2/2023	170	9849769451		ASTD PARTS & MATERIALS	\$620.62	
	11/2/2023	170	9850080863		ASTD PARTS & MATERIALS	\$175.58	
	11/2/2023		9851642281		ASTD PARTS & MATERIALS	\$1,272.58	
	11/2/2023	122	9852849869		ASTD PARTS & MATERIALS	\$11.76	
	11/2/2023	170	9853756790		ASTD PARTS & MATERIALS	\$60.06	
	11/2/2023	111	9853756808		ASTD PARTS & MATERIALS	\$12.09	
	11/2/2023	122	9853756816		ASTD PARTS & MATERIALS	\$43.37	
	11/2/2023	170	9853756824		ASTD PARTS & MATERIALS	\$5.60	
	11/2/2023	170	9854063493		ASTD PARTS & MATERIALS	\$11.30	
	11/2/2023	170	9854063501		ASTD PARTS & MATERIALS	\$106.02	

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185695	11/2/2023	122	9854545424	GRAINGER INC	ASTD PARTS & MATERIALS	\$50.36	\$5,896.86
185559	10/19/2023	143	11495812	BROWN & CALDWELL CONSULTANTS	DIGESTER EFFICIENCY EVALUATION	\$5,514.90	\$5,514.90
185617	10/26/2023	143	1405902	BLACK & VEATCH CORPORATION	ENERGY RESILIENCY STUDY	\$5,504.20	\$5,504.20
185683	11/2/2023	121	378149	BRENNTAG PACIFIC INC	2296.8 LBS SODIUM HYDROXIDE	\$1,960.50	\$5,213.24
	11/2/2023	121	378150		3828 LBS SODIUM HYDROXIDE	\$3,252.74	
185595	10/19/2023		73963	R.D. KINCAIDE INC	7 PATCH KITS	\$4,418.93	\$4,418.93
185645	10/26/2023	170	15292976	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$66.79	\$4,324.61
	10/26/2023	122	16035003		ASTD PARTS & MATERIALS	\$113.24	
	10/26/2023	171	16120987		ASTD PARTS & MATERIALS	\$793.76	
	10/26/2023		16204306		ASTD PARTS & MATERIALS	\$709.57	
	10/26/2023	171	16344346		ASTD PARTS & MATERIALS	\$113.55	
	10/26/2023		16387305		ASTD PARTS & MATERIALS	\$2,527.70	
185611	10/19/2023	143	224614	WOODARD & CURRAN INC	ALVARADO BASIN CAPACITY & CONDITION	\$2,077.50	\$4,317.50
	10/19/2023	143	224625		ALVARADO BASIN CAPACITY & CONDITION	\$2,240.00	
185591	10/19/2023	173	14847	PAGEFREEZER SOFTWARE INC	ONLINE ANNUAL RENEWAL 10/28/23-10/27-24	\$4,169.62	\$4,169.62
185715	11/2/2023	122	106070	PRIME MECHANICAL SERVICE INC	QUARTERLY MAINTENANCE - BLDGS 70, 82, 83 - SEP 23	\$1,780.00	\$3,864.00
	11/2/2023	170	106096		MONTHLY MAINTENANCE - AUG 23	\$992.00	
	11/2/2023	170	106097		QUARTERLY MAINTENANCE - BLDGS 53, 80 - SEP 23	\$1,092.00	
185688	11/2/2023	122	2791	COELHO'S BODY REPAIR & AUTO	T1337 REPAIRS	\$3,565.17	\$3,565.17

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185663	10/26/2023	136	316520230930	US BANK TREASURY MGMT SVCS	MONTHLY BANK SERVICES - SEP 2023	\$3,363.66	\$3,363.66
185636	10/26/2023		13764793	HACH COMPANY	1 PROBE	\$3,349.08	\$3,349.08
185584	10/19/2023	170	2401023823CR	MOTION INDUSTRIES INC	CREDIT: ASTD PARTS & MATERIALS	\$-2,005.82	\$3,268.51
	10/19/2023	170	2401038125		ASTD PARTS & MATERIALS	\$572.25	
	10/19/2023	170	2401038126		ASTD PARTS & MATERIALS	\$332.38	
	10/19/2023		2401039465		ASTD PARTS & MATERIALS	\$167.29	
	10/19/2023	170	2401041209		ASTD PARTS & MATERIALS	\$102.10	
	10/19/2023	170	2401042251		ASTD PARTS & MATERIALS	\$514.27	
	10/19/2023		2401042252		1 FLOAT	\$164.43	
	10/19/2023	170	2401042350		COGEN 1 COOLING TOWER FAN MOTOR	\$2,840.13	
	10/19/2023	170	2401043481		ASTD PARTS & MATERIALS	\$581.48	
185725	11/2/2023		2166766001	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$2,861.59	\$3,173.92
	11/2/2023		2166766002		ASTD ELECTRICAL SUPPLIES	\$41.03	
	11/2/2023		2168192001		ASTD ELECTRICAL SUPPLIES	\$271.30	
185697	11/2/2023	170	3T2260	HARRINGTON INDUSTRIAL PLASTICS	ASTD PARTS & MATERIALS	\$2,471.25	\$3,118.29
	11/2/2023		3T2412		CREDIT: ASTD PARTS & MATERIALS	\$-25.02	
	11/2/2023		3T3121		ASTD PARTS & MATERIALS	\$672.06	
185609	10/19/2023	170	914376	VINCENT ELECTRIC MOTOR CO	REPAIR IPS PUMP 3 ROTOR	\$2,948.26	\$2,948.26

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185571	10/19/2023	170	9831724795	GRAINGER INC	ASTD PARTS & MATERIALS	\$616.33	\$2,922.55
	10/19/2023	111	9833951917		ASTD PARTS & MATERIALS	\$84.66	
	10/19/2023		9833993166		ASTD PARTS & MATERIALS	\$54.75	
	10/19/2023	170	9836988205		ASTD PARTS & MATERIALS	\$1,232.65	
	10/19/2023	110	9837107805		ASTD PARTS & MATERIALS	\$14.93	
	10/19/2023	122	9838412758		ASTD PARTS & MATERIALS	\$95.60	
	10/19/2023		9838747971		ASTD PARTS & MATERIALS	\$823.63	
185639	10/26/2023	141	HWDN342	IRON MOUNTAIN	OFF-SITE STORAGE AND SERVICE - OCT 23	\$763.00	\$2,817.34
	10/26/2023	141	HWJV963		OFF-SITE STORAGE AND SERVICE - OCT 23	\$2,054.34	
185599	10/19/2023	173	52452	STORMWIND LLC	IT TRAINING	\$2,780.00	\$2,780.00
185578	10/19/2023		9953	LENNAR HOMES - BAY AREA	REFUND # 60422	\$2,500.00	\$2,500.00
185593	10/19/2023	122	105935	PRIME MECHANICAL SERVICE INC	SERVICE CALL: BLDG 82 & 83	\$1,770.00	\$2,476.25
	10/19/2023	170	105942		SERVICE CALL: BLDG 63	\$706.25	
185569	10/19/2023		20230925	DALE HARDWARE INC	09/23 - ASTD PARTS & MATERIALS	\$2,424.61	\$2,424.61
185560	10/19/2023	170	332545600	BUCKLES SMITH ELECTRIC	7 VFD AXIAL FAN 6"	\$2,301.56	\$2,301.56
185563	10/19/2023	113	709720	CALTEST ANALYTICAL LABORATORY	13 LAB SAMPLE ANALYSIS	\$972.90	\$2,287.80
	10/19/2023	113	709810		3 LAB SAMPLE ANALYSIS	\$137.70	
	10/19/2023	113	712568		13 LAB SAMPLE ANALYSIS	\$1,177.20	
185623	10/26/2023		184068982	COLORADO WASHINGTON INC COMCAS	FIBER INTERNET BACKUP - OCT 2023	\$2,010.71	\$2,010.71

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185583	10/19/2023	170	15572756	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$97.03	\$1,994.87
	10/19/2023	170	15580972		ASTD PARTS & MATERIALS	\$555.86	
	10/19/2023	121	15721748		ASTD PARTS & MATERIALS	\$861.67	
	10/19/2023	170	15731448		ASTD PARTS & MATERIALS	\$38.11	
	10/19/2023		15825017		ASTD PARTS & MATERIALS	\$253.38	
	10/19/2023	170	15881854		ASTD PARTS & MATERIALS	\$188.82	
185552	10/19/2023	121	17679	AMERICAN DISCOUNT SECURITY	09/01/23 - 09/29/23 GUARD AT DISTRICT	\$1,971.00	\$1,971.00
185731	11/2/2023		6835	THORNTON ENVIRONMENTAL CONST	REPLACE 3 EA 12-IN CONTAINMENT COVERS AND FUEL VAPOR	\$1,898.00	\$1,898.00
185718	11/2/2023	122	8201150040	RED WING BUS ADVANTAGE ACCT	SAFETY SHOES: M. LUNA	\$225.00	\$1,799.90
	11/2/2023	123	8201150533		SAFETY SHOES: A. DIOSDADO	\$225.00	
	11/2/2023	172	8201150579		SAFETY SHOES: G. OSEGUERA	\$225.00	
	11/2/2023	171	8201150642		SAFETY SHOES: S. NOEGEL	\$225.00	
	11/2/2023	171	8201151010		SAFETY SHOES: P. KIM	\$225.00	
	11/2/2023	171	8201151012		SAFETY SHOES: A. SHONG	\$224.90	
	11/2/2023	171	8201151443		SAFETY SHOES: T. TEALE	\$225.00	
	11/2/2023	170	8351111321		SAFETY SHOES: R. SIMONICH	\$225.00	
185685	11/2/2023	170	10010119393	CARBOLINE COMPANY	PAINT & RELATED PAINT SUPPLIES	\$855.50	\$1,767.70
	11/2/2023	170	10010119702		PAINT & RELATED PAINT SUPPLIES	\$912.20	
185585	10/19/2023	170	963505762	MSA SAFETY SALES	MSA O2 SENSORS	\$1,762.01	\$1,762.01

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185566	10/19/2023	173	42070	CDW GOVERNMENT LLC	9 REPLACEMENT CONFERENCE PHONES	\$779.58	\$1,758.85
	10/19/2023	173	49316		SWITCH POWER SUPPLIES	\$979.27	
185668	10/26/2023	143	2055112	WEST YOST ASSOCIATES	FORCE MAIN CORROSION REPAIRS PROJECT PHASE 4	\$1,650.25	\$1,650.25
185710	11/2/2023	170	2475351	MOBILE MODULAR MANAGEMENT CORP	FMC TRAILER RENTAL - OCT 2023	\$1,635.19	\$1,635.19
185556	10/19/2023	136	2522581141	BANK OF NEW YORK	AUG 2023 SERVICE FEES	\$1,583.63	\$1,583.63
185709	11/2/2023	170	15496684	MCMASTER SUPPLY INC	ASTD PARTS & MATERIALS	\$400.89	\$1,583.31
	11/2/2023	122	15725008		ASTD PARTS & MATERIALS	\$549.13	
	11/2/2023	170	16565377		ASTD PARTS & MATERIALS	\$397.90	
	11/2/2023		16733642		ASTD PARTS & MATERIALS	\$235.39	
185681	11/2/2023	136	2522583735	BANK OF NEW YORK	SEP 2023 SERVICE FEES	\$1,514.00	\$1,514.00
185660	10/26/2023	170	438605834	TERMINIX COMMERCIAL	PEST CONTROL	\$182.00	\$1,506.00
	10/26/2023	170	438608095		PEST CONTROL	\$148.00	
	10/26/2023	170	438608096		PEST CONTROL	\$1,176.00	
185674	11/2/2023		5677132001	ALAMEDA ELECTRICAL DISTR. INC.	ASTD ELECTRICAL SUPPLIES	\$1,442.45	\$1,442.45
185672	11/2/2023	143	2000791003	AECOM TECHNICAL SERVICES INC	IRVINGTON PUMP STATION SOLAR REPLACEMENT	\$1,441.04	\$1,441.04

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185677	11/2/2023	170	11F4DCDX39NF	AMAZON.COM LLC	ASTD OFFICE SUPPLIES	\$106.96	\$1,393.64
	11/2/2023	132	1F1L3YNMK37T		ASTD OFFICE SUPPLIES	\$447.88	
	11/2/2023	130	1M9VTYVGHNTN		ASTD OFFICE SUPPLIES	\$114.63	
	11/2/2023	130	1PWDJTCKMHD9		ASTD OFFICE SUPPLIES	\$62.96	
	11/2/2023	132	1RF96YG77WCL		CREDIT: ASTD OFFICE SUPPLIES	\$-24.35	
	11/2/2023	130	1RHDTX1XMVQV		ASTD OFFICE SUPPLIES	\$38.96	
	11/2/2023	113	1TNGWX49RKM9		ASTD OFFICE SUPPLIES	\$646.60	
185678	11/2/2023		5180261617	ARAMARK	UNIFORM LAUNDERING & RUGS	\$626.57	\$1,317.30
	11/2/2023		5180261618		UNIFORM LAUNDERING SERVICE	\$596.74	
	11/2/2023	122	5180261619		ASTD DUST MOPS, WET MOPS & TERRY	\$93.99	
185550	10/19/2023	170	5296775	ALL INDUSTRIAL ELECTRIC SUPPLY	ASTD PARTS & MATERIALS	\$1,262.55	\$1,262.55
185587	10/19/2023	173	35905	NEOGOV	NEOGOV GOVERNMENTJOBS.COM SWM	\$1,229.00	\$1,229.00
185624	10/26/2023	170	20231001	COMMUNICATION & CONTROL INC	UTILITY FEE/ANTENNA RENTAL	\$1,227.30	\$1,227.30
185642	10/26/2023	173	29975MSA	LOOKINGPOINT INC	LOOKINGPOINT NEXT CARE RENEWAL	\$1,225.00	\$1,225.00
185586	10/19/2023		20230930	NAPA AUTO PARTS	MONTHLY AUTO PARTS STMT - SEP 2023	\$1,210.08	\$1,210.08
185612	10/26/2023	170	5502810183	AIRGAS NCN	CYLINDER RENTAL	\$1,201.58	\$1,201.58
185701	11/2/2023	173	21060094	INFOR PUBLIC SECTOR, INC	HANSEN CONSLTING SERVICES	\$1,192.50	\$1,192.50
185601	10/19/2023	173	20231013	RUFUS TAI	EXP REIMB: SUBSCRIPTION TO ZERO TO MASTERY ACADEMY	\$999.00	\$1,183.00
	10/19/2023	173	20231017		EXP REIMB: PMI MEMBERSHIP RENEWAL	\$184.00	

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185620	10/26/2023	143	91366018	CALIFORNIA SURVEYING DRAFTING	GPS EQUIPMENT RENTAL	\$1,155.44	\$1,155.44
185732	11/2/2023	122	111300	TRI-SIGNAL INTEGRATION INC	SERVICE: GROUND FAULT	\$1,145.00	\$1,145.00
185729	11/2/2023		20627661	TELEDYNE ISCO INC	SAMPLING SUPPLIES	\$1,137.40	\$1,137.40
185554	10/19/2023		5180256385	ARAMARK	UNIFORM LAUNDERING & RUGS	\$466.01	\$1,112.26
	10/19/2023		5180256386		UNIFORM LAUNDERING SERVICE	\$552.26	
	10/19/2023	122	5180256387		ASTD DUST MOPS, WET MOPS & TERRY	\$93.99	
185621	10/26/2023	173	6005625630	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	\$673.58	\$1,091.33
	10/26/2023	173	6005626508		MTHLY MAINTENANCE BASED ON USE	\$417.75	
185679	11/2/2023		20646146	AT&T	SERV: 09/10/23 - 10/09/23	\$1,050.75	\$1,050.75
185632	10/26/2023	113	6688160	FISHER SCIENTIFIC	LAB SUPPLIES	\$1,041.00	\$1,041.00
185607	10/19/2023	122	606551	VALLEY OIL COMPANY	220 DEF	\$981.91	\$981.91
185615	10/26/2023		5180259108	ARAMARK	UNIFORM LAUNDERING & RUGS	\$423.53	\$947.27
	10/26/2023		5180259109		UNIFORM LAUNDERING SERVICE	\$523.74	
185700	11/2/2023		605266727	HILLYARD/SAN FRANCISCO	ASTD JANITORIAL SUPPLIES	\$229.71	\$946.07
	11/2/2023		605275669		ASTD JANITORIAL SUPPLIES	\$716.36	
185616	10/26/2023	173	604090	AVERTIUM LLC	VULNERABILITY SCANNER	\$911.00	\$911.00
185690	11/2/2023	170	906133845	EVOQUA WATER TECHNOLOGIES	DI WATER SYSTEM	\$899.15	\$899.15

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185635	10/26/2023	111	9843247058	GRAINGER INC	ASTD PARTS & MATERIALS	\$28.08	\$884.55
	10/26/2023	170	9843813172		ASTD PARTS & MATERIALS	\$87.28	
	10/26/2023	170	9843868747		ASTD PARTS & MATERIALS	\$616.33	
	10/26/2023	170	9844072018		ASTD PARTS & MATERIALS	\$152.86	
185680	11/2/2023		4003992800	AT&T	SERV: 10/11/23 - 11/10/23	\$872.58	\$872.58
185696	11/2/2023		9850004087	GRAINGER INC	ASTD PARTS & MATERIALS	\$851.62	\$851.62
185572	10/19/2023	170	3T2413	HARRINGTON INDUSTRIAL PLASTICS	ASTD PARTS & MATERIALS	\$25.13	\$841.57
	10/19/2023	170	3T2451		ASTD PARTS & MATERIALS	\$81.65	
	10/19/2023		3T2513		ASTD PARTS & MATERIALS	\$587.61	
	10/19/2023		3T2653		ASTD PARTS & MATERIALS	\$147.18	
185655	10/26/2023	130	544286	SAFECHECKS	3000 AP MANUAL CHECK STOCK	\$840.84	\$840.84
185722	11/2/2023	170	408087	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$825.28	\$825.28
185653	10/26/2023	170	375715	ROCHESTER MIDLAND CORPORATION	HOT WATER LOOP SERVICE	\$799.86	\$799.86
185693	11/2/2023	143	329860	CITY OF FREMONT	PERMIT: IRVINGTON BASIN RCP REHABILITATION	\$632.27	\$782.86
	11/2/2023	143	330418		PERMIT: IRVINGTON BASIN RCP REHABILITATION	\$150.59	
185647	10/26/2023	170	231059	METROMOBILE COMMUNICATIONS INC	RADIO SERVICE - SEP 2023	\$772.91	\$772.91
185658	10/26/2023	132	53268	SLOAN SAKAI YEUNG & WONG LLP	SPECIAL COUNSEL SERVICES	\$693.00	\$693.00
185657	10/26/2023	170	20231025	ELOY SEPULVEDA	EXP REIMB: MILEAGE	\$18.86	\$661.42
	10/26/2023	171	20231025.1		EXP REIMB: CAR RENTAL/SHUTTLE/HOTEL PARKING - CONFERI	\$642.56	

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185582	10/19/2023	113	2309B50	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$594.00	\$594.00
185692	11/2/2023	122	106852	FREMONT TEST ONLY	ANNUAL SMOG TESTING - VEHICLE T1256	\$50.00	\$590.00
	11/2/2023	122	106856		ANNUAL SMOG TESTING - VEHICLE T1375	\$50.00	
	11/2/2023	122	106863		ANNUAL SMOG TESTING - VEHICLE P8367	\$45.00	
	11/2/2023	122	106865		ANNUAL SMOG TESTING - VEHICLE P8364	\$50.00	
	11/2/2023	122	106888		ANNUAL SMOG TESTING - VEHICLE T1378	\$50.00	
	11/2/2023	122	106897		ANNUAL SMOG TESTING - VEHICLE T2269	\$50.00	
	11/2/2023	122	106904		ANNUAL SMOG TESTING - VEHICLE T1339	\$50.00	
	11/2/2023	122	106924		ANNUAL SMOG TESTING - VEHICLE P8366	\$45.00	
	11/2/2023	122	106928		ANNUAL SMOG TESTING - VEHICLE P8363	\$50.00	
	11/2/2023	122	106956		ANNUAL SMOG TESTING - VEHICLE T1327	\$50.00	
	11/2/2023	122	106958		ANNUAL SMOG TESTING - VEHICLE T1381	\$50.00	
	11/2/2023	122	106960		ANNUAL SMOG TESTING - VEHICLE T1369	\$50.00	
185604	10/19/2023	122	111211	TRI-SIGNAL INTEGRATION INC	SERVICE: PIV TROUBLE PANEL	\$585.00	\$585.00
185735	11/2/2023	113	8814189276	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$40.56	\$581.61
	11/2/2023	113	8814307203		LAB SUPPLIES	\$541.05	
185708	11/2/2023	113	2310474	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$146.00	\$573.00
	11/2/2023	113	2310475		LAB SAMPLE ANALYSIS	\$427.00	
185676	11/2/2023		51038	ALLIED FLUID PRODUCTS CORP	25 GASKETS	\$562.66	\$562.66

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185574	10/19/2023		605260087	HILLYARD/SAN FRANCISCO	ASTD JANITORIAL SUPPLIES	\$529.02	\$529.02
185629	10/26/2023	170	906120101	EVOQUA WATER TECHNOLOGIES	DI WATER SYSTEM	\$516.47	\$516.47
185555	10/19/2023		36859	ARS - RESCUE ROOTER BAY AREA E	REFUND PERMIT HOLDERS DEPOSIT	\$500.00	\$500.00
185575	10/19/2023		45161	JAY ANDRE CONSTRUCTION INC	REFUND # 60652	\$500.00	\$500.00
185650	10/26/2023		48287	PROWORKS CONSTRUCTION	REFUND # 60656	\$500.00	\$500.00
185654	10/26/2023		49428	ROOTER HERO	REFUND # 60654	\$500.00	\$500.00
185610	10/19/2023	113	8814180280	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$486.95	\$486.95
185568	10/19/2023	170	89252	CONCRETE WALL SAWING CO INC	CORE DRILLING	\$465.00	\$465.00
185580	10/19/2023		5697482	MALLORY SAFETY AND SUPPLY LLC	1 PR HIP BOOTS	\$266.47	\$456.13
	10/19/2023		5735779		48 PR GLOVES	\$189.66	
185630	10/26/2023	173	2023361	FARALLON GEOGRAPHICS INC	ARCHES SSC SOFTWARE SUPPORT	\$450.00	\$450.00
185627	10/26/2023	123	231004281201	DIRECT LINE TELERESPONSE	AFTER HOURS CALL SERVICE WITH DIRECT LINE TELE RESPON	\$445.00	\$445.00
185682	11/2/2023	144	196918	BAY CENTRAL PRINTING	1000 DEMOLITION BROCHURES	\$440.79	\$440.79
185634	10/26/2023	120	4095325001	GLACIER ICE COMPANY INC	192 5-LB CUBE OF ICE	\$426.83	\$426.83
185596	10/19/2023	172	20231017	HERNAN RAMIREZ GUERRERO	EXP REIMB: PER DIEM - ISA INSTRUMENTATION BOOTCAMP	\$414.00	\$414.00
185597	10/19/2023	172	20231017	GERARDO RUIZ	EXP REIMB: PER DIEM - ISA INSTRUMENTATION BOOTCAMP	\$414.00	\$414.00
185694	11/2/2023	144	4095328601	GLACIER ICE COMPANY INC	176 5-LB CUBE OF ICE	\$391.89	\$391.89

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185618	10/26/2023	170	18352390	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$49.00	\$387.97
	10/26/2023	110	18354560		ASTD OFFICE SUPPLIES	\$253.88	
	10/26/2023	110	18354561		ASTD OFFICE SUPPLIES	\$33.21	
	10/26/2023	110	18354660		ASTD OFFICE SUPPLIES	\$51.88	
185665	10/26/2023	113	8814200956	VWR INTERNATIONAL LLC	LAB SUPPLIES	\$262.75	\$385.38
	10/26/2023	113	8814212586		LAB SUPPLIES	\$11.74	
	10/26/2023	113	8814220982		LAB SUPPLIES	\$110.89	
185649	10/26/2023		189216	PREFERRED ALLIANCE INC	SEP 2023 SERVICE FEE	\$367.58	\$367.58
185622	10/26/2023	150	23116	CITYLEAF INC	PLANT MAINTENANCE - OCT 2023	\$361.65	\$361.65
185730	11/2/2023		20231026	KAROLINE TERRAZAS	EXP REIMB: LUNCH FOR LEADERSHIP DEVELOPMENT PROGRA	\$199.90	\$356.26
	11/2/2023		20231101		EXP REIMB: SUPPLIES & SNACKS LEADERSHIP DEVELOPMENT	\$156.36	
185727	11/2/2023	150	20231030	ROBERT SIMONICH	LONGEVITY AWARD - 35 YEARS OF SERVICE	\$350.00	\$350.00
185626	10/26/2023	110	20231023	MANUEL DE AVILA DIAZ	EXP REIMB: WASTEWATER EXAM PREPARATION FOR GRADE IV	\$349.99	\$349.99
185631	10/26/2023	111	20231016	AUSTIN FARSAI	EXP REIMB: WEFTEC TRANSPORTAION & PER DIEM	\$335.69	\$335.69
185689	11/2/2023	173	30686242	CORELOGIC INFORMATION SOLUTION	REALQUEST SWM RENEWAL	\$309.00	\$309.00
185628	10/26/2023	150	20231019	PAUL ELDREDGE	EXP REIMB: CASA PARKING/TRANSPORTATION/MEALS	\$272.46	\$272.46
185551	10/19/2023	171	1L9J6TLQPXWN	AMAZON.COM LLC	ASTD OFFICE SUPPLIES	\$181.36	\$265.99
	10/19/2023	170	1PQ9FYDMQ174		ASTD OFFICE SUPPLIES	\$61.44	
	10/19/2023	170	1T3VMFQKPYDW		ASTD OFFICE SUPPLIES	\$23.19	

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185711	11/2/2023		2401044247	MOTION INDUSTRIES INC	2 FILTERS	\$257.10	\$257.10
185737	11/2/2023	150	5609	ZELAYA DESIGNS	GRAPHIC DESIGN SVCS FOR PUBLIC OUTREACH	\$242.00	\$242.00
185673	11/2/2023	122	9143008864	AIRGAS NCN	ASTD PARTS & MATERIALS	\$229.78	\$229.78
185641	10/26/2023	111	20231016	JUSTIN LAURENCE	EXP REIMB: SAFETY SHOES	\$225.00	\$225.00
185605	10/19/2023	136	98XW53383	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 09/23/23	\$221.92	\$221.92
185633	10/26/2023	123	27546	FREMONT RECYCLING & TRANSFER	1.12 TON GREEN WASTE	\$220.00	\$220.00
185557	10/19/2023	143	92394	BEECHER ENGINEERING	SWITCHBOARD NO 3 & MCC NO 25 REPLACEMENT	\$210.00	\$210.00
185712	11/2/2023	122	243411	NAYLOR STEEL INC	ASTD METAL, STEEL, STAINLESS & ALUMINUM	\$204.22	\$204.22
185656	10/26/2023		2164971002	SAN LEANDRO ELECTRIC SUPPLY	ASTD ELECTRICAL SUPPLIES	\$191.01	\$191.01
185565	10/19/2023		20231012	GUSTAVO CARRILLO	EXP REIMB: ALAMEDA CO. FIRE DEPT PERMIT INTAKE FEE	\$186.00	\$186.00
185643	10/26/2023	113	2308H60A	MCCAMPBELL ANALYTICAL	LAB SAMPLE ANALYSIS	\$165.00	\$165.00
185720	11/2/2023	170	492382	RKI INSTRUMENTS INC	ASTD PARTS & MATERIALS	\$161.97	\$161.97
185598	10/19/2023	141	20231001	SPOK INC	OCT 2023 PAGER SERVICE	\$159.40	\$159.40
185719	11/2/2023		125211	REMOTE SATELLITE SYSTEMS INT'L	IRIDIUM SVC FEE NOV 2023	\$139.90	\$139.90
185723	11/2/2023	172	20231030	GERARDO RUIZ	TRAVEL REIMB: MILEAGE FOR TRAINING	\$64.45	\$133.23
	11/2/2023	172	20231030.1		EXP REIMB: MILEAGE FOR CALL OUT	\$68.78	
185613	10/26/2023	130	5375552832024	ALAMEDA COUNTY TREASURER	PROPERTY TAXES 37159 HICKORY ST	\$132.40	\$132.40
185646	10/26/2023	114	20231024	JOHN MERRIAM	EXP REIMB: MILEAGE - TESCO	\$119.47	\$119.47
185651	10/26/2023	132	20231023	NASIHA RAHMAN	EXP REIMB: MEALS/SHUTTLE - CONFERENCE	\$115.70	\$115.70

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185704	11/2/2023	132	320903310905	KAISER PERMANENTE	1 DOT PHYSICAL	\$115.00	\$115.00
185600	10/19/2023	111	20231012	SWRCB - STATE WATER RESOURCES	GRADE V OPERATOR CERTIFICATE RENEWAL - K VONG	\$110.00	\$110.00
185637	10/26/2023		3T2748	HARRINGTON INDUSTRIAL PLASTICS	ASTD PARTS & MATERIALS	\$100.11	\$100.11
185564	10/19/2023	173	6005657026	CANON SOLUTIONS AMERICA INC	MTHLY MAINTENANCE BASED ON USE	\$95.10	\$95.10
185558	10/19/2023	120	18336120	BLAISDELL'S	ASTD OFFICE SUPPLIES	\$92.08	\$92.08
185733	11/2/2023	136	98XW53403	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 10/07/23	\$91.43	\$91.43
185659	10/26/2023	170	20231024	EDWARD TATOLA	EXP REIMB: FUEL / MILEAGE / MEAL	\$89.51	\$89.51
185579	10/19/2023	120	20231012	MATTHEW LUBINA	EXP REIMB: SNACKS FOR CS WORKGROUP MEETING	\$74.00	\$74.00
185724	11/2/2023	170	85340220231023	SAN FRANCISCO WATER DEPT	SERVICE 09/21/23 - 10/19/23	\$73.05	\$73.05
185614	10/26/2023	172	13YM9VNVCDL6	AMAZON.COM LLC	ASTD OFFICE SUPPLIES	\$12.80	\$71.05
	10/26/2023	172	14LHV3GJ6XFM		ASTD OFFICE SUPPLIES	\$78.32	
	10/26/2023	144	161HWD97M91G		CREDIT INVOICE 1FDLJ7Q7LRJ3	\$-143.96	
	10/26/2023	122	1CVP3KGHM737		ASTD OFFICE SUPPLIES	\$47.51	
	10/26/2023	130	1HY66W7Y3Y LX		ASTD OFFICE SUPPLIES	\$76.38	
185549	10/19/2023	170	4047286120231003	ALAMEDA COUNTY WATER DISTRICT	SERV TO: 10/02/23 - PASEO PADRE	\$66.08	\$66.08
185603	10/19/2023		43826	THE CONSTRUCTION ZONE LLC	2 TRAFFIC SIGNS	\$57.48	\$57.48
185661	10/26/2023	150	441373	ULTRAEX LLC	COURIER SVCS: 1 BOARDMEMBER DELIVERY - 09/20/23	\$56.30	\$56.30
185662	10/26/2023	136	98XW53393	UPS - UNITED PARCEL SERVICE	SHIPPING CHARGES W/E 09/30/23	\$42.00	\$42.00
185717	11/2/2023	172	20231031	HERNAN RAMIREZ GUERRERO	TRAVEL REIMB: MILEAGE FOR TRAINING	\$33.14	\$33.14

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185726	11/2/2023	171	20231031	ELOY SEPULVEDA	TRAVEL REIMB: TOLL FOR SMRP CONFERENCE	\$30.85	\$30.85
185707	11/2/2023	150	20231013	ANJALI LATHI	EXP REIMB: BOARD WORKSHOP SNACKS	\$29.80	\$29.80
185675	11/2/2023	170	5297234	ALL INDUSTRIAL ELECTRIC SUPPLY	ASTD PARTS & MATERIALS	\$27.11	\$27.11
185721	11/2/2023	171	20231030	LISUARTE ROCHA	EXP REIMB: MILEAGE FOR CALL OUT	\$26.20	\$26.20
185608	10/19/2023		9945689361	VERIZON WIRELESS	WIRELESS SERV 09/02/23-10/01/23	\$25.13	\$25.13

Invoices:

Credit Memos :	6	-8,328.96
\$0 - \$1,000 :	214	64,317.66
\$1,000 - \$10,000 :	72	229,732.14
\$10,000 - \$100,000 :	37	1,079,400.10
Over \$100,000 :	8	6,842,111.54
Total:	337	8,207,232.48

Checks:

\$0 - \$1,000 :	88	32,795.73
\$1,000 - \$10,000 :	68	221,431.80
\$10,000 - \$100,000 :	26	939,173.64
Over \$100,000 :	8	7,013,831.31
Total:	190	8,207,232.48