

**SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF THE LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY**

Wednesday, November 21, 2018 6:00 p.m.

**NOTE CHANGED LOCATION:
Pleasanton City Council Chambers
200 Old Bernal Avenue
Pleasanton, California**

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Order of Agenda/Acknowledgement of Posting**
(The agenda may be re-ordered by motion of the Board. The agenda has been posted virtually on the Agency's website and physically in the display case outside the DSRSD Building, Pleasanton City Hall and Livermore City Hall at least 72 hours prior to a regular meeting and 24 hours prior to a special meeting.)
- 5. Public Comment**
(Persons wishing to address the Board on any Consent item or on Agency business not listed on the Agenda may do so at this time. No action may be taken on items not listed on the agenda. Any item raised by a member of the public which is not on the agenda and may require Board action shall be automatically referred to staff for investigation and disposition which may include placing on a future agenda. Persons wishing to address the Board on any agenda item may do so once the item is called. After being recognized by the Board Chair, please approach the podium and begin by providing your name and address for the record (optional). There is a time limitation of three minutes per person. Non-English speakers using a translator will have a time limit of six minutes. Written materials must be submitted by 3:00 P.M. on the meeting day.)
- 6. Consent Calendar**
(All items on the Consent Calendar will be considered together by one or more action(s) of the Board unless a Board member pulls an item.)

6.a. Board Meeting Minutes of August 15, 2018
(The Board will consider approving the minutes from the August 15, 2018 Board meeting.)
- 7. Financial Reporting for the Fiscal Years Ending June 30, 2018 and June 30, 2019**
(The Board will review the Financial Reports for the Fiscal Years ending June 30, 2018 and June 30, 2019.)
- 8. Acceptance of Audit Report for Fiscal Year Ending June 30, 2018**
(The Board will consider accepting the Audit Report for the Fiscal Year ending June 30, 2018 as prepared by Maze & Associates.)

**Action
Pages 3 – 5**

**Information
Page 6**

**Action
Pages 7 – 43**

- Information** **9. LAVWMA Quarterly Report of Operations, 1st Quarter, FY2018-2019**
Pages 44 – 67 (The Board will review the Quarterly Report of Operations, 1st Quarter, FY2018-2019.)
- Resolution** **10. Approval of City of Pleasanton Request for Retroactive Approval for**
 Extension of Wastewater Service to Properties Located in Unincorporated
 Happy Valley and Remen Tract During the Period 1993 to 2014 and
 Preapproval of Up to Ten (10) Additional Extensions Each in Happy Valley
 and Remen Tract, Subject to LAFCO Approval and a Four-Year Sunset
 Limitation, Pursuant to LAVWMA Administrative Policy No. 2017-01
Pages 68 – 105 **Regarding Unincorporated Area Service Extensions**
 (The Board will consider approving City of Pleasanton’s request for retroactive approval for
 extension of wastewater service to properties located in unincorporated Happy Valley and Remen
 Tract during the period 1993 to 2014 and preapproval of up to ten (10) additional extensions each
 in Happy Valley and Remen Tract, subject to LAFCO approval and a four-year sunset limitation,
 pursuant to LAVWMA Administrative Policy No. 2017-01 Regarding Unincorporated Area
 Service Extensions.)
- Action** **11. Approval of Modification to DSRSD/LAVWMA Potential Storage Needs Due**
Pages 106 - 113 **to a 10-Year Wet Weather Event**
 (The Board will consider approving a modification to the DSRSD/LAVWMA Potential Storage
 Needs due to a 10-year wet weather event.)
- Action** **12. Proclamation for Dwight L. “Pat” Howard**
Pages 114 - 115 (The Board will consider approving a Proclamation for Dwight L. “Pat” Howard for his service to
 DSRSD and LAVWMA.)
- Information** **13. Update and Response to Various Legal and Legislative Issues**
Pages 116 – 126 (The Board will be updated on LAVWMA’s response to various legal and legislative issues.)
- Information** **14. General Manager’s Report**
Pages 127 – 146 (The Board will review the General Manager’s Report regarding the operations and maintenance
 of the Agency and its facilities.)
- Information** **15. Matters From/For Board Members**
 (Board members may make brief announcements or reports on his or her own activities, pose
 questions for clarification, and/or request that items be placed on a future agenda. Except as
 authorized by law, no other discussion or action may be taken.)
- 16. Next Regular Board Meeting, Wednesday, February 20, 2019, 6:00 p.m.**
- 17. Adjournment**

DISABILITY ACCOMMODATION: Livermore-Amador Valley Water Management Agency will provide special assistance for disabled citizens upon at least 72 hours advance notice to the General Manager’s office (925-875-2202). If you need sign language assistance or written material printed in a larger font or taped, please notify the General Manager’s office as soon as possible. All meeting rooms are accessible to the disabled.

AGENDA REPORTS AND DOCUMENTS: Copies of all staff reports and documents subject to disclosure that relate to each item of business referred to on the agenda are available for public inspection ordinarily by the Friday before each regularly scheduled Board meeting, and/or at the same time the documents are provided to all, or a majority of all, of the Board, at Dublin San Ramon Services District, located at 7035 Commerce Circle, Pleasanton, CA, at the reception desk, and may also be made available online at http://www.lavwma.com/agency_meetings.php. A fee may be charged for copies.

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LAVWMA
Livermore-Amador Valley Water Management Agency
DRAFT
Minutes
Regular Meeting of Board of Directors
Wednesday, August 15, 2018
Dublin San Ramon Services District Board Room
7051 Dublin Boulevard, Dublin, California
6:00 p.m.

1. Call to Order

Chair Maddi Misheloff called the meeting to order at 6:01 p.m.

2. Pledge of Allegiance

3. Roll Call

Board Members Present: Chair Misheloff, Directors Howard, Olson, Pentin, and Marchand

Board Members Absent: Woerner

Staff Present: General Counsel Clare Gibson, General Manager Chuck Weir, Treasurer Carol Atwood, Administrative Assistant and Recording Secretary, Sue Montague

Staff Absent: None

Others Present: Jeff Carson, DSRSD; Helen Ling, City of Livermore;

4. Order of Agenda

There were no changes to the order of the agenda.

5. Comments from the Public

There were no comments from the public.

6. Consent Calendar

a. Minutes of May 16, 2018 LAVWMA Board Meeting

Director Marchand motioned, seconded by Director Howard to approve Consent Calendar Item Nos. 6.a.

The Motion passed unanimously (5-0).

7. Financial Reporting for the Fiscal Year Ending June 30, 2018

Ms. Atwood provided a summary of the financial statements for the period ending June 30, 2018. She noted that all items tracked as expected through the fourth quarter of the year. She noted that this is a preliminary report and that the final report will be presented at the November 21, 2018 meeting. Director Olson asked about LAVWMA's investments. Ms. Atwood noted that currently all funds are invested in the Local Agency Investment Fund (LAIF), but that staff would

investigate the possibility of investing in California Asset Management Program (CAMP). She explained that CAMP generally has a higher rate of return and that its return rises and falls faster than LAIF. This was an information item requiring no action by the Board.

8. LAVWMA Quarterly Reports of Operations, 3rd Quarter, FY2017-2018

The Board reviewed the Report. Director Marchand asked about the o/s (out of service) data points on the April Monthly Report for LAVWMA (page 32 of 105 in the packet). Jeff Carson indicated that the chlorine residual meter was out of service at that time and when that occurs, the Operators will conduct a manual titration once per shift. The manual data should have been included in the report and that he would check to see that the change is made. This was an information item only requiring no action by the Board.

9. Update to Investment Policy

Mr. Weir and Ms. Atwood provided a summary of the recommended changes to the Investment Policy and that the plan was to review it every four years or as legislation requires. The Policy was last reviewed in 2012. The packet included a redline/strikeout version showing the recommended changes. Staff recommended that the Board approve resolution No. 18-02 rescinding Resolution No. 12-01 and adopting the revised Investment Policy.

Director Pentin motioned, seconded by Director Olson to approve Resolution No. 18-02 Adopting a Revised Investment Policy and Rescinding Resolution No. 12-01.

The motion passed unanimously (5-0).

10. Joint Defense/Common Interest and Confidentiality Agreement

The Board reviewed the Joint Defense Agreement that was prepared by General Counsel Alexandra Barnhill and DSRSD General Counsel Carl Nelson. The Agreement has been approved by all member agencies as of June 22, 2018. It was important to have the agreement approved by the member agencies prior to the enforcement meeting with the Regional Board on June 28, 2018. The results of that meeting are confidential and will be discussed with the Board in closed session. Since the Agreement has already been approved by the member agencies, the Board was requested to ratify the agreement.

Director Olson motioned, seconded by Director Howard to ratify the Joint Defense/Common Interest and Confidentiality Agreement.

The motion passed unanimously (5-0).

11. Update and Response to Various Legal and Legislative Issues

The General Manager and General Counsel updated the Board on legislation of interest. Ms. Gibson also informed the Board regarding two additional items. The first is AB1912 regarding JPAs and pensions. The bill would specify that the parties to the JPA may not specify otherwise with respect to retirement liabilities of the agency if the agency contracts with a public retirement system, and would eliminate an authorization for a party to a JPA to separately contract or assume responsibilities for specific debts, liabilities, or obligations of the agency. This bill would require member agencies of a JPA that participates in, or contracts with, a public retirement system, prior to filing a notice of termination or upon notice of potential termination by the Board of Administration of the Public Employees' Retirement System, to mutually agree as to

the apportionment of the agency's retirement obligations among themselves, provided that the agreement equals 100% of the retirement liability of the agency. The second bill, SB 877, would affect public contracts awarded on an emergency basis by extending the deadline for notifying the Department of Industrial Relations of award of a contract subject to prevailing wages. The deadline would change from 30 days after award, but no later than the first day of work on the project, to 30 days after award, but no later than the last day of work for emergency projects. This was an information item only requiring no action by the Board.

12. General Manager's Report

Mr. Weir referred to the list of activities in his report. He provided a brief summary of the following items: pump purchase, asset management, and LAVWMA's records management project. He showed pictures of the pump seal installation and noted that Pump No. 10 is showing a small leak around the seal. The third pump is scheduled to be installed the week of September 6, 2018. He also noted that the reports on the equipment valuation were received late today. The most recent action item list was also included in his report. This was an information item only requiring no action by the Board.

13. Matters From/For Board Members

None.

14. Closed Session

At 6:31 p.m. the Board adjourned to Closed Session for the following items:

1. Conference with Legal Counsel - Anticipated Litigation
Initiation of litigation pursuant to Government Code § 54956.9(d)(4) (one case).
2. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code § 54956.9(d)(2) (one case).

15. Public Report from Closed Session

At 6:55 p.m. the Board reconvened to Regular Session. Ms. Gibson stated that there was no reportable action.

16. Next Regular Board Meeting, Wednesday, November 21, 2018

Mr. Weir noted that this is the day before Thanksgiving and asked if the Board would like to move the meeting to November 14, 2018. After checking calendars, the Board determined that the original date is preferred.

17. Adjournment

There being no further action, Chair Misheloff adjourned the meeting at 6:59 p.m.

Minutes Approved by the Board _____, 2018.

Charles V. Weir
General Manager

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Agenda Explanation
Livermore-Amador Valley
Water Management Agency
Board of Directors
November 21, 2018

ITEM NO. 7 FINANCIAL REPORTING FOR THE FISCAL YEARS ENDING JUNE 30, 2018 AND JUNE 30, 2019

Action Requested

None at this time. This is an information item only.

To: LAVWMA Board of Directors

From: Carol Atwood, LAVWMA Treasurer

Subject: Financial Reporting for FYE 2018 and FYE 2019

Summary

At the August 15, 2018 meeting, the Board reviewed the preliminary Financial Reports for the period ending June 30, 2018 (FYE2018). Please refer to Agenda Item No. 8, for the final Financial Reports for FYE2018. Unfortunately, due to the flood at DSRSD's office and the time it took to relocate their offices, the Financial Report for the period ending June 30, 2019 is not yet available. A report for the period July 1, 2018 to December 31, 2018 will be presented at the February 20, 2019 Board meeting.

Recommendation

None at this time. This is an information item only.

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Agenda Explanation
Livermore-Amador Valley
Water Management Agency
Board of Directors
November 21, 2018

ITEM NO. 8 ACCEPTANCE OF AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2018

Action Requested

Accept the Audit Report for the Fiscal Year ending June 30, 2018 as prepared by Maze & Associates.

To: LAVWMA Board of Directors

From: Carol Atwood, LAVWMA Treasurer

Subject: Audit Report for Fiscal Year Ending June 30, 2018

Summary

Maze & Associates prepared and submitted the FYE 2018 Audit consisting of the attached Basic Financial Statements and Auditor's Communication with "Those Charged with Governance" (as defined therein). The Auditor's Communication with Those Charged with Governance concluded that there were no observations or recommendations in this year's Audit requiring action by LAVWMA.

A representative from Maze & Associates will be in attendance at the meeting to answer any questions from the Board.

Recommendation

It is recommended the Board accept the Audit Report for the Fiscal Year ending June 30, 2018 as prepared by Maze & Associates.

Attachments

1. Livermore-Amador Valley Water Management Agency Basic Financial Statements for the Year Ended June 30, 2018.
2. Livermore-Amador Valley Water Management Agency, Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018.

**LIVERMORE-AMADOR VALLEY
WATER MANAGEMENT AGENCY**

BASIC FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore-Amador Valley Water Management Agency
Dublin, California

We have audited the accompanying basic financial statements of the Livermore-Amador Valley Water Management Agency (Agency) as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2018 and 2017, and changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Introductory Section and Supplemental Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary 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. Such 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Pleasant Hill, California
November 15, 2018

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Management's Discussion & Analysis

June 30, 2018 and 2017

This section presents management's analysis of the Livermore-Amador Valley Water Management Agency (the Agency) financial condition and activities as of and for the years ended June 30, 2018 and 2017. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the Agency's basic financial statements. The MDA represents management's examination and analysis of the Agency's financial condition and performance.

This information should be read in conjunction with the audited financial statements that follow this section. The information in the MDA is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Financial Analysis
- Request for Information

Organization and Business

Livermore-Amador Valley Water Management Agency (the Agency) is a joint powers agency that was formed in 1974 by a joint exercise of powers agreement between the cities of Pleasanton and Livermore and the Dublin San Ramon Services District. The Agency has implemented a water quality management program involving wastewater disposal. The Agency operates an export pump station and pipeline connecting with the East Bay Dischargers Authority's system and discharges treated wastewater, through a deep-water outfall, into San Francisco Bay. The Agency currently has an Amended and Restated Joint Exercise of Powers Agreement dated September 10, 1997, among the members. This agreement, among other things, sets forth capacity limitations and capacity rights of each member as well as cost-sharing procedures for debt service and fixed operating costs related to capacity rights and variable operating costs related to actual use of the export facilities.

For additional information, please see the notes to the basic financial statements.

Overview of the Financial Statements

The basic financial statements include a *statement of net position*, a *statement of revenues, expenses, and changes in net position*, a *statement of cash flows*, and *notes to financial statements*. The report also contains other required supplementary information in addition to the basic financial statements.

The Agency's basic financial statements include:

The *statement of net position* presents information on the Agency's assets and liabilities, with the difference between the two reported as net position. It provides information about the nature and amount of resources and obligations at year-end.

The *statement of revenues, expenses, and changes in net position* presents the results of the Agency's operations over the course of the fiscal year and information as to how the *net position* changed during the year.

The *statement of cash flows* presents changes in cash and cash equivalents resulting from operational, capital and related financing, and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Management's Discussion & Analysis

June 30, 2018 and 2017

The *notes to basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 9 to 19 of this report.

Financial Analysis:

Table 1 summarizes net position at June 30, 2018 and 2017, and Table 2 summarizes revenues, expenses and changes in net position for the years ended June 30, 2018 and 2017. Both tables also include variances from the prior year.

Table 1
Summary of Net Position
June 30, 2018 and 2017

	2018	2017	Variance	2016	Variance
Assets:					
Current assets	\$ 21,221,982	\$ 17,506,126	\$ 3,715,856	\$ 18,200,745	\$ (694,619)
Non-current assets	345,178	337,178	8,000	337,176	2
Capital assets, net of accumulated depreciation	113,274,221	116,550,094	(3,275,873)	119,363,915	(2,813,821)
Total assets	<u>134,841,381</u>	<u>134,393,398</u>	<u>447,983</u>	<u>137,901,836</u>	<u>(3,508,438)</u>
Liabilities:					
Current liabilities	9,693,923	6,288,089	3,405,834	6,656,799	(368,710)
Long-term debt outstanding	88,138,721	93,089,245	(4,950,524)	97,826,612	(4,737,367)
Total Liabilities	<u>97,832,644</u>	<u>99,377,334</u>	<u>(1,544,690)</u>	<u>104,483,411</u>	<u>(5,106,077)</u>
Net position:					
Invested in capital assets, net of related debt	26,105,620	25,059,610	1,046,010	23,759,467	1,300,143
Unrestricted	10,903,117	9,956,454	946,663	9,658,960	297,494
Total net position	<u>\$ 37,008,737</u>	<u>\$ 35,016,064</u>	<u>\$ 1,992,673</u>	<u>\$ 33,418,427</u>	<u>\$ 1,597,637</u>

- The total assets of the Agency increased \$0.5 million between 2018 and 2017, which had decreased \$3.5 million from 2016. The increase in current assets of \$3.7 million is due to a JPA member paying their contribution for FYE2019 in advance. The increase in current assets is offset by \$3.3 million decrease in capital assets which is primarily due to depreciation (Note 3).
- Total liabilities decreased \$1.5 million between 2018 and 2017, which had decreased \$5.1 million from 2016. There is an increase in current liabilities of \$3.4 million which is primarily due to a JPA member paying their contribution for FYE2019 in advance. The increase in current liabilities is offset by a \$4.9 million decrease in long-term liabilities, which is due to debt payments and amortization of bond issuance premium (Note 5).
- Net position overall has increased the last two years as debt is being paid down.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Management's Discussion & Analysis

June 30, 2018 and 2017

Table 2**Summary of Revenues, Expenses and Changes in Net Position**

Years ended June 30, 2018 and 2017

	2018	2017	Variance	2016	Variance
Operating revenues	\$11,613,795	\$11,775,413	\$ (161,618)	\$11,405,848	\$ 369,565
Operating expenses	6,268,924	6,486,239	(217,315)	6,220,102	266,137
Net operating income (expenses)	<u>5,344,871</u>	<u>5,289,174</u>	<u>55,697</u>	<u>5,185,746</u>	<u>103,428</u>
Non operating revenues (expenses)	<u>(3,352,198)</u>	<u>(3,691,537)</u>	<u>339,339</u>	<u>(3,914,201)</u>	<u>222,664</u>
Change in net position	\$1,992,673	\$1,597,637	\$395,036	\$1,271,545	\$326,092

- Operating revenue comes from member agencies to cover operating costs, debt and replacement reserves. Fiscal year end 2018 revenue decreased slightly due to decrease in funds needed to cover operating costs.
- Operating expenses decreased \$0.2 million in fiscal year end 2018 after an increase of \$0.3 million in the prior year. The fluctuation in operating expenses is primarily due to energy costs. Energy is over one third of the operating budget when depreciation is excluded from total operating expenses.
- Non-operating revenues (expenses) reflect a net decrease in non-operating expenses over the last two years primarily due to the decrease in bond interest expense as debt is paid down.

Request for Information

This financial report is designed to provide readers with a general overview of the Livermore-Amador Valley Water Management Agency's finances and demonstrate the Agency's accountability for the monies it manages. If you have any questions about this report or need additional information, please contact: LAVWMA Agency Treasurer, 7051 Dublin Blvd., Dublin, CA 94568.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017

	2018	2017
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents (Note 2B)	\$21,139,725	\$17,324,839
Interest receivable	82,257	41,286
Due from members (Note 4)		140,001
Total current assets	<u>21,221,982</u>	<u>17,506,126</u>
Non-current assets:		
Advances to DSRSD	345,178	337,178
Capital assets (Note 3):		
Depreciable, net of accumulated depreciation	<u>113,274,221</u>	<u>116,550,094</u>
Total non-current assets	<u>113,619,399</u>	<u>116,887,272</u>
Total assets	<u>134,841,381</u>	<u>134,393,398</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	196,542	135,809
Due to members (Note 4)	151,230	313
Advances from members	3,073,559	
Interest payable	1,737,552	1,830,084
Current portion of long-term debt (Note 5)	<u>4,535,040</u>	<u>4,321,883</u>
Total current liabilities	<u>9,693,923</u>	<u>6,288,089</u>
Long-term liabilities:		
Bond issuance premium, net of amortization (Note 5)	5,505,160	5,920,644
Long-term debt less current portion (Note 5)	<u>82,633,561</u>	<u>87,168,601</u>
Total long-term liabilities	<u>88,138,721</u>	<u>93,089,245</u>
Total liabilities	<u>97,832,644</u>	<u>99,377,334</u>
<u>NET POSITION</u> (Note 7)		
Net investment in capital assets	26,105,620	25,059,610
Unrestricted	<u>10,903,117</u>	<u>9,956,454</u>
Total net position	<u>\$37,008,737</u>	<u>\$35,016,064</u>

The accompanying notes are an integral part of these financial statements

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
 STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Operating revenues:		
Service charges (Note 4)	\$11,764,975	\$11,635,725
Service charges - other (Note 4)	(151,180)	139,688
Total operating revenues	<u>11,613,795</u>	<u>11,775,413</u>
Operating expenses:		
Energy	1,051,885	1,296,580
EBDA O&M costs	688,911	672,704
Operations agreement	783,448	761,199
Professional services	203,213	139,432
Livermore sole use O&M	44,278	44,910
Miscellaneous	65,311	56,385
Repairs and maintenance	54,491	147,283
Depreciation and amortization	3,377,387	3,367,746
Total operating expenses	<u>6,268,924</u>	<u>6,486,239</u>
Operating income	<u>5,344,871</u>	<u>5,289,174</u>
Non-operating revenues (expenses)		
Interest income	235,625	106,112
Bond interest expense	(3,587,823)	(3,797,649)
Total non-operating revenues (expenses)	<u>(3,352,198)</u>	<u>(3,691,537)</u>
Change in net position	<u>1,992,673</u>	<u>1,597,637</u>
Net position, beginning of year	<u>35,016,064</u>	<u>33,418,427</u>
Net position, end of year	<u><u>\$37,008,737</u></u>	<u><u>\$35,016,064</u></u>

The accompanying notes are an integral part of these financial statements

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Receipts from customers	14,778,384	\$11,785,658
Payments to suppliers	(2,679,887)	(3,746,997)
Net cash provided (used) by operating activities	<u>12,098,497</u>	<u>8,038,661</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(101,514)	(553,925)
Principal paid on long-term debt	(4,321,883)	(4,113,964)
Interest paid on long-term debt	(4,095,840)	(4,301,259)
Net cash provided (used) by capital and related financing activities	<u>(8,519,237)</u>	<u>(8,969,148)</u>
Cash flows from investing activities:		
Interest on cash and investments	235,626	106,112
Net cash provided (used) by investing activities	<u>235,626</u>	<u>106,112</u>
Net increase (decrease) in cash and cash equivalents	<u>3,814,886</u>	<u>(824,375)</u>
Cash and cash equivalents - beginning of period	<u>17,324,839</u>	<u>18,149,214</u>
Cash and cash equivalents - end of period	<u><u>\$21,139,725</u></u>	<u><u>\$17,324,839</u></u>
Reconciliation of operating income to net cash provided (used) in operating activities:		
Operating income	\$5,344,871	\$5,289,174
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation and amortization	3,377,387	3,367,746
Changes in certain assets and liabilities:		
Decrease in due from members	140,001	
(Decrease) in advance to members	(8,000)	
(Increase) in interest receivable	(40,971)	(17,015)
Decrease in miscellaneous accounts receivable		27,260
Increase (decrease) in accounts payable	60,733	(285,139)
Increase (decrease) in due to members	150,917	(343,365)
Increase in advance from members	3,073,559	
Net cash provided (used) by operating activities	<u><u>\$12,098,497</u></u>	<u><u>\$8,038,661</u></u>

The accompanying notes are an integral part of these financial statements

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
--

A. General

Livermore-Amador Valley Water Management Agency (the Agency) is a joint powers agency that was formed in 1974 by a joint exercise of powers agreement between the cities of Pleasanton and Livermore and the Dublin-San Ramon Services District. The Agency has implemented a water quality management program involving wastewater disposal. The Agency operates an export pipeline connecting with the East Bay Dischargers Authority's system and discharges treated wastewater, through a deep-water outfall, into San Francisco Bay. The Agency currently has an Amended and Restated Joint Exercise of Powers Agreement dated September 10, 1997, among the members. This agreement, among other things, sets forth capacity limitations and capacity rights of each member as well as cost-sharing procedures for debt service and fixed operating costs related to capacity rights and variable operating costs related to actual use of the export facilities.

B. Reporting Entity

The Agency is the only entity included in these financial statements.

C. Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The Agency maintains a proprietary fund that is used to account for the financing of goods or services provided by the Agency to other governments on a cost-reimbursement basis.

The Agency is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded in its balance sheet, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

D. Basis of Accounting

Records of the Agency are maintained on the accrual basis. Revenues are recognized when earned and expenses are recognized when incurred.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include member contributions.

Revenue from member contributions is recognized in the fiscal year in which it is earned. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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E. Use of Estimates

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

The Agency places certain funds with the State of California's Local Agency Investment Fund (LAIF). The Agency is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours' notice. Financial statements for LAIF can be obtained from the California State Treasurer's Office: State Treasurer's Office, 915 Capitol Mall, Suite 110, Sacramento, CA 95814.

Cash and investments are used in preparing the statement of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

G. Capital Assets

Capital assets are recorded at cost. Assets with an initial cost of more than \$10,000 are capitalized. Infrastructure assets with an initial cost of more than \$25,000 are capitalized. Depreciation of property and equipment is provided on the straight-line method over the following useful lives:

Pipeline and Export Facility	50 years
Pump Station	25 years
Intangible	20 years
Equipment	5-10 years

H. Bond Issuance Premium

Bond issuance premium is amortized on a straight-line basis over the term of the bond.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2 – CASH AND INVESTMENTS

A. Policies

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Agency's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Agency's name and places the Agency ahead of general creditors of the institution. The Agency has waived collateral requirements for the portion of deposits covered by federal depository insurance. As of June 30, 2018 and 2017, the Agency's cash in bank was insured or collateralized as discussed above.

Cash and investments are recorded at market value.

B. Composition

Cash and cash equivalents consist of the following as of June 30:

	2018	2017
Cash in Bank	\$3,836,875	\$211,962
California Local Agency Investment Fund	17,302,850	17,112,877
Total cash and cash equivalents	<u>\$21,139,725</u>	<u>\$17,324,839</u>

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the Agency's Investment Policy

The Agency's Investment Policy and the California Government Code allow the Agency to invest in the following provided the credit ratings of the issuers are acceptable to the Agency; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Agency's Investment Policy where the Agency's Investment Policy is more restrictive.

Limit	Minimum Rating	Maximum Maturity	Authorized Investment
None	None	5 years	Collateralized Certificate of Deposits purchased from banks or savings and loan institutions as authorized by statute
30%	None	5 years	Negotiable Certificates of Deposit
None	None	5 years	U.S. Treasury Bills, Notes, and Bonds
None	None	5 years	Securities of Government Agencies (e.g., Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Government National Mortgage Association, Federal Farm Credit Bank, Tennessee Valley Authority)
30%	A	5 years	Medium-Term Corporate Notes
20%	None	N/A	Mutual Funds (Shares of beneficial interest issued by diversified management companies who invest in securities authorized by § 53601
None	None	5 years	Indebtedness issued by LAVWMA or any local agency in California
Maximum allowed by LAIF	None	N/A	The State of California Local Agency Investment Fund

D. Local Agency Investment Fund

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Agency 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 balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. 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. At June 30, 2018 and 2017, these investments matured in an average of 193 and 194 days, respectively.

E. Investment Valuation

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Agency's only investment in the Local Agency Investment Fund is exempt from the fair value measurement hierarchy.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Balance at June 30, 2016	Additions	Retirements	Balance at June 30, 2017	Additions	Balance at June 30, 2018
Construction in progress	\$50,364		(\$50,364)			
Capital assets being depreciated:						
Pipeline	118,236,074			\$118,236,074		\$118,236,074
Pump station	18,194,257	\$604,289		18,798,546	\$101,514	18,900,060
Export facility	5,767,500			5,767,500		5,767,500
Intangibles	10,000,000			10,000,000		10,000,000
Total capital assets being depreciated/amortized:	152,248,195	604,289	(50,364)	152,802,120	101,514	152,903,634
Less:						
Accumulated depreciation	(27,126,706)	(3,064,716)		(30,191,422)	(3,074,357)	(33,265,779)
Accumulated amortization	(5,757,574)	(303,030)		(6,060,604)	(303,030)	(6,363,634)
Net capital assets being depreciated/amortized	<u>\$119,363,915</u>	<u>(\$2,763,457)</u>	<u>(\$50,364)</u>	<u>\$116,550,094</u>	<u>(\$3,275,873)</u>	<u>\$113,274,221</u>

Depreciation and amortization expense for the Agency for June 30, 2018 and June 30, 2017 was \$3,377,387 and \$3,367,746, respectively.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4 – SERVICE CHARGES TO MEMBERS

Under the terms of the Agency's Sewer Service Contract with its members, the members pay the Agency a service charge equal to their share of the actual costs of operating the pipeline. The members are required to make advance payments to the Agency based on estimated costs. When advance payments are more or less than actual costs, differences are billed or refunded to the members in accordance with their participation percentage as specified in the agreement.

The following schedule reconciles the advance payments received from members with the actual costs of operating the pipeline to determine what is owed to or from the members as of June 30, 2018 and 2017:

	2018	2017
Advance payments received from members		
City of Livermore	\$3,391,877	\$3,347,283
City of Pleasanton	4,031,683	3,980,631
Dublin San Ramon Services District	4,341,415	4,307,811
Total services charges	<u>\$11,764,975</u>	<u>\$11,635,725</u>
 Advance payments received from members	 \$11,764,975	 \$11,635,725
Interest earned on operating advances	22,950	8,421
Less advances for:		
Debt service	(8,006,525)	(8,003,975)
Joint Use replacement	(400,000)	(400,000)
Net available for operations and maintenance	<u>3,381,400</u>	<u>3,240,171</u>
 Operations and maintenance expenses:		
Power	1,051,885	1,296,580
LAVWMA share of EBDA O&M Costs	688,911	672,704
Operations agreement	769,186	761,199
EBDA capacity payment	411,248	411,248
Professional services	203,213	139,432
Livermore Sole Use O&M	44,278	44,910
Miscellaneous	61,499	53,786
Total operations and maintenance expenses	<u>3,230,220</u>	<u>3,379,859</u>
Amount due to (due from) members, net	<u>\$151,180</u>	<u>(\$139,688)</u>
 Amount due to (due from):		
City of Livermore	\$52,662	(\$117,743)
City of Pleasanton	84,936	313
Dublin San Ramon Services District	13,582	(22,258)
	<u>\$151,180</u>	<u>(\$139,688)</u>

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in general long-term liabilities during the year ended June 30, 2018:

	Balance June 30, 2017	Retirements	Balance June 30, 2018	Amount due within one year	More than one year
<i>Revenue Bonds</i>					
2011 Sewer Revenue Refunding Bonds					
2% - 5%, due 8/1/2031	\$86,845,000	\$4,050,000	\$82,795,000	\$4,255,000	\$78,540,000
<i>Loans Payable</i>					
EBDA Loan payable					
3%-6% , due 8/1/2030	4,645,484	271,883	4,373,601	280,040	4,093,561
Total Long-Term Debt	91,490,484	4,321,883	87,168,601	4,535,040	82,633,561
Plus: Unamortized bond premium	5,920,644	415,484	5,505,160		5,505,160
Total Long-Term Debt, net	<u>\$97,411,128</u>	<u>\$4,737,367</u>	<u>\$92,673,761</u>	<u>\$4,535,040</u>	<u>\$88,138,721</u>

The following is a summary of changes in general long-term liabilities during the year ended June 30, 2017:

	Balance June 30, 2016	Retirements	Balance June 30, 2017	Amount due within one year	More than one year
<i>Revenue Bonds</i>					
2011 Sewer Revenue Refunding Bonds					
2% - 5%, due 8/1/2031	\$90,695,000	\$3,850,000	\$86,845,000	\$4,050,000	\$82,795,000
<i>Loans Payable</i>					
EBDA Loan payable					
3%-6% , due 8/1/2030	4,909,448	263,964	4,645,484	271,883	4,373,601
Total Long-Term Debt	95,604,448	4,113,964	91,490,484	4,321,883	87,168,601
Plus: Unamortized bond premium	6,336,128	415,484	5,920,644		5,920,644
Total Long-Term Debt, net	<u>\$101,940,576</u>	<u>\$4,529,448</u>	<u>\$97,411,128</u>	<u>\$4,321,883</u>	<u>\$93,089,245</u>

A. 2011 Sewer Revenue Refunding Bonds

The Agency issued \$105,345,000 of 2011 Sewer Revenue Refunding Bonds on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Principal payments are due annually beginning August 1, 2012 through August 1, 2031.

Debt service on the 2011 Bonds is repayable from Agency Net Revenues which are defined as Gross Revenues less Maintenance and Operations costs, excluding in all cases depreciation, replacement and obsolescence charges or reserves therefore, debt service, amortization of intangibles or other book-keeping entries of a similar nature, and costs paid out of the Sole-Use, Dual-Use and Joint-Use Replacement Funds.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 – LONG-TERM DEBT (Continued)

Member Liens for Repayment of 2011 Bonds: Under an Amended And Restated Sewer Service Contract dated October 1, 2011, between the Agency and Members, the Members pledge and create, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems (the “Sewer Systems”), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 Bonds. There are three important limitations with respect to this pledge of Net Revenues. First, this lien is subordinate to the Members’ existing obligations payable from their Net Revenues, as well as obligations payable from their Net Revenues to be issued in the future by the Members to finance or refinance improvements to their respective Sewer System. Second, for DSRSD and Pleasanton, “Net Revenues” are not defined in the Sewer Service Contract to include all of the fees, rates and charges collected by DSRSD and Pleasanton in connection with their Sewer System; DSRSD and Pleasanton have only pledged regional service charges as security for their obligation to make the Payments. Third, Pleasanton, in its capacity as the largest customer of DSRSD’s Sewer System, is only obligated to levy regional charges and fees established by DSRSD and to transfer the amount collected to DSRSD.

Pursuant to the official statement, each member agency is required to set rates to achieve coverage of 1.1 times debt service.

B. Discharge Rights Capital Buy-In Fee Obligation

On April 26, 2007, the East Bay Dischargers Authority (EBDA) and LAVWMA signed a new Master Agreement, superseding all previous agreements, which confirms LAVWMA’s ownership of firm capacity discharge rights of 19.72 MGD (millions of gallons per day) in EBDA’s system, and also requires EBDA to provide LAVWMA with an additional 21.48 MGD in interruptible discharge rights for a capital buy-in of \$10,000,000. LAVWMA previously had entered into an agreement for additional capacity for a purchase price of \$3,000,000 plus accrued interest. The remaining \$7,000,000, plus accrued interest, is payable in annual installments through 2030. Interest is based on the change in the Consumer Price Index-All Urban Consumers (CPI-U) for the San Francisco Bay Area. The interest rate includes a floor and ceiling of 3% and 6%, respectively.

C. Debt Service Maturity

At June 30, 2018, future annual repayment requirements for long-term debt were as follows:

For The Year Ending June 30	Principal	Interest	Total
2019	\$4,535,040	\$3,880,058	\$8,415,098
2020	4,763,441	3,653,407	8,416,848
2021	5,002,094	3,415,254	8,417,348
2022	5,246,007	3,165,216	8,411,223
2023	5,510,187	2,902,661	8,412,848
2024-2028	31,553,573	10,584,343	42,137,916
2029-2032	30,558,259	2,757,284	33,315,543
Total payments due	<u>\$87,168,601</u>	<u>\$30,358,223</u>	<u>\$117,526,824</u>

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – RISK MANAGEMENT

The Agency's insurance coverage is as follows:

The Agency is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The Agency joined together with other entities to form the Special District Risk Management Authority (SDRMA), a public entity risk pool currently operating as a common risk management and insurance program for member entities. The purpose of SDRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The Agency pays annual premiums to SDRMA for its general, liability, and property damage.

SDRMA is governed by a Board composed of one representative from each member agency. The Board controls the operations of SDRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

In addition to the primary insurance types provided for through SDRMA listed above, the Agency also maintains commercial fidelity bonds, public employee dishonesty and public official bonds to protect against employee theft or defalcation. Settled claims for SDRMA or commercial fidelity bonds have not exceeded coverage in any of the past three fiscal years.

The following is a summary of the insurance policies carried by the Agency as of June 30, 2018:

<u>Company Name</u>	<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductibles</u>
Uninsured/underinsured motorists	Each occurrence	\$750,000	None
Auto Liability	Comprehensive liability	5,000,000	\$1,000
Property coverage	Comprehensive liability	1,000,000,000	500
Employee dishonesty	Blanket bond	500,000	None
Personal liability coverage (board)	Comprehensive liability	500,000	None
General liability	Comprehensive liability	5,000,000	500
Public officials and employee errors	Comprehensive liability	5,000,000	None
Employment practices liability	Comprehensive liability	5,000,000	None
Employee benefits liability	Comprehensive liability	5,000,000	None
Boiler and machinery coverage	Comprehensive liability	100,000,000	None

Claims and judgments, including 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 Agency has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

The Agency's liability for uninsured claims is limited to general liability claims, as discussed above, and was estimated to be immaterial. The Agency has not exceeded its insurance coverage limits in any of the last three years.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 7 – NET POSITION

Net Position is the excess of all the Agency's assets over all its liabilities. Net Position is divided into three categories which are described as follows:

- **Net investment in capital assets** describes the portion of net position that is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets.
- **Restricted** describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the Agency cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes. The Agency had no restricted net position.
- **Unrestricted** describes the portion of net position that is not restricted to use.

NOTE 8 – CONTINGENT LIABILITIES

The Agency is involved in various claims and litigation arising in the ordinary course of business. Agency management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters will not have a materially adverse effect on the Agency's financial position or results of operations.

NOTE 9 – MEMBER EQUITY ALLOCATION

A review of the member equity calculation was conducted and each type of asset is allocated according to contractually agreed ownership shares. At June 30, 2018, the members' respective shares of the Agency's net position, based on this calculation, are as follows:

	Operation & Maintenance	EBDA Capacity	2011 Debt Service*	Joint-Use Replacement	Dual-Use Replacement	Sole-Use Replacement	TOTAL
Net Position:							
Total Assets	\$2,208,199	\$3,636,365	\$1,752,049	\$121,093,176	\$492,080	\$5,659,512	\$134,841,381
Total Liabilities	1,636,250	4,504,809	91,627,074	64,511			97,832,644
	<u>\$571,949</u>	<u>(\$868,444)</u>	<u>(\$89,875,025)</u>	<u>\$121,028,665</u>	<u>\$492,080</u>	<u>\$5,659,512</u>	<u>\$37,008,737</u>
Allocation:							
Livermore	30.10%	18.18%	27.83%	30.10%		100.00%	
Pleasanton	34.95%	34.14%	33.27%	34.95%	50.00%		
DSRSD	34.95%	47.68%	38.90%	34.95%	50.00%		
Member Equity:							
Livermore	\$172,157	(\$157,883)	(\$25,011,481)	\$36,429,627		\$5,659,512	\$17,091,932
Pleasanton	199,896	(296,487)	(29,905,667)	42,299,518	\$246,040		12,543,300
DSRSD	199,896	(414,074)	(34,957,878)	42,299,518	246,040		7,373,502
	<u>\$571,949</u>	<u>(\$868,444)</u>	<u>(\$89,875,026)</u>	<u>\$121,028,663</u>	<u>\$492,080</u>	<u>\$5,659,512</u>	<u>\$37,008,734</u>

* Note that for debt service, blended allocations are shown above. Actual allocations are below:

	Livermore	Pleasanton	DSRSD
Repair (30.46% of total debt)	39.95%	36.71%	23.34%
Expansion (69.54% of total debt)	22.52%	31.77%	45.71%

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 – MEMBER EQUITY ALLOCATION (Continued)

At June 30, 2017, the members' respective share of the Agency's net position, based on this calculation, is as follows:

	Operation & Maintenance	EBDA Capacity	2011 Debt Service*	Joint-Use Replacement	Dual-Use Replacement	Sole-Use Replacement	TOTAL
Net Position:							
Total Assets	\$707,980	\$3,939,395	\$24,842	\$123,323,415	\$494,686	\$5,903,080	\$134,393,398
Total Liabilities	136,031	4,784,849	94,456,363	91			99,377,334
	<u>\$571,949</u>	<u>(\$845,454)</u>	<u>(\$94,431,521)</u>	<u>\$123,323,324</u>	<u>\$494,686</u>	<u>\$5,903,080</u>	<u>\$35,016,064</u>
Allocation:							
Livermore	30.10%	18.18%	27.83%	30.10%		100.00%	
Pleasanton	34.95%	34.14%	33.27%	34.95%	50.00%		
DSRSD	34.95%	47.68%	38.90%	34.95%	50.00%		
Member Equity:							
Livermore	\$172,157	(\$153,704)	(\$26,279,516)	\$37,120,321		\$5,903,080	\$16,762,338
Pleasanton	199,896	(288,638)	(31,421,828)	43,101,502	\$247,343		11,838,275
DSRSD	199,896	(403,112)	(36,730,176)	43,101,502	247,343		6,415,453
	<u>\$571,949</u>	<u>(\$845,454)</u>	<u>(\$94,431,520)</u>	<u>\$123,323,325</u>	<u>\$494,686</u>	<u>\$5,903,080</u>	<u>\$35,016,066</u>

* Note that for debt service, blended allocations are shown above. Actual allocations are below:

	Livermore	Pleasanton	DSRSD
Repair (30.46% of total debt)	39.95%	36.71%	23.34%
Expansion (69.54% of total debt)	22.52%	31.77%	45.71%

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SUPPLEMENTARY INFORMATION

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
SCHEDULE OF SUB FUND ACCOUNT BALANCE SHEETS
JUNE 30, 2018

	Maintenance & Operation	EBDA Capacity	2011 Debt Service
<u>ASSETS</u>			
Cash and equivalents	\$1,758,508		\$1,740,057
Investments	413,515		5,208
Interest receivable	8,176		6,784
Advances to members	28,000		
Capital assets, net of accumulated depreciation		\$3,636,365	
Total assets	2,208,199	3,636,365	1,752,049
<u>LIABILITIES</u>			
Accounts payable	192,231		
Due to members	151,230		
Advances from members	1,292,789		1,720,570
Interest payable		131,208	1,606,344
Long-term debt:			
Bond issuance premium, net of amortization			5,505,160
Due within one year		280,040	4,255,000
Due in more than one year		4,093,561	78,540,000
Total liabilities	1,636,250	4,504,809	91,627,074
<u>NET POSITION</u>			
Net investment in capital assets		(737,236)	(82,795,000)
Unrestricted	571,949	(131,208)	(7,080,025)
Total net position	\$571,949	(\$868,444)	(\$89,875,025)

Repair and Replacement Reserve			
Joint-use Replacement	Dual-use Replacement	Sole-use Replacement	Total
\$316,946	\$12,139	\$9,225	\$3,836,875
14,937,156	410,257	1,536,714	17,302,850
59,636	1,644	6,017	82,257
317,178			345,178
105,462,260	68,040	4,107,556	113,274,221
121,093,176	492,080	5,659,512	134,841,381
4,311			196,542
			151,230
60,200			3,073,559
			1,737,552
			5,505,160
			4,535,040
			82,633,561
64,511			97,832,644
105,462,260	68,040	4,107,556	26,105,620
15,566,405	424,040	1,551,956	10,903,117
\$121,028,665	\$492,080	\$5,659,512	\$37,008,737

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
SCHEDULE OF SUB FUND ACCOUNT ACTIVITY
For the Year Ended June 30, 2018

	Maintenance & Operation	EBDA Capacity	2011 Debt Service
Operating revenues:			
Service charges - City of Livermore	\$968,438	\$74,902	\$2,228,137
Service charges - City of Pleasanton	1,087,094	140,657	2,664,132
Service charges - Dublin San Ramon Services District	890,968	196,441	3,114,206
Service charges other	(150,478)	(752)	50
Total operating revenues	2,796,022	411,248	8,006,525
Operating expenses:			
Power	1,051,885		
LAVWMA share of EBDA O&M	688,911		
Operations agreement	769,186		
Professional services	203,213		
Livermore sole use O&M	44,278		
Miscellaneous	61,499		23
Total operating expenses and capital outlay	2,818,972		23
Repairs and maintenance			
Total operating expenses	2,818,972		23
Operating income (loss)	(22,950)	411,248	8,006,502
Non-operating revenues (expenses)			
Depreciation and amortization		(303,030)	
Interest income	22,950		6,609
Bond interest expense		(131,208)	(3,456,615)
Total non-operating revenues (expenses)	22,950	(434,238)	(3,450,006)
Changes in net position		(22,990)	4,556,496
Net position beginning of period	571,949	(845,454)	(94,431,521)
Net position end of period	\$571,949	(\$868,444)	(\$89,875,025)

Repair and Replacement Reserve			
Joint-use Replacement	Dual-use Replacement	Sole-use Replacement	Total
\$120,400			\$3,391,877
139,800			4,031,683
139,800			4,341,415
			(151,180)
400,000			11,613,795
			1,051,885
			688,911
14,262			783,448
			203,213
			44,278
3,356	\$93	\$340	65,311
17,618	93	340	2,837,046
54,491			54,491
72,109	93	340	2,891,537
327,891	(93)	(340)	8,722,258
(2,805,095)	(7,560)	(261,702)	(3,377,387)
182,545	5,047	18,474	235,625
			(3,587,823)
(2,622,550)	(2,513)	(243,228)	(6,729,585)
(2,294,659)	(2,606)	(243,568)	1,992,673
123,323,324	494,686	5,903,080	35,016,064
\$121,028,665	\$492,080	\$5,659,512	\$37,008,737

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**LIVERMORE-AMADOR VALLEY
WATER MANAGEMENT AGENCY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

**FOR THE YEAR ENDED
JUNE 30, 2018**

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2018

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MEMORANDUM ON INTERNAL CONTROL

Board of Directors
Livermore-Amador Valley Water Management Agency
Dublin, California

In planning and performing our audit of the basic financial statements of the Livermore-Amador Valley Water Management Agency (Agency) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Maze + Associates

Pleasant Hill, California
November 15, 2018



REQUIRED COMMUNICATIONS

Board of Directors
Livermore-Amador Valley Water Management Agency
Dublin, California

We have audited the basic financial statements of the Livermore-Amador Valley Water Management Agency (Agency) for the year ended June 30, 2018. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

Estimated Fair Value of Investments: As of June 30, 2018, the Agency held approximately \$21.1 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2018. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2018.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1G to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Agency's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated November 15, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquires 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 required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information which accompany the financial statements, but are not required supplementary information. 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.

This information is intended solely for the use of the Board of Directors and management 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 "Mazze + Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
November 15, 2018

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Agenda Explanation
Livermore-Amador Valley
Water Management Agency
Board of Directors
November 21, 2018

ITEM NO. 9 LAVWMA QUARTERLY REPORTS OF OPERATIONS, 1ST QUARTER, FY 2018-2019

Action Requested

None at this time.

Summary

LAVWMA's Quarterly Report of Operations for the 1st Quarter, FY 2018-2019 is attached for the Board's review. These quarterly reports are prepared by DSRSD staff and summarize all LAVWMA operations and maintenance activity for each quarter. Jeff Carson, DSRSD Operations Manager, will be available to answer any questions from the Board. Please note that the report has been modified to include a Table of Contents as well as a Quarter at a Glance. The Quarter at a Glance includes new graphs that show Flows and pumping Efficiency, Energy Consumption, Budget Variance, and Work Order History.

The Board should pay particular notice to the pumping efficiency which has increased from 50% to nearly 75%. This is primarily due to the three new pumps that are now in service and are carrying the pumping load. The third pump did not go into service until October 31, 2018. During the dry season, only two pumps are required to meet flow demands. Also note that the cost per million gallons has dropped from approximately \$450/MG to \$382/MG in September. Lastly, expenses to date are running well below budget, primarily due to reduced energy costs for pumping.

Special thanks go to Gemma Lathi from DSRSD for her efforts in revising the quarterly report.

Recommendation

None at this time. This is an information item only.

LAVWMA

QUARTERLY REPORT OF OPERATIONS

1st Quarter, FY 2018-2019



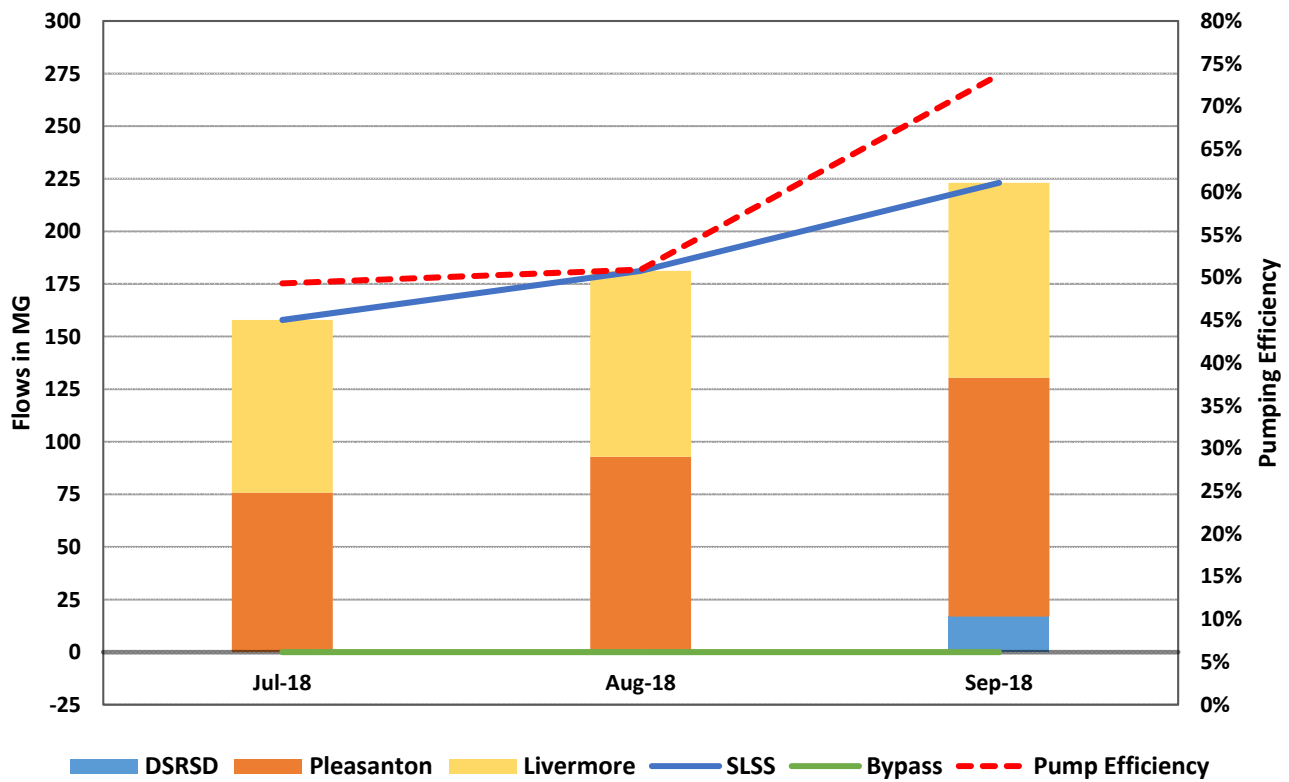
**Dublin San Ramon
Services District**

Water, wastewater, recycled water

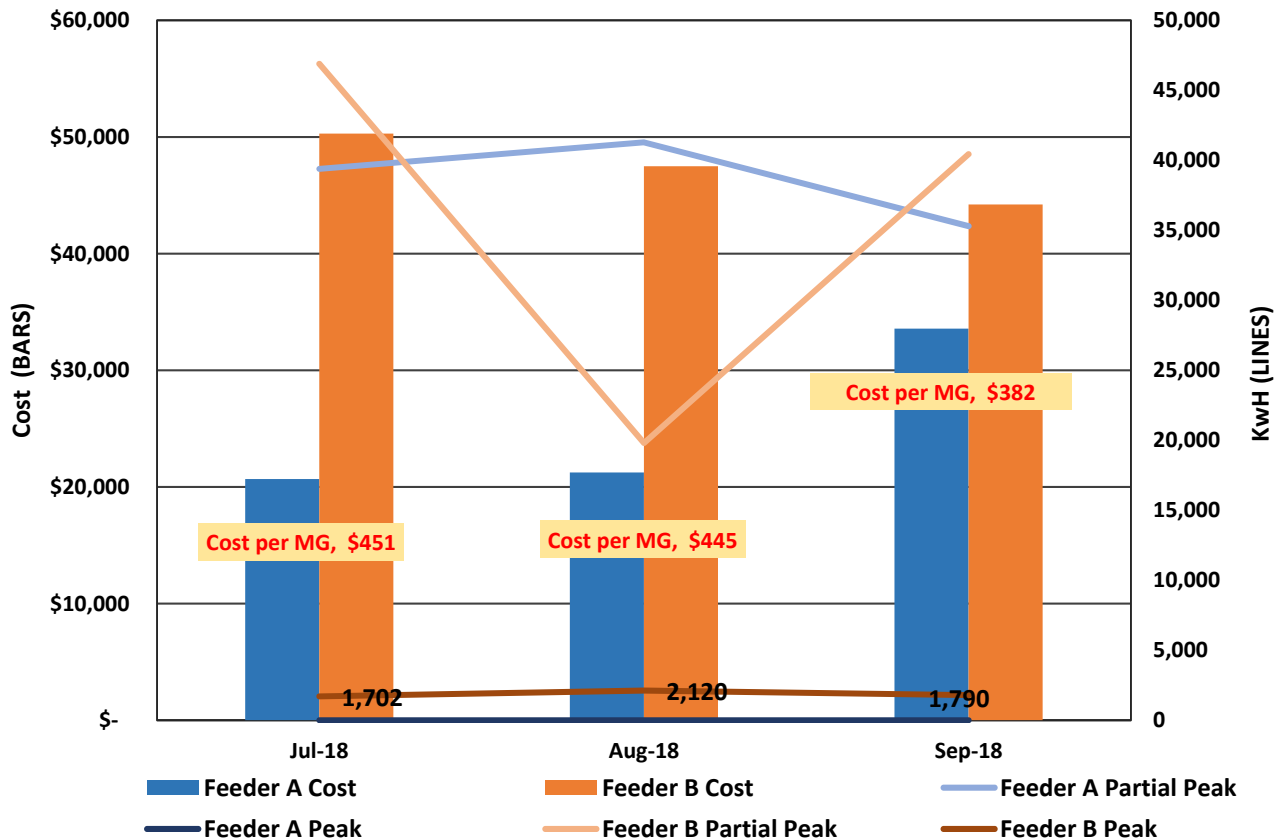
QUARTERLY REPORT OF OPERATIONS
LAVWMA PUMPING AND CONVEYANCE SYSTEM
1st Quarter FY 2018-2019: July to September 2018

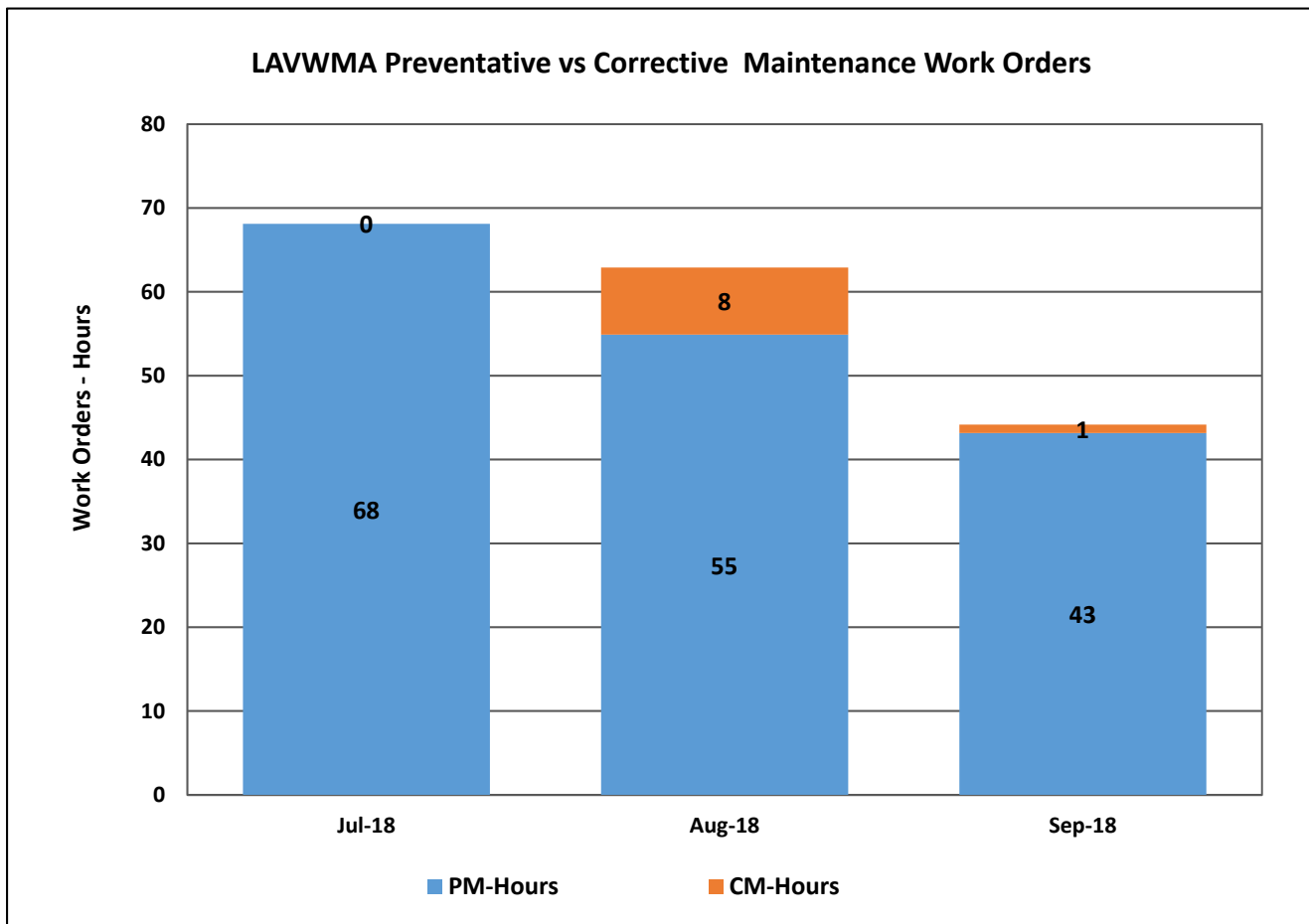
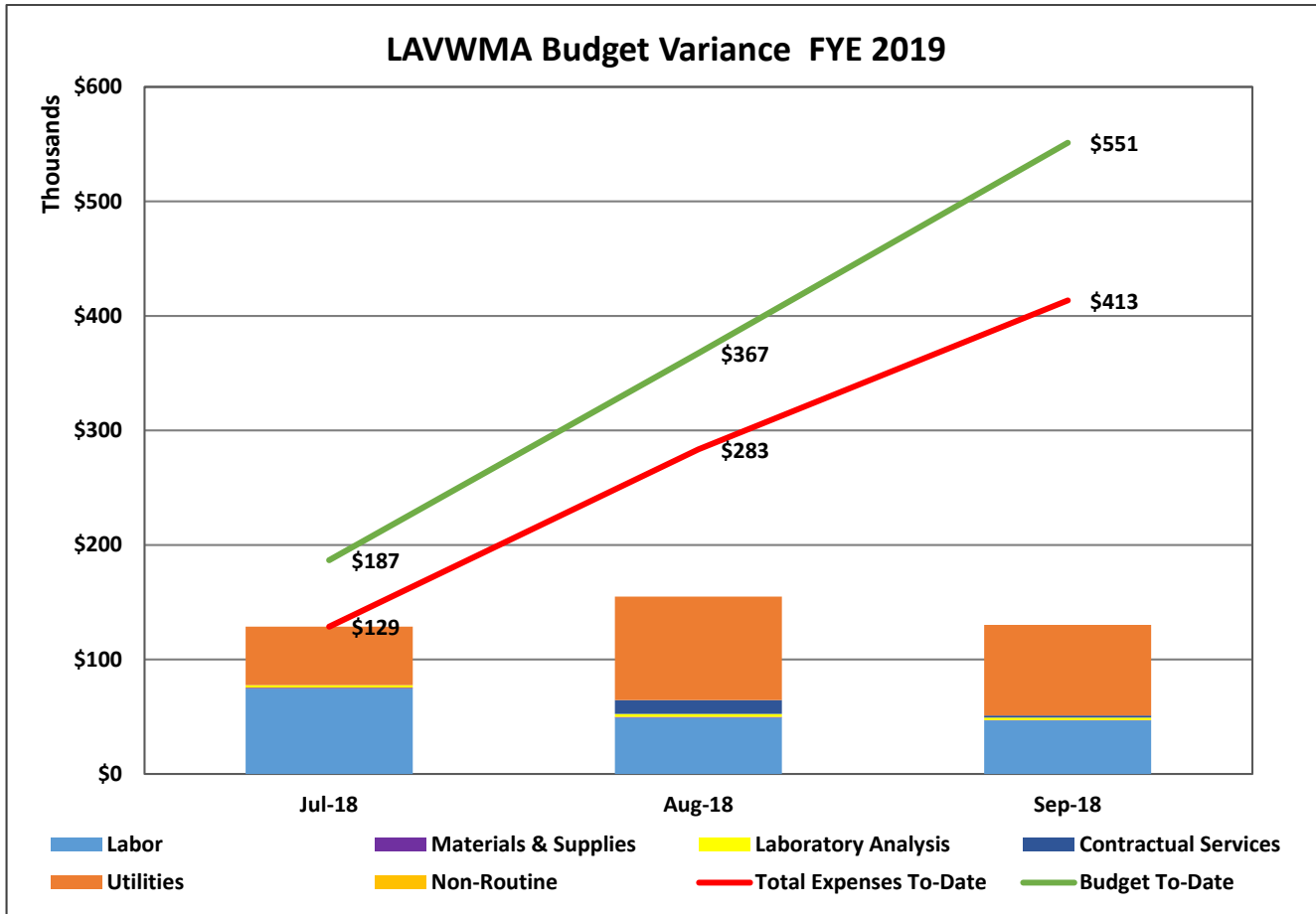
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LAVWMA Monthly Export Flows and Pumping Efficiency



LAVWMA Energy Consumption - Feeder A and Feeder B





QUARTERLY REPORT OF OPERATIONS
LAVWMA PUMPING AND CONVEYANCE SYSTEM
1st Quarter FY 2018-2019: July to September 2018

1. EXECUTIVE SUMMARY

The LAVWMA pumping and effluent conveyance system operated normally during the first quarter of FY 2018-2019. During the quarter, a total of 562 million gallons of fully treated secondary effluent were pumped to San Francisco Bay via the East Bay Dischargers Authority (EBDA) outfall diffuser and San Leandro Sample Station (SLSS); the overall efficiency of the pumping system averaged 58%, with an average electrical cost of \$426 per million gallons, or \$139 per acre-foot. Total year-to-date O&M expenses were \$413,489 or 18.8% of the overall O&M budget amount of \$2,204,698 and the running average overall cost of operation was \$751 per million gallons pumped or \$245 per acre-foot.

2. OPERATIONS

During this reporting period, no unusual operational activities occurred. Monthly reports sent to EBDA which detail daily export flows and monitoring analysis of the treated effluent during the quarter are shown on Tables 9, 10, and 11.

3. MAINTENANCE

During the quarter, a total of 209 preventative maintenance (PM) work orders and 11 corrective maintenance (CM) work orders were completed on LAVWMA equipment and systems. No unusual maintenance activities occurred during this reporting period.

4. CAPITAL OUTLAY

Pump #6 was craned off and sent to be rebuilt at the end of August and was installed in late September with DSRSD Board Director Madelyne Misheloff in attendance. Pump #6 is now pending commissioning.



Installation of pump #6 on 9/25/2018

5. BUDGET VARIANCE AND EXPENSES

First quarter labor expenses totaled \$170,202 for 1,101 man-hours of effort, an average of 2.1 full time equivalents (FTEs). Labor expenses utilized 78.8% of the budgeted labor amount for the quarter.

For the quarter, the total O&M expenses including labor, supplies, laboratory analysis, contractual services, and utilities totaled \$413,489, for an average cost of \$751 per million gallons pumped, or \$245 per acre-foot.

The total expense for the Livermore sole use pipeline for the quarter was \$8,934, of which \$8,323 was attributed to labor expenses and \$611 to other expenses.

Operation and maintenance (O&M) expenses and budget utilization details are shown on Tables 5, 6, 7, and 8.

TABLE 1 - Electric Usage, Efficiency and Costs

LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter

PG&E Service Accounts: Rate Schedule E20S															Total	Pumping			
Acct # 8482061923-1					Acct # 8440395259-5					Billing	Total			Total	Energy	Cost		Efficiency	
Service A					Service B									Export		Flow			
Month	kWh	Peak	Partial Peak	Off Peak	\$	kWh	Peak	Partial Peak	Off Peak	\$	Days	kWh	\$/kWh	\$	MG	kWh/MG	\$/MG	\$/AF	%
Jul-18	129,401	0	39,387	90,014	\$20,674	314,595	1,702	46,896	265,997	\$50,289	30	443,996	\$0.16	\$70,963	157	2,819	\$451	\$147	49.3%
Aug-18	134,678	0	41,284	93,394	\$21,238	287,141	2,120	19,805	265,216	\$47,483	32	421,819	\$0.16	\$68,722	154	2,731	\$445	\$145	50.9%
Sep-18	182,953	0	35,298	147,655	\$33,568	200,500	1,790	40,442	158,268	\$44,204	30	383,453	\$0.20	\$77,772	203	1,886	\$382	\$125	73.7%
Oct-18																			
Nov-18																			
Dec-18																			
Jan-19																			
Feb-19																			
Mar-19																			
Apr-19																			
May-19																			
Jun-19																			
Quarter																			
Average	149,011				\$25,160	267,412				\$47,325	31	416,423	\$0.18	\$72,485	172	2,479	\$426	\$139	58.0%
Total	447,032				\$75,480	802,236				\$141,976	92	1,249,268		\$217,456	515	7,436			173.9%
Minimum	129,401				\$20,674	200,500				\$44,204	30	383,453	\$0.16	\$68,722	154	1,886	\$382	\$125	49.3%
Maximum	182,953				\$33,568	314,595				\$50,289	32	443,996	\$0.20	\$77,772	203	2,819	\$451	\$147	73.7%
YTD																			
Average	149,011				\$25,160	267,412				\$47,325	31	416,423	\$0.18	\$72,485	172	2,479	\$426	\$139	58.0%
Total	447,032				\$75,480	802,236				\$141,976	92	1,249,268		\$217,456	515	7,436			173.9%
Minimum	129,401				\$20,674	200,500				\$44,204	30	383,453	\$0.16	\$68,722	154	1,886	\$382	\$125	49.3%
Maximum	182,953				\$33,568	314,595				\$50,289	32	443,996	\$0.20	\$77,772	203	2,819	\$451	\$147	73.7%

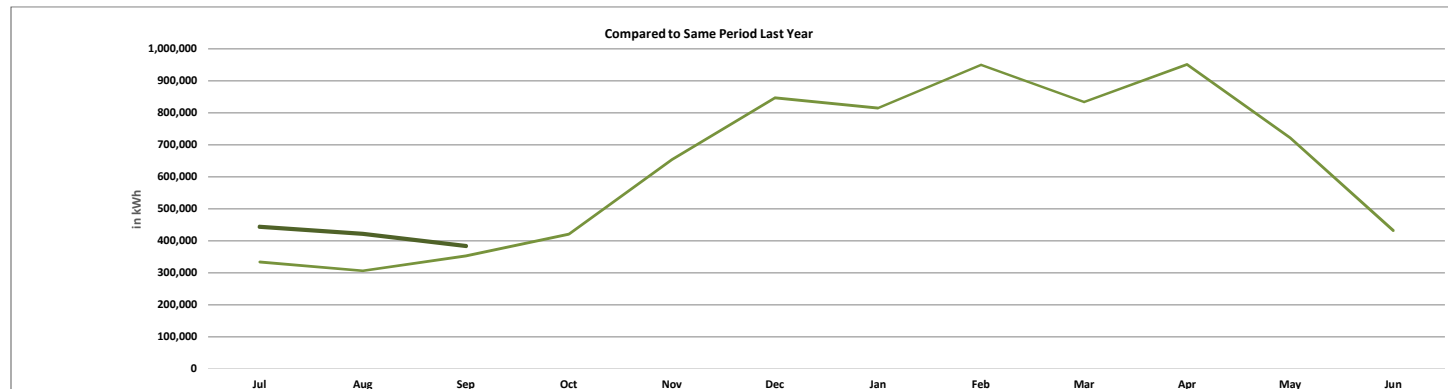


TABLE 2 - Pump Run Time Hours

LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter

Month	Pump No. 1	Pump No. 2	Pump No. 3	Pump No. 4	Pump No. 5	Pump No. 6	Pump No. 7	Pump No. 8	Pump No. 9	Pump No. 10	TOTAL	
	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	Pump Run Hours	Pump Utilization %
Jul-18	0	303	0	0	0	0	305	0	0	0	609	8.2%
Aug-18	0	167	0	210	0	0	164	213	9	30	793	10.7%
Sep-18	0	91	0	291	0	0	14	314	15	275	1,001	13.9%
Oct-18												
Nov-18												
Dec-18												
Jan-19												
Feb-19												
Mar-19												
Apr-19												
May-19												
Jun-19												
Quarter												
Average	0	187	0	167	0	0	161	176	8	102	801	10.9%
Total	0	562	0	501	0	0	484	527	24	305	2,402	
Minimum	0	91	0	0	0	0	14	0	0	0	609	8.2%
Maximum	0	303	0	291	0	0	305	314	15	275	1,001	13.9%
YTD												
Average	0	187	0	167	0	0	161	176	8	102	801	10.9%
Total	0	562	0	501	0	0	484	527	24	305	2,402	
Minimum	0	91	0	0	0	0	14	0	0	0	609	8.2%
Maximum	0	303	0	291	0	0	305	314	15	275	1,001	13.9%

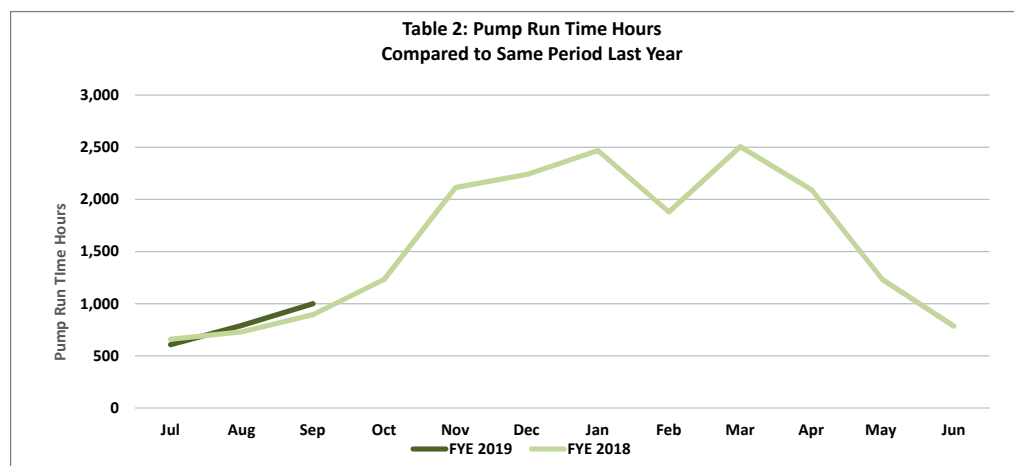


TABLE 3 - Monthly Average Storage Basin Levels and Volume

LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter

Month	Average Daily Volume			Average Volume Stored MG	Storage Available MG	Storage Basin Utilization %
	Basin No. 1	Basin No. 2	Basin No. 3			
	Feet	Feet	Feet			
Jul-18	1.06	0.66	1.72	1.69	18	9.4%
Aug-18	2.75	0.17	3.30	3.05	18	16.9%
Sep-18	3.49	0.15	2.67	3.13	18	17.4%
Oct-18						
Nov-18						
Dec-18						
Jan-19						
Feb-19						
Mar-19						
Apr-19						
May-19						
Jun-19						
<u>Quarter</u>						
Average	2.43	0.33	2.56	2.62		14.6%
Minimum	1.06	0.15	1.72	1.69		9.4%
Maximum	3.49	0.66	3.30	3.13		17.4%
<u>YTD</u>						
Average	2.43	0.33	2.56	2.62		14.6%
Minimum	1.06	0.15	1.72	1.69		9.4%
Maximum	3.49	0.66	3.30	3.13		17.4%

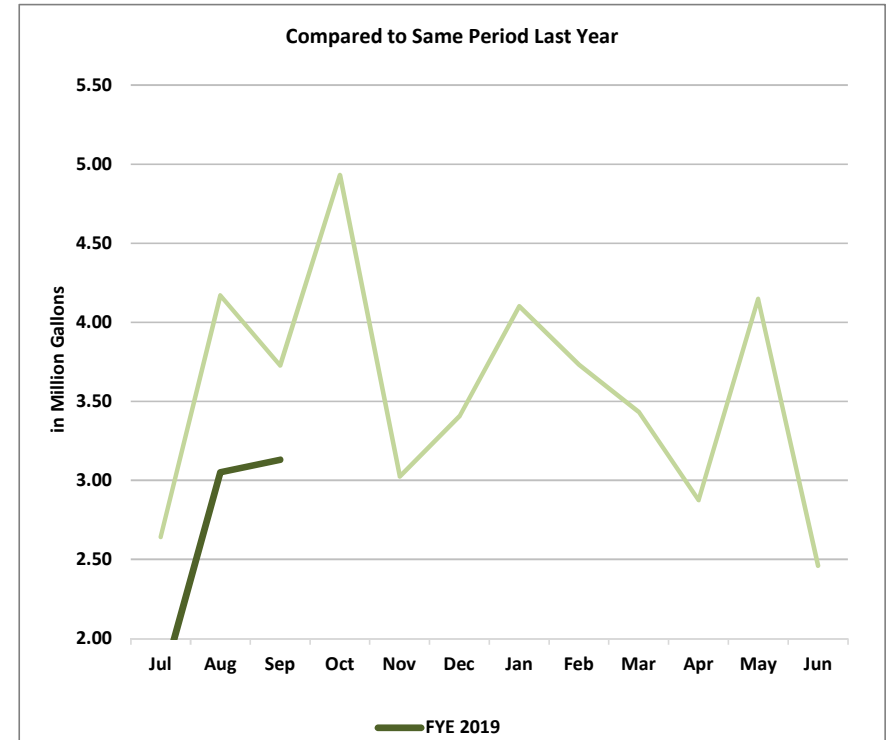
**Note:** Total available storage volume is 18 million gallons.

TABLE 4 - Monthly Export Flow

LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter

	Dublin	San Ramon	Pleasanton	Livermore	Combined Export	
Month	Flow *	Flow *	Flow *	Flow		Total for
	MG	MG	MG	MG		Quarter
Jul-18	0	76	82	158		
Aug-18	0	93	88	181		
Sep-18	17	114	93	223	562	
Oct-18						
Nov-18						
Dec-18						
Jan-19						
Feb-19						
Mar-19						
Apr-19						
May-19						
Jun-19						
Quarter						
Total	17	282	263	562		
Average	6	94	88	187		
Minimum	0	76	82	158		
Maximum	17	114	93	223		
YTD						
Total	17	282	263	562		
Average	6	94	88	187		
Minimum	0	76	82	158		
Maximum	17	114	93	223		

* Monthly totals do not include flows diverted for recycling use by DERWA and Pleasanton.

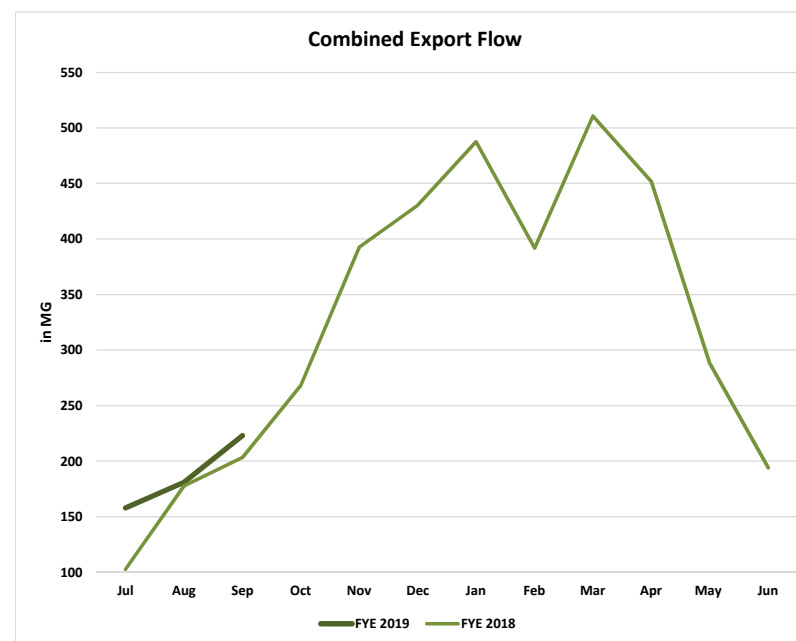


TABLE 5 - Labor Effort, Expenditures, and Budget Utilization

LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter

FY Labor Budget \$864,466

Month	Billed Labor Hours	FTE Equiv	Labor Invoice	YTD Labor Budget	Budget Utilization	Labor Budget Remaining	Export Flow	
							MG	AF
Jul-18	477.5	2.8	\$74,454	\$72,039	103.4%	\$790,012	158	485
Aug-18	314.5	1.8	\$49,073	\$144,078	85.7%	\$740,939	181	556
Sep-18	309.3	1.8	\$46,675	\$216,117	78.8%	\$694,264	223	685
Oct-18							0	
Nov-18							0	
Dec-18							0	
Jan-19							0	
Feb-19							0	
Mar-19							0	
Apr-19							0	
May-19							0	
Jun-19							0	
<u>QUARTER</u>								
Total	1,101.3		\$170,202				562	1,725
Average	367.1	2.1	\$56,734				187	575
Minimum	309.3	1.8	\$46,675				158	485
Maximum	477.5	2.8	\$74,454				223	685
<u>YTD</u>								
Total YTD	1,101.3		\$170,202		19.7%	\$694,264	562	1,725
Average YTD	367.1	2.1	\$56,734				47	575
Minimum	309.3	1.8	\$46,675				0	485
Maximum	477.5	2.8	\$74,454				223	685

TABLE 6 - O&M Expenditures and Budget Utilization**LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter****Total O&M Budget: \$2,204,698**

Month	Labor Expenses	A/P Expenses	Total O&M Expenses	YTD O&M Budget	Budget Utilization	O&M Budget Remaining	Overall O&M Cost		Export Flow	
							\$/MG	\$/AF	MG	AF
Jul-18	\$74,454	\$54,197	\$128,650	\$183,724.83	70.0%	\$2,076,048	\$815	\$266	158	485
Aug-18	\$49,073	\$105,718	\$154,791	\$367,450	77.1%	\$1,921,256	\$854	\$278	181	556
Sep-18	\$46,675	\$83,372	\$130,047	\$551,175	75.0%	\$1,791,209	\$583	\$190	223	685
Oct-18										
Nov-18										
Dec-18										
Jan-19										
Feb-19										
Mar-19										
Apr-19										
May-19										
Jun-19										
<u>QUARTER</u>										
Total	\$170,202	\$243,287	\$413,489						562	1,725
Average	\$56,734	\$81,096	\$137,830				\$751	\$245	187	575
Minimum	\$46,675	\$54,197	\$128,650				\$583	\$190	158	485
Maximum	\$74,454	\$105,718	\$154,791				\$854	\$278	223	685
<u>YTD</u>										
Total YTD	\$170,202	\$243,287	\$413,489		18.8%	\$1,791,209			562	1,725
Average YTD	\$56,734	\$81,096	\$137,830				\$751	\$245	187	575
Minimum	\$46,675	\$54,197	\$128,650				\$583	\$190	158	485
Maximum	\$74,454	\$105,718	\$154,791				\$854	\$278	223	685

Footnote: PG&E statement for Feeder A for the period 11/13-12/12 was not received and processed for payment until 1/16/18; amount is \$102,645 - this expense will show in Jan A/P recap (3rd quarter) but for the purpose of this report, this amount will be adjusted to December expenses so that it is accurately included in 2nd quarter report which it should be.

TABLE 7 - O&M Expenditures and Budget Utilization for Livermore Sole Use Facilities

LAVWMA SYSTEM: Fiscal Year 2018-2019, 1st Quarter

	Livermore Sole Use Facilities		
Month	Labor	A/P	Total
-----	Expenses	Expenses	Expenses
-----	-----	-----	-----
Jul-18	\$1,485	\$185	\$1,670
Aug-18	\$6,664	\$186	\$6,850
Sep-18	\$174	\$240	\$414
Oct-18			
Nov-18			
Dec-18			
Jan-19			
Feb-19			
Mar-19			
Apr-19			
May-19			
Jun-19			
<u>Quarter</u>			
Total	\$8,323	\$611	\$8,934
Average	\$2,774	\$204	\$2,978
Minimum	\$174	\$185	\$414
Maximum	\$6,664	\$240	\$6,850
<u>YTD</u>			
Total	\$8,323	\$611	\$8,934
Average	\$2,774	\$204	\$2,978
Minimum	\$174	\$185	\$414
Maximum	\$6,664	\$240	\$6,850

TABLE 8

LAVWMA FY 2018-2019
BUDGET COMPARISON TO ACTUAL EXPENSES

Current FY Period: 3

ACTUAL EXPENSES BILLED TO LAVWMA FOR REGULAR O&M															
	Approved Budget	July	August	September	October	November	December	January	February	March	April	May	June	YTD	YTD
	FY 2018-2019	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	TOTAL	Budget
Labor															
Staff	\$864,466	\$74,454	\$49,073	\$46,675										\$170,202	\$216,116
Subtotal	\$864,466	\$74,454	\$49,073	\$46,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,202	\$216,116
Materials & Supplies															
Operations Supplies	\$14,200	\$0	\$15	\$0										\$15	\$3,550
Mechanical Supplies	\$25,000	\$819	\$25	\$252										\$1,096	\$6,250
Electrical Supplies	\$24,500	\$0	\$653	\$0										\$653	\$6,125
Subtotal	\$63,700	\$819	\$693	\$252	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,764	\$15,925
Laboratory Analysis															
Compliance Testing	\$18,000	\$712	\$890	\$712										\$2,314	\$4,500
Operational Support Testing	\$3,700	\$330	\$330	\$330										\$990	\$925
Special Sampling	\$5,000	\$1,156	\$1,445	\$1,156										\$3,757	\$1,250
Subtotal	\$26,700	\$2,198	\$2,665	\$2,198	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,061	\$6,675
Contractual Services															
Sub-surface Repairs	\$5,000	\$0	\$0	\$0										\$0	\$1,250
Street Sweeping	\$5,000	\$0	\$0	\$550										\$550	\$1,250
Cathodic Protection	\$26,000	\$0	\$0	\$0										\$0	\$6,500
Underground Service Alert	\$1,140	\$0	\$3,782	\$0										\$3,782	\$285
SCADA/PowerXpert software support	\$10,000	\$0	\$4,376	\$0										\$4,376	\$2,500
Rectifier SCADA (5 yr contract)	\$0	\$0	\$0	\$0										\$0	\$0
HVAC Maintenance/Repairs	\$750	\$0	\$405	\$0										\$405	\$188
Termite/Pest Control	\$900	\$0	\$152	\$0										\$152	\$225
Landscape/weed maintenance	\$8,500	\$0	\$1,960	\$980										\$2,941	\$2,125
Janitorial Service	\$0	\$0	\$550	\$275										\$0	\$0
Fire Extinguisher Maint	\$200	\$0	\$0	\$0										\$0	\$50
Postage/Shipping Charges	\$250	\$0	\$0	\$0										\$0	\$63
Professional Services, misc	\$10,000	\$0	\$866	\$9										\$874	\$2,500
Subtotal	\$67,740	\$0	\$12,091	\$1,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,905	\$16,935
Utilities															
Electricity (PG&E)	\$1,157,313	\$50,790	\$90,269	\$78,360										\$219,419	\$289,328
Water & Sewer (Pleasanton)	\$1,000	\$0	\$0	\$151										\$151	\$250
Water (EBMUD)	\$880	\$0	\$0	\$173										\$173	\$220
Telephone/communications	\$4,500	\$389	\$0	\$425										\$814	\$1,125
WW Treatment (DSRSD)	\$2,500	\$0	\$0	\$0										\$0	\$625
Subtotal	\$1,166,193	\$51,179	\$90,269	\$79,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$220,557	\$291,548
Non-Routine															
Pump Efficiency Testing	\$0	\$0	\$0	\$0										\$0	\$0
Corrosion Studies/ Inspections	\$5,000	\$0	\$0	\$0										\$0	\$1,250
Med Voltage Switchgear Tri-Annual PM	\$10,900	\$0	\$0	\$0										\$0	\$2,725
Subtotal	\$15,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,975
Total	\$2,204,698	\$128,650	\$154,792	\$130,047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$413,489	\$551,175
														75% of YTD Budget	
Export Flow, mg	4,015	158	181	223											
Pumping Efficiency		49.3%	50.9%	73.7%											
Monthly Cost, \$/mg		\$815	\$854	\$583											
YTD Running Cost, \$/mg	\$549	\$815	\$836												

TABLE 8

LAVWMA
BUDGET COMPARISON TO ACTUAL EXPENSES

Current FY Period: 1

ACTUAL EXPENSES BILLED TO LAVWMA FOR REGULAR O&M														
FY 2018-2019	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	YTD TOTAL	YTD Budget
<i>Estimated Personnel Hours</i>														
Division 50 - Ops Admin	0	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	-											-	
Division 51 - FOD	52	-	-	16.50	-	-	-	-	-	-	-	-	16.50	4.33
Water/Wastewater Sys Lead Op	0												-	-
Water/Wastewater Sys OP IV-On Call	0												-	-
Water/Wastewater Sys OP IV	32												-	2.67
Water/Wastewater Sys OP III	0			8.00									8.00	-
Water/Wastewater Sys OP II	0			8.50									8.50	-
Maintenance Worker II	16				-	-	-	-	-	-			-	1.33
Supervisor	4	-	-	-	-	-	-	-	-	-			-	0.33
Division 52 - WWTP	2,996	204.50	154.25	184.00	-	-	-	-	-	-	-	-	542.75	249.67
Process Lead Operator V	200	19.00	14.50	16.50									50.00	16.67
Senior WWTP Operator III	590	55.50	43.50	34.00									133.00	49.17
Operator II	1,000	50.00	61.00	52.00									163.00	83.33
Operator II (SLSS)	1,156	62.00	26.00	74.00										96.33
Supervisor	50	18.00	9.25	7.50									34.75	4.17
Division 53 - MECH	1,612	170.00	125.25	89.25	-	-	-	-	-	-	-	-	384.50	134.33
Senior Mechanic-Crane Cert	380	37.00	45.25	26.00									108.25	31.67
Senior Mechanic - USA	82	7.00		10.25									17.25	6.83
Mechanic I/II	960	103.75	25.00	9.00									137.75	80.00
Mechanic II-Crane Cert	0	14.50	40.50	38.00									93.00	-
Mechanic II - USA	140	6.75											6.75	11.67
Mechanic II-Crane Cert - USA	0	1.00	14.50	6.00									21.50	-
Supervisor	50												-	4.17
Division 54 - ELEC	850	94.00	32.00	19.00	-	-	-	-	-	-	-	-	145.00	70.83
Senior Instrument/Controls Tech	8	2.00											2.00	0.67
Instrument Tech	260	67.00	25.00	1.00									93.00	21.67
OPS Control Sys Spec	250		2.00	5.00									7.00	20.83
Senior Electrician	108												-	9.00
Electrician	200	25.00	5.00	13.00									43.00	16.67
Supervisor	24	-	-										-	2.00
Division 26 - SAFETY	48	-	-	-	-	-	-	-	-	-	-	-	-	4.00
Safety Officer	48	-	-	-	-	-	-	-	-	-	-	-	-	4.00
Division 40 - ENG	100	9.00	3.00	0.50	-	-	-	-	-	-	-	-	12.50	8.33
Associate/Senior Civil Engineer-SME	100	9.00	3.00	0.50									12.50	8.33
<i>Total Estimated Personnel Hours</i>	5,658													
Total Monthly Hours		477.50	314.50	309.25	-	-	-	-	-	-	-	-	1,101.25	471.50

TABLE 9 Report for LAVWMA - FY 2018-2019, 1st Quarter
Microbiological Results
Dublin San Ramon Services District Laboratory
ELAP Certificate # 1272

COLLECTION	FECAL COLIFORM	ENTEROCOCCUS
DATE	MPN/100 mL	MPN/100 mL
7/5/2018	22	< 10
7/12/2018	> 1600	< 10
7/19/2018	30	< 10
7/26/2018	50	< 10
8/2/2018	17	10
8/9/2018	23	10
8/16/2018	30	10
8/23/2018	30	< 10
8/30/2018	11	10
9/6/2018	70	< 10
9/13/2018	170	10
9/20/2018	30	< 10
9/27/2018	50	< 10
MEDIAN	30	10
GEOMEAN	46	10

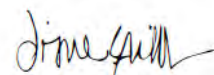
MPN = Most Probable Number

TABLE 10 **Monthly Report for LAVWMA - July 2018**
Dublin San Ramon Services District Laboratory
ELAP Certificate # 1272

DATE	FLOW (MGD)	CBOD (mg/L) (kg/d)		TSS (mg/L) (kg/d)		MINIMUM pH (units)	MAXIMUM pH (units)	CHLORINE RESIDUAL (mg/L)	CHLORINE RESIDUAL (SLS STATION) (mg/L)
1	4.64					7.12	7.33	1.412	0.585
2	7.05					7.11	7.16	2.741	0.755
3	8.01	8.2	248	12.2	370	7.02	7.16	0.683	0.690
4	2.54					7.08	7.21	1.856	0.540
5	5.04					7.03	7.13	2.047	0.545
6	6.55					7.05	7.24	0.933	0.470
7	5.06					7.10	7.35	0.607	0.008
8	4.90					7.22	7.43	0.491	0.001
9	5.98					7.20	7.48	1.199	0.002
10	6.72					7.13	7.30	0.966	0.001
11	4.61	3.9	68	9.4	164	7.04	7.25	1.130	0.001
12	6.18					7.03	7.31	2.578	0.001
13	5.27					7.04	7.21	1.841	0.001
14	5.55					7.13	7.34	0.334	0.000
15	4.28					7.17	7.39	0.271	0.000
16	6.47					7.10	7.40	0.678	0.000
17	4.99					7.05	7.26	0.815	0.000
18	3.59	4.2	57	10.6	144	7.07	7.21	0.933	0.000
19	3.76					7.10	7.25	0.995	0.000
20	5.29					7.08	7.22	0.462	0.000
21	4.44					7.11	7.22	0.246	0.000
22	3.90					7.12	7.22	0.659	0.000
23	5.61					7.12	7.29	3.114	0.000
24	4.75					7.02	7.17	3.333	0.000
25	3.59	3.7	50	12.4	169	7.00	7.13	1.809	0.000
26	6.10					6.99	7.07	0.710	0.000
27	4.77					6.97	7.09	0.731	0.000
28	4.65					6.96	7.07	0.454	0.001
29	2.74					6.98	7.22	0.576	0.001
30	6.30					6.98	7.13	0.911	0.001
31	4.57					7.04	7.17	0.192	0.001
MAX.	8.01	8.20	248	12.4	370	7.22	7.48	3.33	0.76
MIN.	2.54	3.7	50	9.4	144	6.96	7.07	0.19	0.00
AVE.	5.09	5.0	106	11.2	212	7.07	7.24	1.15	0.12
TOTAL	157.88								

Samples collected from LAVWMA Export Pump Station, except for chlorine at the San Leandro Sampling Station as noted.
MGD = Millions of gallons per day; mg/L = milligrams per liter; kg/d = kilograms per day

Authorized for release by:


Diane Griffin, Laboratory Director

Date:

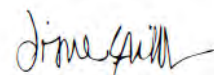
10/19/2018

TABLE 10 Monthly Report for LAVWMA - August 2018
Dublin San Ramon Services District Laboratory
ELAP Certificate # 1272

DATE	FLOW (MGD)	CBOD (mg/L) (kg/d)		TSS (mg/L) (kg/d)		MINIMUM pH (units)	MAXIMUM pH (units)	CHLORINE RESIDUAL (mg/L)	CHLORINE RESIDUAL (SLS STATION) (mg/L)
1	2.23	3.6	30	9.8	83	7.01	7.25	1.172	0.001
2	5.14					7.07	7.29	0.516	0.001
3	4.53					7.10	7.40	0.201	0.001
4	4.79					7.18	7.34	0.096	0.001
5	4.65					7.13	7.32	0.076	0.001
6	6.43					7.03	7.16	0.225	0.001
7	7.23					7.00	7.11	0.238	0.001
8	2.22	2.8	24	5.8	49	7.05	7.10	0.672	0.001
9	4.84					7.04	7.10	0.223	0.001
10	4.89					7.03	7.12	O/S	0.001
11	4.86					7.03	7.26	O/S	0.001
12	4.38					7.22	7.31	O/S	0.001
13	7.67					7.11	7.28	O/S	0.001
14	8.03					7.16	7.36	O/S	0.001
15	5.26	4.5	90	10.4	207	7.08	7.25	O/S	0.001
16	4.68					7.10	7.29	0.300	0.001
17	7.25					7.07	7.19	0.032	0.005
18	7.40					7.12	7.36	1.920	0.015
19	6.30					7.03	7.22	2.466	0.009
20	7.48					7.02	7.38	2.530	0.007
21	7.18					6.98	7.19	2.379	0.013
22	4.69	2.9	51	7.2	128	6.96	7.10	2.789	0.006
23	6.20					6.94	7.07	2.553	0.004
24	6.64					6.95	7.08	3.468	0.004
25	6.60					6.95	7.24	0.775	0.006
26	4.20					7.11	7.29	3.075	0.006
27	7.53					7.02	7.18	2.577	0.007
28	8.03					7.09	7.37	3.935	0.004
29	6.38	4.1	99	10.8	261	7.10	7.16	2.656	0.001
30	6.08					7.01	7.14	2.811	0.006
31	7.46					7.01	7.10	1.573	0.002
MAX.	8.03	4.50	99	10.8	261	7.22	7.40	3.94	0.02
MIN.	2.22	2.8	24	5.8	49	6.94	7.07	0.03	0.00
AVE.	5.85	3.6	59	8.8	145	7.05	7.23	1.57	0.00
TOTAL	181.22								

Samples collected from LAVWMA Export Pump Station, except for chlorine at the San Leandro Sampling Station as noted.
MGD = Millions of gallons per day; mg/L = milligrams per liter; kg/d = kilograms per day; O/S = Out of Service

Authorized for release by:


Diane Griffin, Laboratory Director

Date:

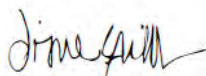
10/19/2018

TABLE 10 Monthly Report for LAVWMA - September 2018
Dublin San Ramon Services District Laboratory
ELAP Certificate # 1272

DATE	FLOW (MGD)	CBOD (mg/L) (kg/d)		TSS (mg/L) (kg/d)		MINIMUM pH (units)	MAXIMUM pH (units)	CHLORINE RESIDUAL (mg/L)	CHLORINE RESIDUAL (SLS STATION) (mg/L)
1	7.43					7.09	7.27	0.524	0.000
2	6.52					7.07	7.27	0.355	0.000
3	6.06					7.02	7.13	0.450	0.004
4	7.39					7.02	7.28	0.256	0.004
5	3.20	4.1	50	6.8	82	7.11	7.28	1.146	0.002
6	6.25					7.14	7.29	2.058	0.008
7	9.27					7.02	7.14	2.470	0.503
8	8.55					7.10	7.39	3.140	1.193
9	8.08					7.16	7.36	1.840	1.444
10	8.10					7.12	7.38	1.547	1.149
11	9.69					7.19	7.40	1.244	0.738
12	5.45	2.6	54	6.2	128	7.07	7.21	1.877	0.512
13	7.42					7.04	7.35	0.659	0.553
14	8.95					7.02	7.17	0.832	0.593
15	8.27					7.12	7.40	0.546	0.663
16	6.36					7.17	7.33	0.635	0.741
17	7.89					7.09	7.23	0.788	0.698
18	9.97					7.04	7.21	1.482	1.159
19	6.09	3.9	90	10.6	244	6.96	7.12	3.580	1.474
20	9.05					6.98	7.16	2.681	0.928
21	8.43					6.98	7.17	0.549	0.923
22	9.05					7.00	7.15	0.166	0.619
23	6.33					7.02	7.15	0.273	0.342
24	8.34					7.00	7.09	0.349	0.342
25	8.68					6.96	7.09	0.470	0.285
26	6.95	3.4	89	8.8	231	7.00	7.12	0.490	0.154
27	6.43					6.97	7.11	0.244	0.075
28	7.01					6.98	7.08	0.307	0.071
29	6.77					7.02	7.13	0.206	0.075
30	5.07					7.02	7.07	0.185	0.073
MAX.	9.97	4.1	90	10.6	244	7.19	7.40	3.580	1.474
MIN.	3.20	2.6	50	6.2	82	6.96	7.07	0.166	0.000
AVE.	7.43	3.5	71	8.1	171	7.05	7.22	1.045	0.511
TOTAL	223.05								

Samples collected from LAVWMA Export Pump Station, except for chlorine at the San Leandro Sampling Station as noted.
MGD = Millions of gallons per day; mg/L = milligrams per liter; kg/d = kilograms per day

Authorized for release by:


Diane Griffin, Laboratory Director

Date:

10/19/2018

TABLE 11

*DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER TREATMENT FACILITY*

LAVWMA

Langelier pH Saturation Index

Collection DATE	TDS (mg/L)	Temp (°C)	Ca Hardness (mg/L CaCO ₃)	Alkalinity (mg/L CaCO ₃)	pH (Actual)	pH Saturation	Langlier Index
07/12/18	703	26.1	110	312	7.3	7.3	0.0
08/30/18	626	25.5	90	294	7.3	7.4	-0.1
09/18/18	734	25.5	120	288	6.8	7.3	-0.5
MAXIMUM	734	26.1	120	312	7.3	7.4	0.0
MINIMUM	626	25.5	90	288	6.8	7.3	-0.5
AVERAGE	688	25.7	107	298	7.1	7.3	-0.2

TABLE 11

**DUBLIN SAN RAMON SERVICES DISTRICT
WASTEWATER TREATMENT FACILITY**

DSRSD

Langelier pH Saturation Index

Collection DATE	TDS (mg/L)	Temp (°C)	Ca Hardness (mg/L CaCO ₃)	Alkalinity (mg/L CaCO ₃)	pH (Actual)	pH Saturation	Langlier Index
07/12/18	691	26.0	118	322	7.4	7.2	0.2
08/30/18	655	26.2	106	310	7.4	7.3	0.1
09/18/18	880	25.3	140	347	7.1	7.2	-0.1
MAXIMUM	880	26.2	140	347	7.4	7.3	0.2
MINIMUM	655	25.3	106	310	7.1	7.2	-0.1
AVERAGE	742	25.8	121	326	7.3	7.2	0.1

TABLE 11

CITY OF LIVERMORE
LIVERMORE WATER RECLAMATION PLANT

Both pH Saturation Indices

Collection DATE	TDS (mg/L)	Temp (°C)	Ca Hardness (mg/L CaCO ₃)	Alkalinity (mg/L CaCO ₃)	pH (Actual)	pH Saturation	Langlier Index
07/11/18	610	26.0	76	321	7.6	7.5	0.1
08/01/18	520	25.0	54	275	7.6	7.7	0.0
09/05/18	610	27.0	64	284	7.6	7.6	0.0
MAXIMUM	610	27.0	76	321	7.6	7.7	0.1
MINIMUM	520	25.0	54	275	7.6	7.5	0.0
AVERAGE	580	26.0	65	293	7.6	7.6	0.0

TABLE 12 – LAVWMA Routine and Emergency Contact Information

<i>Agency</i>	<i>Contact</i>	<i>Office</i>
DSRSD	Sue Stephenson, Community Affairs Supervisor	(925) 875-2295
LAVWMA	Chuck Weir, General Manager	(925) 875-2233

The routine, non-emergency contact information is as follows:

<i>Agency</i>	<i>Contact</i>	<i>Office</i>
DSRSD	WWTP Main Office/Control Room Office	(925) 846-4565
DSRSD	Bill Smith, Senior Mechanic	(925) 875-2371
DSRSD	Shawn Quinlan, Mechanical Maintenance Supervisor	(925) 875-2358
DSRSD	Levi Fuller, WWTP Operations Supervisor	(925) 875-2300
DSRSD	Jeff Carson, Operations Manager	(925) 875-2345
DSRSD	Fax Machine	(925) 462-0658

The after-hours and emergency contact information is as follows:

<i>Agency</i>	<i>Contact</i>	<i>Cell</i>
DSRSD	24 Hour On Duty Operator	(925) 519-0557
DSRSD	Operator II On Duty	(925) 872-5887
DSRSD	Bill Smith, Senior Mechanic	(925) 570-4161
DSRSD	Shawn Quinlan, Mechanical Maintenance Supervisor	(925) 570-7878
DSRSD	Levi Fuller, WWTP Operations Supervisor	(925) 570-8775
DSRSD	Jeff Carson, Operations Manager	(925) 719-2997

The City of Livermore emergency contact information is as follows:

<i>Agency</i>	<i>Contact</i>	<i>Cell</i>
Livermore	24 Hour On Duty Operator	(925) 960-8160
Livermore	Darren Greenwood, Director of Public Works	(925) 525-4844
Livermore	Jimmie Truesdell, Water Resources Operations Manager	(925) 525-2016

The City of Pleasanton emergency contact information is as follows:

<i>Agency</i>	<i>Contact</i>	<i>Cell</i>
Pleasanton	24 Hour On Call Operator	(925) 437-3992
Pleasanton	Eric Amaro, Chief Utilities System Operator	(925) 437-3605

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Agenda Explanation
 Livermore-Amador Valley
 Water Management Agency
 Board of Directors
 November 21, 2018

ITEM NO. 10 APPROVAL OF CITY OF PLEASANTON REQUEST FOR RETROACTIVE APPROVAL FOR EXTENSION OF WASTEWATER SERVICE TO PROPERTIES LOCATED IN UNINCORPORATED HAPPY VALLEY AND REMEN TRACT DURING THE PERIOD 1993 TO 2014 AND PREAPPROVAL OF UP TO TEN (10) ADDITIONAL EXTENSIONS EACH IN HAPPY VALLEY AND REMEN TRACT, SUBJECT TO LAFCO APPROVAL AND A FOUR-YEAR SUNSET LIMITATION, PURSUANT TO LAVWMA ADMINISTRATIVE POLICY NO. 2017-01 REGARDING UNINCORPORATED AREA SERVICE EXTENSIONS

Action Requested

It is requested that the Board approve City of Pleasanton's request for retroactive approval for extension of wastewater service to properties located in unincorporated Happy Valley and Remen Tract during the period 1993 to 2014 and preapproval of up to ten (10) additional extensions each in Happy Valley and Remen Tract, subject to LAFCO approval and a four-year sunset limitation, pursuant to LAVWMA Administrative Policy No. 2017-01 Regarding Unincorporated Area Service Extensions.

Summary

The subject of member agencies providing wastewater service to unincorporated areas has come up a few times in the last few years. The Board reviewed a LAFCO item from July 14, 2016 at its August 15, 2016 meeting, involving LAFCO's retroactive approval of extensions outside city boundaries pursuant to Government Code § 56133. The Board's discussion at that time led to the development and approval of Administrative Policy No. 2017-01 Regarding Unincorporated Area Service Extensions (Policy). That Policy was approved March 29, 2017 and is included as **Item No. 10.1**. The aforementioned LAFCO report is included as **Item No. 10.2**.

The purpose of the Policy is to provide procedural and interpretive guidance on the application of Sections 14.1 and 14.2 of LAVWMA's Joint Powers Agreement. Section 14.2 is specific to "Service to Unincorporated Areas" and requires unanimous approval of the LAVWMA Board if the proposed service connections in any one contiguous unincorporated area exceeds ten residential connections or the equivalent. As described in this report and the attachments, City of Pleasanton is requesting retroactive approval for more than ten connections each in Happy Valley and Remen Tract, all of which have been retroactively approved by LAFCO. The Policy concludes that the Board may preapprove future connections that could be served by the existing or proposed infrastructure in order to reduce the need for multiple applications for LAVWMA approval and provide for more efficiency and certainty in the planning process. The Policy further provides that any such preapproval may be limited by a sunset clause that specifies that preapproval of the unincorporated area services connections will expire on a specific date.

Item No. 10.3 is a spreadsheet that lists all City of Pleasanton sewer service connections in the unincorporated Happy Valley and Remen Tract. LAFCO approval is only for connections made after January 1, 2001. Those connections are highlighted in **green** in the spreadsheet. There were some connections prior to that date, which are not highlighted. The spreadsheet includes all connections outside the City boundaries and lists the date each of the connections were made. There are some properties that were connected prior to 1993 that precede the LAVWMA Joint Powers Agreement and are not included in this request. They are included in the spreadsheet so that the list will be complete.

On the list you'll see there are 16 properties in Happy Valley that have sewer connections. Eleven of those 16 properties were in the LAFCO approval and are highlighted in **green**. Five of the 16, not highlighted, had sewer connection prior to January 1, 2001 so were not part of the LAFCO retroactive approval. Also notice two of the 11 properties in the retroactive approval have now completed the annexation process into the City of Pleasanton as stated in the notes. In summary there are now 14 sewer connections outside the City boundaries in Happy Valley.

Also on the list are 30 properties in Remen Tract that have rights to City sewer service. The 15 properties in **green** connected after January 1, 2001 and were included in the LAFCO retroactive approval. There are also three properties highlighted in **blue** that were in the LAFCO retroactive approval but are currently undeveloped. Each of the three has a public sewer lateral stubbed to the property line but are not connected to service. If they develop, the three have LAFCO approval to connect. The spreadsheet also lists the 12 properties, not highlighted, in Remen Tract that had connections prior to January 1, 2001. To summarize there are currently 27 sewer connections in Remen Tract.

The total number of sewer connections in both areas during the period 1993-2014 is 41 (14 + 27), which averages slightly less than two per year.

Also included as **Item No. 10.4** are maps to show this information graphically. Please note that Remen Tract is an unincorporated island that is completely within the City limits. As can be seen in the maps there are a number of properties that are either not developed or not connected to the City's sewer system. Many are on septic tanks, and as those systems fail, it is likely that the County and Regional Water Board will require them to connect to the sewer system.

There are 38 properties in Happy Valley that could request a connection to the existing public sewer pipeline in Sycamore Road and Alisal Road. These 38 properties are in the unincorporated County of Alameda area of Happy Valley and have street frontage on these two streets that contain the sewer infrastructure that serves the Callippe Golf Course. Connections would be relatively easy for these 38 properties. There are also approximately 70 other properties in Happy Valley that could one day request sewer services, but providing service would require the

construction of extensions to the public sewer mains, which would be complicated and expensive. If a collection system is constructed that could serve those properties in the future, applications for out of area connections would need to come before both LAFCO and LAVWMA for approval.

In Remen Tract there are 18 properties in total that do not have sewer connections. All 18 could request connections that would be relatively easy to connect to existing public sewer mains in the area.

General Counsel and the General Manager have discussed the retroactive approval of the City's connections which were already approved by LAFCO. Approval would be consistent with the Policy and is recommended.

With respect to preapproval of future connections in conformance with the Policy, General Counsel and the General Manager have reviewed the number of potential new connections in the two unincorporated areas, as well as the time frame for future connections in question at this time. They have concluded that preapproval of up to ten additional service extensions each in Happy Valley and Remen Tract, subject to prior LAFCO approval, and limited by a four-year sunset limitation would be consistent with the Policy and its stated objectives. Four years coincides with general election cycles, such that a decision made by the current Board would not unnecessarily tie the hands of any future Board. City of Pleasanton staff are also comfortable with this approach. The preapprovals would be available on a first-come, first-served basis, and any unused preapproval for either of the areas would expire at the end of the four-year period and would not be transferable to the other area. Any future applications in addition to the preapproved connections, would be subject to Board approval as specified in the Policy if they cumulatively exceed ten residential connections or the equivalent.

Recommendation

It is recommended the Board approve Resolution 18-03 approving City of Pleasanton's request for retroactive approval for extension of wastewater service to properties located in unincorporated Happy Valley and Remen Tract during the period 1993 to 2014 and preapproval of up to ten (10) additional extensions each in Happy Valley and Remen Tract, subject to LAFCO approval and a four-year sunset limitation, pursuant to LAVWMA Administrative Policy No. 2017-01 Regarding Unincorporated Area Service Extensions.

Attachments

1. Administrative Policy No. 2017-01 Regarding Unincorporated Area Service Extensions
2. LAFCO July 14, 2016 Agenda Item
3. List of Properties in Happy Valley and Remen Tract with Sewer Connections.
4. Maps of Sewer Connections in Happy Valley and Remen Tract.
5. Resolution 18-03.

**LAVWMA ADMINISTRATIVE POLICY NO. 2017-01
REGARDING UNINCORPORATED AREA SERVICE EXTENSIONS**

I. Applicability

This policy provides procedural and interpretive guidance on the application of the following portion of the Livermore Amador Valley Water Management Agency's ("LAVWMA") Amended and Restated Joint Exercise of Powers Agreement ("**Agreement**"):

"14.1 Service to Incorporated Areas. Livermore, Pleasanton and DSRSD may provide wastewater service, including collection, conveyance, treatment and disposal of raw wastewater, from only those areas which now or in the future are incorporated within the city limits of Livermore, Pleasanton, and Dublin respectively. DSRSD may provide such service to the area within the city limits of San Ramon that DSRSD serves as of the date of this Agreement and any area within the specific plan for West-side San Ramon dated November 1989 that is subsequently incorporated into the City of San Ramon, and Livermore may continue to provide such service to the Ruby Hill Subdivision in the City of Pleasanton.

"14.2 Service to Unincorporated Areas. In addition to providing service to the incorporated areas described in paragraph 14.1, Member Agencies may also provide service as follows:

"14.2.4 In the interest of protecting public health and safety, a Member Agency may also provide wastewater treatment and disposal service to unincorporated properties adjoining a city. If the cumulative amount of proposed service in any one contiguous unincorporated geographic area exceeds ten (10) residential connections or the equivalent, service in excess of ten connections will require unanimous approval of the LAVWMA Board."

II. Issue

Does Section 14.2.4 (the "**Adjacent Service Clause**"), which requires unanimous Board approval for a Member Agency to provide wastewater service more than 10 residential connections in any particular contiguous unincorporated area, apply when wastewater connections are made in one area over a multi-year period that cumulatively exceed 10 residential connections, but individually do not?

III. Interpretation

Yes. Using a broad interpretation of the Adjacent Services Clause, unanimous LAVWMA approval is triggered anytime a contiguous unincorporated area has or would have more than 10 connections and additional connections are requested, even if 10 or less individual connections are being proposed at the time. This interpretation is the most consistent with the overarching intent of the Agreement, which is to limit service outside of the Member Agency's boundaries.

When the Board is considering an adjacent service application, it may pre-approve future connections that could be served by the existing or proposed infrastructure. Doing so could reduce the need for multiple applications for LAVWMA approval and provide for more efficiency and certainty in the planning process. To that end, the Board may approve the immediately requested new service connection(s) to a particular contiguous unincorporated area and may also specify the number of other future connections that are authorized to use that same infrastructure before additional LAVWMA approval must be sought. This approval could be limited by a sunset clause that specifies that preapproval of the unincorporated area service connections expires on a specified date.

IV. Conclusion

This Administrative Policy specifies how the Adjacent Service Clause should be interpreted and applied to avoid possible unregulated piecemealing of service extensions while also providing efficiency for subsequent extensions.

**** END OF POLICY ****

LAFCO

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
 1221 OAK STREET, SUITE 555 * OAKLAND, CA 94612
 (510) 271-5142 FAX (510) 272-3784
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Members

Ayn Wieskamp, Vice Chair
 Special District Member

Nate Miley
 County Member

John Marchand, Chair
 City Member

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 Public Member

Ralph Johnson
 Special District Member

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Jerry Thorne
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Alternates

Georgian Vonheeder-Leopold
 Special District Member

Wilma Chan
 County Member

David Haubert
 City Member

Tom Pico
 Public Member

Executive Officer

Mona Palacios

AGENDA 7 July 14, 2016

July 7, 2016

Honorable Commissioners
 Alameda Local Agency Formation Commission

Subject: City of Pleasanton Request for Retroactive Approval of Out-of-Area Service Agreements for the Provision of Sewer and Water Services to Properties Located in Unincorporated Happy Valley, Remen Tract, and West of Foothill/Sunol Areas

Dear Commissioners:

The city of Pleasanton filed an application with the Alameda Local Agency Formation Commission (LAFCo) pursuant to Government Code §56133 requesting retroactive approval of 62 existing city sewer and/or water service extensions outside city boundaries (Attachment 1 – Application). Thirteen (13) service extensions were to properties in the unincorporated Happy Valley area; ten (10) were in the unincorporated Remen Tract; and 39 were in the unincorporated areas known as West of Foothill/Sunol (see Attachment 2 – List of properties and vicinity maps). This application is in response to the Commission's direction at the July 9, 2015 LAFCo meeting for Pleasanton to submit one application to LAFCo to bring all unapproved connections into compliance with the law.

Legislative Authority

Government Code §56133 requires that a city or special district obtain written LAFCo approval prior to extending services by contract or agreement outside the agency's boundary (Attachment 3). This authority supports LAFCo's legislated role to ensure efficient municipal service provision, curb urban sprawl, and preserve prime agricultural and open space lands. LAFCo may authorize out-of-area service agreements (OASA) only if the proposal is to extend services to territory either:

1. Outside the jurisdiction's boundaries but within its sphere of influence (SOI) in anticipation of a later change of organization; or
2. Outside the jurisdiction's boundaries and outside its SOI to respond to an existing or impending documented threat to the public health or safety of the affected residents.

Government Code Section 56133 provides certain exemptions to the requirement for LAFCo approval including that service extensions made prior to January 1, 2001 are not subject to this section of the law.

Background

At the September 2014 Alameda LAFCo meeting, Pleasanton staff informed the Commission that the city had extended water and/or sewer services to many properties in the unincorporated Happy Valley

Honorable Alameda LAFCo Commissioners

July 7, 2016

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area. Neither LAFCo Commissioners nor staff were aware of these service extensions. Subsequently, Pleasanton provided LAFCo with a list of properties in the unincorporated Happy Valley area where Pleasanton had extended services.

In reviewing its records, Pleasanton discovered additional service connections for which the city had not obtained LAFCo approval and was forthcoming with that information. Pleasanton staff reviewed city council actions, billing records, and information from the former Pleasanton Township County Water District to identify unapproved service extensions that should be brought to LAFCo for retroactive approval.

In addition to the service extensions in the unincorporated Happy Valley area, Pleasanton identified service extensions to properties in the Remen Tract, an unincorporated island totally surrounded by the city of Pleasanton; west of Foothill primarily along Dublin Canyon Road and Santos Ranch Road; in the Castlewood area; and Sunol. Since May 2015, LAFCo and Pleasanton staff have met several times to review information and work cooperatively towards a solution.

While the city's application requests approval for all 62 service connections, each of these areas is analyzed separately due to the unique circumstances present. Where available, the city provided documentation regarding the individual service connections. There were some service extensions where little documentation was available, mostly in the West of Foothill/Sunol area.

Unincorporated Happy Valley

Pleasanton identified 13 water and/or sewer service connections in the unincorporated Happy Valley area. All 13 connections are within the city's sphere of influence (SOI). Only four properties have pre-annexation agreements. The dates of the signed service agreements and/or actual service connections range from January 2004 to August 2013. The city has identified a total of 15 pre-annexation agreements on file for properties located in the unincorporated Happy Valley area.

The city points out that annexation of the entire Happy Valley area, originally 860 acres, was proposed in 1999 but voters narrowly rejected that attempt. Subsequently, in 2002, the city successfully annexed approximately 526 acres, leaving about 330 acres (122 parcels) unincorporated. This unincorporated area is generally bounded by Sycamore Road on the north and Happy Valley Road to the south with properties to the east and west of Alisal Street and Laura Lane, as well as some properties east of Amber Lane included. Since the city's initial annexation effort, there has been little annexation activity in the area, though LAFCo received an application to annex three Happy Valley properties along Alisal Street into Pleasanton on November 20, 2015. That application is currently incomplete.

In the 1970s, Alameda County identified Happy Valley as an "area of special concern"¹ and established a moratorium on new septic systems due to issues of groundwater contamination. That moratorium is still in effect. With limited exceptions, county regulations require properties with a building or other structure with sewage drainage piping to connect to a public sewer system if the building or other structure is located within 200 feet of the system and the city or agency operating the system allows the connection. City of Pleasanton regulations also require that all buildings for human habitation connect to the sewer system if they are within 250 feet of the system, unless the septic system was in place before 1983 or the City Council approves an exception.

¹ Areas of Special Concern are defined in Alameda County General Ordinance Code Section 15.18.080 as areas which have special environmental concerns such as high groundwater or compromised groundwater quality.

The Commission has recognized the regional nature of water and sewer service provision to the unincorporated Happy Valley area and at its September 11, 2014 meeting adopted a resolution that included a condition requiring Pleasanton to complete a study to identify how water and sewer services can be comprehensively provided to all properties in the area. The city indicates that the study will be completed in fall 2016.

The Commission has also directed staff to identify other properties within 200 feet of the city's sewer line in Sycamore Road, and to identify means to facilitate the LAFCo application process required for out-of-area service agreements as well as potential funding sources to assist property owners. The city indicates that the 15 properties located along the unincorporated side of Sycamore Road are all within 200 feet of the city's sewer line. Three of those properties have executed pre-annexation agreements, though seven have existing service extensions. Pleasanton has indicated that the remaining properties along Sycamore Road are included in its comprehensive water and sewer service study of the unincorporated Happy Valley area.

Remen Tract

As mentioned above, the Remen Tract is an unincorporated island of approximately 22.6 acres that is wholly surrounded by Pleasanton. The area is bounded by Bernal Avenue on the east, Vineyard Avenue on the south, Wild Flower Lane to the west, and Arroyo Valle to the north. There are 48 parcels in the Remen Tract. It is worth noting that this area meets the criteria to be considered for an expedited annexation process which include, but are not limited to the following:

1. It is less than 150 acres.
2. It is substantially developed.
3. It is not prime agricultural land.
4. It is currently receiving benefits from the annexing city.

Pleasanton identified ten unapproved water and sewer service connections in the unincorporated Remen Tract area. All ten connections are within the city's SOI. Only two properties have pre-annexation agreements. The dates of the signed service agreements and/or actual service connections range from January 2006 to July 2014. The city has identified a total of 22 pre-annexation agreements on file within the Remen Tract area.

The city indicates that the most recent discussion regarding annexation of the Remen Tract took place in May 1997. At that time, residents reported a preference for the lower density zoning offered by the County which allows them to maintain a more rural character. Residents also expressed concerns about the level and cost of infrastructure improvements required by the city. The city reports that a lack of interest from property owners and infrastructure related issues are key barriers to annexation of the Remen Tract.

West of Foothill/Sunol

The West of Foothill/Sunol area accounts for the greatest share of identified unapproved service connections. The city identified 39 service connections requiring retroactive approval. Many of the properties in this area were in the former Pleasanton Township County Water District boundary. The district was dissolved in 1971 and the city was named as the successor agency to take over the provision of water services formerly provided the district.

Of the 39 connections in the West of Foothill/Sunol area, 21 are within Pleasanton's SOI though only four of those properties have pre-annexation agreements recorded. The remainder are outside of the SOI

Honorable Alameda LAFCo Commissioners

July 7, 2016

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though one is bisected by the SOI. Most of the properties outside the SOI are located in the Sunol area. The city could only find dates of connection for seven properties, ranging from September 2001 to January 2013; similarly only four properties had pre-annexation agreements on file. However, Pleasanton staff believes that all 39 connections should receive LAFCo's retroactive approval.

Discussion

The Commission directed staff to work with Pleasanton on one application that would identify and correct the unapproved extensions of services to properties outside the city's boundary. LAFCo and Pleasanton staff and legal counsel met several times to ensure that the subject service connections would meet the requirements for LAFCo approval pursuant to Government Code Section 56133. Among the requirements are that the services were extended in anticipation of a future annexation or in response to a public health or safety threat, and that the extended service was provided after January 1, 2001.

The city provided copies of service agreements and pre-annexation agreements when available. There are instances where the information about a particular service connection is very limited. Pleasanton cites utility billing software upgrades over the past 20 years as part of the reason for the lack of "legacy information" related to these service connections. In those cases, the city chose to include the connections as part of this application to err on the side of caution. The city further states that it "is not able to provide a rationale to explain why LAFCo approval was not obtained for the out-of-area service agreements." While the lack of specific information is problematic, city staff has been very cooperative in working with LAFCo to identify and bring all of the city's extensions of service into compliance with the law.

The service extensions in the Happy Valley area meet the criteria for consideration in anticipation of future annexation. Pleasanton is in the midst of a comprehensive study to identify how water and sewer services will be provided to the unincorporated Happy Valley area properties. The results of this study may present an opportunity for the city and LAFCo to communicate with Happy Valley property owners regarding future annexation.

Similarly, properties in the Remen Tract area meet the criteria for consideration in anticipation of future annexation. While the city acknowledges that this area meets the criteria for the expedited "island" annexation provisions allowed by Government Code Section 56375.3, it is not considering pursuing annexation at this time. As mentioned above, the city cites concerns about infrastructure costs and lack of property owner interest as barriers to annexation. The Commission may want to consider including a condition of approval requiring the city to take steps towards annexing the Remen Tract.

The service connections in the West of Foothill/Sunol area are not particularly clustered. It is in this area where information about the service connections is most lacking. The properties within the city's SOI meet the criteria for future annexation, but the city states that annexation of these properties may not be appropriate. The remaining properties in this area are outside of the city's SOI with some also outside the urban growth boundary. The city notes that since these properties are already connected to city services, disconnecting them would pose a public health threat. Furthermore, the city states that water pressure in the Sunol/Kilkare Road area is significantly limited and without the existing service connections fire sprinklers and hydrants could be compromised in an emergency resulting in a threat to public safety.

In the judgment of LAFCo staff, the circumstances warrant approval of the city's request. The sewer and water services extended by Pleasanton will not facilitate a change of land use nor will they promote or

induce growth on the property or surrounding properties. Approval of the city's application will not facilitate the delivery of other types of services or functions. Further, the city's request for retroactive approval will bring the service extensions into compliance with Government Code Section 56133.

The approval of out-of-area service agreements is a project for the purposes of the California Environmental Quality Act (CEQA - Public Resources Code Section 21000 et seq.), and Section 15378 of the accompanying CEQA Guidelines (Title 14, California Code of Regulations, Chapter 3) and is therefore subject to the provisions of CEQA. Acting under the authority granted in Government Code Section 56000 et. seq. and pursuant to CEQA Guidelines Section 15367, Alameda LAFCo is the lead agency for purposes of implementation of CEQA in this case.

LAFCo staff has reviewed the proposed retroactive approval of out-of-area service extensions and finds that the approval is exempt from further CEQA review pursuant to the general rule exemption pursuant to CEQA Guidelines §15061(b)(3) because each of the service extensions has already occurred and no new extensions are granted under the terms of the approval. There is no possibility that the activity in question would have a significant effect on the environment, and on that basis, the activity is not subject to CEQA. (See Attachment 4 – Notice of Exemption).

Determinations

Based on the above discussion, the Commission should consider the following determinations to support the City of Pleasanton's request for retroactive approval of 62 out-of-area service agreements.

1. That, having considered the existing agreements and other documentation regarding the existing service connections, the Commission finds that the OASA is exempt from further CEQA review pursuant §15061(b)(3) of the CEQA Guidelines;
2. That the service agreements meet the requirements of Government Code §56133, as well as Alameda LAFCo's policies and procedures in that the city's rationale for not seeking annexation at this time are reasonable under the circumstances presented;
3. That the agreements will permit the provision of sanitary sewer and/or water services to the properties listed in Exhibit A in unincorporated Pleasanton, and to no other properties;
4. That the service agreements will not facilitate a change of land use, promote or induce growth on the property or surrounding properties, or facilitate the delivery of other types of services or functions;
5. That the circumstances are such that annexation of said properties to the city of Pleasanton is not immediately feasible or requested;
6. That the request of the city of Pleasanton for an out-of-area service agreement between the city and the subject property owners for the provision of sewer and water services to properties listed in Exhibit A in the unincorporated Pleasanton area is hereby approved and authorized subject to any and all terms and conditions as set forth in the service agreements between Pleasanton and the subject property owners.

Honorable Alameda LAFCo Commissioners
 July 7, 2016
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Alternatives for Commission Action

Option 1 Based on the above determinations, approve Pleasanton's request for retroactive approval of 62 out-of-area service agreements (Attachment 5 – Draft Resolution).

Option 2 Deny the request.

Option 3 Continue this matter to a future meeting in order to obtain more information.

Recommended Action

Approve Option 1.

Sincerely,



Mona Palacios
 Executive Officer

Attachments

1. Application
2. List and map of properties
3. Government Section 56133
4. Notice of Exemption
5. Draft resolution

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c: Nelson Fialho, City Manager, Pleasanton
 Steve Kirkpatrick, Director of Engineering, Pleasanton
 Gerry Beaudin, Director of Community Development, Pleasanton
 Adam Weinstein, Planning Manager, Pleasanton
 Shweta Bonn, Senior Planner, Pleasanton
 Albert Lopez, Alameda County Planning Director
 Daniel Woldesenbet, Alameda County Public Works Director
 Jill Duerig, General Manager, Zone 7 Water Agency
 Andrew Massey, LAFCo Legal Counsel
 Nat Taylor, LAFCo Planner
 Property Owners

Appendix B3. Out of Area Service Agreement Application (updated 1/2008)
Alameda Local Agency Formation Commission

1. Name and Address of Applicant (must be public agency):

City of Pleasanton
 PO Box 520
 Pleasanton, CA 94566

2. Contact Name and Title:

- 2a. Nelson Fialho, City Manager
 Phone: (925) 931-5015
 Fax: (925) 931-5482
 Email: nfialho@cityofpleasantonca.gov

- 2b. Steve Kirkpatrick, Director of Engineering
 Phone: (925) 931-5676
 Fax: (925) 931-5479
 Email: skirkpatrick@cityofpleasantonca.gov

- 2c. Gerry Beaudin, Director of Community Development
 Phone: (925) 931-5614
 Fax: (925) 931-5483
 Email: gbeaudin@cityofpleasantonca.gov

- 2d. Adam Weinstein, Planning Manager
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- 2e. Shweta Bonn, Senior Planner
 Phone: (925) 931-5611
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3. Application Initiated By:

Agency Name: City of Pleasanton

Resolution No.: 16-842

Date Adopted: April 19, 2016

Submit 1 copy of Resolution of Application and 2 copies of proposed out of area service agreement with application.

4. Property Owner and Location of Property to Be Served (List additional owners/properties on separate sheet if necessary)

Please find enclosed a chart that identifies the properties that are a part of this application (Attachment 1). There are three distinct areas included in this application: Happy Valley, the Remen Tract, and West of Foothill Road/Sunol. This chart identifies the geographic area, APN, address, property owner at the time the service was approved/connected, and if applicable, the date of City Council approval and type of connection (water, sewer, or both). A total of 62

properties are a part of this application (13 properties are in Happy Valley, 10 in the Remen Tract, and 39 in West of Foothill/Sunol).

5. Type of Service to Be Provided

Check one or more: ☒ Water ☒ Sewer ☐ Police ☐ Fire ☐ Garbage

6. Description of Property to Be Served

6a. Is parcel to be served WITHIN your current Sphere of Influence (SOI)? ☒ Yes ☒ No

6b. If Yes, provide (a) general description of property location in relationship to current city/district boundary line and (b) attach a project area map showing parcel/s, district and SOI boundaries.

There are three distinct areas included in this application: Happy Valley, the Remen Tract, and West of Foothill Road/Sunol. The maps enclosed with this application identify the subject areas in relationship to current City boundaries and the Sphere of Influence (please reference Attachments 5b-5d).

Happy Valley is approximately ³¹⁸~~360~~ acres and is located immediately south of the City of Pleasanton in an unincorporated portion of Alameda County. The Pleasanton city limits form the western and northern boundaries. The majority of Happy Valley is located within the City's Sphere of Influence (SOI), although a portion of the properties on the south side of Happy Valley Road and within the eastern areas of the plan are located outside the SOI.

The Remen Tract consists of an approximately 22.6 acre area, bounded by Bernal Avenue to the east, Vineyard Avenue to the south, Wild Flower Lane to the west, and Arroyo Valle to the north. The Remen Tract is totally surrounded by the City of Pleasanton and is within the SOI.

The West of Foothill area includes areas west of Foothill Road, both within and outside the jurisdictional boundaries of Pleasanton. Properties are generally located off of Dublin Canyon Road, Santos Ranch Road, within the unincorporated communities of Castlewood, and Sunol. Many properties are located within the SOI, but there are some that are outside the SOI.

6c. If No, provide (a) description of property location in relationship to the SOI boundary, (b) identify other agencies with jurisdiction over area in which property is located, and (c) attach a project area map showing parcel/s, SOI boundary of agency requesting service, and SOI boundary/ies of other agency's that may provide service.

Description: The attached maps (specifically Attachments 5c and 5d) identify the location of the subject properties and the locations of the SOI. The properties located outside of the SOI are within unincorporated Alameda County. No other agencies (with the exception of Alameda County) can provide water and sewer service.

Other Agencies that could provide service: None.

6d. How is the property currently used?

☒ Residential ☐ Commercial ☐ Agriculture ☐ Vacant/Undeveloped

☒ Church, school, other public use ☐ Industrial ☒ Habitat, Recreation

6e. What is current zoning designation?

Provide the following land use maps with legends for the project site and immediately adjacent parcels, and clearly identify the project site; County General Plan; City General Plan; Existing Land Use Zones; Prezone if applicable; and Community/Specific Plan if applicable.

Please find following East County Area Plan and Alameda County zoning designations, in addition to City of Pleasanton General Plan land use designations. The pre-zoning designation for Happy Valley is also identified below. Also, please find enclosed maps that identify these land use designations (Attachments 5e-5j).

Happy Valley

The East County Area Plan land use designations include: Large Parcel Agriculture and Low Density Residential.

The Alameda County zoning designations include: R1-B40 (Single-Family Residential; 40,000 square-foot minimum building site area), and R1-L-BE (Single-Family Residential; Limited Agricultural uses are permitted; 5 acre minimum building site area).

The City of Pleasanton General Plan land use designation is Low Density Residential (1 dwelling per 2 acres).

The City of Pleasanton pre-zoning designation is PUD-SRDR (Planned Unit Development-Semi-Rural Density Residential).

Remen Tract

The East County Area Plan land use designation is: Medium Density Residential.

The Alameda County zoning designation is: R1-B10 (Single-Family Residential; 10,000 square-foot minimum building site area).

The City of Pleasanton General Plan land use designation is: Medium Density Residential.

West of Foothill/Sunol

The East County Area Plan land use designations include: Large Parcel Agriculture, Low Density Residential, Parklands, Rural Density Residential, and Water Management.

The Alameda County zoning designations include: Agriculture, Planned Development, R1-BE (Single-Family Residential; site area and yard requirements are modified as specified), R1-B40 (Single-Family Residential; 40,000 square-foot minimum building site area), and R1-L-BE (Single-Family Residential; Limited Agricultural uses are permitted; 5 acre minimum building site area).

The City of Pleasanton General Plan land use designations include: Rural Density Residential, Low Density Residential, Parks and Recreation, Agriculture and Grazing, Public Health and Safety, and Wildland Overlay.

- 6f. Are there any development or building applications on file that would authorize a different or higher density on the subject property/ies or adjacent property/ies?
No.

If Yes, explain and attach a list of projects and application processing numbers.
NA

- 6g. Is property inhabited? X Yes No If Yes, how many residents? Approximately 175
The 2010 United States Census Bureau (American Fact Finder) indicates that the average household size in Pleasanton is 2.77 persons. Since 62 properties are part of this request, and assuming each property has a household, approximately 172 residents are estimated to inhabit the areas included as part of this application.

- 6h. Provide the number of existing dwelling units/buildings on the property.
Single family: Multi-Family: Commercial/Industrial: NA
Square footage for commercial industrial: NA

This request is for 62 properties. It is estimated that between 68 and 137 buildings in total are located on these properties. The 68 value is based on data such as existing agreements and utility billing information and the 137 value is based on 2014 aerial photography (and thus includes buildings, such as sheds and/or carports, in addition to dwellings).

- 6i. Are there other service contracts/agreements currently in effect to serve this parcel or adjoining parcels? X Yes No

If Yes, (a) explain and (b) attach 2 copies of other agreements or contracts.

- a. This application is for retroactive approval of connections to City water and sanitary sewer services. Some of the connections have been approved by the Pleasanton City Council via preannexation agreements. Where available, copies of these agreements have been enclosed with this application.
b. Please see enclosed 2 copies of agreements that the City has on file (Attachment 3).

- 6j. Adjacent Land Uses.
Please reference the reply to Question 6e above.

7. Environmental Review

This application is subject to the requirements of the California Environmental Quality Act (CEQA). If CEQA review has already been undertaken by another agency, please provide two copies of the environmental documentation including the Notice of Exemption or Notice of Determination and proof of payment of applicable State Fish and Wildlife Department Fees.

- 7a. Lead Agency. City of Pleasanton
7b. Responsible Agency/ies. Alameda LAFCo

7c. Type of action taken:

 X Exemption Negative Declaration X Environmental Impact Report

The utility connections that are encompassed in this application were subject to environmental review as part of the Final Environmental Impact Report (EIR) for the Happy Valley Specific Plan (certified on June 16, 1998; State Clearinghouse Number 97032034) and the Final EIR for the Pleasanton General Plan 2005-2025 (certified on July 21, 2009; State Clearinghouse Number 2005122139), as described below. In addition, the utility connections that are the subject of this application are, individually, categorically exempt from California Environmental Quality Act (CEQA) review, pursuant to CEQA Guidelines section 15303 (New Construction or Conversion of Small Structures). Section 15303 exempts from environmental review the construction of individual single-family residences (or up to three single-family residences in urbanized areas) and associated utilities, including “[w]ater main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve such construction.”

Happy Valley

The Final EIR for the Happy Valley Specific Plan (HVSP) evaluated the environmental effects of developing housing and a municipal golf course within the 860-acre Specific Plan Area. The Final EIR specifically analyzed the effects of extending water and sanitary sewer infrastructure to the Specific Plan Area. Residential development was planned at densities generally consistent with the semi-rural character of the area, and the golf course was planned for the southeastern portion of Happy Valley. The current development within Happy Valley, and all associated infrastructure, is consistent with the General Plan and HVSP land use designations and therefore was analyzed as part of the Final EIR. Since certification of the Final EIR in 1998, some environmental conditions (e.g., traffic and water supply) have changed, but not to the extent that the impacts associated with the subject utility connections exceeded those already identified in the Final EIR.

Remen Tract and West of Foothill

The Final EIR for the Pleasanton General Plan 2005-2025 (General Plan) evaluated the environmental effects of buildout of the City’s General Plan, which would ultimately result in development within approximately 75 square miles of the City’s Planning Area. The Planning Area encompasses lands within and outside the City’s SOI and Municipal Boundary, including the West of Foothill and Remen Tract areas (and the utility connections that have occurred within these areas). Although the General Plan did not make any changes to land development intensities in the Remen Tract and much of the West of Foothill area, it did assume development of these areas, and ultimate annexation to the City, in accordance with existing land use policies. As discussed on page 3.1-11 of the Final EIR, the General Plan “identifies the annexation of remaining contiguous parcels of unincorporated land to the City as crucial to completing an efficient system of municipal services at General Plan buildout.” Similar to the Final EIR for the HVSP, although some conditions have changed since certification of the Final EIR in 2009, these changed conditions did not trigger new impacts due to the installation of utility infrastructure, beyond those already identified.

7d. Date of Certification/Adoption: The Final EIR for the HVSP was certified by City Council on June 16, 1998. The Final EIR for the Pleasanton General Plan 2005-2025 was certified on July 21, 2009.

8. Contract Service Issues

8a. Explain how services are to be extended, what the costs of extension will be and how the costs will be financed?

Property owners have extended laterals from some of the subject properties to connect to the City's sanitary sewer and water lines, and where applicable, have paid for the pro-rata share for the cost of the extension.

8b. Will the provision of services be growth inducing? Explain.

The properties that are included in this application have already been connected to City water and/or sanitary sewer services. The properties within Happy Valley will be required to comply with the Happy Valley Specific Plan. In accordance with City Council policy adopted in December of 2002, the City Council unanimously passed a policy that they City would allow sewer and water connections to any existing legal lot in unincorporated Happy Valley area. In accordance with this policy, the City would not provide connections to serve any new lot that is created through a subdivision. Furthermore, the development that has been occurring in conjunction with utility connections (primarily construction of individual dwelling units and expansion of existing residences) has been consistent with the City's General Plan and other applicable land use policy documents. Thus, LAFCo's approval of these connections will not be growth inducing.

8c. Does the proposed service provider have existing capacity to serve the project site?

The subject application is to reconcile existing connections. Since the properties are already connected to City water and/or sanitary sewer, the City has capacity to service the subject properties.

8d. Will existing customers continue to receive the same or higher level of service if this project is approved? Will the same level of service be provided to the project site as other customers receive?

The purpose of the subject application is to retroactively approve connections to City water and sanitary sewer services that did not receive approval from LAFCo. Since these properties are already connected to City services, no changes to the level of service are expected, and existing customers, including those that are a part of this application, will continue to receive the same level of service.

9. Justification for Out of Area Service Agreement (must check one box below)

Pursuant to Government Code Section 56133, this application is submitted (*you must check one*)

☐ To address a threat to public health or safety (answer question 9a); or

☒ In anticipation of a future annexation (answer question 9b)

*Unless there is a threat to public health or safety, the jurisdiction must **justify** why a service agreement is being considered instead of an application for annexation.*

9a. Public Health or Safety Condition

i. Please summarize the nature, extent and duration of the public health or safety emergency (attach additional page(s) if needed) and attach a copy of certification from appropriate Public Health Officials and any additional information verifying existence of emergency situation.

For the sites in Happy Valley, there is an existing County moratorium prohibiting new septic systems, and water wells have shown elevated nitrate levels. County policy has prohibited any new homes or additions to existing homes unless a connection to City sewer services can be provided. Connecting residential properties in Happy Valley to water and sewer infrastructure reduces contamination of the underlying aquifer and provides residents with an improved supply of drinking water, both of which are important public health and safety considerations. Since this application is for properties that are already connected to either water or sewer (or both), disconnecting service if this request were to be denied would pose a health and safety emergency. Also, in the Sunol/Kilkare Road area, water pressure is significantly limited, and without the subject connections, would pose a health and safety risk since fire suppression devices (e.g. fire sprinklers and fire hydrants) could be compromised in an emergency.

- ii. What alternatives have been explored to mitigate emergency situation in lieu of executing out of agency service agreement?

NA

- ii. Is Interim Emergency Approval (expedited review) requested? ___ Yes X No

9b. Other Special Circumstances

What are other special conditions or unique circumstances that justify use of an out of area service agreement in lieu of filing for annexation? Respond to following (use extra sheet of paper if necessary).

This application is for retroactive approval for utility connections in Happy Valley and the other geographic areas in and in close proximity to Pleasanton (West of Foothill and Remen Tract). In Happy Valley, the Alameda County Department of Environmental Health (ACDEH) has a long standing moratorium prohibiting new residential development and residential expansions due to concern that such development would increase loads on existing septic systems and exacerbate nitrate contamination of groundwater. Additionally, the current State-wide drought has implications for supply of groundwater available by wells.

Many areas within the West of Foothill geographic areas are within the boundaries of the prior Pleasanton Township County Water District (PTCWD), a County water district that has since been dissolved. One of the terms of the agreements between the PTCWD and the City of Pleasanton was to allow the City to provide water service without requiring annexation. In the April 11, 1972 election, Pleasanton voters approved dissolution of the PTCWD, and accordingly, the City of Pleasanton was responsible for administering the Water Assessment Districts originally created by the PTCWD. Thus, areas including Castlewood, parts of Sunol, and Santos Ranch Road have received water connections and service without annexation.

This application for retroactive approval is for 62 utility connections. The City is not able to provide a rationale to explain why LAFCo approval was not obtained for out of area service agreements. As the City's utility billing software has been upgraded many times in the past twenty years, legacy information about original dates for utility connections have not been preserved.

Similarly, while the July 1997 Amended and Restated Joint Exercise of Powers Agreement for the Livermore-Amador Valley Water Management Agency (LAVWMA) required LAVWMA approval when sewer connections in unincorporated areas exceeded ten (10),

the City is not able to provide a rationale why that approval was not obtained when that threshold was met.

Has annexation been considered? X Yes No

Why was it found infeasible? What barriers need to be overcome before filing an annexation application?

Happy Valley

In June 1998, the City Council adopted a General Plan Amendment, Specific Plan, and Planned Unit Development rezoning for the Happy Valley area, and certified the Final EIR.

On September 15, 1998, the City Council considered several alternatives for annexation of the Happy Valley area, including full and partial annexation proposals. Because of its desire to include all of Happy Valley, the City Council adopted a resolution of application to LAFCo for annexation of 811 out of 860 acres of the HVSP Area. In March 1999, LAFCo approved the City's application for annexation, and designated the City as the conducting authority for the annexation proceedings.

In July 1999, the City Council conducted a public hearing on annexation in response to which enough registered voters in Happy Valley filed written protests, thus necessitating an annexation election of registered voters in Happy Valley.

The mail ballot election was held on April 17, 2002, and the results were 88 votes against and 83 votes in favor of annexation (80.6% of eligible voters participated). As a result, the proposal to annex nearly all of Happy Valley failed.

In August of 2002, LAFCo approved the City's application for annexation of 13 parcels comprising 526 acres in Happy Valley, where the owners consented to annexation. That successful annexation did not include the subject properties. Thus, resident support would be needed for a successful annexation at this time.

West of Foothill

The West of Foothill area includes areas west of Foothill Road, both within and outside the jurisdictional boundaries of Pleasanton. Properties are generally located off of Dublin Canyon Road, Santos Ranch Road, within the unincorporated communities of Castlewood, and Sunol. Many of these areas are within the now dissolved Pleasanton Township County Water District (PTCWD), a former County water district. The PTCWD was engaged in water conservation and making an adequate supply of water available to meet increasing demand. The City was willing to extend retail service to all customers within the District as the need arose, and thus the City and PTCWD entered into agreements in the 1960s to form a working partnership and divide operation by function rather than by geographical boundaries, in recognition of the rapidly growing and developing population of the San Francisco Bay Area at the time. One of the terms of the agreements was to allow the City to provide water service without requiring annexation. However, in the April 11, 1972 election, Pleasanton voters approved dissolution of the PTCWD, and accordingly, the City of Pleasanton was responsible for administering the Water Assessment Districts originally created by the PTCWD. Thus, areas including Castlewood, parts of Sunol, and Santos Ranch Road have received water connections and service without annexation.

Connections have also been provided to parcels in this West of Foothill area, but outside of the boundaries of the PTCWD. Many of these connections occurred more than 15 years ago, and there are no City records explaining the rationale for such connections. However, as this application is for retroactive approval of utility connections, and these connections exist, they are included as part of this application.

While a limited number of these properties are contiguous to City limits, others are not, and some are outside of the UGB and/or SOI. Thus, annexation of these properties may not be appropriate.

Remen Tract

The Remen Tract is an unincorporated island surrounded by City limits. Discussion regarding the annexation of the Remen Tract most recently occurred at a meeting of the City Council on May 20, 1997. At this meeting, a number of residents within the Remen Tract expressed concern about annexation, indicating a preference to maintain lower density zoning. The City's General Plan land use designation of the Remen Tract is Medium Density Residential, which many of the residents felt conflicted with their desire to maintain a more rural character in the area. Residents were also concerned about the level of required infrastructure, the cost of the infrastructure, and how this cost would be allocated among the residents.

Additionally, if the area were to be annexed, the City would need to replace all utility lines (with the exception of recently-installed infrastructure). The water system consists of a two-inch main and does not provide adequate fire protection. The sanitary sewer mains are stubbed into the Tract on three sides from the City public sewer. Further, the streets in the Remen Tract (including Linden Way, Virginia Way, and Vine Street) are gravel roads and would likely need improvements as a condition of annexation to allow for adequate emergency response, and meet current storm water requirements and accessibility minimums. Implementation of such infrastructure improvements would require development of a plan, cost estimate, and a formula for determining the cost sharing throughout the annexed area.

Vine Street runs east-west through the Remen Tract. Currently, a barrier separates the Remen Tract from the subdivision directly to the west. If annexation were to be considered, the barrier which provides this separation may need to be removed and Vine Street may need to be extended. A lack of interest on behalf of property owners and infrastructure-related issues are key barriers to annexation of the Remen Tract.

How long would the annexation be anticipated to take?

Annexation is not currently being pursued in any of the three geographic areas. If it was, it is unknown how long annexation would be anticipated to take, as property owners would need to request or vote in favor of annexation. A more expedited process may be available for the Remen Tract, due to its small size and the fact that it is surrounded by the City.

Is there a contractual obligation?

There is no contractual obligation to provide services, except to the areas that are located within the previous boundaries of the now dissolved Pleasanton County Township Water District.

10. Public Notice, Disclosure, and Other Requirements

- 10a. Provide an 8 ½" X 11" map indicating the project site and identifying all parcels adjacent to and within 300 feet of the project site. Outer boundaries (not adjacent to project site) of large parcels need not be identified. All parcel numbers need to be indicated. (See Appendix E, Exhibit H)

Since the subject application is for multiple parcels within several different regions, this application package does not include this map.

- 10b. Provide a list of all parcel numbers within the 300 foot radius and include the name and address of the property owner as of the most recent assessment roll being prepared. Since the subject application is for multiple properties within several different geographic regions, this list is not included with this application.
- 10c. Provide signed financial disclosure statement/s (See Appendix E, Exhibit C) pursuant to Government Code Section 56700.1. Since multiple property owners are included in this application, financial disclosure statements from each one have not been included with this application.
- 10d. Provide one copy of an indemnification agreement (See Appendix E, Exhibit H). Since multiple property owners are included in this application, an indemnification agreement from each property owner is not included as part of this application. However, the City will provide LAFCo with an indemnification agreement.
- 10e. Provide two sets of original mailing labels that separately identify applicants, affected agencies, school districts, registered voters and landowners on project site, property owners within 300 feet of project site, and any other party to which notification must be provided. Labels must be current and complete and in Avery 5160 format. Due to the fact that this application includes several geographic areas, and these properties have already been connected to City water and/or sewer services, the broad notification list of properties within a 300-foot radius is not included with this application. However, City staff has coordinated with LAFCo staff for notices to be sent to affected property owners (attached).

11. Final Comments

- 11a. List any conditions LAFCo should include in its resolution for approval. The City should continue to work with LAFCo staff regarding the condition of approval in LAFCo Resolution 2014-15 that requires the City of Pleasanton to provide LAFCo with a study identifying how water and sewer services can be provided in the unincorporated Happy Valley area. The goal is to provide such information to LAFCo in 2016.
- 11b. Provide any other comments or justifications regarding the proposal from any affected local agency, landowner or resident. The properties that are a part of this application were discovered to require LAFCo approval after they were connected to City water and/or sanitary sewer services. The purpose of this application is to request retroactive approval of all existing unapproved connections.

The Happy Valley area has a history of nitrate contamination of groundwater due to animal and human waste sources. Due to this contamination, the ACDEH has a long standing moratorium prohibiting new septic systems. There also is a County requirement that new development within 200 feet of a sanitary sewer line must connect to such infrastructure, regardless of

whether it is County-owned infrastructure or belongs to another entity. The subject properties that are connected to City water and/or sewer services protect the public health by providing new occupants with a safe and reliable water supply, and do not exacerbate existing nitrate contamination.

The Remen Tract was considered for annexation in 1997, but has not materialized due to lack of interest on behalf of property owners and infrastructure-related issues (please see the more detailed response to Question 9b above).

Many of the areas west of Foothill Road are within the boundaries of the now dissolved Pleasanton Township County Water District, and thus receive City water services as required by this dissolution.

City staff recognizes that the properties included for this application should have received approval from LAFCo prior to connecting to City water and/or sanitary sewer services. Current City staff have cooperated with LAFCo staff upon identification of this oversight, and the City has volunteered more information as further research has been accomplished. As many of the residents included in this application have been connected to City water and sanitary sewer services for decades, the retention of these utility connection would support public health, safety and welfare. Staff is now submitting this application to LAFCo for retroactive approval to maintain these existing connections.

- 11c. Enclose all pertinent staff reports and supporting documentation related to this proposal. Note any changes in the approved project that are not reflected in these materials. Please see enclosed City Council staff report dated April 19, 2016.

12. Certification

I hereby certify that the above information and accompanying documents are true and correct to the best of my knowledge. I hereby agree to pay all required filing and processing fees as may be needed to complete this application. Further, I understand that LAFCo will not process an incomplete application and that LAFCo's adopted Procedures require that specific documentation be submitted as part of this application.

Nelson Fialho, City Manager

Name of Applicant's Authorized Representative

Signature of Applicant's Authorized Representative

Date

5/17/16

Attachments:

1. Chart identifying subject properties
2. 1 original and 2 copies of the certified resolution of application
3. Pre-Annexation Agreements
4. CEQA documentation
5. Maps
 - a. Happy Valley and Remen Tract Vicinity Maps (LAFCo Checklist Item 3)
 - b. West of Foothill Road/Sunol Vicinity Map (LAFCo Checklist Item 3)
 - c. Happy Valley and Remen Tract Project Maps with SOI and UGB (LAFCo Checklist Item 5)
 - d. West of Foothill Road/Sunol Project Map with SOI and UGB (LAFCo Checklist Item 5)
 - e. Happy Valley East County Area Plan and County Zoning Designations (LAFCo Checklist Item 18)
 - f. Remen Tract East County Area Plan and County Zoning Designations (LAFCo Checklist Item 18)
 - g. Happy Valley and Remen Tract City of Pleasanton General Plan Land Use Designations (LAFCo Checklist Item 18)
 - h. West of Foothill Road/Sunol (North) East County Area Plan and County Zoning Designations (LAFCo Checklist Item 18)
 - i. West of Foothill Road/Sunol (South) East County Area Plan and County Zoning Designations (LAFCo Checklist Item 18)
 - j. West of Foothill Road/Sunol City of Pleasanton General Plan Land Use Designations (LAFCo Checklist Item 18)
 - k. 24x36-inch size printouts of Maps 5a-5d
6. LAFCo Processing Fee of \$10,500, payable to Alameda LAFCo
7. County Clerk Recorder Fee of \$50, payable to Alameda County Clerk Recorder
8. Indemnification Agreement
9. Draft Noticing Letters
10. City Council Report Dated April 19, 2016

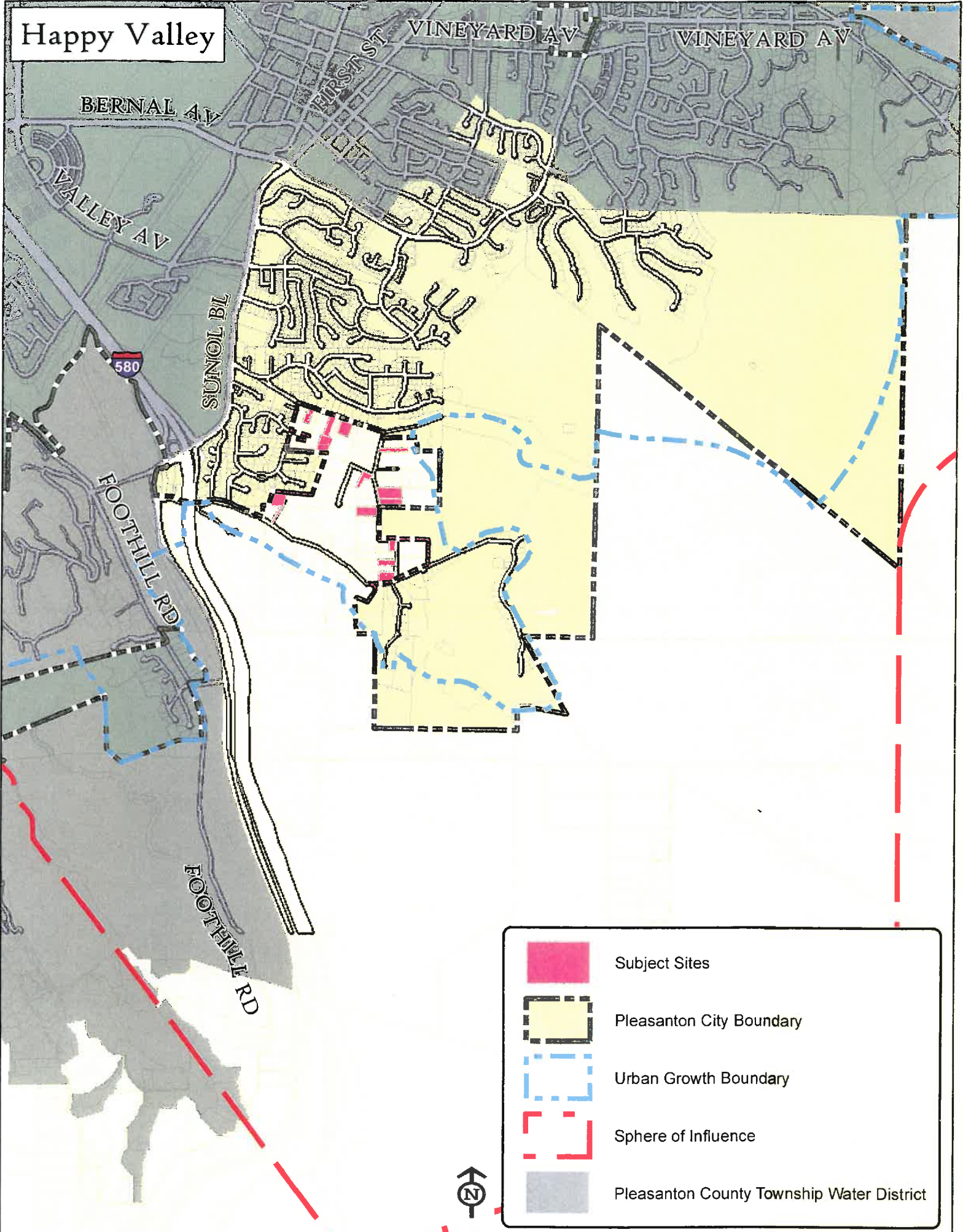
Chart Identifying Subject Properties

	Geographic Area	APN	Address	Street Name	Owner(s) when service approved / connected	Date Agreement Signed	Type of Connection (water, sewer, or both)	Dates of Connection	Has Recorded Agreement?	In PTCWD?	In Sphere of Influence?
1	Happy Valley	949 001500108	6034	Alisal Street	Tom and Barbara Daggett	11/13/2009	Both	Water: 12/03/2009 Sewer: 12/01/2009	Yes	No	Yes
2	Happy Valley	949 001500502	6352	Alisal Street	Daniel and Cindy Marks	10/04/2007	Sewer Only	10/04/2007	Yes	No	Yes
3	Happy Valley	949 001500501	6360	Alisal Street	Steve and Darlene Mix	07/17/2012	Both	Water: 08/06/2013 Sewer: 07/17/2013	No	No	Yes
4	Happy Valley	949 000700500	6511	Alisal Street	Marc and Deanna Fey	Unknown	Both	Water: 07/01/2010 Sewer: 07/01/2010	No	No	Yes
5	Happy Valley	949 000700800	6651	Alisal Street	K. Holmes; W. & B. Howell	03/26/2007	Sewer Only	09/01/2007	Yes	No	Yes
6	Happy Valley	949 000700914	6745	Alisal Street	Robert and Susan Dees	10/05/2004	No current account	Unknown	No	No	Yes
7	Happy Valley	949 000800303	582	Happy Valley Road	Ken and Kim Larson	07/20/2004	Both	Water: 10/06/2004 Sewer: 12/01/2004	Yes	No	Yes
8	Happy Valley	949 000701001	1070	Happy Valley Road	Tom and Carol Smith	07/17/2012	Sewer Only	05/01/2013	No	No	Yes
9	Happy Valley	949 000600101	760	Mockingbird Lane	Charles and Delores Gragg	10/03/2006	Sewer Only	01/01/2004	No	No	Yes
10	Happy Valley	949 000700314	999	East Mockingbird Lane	Mark and Colette Pellowski	12/06/2011	Both	Water: 07/07/2012 Sewer: 06/01/2012	No	No	Yes
11	Happy Valley	949 000600503	727	Sycamore Road	Ella Coffin	07/17/2012	No current account	Unknown	No	No	Yes
12	Happy Valley	949 000600800	849	Sycamore Road	Frank and Marie Silveira	Unknown	Both	Water: Unknown Sewer: 04/06/2006	No	No	Yes
13	Happy Valley	949 000701603	893	Sycamore Road	Ronald, Russey, and Roby Guerra	08/19/2008	No current account	Unknown	No	No	Yes
14	Remen Tract	946 170600600	332	Linden Way	Christopher and Elise Faber and HDF partnership	06/07/2011	Both	Water: 09/01/2012 Sewer: 09/01/2012	No	Yes	Yes
15	Remen Tract	946 170600900	368	Linden Way	Vincent and Nicole Eagan	Unknown	Both	Water: 07/16/2014 Sewer: 01/01/2014	No	Yes	Yes
16	Remen Tract	946 170401500	373	Linden Way	John and Kristin Neves	Unknown	Both	Water: 08/28/2013 Sewer: 01/01/2013	No	Yes	Yes
17	Remen Tract	946 170800500	3500	Vine Street	Edward and Wilma Shannon	Unknown	No current account	Unknown	No	Yes	Yes
18	Remen Tract	946 170800203	3548	Vine Street	John Cimino and Michelle Sifuentes	Unknown	Both	Water: 10/09/2006 Sewer: 01/01/2006	No	Yes	Yes
19	Remen Tract	946 170800400	3552	Vine Street	Timothy and Donna Scheele	Unknown	Both	Water: 01/15/2006 Sewer: 01/01/2006	No	Yes	Yes
20	Remen Tract	946 170401203	3689	Vine Street	Thomas Zanon & Cornelia Piokzanon	02/07/2006	No current account	Unknown	No	Yes	Yes
21	Remen Tract	946 170401303		Vine Street	Unknown	Unknown	No Current account	Unknown	No	Yes	Yes
22	Remen Tract	946 170800302		Vineyard Avenue	Guy Votaw	05/22/2000	No current account	Unknown	Yes	Yes	Yes
23	Remen Tract	946 170600700	411	Virginia Way	Richard and Rhonda Hempy	07/16/2008	Both	Water: 09/15/2011 Sewer: 01/01/2011	Yes	Yes	Yes
24	West of Foothill/Sunol	946 439100200	100	Castlewood Drive	Thomas and Bobbie Jorgenson	Unknown	Water Only	01/01/2012	No	Yes	Yes
25	West of Foothill/Sunol	946 439102902	105	Castlewood Drive	Scott Williams and Anatasie Martin	Unknown	Water Only	01/01/2013	No	Yes	Yes
26	West of Foothill/Sunol	946 439102800	109	Castlewood Drive	Thomas Krause	Unknown	Water Only	04/12/2006	Yes	Yes	Yes
27	West of Foothill/Sunol	946 444001100	7749	Country Lane	Ambrish and Hasmita Patel	Unknown	Water Only	Unknown	No	Yes	Yes
28	West of Foothill/Sunol	941 275000113	10633	Dublin Canyon Road	Ronald and Janice Staley	Unknown	Water Only	04/08/2005	No	No	Yes
29	West of Foothill/Sunol	941 260000206		Dublin Canyon Road	Mabel Lester	Unknown	No current account	Unknown	Yes	No	Yes

Chart Identifying Subject Properties

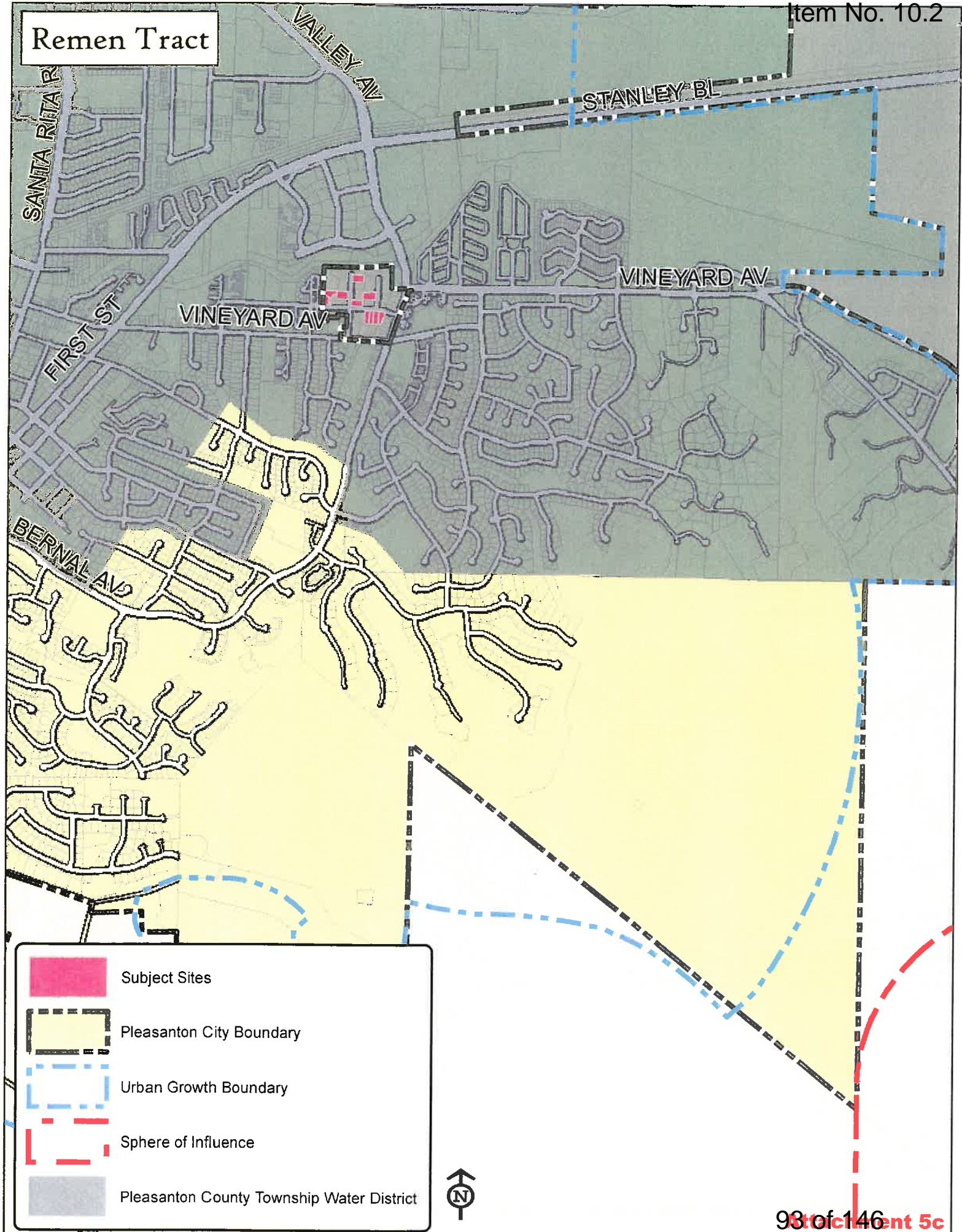
	Geographic Area	APN	Address	Street Name	Owner(s) when service approved / connected	Date Agreement Signed	Type of Connection (water, sewer, or both)	Dates of Connection	Has Recorded Agreement?	In PTCWD?	In Sphere of Influence?
30	West of Foothill/Sunol	941 260000209	11025	Dublin Canyon Road	East Bay Regional Park District	Unknown	No current account	Unknown	Yes	No	Yes
31	West of Foothill/Sunol	941 260000303		Dublin Canyon Road	East Bay Regional Park District	Unknown	No current account	Unknown	No	No	Yes
32	West of Foothill/Sunol	941 095000303	4131	Foothill Road	De Silva Group LLC	Unknown	Water Only	Unknown	No	Yes	Yes
33	West of Foothill/Sunol	946 376001600	7090	Foothill Road	Thomas Coleman	Unknown	Water Only	Unknown	No	Yes	Yes
34	West of Foothill/Sunol	946 376002100	7190	Foothill Road	Mathew and Karen Abbruscato	Unknown	Water Only	Unknown	No	Yes	Yes
35	West of Foothill/Sunol	946 376000304	7450	Foothill Road	Badruddin Agarwala	Unknown	Water Only	Unknown	No	Yes	Yes
36	West of Foothill/Sunol	946 376000305	7582	Foothill Road	John and Terri Pribela	Unknown	Water Only	Unknown	No	Yes	Yes
37	West of Foothill/Sunol	096 031000700	10420	Foothill Road	Julian and Kathleen Kalama	Unknown	Water Only	Unknown	No	No	Yes
38	West of Foothill/Sunol	096 031001607	10727	Foothill Road	Kenneth and Janice Hatch	Unknown	Water Only	Unknown	No	Yes	SOI bisects property
39	West of Foothill/Sunol	096 031001608	10833	Foothill Road	Constance DeGrange and Conover Smith	Unknown	Water Only	Unknown	No	Yes	No
40	West of Foothill/Sunol	941 230000111	50	Tehan Canyon	Frank M. Lehne	Unknown	No current account	Unknown	Yes	No	Yes
41	West of Foothill/Sunol	946 443600700	407	Oak Lane	Majid and Atoosa Yekan	Unknown	Water Only	Unknown	No	Yes	Yes
42	West of Foothill/Sunol	946 405200500	899	Oak Manor Way	Robert Yeh	Unknown	Water Only	08/09/2003	No	Yes	Yes
43	West of Foothill/Sunol	946 405200600	919	Oak Manor Way	Clement Lam and Claudia Wong	Unknown	Water Only	09/21/2001	No	Yes	Yes
44	West of Foothill/Sunol	946 405200700	939	Oak Manor Way	Jay and Valli Doraiswami	Unknown	Water Only	Unknown	No	Yes	Yes
45	West of Foothill/Sunol	946 405200800	959	Oak Manor Way	Jose Bautista	Unknown	Water Only	Unknown	No	Yes	Yes
46	West of Foothill/Sunol	946 380000409	9550	Santos Ranch Road	Geno Tolari	Unknown	Water Only	Unknown	No	Yes	No
47	West of Foothill/Sunol	946 378500101	1	Verona Road	Richard and Christa Scarlott	Unknown	Water Only	Unknown	No	Yes	Yes
48	West of Foothill/Sunol	096 054402902	12091	Glenora Way	Paul and Claire Dentinger	Unknown	Water Only	Unknown	No	Yes	No
49	West of Foothill/Sunol	096 019501710	680	Kilkare Road	Kimberly and Colin Albertson	Unknown	Water Only	02/26/2003	No	Yes	No
50	West of Foothill/Sunol	096 053002303	790	Kilkare Road	Stephen and Susanne Barnett	Unknown	Water Only	Unknown	No	Yes	No
51	West of Foothill/Sunol	096 053002601	866	Kilkare Road	Robert and Jacqueline Tornoe	Unknown	Water Only	Unknown	No	Yes	No
52	West of Foothill/Sunol	096 053101800	1077	Kilkare Road	Pat Madden	Unknown	Water Only	Unknown	No	Yes	No
53	West of Foothill/Sunol	096 053301001	1180	Kilkare Road	Dale Seavey	Unknown	Water Only	Unknown	No	Yes	No
54	West of Foothill/Sunol	096 053300804	1200	Kilkare Road	Lynn Kozma	Unknown	Water Only	Unknown	No	Yes	No
55	West of Foothill/Sunol	096 053300400	1220	Kilkare Road	J D Ball	Unknown	Water Only	Unknown	No	Yes	No
56	West of Foothill/Sunol	096 053600100	2155	Kilkare Road	Laura Mirkarimi	Unknown	Water Only	Unknown	No	Yes	No
57	West of Foothill/Sunol	096 054604000	2511	Kilkare Road	Aaron Wallace	Unknown	Water Only	Unknown	No	Yes	No
58	West of Foothill/Sunol	096 054604900	2539	Kilkare Road	Edward Gallagher	Unknown	Water Only	Unknown	No	Yes	No
59	West of Foothill/Sunol	096 054604800	2547	Kilkare Road	Shawn Robertson	Unknown	Water Only	Unknown	No	Yes	No
60	West of Foothill/Sunol	096 054200700	2814	Kilkare Road	John O'Neil	Unknown	Water Only	Unknown	No	Yes	No
61	West of Foothill/Sunol	096 054202700	2866	Kilkare Road	Klay Kunkel	Unknown	Water Only	Unknown	No	Yes	No
62	West of Foothill/Sunol	096 054001101	2886	Kilkare Road	Karen Newcomb	Unknown	Water Only	Unknown	No	Yes	No

Happy Valley



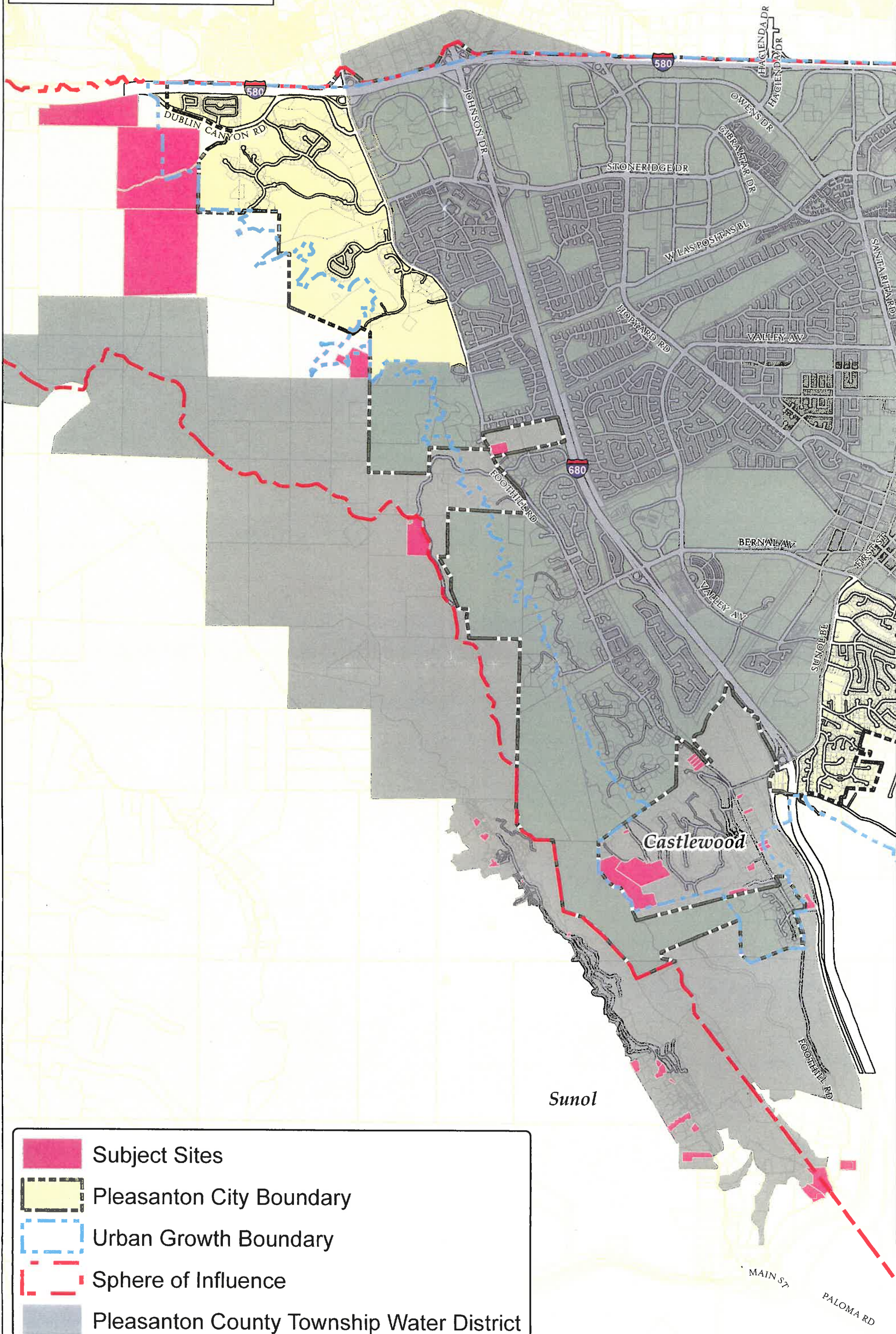
- Subject Sites
- Pleasanton City Boundary
- Urban Growth Boundary
- Sphere of Influence
- Pleasanton County Township Water District

Remen Tract



- Subject Sites
- Pleasanton City Boundary
- Urban Growth Boundary
- Sphere of Influence
- Pleasanton County Township Water District

West of Foothill & Sunol



- Subject Sites
- Pleasanton City Boundary
- Urban Growth Boundary
- Sphere of Influence
- Pleasanton County Township Water District

State of California

GOVERNMENT CODE

Section 56133

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(f) This section applies only to the commission of the county in which the extension of service is proposed.

(Amended by Stats. 2015, Ch. 763, Sec. 2.5. (SB 239) Effective January 1, 2016.)

**RECORDING REQUESTED
WHEN RECORDED MAIL TO:**
Alameda Local Agency Formation Commission
1221 Oak Street, Suite 555
Alameda, CA, 94612 (QIC: 20102)
CONTACT: Mona Palacios
1-510-271-5142

Notice of Exemption

DRAFT

SPACE ABOVE RESERVED FOR RECORDER'S USE

Project Title: City of Pleasanton Request for Retroactive Approval of Out-of-Area Service Agreements for the Provision of Sewer and Water Services to Properties Located in Unincorporated Happy Valley, Remen Tract, and West of Foothill/Sunol Areas

Project Location – Specific: various properties in the unincorporated Happy Valley area generally bounded by Sycamore Road on the north and Happy Valley Road to the south with properties to the east and west of Alisal Street and Laura Lane, as well as some properties east of Amber Lane; Remen Tract generally bounded by Bernal Avenue on the east, Vineyard Avenue on the south, Wild Flower Lane to the west, and Arroyo Valle to the north; west of Foothill Road primarily along Dublin Canyon Road and Santos Ranch Road; and scattered properties in the Castlewood and Sunol areas.

Project Location - City: Near Pleasanton

Project Location – County: Alameda County

Description of Nature, Purpose, and Beneficiaries of Project: The city of Pleasanton filed an application with Alameda LAFCo pursuant to Government Code §56133 requesting retroactive approval for city water and/or sewer service extensions outside city boundaries to various properties in unincorporated Alameda County, CA. The purpose is to bring all unapproved connections into compliance with the law. The property owners are the beneficiaries.

Name of Public Agency Approving Project: Alameda Local Agency Formation Commission (LAFCo)

Name of Person or Agency Carrying Out Project: City of Hayward

EXEMPT STATUS: (CHECK ONE):

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Ministerial (Section 21080(b)(1); 15268) |
| <input type="checkbox"/> | Declared Emergency (Section 21080(b)(3); 15269(a)) |
| <input type="checkbox"/> | Emergency Project (Section 21080(b)(4); 15269(b)(c)) |
| <input type="checkbox"/> | Statutory Exemption, Section |
| <input checked="" type="checkbox"/> | Categorical Exemption Section CEQA Guidelines Sect. 15061(b)(3) |

Reasons why project is exempt: The project is exempt because each of the service extensions has already occurred and no new extensions are granted under the terms of the approval. There is no possibility that the activity in question would have a significant effect on the environment.

Lead Agency Contact Person	Mona Palacios	Telephone	(510) 272-3894
-----------------------------------	---------------	------------------	----------------

Signature		Date	7/15/2016	Title	Executive Officer
------------------	--	-------------	-----------	--------------	-------------------

<input checked="" type="checkbox"/> Signed by Lead Agency	Date Received for filing at OPR:
<input type="checkbox"/> Signed by Applicant	

[The filing of this Notice of Exemption is optional, but should occur within five (5) days after project approval by the Lead Agency. Filing and posting at the County Clerk starts a 35-day statute of limitations on legal challenges.]

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2016-0_**

**RETROACTIVE APPROVAL OF OUT-OF-AREA SERVICE AGREEMENTS FOR THE
PROVISION OF SEWER AND WATER SERVICES TO PROPERTIES LOCATED IN
UNINCORPORATED HAPPY VALLEY, REMEN TRACT, AND WEST OF FOOTHILL/SUNOL
AREAS**

WHEREAS, Resolution No. 16-842 dated April 19, 2016 from the City of Pleasanton was filed with the Alameda Local Agency Formation Commission (LAFCo) on May 20, 2016;

WHEREAS, said resolution is for the purpose of requesting retroactive approval of out-of-area service agreements (OASAs) to extend water and sewer services outside city boundaries to properties located in the unincorporated communities of Happy Valley, Remen Tract and West of Foothill/Sunol areas, and listed in Exhibit A;

WHEREAS, said Executive Officer has reviewed the application and prepared a report, including her recommendations thereon, noting that, in accordance with the provisions of the California Environmental Quality Act (CEQA), LAFCo staff finds the subject project exempt pursuant to §15061(b)(3) of the CEQA Guidelines because the application is for retroactive approval of existing water and sewer service and §15061(b)(3) states that a project is exempt from CEQA where it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment;

WHEREAS, subject properties are located both within and without Pleasanton's sphere of influence;

WHEREAS, for the properties located within the sphere of influence, Pleasanton has indicated that it is not seeking annexation at this time because:

1. As concerns properties in the Happy Valley area the City is conducting a comprehensive study of water and sewer service at the Commission's insistence that will provide information and guidance on a comprehensive solution for solving this community's water and sewer needs that may include annexation; and
2. As concerns properties in the Remen Tract, the property owners are opposed to annexation and there are significant infrastructure needs beyond water and sewer service that impose barriers to annexation; and
3. As concerns properties in the West of Foothill/Sunol area, the properties are scattered such that annexation would not promote a logical boundary for the City;

WHEREAS, the necessity of continued provision of water and sewer services to subject properties in the West of Foothill/Sunol area outside of the City's sphere of influence constitutes an existing or impending threat to the health or safety of the public or the residents of the affected territory, to wit:

1. The City has provided documentation establishing that denial of the application will result in termination of water and sewer services to the affected properties because there is no other logical service provider, resulting in a health concern for residents of these properties; and
2. Staff have concluded there exist no alternative service providers to whom notice could be given; and
3. No water corporation has filed a map and a statement of its service capabilities with the Commission;

WHEREAS, in the form and manner prescribed by law, the Executive Officer has given notice of a public meeting by this Commission upon said application; and

WHEREAS, at a public meeting held on July 14, 2016, the Alameda Local Agency Formation Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to appear and be heard with respect to any matter pertaining to said application.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. That, having considered the existing agreements and other documentation regarding the existing service connections, the Commission finds that the OASA is exempt from further CEQA review pursuant §15061(b)(3) of the CEQA Guidelines;
2. That the service agreements meet the requirements of Government Code §56133, as well as Alameda LAFCo's policies and procedures in that the City's rationale for not seeking annexation at this time are reasonable under the circumstances presented;
3. That the agreements will permit the provision of sanitary sewer and/or water services to the properties listed in Exhibit A in unincorporated Pleasanton, and to no other properties;
4. That the service agreements will not facilitate a change of land use, promote or induce growth on the property or surrounding properties, or facilitate the delivery of other types of services or functions;
5. That the circumstances are such that annexation of said properties to the City of Pleasanton is not immediately feasible or requested;
6. That the request of the City of Pleasanton for an out-of-area service agreement between the City and the subject property owners for the provision of sewer and water services to properties listed in Exhibit A in the unincorporated Pleasanton area is hereby approved and authorized subject to any and all terms and conditions as set forth in the service agreements between Pleasanton and the subject property owners.

* * * * *

This Resolution was approved and adopted by the Alameda Local Agency Formation Commission at a regular meeting held on July 14, 2016 at the Dublin San Ramon Services District Board Room, located at 7051 Dublin Boulevard in Dublin, California on the motion made by Commissioner < >, seconded by Commissioner < >, and duly carried.

Ayes:

Noes:

Abstain:

Absent:

John Marchand, Chair
Alameda Local Agency Formation Commission

DRAFT

Approved as to Form:

By: _____
Andrew Massey
LAFCo Legal Counsel

CERTIFICATION:

I hereby certify that the foregoing is a correct copy of a resolution adopted by the Alameda Local Agency Formation Commission.

Attest: _____
Mona Palacios, LAFCo Executive Officer

Date: _____

List of Properties in Happy Valley and Remen Tract with Sewer Connections

Green = Approved by LAFCO; Blue = Approved by LAFCO, but not yet developed

Happy Valley

Item No.	Situs No.	Situs Street Name	Date of Connection	Notes
1	6034	Alisal St.	12/01/09	
2	6352	Alisal St.	01/01/07	Annexed in 2015.
3	6360	Alisal St.	07/17/13	Annexed in 2015.
4	6511	Alisal St.	07/01/10	
5	6651	Alisal St.	09/01/07	
6	6140	Amber Lane	06/01/97	
7	6152	Amber Lane	06/01/98	
8	582	Happy Valley Road	12/01/04	
9	585	Happy Valley Road	10/01/98	
10	1070	Happy Valley Road	05/01/13	
11	728	Mockingbird Lane	05/01/97	
12	744	Mockingbird Lane	01/01/84	
13	760	Mockingbird Lane	01/01/04	
14	999	East Mockingbird Lane	06/01/12	
15	849	Sycamore Road	04/06/06	
16	969	Sycamore Road	07/01/06	

Remen Tract

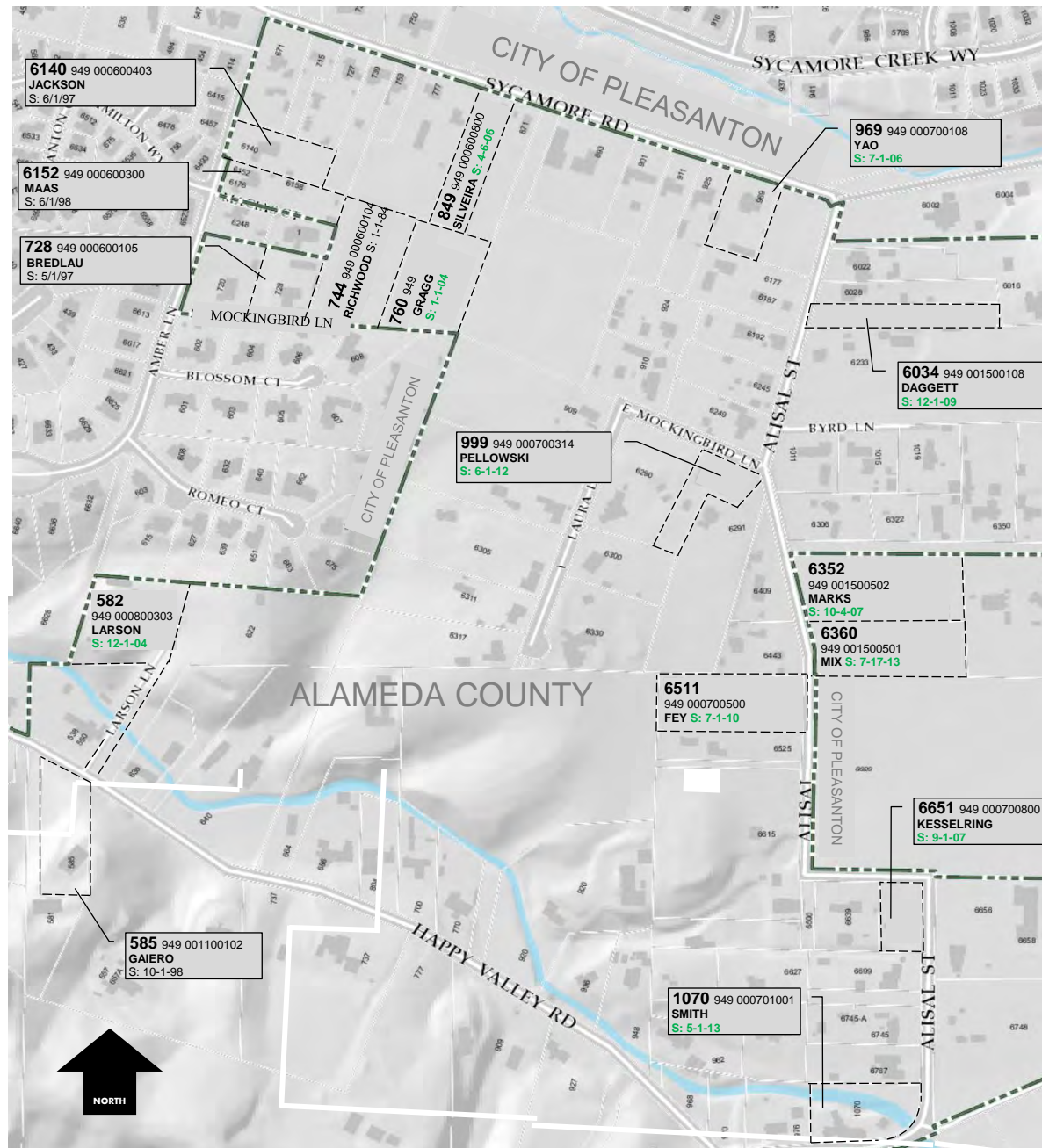
Item No.	Situs No.	Situs Street Name	Date of Connection	Notes
1	3429	Bernal Avenue	11/01/95	
2	3437	Bernal Avenue	10/01/97	
3	3445	Bernal Avenue	07/01/97	
4	3465	Bernal Avenue	01/01/06	
5	3469	Bernal Avenue	10/01/05	
6	3477	Bernal Avenue	01/01/93	
7	3485	Bernal Avenue	01/01/02	
8	327	Linden Way	01/01/80	
9	332	Linden Way	09/01/12	
10	368	Linden Way	01/01/14	
11	373	Linden Way	01/01/13	
12	415	Linden Way	06/01/04	
13	430	Linden Way	01/01/06	
14	APN 946-170401303	Vine Street	7/6/2017*	No street address. *Date of LAFCo approval; no physical connection.
15	3480	Vine Street	01/01/09	
16	3500	Vine Street	7/6/2017*	*Date of LAFCo approval; no physical connection.
17	3527	Vine Street	01/01/07	
18	3545	Vine Street	01/01/02	
19	3548	Vine Street	01/01/06	
20	3552	Vine Street	01/01/06	
21	APN 946-170800302	Vine Street	7/6/2017*	No street address. *Date of LAFCo approval; no physical connection.
22	3568	Vine Street	02/01/09	
23	3626	Vine Street	01/01/73	
24	3631	Vine Street	07/01/93	
25	3573	Vineyard Avenue	07/01/93	
26	3627	Vineyard Avenue	06/01/98	
27	351	Virginia Way	02/01/98	
28	366	Virginia Way	08/27/76	
29	411	Virginia Way	01/01/11	
30	425	Virginia Way	01/01/98	

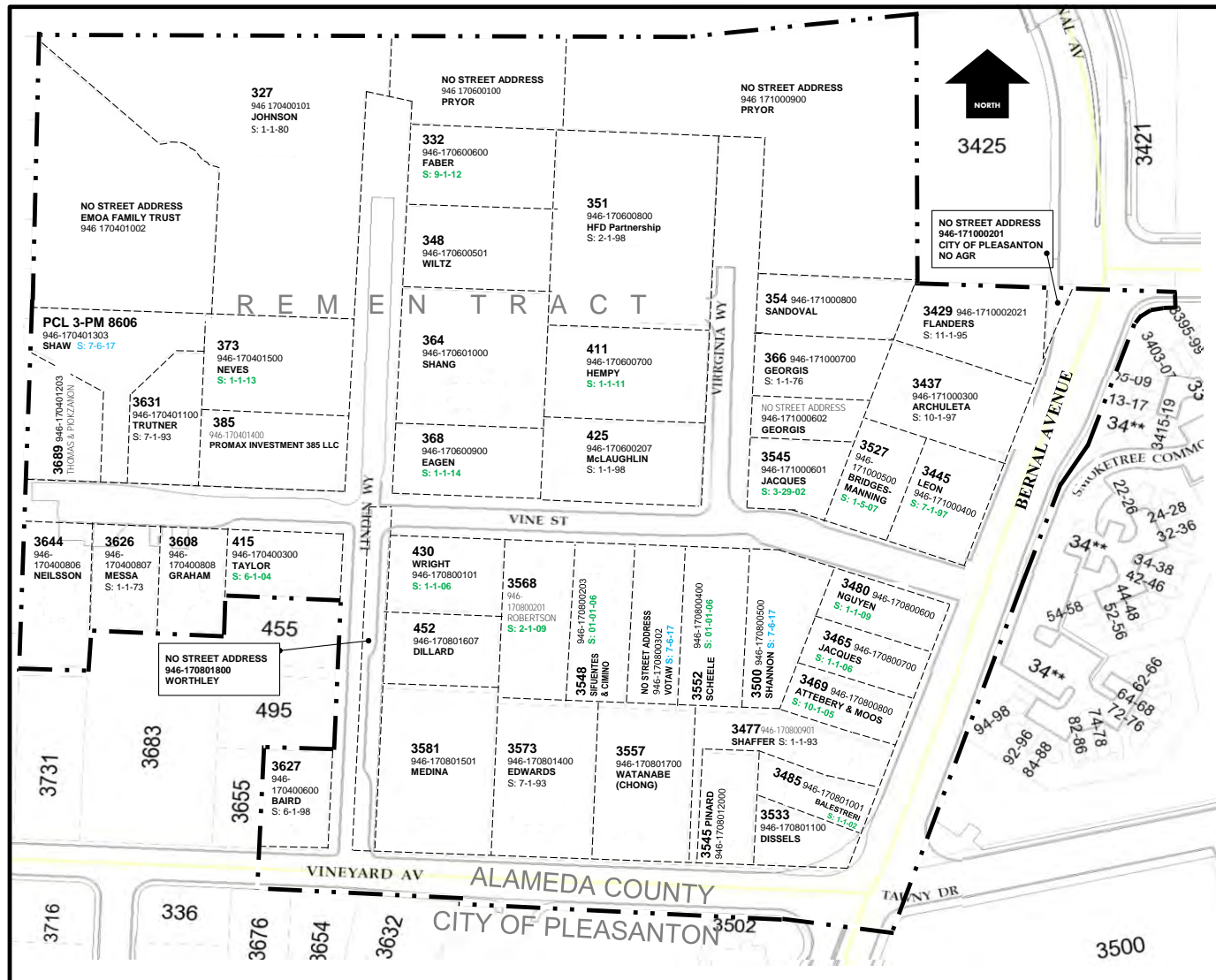
LEGEND

3548	STREET ADDRESS
PRYOR	CURRENT PROPERTY OWNER
946-170800500	ASSESSOR'S PARCEL NUMBER
S: 1-1-99	PRE-JAN 1, 2001 - DATE OF CONNECTION
S: 9-1-12	POST-JAN 1, 2001 - DATE OF CONNECTION
	CITY LIMIT
	LOT LINE

HAPPY VALLEY

**SANITARY SEWER
EXHIBIT**
NOT TO SCALE





LEGEND

3548

STREET ADDRESS

PRYOR

CURRENT PROPERTY OWNER

946-170800500

ASSESSOR'S PARCEL NUMBER

S: 1-1-99

PRE-JAN 1, 2001 - DATE OF CONNECTION

S: 9-1-12

POST-JAN 1, 2001 - DATE OF CONNECTION

S: 1-1-11

LAFCO APPROVAL - NO PHYSICAL CONNECTION

— CITY LIMIT

----- LOT LINE

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
RESOLUTION NO. 18-03**

**APPROVAL OF CITY OF PLEASANTON REQUEST FOR RETROACTIVE
APPROVAL FOR EXTENSION OF WASTEWATER SERVICE TO PROPERTIES
LOCATED IN UNINCORPORATED HAPPY VALLEY AND REMEN TRACT DURING
THE PERIOD 1993 TO 2014 AND PREAPPROVAL OF UP TO TEN (10) ADDITIONAL
EXTENSIONS EACH IN HAPPY VALLEY AND REMEN TRACT, SUBJECT TO
LAFCO APPROVAL AND A FOUR-YEAR SUNSET LIMITATION, PURSUANT TO
LAVWMA ADMINISTRATIVE POLICY NO. 2017-01 REGARDING
UNINCORPORATED AREA SERVICE EXTENSIONS**

WHEREAS, the Livermore-Amador Valley Water Management Agency (LAVWMA) is a joint powers agency formed pursuant to the Amended and Restated Joint Exercise of Powers Agreement for the Livermore-Amador Valley Water Management Agency dated July 21, 1997 (JPA); and

WHEREAS, Section 14.2, Service to Unincorporated Areas, of the JPA, requires unanimous approval of the LAVWMA Board if cumulative proposed service in any one contiguous unincorporated area exceeds ten residential connections or the equivalent; and

WHEREAS, Administrative Policy No. 2017-01 Regarding Unincorporated Area Service Extensions (Policy) provides procedural and interpretive guidance on the application of Section 14.2 of the JPA; and

WHEREAS, the City of Pleasanton (City) is requesting retroactive LAVWMA Board approval for more than ten connections each in two separate contiguous unincorporated areas known as, respectively, Happy Valley and Remen Tract; and

WHEREAS, consistent with the Policy, the Board may concurrently preapprove future connections that could be served by the existing or proposed infrastructure to reduce the need for multiple applications for LAVWMA approval and to provide more efficiency and certainty in the planning process; and

WHEREAS, during the period 1993-2014, the City provided wastewater connection service to 14 properties in Happy Valley and 24 properties in Remen Tract; and

WHEREAS, in 2016, the Alameda County Local Agency Formation Commission (LAFCO) required City to apply for and request retroactive approval for out-of-area service agreements during the period 2001-2014 for 13 properties in Happy Valley and 10 in Remen Tract; and

WHEREAS, on July 16, 2016, pursuant to Government Code § 56133, the LAFCO Board approved and adopted a resolution to provide Retroactive Approval of Out-of-Area Service Agreements for the Provision of Sewer and Water Services to Properties Located in the Unincorporated Happy Valley, Remen Tract, and West of Foothill/Sunol Areas; and

WHEREAS, City's request for retroactive and preapproval of service connections in Happy Valley and Remen Tract has been reviewed by General Counsel and the Staff Advisory Group; and

WHEREAS, the Board met at a duly noticed public meeting on November 21, 2018 to receive a presentation from staff, as well as comments from City of Livermore staff and the applicant, and consider the matter;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Livermore-Amador Valley Water Management Agency hereby resolves as follows:

1. The request for retroactive approval of 14 sewer service connections in unincorporated Happy Valley and 27 sewer service connections in unincorporated Remen Tract during the period 1993-2014 is hereby approved.
2. Up to ten sewer service connections each in unincorporated Happy Valley and Remen Tract, are hereby preapproved subject to (a) prior approval of those connections by LAFCO; (b) the preapprovals may not be transferred from one unincorporated area to the other; (c) the preapproval will be applied to new service connections within those unincorporated areas on a first-come, first-served basis; and (d) any unused preapproved connections will expire within four years from the adoption of this Resolution.

DULY AND REGULARLY ADOPTED by LAVWMA this 21st day of November 2018, by the following unanimous vote:

AYES:

NOES:

ABSENT:

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

By: _____
Jerry Pentin, Chair

ATTEST:

By: _____
Charles V. Weir, General Manager

Page 1

Agenda Explanation
Livermore-Amador Valley
Water Management Agency
Board of Directors
November 21, 2018

ITEM NO. 11 APPROVAL OF MODIFICATION TO DSRSD/LAVWMA POTENTIAL STORAGE NEEDS DUE TO A 10-YEAR WET WEATHER EVENT**Action Requested**

Approve a modification to the DSRSD/LAVWMA potential storage needs due to a 10-year wet weather event.

Summary

In October 2013 the LAVWMA Board reviewed the need for emergency storage to meet the LAVWMA NPDES permit requirements. At that time, an analysis indicated that DSRSD and Pleasanton collectively would need seven million gallons of storage at buildout of their service areas. The Board requested that the need for projected storage be reviewed every five years concurrently with LAVWMA's NPDES permit renewal process and as part of any wastewater treatment capacity expansion project of LAVWMA's member agencies. This review is consistent with the direction of the Board in 2013 regarding review of projected storage every five years.

Since 2013, DSRSD has completed a Wastewater Treatment Plant Masterplan which estimates build-out average dry weather flows will be 12.3 million gallons per day (mgd), considerably less than the 18.2 mgd that was estimated in previous Master Plans and LAVWMA Wet Weather Storage analyses. DSRSD had Carollo Engineers (Carollo) review the storage requirement with the updated build-out flows. Carollo has indicated that the storage noted in 2013 will not be needed. A memorandum from Carollo along with additional background material from 2013 and the NPDES permit are attached. The Carollo Report states: *“Now that DSRSD’s ADWF estimate for 2035 is 12.3 mgd, additional storage for the 10-year event is essentially not needed anytime in the future.”*

Based on the conclusions in the Carollo Report, it is recommended that the Board approve the modification of the 2013 recommendation for projected storage from a collective need for seven million gallons (at buildout of DSRSD and Pleasanton service areas), to the new conclusion that no additional storage for a 10-year event will be needed in the foreseeable future.

Recommendation

It is recommended that the Board approve the modification to the DSRSD/LAVWMA potential storage needs due to a 10-year wet weather event.

Attachments

1. Carollo Engineers September 19, 2018 Project Memorandum, DSRSD/LAVWMA Storage Evaluation.
2. LAVWMA staff report from the October 16, 2013 Board Meeting.
3. West Yost Associates September 2017 Projected 2035 Flows and Loads.
4. Applicable pages from the NPDES Permit, Order No. R2-2016-0015.

PROJECT MEMORANDUM

DSRSD/LAVWMA STORAGE EVALUATION

Date: 09/19/18

Project No.: 10291J.00

Dublin San Ramon Service District

Prepared By:	Shawn Dent
Reviewed By:	Paul Friedlander
Subject:	Evaluation of potential additional storage needed based on changes in DSRSD's projected dry weather flows.
Distribution:	Judy Zavadil (DSRSD), Chuck Weir (LAVWMA)

The purpose of this technical memorandum is to examine and document the effect of changes in Dublin San Ramon Services District (DSRSD) flow estimates for 2035 on the potential storage needs due to the 10-year wet weather event. This document was requested of Carollo Engineers, Inc. by DSRSD. This analysis updates the results documented in a previous letter report completed by Carollo for LAVWMA dated August 31, 2013.

LAVWMA's current permit limits controlled bypasses to the Alamo canal to approximately once every 10 years at a maximum discharge rate of 55 mgd. For more frequent wet weather events, LAVWMA and its member agencies must store flows in excess of its allowed discharge to EBDA and San Lorenzo Creek. Past estimates of future storage needs have been based on the Joint Exercise Powers Agreement (JPA - July 1997) projected average dry weather flows (ADWF), estimated wet weather infiltration and inflow into the collection systems, as well as several other assumptions. These flows are documented in the LAVWMA Wet Weather Operations Model Update – Phase V Report (Carollo, 2008) as well as referenced in the 2013 letter report. The flows and the anticipated future storage needs for the 10-year event based on ADWF are included in Table 1.

In September 2017, DSRSD completed a Wastewater Treatment Plant Master Plan (West Yost Associates) that included updated ADWF estimates for existing conditions as well as projections for 2035. These estimates are 9.7 mgd and 12.3 mgd, respectively. These flows are substantially lower than the JPA estimates used in the Phase V report. Water use efficiency has changed significantly over time and consequently wastewater flows have been lower than anticipated. With the lower ADWF's, there is more room in the storage facilities and export pipeline to accommodate wet weather flows. Therefore, the need for additional storage is no longer anticipated.

Previously, additional storage was needed to contain flows up to the 10-year event around 2030 with a DSRSD ADWF estimate of 17.75 mgd (and a total ADWF estimate of 26.73 mgd including Livermore). Now that DSRSD's ADWF estimate for 2035 is 12.3 mgd, additional storage for the 10-year event is essentially not needed anytime in the future.

PROJECT MEMORANDUM

Table 1 - Anticipated Future Storage Needs for 10-Year Design Event

Year	DSRSD ADWF (mgd)	Livermore ADWF (mgd)	Total Projected ADWF (mgd) ⁽¹⁾	Anticipated Storage Needs (MG)
1998	9.63	5.71	15.34	0
2005	12.26	6.72	18.98	0
2010	13.89	7.21	21.10	0
2015	15.81	7.72	23.53	0
2020	16.68	8.08	24.76	0
2025	17.43	8.48	25.91	0
2030	17.75	8.98	26.73	0
2035	18.00	9.47	27.47	2
2040	18.24	9.47	27.71	7
JPA ⁽²⁾	20.7	11.1	31.8	30

Notes:

(1) Total Projected Average Dry Weather Flow (ADWF) is the sum of member agency ADWFs, based on General Plan projections (from 2008 Report).

(2) JPA refers to the contractual ADWF limit for each member agency, as defined within the Joint Exercise of Powers Agreement, July 1997

The estimated required storage in Table 1 is based on the following assumptions:

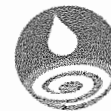
- Future Infiltration and Inflow (I/I) based on service area growth and 1% annual deterioration
- Projected ADWFs based on General Plan projections for each member agency
- LAVWMA export capacity of 41.2 mgd
- Total existing storage capacity equals 54.7 MG and does not include storage at DSRSD's dedicated land disposal site.



Prepared by:

Shawn Dent:

SD:dlt



Chapter 2

Wastewater Flow and Loadings

2.5.2 Projected 2035 Flows and Loads

The ADWF projections through 2035, calculated based on the growth rates show in Table 2-14, are shown on Figure 2-11. The PHWWF projections through 2035 are shown on Figure 2-12. The influent load projections through 2035 for BOD, COD, TSS, ammonia, and TKN are provided in **Appendix B**. The projected 2035 average dry weather, average, 30-day peak, and maximum day flows and loads are shown in Table 2-15.

Table 2-15. Projected 2035 Flows and Loads

Statistic	Flow, mgd	BOD, lbs/day	COD, lbs/day	TSS, lbs/day	Ammonia, lbs/day	TKN, lbs/day
Average Dry Weather	12.3	24,600	69,900	27,100	4,100	5,800
Average	13.5	27,100	76,900	29,800	4,100	5,800
30-Day Peak	16.0	32,000	90,900	32,500	(a)	(a)
Maximum Day	25.8	36,900	104,900	40,700	5,300	7,500
Peak Hour Dry Weather	23.4	(a)	(a)	(a)	(a)	(a)
Peak Hour Wet Weather	46.7	(a)	(a)	(a)	(a)	(a)
(a) Not calculated.						

2.5.3 Comparison to Stage 4 Improvements Design

The design flows and loads for the existing WWTP are documented in the DSRSD Wastewater Treatment Plant Stage 4 Improvements Contract Documents, January 2000 (Stage 4 Improvements Design). The projected 2035 flows and loads from the current analysis are compared to those in the Stage 4 Improvements Design in Table 2-16.

LAVWMA Meeting October 16, 2013

Item No. 8a

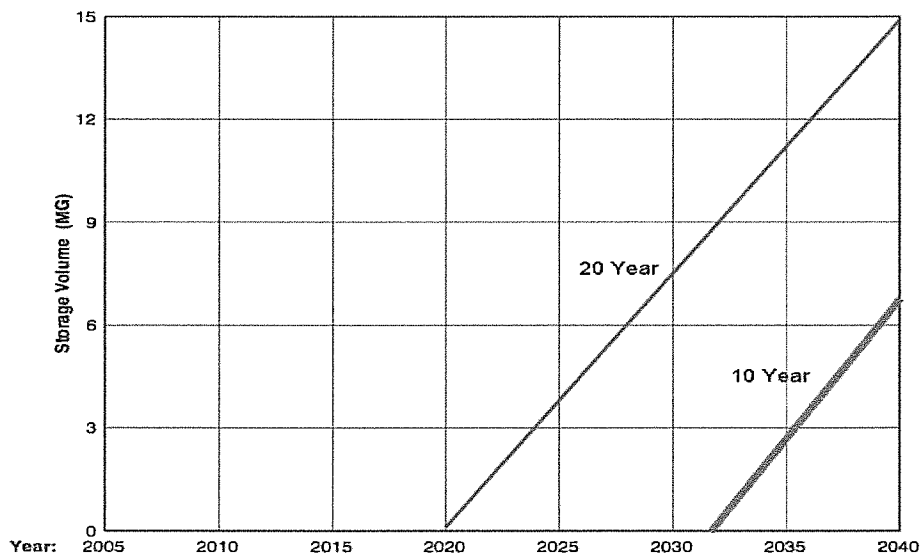
TO: LAVWMA Board of Directors

FROM: Ed Cummings, General Manager

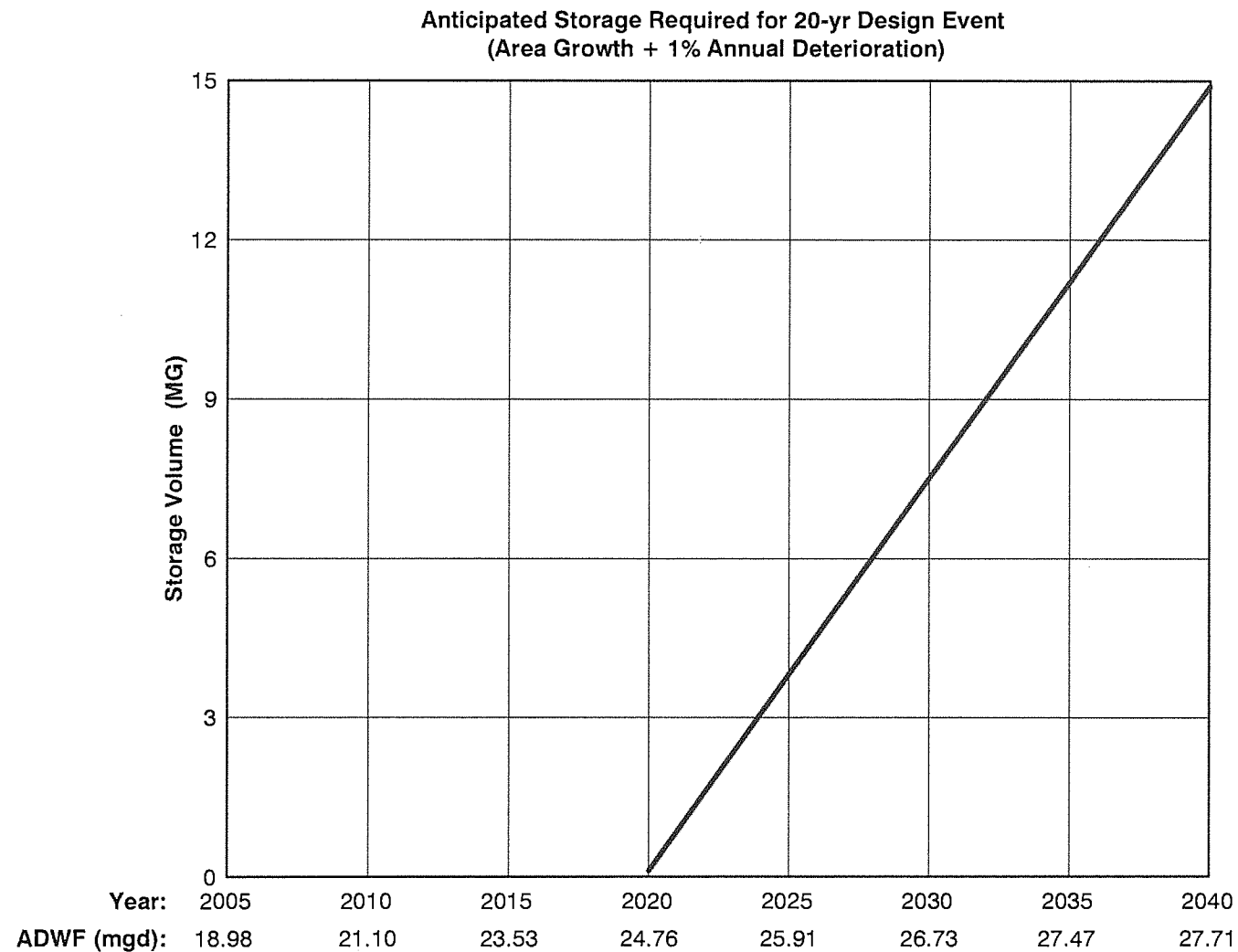
SUBJECT: Wet Weather Operations Model Update to Projected Water Storage Needs

SUMMARY:

Earlier this year Carollo Engineers was requested to update potential future wet weather storage requirements to reflect LAVWMA's current wet weather NPDES permit wherein storage needs are based on a 10 year design event. The previous modeling was based on a 20 year design event. A copy of Carollo's letter report is attached. In summary LAVWMA's existing storage is sufficient for our needs for the next 20 years and the total amount of additional storage that may be necessary to meet the current build-out demands of the LAVWMA member agencies is around 7 million gallons. The following graphic shows the difference between the previous and updated projected storage needs.

**RECOMMENDATION:**

There is no action being requested at this time. It is recommended that this matter be reviewed every 5 years concurrently with LAVWMA's NPDES permit renewal process and as part of any wastewater treatment capacity expansion projects of LAVWMA's member agencies.



**Figure 5.7
ANTICIPATED STORAGE
REQUIREMENTS FOR 20-YEAR EVENT
LIVERMORE-AMADOR VALLEY
WATER MANAGEMENT AGENCY**

- B. Discharge to San Lorenzo Creek is prohibited, except during peak wet weather flows after the Discharger fully utilizes the maximum allowed hydraulic capacity available in the East Bay Dischargers Authority (EBDA) pipeline and except during exercise of the discharge flap gate as described in Prohibition III.E. Wet weather San Lorenzo Creek discharges shall not exceed 21.5 million gallons per day (MGD). Discharge flap gate exercises shall not exceed 140,000 gallons per discharge event. Compliance shall be evaluated at Monitoring Location M-002 as described in the Monitoring and Reporting Program (MRP).
- C. Discharge to Alamo Canal is prohibited, except during peak wet weather flows after the Discharger fully utilizes its maximum export pumping capacity by full export of 41.2 MGD to the EBDA pipeline (or the EBDA pipeline and the San Lorenzo Creek outfall) in accordance with Provision VI.C.5.b below. Wet weather Alamo Canal discharges shall not exceed 55 MGD. Compliance shall be evaluated at Monitoring Location M-003 as described in the MRP.
- D. The bypass of untreated or partially-treated wastewater to waters of the United States is prohibited, except as provided for in Attachment D sections I.G.2 and I.G.3 of this Order.
- E. Discharge to San Lorenzo Creek during discharge flap gate exercises more than twice per year is prohibited. Discharge shall only take place during the wet season, November 1 to April 30, and when there is also a significant flow increase in San Lorenzo Creek.

IV. EFFLUENT LIMITATIONS AND DISCHARGE SPECIFICATIONS

Discharges at Discharge Point Nos. 002 and 003 shall comply with the following effluent limitations, with compliance measured at Monitoring Locations M-002 and M-003 as described in the MRP:

Table 4. Effluent Limitations

Parameter	Unit	Effluent Limitations				
		Average Monthly	Average Weekly	Maximum Daily	Instantaneous Minimum	Instantaneous Maximum
Carbonaceous Biochemical Oxygen Demand (5-day @ 20°C) (CBOD ₅)	mg/L	---	40	---	---	---
Total Suspended Solids (TSS)	mg/L	---	45	---	---	---
Oil and Grease	mg/L	---	---	20	---	---
pH ^[1]	standard units	---	---	---	6.5	8.5
Lead, Total	µg/L	5.5	---	11	---	---
Fecal Coliform	MPN/100 mL	---	---	400	---	---
Total Residual Chlorine	mg/L	---	---	---	---	0.0

Unit Abbreviations:

mg/L = milligrams per liter
µg/L = micrograms per liter
MPN/100 mL = most probable number per 100 milliliters

Footnote:

- ^[1] If the Discharger monitors pH continuously, pursuant to 40 C.F.R. section 401.17 the Discharger shall be in compliance with this pH limitation provided that both of the following conditions are satisfied: (i) the total time during which the pH is outside the required range shall not exceed 7 hours and 26 minutes in any calendar month; and (ii) no individual excursion from the required pH range shall exceed 60 minutes.

a discharge can occur. Discharges not described in the application and Report of Waste Discharge, and subsequently in this Order, are prohibited.

- b. **Discharge Prohibition III.B (Discharge to San Lorenzo Creek, except during peak wet weather flows):** This prohibition ensures that discharges to San Lorenzo Creek occur only during peak wet weather when the maximum export capacity available in the EBDA pipeline is less than 41.2 MGD or when exercising the discharge flap gate. Peak wet weather events that result in San Lorenzo Creek discharge are expected approximately once every 1.5 years. Flows above 140,000 gallons are prohibited during flap gate exercises so discharges only occur to the extent necessary to complete the tests. Since no flap gate exercise flow data are available, this volume is based on the Discharger's estimated minimum flow needed to reasonably complete a flap gate exercise.
- c. **Discharge Prohibition III.C (Discharge to Alamo Canal, except during peak wet weather flows):** This prohibition ensures that discharges to Alamo Canal occur only during peak wet weather when the maximum hydraulic capacity available in the EBDA pipeline (or the EBDA pipeline and San Lorenzo Creek outfall) is fully utilized at 41.2 MGD. Peak wet weather events that result in Alamo Canal discharge are expected approximately once every 10 years at a maximum discharge rate of 55 MGD.
- d. **Discharge Prohibition III.D (Bypass of untreated or partially-treated wastewater):** This prohibition is based on 40 C.F.R. section 122.41(m) (see Attachment D section I.G).
- e. **Discharge Prohibition III.E (Discharge to San Lorenzo Creek during discharge flap gate exercises more than twice per year):** This prohibition restricts potential water quality impacts to San Lorenzo Creek resulting from discharge flap gate exercises by limiting such discharges to twice per year and requiring that they occur during significant wet weather events when flows in San Lorenzo Creek are high. This prohibition ensures that discharges only occur when San Lorenzo Creek flows provide significant mixing and dilution, and during conditions that reflect the assumptions underlying the reasonable potential analysis, effluent limitations, and other requirements of this Order.

2. Basin Plan Discharge Prohibition 1

The discharges will not receive an initial dilution of at least 10:1 as they enter the shallow waters of San Lorenzo Creek or Alamo Canal. Basin Plan Table 4-1, Discharge Prohibition 1, prohibits wastewater discharges that have particular characteristics of concern to beneficial uses if they do not receive a minimum initial dilution of at least 10:1 or if they flow to a non-tidal water, a dead-end slough, a similar confined water, or an immediate tributaries thereof. The purpose of Discharge Prohibition 1 is to protect against the following:

- continuous effects of waste discharge;
- effects of abnormal discharges caused by temporary plant upsets or malfunctions;
- public contact with undiluted waste; and
- visual impacts.

Treated sewage and other discharges subject to treatment process upsets are assumed to have particular characteristics of concern unless the discharge of inadequately-treated waste will be reliably prevented. In this case, discharge of inadequately-treated waste is reliably prevented,

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Agenda Explanation
Livermore-Amador Valley
Water Management Agency
Board of Directors
November 21, 2018

ITEM NO. 12 PROCLAMATION FOR DWIGHT L. “PAT” HOWARD

Action Requested

Approve a Proclamation for Dwight L. “Pat” Howard.

Summary

Dwight L. “Pat” Howard has served on the DSRSD Board since 2004. He has also served on the LAVWMA Board as Director or alternate for ten of the last fourteen years. Please refer to the attached Proclamation recognizing Mr. Howard’s contributions to LAVWMA and DSRSD.

Recommendation

It is recommended that the Board approve the Proclamation for Dwight L. “Pat” Howard.

Attachments

Proclamation for Dwight L. “Pat” Howard.

Livermore-Amador Valley Water Management Agency

PROCLAMATION
For

Dwight L. “Pat” Howard

In Recognition of his Service to LAVWMA, DSRSD, and to the Community

WHEREAS, Livermore-Amador Valley Water Management Agency (LAVWMA) is a joint powers public agency in the State of California, that includes Dublin San Ramon Services District (DSRSD), City of Livermore, and City of Pleasanton; and

WHEREAS, Dwight L. “Pat” Howard served on the LAVWMA Board of Directors as Director or Alternate for 10 of the last 14 years, including, as Chair in 2006-2007 and 2009-2010; and

WHEREAS, Dwight L. “Pat” Howard was first elected to the Board of Directors of Dublin San Ramon Services District (DSRSD) in 2004, and served as Board President in 2007, 2011, and 2016; and

WHEREAS, Dwight L. “Pat” Howard also served on the Dublin San Ramon Services District East Bay Municipal Utility District Recycled Water Authority (DERWA) Board of Directors, as Chair in 2014 and 2018; and

WHEREAS, Dwight L. “Pat” Howard has been a strong proponent of environmental stewardship and recycled water projects by LAVWMA’s member agencies; and

WHEREAS, Dwight L. “Pat” Howard served on numerous DSRSD Committees, including Water Resources Committee, Finance Committee, Wastewater Committee, and Executive Committee during his tenure; and

WHEREAS, Dwight L. “Pat” Howard has always been supportive of LAVWMA staff and their efforts to manage the system.

NOW, THEREFORE BE IT PROCLAIMED that the Board of Directors of Livermore-Amador Valley Water Management Agency, a joint powers public agency in the State of California, thanks

Dwight L. “Pat” Howard

for his 14 years of hard work, support, and leadership and commends him for fulfilling his duties and responsibilities with integrity, and celebrates his dedicated commitment to public service.

Adopted unanimously this 21st day of November 2018

Madelyne Misheloff, Chair

Jerry Pentin, Vice Chair

Edward Duarte, Director

John Marchand, Director

Karla Brown, Director

Bob Woerner, Director

Charles V. Weir, General Manager

Sue Montague, Administrative Assistant

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Agenda Explanation
 Livermore-Amador Valley
 Water Management Agency
 Board of Directors
 November 21, 2018

ITEM NO. 13 UPDATE AND RESPONSE TO VARIOUS LEGAL AND LEGISLATIVE ISSUES

Action Requested

None at this time.

Summary

Attached for the Board's information is the listing of California Association of Sanitation Agencies (CASA) Bill Positions as of October 1, 2018. Following is the current status and brief description of the bills on the list.

AB 958 would require manufactures to report on the presence of perfluoralkyl and polyfluoroalkyl substances, which are detected in wastewater. As of August 21, 2018, the bill has been ordered to the inactive file.

AB 1529 requires certification for cross-connection and backflow prevention device inspectors. The bill was vetoed by the Governor determining that it was unnecessary as certification is already in development. CASA opposed this bill.

AB 1912 is related to PERS retirement liability for joint powers agencies. It is not applicable to LAVWMA. The bill was approved by the Governor.

AB 2060 would require advanced payments of grants for nonprofits or disadvantaged communities. The bill was vetoed by the Governor.

AB 2064 is also related to advanced payments of grants for nonprofits and disadvantaged communities. The bill was vetoed by the Governor. CASA supported this bill.

AB 2179 would allow municipal corporations to lease, sell, or transfer sewer service outside of the boundaries of the municipal corporation. The bill was approved by the Governor.

AB 2339 is related to specific cities in southern California and was approved by the Governor.

AB 2411 would require the Department of Resources Recycling and Recovery to develop plans for using compost for slope stabilization following a wildfire. The bill was approved by the Governor. CASA supported this bill.

SB 2447 established new CEQA requirements. The bill was vetoed by the Governor. CASA opposed this bill.

SB 2890 would prohibit the imposition of lot coverage standards of a certain minimum size. The bill is listed as dead.

SB 212 would establish stewardship programs for manufacturers of drugs or sharps. The bill was approved by the Governor. CASA supported this bill.

SB 929 would require every special district to maintain an internet website. LAVWMA and the member agencies are already in compliance with this requirement.

SB 966 is related to regulations for onsite treated nonpotable water systems. It was approved by the Governor.

SB 998 would require a water system to have a written policy on discontinuation of service. The bill was approved by the Governor.

SB 1215 would allow regional water boards to order provision of sewer service to a disadvantaged community. The bill was approved by the Governor. It is unlikely that this bill would apply to the member agencies.

SB1263 would provide for research toward the development of a statewide microplastics strategy. The bill was approved by the Governor. The strategy will likely lead to permit requirements for the member agencies.

SB 2310 is related to dam safety and was vetoed by the Governor.

SB 1422 would require the State Water Board to adopt a definition of microplastics in drinking water, and adopt standards for testing, reporting, and disclosure of results. This bill was approved by the Governor. The standards will eventually have an impact on the member agencies.

AB 1933 would specify that projects that reduce greenhouse gas emissions through waste diversion and recycling are eligible for grant funding programs. This bill was approved by the Governor and was supported by CASA.

AB 1981 is related to the regulation and application of compost. The bill was approved by the Governor.

AB 3187 is related to the regulation of the production and distribution of biomethane gas. This bill was approved by the Governor and was supported by CASA.

SB 100 sets goals for the development of renewable sources of electricity. This bill was approved by the Governor.

SB 1131 would require the Public Utilities Commission (PUC) to authorize electric and gas utilities to provide incentives, rebates, technical assistance, and support to increase energy efficiency.

SB 1440 would require the PUC and State Air Board to consider adopting biomethane targets and goals. This bill was approved by the Governor and was supported by CASA.

AB 2249 sets new levels for the implementation of the Uniform Public Construction Cost Accounting Act (UPCCAA). This bill was approved by the Governor and was supported by CASA. In March 2015 LAVWMA adopted an ordinance to become subject to the UPCCAA. The ordinance does not specify particular dollar amounts. It is structured broadly to follow the applicable requirements under the UPCCAA. The new thresholds will simply be applicable on the first of the year, and no further action is necessary.

AB 2822 authorizes the State Auditor to identify local governments that are at high risk for fraud or waste. This bill was approved by the Governor.

SB 1077 is related to insurance requirements for public works projects. This bill was placed in the inactive file.

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Agenda Explanation
Livermore-Amador Valley
Water Management Agency
Board of Directors
November 21, 2018

AB 2538 requires the State Water Board to establish financial capability assessment guidelines for stormwater programs. The Bill was vetoed by the Governor and was supported by CASA.

Recommendation

There is no recommendation at this time.

- [AB 958](#) (Ting D) Product safety: perfluoroalkyl and polyfluoroalkyl substances.**
Current Text: Amended: 5/31/2018 [html](#) [pdf](#)
Last Amend: 5/31/2018
Status: 8/31/2018-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. INACTIVE FILE on 8/21/2018)
Location: 8/31/2018-S. DEAD
Summary: Current law regulates the existence of, and disclosure of, specified chemicals and components in consumer products, including phthalates and bisphenol A. This bill would require a manufacturer of food packaging or cookware, as defined, that is sold in the state to visibly disclose on an exterior location of the food packaging or cookware packaging a specified statement relating to the presence of perfluoroalkyl and polyfluoroalkyl substances (PFAS).
- | Position | Subject |
|----------|---------|
| Watch | |
- [AB 1529](#) (Thurmond D) Drinking water: cross-connection or backflow prevention device inspectors: certification.**
Current Text: Vetoed: 9/19/2018 [html](#) [pdf](#)
Last Amend: 8/14/2018
Status: 9/19/2018-Vetoed by Governor.
Location: 9/19/2018-A. VETOED
Summary: Current law requires the State Water Resources Control Board, on or before January 1, 2020, to adopt standards for backflow protection and cross-connection control. This bill would require valid and current certifications for cross-connection inspection and testing or backflow prevention device inspection, testing, and maintenance that meet specified requirements for competency to be accepted certification tests either until the state board promulgates standards for certified backflow prevention device testers and cross-connection control specialists, or until January 1, 2020, whichever comes first.
- | Position | Subject |
|------------|---------|
| Disapprove | |
- [AB 1912](#) (Rodriguez D) Public employees' retirement: joint powers agreements: liability.**
Current Text: Chaptered: 9/29/2018 [html](#) [pdf](#)
Last Amend: 8/24/2018
Status: 9/29/2018-Signed by the Governor
Location: 9/29/2018-A. CHAPTERED
Summary: The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power. Under the act, if an agency is not one or more of the parties to the agreement but is a public entity, commission, or board constituted pursuant to the agreement, the debts, liabilities, and obligations of the agency are the debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise. This bill would specify that the parties to the joint powers agreement may not specify otherwise with respect to retirement liabilities of the agency if the agency contracts with a public retirement system, and would eliminate an authorization for a party to a joint powers agreement to separately contract or assume responsibilities for specific debts, liabilities, or obligations of the agency.
- | Position | Subject |
|----------|---------|
| Watch | |
- Notes 1:** 2018.07.13 Changed from Oppose Unless Amended to Watch at SLC
- [AB 2060](#) (Garcia, Eduardo D) Water: grants: advanced payments.**
Current Text: Vetoed: 9/28/2018 [html](#) [pdf](#)
Last Amend: 8/21/2018
Status: 9/28/2018-Vetoed by Governor.
Location: 9/28/2018-A. VETOED
Summary: Would require the State Water Resources Control Board, within 60 days of awarding a grant from the grant fund, to provide a project proponent that requests an advanced payment and satisfies certain criteria with the requested advanced payment, up to a maximum of \$500,000 or 50% of the grant award, whichever is less, for projects in which the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community. The

Position**Subject**

Support

AB 2064 (Gloria D) Integrated regional water management plans: grants: advanced payment.**Current Text:** Vetoed: 9/28/2018 [html](#) [pdf](#)**Last Amend:** 6/27/2018**Status:** 9/28/2018-Vetoed by Governor.**Location:** 9/28/2018-A. VETOED

Summary: Current law, until January 1, 2025, requires a regional water management group, within 90 days of notice that a grant has been awarded, to provide the Department of Water Resources with a list of projects to be funded by the grant funds if the project proponent is a nonprofit organization or a disadvantaged community or the project benefits a disadvantaged community. Current law requires the department, within 60 days of receiving this project information, to provide advanced payment of 50% of the grant award for those projects that satisfy specified criteria. The bill, until January 1, 2025, would require the department to provide a project proponent that requests advanced payment and satisfies certain criteria with advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less.

Position**Subject**

Support

AB 2179 (Gipson D) Municipal corporations: public utility service: water and sewer service.**Current Text:** Chaptered: 9/28/2018 [html](#) [pdf](#)**Last Amend:** 8/15/2018**Status:** 9/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 863, Statutes of 2018.**Location:** 9/28/2018-A. CHAPTERED

Summary: Current law authorizes a municipal corporation to sell or dispose of any public utility it owns. Current law requires that a resolution authorizing the sale of a public utility be passed by 2/3 of the members of the legislative body of the municipal corporation and be passed by a 2/3 vote of all voters voting at an election to authorize the sale in the ordinance calling the election. Current law establishes an alternative procedure whereby a municipal corporation can lease, sell, or transfer that portion of a water utility used for furnishing water service outside the boundaries of the municipal corporation. This bill would additionally authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

Position**Subject**

Watch

AB 2339 (Gipson D) Water utility service: sale of water utility property by a city.**Current Text:** Chaptered: 9/28/2018 [html](#) [pdf](#)**Last Amend:** 8/15/2018**Status:** 9/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 866, Statutes of 2018.**Location:** 9/28/2018-A. CHAPTERED

Summary: Would authorize the City of El Monte, the City of Montebello, and the City of Willows, until January 1, 2022, to sell its public utility for furnishing water service for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

Position**Subject**

Watch

AB 2411 (McCarty D) Solid waste: use of compost: planning.**Current Text:** Chaptered: 8/28/2018 [html](#) [pdf](#)**Last Amend:** 6/12/2018**Status:** 8/28/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 238, Statutes of 2018.**Location:** 8/28/2018-A. CHAPTERED

Summary: Would require the Department of Resources Recycling and Recovery, on or before December 31, 2019, to develop and implement a plan to maximize the use of compost for slope stabilization and for establishing vegetation in the course of providing debris removal services following a wildfire. The bill would also require the Department of Resources Recycling and Recovery, in coordination with the

Department of Transportation, to identify best practices for each of the Department of Transportation's 12 districts regarding the cost-effective use of compost along roadways and to develop a plan to implement the identified best practices in each of the districts.

Item No. 13

Position

Support/work
w/author

Subject

AB 2447 (Reyes D) California Environmental Quality Act: land use: environmental justice.

Current Text: Vetoed: 9/30/2018 [html](#) [pdf](#)

Last Amend: 8/24/2018

Status: 9/30/2018-Vetoed by the Governor

Location: 9/30/2018-A. VETOED

Summary: Would, except as provided, require a lead agency that is preparing an EIR or a negative declaration to provide certain notices required by CEQA to owners and occupants of property located within 1/2 mile of any parcel or parcels, and to any schools located within one mile of any parcel or parcels, on which is located a project involving an industrial or equivalent land use, as defined, within a disadvantaged community or within 1/2 mile of a disadvantaged community.

Position

Oppose, unless
amended

Subject

AB 2890 (Ting D) Land use: accessory dwelling units.

Current Text: Amended: 7/3/2018 [html](#) [pdf](#)

Last Amend: 7/3/2018

Status: 8/31/2018-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 8/16/2018)

Location: 8/31/2018-S. DEAD

Summary: The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth standards the ordinance is required to impose, including, among others, maximum unit size, parking, lot coverage, and height standards. Current law prohibits the ordinance from establishing size requirements for accessory dwelling units that do not permit at least an efficiency unit to be constructed. This bill would prohibit the imposition of lot coverage standards or requirements on minimum lot size, lot coverage, or floor area ratio, and would prohibit an ordinance from establishing size requirements for accessory dwelling units that do not permit at least an 800 square foot unit of at least 16 feet in height to be constructed.

Position

Neutral, As
Amended

Subject

SB 212 (Jackson D) Solid waste: pharmaceutical and sharps waste stewardship.

Current Text: Chaptered: 10/1/2018 [html](#) [pdf](#)

Last Amend: 8/27/2018

Status: 10/1/2018-Signed by the Governor

Location: 10/1/2018-S. CHAPTERED

Summary: Would establish a stewardship program, under which a manufacturer or distributor of covered drugs or sharps, or other entity defined to be covered by the bill, would be required to establish and implement, either on its own or as part of a group of covered entities through membership in a stewardship organization, a stewardship program for covered drugs or for sharps, as applicable. The bill would impose various requirements on a covered entity or stewardship organization that operates a stewardship program, including submitting a proposed stewardship plan, an initial stewardship program budget, an annual budget, annual report, and other specified information to CalRecycle.

Position

Support

Subject

SB 929 (McGuire D) Special districts: Internet Web sites.

Current Text: Chaptered: 9/15/2018 [html](#) [pdf](#)

Last Amend: 8/16/2018

Status: 9/14/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 408, Statutes of 2018.

Location: 9/14/2018-S. CHAPTERED

Summary: The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Internet Web site, as specified. This bill would, beginning on

January 1, 2020, require every independent special district to maintain an Internet website that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

Item No. 13

Position

Support

Subject

SB 966 (Wiener D) Onsite treated nonpotable water systems.

Current Text: Chaptered: 9/28/2018 [html](#) [pdf](#)

Last Amend: 8/23/2018

Status: 9/28/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 890, Statutes of 2018.

Location: 9/28/2018-S. CHAPTERED

Summary: Would, on or before December 1, 2022, require the State Water Resources Control Board, in consultation with the California Building Standards Commission and the Department of Housing and Community Development, to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water, as provided. The bill would authorize the state board to contract with public or private entities regarding the content of the standards.

Position

Neutral, As Amended

Subject

SB 998 (Dodd D) Discontinuation of residential water service: urban and community water systems.

Current Text: Chaptered: 9/28/2018 [html](#) [pdf](#)

Last Amend: 8/6/2018

Status: 9/28/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 891, Statutes of 2018.

Location: 9/28/2018-S. CHAPTERED

Summary: Would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request.

Position

Watch

Subject

SB 1215 (Hertzberg D) Provision of sewer service: disadvantaged communities.

Current Text: Chaptered: 9/30/2018 [html](#) [pdf](#)

Last Amend: 8/24/2018

Status: 9/30/2018-Signed by the Governor

Location: 9/30/2018-S. CHAPTERED

Summary: The Porter-Cologne Water Quality Control Act requires each California regional water quality control board to adopt water quality control plans and to establish water quality objectives in those plans, considering certain factors, to ensure the reasonable protection of beneficial uses and the prevention of nuisance. This bill would, except as provided, authorize the regional board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the regional board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

Position

Oppose, unless amended

Subject

SB 1263 (Portantino D) Ocean Protection Council: Statewide Microplastics Strategy.

Current Text: Chaptered: 9/20/2018 [html](#) [pdf](#)

Last Amend: 6/28/2018

Status: 9/20/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 609, Statutes of 2018.

Location: 9/20/2018-S. CHAPTERED

Summary: Would require the Ocean Protection Council, to the extent funds are available from bonds or other sources, to adopt and implement a Statewide Microplastics Strategy related to microplastic materials that pose an emerging concern for ocean health and that includes specified components, as provided. The bill would authorize the council, in collaboration with the State Water Resources Control Board, the Office of Environmental Health Hazard Assessment, and other interested entities, to enter into one or more contracts with marine research institutes in the state for the provision of research services that would contribute directly to the development of the Statewide Microplastics Strategy.

Position

Subject

- [SB 1301](#) (Beall D) State permitting: environment: processing procedures: dam safety or flood risk reduction project.**
Current Text: Vetoes: 9/28/2018 [html](#) [pdf](#)
Last Amend: 8/6/2018
Status: 9/28/2018-Vetoes by the Governor. In Senate. Consideration of Governor's veto pending.
Location: 9/28/2018-S. VETOED
Summary: Would require the Office of Planning and Research to develop a joint multiagency preapplication for supplemental consultation and a model fee-for-service agreement, in consultation with a state agency with the power to issue a permit that would authorize a dam safety project or authorize a flood risk reduction project and any interested potential project applicants. The bill would authorize a project applicant to complete a joint multiagency preapplication and submit the preapplication to each state agency named in the preapplication at any time.
- | Position | Subject |
|----------|---------|
| Watch | |
- [SB 1422](#) (Portantino D) California Safe Drinking Water Act: microplastics.**
Current Text: Chaptered: 9/28/2018 [html](#) [pdf](#)
Last Amend: 8/23/2018
Status: 9/28/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 902, Statutes of 2018.
Location: 9/28/2018-S. CHAPTERED
Summary: Would require the State Water Resources Control Board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water, and on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results.
- | Position | Subject |
|----------------------|---------|
| Watch, work w/author | |

Climate Change/Energy Workgroup

- [AB 1933](#) (Maienschein R) Greenhouse Gas Reduction Fund: recycling infrastructure projects.**
Current Text: Chaptered: 9/27/2018 [html](#) [pdf](#)
Last Amend: 6/25/2018
Status: 9/27/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 808, Statutes of 2018.
Location: 9/27/2018-A. CHAPTERED
Summary: Current law requires the Department of Resources Recycling and Recovery, with additional moneys from the Greenhouse Gas Reduction Fund that may be appropriated to the department, to administer a grant program to provide financial assistance, in the form of grants, incentive payments, contracts, or other funding mechanisms, to reduce emissions of greenhouse gases by promoting the in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or to process organic and other recyclable materials into new value-added products. Current law specifies eligible uses that qualify for in-state infrastructure projects or other projects that reduce emissions of greenhouse gases as part of these funding mechanisms. This bill would additionally specify as an eligible use for in-state infrastructure projects or other projects that reduce emissions of greenhouse gases activities that expand and improve waste diversion and recycling, including the recovery of food for human consumption and food waste prevention.
- | Position | Subject |
|----------|---------------------------------|
| Support | Climate Change/Energy Workgroup |
- [AB 1981](#) (Limón D) Organic waste: composting.**
Current Text: Chaptered: 9/21/2018 [html](#) [pdf](#)
Last Amend: 8/21/2018
Status: 9/21/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 633, Statutes of 2018.
Location: 9/21/2018-A. CHAPTERED
Summary: Current law requires, until January 1, 2021, the California Environmental Protection Agency,

in coordination with the Department of Resources Recycling and Recovery, the State Water Resources Control Board, the State Air Resources Board, and the Department of Food and Agriculture, to develop and implement policies to aid in diverting organic waste from landfills by promoting the composting of specified organic waste and by promoting the appropriate use of that compost throughout the state. This bill would revise and recast this and related provisions, including, among other changes, imposing additional duties on those state agencies relating to promoting the application of compost and additionally including the Department of Forestry and Fire Protection in the state agencies in coordination with which the California Environmental Protection Agency is required to develop and implement the above-specified policies.

Position
Work w/author

Subject
Climate
Change/Energy
Workgroup

AB 3187 (Grayson D) Biomethane: gas corporations: rates: interconnection.

Current Text: Chaptered: 9/20/2018 [html](#) [pdf](#)

Last Amend: 8/21/2018

Status: 9/20/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 598, Statutes of 2018.

Location: 9/20/2018-A. CHAPTERED

Summary: Current law requires the Public Utilities Commission, before exhaustion of the funds available pursuant to the biomethane monetary incentive program, and before the expiration of the program, to consider options to promote the in-state production and distribution of biomethane. With respect to the requirement that the commission consider options to promote the in-state production and distribution of biomethane, including consideration of recovery in rates of the costs of investments for the 3 purposes as specified, the bill would additionally require the commission to open a proceeding to consider those options by no later than July 1, 2019.

Position
Support
Concept/Work
w/Author

Subject
Climate
Change/Energy
Workgroup

SB 100 (De León D) California Renewables Portfolio Standard Program: emissions of greenhouse gases.

Current Text: Chaptered: 9/10/2018 [html](#) [pdf](#)

Last Amend: 8/20/2018

Status: 9/10/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 312, Statutes of 2018.

Location: 9/10/2018-S. CHAPTERED

Summary: The Legislature has found and declared that its intent in implementing the California Renewables Portfolio Standard Program is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the above-described legislative findings and declarations to state that the goal of the program is to achieve that 50% renewable resources target by December 31, 2026, and to achieve a 60% target by December 31, 2030.

Position
Watch

Subject
Climate
Change/Energy
Workgroup

SB 1131 (Hertzberg D) Electrical and gas corporations: energy efficiency: financing options: industrial and agricultural processes: custom projects.

Current Text: Chaptered: 9/19/2018 [html](#) [pdf](#)

Last Amend: 8/24/2018

Status: 9/19/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 562, Statutes of 2018.

Location: 9/19/2018-S. CHAPTERED

Summary: Current law requires the PUC to authorize electrical corporations and gas corporations to count all energy savings achieved through the authorized programs, unless determined otherwise, toward overall energy efficiency goals or targets established by the PUC and authorizes the PUC to adjust the energy efficiency goals or targets of electrical corporations and gas corporations to reflect the estimated change in energy savings resulting from those programs. This bill would delete the language explicitly authorizing recovery in rates for the costs of those programs. Commencing July 1, 2019, this bill would require the PUC to authorize electrical corporations and gas corporations to provide incentives, rebates, technical assistance, and support to their customers to increase energy efficiency, pursuant to separate procedures applicable only to custom projects and other custom programs for industrial, agricultural, commercial, residential, and public sector customers.

SB 1440 (Hueso D) Energy: biomethane: biomethane procurement.

Current Text: Chaptered: 9/23/2018 [html](#) [pdf](#)

Last Amend: 8/20/2018

Status: 9/23/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 739, Statutes of 2018.

Location: 9/23/2018-S. CHAPTERED

Summary: Would require the Public Utilities Commission, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified. The bill would require the PUC, if the PUC adopts those targets or goals, to take certain actions in regards to the development of the targets or goals and the procurement of the biomethane to meet those targets or goals.

Position
Support

Subject
Climate
Change/Energy
Workgroup

Local Government

AB 2249 (Cooley D) Public contracts: local agencies: alternative procedure.

Current Text: Chaptered: 8/20/2018 [html](#) [pdf](#)

Last Amend: 6/4/2018

Status: 8/20/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 169, Statutes of 2018.

Location: 8/20/2018-A. CHAPTERED

Summary: The Uniform Public Construction Cost Accounting Act permits the governing body of a public agency, in the event all bids received for the performance of that public project are in excess of \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable. This bill would instead authorize public projects of \$60,000 or less to be performed by the employees of a public agency, authorize public projects of \$200,000 or less to be let to contract by informal procedures, and require public projects of more than \$200,000 to be let to contract by formal bidding procedures.

Position
Support

Subject
Local
Government

AB 2822 (Obernolte R) California State Auditor: high-risk local government agency audit program.

Current Text: Chaptered: 9/18/2018 [html](#) [pdf](#)

Last Amend: 8/22/2018

Status: 9/18/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 498, Statutes of 2018.

Location: 9/18/2018-A. CHAPTERED

Summary: Current law authorizes the state auditor to establish a high-risk local government agency audit program for the purpose of identifying, auditing, and issuing reports on any local government agency that he or she identifies as at high risk for fraud or waste, among other things. Current law authorizes the auditor to consult with the Controller, Attorney General, and other state agencies that have oversight responsibilities over any local government agency to identify local governments that are at high risk. This bill would additionally authorize the California State Auditor to review publicly available information to identify local governments that are at high risk.

Position
Watch

Subject
Local
Government

SB 1077 (Wilk R) Construction contracts: wrap-up insurance and indemnification.

Current Text: Amended: 8/24/2018 [html](#) [pdf](#)

Last Amend: 8/24/2018

Status: 8/31/2018-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. INACTIVE FILE on 8/28/2018)

Location: 8/31/2018-A. DEAD

Summary: Current law regulates the use of wrap-up insurance or other consolidated insurance

programs in connection with specified construction projects. Current law distinguishes between residential construction projects, private residential works of improvement, as specified, and public works and other projects that are not residential, as specified. This bill would recast the wrap-up insurance or other consolidated insurance program requirements for public and other works of improvement that are not residential construction, entered into or amended on and after January 1, 2019, to track generally the requirements that apply to residential projects.

Position	Subject
Refer to Attys' Committee	Local Government

Spot Bills

AB 2538 (Rubio D) Municipal separate storm sewer systems: financial capability analysis.

Current Text: Vetoed: 9/28/2018 [html](#) [pdf](#)
Last Amend: 8/24/2018
Status: 9/28/2018-Vetoed by Governor.
Location: 9/28/2018-A. VETOED
Summary: Would require the State Water Resources Control Board, by July 1, 2019, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions.

Position	Subject
Approve	Spot Bills

Total Measures: 28
Total Tracking Forms: 28

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ITEM NO. 14 GENERAL MANAGER'S REPORT

Action Requested

None at this time. This is an information item only.

Summary

The General Manager's (GM) tenure began on April 17, 2014. A two year extension was approved on April 20, 2016, and a three year extension was approved on February 21, 2018. The agreement requires a report on hours worked during the fiscal year at each Board meeting. There is a limitation of 1,000 hours per fiscal year. For the fiscal year ending June 30, 2019 the General Manager has billed LAVWMA approximately 200 hours.

In addition to the brief descriptions below, there are several items of interest for the Board's review:

1. **Pump Purchase.** Despite project delays, all three pumps have been delivered and are now operating successfully. Refer to the Quarterly Report of Operations for information on the improvement in pump efficiency and reduction in energy use. As of this writing, LAVWMA has received no invoice, nor a demand for payment from MuniQuip. Cost data has been collected to determine extra costs associated with project delay. Discussions with MuniQuip regarding project closeout and final payment are expected to begin right after the Thanksgiving Holiday.
2. **Asset Management.** This project is now proceeding well but is likely to be somewhat delayed due to the flooding of DSRSD's District Office. A representative from California Sanitation Risk Management Authority met with DSRSD staff on March 20, 2018 to conduct a Property Insurance Appraisal. The final report has been received, but it did not provide as much detail as anticipated. Work papers that provided more detail on the equipment were requested and received. These documents are useful, but additional information on individual costs is still needed. Methods for obtaining that information are being discussed. In the meantime, DSRSD staff continues to refine the equipment listing to ensure its accuracy.
3. **Records Management Project and Transfer of Files from Burke, Williams, & Sorenson.** LAVWMA received 31 boxes of files from General Counsel Alexandra Barnhill's former law firm. Sue Montague has completed an inventory of the documents and duplicate items have been tossed. Sue Montague and the General Manager met with the records management consultant on October 26, 2018 to discuss the additional records. We also discussed digitizing as many records as possible to save on storage space and provide long term protection. The current cost estimate for the project is \$22,461. The consultant did not think that the additional effort would increase the costs significantly. This project is also subject to the time frame to restore DSRSD's offices for normal use.

There was no water damage to LAVWMA's records during the flooding of the building as the records were either above the water line or in a building that was not flooded.

4. Amendments to Recycled Water Policy

The State Water Board has drafted amendments to the Recycled Water Policy. The revised version was released on November 15, 2018. It has not yet been thoroughly reviewed. WaterReuse California has done a cursory review and has noted the following significant changes and additions:

- a) **Ocean discharge goal** remains in the policy as written with the addition of a new goal: "Maximize the use of recycled water in areas where groundwater supplies are in a state of overdraft, to the extent that downstream water rights, in stream flow requirements, and public trust resources are protected.
- b) **Recycled Water Reporting** - changed to annual report to the Water Board with monthly information, agencies are to report discharges to natural systems.
- c) **RW Permits** - new language appears to require all agencies to transition to the General Order (for non-potable projects) in three years.
- d) **Salt and Nutrient Management Plans** - requires regional boards to review the plans ever 5 years instead of 10. Includes many other changes.
- e) **Anti-deg analysis** - new language that requires agencies to demonstrate compliance with the state's anti degradation policy.
- f) **Wastewater Change Petition** - modified language that responds to some of the WRCA/CASA requests
- g) **Bioassays** - Appears to give agencies a phased approach to the bioassay monitoring before regulatory consequences are required. The first phase is one year and there is language that may allow additional time.

5. Nutrients Watershed Permit

Bay Area Clean Water Agencies (BACWA) and the Regional Board continue to work on issues for the renewal of the permit in 2019. The Water Board will likely include goals for load caps for Nitrogen with actual caps in 2024. There is discussion about including a growth buffer of between 15-25% to provide for growth and unknown issues. There is significant discussion about establishing a baseline load for the 2019 permit. A key for LAVWMA agencies is ensuring that recycled water flows are added back to the baseline so that there are no penalties for reducing nutrient loads the last few years through water recycling. The Regional Board has been receptive to this concept. Trading among agencies within the EBDA/LAVWMA system will likely be allowed as well, should that be necessary to achieve goals. EBDA's baseline will include contributions from LAVWMA.

6. EBDA Issues

The EBDA agencies continue to discuss modifications to their JPA. Not much progress has been made to date. Four agencies are looking at reducing their capacity rights in the

system, which would increase the costs for the other member. Reducing capacity for some agencies would have a positive impact on LAVWMA's wet weather pumping capabilities, but could ultimately lead to cost increases. The issues are being monitored carefully.

EBDA has received a draft Transport Pipeline Condition Assessment Technical Memorandum from Brown and Caldwell. A copy of the Executive Summary is included as **Item No. 14.1**. The report concludes ... *"that with regular inspection and periodic maintenance, the transport system should continue to operate usefully for at least the next 50 to 100 years. This estimate would put the total expected useful operating life at about 100 to 150 years from the date of construction."* This is consistent with the useful life conclusion for the EBDA outfall that was received earlier this year.

7. Correspondence and Reports

Item No. 14.2 is a letter from Special District Risk Management Authority (SDRMA). The letter notes LAVWMA's President's Special Acknowledgement Award – Property/Liability Program. **Item No. 14.3** is the Annual Comment from Moody's Investor Service. The report notes, *"LAVWMA'S credit position is very high quality, and its Aa2 rating is slightly above the US wastewater systems median of Aa3."* It also notes, *"Overall, the financial position of LAVWMA is superlative and is strong in relation to its Aa2 rating. The days cash on hand (2,028 days) is excellent and greatly exceeds the US median."* The report is also critical of debt service as compared to net revenues. This is due to the fact that the report does not consider the financial standing of the member agencies.

Following is a brief description of major activities since the August 15, 2018 Board meeting:

- Attended LAVWMA O&M meetings with DSRSD, Livermore and Pleasanton staff.
- Attended LAVWMA's annual wet weather meeting with member agency, EBDA, Zone 7, and Alameda County Water District staff.
- Prepared and distributed agenda packet for the November Staff Advisory Group meeting.
- Drafted items for November 21, 2018 Board Agenda and prepared packet for distribution.
- Drafted minutes from August 15, 2018 Board meeting and revised based on comments received.
- Made updates to website as needed for files and legal requirements.
- Continued to work with General Counsel to track legislation of interest to LAVWMA and the member agencies.
- Monitored progress of pump station projects managed by DSRSD staff. This included the purchase of new pumps as well as projects described in the attached Action Item List. This included numerous trips to the pump station to document progress and issues. Reviewed past O&M invoices to document DSRSD extra staff time for the pump replacement project. Reviewed and approved proposal from new seals from MuniQuip. The new seals did not leak

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and appear to have solved the problem. Monitored DSRSD's online tracking system of the pump station to review flows and pump new pump run times. Noted the new pumps were not always being used and notified DSRSD staff to have them to the maximum extent possible.

- Prepared fully executed Joint Defense Agreement and forwarded to General Counsel and member agencies.
- Met with Sue Montague to discuss scope of records management project and to review the boxes of files received from General Counsel's prior firm. Met with records management consultant to discuss revised scope of project and digitizing as many files as possible. Requested that he review storage areas to ensure that fire sprinklers could not damage files.
- Reviewed and approved invoices for payment by DSRSD.
- Met with DSRSD staff to meet new accounting person, Herman Chen, handling LAVWMA and discuss transition following retirement of Karen Vaden.
- Reviewed and commented on draft financial audit and related documents.
- Drafted financial reports for DSRSD staff in consideration of their time due to the flooding of their offices.
- Worked with Livermore and Pleasanton to find a temporary location for the Board meeting due to flooding of the DSRSD Board Room.
- Continued to Discuss Asset Management issues with DSRSD staff. LAVWMA will follow their lead. Please refer to the more detailed discussion above.
- Worked with DSRSD staff on various inquiries regarding projects near the forcemain to ensure there would be no issues of concern with the integrity of the forcemain.
- Attended EBDA Managers Advisory Committee (MAC) meetings.
- Worked with General Counsel on the Pleasanton out of service area issue.
- Prepared and submitted monthly invoices for LAVWMA General Management services.
- Attended several meetings with BACWA and the Regional Water Board on the Nutrient Watershed Permit renewal. Provided summary of meetings and issues to member agency staff.
- Reviewed draft Order from Regional Water Board for spill at San Leandro Sample Station. Coordinated comments from all parties and sent to Regional Water Board. They accepted all but once modification. Reviewed and signed final Order. Coordinated issuing of payments as required by the Order.
- Continued working with EBDA General Manager on nutrient studies to be based on total nitrogen. Worked with member agencies complete BACWA survey related to nutrients permit.
- Met with City of Pleasanton staff to review requirements for Board approval of out of service area projects. Forwarded same to General Counsel and noted it would be on the November 21, 2018 Board Agenda. Requested additional information from City staff including better maps and history of connections.
- Attended Regional Monitoring Program Annual Meeting to hear about likely future permit issues related to constituents of emerging concern.
- Participated in EBDA Manager's email discussion regarding JPA revision issues.
- Attended CASA Annual Conference.

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- Reviewed various financial reports prepared by DSRSD staff.
- Reviewed and approved DSRSD monthly invoices for O&M services.
- Continued working with EBDA and LAVWMA agency staff to address enterococcus issues.
- Reviewed EBDA and DSRSD agenda packets.
- Reviewed various O&M projects conducted by DSRSD staff on behalf of LAVWMA.
- Responded to various emails and phone calls from outside agencies and organizations.

Attached for the Board's information, as **Item No. 14.4**, is the most recent Action Item List.

Next Meeting

The next Regular Board meeting is scheduled for February 20, 2019.

Recommendation

None at this time. This is an information item only.

Executive Summary

This Technical Memorandum (TM) presents the results of inspections and condition assessment of the East Bay Dischargers Authority (Authority) land-based effluent transport system. The transport system force mains convey treated effluent along part of the San Francisco Bay's eastern shoreline for discharge through the Authority's outfall and diffuser off the San Leandro shore. This TM provides project background, describes this assignment's genesis, defines the key portions of the system, explains their function and importance, and presents key findings, together with a projection of remaining useful life and recommended maintenance going forward.

Background

The Authority owns and maintains facilities that collect and convey treated wastewater effluent from Authority member agencies (i.e. the transport system effluent pump stations and pipelines) and discharges the effluent into San Francisco Bay through the disposal system (i.e. Marina dechlorination station, outfall pipeline, and diffuser). The Authority planned, designed, and constructed these facilities in the 1970s.

The on-shore transport system consists of approximately 11.5 miles of pipelines, four pump stations, and four surge towers. The pipelines are constructed of reinforced concrete pipe (RCP) with internal diameters of 48 inches, 60 inches, and 96 inches. San Leandro Water Pollution Control Plant (SLWPCP) pumps its effluent south to the Marina Dechlorination Facility (MDF); Union Sanitary District-Alvarado Treatment Plant and Hayward Water Pollution Control Facility pump their effluent north to the Oro Loma/Castro Valley Water Pollution Control Plant; the Authority's Oro Loma effluent pump station (OLEPS) then pumps the combined effluent to the MDF. Flow from the Livermore-Amador Valley Water Management Agency (LAVWMA) enters the pipeline between Oro Loma and the MDF. From the MDF, the combined effluent is discharged via the 7-mile-long outfall pipeline and diffuser. Figure ES-1 presents a system overview map.

The transport system is approaching 50 years of age. The Authority is interested in determining its actual remaining useful life because replacing the system would impose a heavy cost burden on the Authority's member agencies. However, extensive research and investigation by other West Coast dischargers has shown that competently manufactured and installed RCP, when used to convey treated effluent, typically has a service life much greater than its design life, very likely extending beyond 100 years, with only minor degradation of system hydraulic capacity. The Authority requested field investigations and evaluation to determine whether its RCP has comparable remaining useful service life.

In 2013, as part of its long-range planning effort, the Authority developed a preliminary asset management plan which addressed all of its facilities. The plan stated that the transport pipelines originally had a design useful life of approximately 80 years. In 2013, approximately 35 years after construction, the remaining useful life was expected to be about 45 years. Owing to this relatively short projected remaining life and potentially huge capital cost to replace the transport system, the Authority engaged Brown and Caldwell (BC) to carry out a more detailed inspection plan and condition assessment for this critical asset.

From 2015 through 2018, Brown and Caldwell (BC) assisted the Authority in the development and implementation of a two-phased condition assessment program to determine the existing condition of (1) the disposal system, and (2) the transport systems, estimate their remaining useful life, determine any required repairs or rehabilitation, and recommend operations and maintenance (O&M) practices going forward. The results of those assessments indicate that with regular maintenance, the Authority can expect a very long service life from its transport/disposal system assets, much longer than the original 50-year design life.



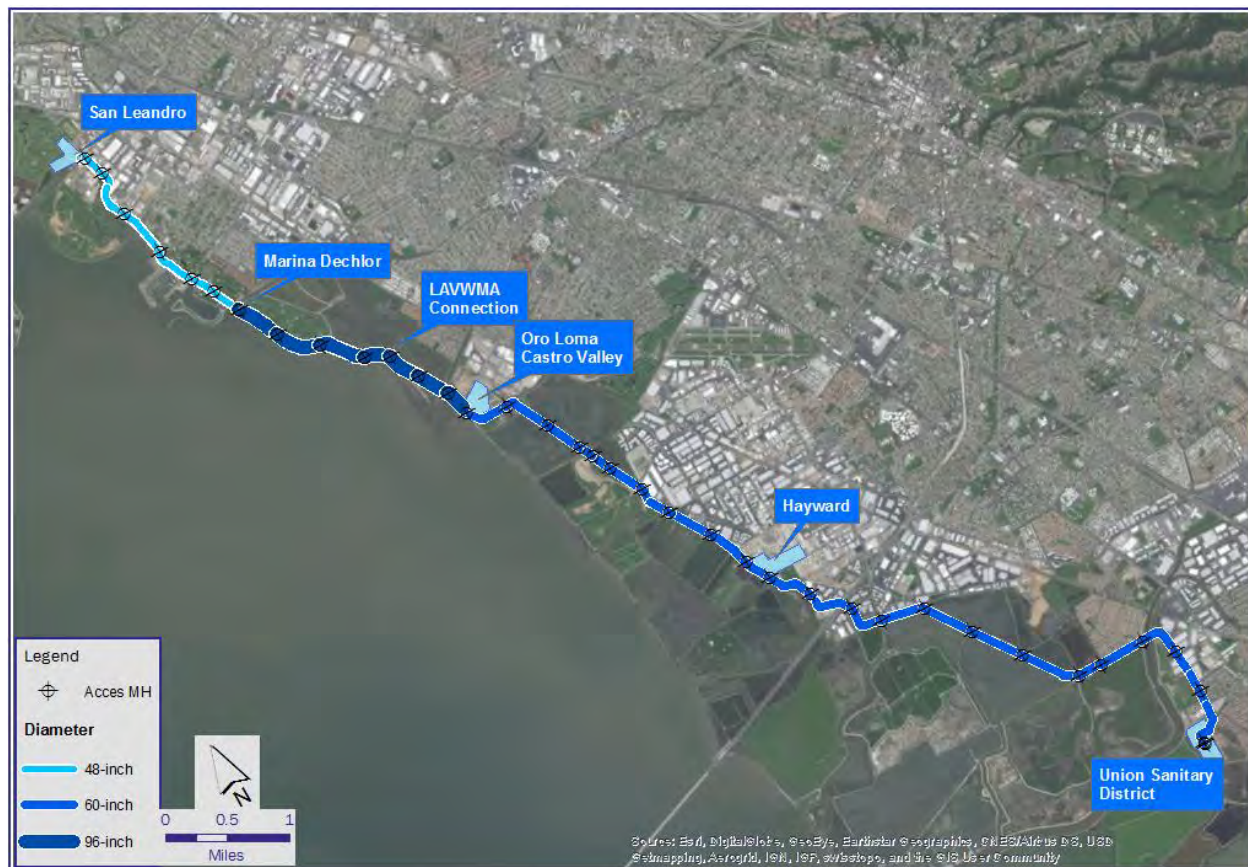


Figure ES-1. Transport system alignment.

The following sections describe in more detail the results of the transport system inspection program and condition assessment that BC and the Authority implemented during the fall of 2017 and spring of 2018.

Pipeline Interior Inspections

Based on BC's scope for the inspection work, the Authority engaged RedZone Robotics (RedZone) as the prime subcontractor to carry out pipeline interior inspections. RedZone deployed its multi-sensor inspection (MSI) platform "Responder" to inspect the 48-inch- and 60-inch-diameter force mains. Inspection technologies included closed circuit television (CCTV) video, 3D laser imaging (LiDAR), and sonar profiling.

Visual Inspection: CCTV footage revealed little to no deterioration of the pipeline interior concrete surface. The video revealed no evidence of pipe wall or joint deterioration, but the pipe surface, especially in locations that are continually submerged, is covered by what appears to be a thin layer of attached biological growth; however, this growth in no way affects the structural integrity or function of the pipeline and does not appear to promote microbiologically induced corrosion.

Figure ES-2 shows a few representative CCTV screenshots, specifically from the San Leandro-to-Marina segment. In all captions, upstream is towards SLWPCP, downstream is towards MDF.

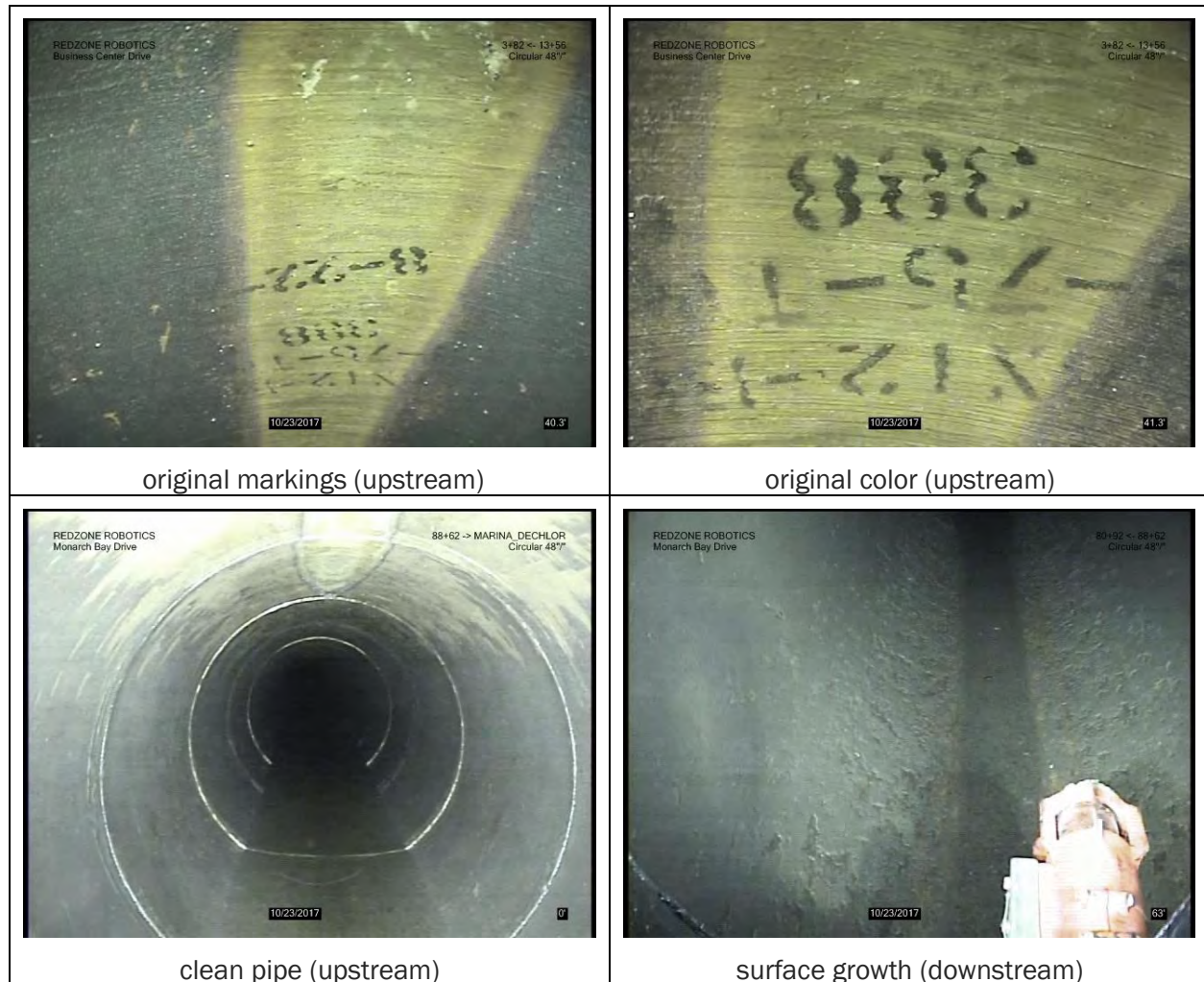


Figure ES-2. CCTV screenshots, San Leandro-Marina (SLM) segment

Laser Diameter Measurements: Light Detection and Ranging (LiDAR) is a surveying method that uses 3D laser technology to generate precise models of pipe surfaces. The models can reveal minor surface abnormalities and allow for accurate interior diameter measurements.

LiDAR data collected during MSI inspections show that measured diameters are consistently between 0.5 inch and 1.2 inches larger than pipeline nominal diameters, values which are within typical AWWA and manufacturing tolerances and, in our opinion and industry experience, are not an indication of wall loss. Other indicators—i.e. visible surface stencils, smoothness at joints—confirm the pipe integrity.

Figure ES-3 shows representative pipe interior cross sections from the 60-inch-diameter Oro Loma-Hayward force main segment, derived from LiDAR data and compared to CCTV images at the same locations. Note that in the top set, minor concrete surface spalling was observed, but the cross section confirms it has resulted in negligible internal diameter deviation. In the bottom set, the internal diameter was reported to be larger than expected (i.e. nominal), but the CCTV shows no signs of surface damage or wall loss.

22.5ft General Observation - Measurement outside reference to 0.9"**82.6ft General Observation - Measurement outside reference to 1.2"****Figure ES-3. LiDAR cross sections and CCTV at same locations**

Sediment Accumulation: Sonar inspection uses soundwaves to build a profile of a pipeline beneath the flowline. It provides no information above the flowline, and its resolution is limited to gross defects such as debris and other objects typically located at the pipe invert.

Sonar data show virtually no sediment accumulation throughout any inspected segments. The minor amount of sediment (< 1-inch deep) in some locations has no adverse effect on pipeline functionality or longevity.

Manhole Inspections

The MH inspection plan included performing surface and interior (confined-space) inspections of all 39 of the transport system standard MHs and associated appurtenances along the force main alignment. Inspections did not reveal any significant structural or surface defects, and we can conclude that transport system MHs are not subject to concrete corrosion. The most commonly observed structural issue was concrete collar cracking and erosion around the collars, but only at a handful of MHs. None of the covers are damaged or missing, all the interior walls and floors are in good to fair condition, and all except one of the access ladders are in good condition. The coating on one MH is blistering and should be touched up before it completely fails.

Inspectors observed evidence of infiltration and pooled water inside several manholes, but only observed active infiltration in one MH, which had seeping infiltration. Most MHs had water in the small floor sump, several MHs had a few inches of water on the floor, and a few had several feet of water which Authority staff pumped out prior to inspection. Inspections revealed no root intrusion, sediment, debris accumulation, or attached deposits.

Valves and valve piping are in generally good condition, but a few valves, mostly plug valves on blow-off valve (BOV) assemblies, are damaged and/or inoperable. Several small-diameter valves, quick connections, and endcaps on BOV assemblies appear to have gone without use for a significant period, and their operability is uncertain. All the ARVs are functioning as intended, and do not require repairs or replacement now. None of the inspected valves or valve piping have immediate need for urgent repair or replacement.

EPS Exposed Piping Inspection

During August of 2018, BC performed visual inspections and obtained ultrasonic thickness (UT) measurements on exposed metallic piping at the Authority's four effluent pump stations (EPS).

The inspection team used an electronic UT testing gauge to assess remaining pipe wall thickness. The gauge works on the principle that ultrasonic sound waves travel at different speeds through different media, and will reflect, or echo, at the interface between different media. In one of its five measurement modes, it is capable of measuring both pipe wall thickness and coating thicknesses with a single measurement, and the display shows both values separately. For this assessment, the gauge was set up to use its predefined speed of sound through mild steel, and then validated with a steel sample of known, 250 mil thickness.

Note that in the analysis presented below for each EPS, the remaining pipe wall thickness is based on assumed minimum original wall thicknesses. The original specifications, which may have provided more accurate information on installed pipe wall thicknesses, were not available for review.

Hayward EPS. Inspections revealed exterior coating failure and pipe corrosion in isolated spots on pump discharge piping. A few portions of the discharge piping appear significantly thinner than expected. On the 36-inch-diameter header, the interior epoxy coating has failed near the downstream end, particularly from springline to crown, and the interior steel pipe walls are corroded. UT measurements indicate that the header has typically experienced about 25% wall loss due to corrosion. One spot measurement indicated up to 50% wall loss in that location.

Alvarado EPS. Exterior coating failure and pipe corrosion is visible at floor penetrations on the pump suction side piping of all six pumps. The exterior coating is generally sound at all other locations, including the discharge side wall penetrations. UT measurements indicate that pipe walls have more than 70% remaining wall thickness, with most locations more than 80%, but with isolated thinning in a few spots of interest.

Oro Loma EPS. The inspection team observed no coating defects and no corrosion. Exterior coatings appeared to be in like-new condition. Based on the most conservative estimate of original wall thickness, pipe walls appear to have more than 80% remaining wall thickness, with some isolated thinning observed. Wall and floor penetration measurements indicate remaining wall thickness of at least 75%, and likely more. Original pipe walls were probably thicker than the conservative estimates used during the assessment, and it is just as likely that the pipes have not experienced any wall loss.

San Leandro EPS. The exterior coating on the 48-inch-diameter header is in poor condition, with cracks and rust stains in numerous locations. The coating on a flange connection from the common pipe for pumps 3 and 4 to the header has failed. The flange exhibits minor corrosion where the coating is flaking off. All the coatings on all the pump discharge piping assemblies appear like new, with no other observed coating defects or corrosion. Pipe walls appear to have more than 80% wall thickness, with most pipe walls averaging over 90%. On the header, UT measurements indicate the walls are thinnest at the bottom of the pipe, where there is about 70 to 75% remaining wall thickness.

Findings. Inspections did not reveal any locations that require immediate attention due to excessive wall loss or through-holes. Exterior epoxy coatings are generally intact, except on some pipe run components at Hayward EPS, the floor penetrations at Alvarado EPS, and the San Leandro EPS header pipe. The interior lining on the Hayward header has failed, and UT measurements indicate that the header has typically experienced about 25% wall loss due to corrosion, with up to 50% wall loss in one location.

Conclusions

Despite its almost 50-year age and exposure, the transport system pipelines and concrete manhole structures show no signs of structural damage or deterioration. BC inspected a representative sample of areas with elevated risk, such as high points susceptible to air entrainment, and found the system to be in overall good condition. There is no indication that would lead us to suspect deterioration of the pipeline outside of the inspected areas.

Manhole inspections indicate that some MH structures show minor signs of degradation due to normal aging, but no signs of concrete corrosion. Most MHs show signs of infiltration and inflow. Although several BOVs are inoperable, none of the inspected valves or piping had leaks or immediate need for repair, and all the ARVs are functioning as intended and are in good condition. Based on the observed condition of the MHs, concrete MH components should last as long as the pipe; however, metallic MH components will require on-going maintenance and eventual replacement.

Three of the four EPS show minor signs of deterioration in the form of coating failures and thinning pipe walls, which do not require immediate attention, but should be monitored going forward.

BC expects that with regular inspection and periodic maintenance, the transport system should continue to operate usefully for at least the next 50 to 100 years. This estimate would put the total expected useful operating life at about 100 to 150 years from the date of construction.

Recommendations

Based on data review, field studies, and expert analyses, BC recommends the following:

- Continue to operate the transport system using current standard operating procedures, and monitor data to measure condition and behavior changes.
- Develop a data-collection protocol to track MH, valve, and piping conditions during future on-going maintenance and inspection activities.
- Refine the MH preventative maintenance program based on analysis of the data collected from the MH inspections.
- Rehabilitate or replace the header at Hayward EPS if the pump station is expected to last beyond 10 years. If the Authority plans to move or replace Hayward EPS within 5 to 10 years, perform spot repairs on the header as required as some of the thinner portions of the wall continue to corrode.
- Remove and replace the failed exterior coatings at the Alvarado, San Leandro, and Hayward EPS.
- Monitor the EPS exposed piping locations of interest and perform preventative maintenance and rehabilitation/replacement of coatings and piping components as required.
- Measure chloride concentrations at the MDF flow meter vault and at upstream blow-off locations (once repaired) in the 96-inch-diameter pipeline to determine if Bay water is intruding into the pipeline.
- Do not inspect the interior of the 96-inch-diameter Marina-to-Oro Loma segment now. Design and build modifications to provide more convenient access for a future pipeline interior inspection.



- Carry out internal inspections of additional pipeline segments around year 2030 once inoperable blow-off valves have been repaired and additional inspection access points become available. Select additional inspection locations based on information in the Risk Assessment TM.
- During the above 2030 inspection, consider inspecting the 96-inch-diameter segment using an ROV equipped with video camera and sonar equipment and/or via diver entry.
- Carry out regular internal pipeline inspections on a 20-year cycle (next in about 2040). Select some of the same locations and add additional locations. Select locations based on previous inspection results and the information in the Risk Assessment TM.
- Develop a seismic response plan to guide the Authority's actions following a significant seismic event. Include an evaluation of potential pipeline breaches (number and severity), permitting requirements, repair procedures, repair costs, and recommended repair and replacement materials inventory.
- Following a significant seismic event in the vicinity (i.e. greater than a 6.0 magnitude earthquake), walk the entire pipeline looking for leaks, breaches, or other anomalies. Conduct acoustic leak detection inspections in the pipeline segments identified in the Risk Assessment TM as having an elevated risk of failure due to differential settlement and/or seismic response.



September 13, 2018

Mr. Jerry Pentin
Board Chair
Livermore-Amador Valley Water Management Agency
7051 Dublin Boulevard
Dublin, California 94568-3018

Re: President's Special Acknowledgement Award – Property/Liability Program

Dear Mr. Pentin:

This letter and enclosed certificate are to formally acknowledge the dedicated efforts of the Livermore-Amador Valley Water Management Agency's Governing Body, management and staff towards proactive risk management and loss prevention training for earning the President's Special Acknowledgement Award! The Award is to recognize members with no "paid" claims during the prior **five consecutive program years** in the Property/Liability Program.

A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims. Your agency's efforts have resulted in no "paid" property/liability claims for the prior 5 consecutive program years including 2017-18. This is an outstanding accomplishment that serves as an example for all SDRMA members!

It is through the efforts of members such as Livermore-Amador Valley Water Management Agency that SDRMA has been able to continue providing affordable property/liability coverage to over 505 public agencies throughout California. While 428 members or 85% in the property/liability program had no "paid" claims in program year 2017-18, 261 members or 52% had no paid claims for the prior 5 consecutive years.

In addition to this annual recognition, members with no "paid" claims during 2017-18 earned 2 credit incentive points (CIPs) reducing their annual contribution amount and members with no "paid" claims for the prior 5 consecutive program years earned 3 additional bonus CIPs. Also, members with no "paid" claims for at least 3 consecutive program years may receive a lower "risk factor" which also helps to reduce the annual contribution amount.

Included with this letter and certificate is your press release template so your agency may showcase this important accomplishment.

On behalf of the SDRMA Board of Directors and staff, it is my honor to congratulate your Governing Body, management and staff for your commitment to proactive risk management and loss prevention training.

Sincerely,
Special District Risk Management Authority


Jean Bracy, President
Board of Directors



President's Special Acknowledgement Award

The President of the Special District Risk Management Authority

Hereby gives special recognition to

Livermore-Amador Valley Water Management Agency

The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Property/Liability Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period and excludes property claims. Congratulations on your excellent claims record!

Jean Bracy, SDA, SDRMA Board President

September 13, 2018

Date

ISSUER COMMENT

30 October 2018

RATING

Revenue ¹

Aa2

No Outlook

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Livermore-Amador Valley Water Management Agency

Annual Comment on LAVWMA

Issuer Profile

LAVWMA is a Joint Powers Agency that provides wastewater service to three public agencies in Alameda County, California. The agencies include City of Pleasanton, City of Livermore, and Dublin San Ramon Services District. The county has a population of 1,605,217 and a high population density of 2,176 people per square mile. The county's median family income is \$97,145 (1st quartile) and the August 2018 unemployment rate was 3.1% (1st quartile) ². The Agency owns, operates, and maintains an export pipeline and related facilities for wastewater disposal.

Credit Overview

LAVWMA'S credit position is very high quality, and its Aa2 rating is slightly above the US wastewater systems median of Aa3. The notable credit factors include a prosperous service area, robust liquidity, but a small system size, a sufficient debt service coverage and an extremely large debt profile.

System Characteristics: LAVWMA has a solid system profile overall. That said, the factor is somewhat weak when compared to the Aa2 rating assigned. The median family income is a strong 143.1% of the US level. The system size, measured as operating and maintenance expenses (\$3.1 million), is consistent with the US median.

Financial Strength: Overall, the financial position of LAVWMA is superlative and is strong in relation to its Aa2 rating. The days cash on hand (2,028 days) is excellent and greatly exceeds the US median. That said, the coverage of the annual debt service by net revenues (1.1x) is thin and well below other wastewater systems we rate nationwide. Additionally, the debt to operating revenues (7.8x) is very high and much greater than the US median.

Legal Provisions: Legal provisions, which typically include a rate covenant requiring a minimum of 1.0x coverage of debt service, are adequate for this sector.

Sector Trends - California Sewer

Water and sewer systems in California tend to be slightly newer than the national average, though maintenance and expansion needs can be substantial. Financial metrics are generally modestly stronger than US medians. Median debt service coverage (2.0 times) is on par with the national median, and median liquidity is quite healthy at 490 days cash. Median debt to operating revenues (2.7 times) is about 18% above the national average. Water supplies in California are relatively scarce, highly variable, and concentrated in the state's north, while

demand is concentrated in the Central Valley and the urban south. Rate-setting autonomy supports stability in finances.

EXHIBIT 1

Key Indicators ^{3 4} LAVWMA

Credit Metrics	2013	2014	2015	2016	2017	US Median	Credit Trend
Annual Debt Service Coverage (x)	1.00x	0.94x	1.08x	1.09x	1.11x	1.90x	Stable
Days Cash on Hand (Days)	1,048	1,153	1,214	2,317	2,028	565	Improved
Debt to Operating Revenues (x)	8.6x	9.1x	8.9x	8.4x	7.8x	2.5x	Improved
Median Family Income (% of US Median)	137%	139%	140%	143%	143%	99%	Improved
Remaining Useful Life of Capital Assets (Years)	38	38	37	36	35	30	Stable

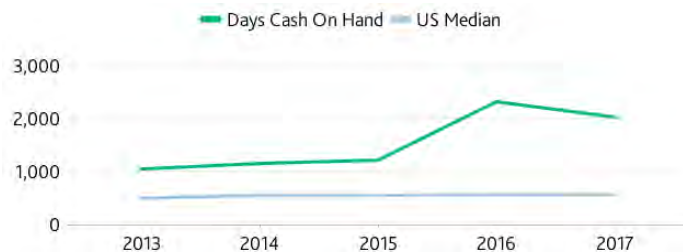
Debt and Financial Data (\$000s)	2013	2014	2015	2016	2017	US Median
Net Funded Debt	\$106,806	\$103,255	\$99,521	\$95,604	\$91,490	\$40,881
Total Revenues	\$12,503	\$11,369	\$11,256	\$11,489	\$11,882	\$20,481
Operating and Maintenance Expenses	\$3,082	\$2,755	\$2,711	\$2,860	\$3,118	\$10,048
Net Revenues	\$9,421	\$8,614	\$8,545	\$8,629	\$8,763	\$8,998
Debt Service	\$9,379	\$9,174	\$7,921	\$7,914	\$7,912	\$3,813

Governance/Legal Provisions	Score
Rate Management	Aa
Regulatory Compliance and Capital Planning	Aa
Rate Covenant	Baa
Debt Service Reserve Requirement	Baa and Below

Source: Moody's Investors Service

EXHIBIT 2

Days cash on hand has increased from 2013 to 2017

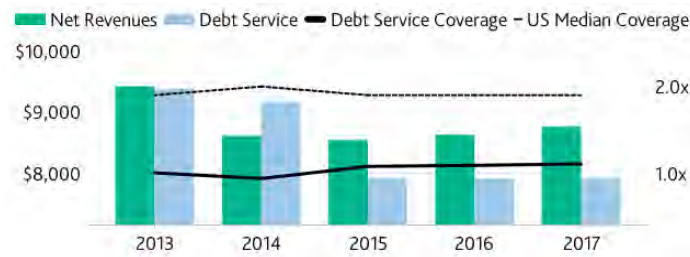


Source: Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

EXHIBIT 3

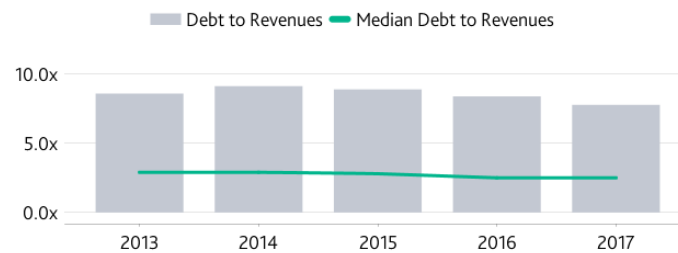
Debt service coverage increased from 2013 to 2017



Source: Moody's Investors Service

EXHIBIT 4

Debt to operating revenues decreased from 2013 to 2017



Source: Moody's Investors Service

Endnotes

- 1 The rating referenced in this report is the rating of the senior most lien on the relevant pledged revenues. Some utilities have bonds separately secured by distinct revenue sources. For these utilities, the rating referenced in this report is the senior most rating only on the relevant revenue pledge (e.g., water); the utility could have a higher rating on a different type of revenue bond (e.g., sewer).
- 2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.

- 3 Moody's calculations of various statistics can be different than calculations reported in audited financial statements or offering documents. Moody's makes standard adjustments to reported financial data, to facilitate comparisons across issuers. For definitions of the metrics in the Key Indicators Table, see our [US Municipal Utility Revenue Debt](#) methodology.
- 4 The medians come from our most recently published report, [Medians - Solid financial metrics, ability to raise rates underpin stable sector](#).

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CLIENT SERVICES

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Japan	81-3-5408-4100
EMEA	44-20-7772-5454

LAVWMA Action Item List

Month: October 2018

SAG Task	Responsible Party	Due Date	Status	Completion Date
Items for November 21, 2018 LAVWMA Board Meeting	SAG	8/8/2018	Usual reports, FY2017/18 Audit, future need for DSRSD storage, Pleasanton out of area service issue, Nutrient Watershed Permit update	8/8/2018
Operations Coordination Committee Task	Responsible Party	Due Date	Status	Completion Date
FYE 2019 Replacement Projects: See Items Below	Delight/Lopez	Various dates	Refer to information below.	
1. Purchase of Three New 500 HP Export Pumps - estimated cost \$222,000 less liquidated damages.	Delight/Weir	9/30/2017	All three pumps have arrived. The first two have been installed, but John Crane split seals failed. Analysis has not determined exact cause. Appears to be a misapplication for this system. Options for different seals were discussed April 25. Met with MuniQuip April 27. Two options were discussed using cartridge seals: new stuffing boxes or an adaptor plate. MuniQuip proposed new stuffing boxes. Contract Change Order No. 2 (CCO) issued to MuniQuip on June 20, 2018. Requested information provided by MuniQuip. CCO required delivery of stuffing boxes and seals by August 3, 2018. Items were available on August 3 and delivered to pump station on August 6. Stuffing boxes installed August 6. Seal installation, start up, and testing scheduled for August 14, 2018. Troy Firstenberger, American Marsh Pumps, was in attendance to oversee the seal installation. Both pumps ran well and they were put in the lead/lag position. Later No. 10 started a small leak from the seal and it was taken out of service. No. 8 continued in lead with no problems. New Chesterton cartridge seals were ordered and delivered to MuniQuip on August 29, 2018. The seals were installed on September 5, 2018. No problems were encountered and the pumps are now in lead/lag again. No. 6 motor was rebuilt and the pump, motor, and seal were installed and successfully tested on October 31, 2018.	
2. Rebuild Three Pumps - estimated cost of \$60,000 each, total \$180,000	Delight	6/30/2019	On hold until the three new pumps have been accepted. Refer to seal issue above.	
3. Snorkels and Flow Meters at Junction Structure - estimated cost, two snorkels at \$25,000 each plus three flow meters at \$25,000 each. Total is \$125,000	Portugal/Lopez	6/30/2019	Snorkels were part of original design but not installed. This will improve flow measurement by keeping air out of the system along with standardizing the existing meters which are having problems and need replacing. Dave Requa will assist to get this project moving forward.	
4. Resealing of all three Storage Basins - estimated cost \$200,000	Quinlan	6/30/2018	The basins need to be resealed approximately every ten years. Rebar is showing in some areas.	
5. New SCADA System for San Leandro Sample Station (SLSS) - estimated cost \$95,000	Atendido	12/31/2018	The existing San Leandro Sample Station (SLSS) control system is comprised of 15 year-old hardware. This project will replace and program a new programmable logic controller (PLC) at the SLSS and integrate the new PLC with the existing SCADA systems at the SLSS and LAVWMA PS. The new PLC will match the DSRSD standard of Allen Bradley Logix controllers. A proposal for the SCADA replacement has been received and is being reviewed.	
6. Replacement of Leaking Pipe for Water Cannons	Quinlan	12/31/2018	Project complete.	6/30/2018
Other Items				
Triennial Review of Electrical System	Atendido	6/30/2019	To be scheduled.	
Wet Weather Issues	Fuller	10/31/2018	Meeting held November 1, 2018.	
Live test of SLSS system	Fuller/Atendido	TBD	Should be scheduled after replacement of SCADA system	
Wet Well Isolation Gates	Quinlan	9/30/2018	Gate is in good shape but won't fully close. Shutdown will be scheduled for summer entry only for gate assessment, adjustment and possible modification of floor seal.	
EBDA Enterococcus Issue	Fuller		No issues at this time.	
YTD O&M Expenses compared to budget	Carson, Weir	Ongoing	Reviewed at every Operations Coordination Meeting.	