

## AGENDA

### 1039<sup>th</sup> MEETING OF THE BOARD OF TRUSTEES OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

DECEMBER 14TH, 2016

---

TIME: 5:00 P.M.  
PLACE: Office of the District, 23187 Connecticut Street, Hayward  
TRUSTEES: Richard Guarienti, President, City of Dublin  
Kathy Narum, Vice-President, City of Pleasanton  
Robert Dickinson, Secretary, City of Piedmont  
Humberto Izquierdo, County-at-Large  
Wendi Poulson, City of Alameda  
P. Robert Beatty, City of Berkeley  
Betsy Cooley, City of Emeryville  
George Young, City of Fremont  
Elisa Marquez, City of Hayward  
James N. Doggett, City of Livermore  
Eric Hentschke, City of Newark  
Jan O. Washburn, City of Oakland  
Ursula Reed, City of San Leandro  
Ronald Quinn, City of Union City

1. Call to order.
2. Roll call.
3. President Guarienti invites any member of the public to speak at this time on any issue relevant to the District. (Each individual is limited to five minutes).
4. Introduction of New Board Member Betsy Cooley representing the City of Emeryville (Information only)
5. Approval of the minutes of the 1038<sup>th</sup> meeting held November 9th, 2016 (Board action required).
6. Nominating Committee (Washburn, Reed, and Hentschke) nominates a slate of 2017 District Officers for Board approval (**Board action required**).
7. Appointment of members to the Personnel Committee (**Board action required**).
8. Resolution 1039-1: Approval of new cap for CalPERS Health Benefits fixed to Kaiser Bay Basic Rate (replacing resolution 1038-1 (outdated format) and updates Resolution 879-1 (included)) (**Board action required**).
9. Post-Retirement Health Benefits trust account (OPEB Trust).
  - a. Update on the OPEB trust investments by Ellen Clark, PFM Asset Management, LLC (Information only.)

10. Financial Reports:

- a. Review of warrants dated November 15, 2016 numbering 021917 through 024616 amounting to \$112,877.82 and warrants dated November 30, 2016 numbering 024717 through 027517 amounting to \$119,877.82 (Information only).
- b. Review of Budget as of November 30, 2016. (Information only).
- c. Investments, Reserves, and Cash Balance as of November 30, 2016.

11. Presentation of the Monthly Staff Report for November 2016 (Information only).

12. Presentation of the Manager's Report for November 2016 (Information only).

- a. City Council Presentations update
- b. MVCAC & AMCA 2017 Annual Conferences in San Diego
- c. Five abstracts will be submitted to the annual MVCAC Conference
- d. CSDA Board Member Best Practices Training: 2/3/17 Sacramento, 2/16/17 San Jose; Leadership Academy 7/9/17-7/12/17 Napa
- e. Microsoft Power BI Boot Camp
- f. Payroll company change
- g. Implementation of database is ongoing
- h. Budget process will move forward one month—Finance Committee review will be in March of 2017.
- i. Harassment & discrimination training due for most Trustees.

13. Board President asks for reports on conferences and seminars attended by Trustees.

14. Board President asks for announcements from members of the Board.

15. Board President asks trustees for items to be added to the agenda for the next Board meeting.

16. Adjournment.

RESIDENTS ATTENDING THE MEETING MAY SPEAK ON ANY AGENDA ITEM AT THEIR REQUEST.

**Please Note: A copy of this agenda is also available at the District website, [www.mosquitoes.org](http://www.mosquitoes.org) or via email by request. Alternative formats of this agenda can be made available for persons with disabilities. Please contact the district office at (510) 783-7744, via FAX (510) 783-3903 or email at [acmad@mosquitoes.org](mailto:acmad@mosquitoes.org) to request an alternative format.**

**Agenda item: 1039.5**

**MINUTES**

1038<sup>th</sup> MEETING OF THE BOARD OF TRUSTEES  
OF THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

NOVEMBER 9TH, 2016

---

TIME: 5:00 P.M.  
PLACE: Office of the District, 23187 Connecticut Street, Hayward  
TRUSTEES: Richard Guarienti, President, City of Dublin  
Kathy Narum, Vice-President, City of Pleasanton  
Robert Dickinson, Secretary, City of Piedmont  
Humberto Izquierdo, County-at-Large  
P. Robert Beatty, City of Berkeley  
Wendi Poulson, City of Alameda  
Scott Donahue, City of Emeryville  
George Young, City of Fremont  
Elisa Marquez, City of Hayward  
James N. Doggett, City of Livermore  
Eric Hentschke, City of Newark  
Jan O. Washburn, City of Oakland  
Ursula Reed, City of San Leandro  
Ronald Quinn, City of Union City

Board President Guarienti called the regularly scheduled Board meeting to order at 5:01 P.M.

Trustees, Guarienti, Narum, Izquierdo, Marquez, Doggett, Hentschke, Washburn, and Reed were present; Trustees Dickinson, Poulson, Donahue, and Quinn were absent. Trustee Young arrived at 5:05 P.M.; Trustee Beatty arrived at 5:09 P.M.

Board President Guarienti invited members of the public to speak on any issue relevant to the District. The District Lab Director, Dr. Eric Haas-Stapleton, was present.

The board approved the minutes of the 1037<sup>th</sup> meeting held September 14<sup>th</sup>, 2016. (Doggett, Marquez)– unanimous; Trustees Izquierdo, Reed -abstained.

After a reading by Board President Guarienti, the board approved resolution 1038-1 honoring Clarence Lam for his service as Administrative/ Finance Manager (Washburn, Narum)– unanimous.

The board approved a new cap for CalPERS Health Benefits via resolution 1038-2 (Washburn, Narum)– unanimous.

After a discussion regarding which Trustees are next in line as Board Officers (Narum, Dickinson, Donahue, Marquez—in that order), Trustees Washburn, Reed, and Hentschke volunteered for the Nominating Committee (Doggett, Washburn,)—unanimous.

The District Manager asked for comments regarding District job descriptions. Trustee Reed inquired what “distinguishing characteristics” meant (distinguished from other positions in that department). Trustee Izquierdo offered that verbiage is also common to Alameda County descriptions. Trustee Doggett asked if the word “willingness” can be replaced with “ability” (yes). Trustee Washburn highlighted some incorrect comma usage and general grammar errors that he will forward to the District Manager. Board President Guarienti asked if the new Seasonal Educational Outreach Assistant would receive proper training (they would, through their supervisor, the Regulatory & Public Affairs Director).

The Board reviewed warrants dated September 15, 2016 numbering 012517 through 01417 amounting to \$103,223.85 and warrants dated September 30, 2016 numbering 014817 through 018017 amounting to \$155,126.73. The Board also reviewed warrants dated October 15, 2016 numbering 018117 through 020417 amounting to \$122,311.53 and warrants dated October 31, 2016 numbering 020517 through 021817 amounting to \$258,093.56. Board President Guarienti pointed out a typo in the September warrants: August is incorrectly listed in place of September.

The Board reviewed the September and October budget summaries received as of November 9<sup>th</sup>, 2016. Trustee Reed asked why 100% of the UC Davis research fund has been spent (it was a one-time grant).

The Lab Director provided a visual and oral presentation of the Monthly Staff Report for October & November 2016 and fielded the following questions from the Board, with some assistance by the District Manager. Trustee Beatty asked about the different data between CO<sub>2</sub> and Light Trap data (they are not in the same location and have different surveillance strategies), why is the ovi-bucket better (more water, lasts longer, less costly to monitor), and does the CO<sub>2</sub> traps and mosquito traps suppress mosquito populations (they can). Trustee Reed asked where the Hayward Marsh was (on the Hayward Shoreline between Depot Rd. and Highway 92), why are the traps close to one another (the map used is a large area so they are not that close to one another, and for the study, they should be in the same proximity), and is there not a machine that can replace manually blowing product by staff via a boat (answered by the District Manager and Trustee Izquiero: they are developing drones for treatments, but they cannot carry large amounts like being used in this situation). Trustee Narum asked about the Tri-valley mosquito abundance (low, but shown in report—trapping frequency is based on location of WNV positive birds), the location of the WNV positive birds (map shown in report), if the action taken in the Hayward Marsh by the East Bay Regional Park District could be because of the interest caused by the Zika virus (possibly), if the Ovi-bucket concept is patentable (answered by Trustee Washburn: that process would be costly and versions of this might already exist in the world), and how one counts 10,000 mosquitoes (through a grid/ sample size). Trustee Marquez asked what type of mitigation was taken (tule removal that will reduce the mosquito habitat and allow more effective control measures). Board President Guarienti asked if the Hayward Area Recreation District was involved (not directly, but this area is managed by several governmental agencies), why Madera was chosen as a research partner (location, and per a recommendation by the CDPH), and how many mosquito magnets does the District possess (two). Trustee Washburn asked for confirmation that the buckets do not become mosquito breeding sources and some clarification on the data (no, growth-regulating hormone residual products are placed in the water to prevent adult emergence).

The District Manager presented the Manager's report for September and October 2016. Trustee Washburn asked if the training link can be resent for those requiring harassment and ethics training (yes).

Board President Guarienti asked for reports on conferences and seminars attended by Trustees. Trustee Washburn presented mosquito-related information at the UC Botanical Garden. Trustee Young mentioned the presentation that he, the District Manager, and Mosquito Control Technician gave to the City of Fremont's City Council.

Board President Guarienti asked for announcement from the Board, there were none.

Board President Guarienti asked Trustees for items to be added to the agenda for the next Board meeting, there were none.

The meeting adjourned at 6:15 P.M.

**Respectfully submitted,**

Approved as written and/or corrected  
at the 1039<sup>th</sup> meeting of the Board of  
Trustees held December 14th, 2016

---

Richard Guarienti, President  
BOARD OF TRUSTEES

---

Robert Dickinson, Secretary  
BOARD OF TRUSTEES

**RESOLUTION NO. 1039-1**

**FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1) Alameda County Mosquito Abatement District is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members in a health benefits plan up to a maximum of Kaiser Bay Basic, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) Alameda County Mosquito Abatement District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of Alameda County Mosquito Abatement District shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Alameda County Mosquito Abatement District would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Alameda County Mosquito Abatement District all functions required of it under the Act.

Adopted at a regular meeting of the Board of Trustees at 23187 Connecticut Street, Hayward, CA 94545 this 14<sup>th</sup> day of December, 2016.

Signed: \_\_\_\_\_  
Board President

Attest: \_\_\_\_\_  
(Secretary or appropriate officer)

**INSTRUCTIONS**

This resolution form is the approved form designated by the California Public Employees' Retirement System (CalPERS). It should be used by a contracting agency subject to Public Employees' Medical and Hospital Care Act (PEMHCA) when the agency desires to change the monthly employer health contribution for employees and annuitants in accordance with Government Code Section 22892.

The resolution is **effective on the first day of the second month** following the month in which the resolution is filed (date stamped as received by CalPERS; See address below).

WHEREAS, (1) should be completed with full name of the contracting agency.

RESOLVED, (a) should be completed to specify the amount of the employer contribution toward the cost of enrollment for active employees and annuitants. The amount specified must be an amount equal to or greater than that prescribed by Section 22892(b).

Commencing January 1, 2009, the employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar.

RESOLVED, (b) should be completed with full name of the contracting agency.

RESOLVED, (c) should be completed with full name of the contracting agency.

RESOLVED, (d) requests the position title of the individual who handles the PEMHCA resolution for the contracting agency.

RESOLVED, (d) should be completed with full name of the contracting agency.

**Because resolutions serve as a legally binding document, we require the original resolution, certified copy with original signatures, or a copy of the resolution with the agency's raised seal.**

**For resolution processing, deliver to the following:**

**Overnight Mail Service**

California Public Employees' Retirement System  
Health Contracts Unit, EAMD  
400 Q Street  
Sacramento, CA 95811

**Regular Mail**

California Public Employees' Retirement System  
Health Contracts Unit, EAMD  
PO BOX 942714  
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

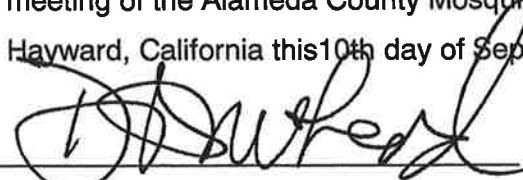
**ACMAD Resolution 879-1**

**RESOLUTION ELECTING TO ESTABLISH  
A HEALTH BENEFIT VESTING REQUIREMENT FOR FUTURE RETIREES UNDER PUBLIC  
EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, Government Code 22825.5 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act may amend its resolution to provide a post retirement vesting requirement to employees who retire <sup>from</sup> for service, and
- WHEREAS, Alameda County Mosquito Abatement District is a local agency contracting under the Act, and
- WHEREAS, Alameda County Mosquito Abatement District certifies, certain employees are represented by a bargaining unit and subject to a memorandum of understanding as follows
- WHEREAS, The credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20069, except that not less than five years of that service shall be performed entirely with the Alameda County Mosquito Abatement District; now, therefore be it
- RESOLVED, That the employer's contribution for each active and retired employee first hired on or after the effective date of this resolution shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefit plans that have the largest number of enrollments during the fiscal year to which the formula applied plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than the 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments, and be it further
- RESOLVED, That the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22825.5; plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, That coverage under the Act be effective on October 1, 2003.

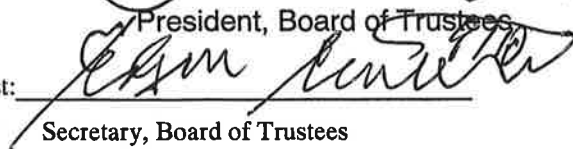
Adopted at a regular meeting of the Alameda County Mosquito Abatement District Board of Trustees at Hayward, California this 10th day of September 2003.

Signed: \_\_\_\_\_



President, Board of Trustees

Attest: \_\_\_\_\_



Secretary, Board of Trustees





**PFM Asset Management LLC**

*Performance Review prepared for:*

---

**Alameda County Mosquito Abatement District**

*Third Quarter 2016*

# **Financial Markets Review**

## QUARTERLY MARKET SUMMARY

## Market Index Performance

As of September 30, 2016

	QTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>DOMESTIC EQUITY</b>								
S&P 500	3.85%	7.84%	15.43%	7.11%	11.16%	16.37%	13.17%	7.24%
Russell 3000 Index	4.40%	8.18%	14.96%	6.96%	10.44%	16.36%	13.18%	7.37%
Russell 1000 Value Index	3.48%	10.00%	16.19%	5.38%	9.70%	16.15%	12.34%	5.85%
Russell 1000 Growth Index	4.58%	6.00%	13.76%	8.34%	11.83%	16.60%	14.11%	8.85%
Russell Midcap Index	4.52%	10.26%	14.25%	6.76%	9.70%	16.67%	14.11%	8.32%
Russell 2500 Index	6.56%	10.80%	14.44%	7.18%	7.77%	16.30%	13.40%	7.94%
Russell 2000 Index	9.05%	11.46%	15.47%	8.12%	6.71%	15.82%	12.49%	7.07%
Russell 2000 Value Index	8.87%	15.49%	18.81%	8.12%	6.77%	15.45%	11.60%	5.78%
Russell 2000 Growth Index	9.22%	7.48%	12.12%	8.01%	6.58%	16.15%	13.32%	8.29%
<b>INTERNATIONAL EQUITY</b>								
MSCI EAFE (net)	6.43%	1.73%	6.52%	-1.36%	0.48%	7.39%	4.24%	1.82%
MSCI AC World Index (net)	5.30%	6.60%	11.96%	2.23%	5.17%	10.63%	7.77%	4.34%
MSCI AC World ex USA (Net)	6.91%	5.82%	9.26%	-2.04%	0.18%	6.04%	3.66%	2.16%
MSCI AC World ex USA Small Cap (Net)	7.91%	7.70%	13.38%	3.01%	3.52%	8.60%	6.78%	4.59%
MSCI EM (net)	9.03%	16.02%	16.78%	-2.91%	-0.56%	3.03%	2.27%	3.94%
<b>ALTERNATIVES</b>								
FTSE NAREIT Equity REIT Index	-1.43%	11.75%	19.86%	14.76%	14.22%	15.91%	15.56%	6.35%
FTSE EPRA/NAREIT Developed Index	1.46%	10.97%	15.85%	9.54%	8.59%	13.16%	10.77%	4.16%
Bloomberg Commodity Index Total Return	-3.82%	8.90%	-2.55%	-15.07%	-12.33%	-9.36%	-5.50%	-5.32%
<b>FIXED INCOME</b>								
Barclays Aggregate	0.46%	5.80%	5.19%	4.06%	4.03%	3.08%	4.10%	4.79%
Barclays U.S. Government/Credit	0.40%	6.66%	5.86%	4.29%	4.22%	3.24%	4.28%	4.86%
Barclays Intermediate U.S. Gov/Credit	0.16%	4.24%	3.52%	3.10%	2.80%	2.45%	3.33%	4.17%
Barclays U.S. Treasury: 1-3 Year	-0.11%	1.33%	0.88%	1.04%	0.86%	0.70%	1.04%	2.27%
Barclays US Corp: High Yield	5.55%	15.11%	12.73%	4.34%	5.28%	8.34%	8.75%	7.71%
Credit Suisse Leveraged Loan index	3.10%	7.46%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
BofA Merrill Lynch Global HY Constrained (	5.25%	14.24%	12.82%	3.38%	4.32%	8.21%	8.21%	7.65%
Barclays Global Aggregate Ex USD	1.03%	13.09%	11.67%	1.54%	0.75%	0.70%	1.64%	3.82%
JPM EMBI Global Diversified	4.04%	14.77%	16.20%	7.46%	8.20%	7.76%	7.87%	7.73%
<b>CASH EQUIVALENT</b>								
90 Day U.S. Treasury Bill	0.07%	0.19%	0.18%	0.11%	0.09%	0.08%	0.09%	0.89%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

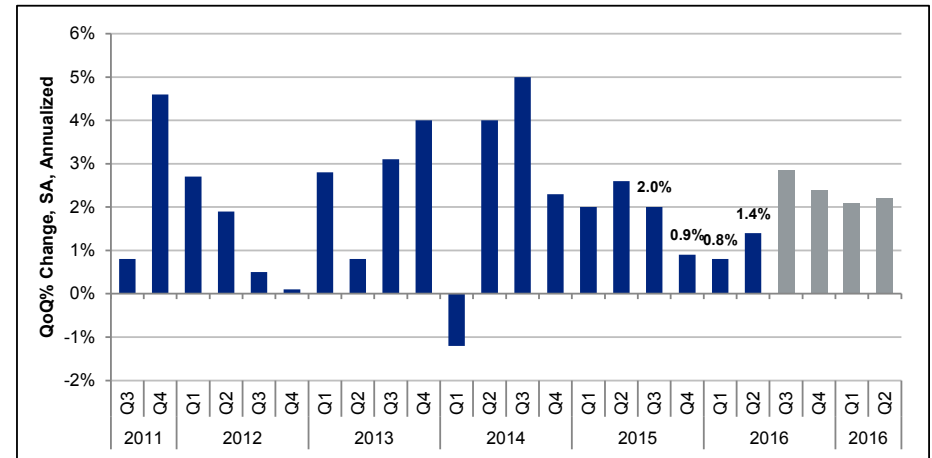


**The Economy**

- Real Gross Domestic Product (GDP) grew at an annualized rate of 1.4% during the second quarter, topping both forecasts as well as the second revision of 1.1% (a third-quarter GDP figure was not yet available). As part of the second-quarter GDP reading, data showed business investment increased for the first time since the third quarter of 2015, creating hope for future growth, while personal consumption and exports also contributed to the acceleration.
- Employment remained strong during the third quarter, with the unemployment rate rising slightly to 5.0% as companies continued to add a healthy amount of jobs. Both Manufacturing and Services Industries faltered slightly during the third quarter but remained in growth mode, highlighting the tepid business environment.
- The aftermath of Britain’s vote to leave the European Union (EU) proved to be more stable than anticipated. Data mainly reflected a continuation of the status quo in both the United Kingdom (U.K.) and EU. Some indicators, like Manufacturing and Services Industries, held up while others, like the British pound, faltered.
- Corporate earnings growth within the S&P 500 Index (S&P 500) declined approximately 3.2% year-over-year (YoY) in the second quarter, marking the fifth consecutive quarter of YoY earnings declines. Early third-quarter forecasts projected the earnings recession was coming to an end; however, estimates of declines were 2.1% as of September 30. Despite this, seven sectors were expected to go into the black, with only four in the red. A struggling Energy sector was estimated to post the largest sector YoY drop for the third quarter in a row.
- Global central banks ramped up stimulus efforts in the third quarter, supporting global capital markets while pressuring sovereign interest rates down, in some cases negative. The European Central Bank gave every indication of easing while also launching a corporate bond buying program. The Bank of England followed suit by starting its own corporate bond buying program while also cutting its policy rate to 0.25%. More aggressive central banks, including the Bank of Japan (BoJ), ramped up their equity buying programs. The BoJ explored the idea of issuing perpetual bonds, which was eventually tabled, and ended up changing its policy to keep its 10-year bond near a 0% target range. The U.S. Federal Reserve (Fed) considered a tightening of policy in light of mixed but somewhat stronger data following the Brexit vote. However, the Fed decided to keep rates steady at its July and September meetings. Fed Funds Futures pushed up during the quarter, indicating a relatively more hawkish market for the remainder of the year.

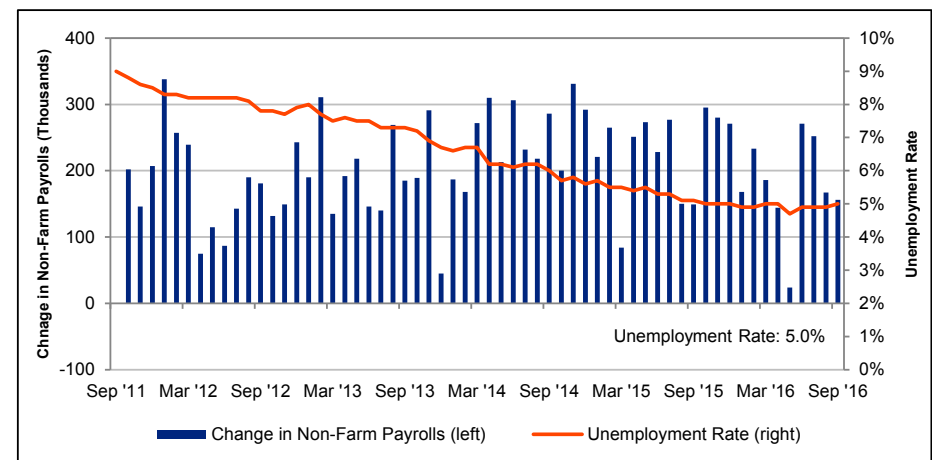
**U.S. Real GDP Growth**

(Seasonally Adjusted)



Source: Bureau of Economic Analysis. Dark blue bars indicate actual numbers; gray bars indicate forecasted estimates.

**Change in Non-Farm Payrolls**



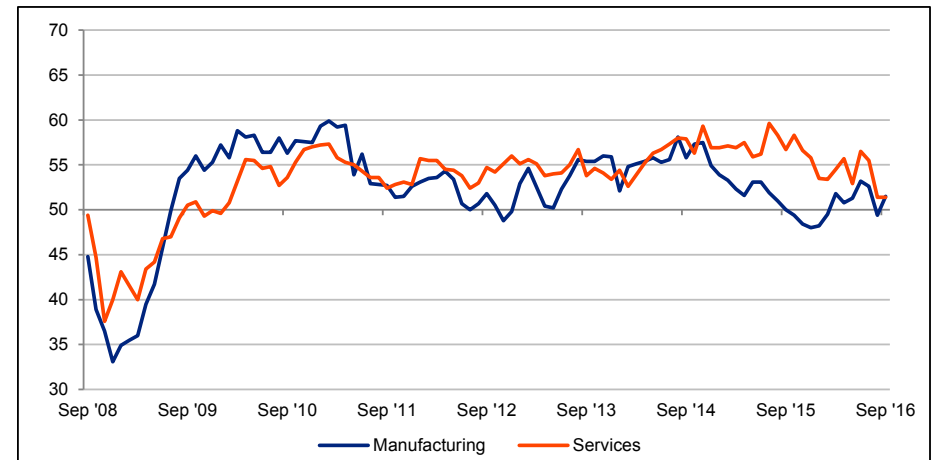
Source: Bureau of Labor Statistics.



**What We're Watching**

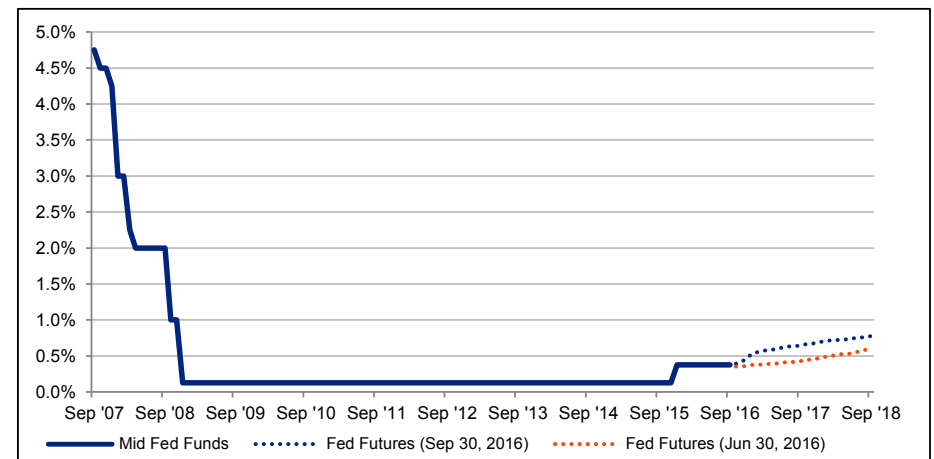
- The presidential race has been tight in the months leading up to the November 8 election. Hillary Clinton led slightly by the end of September. However, candidates still have time to sway public opinion as they face off in their third and final debate on Wed., Oct. 19. Given the implications for domestic businesses and global diplomacy, markets will certainly keep a close eye on potential outcomes.
- While global central bank easing persisted through the third quarter, economic conditions showed moderate signs of improvement, leading some to wonder whether a tightening policy may be in order in the United States. As of September 30, the market gave a greater than one-in-two chance to a Fed rate hike in December. Many believe the Fed is hesitant to tighten in a period when most major central banks continue to ease due to concern over financial turmoil. We will monitor indications of possible central bank moves, as well as implications of prolonged accommodative stances.
- Following the Brexit vote, questions remained during the third quarter of when — or even if — Article 50 would be invoked, triggering the two-year negotiation process. British Prime Minister Theresa May announced in early October that Article 50 would be enacted in March 2017, setting the stage for the U.K. to leave the EU in 2019. May cited immigration as the number one priority, in addition to reducing and simplifying the tax code. This stance on a “hard” Brexit could endanger Britain’s access to the EU’s single market — the free flow of goods, services, money and people among member nations — and potentially impact how British corporations conduct business. Because new trade agreements must be created at the country level, Brexit’s impact on the U.K. and other EU countries is still uncertain.
- In late September, the Organization of Petroleum Exporting Countries (OPEC) announced its first supply cut in eight years, indicating it would reduce oil output from roughly 33.4 million barrels per day to 32.5 to 33 million barrels. The reduction would likely boost prices and lead to stronger financial standing for some speculative, energy-reliant companies, which have been hurt by persistently low oil prices. An increase in energy prices could also potentially be a catalyst for an inflation reading that the Fed has targeted. Questions still loom over the efficacy of the OPEC deal given the tendency for nations to overproduce their supply. This is a development certainly worth monitoring given implications for both energy firms and the Fed.

ISM Manufacturing & Services PMI



Source: Bloomberg.

Fed Funds Target Rate



Source: Bloomberg.

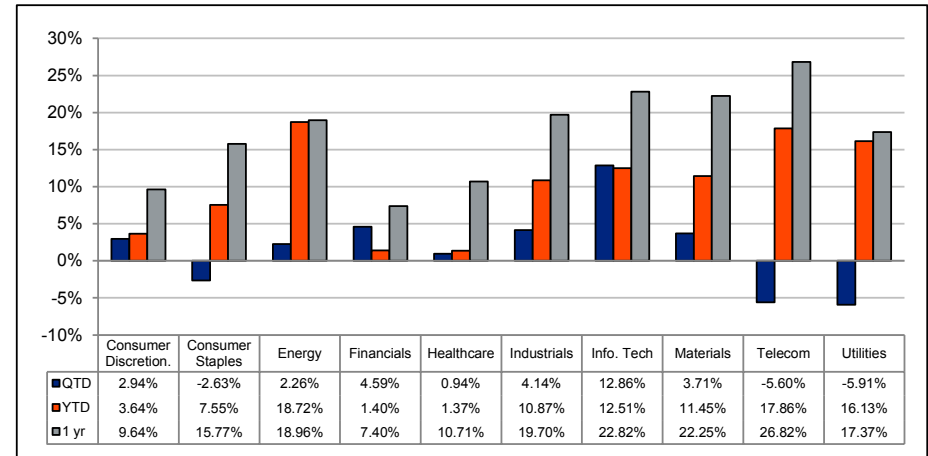


**Domestic Equity**

- Following June’s surprising Brexit vote, U.S. equity markets were expected to face heavy volatility and declines. Instead, markets rallied, rising 3.9% (as measured by the S&P 500) for the quarter. Most gains came during an especially strong July, as markets regained all losses incurred in late June. Throughout the third quarter, equity markets hit 10 new all-time highs (at market close), with the index peaking in mid-August. As of September 30, the index was 1.0% off its high. Many pundits credited the rally — in the face of mixed fundamentals and weak earnings growth — to global central banking activity, as banks continued to provide stimulus.
- Only three sectors within the S&P 500 finished the third quarter in the red — Utilities, -5.9%; Telecom, -5.6% and Consumer Staples, -2.6% — while all sectors finished in the black year-to-date (YTD). Following OPEC’s surprising end-of-quarter announcement that it would cut oil supply, the Energy sector pushed into positive territory for the quarter, with a 2.3% gain, and became the top-performing sector for the year, with a return of 18.7% YTD. As a result, Telecom and Utilities fell to second and third place, with YTD returns of 17.9% and 16.1% respectively. Following a strong first half of the year in which investors searched for yield, both Telecom and Utilities tapered off as interest rates showed signs of stagnating or even rising. While making moderate gains during the quarter (4.6%), the Financial sector remained one of the worst-performing sectors YTD, with only a 1.4% gain. The Financial sector performed well late in the quarter; however, it sold off due to news of the Fed’s proposed higher capital requirements for systematically important banks and speculation around Deutsche Bank’s capital adequacy.
- For the second quarter in a row, small-cap stocks outperformed large-caps and mid-caps. Helped by a strong 9.1% quarter-to-date (QTD) return, small-caps had a YTD return of 11.5%, becoming the top-performing market cap on the year. Mid- (Russell Mid Cap Index) and large-caps (Russell 1000 Index) finished similarly for the quarter, posting returns of 4.5% and 4.0% respectively. As of the quarter’s end, they had YTD returns of 10.3% and 7.9%.
- For the first time this year, growth-oriented stocks outpaced value-oriented stocks across all market capitalizations on the quarter. The difference was most pronounced within large-caps (4.6% for growth versus 3.5% for value) while small-caps (9.2% versus 8.9%) followed behind. Within mid-caps, the difference was minute (4.6% versus 4.5%). Value stocks largely outperformed growth stocks YTD.

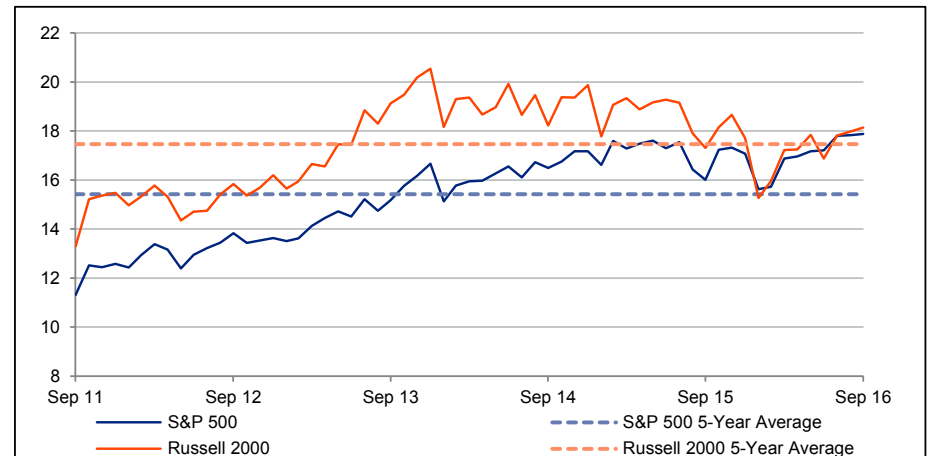
**S&P 500 Index Performance by Sector**

Periods Ended September 30, 2016



Source: Standard & Poor’s.

**P/E Ratios of Major Stock Indices\***



Source: Bloomberg.

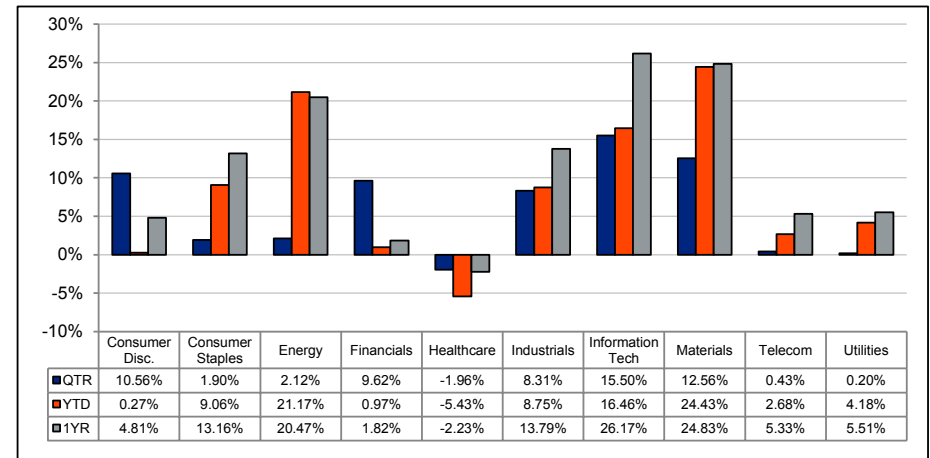
\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.



**Non-U.S. Equity**

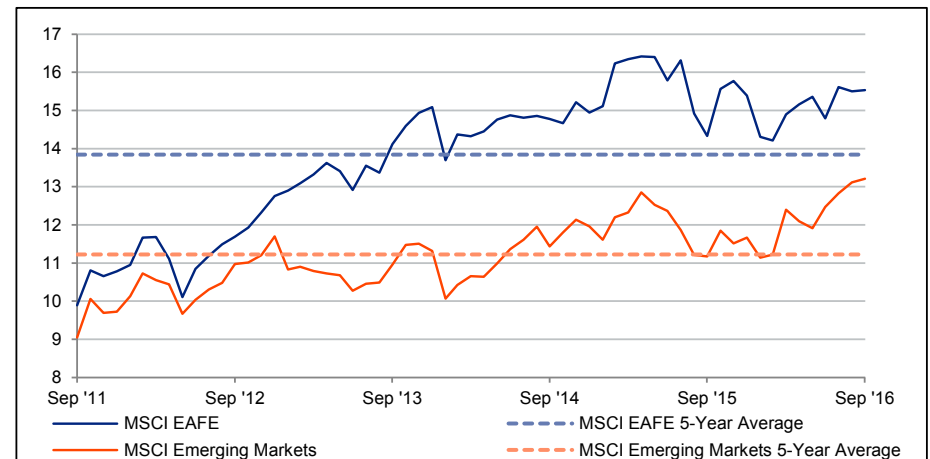
- Developed markets outside of North America, as measured by the MSCI EAFE Index, rose 6.4% in the third quarter. Markets rallied in the first half of the quarter, as investors brushed off Brexit fears and instead focused on central bank stimulus and better-than-expected data. The second half of the quarter was calmer, with markets giving back gains in late August and ending the month flat, before rising modestly in September. Most developed countries ended the third quarter in positive territory. Austria (16.7%) was the top performer, gaining back losses from the second quarter. New Zealand (12.4%) followed, remaining on top YTD. Denmark (-6.3%) was the biggest laggard.
- Emerging markets (EM), as measured by the MSCI EM Index, rose 9.0% in the third quarter, boosting its YTD return to 16.0%. EM's previous rally continued during the third quarter as commodity prices further stabilized and investors focused on valuations and the high growth prospects of the region. Egypt (21.6%) and China (13.9%) were the strongest performers, while the Philippines (-5.3%) and Turkey (-5.3%) were the worst.
- Within the MSCI All Country World Index (ACWI) ex-U.S., which includes both developed and EM, cyclical sectors were the strongest performers, while defensive sectors were relatively mute. Information Technology (15.5%) and Materials (12.6%) were the top performers during the third quarter, and Materials remained on top YTD (24.4%). The Energy sector rose a modest 2.1% during the third quarter, outperforming other defensive sectors but sliding down to second best YTD (21.2%). After a solid second quarter, Healthcare was the biggest laggard in the third quarter (-2.0%) and the lone negative sector.
- In developed markets, small-cap stocks outperformed large-cap, and value stocks outperformed growth for the third quarter. The opposite was true for EM.

**MSCI ACWI ex-U.S. Sectors**  
Periods Ended September 30, 2016



Source: MSCI.

**P/E Ratios of MSCI Equity Indices\***



Source: Bloomberg.

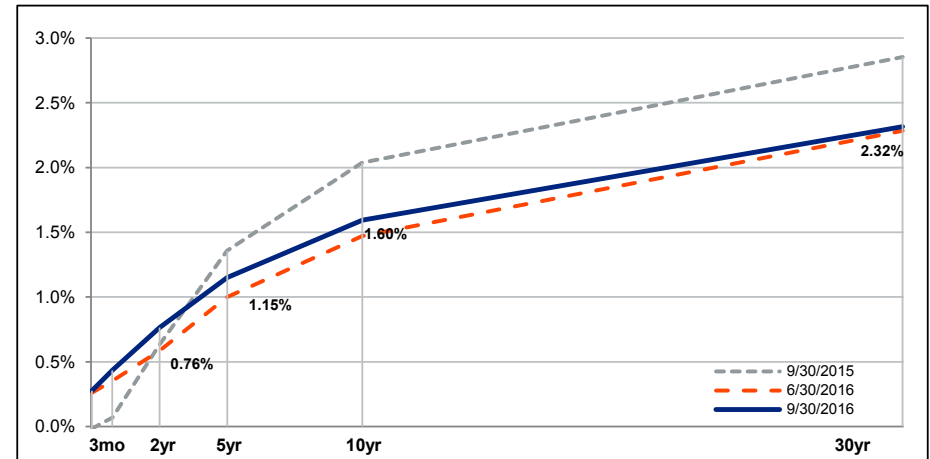
\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.



**Fixed Income**

- After two consecutive quarters of declines, third-quarter yields rose among all U.S. Treasury tenors. The curve steepened in the short-to-intermediate term, while flattening out a bit in the intermediate-to-longer maturity space. Cash pushed up modestly as the 90-day Treasury bill rate increased 2 basis points (bps), held relatively down by uncertainty surrounding a Fed rate hike. Maturities in the 1- to 5-year range saw the greatest increases, rising between 15 and 18 bps. This pickup was a positive sign, indicating that the market was more bullish on strengthening economic conditions, at least in the near-to-intermediate term. On the longer end, the 10-year picked up 12 bps, while the 30-year rose 3 bps.
- Following a strong first half of the year, investment-grade fixed income returns were relatively muted for the third quarter. The Barclays U.S. Aggregate Index gained 0.5% on the quarter, while the Barclays U.S. Universal Bond Index (which includes a High Yield portion) rose 1.0%. Corporate credit, represented by the Barclays U.S. Corporate Investment Grade Index, climbed 1.4%. Within Investment Grade corporate credit, there was a slight bias towards lower-quality. Among the four corporate-composite ratings, BBB (2.1%) was the top performer on the quarter, followed by A (0.9%), AAA (0.5%), and AA (0.5%).
- On the speculative side of the credit spectrum, high yield — represented by the Barclays U.S. Corporate High Yield Index — rose a strong 5.6% in the third quarter and returned 15.1% YTD. High-yield credit spreads, which have trended downward since mid-February 2016, dropped to their lowest level since July 2015.
- Mortgage rates saw modest declines on the quarter, as the fixed-rate mortgage market, as measured by the Barclays U.S. Mortgage-Backed Securities (MBS) Index, gained 0.6% while the Barclays U.S. CMBS Index (measuring commercial MBS) gained 0.7%. U.S. dollar (USD)-denominated EM debt gained 3.1% on the quarter, as measured by the Barclays EM USD Aggregate Index.

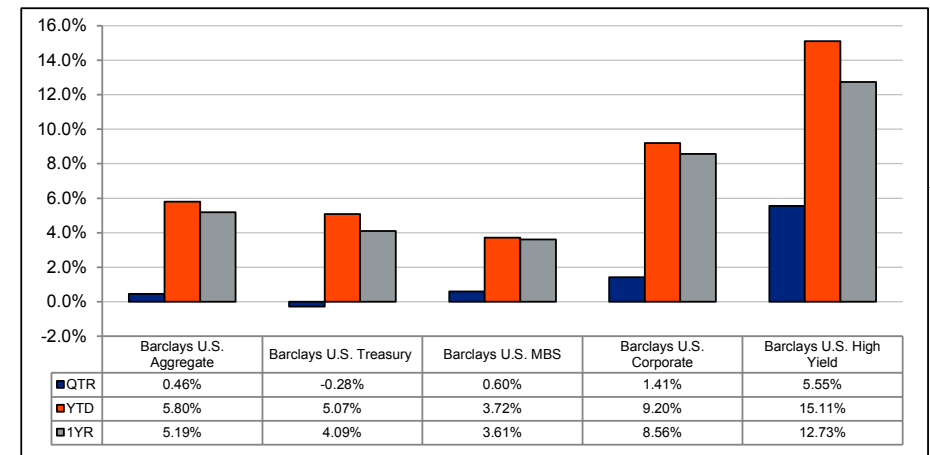
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended September 30, 2016



Source: Bloomberg.

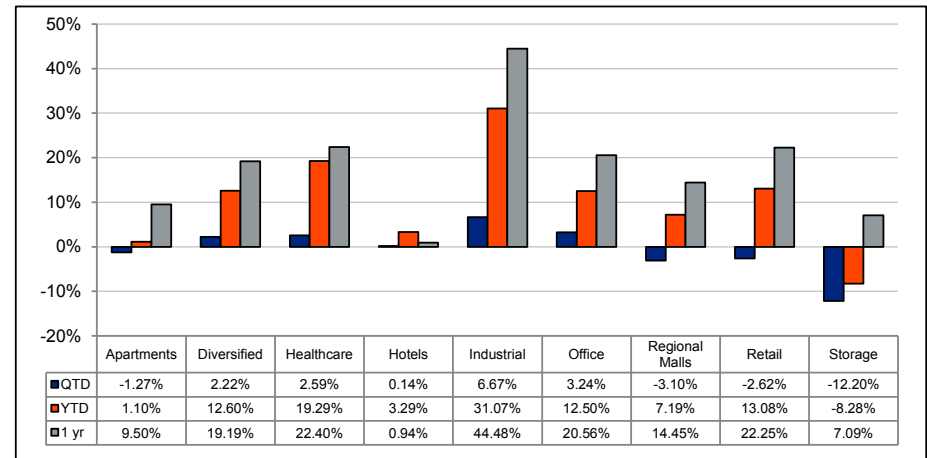




**Alternatives**

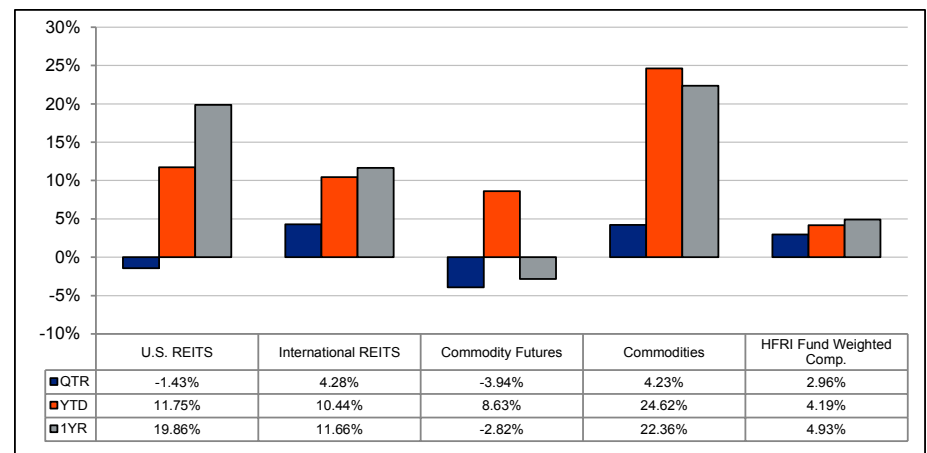
- U.S. real estate investment trusts (REITs), as measured by the FTSE NAREIT Equity REIT Index, declined -1.4% in the third quarter following a strong first half of the year. After a solid gain in July, REITs fell in August and September amid concerns over interest rate hikes and stretched valuations. Major property sector performance was mixed. Retail (-2.6%) and Residential (-1.0%) REIT sectors fell, while Industrial (6.7%) and Office (3.2%) REITs were the top performers. Meanwhile, minor property types within the index, such as Self Storage (-12.2%), Specialty (-9.9%) and Data Center (-9.0%) REITs, fell considerably during the third quarter and dragged down performance of the index as a whole.
- Private real estate, as measured by the NCREIF Index of 7,353 properties nationwide, climbed 2.0% during the second quarter. (Third quarter data was not yet available.) Income growth of 1.2% slightly outpaced a value appreciation of 0.8%, continuing the year’s trend.
- Commodities gave back some of the gains from the first half of the year. The Bloomberg Commodity Index of 19 raw materials futures fell -3.9% in the third quarter. After a strong rally during the second quarter, investors pulled back sharply in July and August amid U.S. dollar pressures, before recouping some losses in September. Commodity-related equities, as measured by the S&P North American Natural Resources Sector Index, still managed to advance, rising 4.2% due to a solid quarter end. With three strong quarters, the index was up 24.6% YTD — more than any other asset class.
- Hedge funds rose 3.0% during the third quarter. The HFRI Fund Weighted Composite Index, a global index of over 2,000 hedge funds, was up 4.2% YTD after seven consecutive months of positive performance.
- Private equity fundraising slowed in the third quarter. Worldwide, private equity funds raised just \$62 billion in capital commitments from investors, and 170 funds held final closings, according to Preqin. Venture and Buyout continued to be the two most active private equity sectors internationally, with 76 and 36 funds closing within each sector, respectively. North America-based private funds led the way, with 104 funds closing on capital commitments of \$36 billion. Europe followed, with 30 funds closing on \$15 billion of capital.

**FTSE NAREIT Sectors**  
Quarter Ended September 30, 2016



Source: Bloomberg.

**Returns for Alternative Assets**  
Periods Ended September 30, 2016



Sources: Bloomberg and Hedge Fund Research, Inc.



QUARTERLY MARKET SUMMARY

**PFMAM Investment Strategy Overview**  
For the Fourth Quarter 2016

Asset Class	PFMAM Investment Preference	Comments
U.S. Equities	Large Caps	<ul style="list-style-type: none"> <li>• Modest fundamentals should support modest relative returns in U.S. equities.</li> <li>• International markets pose spillover risk.</li> <li>• Small-cap companies are more insulated from global forces given their more domestically-focused revenues and therefore may carry less international spillover risk.</li> </ul>
	Small Caps	
Non-U.S. Equities	Developed Markets	<ul style="list-style-type: none"> <li>• There is significant uncertainty about the short-term and long-term effects of Brexit.</li> <li>• While instability continues within Emerging Markets, it now looks relatively less risky given recent developments in developed markets. This, along with continued low valuation levels, makes the sub-asset class slightly more attractive.</li> </ul>
	Non-U.S. small-caps	
	Emerging Markets	
Fixed Income	Long Duration, Interest-Rate-Sensitive Sectors	<ul style="list-style-type: none"> <li>• Low interest rates will likely persist, and the Fed may only tighten gradually, if at all, in 2016 and 2017.</li> <li>• Credit remains an area to capture yield, and the potential for central banks to buy corporate securities could further support the sector.</li> </ul>
	Credit-Sensitive Sectors	
Real Estate		<ul style="list-style-type: none"> <li>• While property prices have fully recovered and assets are now fairly valued, continued low interest rates along with modest fundamentals may continue to support real estate.</li> </ul>
Alternatives	Hedge Funds	<ul style="list-style-type: none"> <li>• Due to rising assets under management and the proliferation of hedge funds and private equity funds, the relative performance of alternatives is unlikely to significantly outperform publicly traded markets.</li> </ul>
	Private Equity	

Please refer to the last page of this document for important disclosures. Blue bars represent our current outlook, while gray bars reflect our outlook one year ago.

■ Current outlook    ■ Outlook one year ago



**Disclosures**

*The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources believed to be reliable. No representation is made as to its accuracy or completeness. This material is intended for informational purposes only and should not be relied upon to make an investment decision, as it was prepared without regard to any specific objectives or financial circumstances. It should not be construed as an offer to purchase/sell any investment. References to particular issuers are for illustrative purposes only, and are not intended to be recommendations or advice regarding such issuers. PFMAM is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. PFMAM's clients are state and local governments, non-profit corporations, pension funds, and similar institutional investors. [www.pfm.com](http://www.pfm.com)*

*It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.*

© 2016 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.

# **Plan Performance Review**



**Asset Allocation & Performance**  
**Alameda County Mosquito Abatement District OPEB Trust**  
**As of September 30, 2016**

	Allocation		Performance(%)							
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	Since Inception	Inception Date
<b>TOTAL FUND</b>	<b>3,900,576</b>	<b>100.00</b>	<b>2.37</b>	<b>6.26</b>	<b>9.30</b>	<b>4.51</b>	<b>5.97</b>	<b>9.12</b>	<b>6.78</b>	<b>02/01/2011</b>
<i>Blended Policy Benchmark</i>			<i>3.09</i>	<i>6.83</i>	<i>9.61</i>	<i>3.69</i>	<i>5.34</i>	<i>8.16</i>	<i>6.16</i>	<i>02/01/2011</i>
<b>Domestic Equity</b>										
Vanguard Total Stock Market Index	1,134,686	29.09	4.40	8.21	14.98	6.92	10.42	16.33	12.67	05/01/2012
<i>Russell 3000 Index</i>			<i>4.40</i>	<i>8.18</i>	<i>14.96</i>	<i>6.96</i>	<i>10.44</i>	<i>16.36</i>	<i>12.71</i>	<i>05/01/2012</i>
Vanguard Dividend Growth	226,692	5.81	0.81	6.46	13.73	7.36	10.07	14.70	12.83	01/01/2012
<i>S&amp;P 500</i>			<i>3.85</i>	<i>7.84</i>	<i>15.43</i>	<i>7.11</i>	<i>11.16</i>	<i>16.37</i>	<i>14.58</i>	<i>01/01/2012</i>
Vanguard Small Cap Index Fund	151,127	3.87	6.17	11.50	14.97	7.14	7.92	16.70	N/A	10/01/2016
<i>Russell 2000 Index</i>			<i>9.05</i>	<i>11.46</i>	<i>15.47</i>	<i>8.12</i>	<i>6.71</i>	<i>15.82</i>	<i>N/A</i>	<i>10/01/2016</i>
<b>International Equity</b>										
Vanguard Total International Stock Index Fund	157,441	4.04	6.65	6.74	9.66	-1.05	0.89	6.78	N/A	10/01/2016
<i>MSCI AC World ex USA (Net)</i>			<i>6.91</i>	<i>5.82</i>	<i>9.26</i>	<i>-2.04</i>	<i>0.18</i>	<i>6.04</i>	<i>N/A</i>	<i>10/01/2016</i>
Vanguard International Value	131,015	3.36	6.04	5.63	8.26	-3.45	-0.45	7.29	3.56	05/01/2016
<i>MSCI AC World ex USA (Net)</i>			<i>6.91</i>	<i>5.82</i>	<i>9.26</i>	<i>-2.04</i>	<i>0.18</i>	<i>6.04</i>	<i>3.50</i>	<i>05/01/2016</i>
J. O. Hambro International Select	158,556	4.06	7.44	12.21	14.70	4.09	7.21	13.68	12.21	01/01/2016
<i>MSCI AC World ex USA (Net)</i>			<i>6.91</i>	<i>5.82</i>	<i>9.26</i>	<i>-2.04</i>	<i>0.18</i>	<i>6.04</i>	<i>5.82</i>	<i>01/01/2016</i>
Oppenheimer Int'l Small Mid Company	78,719	2.02	7.39	5.33	10.82	10.53	10.42	16.94	9.04	04/01/2015
<i>MSCI AC World ex USA Smid Cap Index (Net)</i>			<i>7.56</i>	<i>7.23</i>	<i>12.24</i>	<i>2.22</i>	<i>2.85</i>	<i>7.99</i>	<i>2.34</i>	<i>04/01/2015</i>
<b>Other Growth</b>										
Vanguard REIT Index	143,455	3.68	-1.47	11.83	19.70	14.40	14.00	15.69	5.22	04/01/2016
<i>MSCI US REIT Index</i>			<i>-1.45</i>	<i>11.91</i>	<i>19.83</i>	<i>14.54</i>	<i>14.11</i>	<i>15.79</i>	<i>5.27</i>	<i>04/01/2016</i>

Returns are net of mutual fund fees.  
Returns are expressed as percentages.



**Asset Allocation & Performance**  
**Alameda County Mosquito Abatement District OPEB Trust**  
**As of September 30, 2016**

	Allocation		Performance(%)							
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	Since Inception	Inception Date
<b>Fixed Income</b>										
Metropolitan West Total Return	475,681	12.20	0.74	5.24	4.82	3.54	4.01	4.83	4.92	02/01/2011
<i>Blmbg. Barc. U.S. Aggregate</i>			<i>0.46</i>	<i>5.80</i>	<i>5.19</i>	<i>4.06</i>	<i>4.03</i>	<i>3.08</i>	<i>3.87</i>	<i>02/01/2011</i>
Baird Core Plus	611,473	15.68	1.10	7.27	6.39	4.46	4.74	4.37	4.37	05/01/2014
<i>Blmbg. Barc. U.S. Aggregate</i>			<i>0.46</i>	<i>5.80</i>	<i>5.19</i>	<i>4.06</i>	<i>4.03</i>	<i>3.08</i>	<i>3.93</i>	<i>05/01/2014</i>
Vanguard Intermediate-Term Investment Grade	612,743	15.71	0.90	7.03	6.80	4.90	4.94	4.74	4.10	05/01/2012
<i>Blmbg. Barc. U.S. Credit 5-10 Year Index</i>			<i>1.24</i>	<i>8.80</i>	<i>8.23</i>	<i>5.44</i>	<i>5.84</i>	<i>5.50</i>	<i>4.73</i>	<i>05/01/2012</i>
<b>Cash Equivalent</b>										
First American Government Obligation	18,989	0.49	0.08	0.13	0.13	0.07	0.04	0.03	0.02	02/01/2011

Returns are net of mutual fund fees.  
Returns are expressed as percentages.



**Comparative Performance**  
**Alameda County Mosquito Abatement District OPEB Trust**  
**As of September 30, 2016**

	2015	2014	2013	2012	2011
<b>TOTAL FUND</b>	<b>0.88</b>	<b>5.97</b>	<b>13.79</b>	<b>13.12</b>	<b>N/A</b>
<i>Blended Policy Benchmark</i>	<i>-0.85</i>	<i>6.12</i>	<i>12.30</i>	<i>10.86</i>	<i>N/A</i>
<b>Domestic Equity</b>					
Vanguard Total Stock Market Index	0.39	12.56	33.52	16.38	1.08
<i>Russell 3000 Index</i>	<i>0.48</i>	<i>12.56</i>	<i>33.55</i>	<i>16.42</i>	<i>1.03</i>
Vanguard Dividend Growth	2.62	11.85	31.53	10.39	9.43
<i>S&amp;P 500</i>	<i>1.38</i>	<i>13.69</i>	<i>32.39</i>	<i>16.00</i>	<i>2.11</i>
Vanguard Small Cap Index Fund	-3.64	7.50	37.81	18.24	-2.69
<i>Russell 2000 Index</i>	<i>-4.41</i>	<i>4.89</i>	<i>38.82</i>	<i>16.35</i>	<i>-4.18</i>
<b>International Equity</b>					
Vanguard Total International Stock Index Fund	-4.26	-4.17	15.14	18.21	-14.52
Vanguard International Value	-6.44	-6.69	22.15	20.18	-14.58
J. O. Hambro International Select	-4.05	5.35	38.21	15.48	-15.24
<i>MSCI AC World ex USA (Net)</i>	<i>-5.66</i>	<i>-3.87</i>	<i>15.29</i>	<i>16.83</i>	<i>-13.71</i>
Oppenheimer Int'l Small Mid Company	15.15	0.38	45.26	23.17	-20.08
<i>MSCI AC World ex USA Smid Cap Index (Net)</i>	<i>0.44</i>	<i>-3.05</i>	<i>17.79</i>	<i>17.98</i>	<i>-16.90</i>
<b>Other Growth</b>					
Vanguard REIT Index	2.39	30.32	2.42	17.69	8.62
<i>MSCI US REIT Index</i>	<i>2.52</i>	<i>30.38</i>	<i>2.47</i>	<i>17.78</i>	<i>8.68</i>
<b>Fixed Income</b>					
Metropolitan West Total Return	0.29	5.99	0.50	11.55	5.52
Baird Core Plus	0.14	6.59	-1.32	7.95	7.89
<i>Blmbg. Barc. U.S. Aggregate</i>	<i>0.55</i>	<i>5.97</i>	<i>-2.02</i>	<i>4.21</i>	<i>7.84</i>
Vanguard Intermediate-Term Investment Grade	1.53	5.81	-1.37	9.14	7.52
<i>Blmbg. Barc. U.S. Credit 5-10 Year Index</i>	<i>0.69</i>	<i>7.38</i>	<i>-2.05</i>	<i>11.26</i>	<i>8.21</i>
<b>Cash Equivalent</b>					
First American Government Obligation	0.00	0.00	0.00	0.00	0.00

Returns are net of mutual fund fees.  
Returns are expressed as percentages.



**Account Reconciliation**  
**Alameda County Mosquito Abatement District OPEB Trust**  
**As of September 30, 2016**

**QTR**

	Market Value As of 07/01/2016	Net Flows	Return On Investment	Market Value As of 09/30/2016
TOTAL FUND	3,977,286	(170,916)	94,207	3,900,576

**YTD**

	Market Value As of 01/01/2016	Net Flows	Return On Investment	Market Value As of 09/30/2016
TOTAL FUND	3,987,290	(322,324)	235,610	3,900,576

**1 Year**

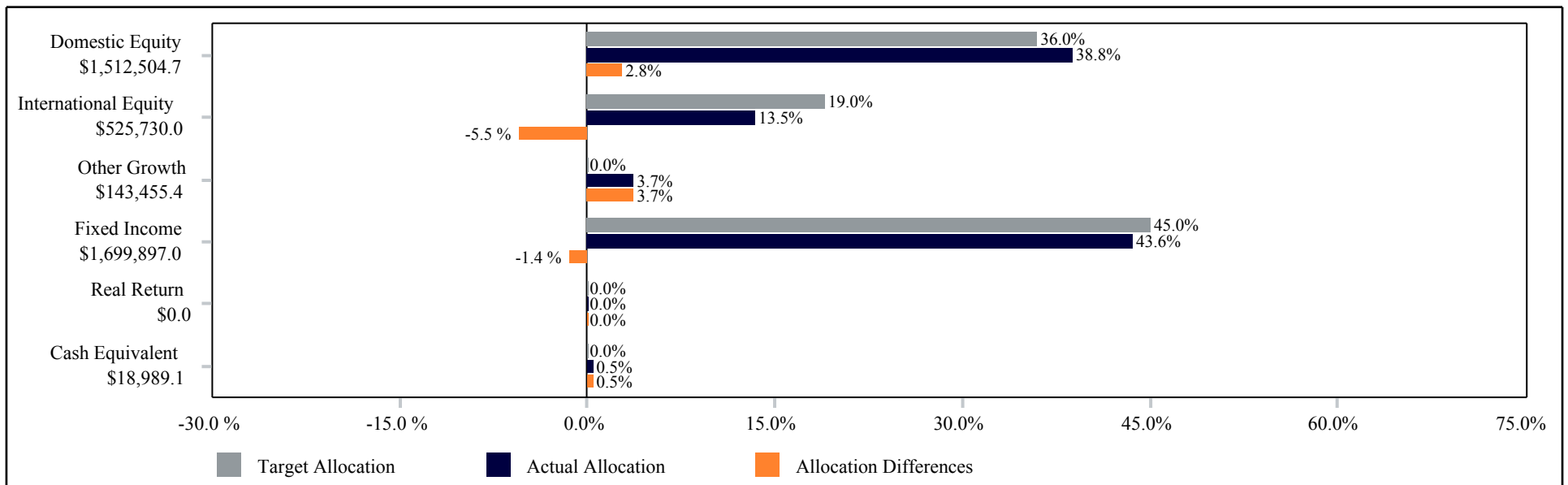
	Market Value As of 10/01/2015	Net Flows	Return On Investment	Market Value As of 09/30/2016
TOTAL FUND	3,877,103	(323,003)	346,476	3,900,576





**Asset Allocation Summary**  
**Alameda County Mosquito Abatement District OPEB Trust**  
**As of September 30, 2016**

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
TOTAL FUND	100.0	100.0	N/A	N/A	0.0
Domestic Equity	38.8	36.0	16.0	56.0	2.8
International Equity	13.5	19.0	0.0	39.0	-5.5
Other Growth	3.7	0.0	0.0	10.0	3.7
Fixed Income	43.6	45.0	25.0	70.0	-1.4
Real Return	0.0	0.0	0.0	10.0	0.0
Cash Equivalent	0.5	0.0	0.0	20.0	0.5



**Historical Hybrid Composition**  
**Blended Policy Benchmark**  
**Alameda County Mosquito Abatement District OPEB Trust**  
**As of September 30, 2016**

Allocation Mandate	Weight (%)
<b>Feb-2011</b>	
Russell 3000 Index	31.0
MSCI AC World ex USA (Net)	19.0
FTSE NAREIT Equity REIT Index	2.5
Lipper Nat Res Fd IX	2.5
Blmbg. Barc. U.S. Aggregate	45.0
<b>Dec-2015</b>	
Russell 3000 Index	36.0
MSCI AC World ex USA (Net)	19.0
Blmbg. Barc. U.S. Aggregate	45.0



# **Investment Manager Review**



- **Vanguard Total Stock Market Index**

- **Management:** Gerard C. O'Reilly has managed the Fund since its inception. Walter Nejman is now a co-portfolio manager for the fund. Joseph Brennan, CFA, Principal of Vanguard and global head of Vanguard's Equity Index Group, has oversight responsibility for all equity index funds managed by the Equity Investment Group.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The Fund employs a "passive management" – or indexing – investment approach designed to track the performance of the CRSP US Total Market Index. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

- **Vanguard Dividend Growth**

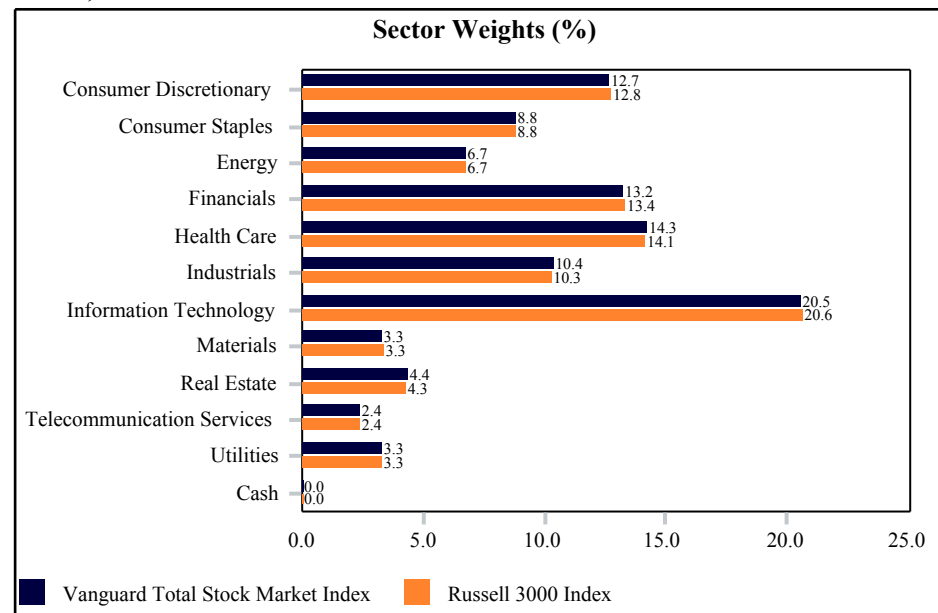
- **Management:** The Fund has been sub-advised by Wellington Management Company, LLC since 1992. Donald J. Kilbride has advised the fund since 2006.
- **Objective:** The Fund seeks long-term capital appreciation and current income.
- **Strategy:** The Fund invests in a diversified array of stable, well-managed companies that have a history of or a potential for growing dividends over time. Valuation is key to security selection, with the Fund preferring stocks that trade at a discount to the market or that possess an attractive risk/reward profile. The Fund is not constrained by a traditional value or growth mandate, but is permitted sufficient style latitude to search a broad investment universe for quality stocks.

- **Vanguard Small Cap Index**

- **Management:** William Coleman and Gerald C O'Reilly have co managed the fund since 2016.
- **Objective :** The Fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks.
- **Strategy :** The Fund employs a "passive management"--or indexing--full-replication approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of smaller U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighing in the Index

**Portfolio Characteristics**  
**Vanguard Total Stock Market Index vs. Russell 3000 Index**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	118,657	120,113
Median Mkt. Cap (\$M)	944	1,503
Price/Earnings ratio	19.98	19.87
Price/Book ratio	3.04	3.04
5 Yr. EPS Growth Rate (%)	8.07	8.12
Current Yield (%)	2.02	2.02
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	3,595	2,955



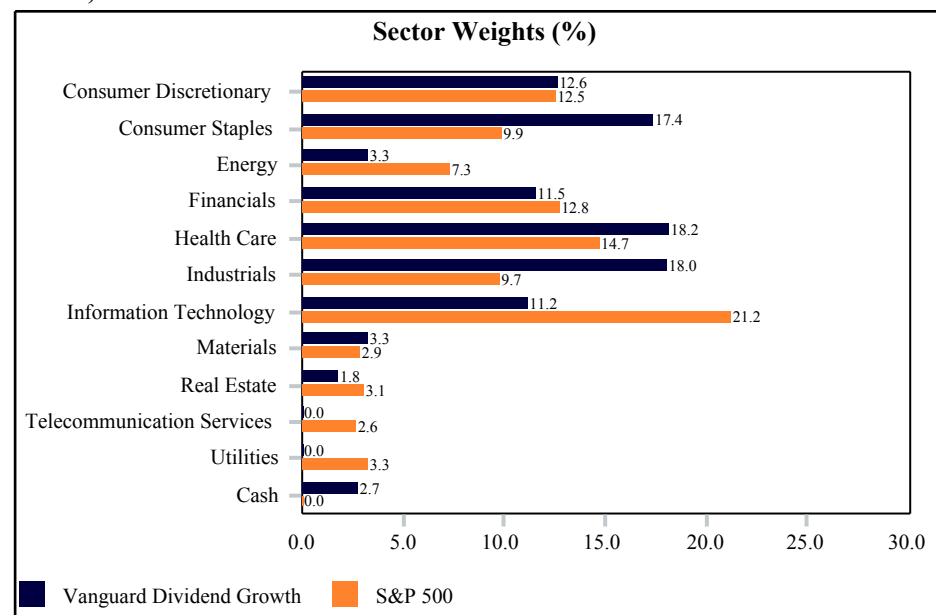
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	2.55	2.74	-0.19	18.89
Microsoft Corp	1.88	1.93	-0.05	13.27
Exxon Mobil Corp	1.60	1.61	-0.01	-6.08
Amazon.com Inc	1.49	1.44	0.05	17.00
Johnson & Johnson	1.43	1.43	0.00	-1.96
Facebook Inc	1.31	1.27	0.04	12.24
Berkshire Hathaway Inc	1.19	1.21	-0.02	-0.22
General Electric Co	1.17	1.20	-0.03	-5.18
AT&T Inc	1.10	1.10	0.00	-4.97
JPMorgan Chase & Co	1.06	1.07	-0.01	8.00
% of Portfolio	14.78	15.00		

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CTPartners Executive Search Inc	0.00	0.00	0.00	900.00
Resolute Energy Corp	0.00	0.00	0.00	777.44
Nova Lifestyle Inc	0.00	0.00	0.00	764.28
CoLucid Pharmaceuticals Inc	0.00	0.00	0.00	366.95
Sarepta Therapeutics Inc	0.01	0.01	0.00	222.02
Bovie Medical Corp	0.00	0.00	0.00	217.68
Tobira Therapeutics Inc	0.00	0.00	0.00	216.40
Clayton Williams Energy Inc	0.00	0.00	0.00	211.14
EnSync Inc	0.00	0.00	0.00	166.41
Cloud Peak Energy Inc	0.00	0.00	0.00	164.08
% of Portfolio	0.01	0.01		



**Portfolio Characteristics**  
**Vanguard Dividend Growth vs. S&P 500 Index**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	106,747	144,118
Median Mkt. Cap (\$M)	75,598	18,964
Price/Earnings ratio	21.89	19.72
Price/Book ratio	4.04	3.16
5 Yr. EPS Growth Rate (%)	6.82	7.76
Current Yield (%)	2.24	2.14
Beta (5 Years, Monthly)	0.83	1.00
Number of Stocks	46	505



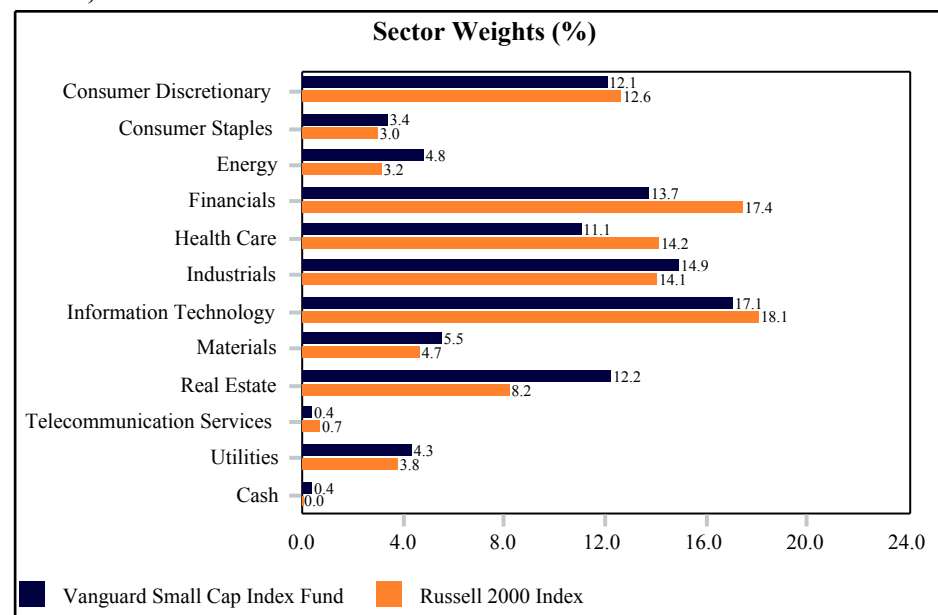
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	3.59	2.39	1.20	13.27
Nike Inc	3.23	0.38	2.85	-4.36
Costco Wholesale Corp	3.00	0.36	2.64	-2.63
United Parcel Service Inc	2.99	0.40	2.59	2.24
Medtronic PLC	2.98	0.64	2.34	0.56
Honeywell International Inc	2.80	0.47	2.33	0.75
Colgate-Palmolive Co	2.80	0.35	2.45	1.82
Chubb Ltd	2.78	0.31	2.47	-3.34
Accenture PLC	2.73	0.41	2.32	7.84
CASH	2.72	0.00	2.72	N/A
% of Portfolio	29.62	5.71		

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	3.59	2.39	1.20	13.27
Union Pacific Corp	2.57	0.43	2.14	12.42
Canadian National Railway Co	2.52	0.00	2.52	11.89
Visa Inc	2.36	0.83	1.53	11.69
General Dynamics Corp	1.26	0.24	1.02	11.43
PNC Financial Services Group Inc.	2.00	0.24	1.76	11.42
Amgen Inc	1.93	0.67	1.26	10.26
Merck & Co Inc.	2.23	0.92	1.31	9.14
Praxair Inc.	2.03	0.18	1.85	8.17
Accenture PLC	2.73	0.41	2.32	7.84
% of Portfolio	23.22	6.31		



**Portfolio Characteristics**  
**Vanguard Small Cap Index Fund vs. Russell 2000 Index**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	3,662	1,870
Median Mkt. Cap (\$M)	1,941	738
Price/Earnings ratio	21.15	20.41
Price/Book ratio	2.53	2.32
5 Yr. EPS Growth Rate (%)	10.21	9.44
Current Yield (%)	1.61	1.46
Beta (5 Years, Monthly)	0.91	1.00
Number of Stocks	1,434	1,961



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	0.41	0.00	0.41	N/A
Arthur J. Gallagher & Co.	0.31	0.00	0.31	7.69
Newfield Exploration Co	0.29	0.00	0.29	-1.63
Regency Centers Corp.	0.28	0.00	0.28	-6.88
UGI Corp	0.27	0.00	0.27	0.51
Westar Energy Inc.	0.27	0.00	0.27	1.88
Broadridge Financial Solutions Inc	0.27	0.00	0.27	4.47
Atmos Energy Corp	0.26	0.00	0.26	-7.92
Targa Resources Corp	0.26	0.00	0.26	19.39
Packaging Corp Of America	0.26	0.00	0.26	22.38
% of Portfolio	2.88	0.00		

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Sarepta Therapeutics Inc	0.10	0.15	-0.05	222.02
Clayton Williams Energy Inc	0.01	0.03	-0.02	211.14
Clovis Oncology Inc	0.04	0.07	-0.03	162.76
Acacia Communications Inc	0.02	0.03	-0.01	158.59
Healthways Inc	0.03	0.05	-0.02	129.09
Puma Biotechnology Inc	0.06	0.10	-0.04	125.08
Ocwen Financial Corp	0.01	0.02	-0.01	114.62
Tronox Ltd	0.02	0.03	-0.01	113.62
Harmonic Inc	0.01	0.03	-0.02	108.07
PTC Therapeutics Inc	0.01	0.03	-0.02	99.57
% of Portfolio	0.31	0.54		



- **Vanguard Total International Stock Index**

- **Management:** Michael Perre and Michelle Louie of Vanguard’s Global Investment Group. Mr. Perre has managed this Fund since 2008 and Ms. Louie has managed the fund since 2016.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks across all market capitalizations issued by companies domiciled in both emerging markets and developed markets outside the United States.
- **Strategy:** The Fund employs a “passive management” – or indexing – investment approach that seeks to track the investment performance of the FTSE Global All Cap ex U.S. Index, an unmanaged benchmark representing stocks from global developed and emerging markets, excluding the United States, across the market capitalization spectrum.

- **Vanguard International Value**

- **Management:** Subadvised by ARGA, Edinburgh Partners, and Lazard since 2012, 2008, and 2010, respectively.
- **Objective:** The Fund seeks capital appreciation
- **Strategy:** By combining elements of deep value, traditional value, and relative value investing, the Fund is expected to temper some of the cyclicality that is inherent in value investing, while retaining exposure to the alpha generation capabilities of all three sub-styles. In addition, the Fund provides access to the three underlying strategies that are otherwise not available to mutual fund investors. The Fund is designed to give total international equity exposure, including both developed and emerging markets.

- **J O Hambro International Select**

- **Management:** The fund is managed by Christopher Lees and Nudgem Richyal. Both the senior fund managers joined the firm in 2008, having previously worked together at Baring Asset Management.
- **Objective:** The fund managers aim to exploit market anomalies via an investment process that combines both top-down and bottom-up research.
- **Strategy:** The fund managers target multiple sources of performance, looking for stocks, sectors, and countries with rising earnings estimates, rising or high and sustainable return on equity, appropriate valuation, and attractive mean reversion and momentum characteristics. They evaluate the correlation between each stock and its sector or country in order to avoid buying “good stocks in bad neighborhoods”. A ruthless sell discipline is employed, whereby a stock is immediately sold to zero weight when its fundamentals or technicals deteriorate, or when there is contagion from deteriorating fundamentals or technicals in a stock’s sector or country.

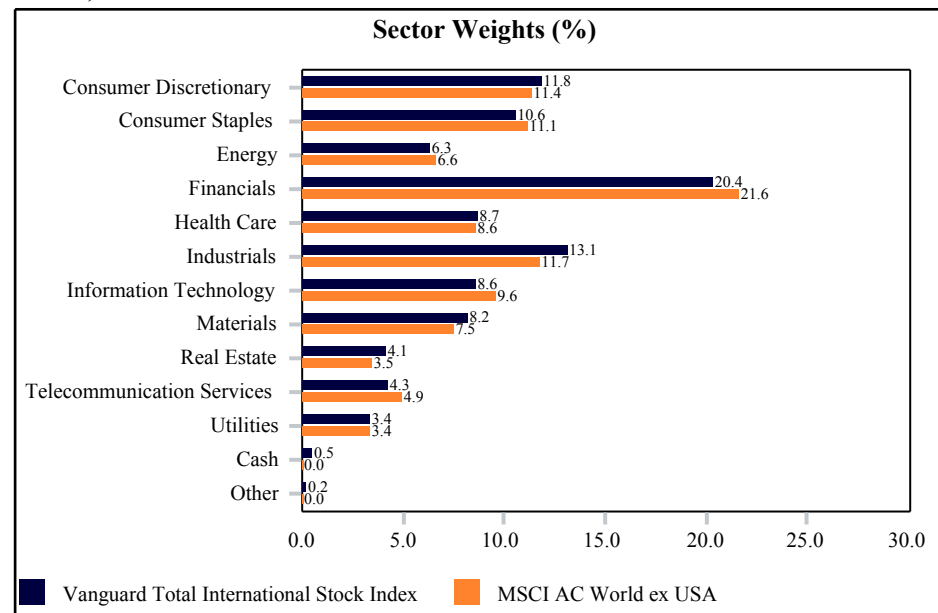


- **Oppenheimer International Small-Mid Company Fund**

- **Management:** Rezo Kanovich has been the portfolio manager for this fund since 2012 and previously served as an analyst on Oppenheimer's Global Equity Fund since 2005. He is part of Oppenheimer's Global Equity Team, which consists of 21 portfolio managers, analysts and traders.
- **Objective:** The Fund seeks capital appreciation.
- **Strategy:** The Fund invests primarily in small- and mid-cap companies domiciled outside the U.S. that offer opportunities for growth. Rigorous, fundamental analysis is employed to identify future leaders that operate in industries driven by structural growth and high barriers to entry. The Fund seeks companies with meaningful competitive advantages such as technological leadership, intellectual property, strong brands, or industries favoring natural monopolies. Oppenheimer's Global Equity Team uses several secular growth themes as a way to focus attention on certain segments of the global marketplace, which they refer to as MANTRA (Mass Affluence, New Technology, Restructuring and Aging).

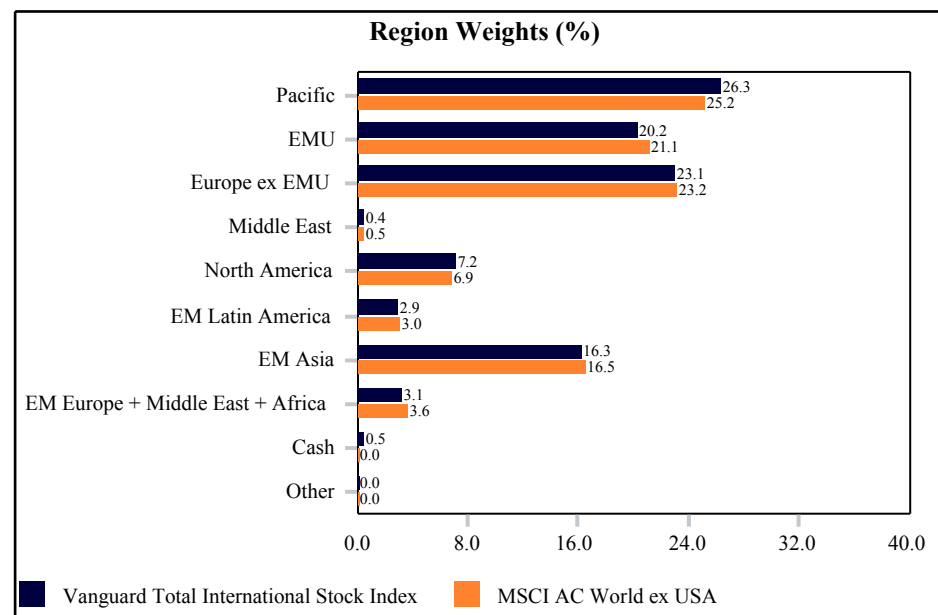
**Portfolio Characteristics**  
**Vanguard Total International Stock Index vs. MSCI AC World ex USA**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	44,432	53,164
Median Mkt. Cap (\$M)	1,480	6,997
Price/Earnings ratio	15.77	15.91
Price/Book ratio	2.23	2.26
5 Yr. EPS Growth Rate (%)	4.79	4.31
Current Yield (%)	3.14	3.15
Beta (5 Years, Monthly)	0.96	1.00
Number of Stocks	6,105	1,853



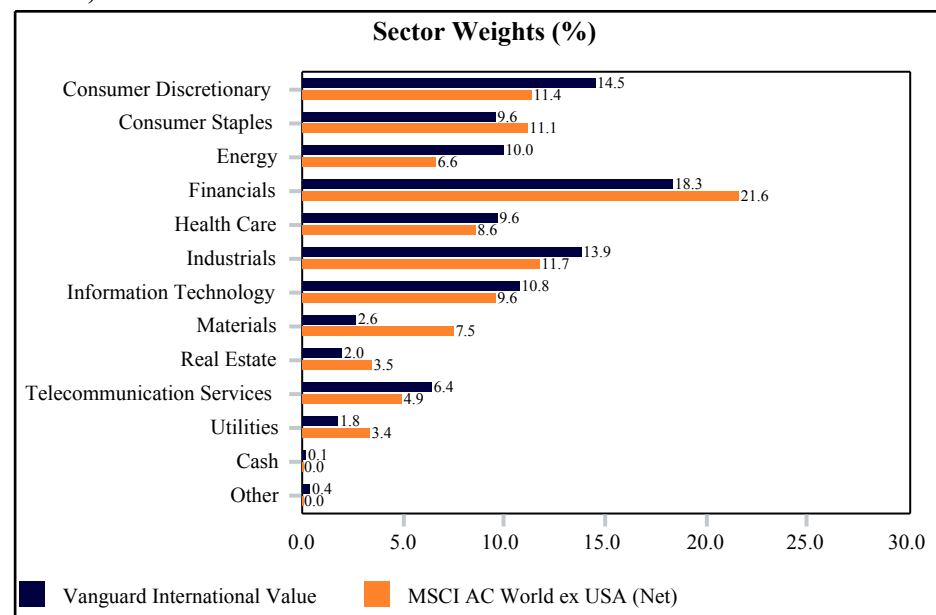
**Top Ten Equity Holdings**

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Nestle SA, Cham Und Vevey	1.21	1.43	-0.22	2.38
Novartis AG	0.93	1.00	-0.07	-4.20
Roche Holding AG	0.88	0.99	-0.11	-5.42
Toyota Motor Corp	0.77	0.86	-0.09	17.68
HSBC Holdings PLC	0.74	0.84	-0.10	22.41
Samsung Electronics Co Ltd	0.73	0.82	-0.09	17.45
Tencent Holdings LTD	0.73	0.88	-0.15	20.99
Taiwan Semiconductor Manufctrg Co Ltd	0.65	0.81	-0.16	15.64
British American Tobacco PLC	0.59	0.68	-0.09	-0.02
BP PLC	0.55	0.62	-0.07	1.64
% of Portfolio	7.78	8.93		

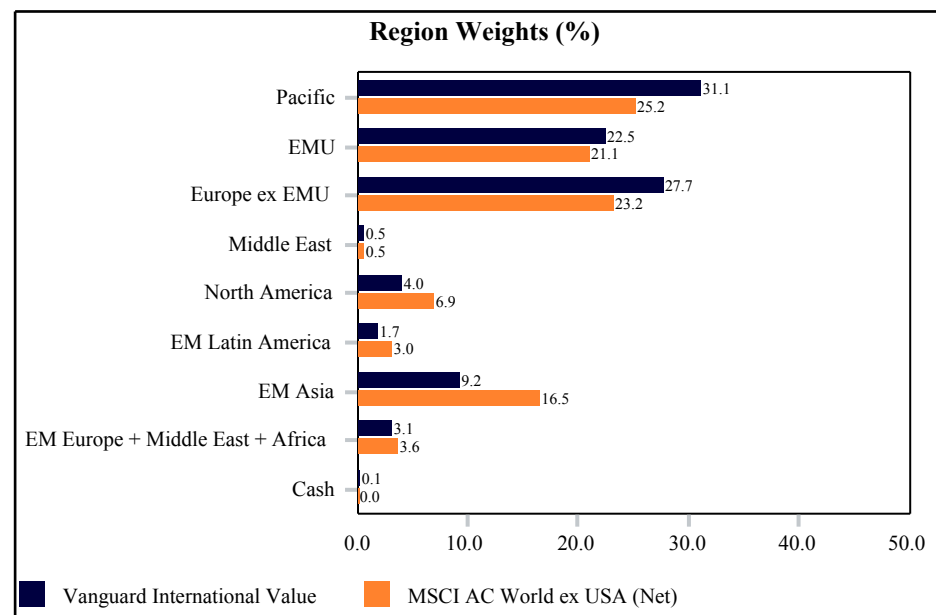


**Portfolio Characteristics**  
**Vanguard International Value vs. MSCI AC World ex USA (Net)**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	52,356	53,164
Median Mkt. Cap (\$M)	22,361	6,997
Price/Earnings ratio	16.31	15.91
Price/Book ratio	2.25	2.26
5 Yr. EPS Growth Rate (%)	4.68	4.31
Current Yield (%)	3.14	3.15
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	160	1,853

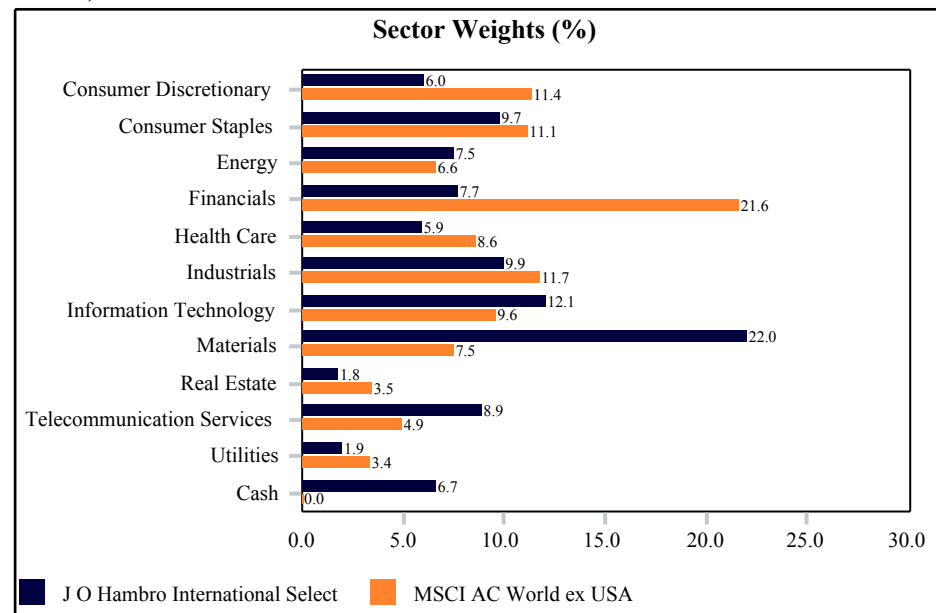


Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novartis AG	2.51	1.00	1.51	-4.20
Japan Tobacco Inc	1.97	0.25	1.72	1.98
Taiwan Semiconductor Manufctrng Co Ltd	1.75	0.81	0.94	15.64
Total	1.68	0.60	1.08	-0.16
Sumitomo Mitsui Financial Group Inc	1.61	0.25	1.36	19.93
Prudential PLC	1.60	0.26	1.34	6.65
Softbank Group Corp	1.60	0.35	1.25	14.83
Anheuser-Busch InBev SA/NV	1.35	0.60	0.75	0.33
DeNA Co Ltd	1.30	0.00	1.30	56.13
Nippon Telegraph & Telephone Corp Ntt	1.29	0.18	1.11	-1.11
% of Portfolio	16.66	4.30		

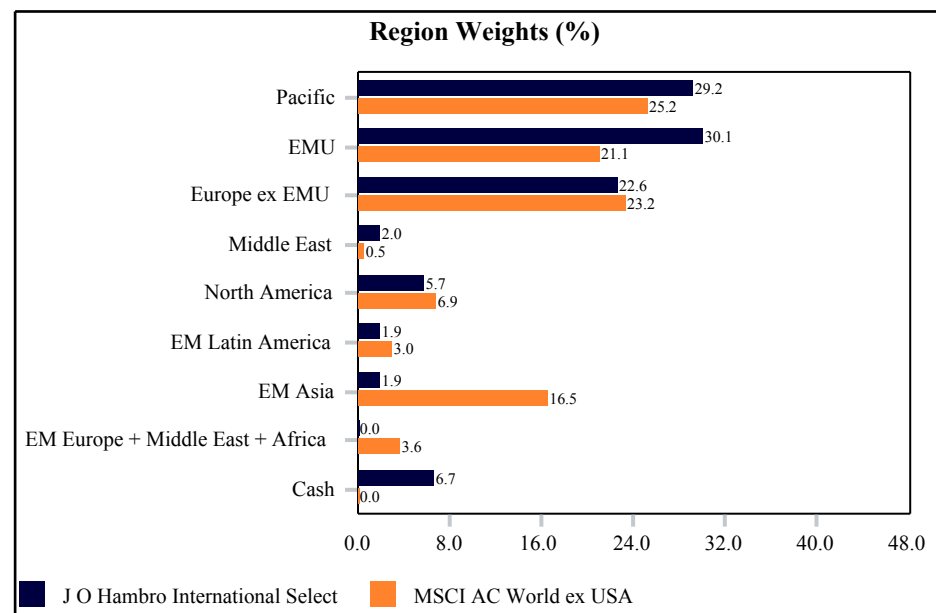


**Portfolio Characteristics**  
**J O Hambro International Select vs. MSCI AC World ex USA**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	41,558	53,164
Median Mkt. Cap (\$M)	21,938	6,997
Price/Earnings ratio	23.60	15.91
Price/Book ratio	2.29	2.26
5 Yr. EPS Growth Rate (%)	3.53	4.31
Current Yield (%)	2.27	3.15
Number of Stocks	51	1,853

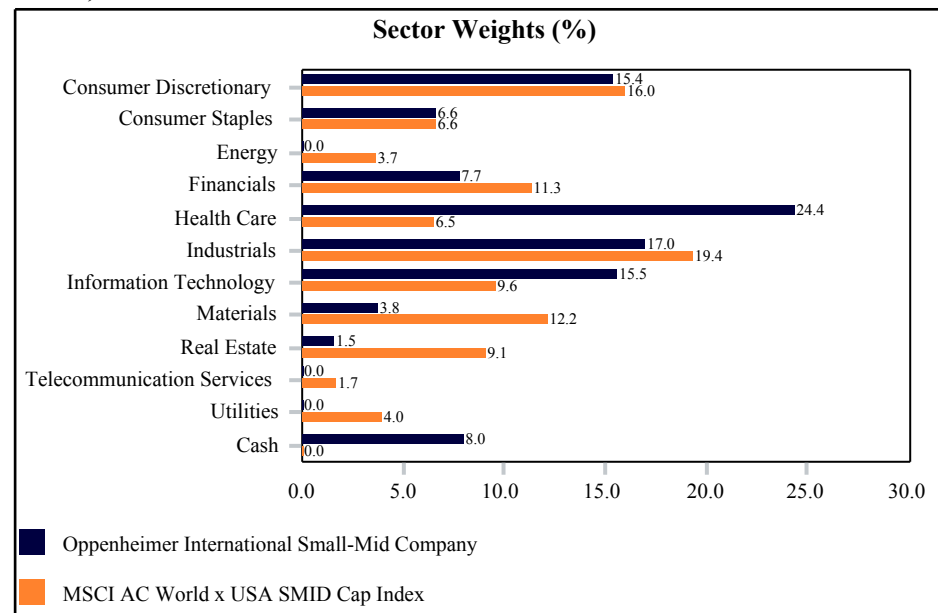


Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	6.65	0.00	6.65	N/A
Cyber Agent Ltd	2.11	0.00	2.11	-0.65
Amadeus IT Group SA	2.10	0.12	1.98	15.83
Recruit Holdings Co Ltd	2.10	0.08	2.02	11.78
Accenture PLC	2.09	0.00	2.09	7.84
Kao Corp	2.08	0.16	1.92	-2.50
LafargeHolcim Ltd	2.08	0.14	1.94	30.16
Gamesa Corporacion Tecnologica SA	2.05	0.00	2.05	21.89
Hong Kong Exchanges and Clearing Ltd	2.05	0.17	1.88	9.94
Infineon Technologies AG, Muenchen	2.03	0.11	1.92	23.85
% of Portfolio	25.34	0.78		

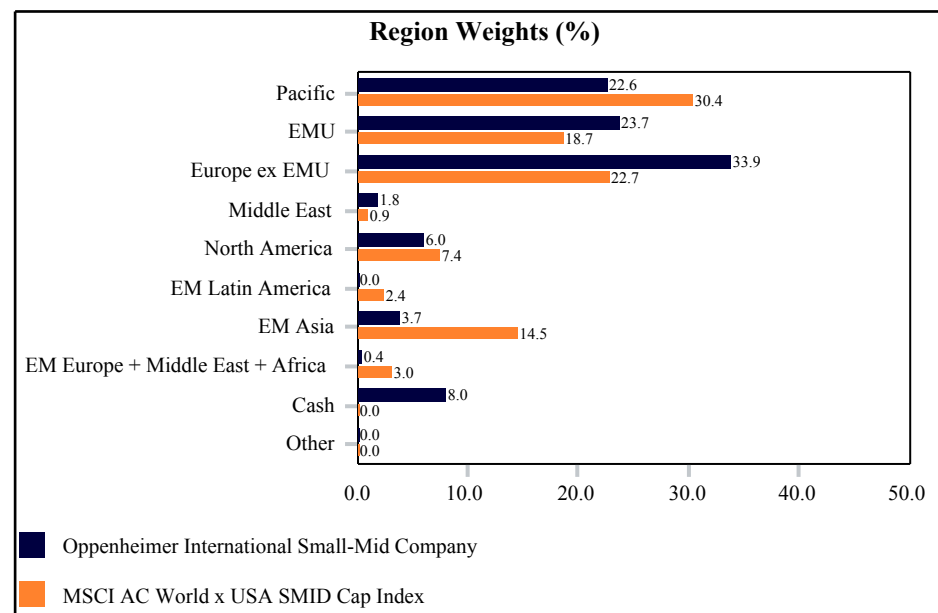


**Portfolio Characteristics**  
**Oppenheimer International Small-Mid Company vs. MSCI AC World x USA SMID Cap Index**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	3,986	4,989
Median Mkt. Cap (\$M)	3,036	967
Price/Earnings ratio	23.26	16.04
Price/Book ratio	3.07	2.28
5 Yr. EPS Growth Rate (%)	10.95	8.27
Current Yield (%)	1.51	2.74
Beta (5 Years, Monthly)	0.77	1.00
Number of Stocks	152	5,293



Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CASH	7.98	0.00	7.98	N/A
Lonza Group AG, Zuerich	2.26	0.16	2.10	15.72
Ocado Group PLC	1.61	0.03	1.58	11.42
NICE Ltd	1.49	0.06	1.43	5.09
Carl Zeiss Meditec AG, Jena	1.42	0.02	1.40	-5.49
H Lundbeck A/S	1.32	0.00	1.32	-12.14
Rakuten Inc	1.32	0.00	1.32	20.79
ABCAM	1.28	0.03	1.25	6.01
Obic Co Ltd	1.27	0.05	1.22	-2.36
Ariake Japan Co Ltd	1.23	0.02	1.21	-9.10
% of Portfolio	21.18	0.37		



- **Metropolitan West Total Return**

- **Management:** Tad Rivelle, Steve Kane and Laird Landmann form the senior management team assigned to the Fund. All three have managed the Fund since its inception, having co-founded Metropolitan West Asset Management (MetWest) in 1996. Bryan Whalen joined them as a generalist portfolio manager in 2004. TCW acquired MetWest in 2009.
- **Objective:** The Fund seeks to maximize long-term total return.
- **Strategy:** The Fund seeks to outperform the Barclays Capital Aggregate Index while maintaining overall risk similar to the index. The Fund will maintain an average duration between 2 and 8 years, and is normally expected to be within one year of the duration of the Barclays Capital Aggregate Index. Investments can include government and corporate debt securities, mortgage- and asset-backed securities, money market instruments, and derivatives. The Fund can invest up to 20% in issues rated below BBB but no lower than B.

- **Baird Core Plus**

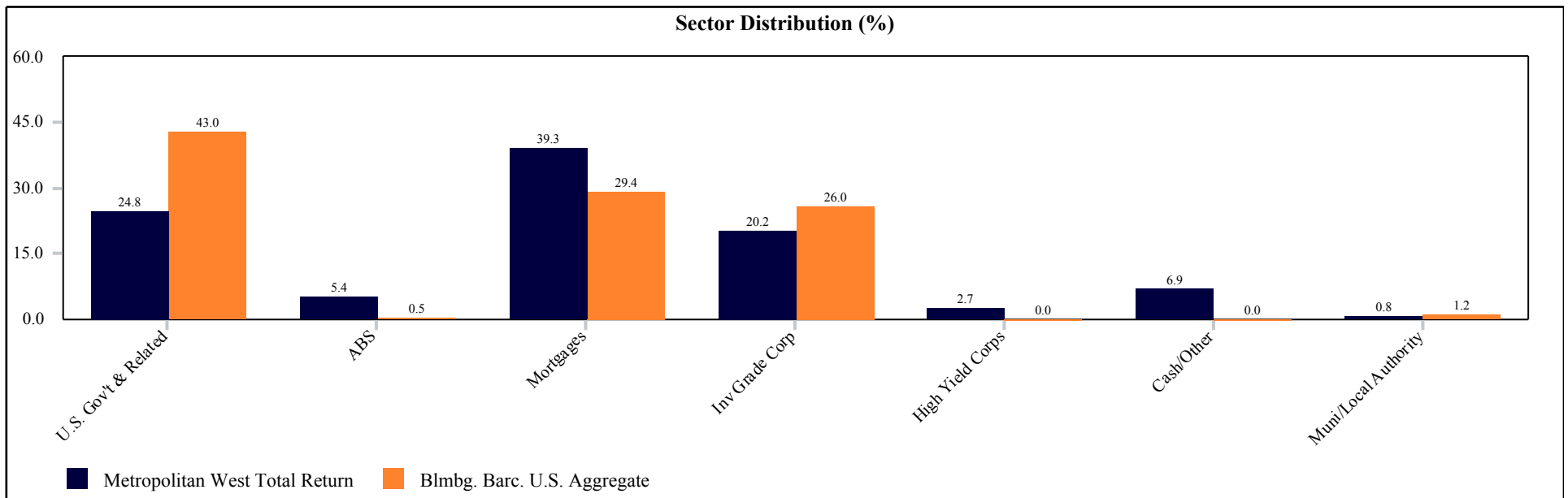
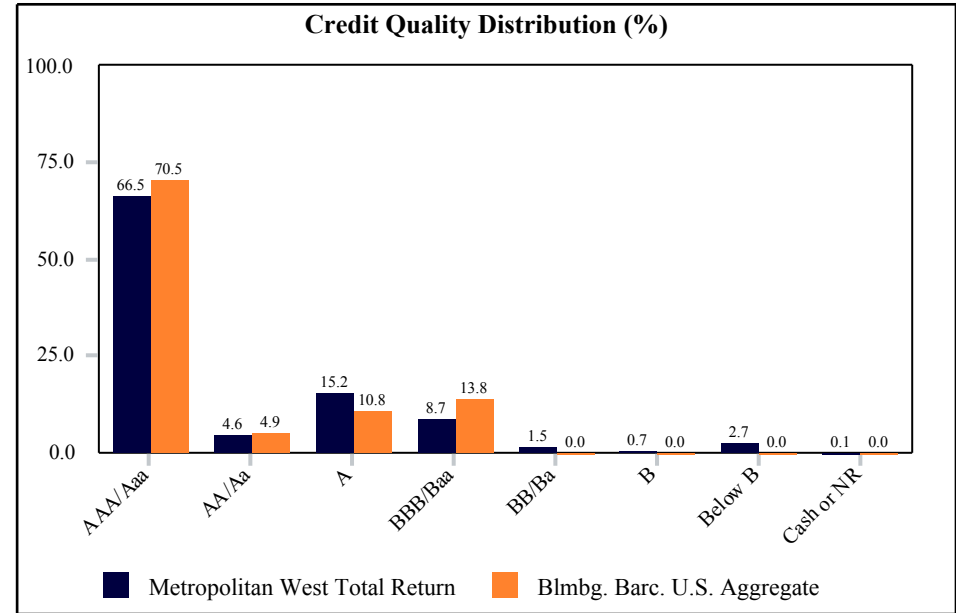
- **Management:** The Fund is managed by a team of six portfolio managers (including 4 CFAs) that have been managing the fund since 2000 and each have more than 20 years experience managing fixed income portfolios.
- **Objective:** The Fund seeks to maximize long-term total return and achieve an annual return that exceeds its benchmark.
- **Strategy:** The Fund normally invests at least 80% of assets in the following types of U.S. dollar-denominated debt securities: U.S. government, U.S. government agencies, asset-backed and mortgage-backed obligations of U.S. issuers and corporate debt of U.S. and foreign issuers. It invests primarily in investment-grade debt securities, but can invest up to 20% of net assets in non-investment grade securities.

- **Vanguard Intermediate-Term Investment Grade**

- **Management:** Gregory Davis, CFA, principal and global head of Fixed Income Group, has direct oversight responsibility for all money market, bond, and stable value portfolios managed by the Fixed Income Group. He has managed investment portfolios since 2000 and has been with Vanguard since 1999. Gregory S. Nassour, CFA, Principal at Vanguard serves as the portfolio manager for the Fund. He has been advising the Fund since 2008 and has worked in the investment management industry since 1992.
- **Objective:** The Fund seeks to provide a moderate and sustainable level of current income.
- **Strategy:** The Fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be short- and intermediate-term investment-grade securities. High-quality fixed income securities are those rated the equivalent of A3 or better by Moody's Investors Service, Inc., or another independent rating agency; medium-quality fixed income securities are those rated the equivalent of Baa1, Baa2, or Baa3 by Moody's, or another independent rating agency. Investment-grade fixed income securities are those rated the equivalent of Baa3 and above by Moody's. The fund is expected to maintain a dollar-weighted average maturity of 5 to 10 years.

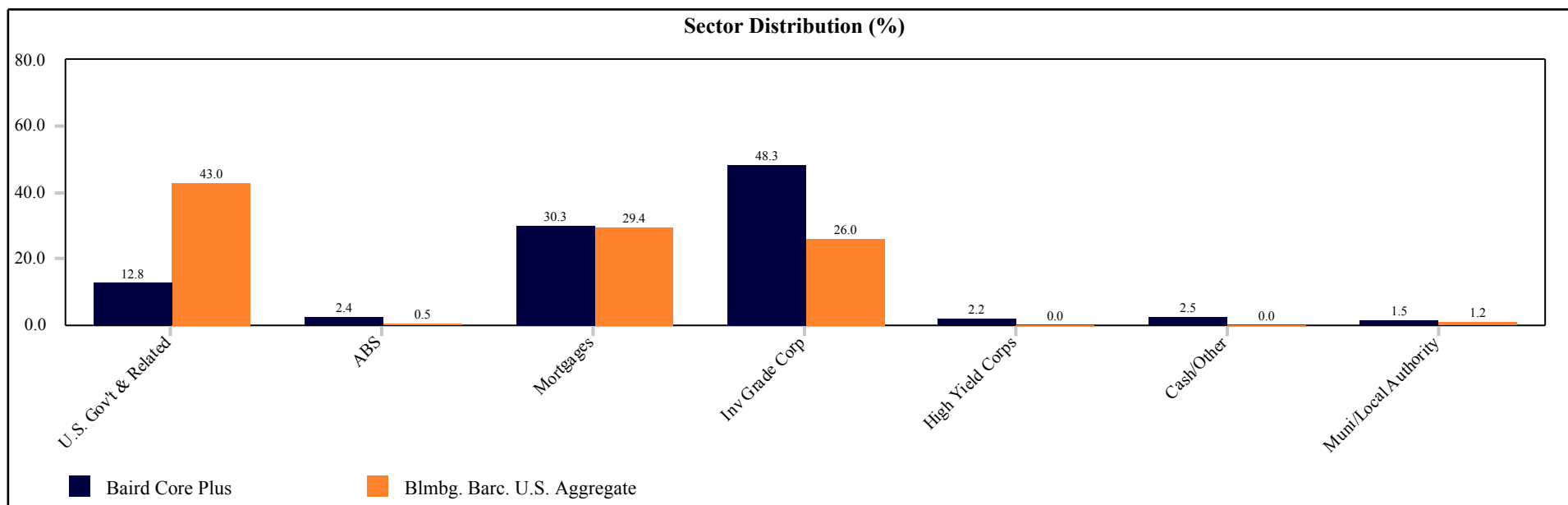
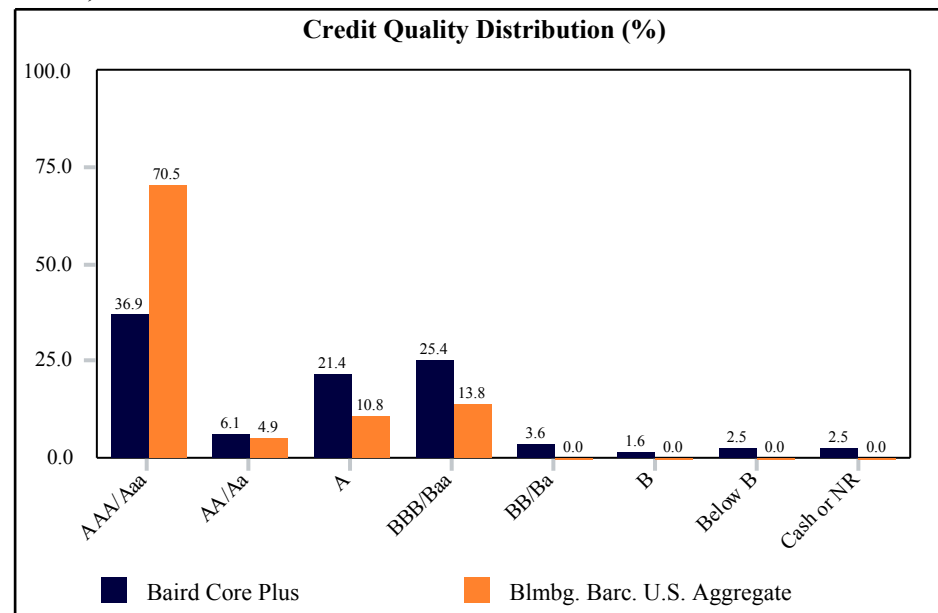
**Portfolio Characteristics**  
**Metropolitan West Total Return vs. Barclays Aggregate**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.91	5.51
Yield To Maturity (%)	2.19	1.96
Avg. Maturity	7.10	7.82
Avg. Quality	AA	AA
Coupon Rate (%)	2.56	3.09



**Portfolio Characteristics**  
**Baird Core Plus vs. Blmbg. Barc. U.S. Aggregate**  
**As of September 30, 2016**

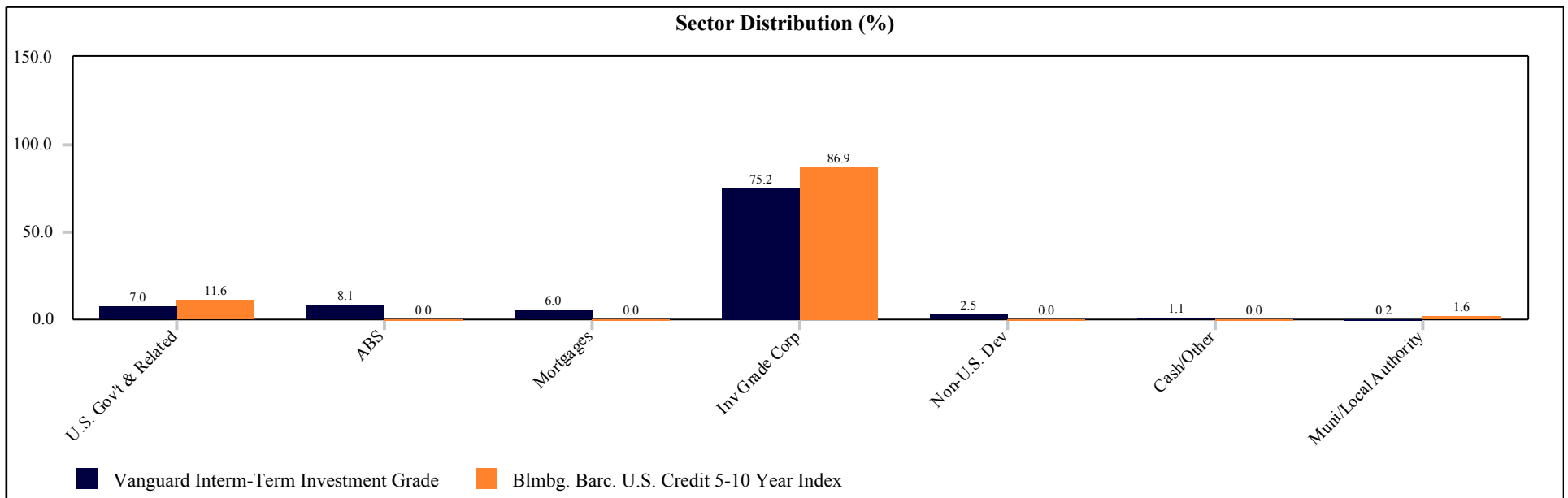
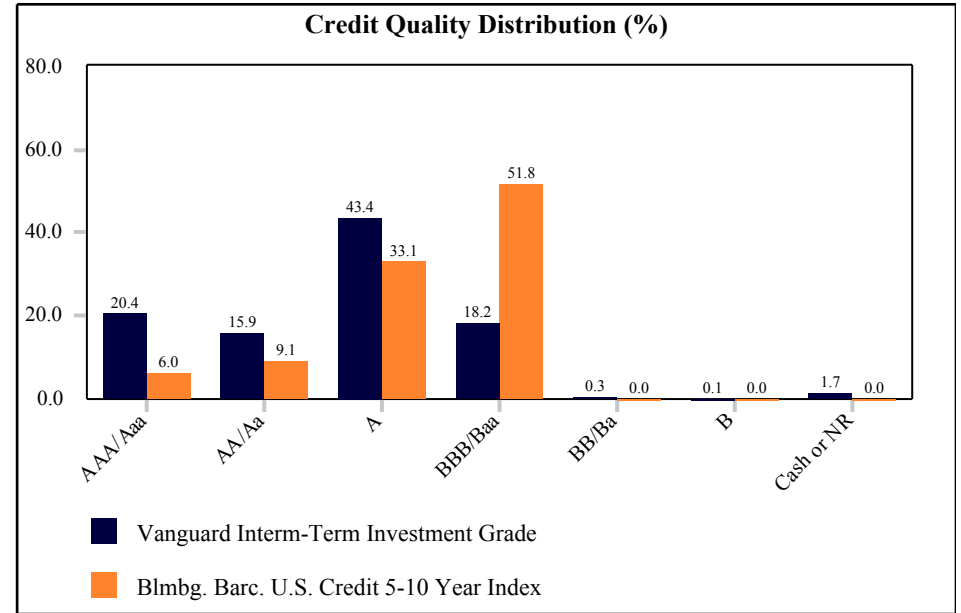
Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.39	5.51
Yield To Maturity (%)	2.62	1.96
Avg. Maturity	7.18	7.82
Avg. Quality	A	AA
Coupon Rate (%)	3.57	3.09





**Portfolio Characteristics**  
**Vanguard Interm-Term Investment Grade vs. Blmbg. Barc. U.S. Credit 5-10 Year Index**  
**As of September 30, 2016**

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.46	6.51
Yield To Maturity (%)	2.32	2.77
Avg. Maturity	6.30	7.52
Avg. Quality	A	A
Coupon Rate (%)	3.33	3.68



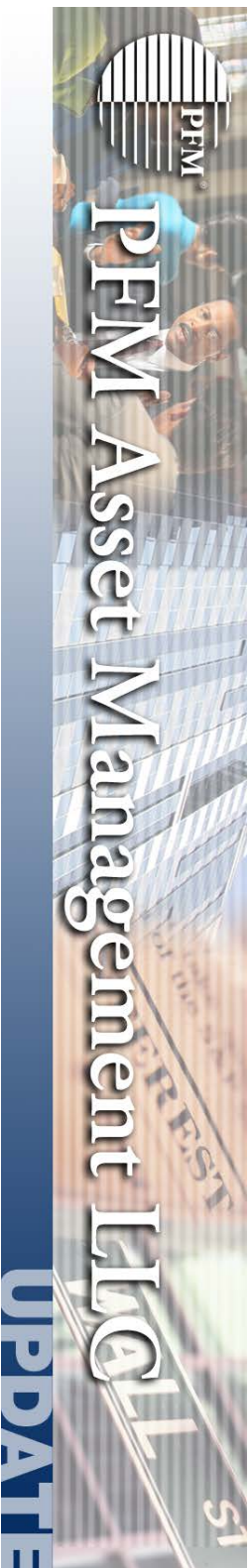
## PERFORMANCE EVALUATION AND REPORTING SERVICES INFORMATION DISCLAIMER

PFM Asset Management LLC has exercised reasonable professional care in the preparation of this performance report. However, information in this report on market indices and security characteristics, as well as information incorporated in the Market Commentary section, is received from sources external to PFM Asset Management LLC.

PFM Asset Management LLC relies on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur.



# Portfolio Update



## MULTI-ASSET CLASS PORTFOLIO UPDATE September 19, 2016

### EVENT

Active global central banks are providing renewed support for equity markets in light of weak earnings growth and mixed economic data. Recent statements and policy discussion have given no indication of this activity subsiding but rather continuing into the future giving rise to a potential market inflection point. As a result, the PFM Asset Management LLC (“PFMAM”) Multi-Asset Class Investment Committee (the “Committee”) has adjusted portfolios in the following ways:

- Modestly increased exposure to non-U.S. equity markets while remaining underweight; which, in turn, increased total equity back to a modest overweight.
- Increased small-cap domestic equity exposure. Reallocations primarily funded by a reduction of large-cap domestic equity and real estate.
- Replaced developed markets equity fund with a total international fund to increase emerging market equity exposure.

### SUMMARY

Over the past few months, central banks have created an easing arms-race of sorts making it very difficult for any central bank to consider a tightening policy. The Bank of England recently cut their policy rate, while the European Central Bank has given every indication of doing the same to their already negative policy rate. Long-term German bunds remain negative along with Swiss sovereign bonds. Interestingly enough, the Swiss National Bank has been purchasing equities and even owns roughly a quarter of a percent of Facebook. The Bank of Japan continues to also hold a negative policy rate and is currently conducting studies on possible easing for their next meeting. Despite the Federal Reserve (“Fed”) leaving the possibility of a 2016 rate hike open, they have been extremely tentative to hike in the recent past. Janet Yellen has also made recent comments suggesting that the Fed could potentially implement another round of Quantitative Easing if another recession were to hit. Even more surprising, she had mentioned that the Fed could open the door to purchasing corporate credit and even some equities in such an event.

With all of this said, the Committee still holds a favorable view of domestic equity markets relative to their international peers. Portfolios will still remain overweight domestic equities relative to non-U.S. equities while the introduction of the small-cap fund should increase exposures domestically as small-cap companies rely on a larger portion of revenues domestically than large-cap firms. Real estate has had a strong 2016; however, valuations have pushed to less attractive levels supporting a slightly lower exposure.

### ASSESSMENT

The Committee believes that client portfolios have been adjusted to better perform in a market environment supported by central banks. We appreciate your continued confidence in working toward your investment objectives with PFMAM as your investment adviser. Should you have any specific questions or wish to discuss this topic in more detail, please contact your client manager directly.

Sincerely,

**PFM Asset Management LLC**



# Enhancing Multi-Asset Class Investing: PFM Multi-Manager Funds

November, 2016





# Overview

- PFMAM has been exploring ways to:
  - Enhance the characteristics of our clients' investment portfolios leading to better risk/return outcomes
  - Allow for additional access to investment managers and strategies that are not currently available in an institutional mutual fund
  - Provide for enhanced purchasing power of investments for client portfolios
  - Maintain our independent, cost-conscious implementation of investment strategies



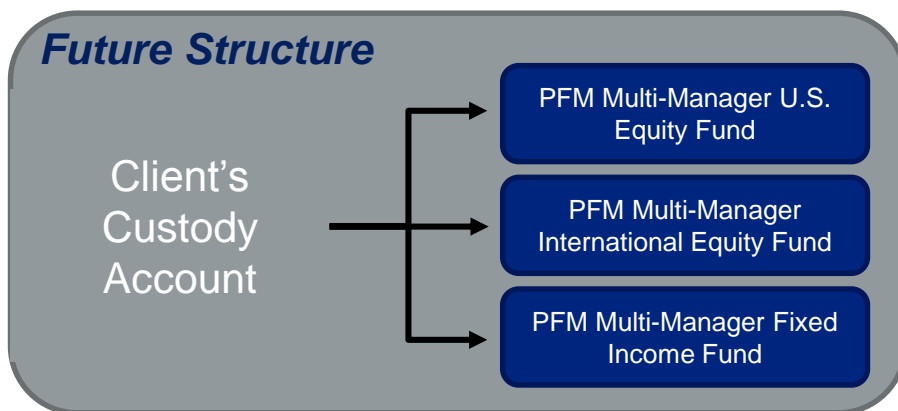
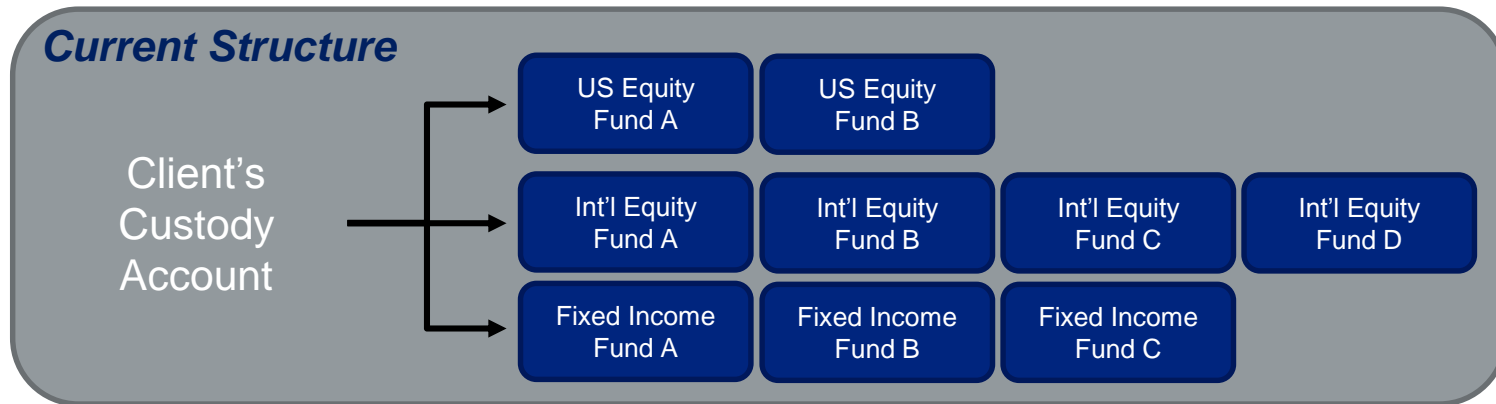
# Solution: PFM Multi-Manager Mutual Funds

- After exploring a variety of options, we are creating sub-advised, multi-manager mutual fund vehicles for PFMAM clients
  - Mutual funds will be open-ended and regulated under the Investment Company Act of 1940
  - Three (3) mutual funds (the “Fund(s)”) will be created
    - U.S. Equity
    - International Equity
    - Fixed Income
  - Each Fund will hold assets managed by third-party investment managers
  - PFMAM will independently select and allocate assets to the various investment managers/strategies within the Funds
  - State Street was selected through a competitive national RFP process to provide custody and fund administration services to the Funds

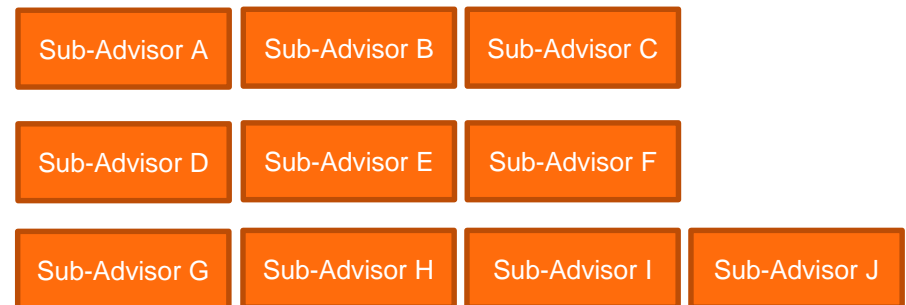


# Today vs. Tomorrow

- Instead of owning shares of various third-party mutual funds, clients would own shares of PFM Multi-Manager Mutual Funds that utilize third-party sub-advisors



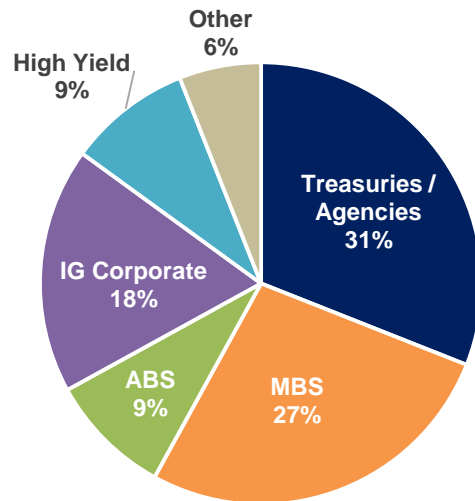
**PFMAM Selects/Allocates Managers Within Each Fund**



# Creating Better Outcomes

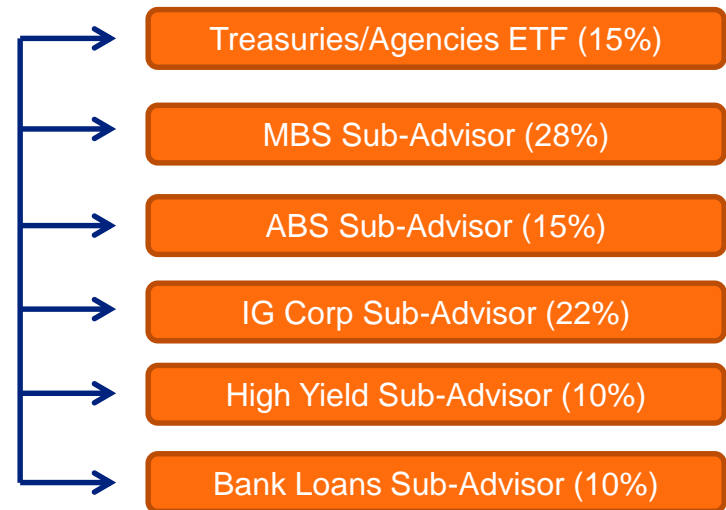
- Use of sub-advisors will provide for increased control over desired asset allocation and risk exposure
  - Current use of third-party mutual funds limits refinement of asset allocation

**Sample Core Plus Bond Fund**



**vs.**

**Sample Customized Sector Allocations**



- Gaining daily access to underlying sub-advisor holdings provides for better transparency & compliance monitoring
  - Mutual fund holdings are typically available on a quarterly basis with a 30-45 day lag

# Accessing Additional Managers/Strategies

- Hiring sub-advisors within a fund structure improves access to a wider range of investment managers & strategies
  - Not all managers/strategies can be found in an institutional mutual fund vehicle

Asset Class	Total Available Strategies	Number of Mutual Fund Strategies	Mutual Fund % of Total Universe
Domestic Equity	6,300	3,400	54%
Domestic Equity - Large Cap	2,517	1,377	55%
Domestic Equity - Mid Cap	669	446	67%
Domestic Equity - Small Cap	1,205	703	58%
International Equity	6,083	3,725	61%
International Equity - EAFE	1,251	648	52%
International Equity - Emerging Markets	1,026	678	66%
Fixed Income	5,719	3,059	53%
Fixed Income - Core	1,274	555	44%
Fixed Income - Corporate	433	176	41%
Fixed Income - High Yield	758	466	61%

\*Source: eVestment Alliance

# Enhancing Purchasing Power

- Commingled Fund structure will allow PFMAM to better aggregate client assets when sourcing new managers:
  - Increased ability to negotiate reduced investment minimums and fees



## **Coho Partners Relative Value US Equity\***

Mutual Fund: 0.79%  
Separate Account (\$10m min):  
    First \$25M: 0.60%  
    Next \$25M: 0.55%  
    Thereafter: 0.53%

## **Earnest Partners International Equity\***

Mutual Fund: 1.22%  
Separate Account (\$25m min):  
    First \$25M: 0.79%  
    Next \$25M: 0.75%  
    Next \$25M: 0.73%  
    Thereafter: 0.71%

## **MetWest / TCW Total Return Bond\***

Mutual Fund: 0.44%  
Separate Account (\$75m min):  
    First \$100M: 0.28%  
    Next \$100M: 0.25%  
    Thereafter: Negotiable

\*Source: eVestment Alliance. For illustration purposes only. Separate Account fees and minimums are negotiable.

# Maintaining Independence & Cost-Consciousness

- Investment Advisory fees paid to PFMAM will remain the same
  - Any PFMAM investment advisory fees accrued in PFM Multi-Manager Funds will be deducted from current investment advisory fees paid



1735 Market Street  
43rd Floor  
Philadelphia, PA 19103-7501

215-567-6100 phone  
215-567-4180 fax  
www.pfm.com

Client Name  
Contact Name  
Street Address  
City, State Zip Code

For Period August 1, 2016 to August 31, 2016  
Invoice #: PFM-00000

**Rebate for fees accrued by PFMAM for its Investment Advisory Service to the Fund(s)**

## INVOICE FOR INVESTMENT ADVISORY SERVICES

Client ID	Days	Description	Assets	Fee
00.00000.000	31	PORTFOLIO DESCRIPTION	\$ 100,000,000.00	\$ 38,114.75
		Less PFM Multi-Manager Fund Advisory Fees :		\$ 8,469.95
		<b>Total Amount Due :</b>		<b>\$ 29,644.80</b>

Fee Structure:  
45 bps on assets under management

For questions or additional information, please contact your Client Manager:  
Client Manager Name; Phone 000-000-0000, e-mail xxxxx@pfm.com

# Summary of Impact

	Will Stay the Same	Will be Different	Explanation
Client Service / Team	X		
Performance Reporting	X		Reports will continue to include additional detail on all subadvisors within each PFM Multi-Manager Fund
Holdings/Transaction Reports	X		
PFMAM IA Agreement		X	Clients will need to sign addendum adopting investment in new fund structure
PFMAM Advisory Fees	X		
PFMAM Invoices		X	Management fee for PFM Multi-Manger Funds will be netted out of PFMAM Advisory fee on monthly invoice
Custodian Bank / Fees	X		
Underlying Money Managers		X	PFMAM is currently conducting due diligence within wider universe of available managers/strategies
Money Manager Fees		X	TBD based on sub-advisors selected
Liquidity	X		

# What Now?

- PFMAM intends to launch the Funds by June 30, 2017
- PFMAM is currently:
  - Working with State Street, legal counsel, and other related parties on all necessary aspects of creating the Multi-Manager Funds.
  - Identifying and conducting due diligence on various sub-advisors and investment strategies, as well as negotiating pricing
  - Developing necessary documentation and literature to launch the Funds and provide additional information and offering documents (Prospectus, Statement of Additional Information, etc.) to clients and prospective clients
- Next Steps:
  - PFMAM will continue to communicate updates on progress in future meetings and answer any questions in a timely manner
  - PFMAM will draft an amendments to your current Investment Advisory agreements
  - PFMAM will provide you with offering documents for the Funds, including information on asset allocation, expenses, etc. once they become available

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT  
LIST OF WARRANTS DATED **NOVEMBER 15, 2016.**

WAR NO	PAYEE	FOR	ACCT NO	AMT OF CHARGE	AMT OF WARRANT
021917	Biological Specialist	Total salary less deduction for payroll	600001	2,622.80	
021917	Mosq Control Tech	November 1 to November 15, 2016.	600001	2,250.00	
021917	Vector Biologist	"	600001	2,823.83	
021917	Vector Biologist	"	600001	2,875.10	
021917	Mosq Control Tech	"	600001	2,183.22	
021917	Environment Specialist	"	600001	2,800.77	
021917	District Manager	"	600001	3,857.54	
021917	Asst Mosq Control Tech	"	600001	2,164.67	
021917	IT Specialist	"	600001	3,120.86	
021917	Entomologist	"	600001	3,000.23	
021917	Field Supervisor	"	600001	3,550.44	
021917	Finance Manager	"	600001	2,574.72	
021917	Office Assistant	"	600001	1,657.85	
021917	Vector Biologist	"	600001	3,539.77	
021917	Mosq Control Tech	"	600001	2,565.96	
021917	Mosq Control Tech	"	600001	2,131.33	
021917	Mechanic Specialist	"	600001	3,222.67	
021917	Over payment	Over payment	600001	4,470.91	
021917	IRS	Federal tax withheld (payroll)	600001	7,926.08	
021917		Medicare Tax Withheld (payroll)	600001	897.90	
021917		District Contribution to Medicare (payroll)	600401	897.90	
021917	State of California	State Tax withheld (payroll)	600001	2,491.39	
021917	EDD	Ca Disability	600001	557.31	64,183.25
022017	Public Employees' Retirement System	Employee Contributions	600001	17.00	
		Employee Paid Member Contributions, 7% & 6.5%	600001	4,639.28	
		Employer Contribution 9.558% & 6.930%	600201	5,871.64	10,527.92
022117	Aetna Life & Annuity	Employee Contributions	600001		150.00
022217	CALPERS 457 Plan	Employee Contributions - PERS 457	600001		2,960.00
022317	Delta Dental Plan	Monthly Premium	600601		4,505.91
022417	Vision Service Plan	Health premium	600601		651.36
022517	The Hartford	Life insurance	600601		82.43
022617	Airgas	Dry ice cut block slab	620141.1		164.75
022717	Adapco	Vectorex, Altosid	610461.1		5,930.66
022817	Bayside	Janitorial services, October 2016	620021		300.00
022917	Cintas	Laundry service	610011	103.19	
		Personal supply	610001	0.00	103.19
023017	California Special Districts Association	Regular Membership dues 2017	610351		6,026.00
023017A	Corporate Park Landscaping	Landscape maintenance	610122		195.00
023117	Castillo, Erika	Reimbursement for BCDC permit	610461.5		40.00
023217	Employment Development Department	Letter L0133002784	600001		3,150.00
023317	Grainger	Light bulb, hose reel	610122.2	337.38	
		Swivel plate caster	610141	93.64	
		Eye wash cartridge	610461.6	241.53	672.55
023417	Huston, Joseph	Reimbursement for dinner	610191.3		48.00
023517	Kimball Midwest	Wiper blades	610141		321.77
023617	KBA Docusys	Canon copier rental/ overage charge	620041		1,688.94
023717	Lepera & Associates PC	Personnel Issues	610261.4		360.00
023817	NBC Supply Corp	Gloves, earplugs	610461.6		158.40
023917	Quill	Stationery	620041		75.86
024017	Macke Water System	Water machine rental	620021		71.50
024117	Pitney Bowes	Postage	620041		67.31
024217	PFM Asset Management	Investment advisory services	610261		1,598.60
024317	PC Professional	Data base development	620042.2		300.00
024417	Techniclean	Towels	620021		155.55
024517	Waste Management	Garbage, September service	610021		197.45



WAR NO	PAYEE	ACCT NO	AMT OF CHARGE	AMT OF WARRANT
024617	U.S Bank			
	Walgreens - ISO Alcohol, tape	620021	9.65	
	USPS - Postage to auditor	620041	1.63	
	Vista print - Self-inking stamps	620041	23.08	
	Office Depot - File binder, sheet protectors, binder tabs	620041	50.89	
	Canon Copier - Copier rental	620041	341.01	
	Idrive - Hard drive	620042.1	149.95	
	Microsoft - Windows 10 pro	620042.1	99.99	
	Amazon - Security camera	620042.1	69.98	
	The Home Depot - Iron grip, construction adhesive	620141.1	40.58	
	The Home Depot - Taping knives	620141.1	11.62	
	Fisher Scientific - Glass beads	620141.2	187.70	
	Stericycle - Steri-safe compliance solutions	620141.2	188.73	
	Fisher Scientific - Art 1200L Rackd str-It	620141.2	709.40	
	Golden state overnight - Overnight shipping	620141.3	6.73	
	Golden state overnight - Overnight shipping	620141.3	15.17	
	AMS Inc - Rubber coated cross handle	620141.5	113.65	
	REI Coop - Orbugbucke kha	620141.5	37.23	
	Scientific sales - Wireless vantage pro 2	620141.5	1,006.76	
	Lampire - Chicken blood	620141.7	207.25	
	Amazon - (4) Insect vacuum	620141.7	67.80	
	The Home Depot - Ks Acetone gal	620141.7	57.07	
	Univar - ATL PSTE solid box	620141.7	507.04	
	Lampire - Chicken blood	620141.7	207.25	
	Absolute Electric - Wiring for pressure washer	610122.2	885.00	
	The Home Depot- Hardware/anchors	610122.2	41.63	
	Guaranteed Auto - Rim/ tire mount	610141	62.85	
	Amazon - Air filter	610141	28.52	
	Amazon - Air filter	610141	11.66	
	Kamps - Island commercial	610141	22.61	
	Absolute Electric - Inspect electrical panel	610022.1	65.00	
	Telepacific - Communications	610022.1	1,088.52	
	Go Daddy - Hosting linux renewal	610022.3	9.99	
	Liqpay - Wordpress	610022.3	37.15	
	ACE Parking - Parking for meeting	610191.1	18.00	
	Foodmaxx - Seasonal/ retirement party	610191.3	114.30	
	Safeway - Seasonal/ retirement party	610191.3	170.74	
	Bart - Bart for meeting in SF	610191.3	10.00	
	Clay street - Parking for meeting	610191.3	6.00	
	Lyft - Transportation	610191.3	36.70	
	Stone Brewing - Dinner R.C	610191.3	17.96	
	Lyft - Transportation	610191.3	7.06	
	Peets Coffee - Breakfast R.C	610191.3	13.56	
	Redwing Bar & Grill - Dinner R.C	610191.3	16.75	
	Lyft - Transportation	610191.3	12.78	
	Lyft - Transportation	610191.3	12.62	
	Tajima Hillcrest - Lunch R.C	610191.3	12.69	
	Lyft - Transportation	610191.3	6.90	
	Lyft - Transportation	610191.3	6.90	
	Sheraton - Breakfast R.C	610191.3	3.78	
	Sheraton - Hotel for conference	610191.3	605.19	
	Hampton - Hotel (Madera)	610191.3	98.10	
	Hampton - Hotel (Madera)	610191.3	98.10	
	Uber - Uber from airport to hotel	610191.3	21.09	
	Things remembered - Lunch	610191.7	65.69	
	Amazon - (4) seneye slide ammonia	610461.4	173.51	
	Amazon - Chapin series straps	610461.6	15.32	
	Amazon - (2) trouble light with metal guard	610461.6	18.44	
	Amazon - Chapin O-ring kit	610461.6	28.42	
	Water Cannon - Stainless steel - swivel AGS	610461.6	53.85	
	Constant Contract - Contract	610451	20.00	
	Proper Vinyl -ACMAD logo graphic	800002	163.88	
	Sub-total			8,191.42
	<b>Total</b>			<b>112,877.82</b>

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT  
LIST OF WARRANTS DATED **NOVEMBER 30, 2016.**

WAR NO	PAYEE	FOR	ACCT NO	AMT OF CHARGE	AMT OF WARRANT
024717	Biological Specialist	Total salary less deductions for payroll period	600001	2,829.68	
024717	Mosq Control Tech	"	600001	2,250.00	
024717	Lab Seasonal	"	600001	644.52	
024717	Vector Biologist	"	600001	2,900.18	
024717	Vector Biologist	"	600001	2,875.09	
024717	Mosq Control Tech	"	600001	2,183.23	
024717	Environmental Specialist	"	600001	2,876.55	
024717	District Manager	"	600001	4,108.91	
024717	Asst Mosq Control Tech	"	600001	2,164.66	
024717	IT Specialist	"	600001	3,137.02	
024717	Entomologist	"	600001	3,114.15	
024717	Field Supervisor	"	600001	3,598.09	
024717	Finance Manager	Total salary less deductions for payroll period	600001	2,631.50	
024717	Office Assistant	"	600001	1,657.85	
024717	Vector Biologist	"	600001	3,539.77	
024717	Mosq Control Tech	"	600001	2,565.95	
024717	Mosq Control Tech	"	600001	2,131.34	
024717	Mechanic Specialist	"	600001	3,313.49	
024717	Overpayment adjustment	Overpayment adjustment	600001	(4,470.90)	
024717	IRS	Federal Tax Withheld	600001	8,274.79	
024717		Medicare Tax Withheld	600001	928.34	
024717		District Contribution to Medicare	600401	928.36	
024717	State of California	State Tax Withheld	600001	2,619.03	
024717	EDD	Ca Disability	600001	569.85	57,371.45
024817	Public Employees' Retirement System	Employees contributions	600001	17.00	
		Employee paid member contributions, 7%, 6.5%	600001	4,639.28	
		District contribution 9.558%, 6.930%	600201	5,871.64	10,527.92
024917	Aetna Life & Annuity	Employee contributions	600001		150.00
025017	CalPERS 457 Plan	Employees contributions - PERS 457	600001		2,960.00
025117	CalPERS	Health insurance	600601		32,272.14
025217	P. Robert Beatty	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
	T Scott Donahue	Trustee in lieu expenses - 1038th meeting	610191.5		-
025417	Richard Guarienti	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
025517	Eric Hentschke	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
025617	Humberto Izquierdo	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
025717	Elisa Marquez	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
025817	Katherine Narum	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
	Wendi Poulson	Trustee in lieu expenses - 1038th meeting	610191.5		-
	Ronald Quinn	Trustee in lieu expenses - 1038th meeting	610191.5		-
025917	Ursula Reed	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
026017	Jan Washburn	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
026117	George Young	Trustee in lieu expenses - 1038th meeting	610191.5		100.00
026217	Airgas	Dry ice pellets	620141.1		99.80
026317	Beck's Shoes	Boots for E.H	610001		190.00
026417	Branan, Thomas	Dental Expenses for Bettye Branan	600601		136.00
026517	Cintas	Personal supplies	610001	76.85	
		Laundry service	610011	785.40	862.25
026617	Grainger	Swivel plate caster, light bulb, hose reel, eye wash cartridge	610122.2		340.11
026717	Kimball Midwest	Blade knife, rag, degreaser	610141		239.47
026817	MAZE & Associates	Basic Financial Statements and Memorandum, Control report	610261.1		3,495.00
026917	Municipal Resource	Human resources services	610261.4		4,450.00
027017	PG & E	Utilities	610021		1,419.94
027117	Praxair	Nitrogen	620141.7		28.80
027217	Pitney Bowes	Postage	620041		208.99
027317	Sonitrol	Monitoring charges	620021		743.00
027417	Verizon	Communication expenses	610022.4		315.22
027517	Wright Express	Fuel expenses, statement ended 11-15-16	610191.1		2,401.12
<b>Total Warrants</b>					<b>119,211.21</b>
<b>Total Warrants November 30</b>					<b>\$ 119,211.21</b>
<b>Total Warrants November 15</b>					<b>\$ 112,877.82</b>
<b>Total November Warrants</b>					<b>\$ 232,089.03</b>

**Alameda County Mosquito Abatement District Budget Summary**  
As of November 30, 2016. (5 of 12 mth, 41%)

Account #		EXPENDED IN (November)	EXPENDED TO DATE	BUDGETED	BALANCE	% EXPENDED
<b>SALARY &amp; BENEFITS</b>						
600001	Salary and Wages	\$ 138,411.00	\$ 717,762.79	\$ 1,700,594.00	\$ 982,831.21	42%
600401	Contribution to Medicare	\$ 1,826.26	\$ 8,735.84	\$ 24,659.00	\$ 15,923.16	35%
600201	Contribution to Retirement	\$ 11,743.28	\$ 342,128.57	\$ 422,589.00	\$ 80,460.43	81%
600601	Contribution to Health Care	\$ 37,647.84	\$ 190,929.85	\$ 500,000.00	\$ 309,070.15	38%
<b>SERVICE AND SUPPLIES</b>						
610001	Clothing and personal supplies	\$ 266.85	\$ 1,974.21	\$ 8,500.00	\$ 6,525.79	23%
610011	Laundry services and supplies	\$ 888.59	\$ 3,443.55	\$ 9,000.00	\$ 5,556.45	38%
610021	Utilities total	\$ 1,617.39	\$ 10,642.82	\$ 35,900.00	\$ 25,257.18	30%
<b>Communications</b>						
610022.1	Telephone Service & Internet	\$ 1,153.52	\$ 4,681.58	\$ 13,800.00	\$ 9,118.42	34%
610022.3	Website and email hosting	\$ 47.14	\$ 78.39	\$ 850.00	\$ 771.61	9%
610022.4	Cell phone service (Verizon)	\$ 315.22	\$ 2,891.06	\$ 9,000.00	\$ 6,108.94	32%
610141	Maintenance of equipment	\$ 780.52	\$ 6,667.00	\$ 45,000.00	\$ 38,333.00	15%
610122	Maintenance of structure and improvements					
610122.1	Landscaping service	\$ 195.00	\$ 975.00	\$ 3,600.00	\$ 2,625.00	27%
610122.2	Building Maintenance and repairs	\$ 1,604.12	\$ 4,967.50	\$ 10,000.00	\$ 5,032.50	50%
610122.3	Yard Maintenance and repairs	\$ -	\$ -	\$ 1,400.00	\$ 1,400.00	0%
<b>Transportation, travel, &amp; training</b>						
610191.1	Fuel and GPS (WexMart)	\$ 2,419.12	\$ 17,454.59	\$ 44,000.00	\$ 26,545.41	40%
610191.3	Meetings, conferences, & travel	\$ 1,319.22	\$ 3,378.99	\$ 35,000.00	\$ 31,621.01	10%
610191.4	Board meeting expenses	\$ -	\$ 148.67	\$ 1,000.00	\$ 851.33	15%
610191.5	Board payments in lieu	\$ 1,000.00	\$ 4,000.00	\$ 16,800.00	\$ 12,800.00	24%
610461.53	Continuing Education fees	\$ -	\$ 25.00	\$ 4,000.00	\$ 3,975.00	1%
610191.6	Training for trustees	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0%
610191.7	Staff Training (automotive, IT, staff development)	\$ 239.20	\$ 3,883.84	\$ 80,000.00	\$ 76,116.16	5%
<b>Professional services</b>						
610261.1	Audit	\$ 3,495.00	\$ 4,980.00	\$ 13,000.00	\$ 8,020.00	38%
610261.2	Actuarial reports	\$ -	\$ 1,300.00	\$ 3,000.00	\$ 1,700.00	43%
610261.3	Helicopter service	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	0%
610261.4	Legal services <sup>1</sup>	\$ 360.00	\$ 1,037.92	\$ 20,000.00	\$ 18,962.08	5%
610261.5	MVCAC Research Foundation	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
610261.6	UC Davis Zika virus vector competency research	\$ -	\$ 7,500.00	\$ 7,500.00	\$ -	100%
610261.7	Tax collection service - SCI	\$ -	\$ 16,121.98	\$ 35,000.00	\$ 18,878.02	46%
610261.8	Payroll service	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	0%
610261.9	Environmental consultant services for regulatory issues	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
610261.1	HR Services (RGS) <sup>1</sup>	\$ 4,450.00	\$ 13,599.90	\$ 25,000.00	\$ 11,400.10	54%
610261.11	OPEB service <sup>1,2</sup>	\$ 1,598.60	\$ 6,673.62	\$ 22,100.00	\$ 15,426.38	30%
610351	Annual memberships and dues total	\$ 6,026.00	\$ 15,175.00	\$ 22,935.00	\$ 7,760.00	66%
610378	Insurance total	\$ -	\$ 113,867.00	\$ 140,138.00	\$ 26,271.00	81%
610451	Community education total	\$ 20.00	\$ 4,299.11	\$ 35,000.00	\$ 30,700.89	12%
<b>Special expenses</b>						
610461.1	Pesticides	\$ 5,930.66	\$ 27,906.66	\$ 200,000.00	\$ 172,093.34	14%
610461.2	Field supplies (dippers etc)	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0%
610461.4	Fish and Fish Maint.	\$ -	\$ 1,227.03	\$ 4,000.00	\$ 2,772.97	31%
610461.51	Aerial Pool Survey	\$ -	\$ -	\$ 17,000.00	\$ 17,000.00	0%
610461.52	Permits	\$ 40.00	\$ 1,144.00	\$ 3,000.00	\$ 1,856.00	38%
610461.54	Board plaques and nameplates	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0%
610461.6	Spray equipment & Safety	\$ 515.96	\$ 2,964.11	\$ 14,000.00	\$ 11,035.89	21%
620021	Household expenses total	\$ 1,279.70	\$ 6,078.86	\$ 14,480.00	\$ 8,401.14	42%
620041	Office supplies total	\$ 2,457.71	\$ 6,601.20	\$ 22,400.00	\$ 15,798.80	29%
620042	Information technology					
620042.1	Computers, supplies and software	\$ 319.92	\$ 4,244.91	\$ 15,000.00	\$ 10,755.09	28%
620042.2	Contract services for Computer network	\$ 300.00	\$ 300.00	\$ 4,000.00	\$ 3,700.00	8%
620042.3	Database consultant	\$ -	\$ 4,717.50	\$ 25,000.00	\$ 20,282.50	19%
620141	Laboratory total	\$ 3,657.33	\$ 28,092.28	\$ 88,594.00	\$ 60,501.72	32%
620261	Small tools and instruments	\$ -	\$ 1,450.59	\$ 2,500.00	\$ 1,049.41	58%
650031.1	Capital expenditures	\$ -	\$ 161,581.47	\$ 295,000.00	\$ 133,418.53	55%
<b>TOTAL EXPENDITURES<sup>3</sup></b>		\$ 231,925.15	\$ 1,755,632.39	\$ 4,021,239.00	\$ 2,265,606.61	44%
<b>TOTAL WARRANTS</b>		\$ 232,089.03				

**Notes**

1- Accounts split

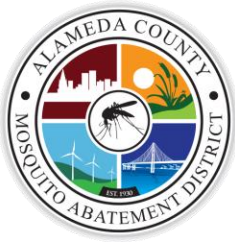
2- This account is deducted from our OPEB account, not our County funds nor included in expenditure totals.

**Discrepancy from Expenditures and Total Warrants** \$ 163.88

3- \$163.88 deducted from Capital Replacement Reserves, account #800002 on IRC page

**Investments, Reserves, and Cash Balance**

<b>Account #</b>		<b>ACTIVITY IN NOVEMBER</b>	<b>ACTIVITY TO DATE</b>	<b>Beginning Balance 7/1/16</b>	<b>Current BALANCE</b>	<b>% change</b>
<b>Reserves</b>						
800001	Working Capital (Dry Period Cash)	\$ -	\$ -	\$ 2,427,743.00	\$ 2,427,743.00	0.0%
800002	Capital Replacement	\$ 163.88	\$ 4,532.83	\$ 544,731.00	\$ 540,198.17	-0.8%
800003	Public Health	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00	0.0%
800004	Contingency	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	0.0%
800006	VCJPA Contingency	\$ -	\$ 77,000.00	\$ 210,282.00	\$ 287,282.00	36.6%
<b>Investment Accounts</b>						
800005	LAIF	\$ -	\$ -	\$ 149,911.25	\$ 150,343.29	0.3%
	OPEB Fund	\$ -	\$ (170,219.23)	\$ 3,937,589.87	\$ 3,838,925.73	-2.5%
<b>Bank of America (Payroll cash)</b>					\$ 140,499.87	NA
<b>Cash balance as of 11/30/16</b>			\$ 201,845.09	\$ 5,101,052.34	\$ 3,638,484.84	-28.7%



## Board of Trustees

### *President*

Richard Guarienti

### **Dublin**

### *Vice-President*

Kathy Narum

### **Pleasanton**

### *Secretary*

Robert Dickinson

### **Piedmont**

Humberto Izquierdo

### **County at Large**

Wendi Poulson

### **Alameda**

P. Robert Beatty

### **Berkeley**

Betsy Cooley

### **Emeryville**

George Young

### **Fremont**

Elisa Marquez

### **Hayward**

James N. Doggett

### **Livermore**

Eric Hentschke

### **Newark**

Jan O. Washburn

### **Oakland**

Ursula Reed

### **San Leandro**

Ronald E. Quinn

### **Union City**

### **Ryan Clausnitzer**

*District Manager*

## 1. OPERATIONS

### A. Narrative

#### OPERATIONS REPORT FOR NOVEMBER 2016

Service requests for the month of November were dominated by requests for mosquito fish. Most of the service requests involving mosquitoes were attributed to *Culiseta incidens*. This species, more so than any other species of mosquito in the district, is active year-round. Only one biting-mosquito service request was attributable to another species, *Culex pipiens*. All of the above fall into the norm for this time of year.

The main focus of field operations for the month was on our winter mosquito species: *Aedes squamiger*, *Culiseta inornata*, and *Aedes washinoi*. The first larvae of *Aedes sierrensis* this season were collected by field staff in November. The majority of treatments conducted in November were directed at *Ae. squamiger* and *Cs. inornata*. Argo treatments of several large sources were conducted in each of the district's three "marsh zones". The volume and frequency of treatments for these two species is expected to increase as we move into December and receive more rainfall. Many of our marsh sources are not, as of yet, holding significant amounts of rain water.

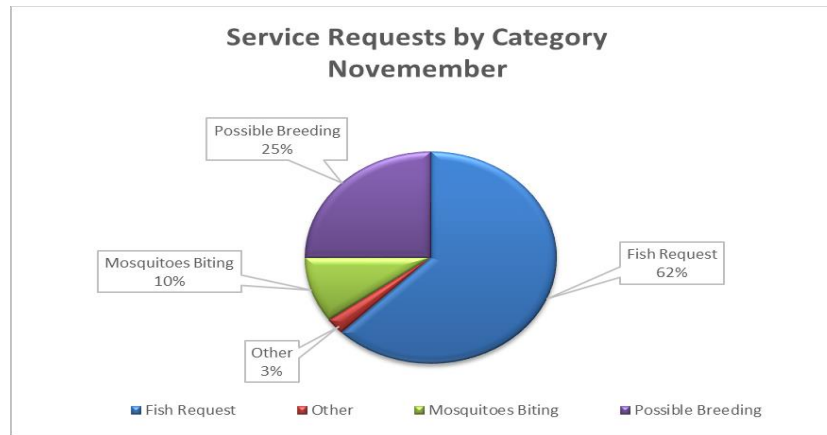
Monitoring and treatments of the Hayward Marsh for *Culex erythrothorax* continued through the month of November. These treatments will slow in frequency in December. This decrease is due to significant progress of the bull rush removal project undertaken by the East Bay Regional Park District on the one hand, and the tendency of this species to drop in numbers with the onset of cold and rainy winter weather on the other. Spring will be the first real indicator of the effectiveness of this project, but at the moment, the progress on vegetation removal shows promise.

The highest tides of the year, often coined "king tides", occurred in November. These very high tides yielded very few larvae of *Aedes dorsalis*. Some treatments were conducted for this species, but were minimal compared to what would have happened with tides of this magnitude if they occur in late spring or summer. Another very high tide event will occur in mid-December. As with November's high tide, the December high tide is not expected to produce large numbers of *Ae. dorsalis* but will be monitored closely.

Joseph Huston  
Field Operations Supervisor

## B. Operational Data

### 1. Service Requests



Insect Species Attributed to Service Request	#
<i>Cs incidens</i>	16
<i>Cx pipiens</i>	3
Psycodids	1

	November
<b>Total Service Requests</b>	<b>=40</b>
<b>Ten year average</b>	<b>=37</b>
<b>Five year average</b>	<b>=35</b>
<b>Last Year</b>	<b>=41</b>
<b>Range (10 yr) =</b>	<b>= 22-52</b>

### 2. Other

Number of all injuries during 2016 = 2

### 3. Activity Report

	November
Vacation Hours Used	174.75
Sick Hours Used	25.50
Workers Comp Used	2.5
ETO Used	8
<b>Total Leave</b>	<b>210.75</b>
<b>ETO Accrued</b>	<b>5</b>

## 2. LAB

Below is a description of the activities from the Lab for November, 2016

### Summary

- Weather has been cool and rainy, resulting in low mosquito abundance throughout the District.
- No detections of arboviruses in birds or mosquitoes during November, 2016.
- Proofs of two Extended Abstracts for the upcoming 2016 publication of the Proceedings and Papers of the MVCAC were received and approved for publication.
- Study the ovi-bucket and ovi-cup for trapping invasive *Aedes* have concluded. The ovi-bucket collects more invasive *Aedes*, and requires fewer work hours to monitor, resulting in a savings of at least \$23,000 in labor costs per year. The results suggest that the ovi-bucket are more effective in monitoring for invasive *Aedes* in Alameda County.
- Study of the mosquito magnet for collecting *Culex erythrothorax* have concluded and demonstrated it collects significantly more *Cx. erythrothorax* compared to standard CO<sub>2</sub> EVS traps. The results suggest the mosquito magnet can be an effective tool for suppressing populations of *Cx. erythrothorax* in marsh environments.
- Study of pesticide resistance in *Cx. erythrothorax* is ongoing. Results to date demonstrate this species collected at Hayward Regional Shoreline is more susceptible to permethrin compared to a susceptible lab colony of *Cx. pipiens*, but more resistant to resmethrin. Resistance studies using the lab colony of *Cx. pipiens* to etofenprox and naled are ongoing, but have been completed for *Cx. erythrothorax*.
- Public engagement activities included the Fremont Math Science Nucleus, the University of Arizona, Tucson, and the Teacher Institute at the San Francisco Exploratorium.

### Budget

As of November 30, 2016 (month 5 of 12, 42 % of the year), 32 % of the lab budget has been expended.

### Mosquito Abundance Monitoring

- **Mosquito abundance for November.** Weather for the month of November was cool with rain (mean temperature of 49 – 65 °F, with 1.40 inches of rain), which is not supportive of mosquito breeding in urban settings. Consequently, native mosquito abundance monitoring for the month of November was based solely upon collections from New Jersey Light Traps (NJLT). A total of 254 mosquitoes were caught in the NJLT during the month of November (n = 13 traps), with the greatest number collected during the first week of November, in the Union City NJLT (4.71 mosquitoes / trap night). In contrast, for 2015 and 2014, a total of 615 and 272 mosquitoes were collected in NJLT during the month of November.
- **Travel-related human arbovirus cases.** A total of five travel-related human cases of arboviruses (e.g. Zika virus) were reported to ACMAD by the Alameda County of Public

Health during the month of November. Three pairs of autocidal gravid traps (AGO) and ovi-buckets were placed in the area where the case resided while viremic, and none collected invasive *Aedes* in the traps.

## Arbovirus Monitoring

- **WNV in birds and mosquitoes.** No WNV-positive birds or mosquitoes were detected in Alameda County for the month of November. For the year 2016, 11 dead birds and 2 mosquito pools were found to contain WNV, which is substantially lower than the prior two years. During 2015, 19 birds and 16 mosquito pools were found to contain WNV, while in 2014, 97 birds and 16 mosquitoes were WNV-positive. This data suggests that the risk to humans acquiring WNV in Alameda County was lower for 2016 relative to the prior two years.

## Research

- **Ovi-bucket comparison to ovi-cup for trapping invasive *Aedes*.** Prior reports on the comparison of the ovi-bucket (designed by ACMAD Lab) and ovi-cup show the former captures significantly greater numbers of invasive *Aedes* eggs relative to the ovi-cup. We now show that the work hours needed to monitor for invasive *Aedes* using ovi-bucket is significantly lower than what is needed for a monitoring program using ovi-cup (Figure 1). For a single month of monitoring, 126.5 +/- 3.6 work hours per month are required when the program utilizes ovi-cups. In contrast, a monitoring program utilizing ovi-buckets requires 7.5 +/- 0.2 work hours per month (an 16.8-fold difference). This 16.8-fold difference in work hours reflects a savings of nearly \$23,000 per year for the invasive *Aedes* monitoring program at ACMAD (assuming \$16 / h for seasonal employees and a year-round monitoring program). When permanent lab staff participate in setting and retrieving invasive *Aedes* traps, the savings are substantially greater. An abstract will be submitted for presenting all of the results from this study at the 2017 Annual Meeting of the MVCAC, with the Biological Specialist as the lead author and presenter.
- **Mosquito Magnet Trap to suppress *Cx. erythrothorax* abundance.** The study of Mosquito Magnet Traps (MMT) for collecting *Cx. erythrothorax* in a marsh habitat have been performed in triplicate and are concluded. The results demonstrate that the MMT collects significantly more mosquitoes than standard EVS CO<sub>2</sub> traps (Figure 2), suggesting the former will be more effective in suppressing mosquito populations in marsh habitats. An abstract will be submitted for presenting all of the results from this study at the 2017 Annual Meeting of the MVCAC, with a Vector Biologist as the lead author and presenter.
- **Resistance of adult *Cx. erythrothorax* to pesticides.** The study of *Cx. erythrothorax* to chemical pesticides is nearly completed. The relatively limited number of susceptible lab colony *Cx. pipiens* available as controls to complete the study has slowed progress. To date, the lab has completed testing of *Cx. erythrothorax* against permethrin (with and without the synergist PBO), resmethrin, naled, and etofenprox (results shown in the November ACMAD Board of Trustees Report). During November, the lab completed the resistance testing of the *Cx. pipiens* from the susceptible lab colony for permethrin and resmethrin. The results demonstrate the *Cx. erythrothorax* collected from the Hayward

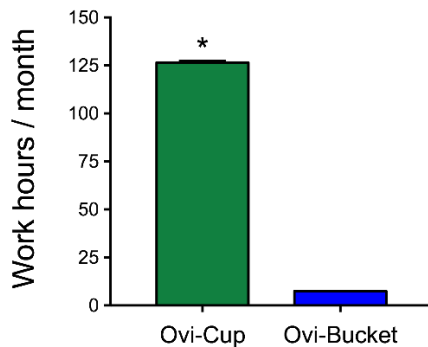


Regional Shoreline were more susceptible to permethrin, but more resistant to resmethrin, relative to the lab colony of *Cx. pipiens* (Figure 3). However, the differences in resistance between *Cx. erythrothorax* and *Cx. pipiens* were not significant (Unpaired t test,  $P > 0.18$ ). This result is of value because if *Cx. erythrothorax* are found in Alameda County to be infected with arboviruses, it may be possible to reduce their abundance using very low quantities of pesticide. Moreover, it suggests that the susceptible lab strain (which is used by many universities and agencies) may have been chronically exposed to chemical pesticides before the initial collection over two decades ago, or while being bred in the laboratory. Consequently, we are reconsidering the use of this lab strain as a control to evaluate pesticide resistance in mosquitoes. An abstract will be submitted for presenting all of the results from this study at the 2017 Annual Meeting of the MVCAC.

## Public Engagement

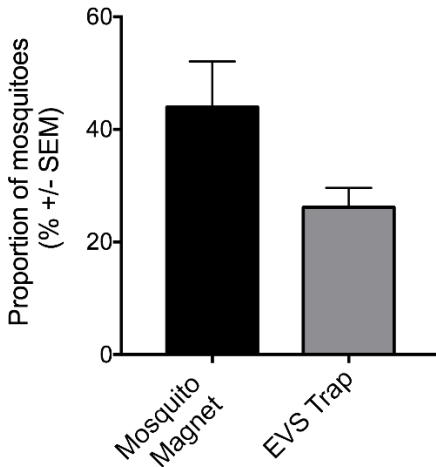
- **The Mission San Jose High School and Fremont Math Science Nucleus.** On November 21, the ACMAD Lab hosted the six high school students that led the invasive mosquito surveillance pilot program for the Fremont Math Science Nucleus. These students successfully set up quantitative PCR reactions to test for West Nile virus using inactivated virus that was provided by UC Davis.
- **Lecture for University of Arizona, Tucson.** On November 22, the Lab Director provided a one hour lecture via Skype for the course “Applied Concepts in Cyber Infrastructure” at the University of Arizona, Tucson. The course focused upon developing a solution to a computational problem, and this year it is modeling the future abundance of mosquito species across the states of Arizona and California. The lecture was focused on mosquito biology and control, and mosquito vectored disease.
- **Teacher Institute Training for the San Francisco Exploratorium.** On November 18, the Lab Director and Regulatory & Public Affairs Director provided materials and guidance to staff at the San Francisco Exploratorium in support of their hands-on Teacher Institute Workshop entitled “The Deadliest Animals on Earth: Mosquitoes!”. The outcome document of that workshop can be found at: <http://tinyurl.com/timosquitoes>.

## Figures

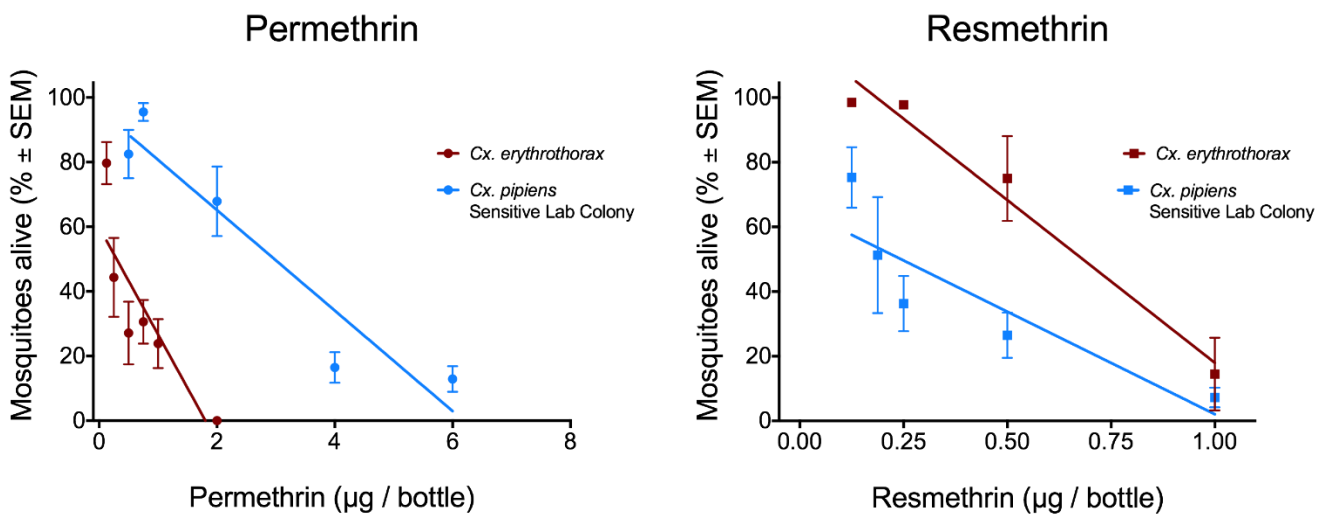


**Figure 1. Work hours per month needed to set and collect traps for monitoring invasive *Aedes* in Alameda County.** The driving and trap set-collection times were calculated using the

current invasive *Aedes* monitoring sites in Alameda County. The results show significantly greater time is needed to monitor for invasive *Aedes* using ovi-cups relative to ovi-buckets (ovi-cup: 126.5 +/- 3.6 hours / month, ovi-bucket: 7.5 +/- 0.21 hours / month; Paired t test,  $P < 0.0001$ ).



**Figure 2. Comparison of Mosquito Magnet Traps and EVS (CO<sub>2</sub>) trap for collecting *Cx. erythrothorax* at Hayward Regional Shoreline.** Mosquito Magnet Traps (MMT; n = 2) with one EVS CO<sub>2</sub> trap on either side (~ 50 meters apart) of each MMT were placed in the Hayward Regional Shoreline. Mosquitoes from each trap were collected over a 24 hour period and on four separate days, and the proportion of *Cx. erythrothorax* collected in the traps for each trap night determined. The results show significantly more mosquitoes were collected in the MMT relative to the EVS CO<sub>2</sub> traps (Students t test,  $P = 0.0266$ ).



**Figure 3. Resistance of *Cx. erythrothorax* collected from Hayward Regional Shoreline compared to a susceptible lab colony of *Cx. pipiens*.** *Cx. erythrothorax* were more susceptible to permethrin, but more resistant to resmethrin, relative to *Cx. pipiens* (R square >

0.72 for all linear regressions). However, the differences in resistance between the two species for each pesticide tested were not significant (Unpaired t test,  $P > 0.18$ ).

Submitted respectfully by Eric Haas-Stapleton, PhD on December 5, 2016.

### 3. PUBLIC EDUCATION

#### A. Upcoming Events

- **Spring Home & Garden Show** – Friday, February 17 – Sunday, February 19, 11am-6pm (Alameda County Fairgrounds, Pleasanton)

#### B. Google Analytics

	November 2016	October 2016
<b>Number of Sessions</b>	1,324	1,095
<b>Users</b>	1,018	955
<b>Pageviews</b>	2,536	1,994
<b>Average Session Duration</b>	1 minute 54 seconds	1 minute 33 seconds
<b>New Visitors</b>	978 (73.9%)	918 (83.7%)
<b>Top Cities</b>	Not Set (6%), Hayward (5.7%), Saint Petersburg (5.4%), San Francisco (4.9%), Los Angeles (2.3%)	San Francisco (7.8%), Hayward (6.6%), Oakland (3.7%), Not Set (3.7%), Los Angeles (2.5%)
<b>Top Pages</b>	Homepage (22%), California Species (13.5%), Education (11.6%), Mosquito Lifecycle (4.4%), Mosquito-borne Diseases (2.9%)	Homepage (20%), California Species (15.9%), Education (9.3%), Mosquito Lifecycle (8.1%), Request Mosquitofish (3.1%)

#### C. Facebook

	November 2016	October 2016
<b>Total Posts</b>	2	11
<b>Number Reached</b>	62	136
<b>Most Popular</b>	Zika interview w/ CDC Director	WNV victim story
<b>Total Number of "Likes"</b>	113	112

#### D. Twitter

	November 2016	October 2016
<b>Total Tweets</b>	2	11
<b>Tweet Impressions</b>	668	2,324
<b>Top Tweet (# Impressions)</b>	How to mosquito proof rain barrels (101)	Quarterly Newsletter (132)
<b>Profile Visits</b>	17	61
<b>New Followers (Total Followers)</b>	10 (436)	3 (428)

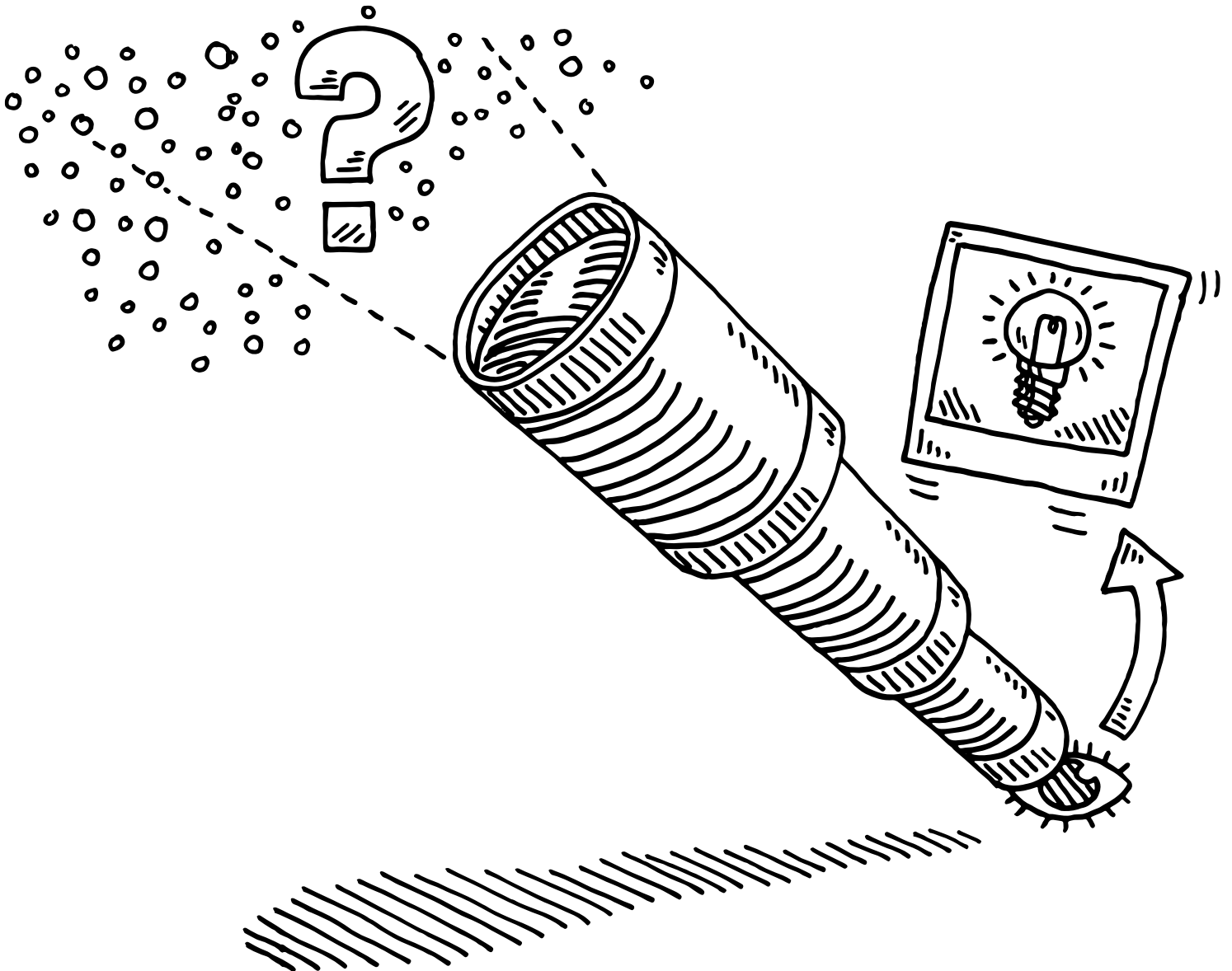


**California Special  
Districts Association**  
*Districts Stronger Together*



**BOARD MEMBER  
BEST PRACTICES  
WORKSHOP**

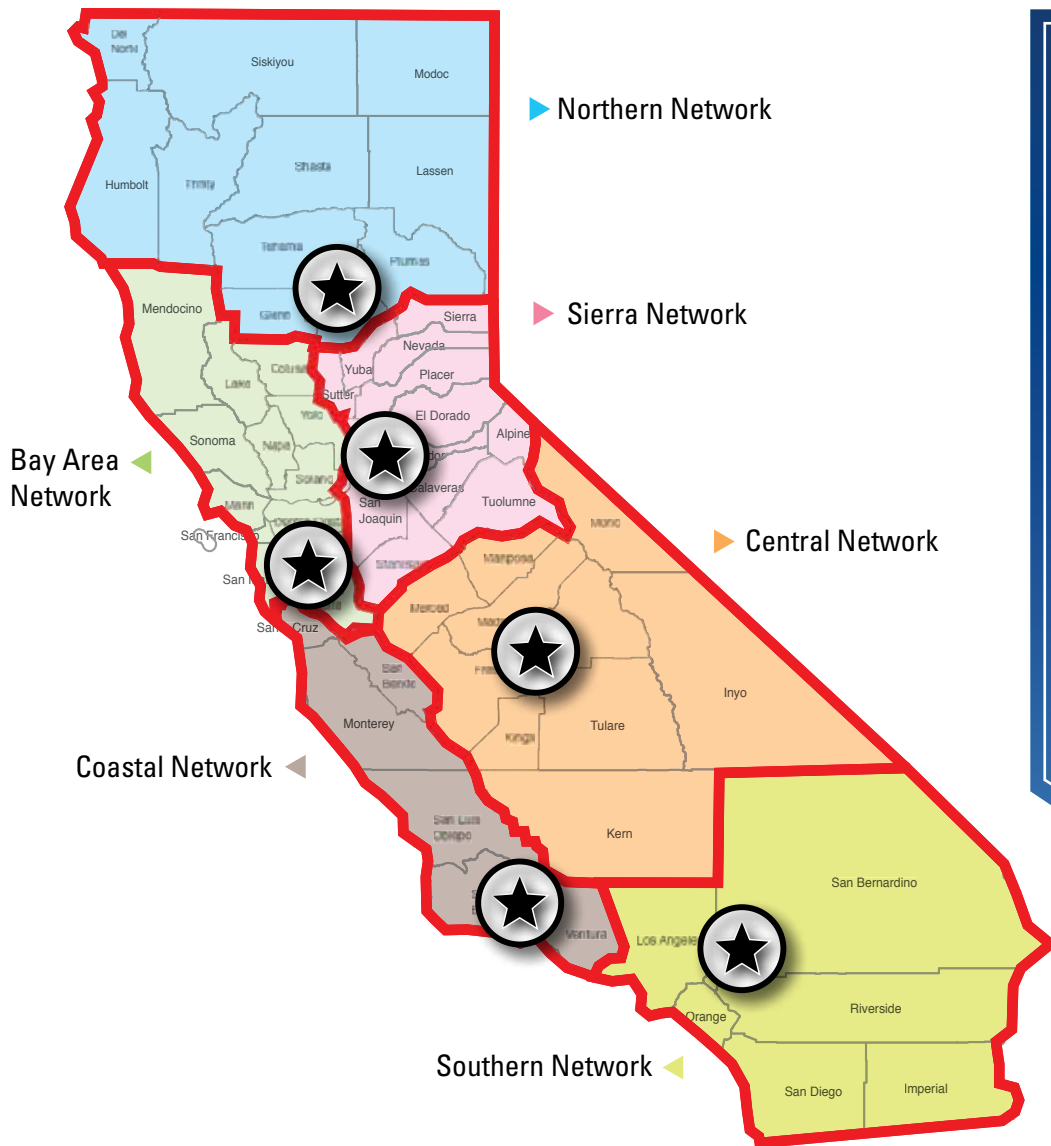
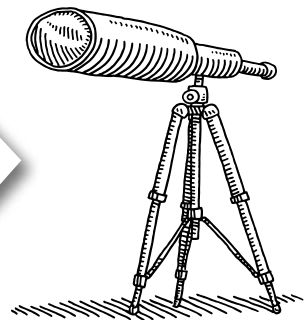
- CONVENIENT
- AFFORDABLE
- EDUCATIONAL



Local

# BOARD TRAININGS CLOSE TO HOME!

ONE HELD IN EACH OF CSDA'S DISTRICT NETWORKS for your convenience!



## BOARD MEMBER BEST PRACTICES WORKSHOP

MEETS ETHICS TRAINING REQUIREMENT  
EARN SDRMA CREDIT INCENTIVE POINTS

### AGENDA

8:30 – 9:00 A.M.  
REGISTRATION

9:00 A.M. – 12:00 P.M.  
WORKSHOP

12:00 – 1:00 P.M.  
LUNCH PROVIDED AND  
DISTRICT NETWORK DISCUSSION

### COST

FREE - SDRMA MEMBER  
\$50 - CSDA MEMBER  
\$75 - NON-MEMBER

*Find one near you!*

January 19, 2017 – SOUTHERN NETWORK

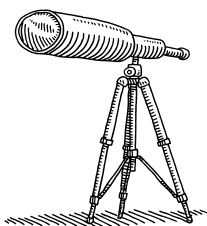
February 9, 2017 – CENTRAL NETWORK

January 26, 2017 – COASTAL NETWORK

February 16, 2017 – BAY AREA NETWORK

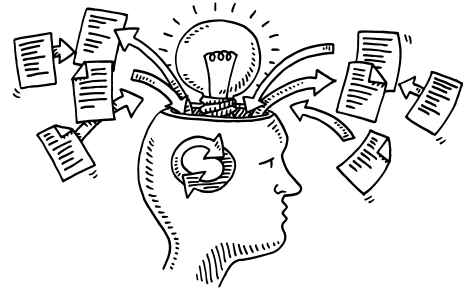
February 3, 2017 – SIERRA NETWORK

February 23, 2017 – NORTHERN NETWORK



Wow

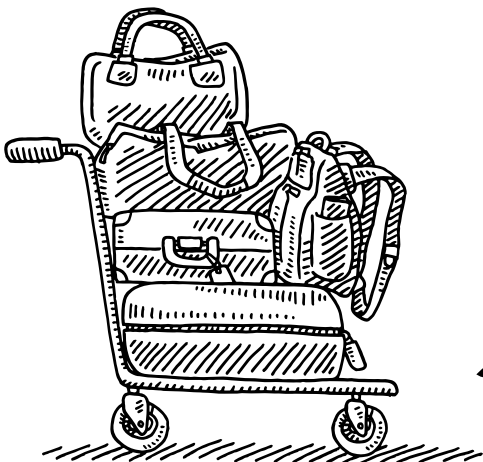
## GREAT BOARDS ARE MADE UP OF GREAT BOARD MEMBERS



**GREAT BOARDS ARE MADE UP OF GREAT BOARD MEMBERS:** they have a unity of purpose and a shared vision for their district. They may not always agree, but they come together when it counts for the good of the district and their constituents. Get your start, or continue down the path, of being a great board member with the following professional development events tailored to the unique needs of California's special district board members and trustees.

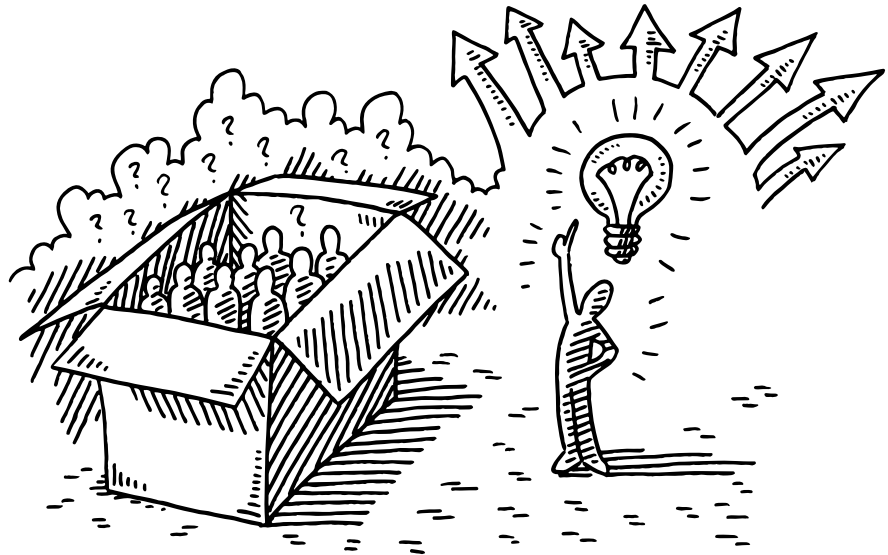
**OUR BOARD MEMBER BEST PRACTICES WORKSHOP** will get you up to speed quickly and with six workshops – one in each of CSDA's District NetWorks - there is sure to be one close to home.

This **fast-paced and informative session covers all of the essential best practices of serving as a board member or trustee of a special district.** As an introduction to CSDA's Special District Leadership Academy, this session will highlight: the roles of board members and staff; policies and procedures your district should consider to ensure effective governance; and general ethics principles related to special districts including an overview of laws affecting special districts (among other important topics).



*No need to bring  
your luggage!*

*Packaged for you...*



**January 19, 2017** – [SOUTHERN NETWORK](#) – THREE VALLEYS MUNICIPAL WATER DISTRICT: 1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711

**January 26, 2017** – [COASTAL NETWORK](#) – SANTA YNEZ COMMUNITY SERVICES DISTRICT: 1070 FARADAY STREET, SANTA YNEZ, CA 93460

**February 3, 2017** – [SIERRA NETWORK](#) – CSDA TRAINING CENTER, 1112 I STREET, SUITE 250, SACRAMENTO, CA 95814

**February 9, 2017** – [CENTRAL NETWORK](#) – CLOVIS VETERANS MEMORIAL DISTRICT, 808 4TH STREET, CLOVIS, CA 93612

**February 16, 2017** – [BAY AREA NETWORK](#) – SANTA CLARA VALLEY WATER DISTRICT, 5750 ALMADEN EXPRESSWAY, SAN JOSE, CA 95118

**February 23, 2017** – [NORTHERN NETWORK](#) – SHASTA MOSQUITO & VECTOR CONTROL DISTRICT, 19200 LATONA ROAD, ANDERSON, CA 96007

*Don't forget!*

**BOARD MEMBERS AND TRUSTEES ARE REQUIRED TO RECEIVE THE FOLLOWING TRAINING:**

**Required Ethics AB 1234 Compliance Training** – Every two years if you receive compensation or are reimbursed for your expenses. This is a best practice for all board members/trustees.

*You can satisfy this requirement one of four ways:*

- Live Ethics Compliance webinar: March 16, 2017 from 10:00 a.m. – 12:00 p.m.
- Participating in the Board Member Best Practices workshop.
- On-Demand Ethics Compliance webinar: available on-demand at [www.csd.net](http://www.csd.net). You can watch anytime, anywhere, and print your own certificate.
- Ethics Compliance DVD: visit [csd.net](http://csd.net), click professional development and bookstore.

**Required Harassment Prevention Training for District Boards and Staff** – Every two years if you receive any type of compensation, salary or stipend. This is a best practices for all board members/trustees.

*You can satisfy this requirement one of two ways:*

- Live Required Sexual Harassment Prevention webinar: January 24, 2017 from 10:00 a.m. – 12:00 p.m.
- On-Demand Sexual Harassment Prevention webinar: available on-demand at [www.csd.net](http://www.csd.net). You can watch anytime, anywhere and print your own certificate.

**Other helpful professional development activities for new and experienced board members include:**

- CSDA's Special District Leadership Academy Conference
- CSDA webinars – available live or on-demand at [www.csd.net](http://www.csd.net)
  - Must Have Communication Protocols for Board Members and Staff
  - Brown Act: Principles, Traps, and Avoiding Unintentional Violation
  - Rules of Order Made Easy!
  - Who Does What? Best Practices in Board/Staff Relations
  - Understanding Board Member & District Liability Issues



California Special Districts Association

# 2017 BOARD MEMBER BEST PRACTICES REGISTRATION

**One form per registrant. Please make copies as needed.**

Name/Title:		
District:		
Address:		
City:	State:	Zip:
Phone:	Email:	
Member status: <input type="checkbox"/> CSDA + SDRMA Member <input type="checkbox"/> CSDA Member <input type="checkbox"/> Non-member		

BOARD MEMBER BEST PRACTICES WORKSHOP	Total
<input type="checkbox"/> January 19, 2017 – Southern Network - Claremont	
<input type="checkbox"/> January 26, 2017 – Coastal Network - Santa Ynez	
<input type="checkbox"/> February 3, 2017 – Sierra Network - Sacramento	
<input type="checkbox"/> February 9, 2017 – Central Network - Clovis	
<input type="checkbox"/> February 16, 2017 – Bay Area Network - San Jose	
<input type="checkbox"/> February 23, 2017 – Northern Network - Anderson	
<input type="checkbox"/> FREE SDRMA Member <input type="checkbox"/> \$50 CSDA Member <input type="checkbox"/> \$75 Non-Member	

BOARD MEMBER BEST PRACTICES WORKSHOP - SUBTOTAL 1:

REQUIRED AND RECOMMENDED TRAINING WEBINARS	Total
Required Sexual Harassment Prevention Training for Special Districts January 24, 2017 @ 10:00 a.m. – 12:00 p.m.	
<input type="checkbox"/> Free SDRMA Member <input type="checkbox"/> \$69 CSDA Member <input type="checkbox"/> \$99 Non-Member	
Required Ethics Compliance Training – AB1234 March 16, 2017 @ 10:00 a.m. – 12:00 p.m.	
<input type="checkbox"/> Free SDRMA Member <input type="checkbox"/> \$69 CSDA Member <input type="checkbox"/> \$99 Non-Member	

WEBINARS - SUBTOTAL 2:

(COMBINE SUBTOTALS 1 AND 2) ----- TOTAL AMOUNT DUE:

Cancellations must be made **IN WRITING** and received via fax or mail no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee.

<b>Payment information</b>	
<input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> American Express <input type="checkbox"/> Discover	
Acct. name:	Acct. Number:
Expiration date:	Authorized Signature:

<b>Mail or Fax completed form to:</b> CSDA, 1112 I Street, Suite 200 Sacramento, CA 95814 f: 916.520.2465	<b>Questions?</b> Please contact us toll-free: 877.924.2732	<b>Visit <a href="http://www.csda.net">www.csda.net</a> for additional cost-effective and convenient trainings.</b>
--	---	---





**3** opportunities  
for training  
THROUGHOUT THE STATE!



CSDA's  
Special District  
Leadership Academy

FEB. 26 - MAR. 1, 2017 - LA JOLLA

APR. 23-26, 2017 - SAN LUIS OBISPO

JULY 9-12, 2017 - NAPA

# SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE



*A Comprehensive Governance Leadership Conference  
for Elected and Appointed Directors/Trustees.*



presented by  
CSDA and  
co-sponsored  
by SDRMA



# SDLA

Participate in the **Special District Leadership Academy Conference** and complete all four modules of the Academy during the course of two and a half days.

This conference content is based on CSDA's Special District Leadership Academy (SDLA) groundbreaking, curriculum-based continuing education program, which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities and is designed for both new and experienced special district board members.

CSDA has created this conference to provide new board members with immediate training, to offer newly elected board presidents the training they need to lead effectively, and to provide experienced board members with current practices and information about the key concerns facing special districts.



*Whether you're new to the board or someone who has served for many years, this conference provides essential tools and information to effectively govern your district!*



#### **SDRMA Credit Incentive Points**

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points can be earned based on an agency's attendance at the Special District Leadership Academy Conference reducing SDRMA member's annual contribution amount.

“As a new board member, I truly enjoyed attending the Governance Foundations workshop. The material was informative, and I recommend this workshop to anyone serving as an elected official.”

– Shiva Frentzen, Director, Cameron Park Community Services District

## Why attend?

Local boards are the reason why local control is local. Special district boards are the voices of the community and they are also a large reason why special districts exist. The truth is that every elected or appointed public official needs to worry about governance; governance is what boards do. It’s what they bring to the table. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.

### Attendees will learn:

- Working as a team: The roles of the board and staff in your district.
- Attributes and characteristics of highly effective boards.
- How culture, norms, values, and operating styles influence the district.
- Specific jobs that the board must perform.
- How individual values, skills, and knowledge help shape how effective boards operate.
- The importance of moving from “I” to “we” as the governance team.
- The board’s role in setting direction for the district.
- The board’s role in finance and fiscal accountability.
- Much more!

## Where to stay



**February 26 – March 1, 2017**  
**Embassy Suites La Jolla**  
 4550 La Jolla Village Drive  
 San Diego, CA 92122

### ROOM RESERVATIONS

Room reservations are available at CSDA rate of \$159 plus tax, single or double occupancy by calling 1-800-362-2779 and using the group code XLE. The CSDA rate also includes discounted parking and complimentary guest room internet. The room reservation cut-off is January 27, 2017, however, space is limited and may sell out before this date.

### EARLY BIRD DISCOUNT

The early bird discount for this location requires registration on or before Friday, January 27, 2017.

### CANCELLATIONS

*Cancellations must be in writing and received by CSDA no later than February 13, 2017 at 5:00 p.m. All cancellations received by this date will be refunded less a \$75 cancellation fee. There will be no refunds for cancellations made after February 13, 2017. Substitutions are acceptable and must be done in writing no later than February 20 at 5:00 p.m. Please submit any cancellation notice or substitution requests to [meganh@csda.net](mailto:meganh@csda.net) or fax to 916-520-2465.*



**April 23 – 26, 2017**  
**Embassy Suites San Luis Obispo**  
 333 Madonna Road  
 San Luis Obispo, CA 93405

### ROOM RESERVATIONS

Room reservations are available at CSDA rate of \$120 plus tax, single or double occupancy by calling 805-549-0800 and using the group code XCO. There is complimentary self-parking at this location. The room reservation cut-off is March 24, 2017, however, space is limited and may sell out before this date.

### EARLY BIRD DISCOUNT

The early bird discount for this location requires registration on or before Friday, March 24, 2017.

### CANCELLATIONS

*Cancellations must be in writing and received by CSDA no later than April 10, 2017 at 5:00 p.m. All cancellations received by this date will be refunded less a \$75 cancellation fee. There will be no refunds for cancellations made after April 10, 2017. Substitutions are acceptable and must be done in writing no later than April 17 at 5:00 p.m. Please submit any cancellation notice or substitution requests to [meganh@csda.net](mailto:meganh@csda.net) or fax to 916-520-2465.*



**July 9 – 12, 2017**  
**Embassy Suites Napa Valley**  
 1075 California Blvd.  
 Napa, CA 94559

### ROOM RESERVATIONS

Room reservations are available at CSDA rate of \$169 plus tax, single or double occupancy by calling 1-800-HILTONS and using the group code CAS. The room reservation cut-off is June 9, 2017, however, space is limited and may sell out before this date.

### EARLY BIRD DISCOUNT

The early bird discount for this location requires registration on or before Friday, June 9, 2017.

### CANCELLATIONS

*Cancellations must be in writing and received by CSDA no later than June 26, 2017 at 5:00 p.m. All cancellations received by this date will be refunded less a \$75 cancellation fee. There will be no refunds for cancellations made after June 26, 2017. Substitutions are acceptable and must be done in writing no later than July 3 at 5:00 p.m. Please submit any cancellation notice or substitution requests to [meganh@csda.net](mailto:meganh@csda.net) or fax to 916-520-2465.*

## Demonstrate your commitment to good governance.

During the course of this conference, you will complete the entire Academy.

### SUNDAY

5:30 – 7:00 p.m.

#### REGISTRATION AND NETWORKING RECEPTION



Take a moment to network with your peers from throughout the state at this informal networking reception. Reception includes light appetizers.

### MONDAY

8:30 a.m. – 12:30 p.m. *(Break for all attendees from 10:00 - 10:30 a.m.)*

#### BUILDING A FOUNDATION FOR GOOD GOVERNANCE

In this informational session, the instructor will lay the ground work for good governance in your district. Attendees will discover:

- Why good governance is so important to the overall well-being of the district.
- The traits of effective board members.
- What good governance means and how to effectively put it into practice
- How to move your board from “I” to “we,” including how to become an effective team, establish team standards, and essential conditions for team building.

*This session covers Module 1 of the Special District Leadership Academy: Governance Foundations.*



**“Helped clarify my role as a new director.”**

– D. Albright, Director, Greater Vallejo Recreation District

12:30 – 1:30 p.m.

**LUNCH PROVIDED** *(all attendees)*

1:45 – 4:30 p.m. *(Break for all attendees from 3:00 - 3:30 p.m.)*

#### FULFILLING YOUR DISTRICT'S MISSION - CHARTING THE COURSE

This session will highlight the importance of setting the direction for your district. Learn the critical components of direction setting for your district along with how to avoid planning pitfalls. Attendees will walk through the steps of establishing and fulfilling your district's mission, vision, values, and strategic goals and how to communicate those objectives to your constituents.

*This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.*

5:30 – 7:00 p.m

#### SIP AND SAVOR EVENING RECEPTION

*Join us for a lively evening of networking and refreshments.*

*Sponsored by Special District Risk Management Authority*



You must attend all education sessions to earn your graduation certificate at the conclusion of the conference.

## TUESDAY

8:30 – 10:00 a.m.

### GET THE WORD OUT! BEST PRACTICES FOR COMMUNICATION AND OUTREACH

This session looks at common communication breakdowns and potential areas for improvement in public agency communications. It will discuss proper and effective communication methods to be aware of as a governing official including:

- Identifying audiences.
- Responding to public input.
- Media relations.
- Legislative outreach and advocacy.

*This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.*

10:00 – 10:30 a.m.

**BREAK** (all attendees)

10:30 a.m. – 12:00 p.m.

### DEFINING BOARD AND STAFF ROLES AND RELATIONSHIPS PART 1

This conference session will teach participants how to determine the Human Resource health of their district and what areas to focus on as a board and individual governing official including:

- Identifying the board's role in human resources.
- Recognizing HR red flags and positive indicators.
- Developing and maintaining essential HR policies.
- Covering confidentiality and legal liabilities.
- Evaluating the general manager.

*This session covers Module 4 of the Special District Leadership Academy: Board's Role in Human Resources.*

12:00 – 1:00 p.m.

**LUNCH PROVIDED** (all attendees)

1:15 – 4:00 p.m. (Break for all attendees from 2:45 - 3:00 p.m.)

### DEFINING BOARD AND STAFF ROLES AND RELATIONSHIPS PART 2

## OPEN EVENING

## WEDNESDAY

8:30 a.m. – 12:00 p.m. (Break for all attendees from 10:00 - 10:30 a.m.)

### SHOW ME THE MONEY! WHAT DO BOARD MEMBERS NEED TO KNOW ABOUT DISTRICT FINANCES?

This session will provide a review and insight of important financial concepts, reports, and policies specific to public agencies including special districts. Attendees will learn:

- How to ask the right questions.
- How to link the finance process to the district mission and goals.
- Budget process, budget assessment, and communicating budget information to the public.
- How to develop and analyze capital improvement plans and reserve guidelines.

*This session covers Module 3 of the Special District Leadership Academy: Board's Role in Finance and Fiscal Accountability.*

12:00 – 12:30 p.m.

### GRADUATION - CERTIFICATE DISTRIBUTION

At the completion of the conference attendees will be awarded a certificate of completion for the Special District Leadership Academy.

**Attendees must attend all education sessions to receive credit.**



“The workshop on Setting Direction/Community Leadership was out-standing. The instructor defined roles and responsibilities which were essential to productive and conscientious board members. The Leadership Academy should be a requirement for all new board members.”

– Dave Kulchin, Board Member, Leucadia Wastewater District



# 2017 Registration Form

Special District Leadership Academy Conference

### Three Ways to Register

- **Register online** by visiting the Special District Leadership Academy Conference website at [leadershipacademy.csda.net](http://leadershipacademy.csda.net).
- **Fax number:** 916-520-2465. All faxed registration forms must include credit card payment.
- **Mail:** CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Please include registration form and payment. Checks should be made payable to: California Special Districts Association.

### Not sure if you are a member?

Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the many benefits of CSDA membership, contact Member Services Director Cathrine Lemaire at [cathrinel@csda.net](mailto:cathrinel@csda.net) or call toll-free at the number listed above.

### Registration fees include:

- 2.5 days of education and materials
- 2 luncheons
- 2 receptions

Name/Title:		
District:		
Address:		
City:	State:	Zip:
Phone:	Fax:	
<input type="checkbox"/> Member <input type="checkbox"/> Non-member	Email:	
Emergency Contact - Name & Phone:		
<b>WHICH CONFERENCE WILL YOU BE ATTENDING?</b>		
<b>FEBRUARY 26 - MARCH 1, 2017 - LA JOLLA</b> <b>EARLY BIRD DISCOUNT: JANUARY 27</b> <input type="checkbox"/> CSDA Member \$600 <input type="checkbox"/> Non-Member \$900  <b>AFTER JANUARY 27</b> <input type="checkbox"/> CSDA Member \$650 <input type="checkbox"/> Non-Member \$975	<b>APRIL 23-26, 2017 - SAN LUIS OBISPO</b> <b>EARLY BIRD DISCOUNT: MARCH 24</b> <input type="checkbox"/> CSDA Member \$600 <input type="checkbox"/> Non-Member \$900  <b>AFTER MARCH 24</b> <input type="checkbox"/> CSDA Member \$650 <input type="checkbox"/> Non-Member \$975	<b>JULY 9-12, 2017 - NAPA</b> <b>EARLY BIRD DISCOUNT: JUNE 9</b> <input type="checkbox"/> CSDA Member \$600 <input type="checkbox"/> Non-Member \$900  <b>AFTER JUNE 9</b> <input type="checkbox"/> CSDA Member \$650 <input type="checkbox"/> Non-Member \$975
<b>SEND MORE - SAVE MORE! -- SPECIAL DISCOUNTED PRICING!</b>		
<b>ADDITIONAL ATTENDEE FROM THE SAME DISTRICT BEFORE EARLY BIRD DISCOUNT</b> <input type="checkbox"/> CSDA Member \$400 <input type="checkbox"/> Non-Member \$600	<b>ADDITIONAL ATTENDEE FROM THE SAME DISTRICT AFTER EARLY BIRD DISCOUNT</b> <input type="checkbox"/> CSDA Member \$450 <input type="checkbox"/> Non-Member \$675	
<b>Payment</b>		
<input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover <input type="checkbox"/> American Express		
Acct. name:	Acct. Number:	
Expiration date:	Authorized Signature:	
<b>Special needs</b>		
<input type="checkbox"/> Vegetarian <input type="checkbox"/> Other:		



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY



## Paving the way to a more secure future.

For over 30 years, SDRMA has been helping California public agencies guard the future and manage risk with confidence. With the benefit of world-class risk management consulting and technical experts, we've been providing superior coverage protection programs exclusively for public agencies. And we do it in a way that works seamlessly as a single resource for all your coverage protection and risk management needs.

Learn more about our property/liability, workers' compensation and health benefits programs at [www.sdrma.org](http://www.sdrma.org)





California Special Districts Association  
1112 I Street, Suite 200  
Sacramento, CA 95814

*A proud California Special Districts Alliance partner.*

PRSR STD  
U.S. Postage  
**PAID**  
Permit No. 316  
Sacramento, CA



*A Comprehensive Governance Conference  
for Elected and Appointed Directors/Trustees.*

**2017 SPECIAL DISTRICT LEADERSHIP ACADEMY CONFERENCE**